

## Multi-Donor Trust Fund for Justice Sector Support in Serbia



Kingdom of the Netherlands



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
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SWEDEN



WORLD BANK GROUP

# 2016 ANNUAL REPORT

MDTF-JSS BANK - EXECUTED COMPONENTS



Multi-Donor Trust Fund for Justice Sector Support in Serbia, World Bank

**2016 ANNUAL REPORT**  
**MDTF-JSS BANK-EXECUTED COMPONENTS**



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1. This report summarizes the main activities conducted under the Bank-executed components of the Multi-Donor Trust Fund for Justice Sector Support in Serbia (MDTF-JSS). This Bank-executed annual report should be read in conjunction with the Government of Serbia's own annual report for the Government-executed component of the MDTF-JSS for the same period.

2. In 2016, the Bank-executed component of the MDTF-JSS made progress on a range of analytic advisory reports, key reform strategies and capacity building activities to '*support the strengthening of the justice sector of the Republic of Serbia in order to facilitate its integration into the European Union*'. In working towards this development objective, the MDTF-JSS takes a sector-wide approach and promotes dialogue and coordination arrangements between the executive, judiciary, development partners, civil society, and academia.

3. The extension of the MDTF-JSS for three more years (2016-2018) required the preparation of the new Result Framework. The new simplified Result Framework was developed in conjunction with the Independent Evaluation Group (IEG) and tailored to the nature of the MDTF-JSS as a small hybrid fund, in accordance with World Bank rules. The 2016 Annual Report shows progress as measured against the new Result Framework, focusing on achievement against each of the three outcome indicators of the Results Framework.

## COMPONENT 1: BANK-EXECUTED ADVISORY SERVICES

### 1. Outcome Indicator #1: the Ch23 AP and key reform strategies are developed and monitored.

4. Serbia's Chapter 23 Action Plan is intended to define a vision for how Serbia should move toward fully respecting the rule of law and fundamental rights. Serbia has committed to implementing a suite of reforms and activities to improve the performance of the justice sector, and thereby improve the lived experience of businesses and citizens who face justice problems. The purpose of the Chapter 23 Action Plan is to provide a clear, jointly agreed, and transparent reform roadmap for all justice stakeholders and international partners that support Serbia in the EU Accession process.

5. Under the Bank-executed component, the MDTF-JSS contributes to the achievement of this outcome indicator by playing an advisory role to justice sector stakeholders. The Bank contributes expertise, technical know-how, international and regional examples, and targeted analyses that can inform the development and implementation of various aspects of these strategies and plans. Advisory services provided in 2016 are outlined below.

#### 1.1. Support to establishment of Victim Support Services

6. Progress is being made on a range of analytic advisory reports that support the Serbian justice sector in establishing victim support services in line with EU 2012/29 Directive establishing minimum standards on the rights, support and protection of victims of crime. As part of its EU accession process, Serbia is developing its victims' rights system in order to comply with the EU Directive and related EU legislation.

7. The MDTF-JSS is partnering with regional non-governmental organization, Victim Support Europe (VSE), to assess the legislative framework and current practice and to provide advice and guidance for how to establish a nationwide comprehensive victim support service in Serbia in line with EU Directive 2012/29.



Figure 1. Needs of victims of crime

8. To do so, the team worked with stakeholders across the criminal justice sector on an *Institutional Assessment of victim support services and the comparative analysis of EU experiences*. The assessment informs an options paper with recommendations based

on existing best practice and analysis of the victims support systems of five EU Member States (Croatia, England, Finland, France, and the Netherlands). Research into victims' rights and services in Serbia was done through a triangulation of methods. These included desk research, exploratory in-depth interviews, an online survey for victim support organizations and international agencies, as well as semi-structured interviews with a range of stakeholders including police, prosecutors, judges and victim support practitioners. The *Analysis of*

*Victims' Rights and Services in Serbia and their Alignment with EU Directive 2012/29* was finalized in June 2016.<sup>1</sup>

9. The institutional assessment of victim support services and the comparative analysis of EU experience has helped to inform debate and decision-making and to selection among different models that exist in the EU. Based on the assessment, the Ministry of Justice (MOJ) was able to plan ahead for IPA 2016 support to enhance victim services in Serbia.

10. The MDTF-JSS team also conducted a legal analysis on victims support in order to thoroughly assess the alignment of Serbian legislation with the EU Acquis, with particular attention to that affecting juveniles and police. Both analyses inform the work of the relevant working groups on amendments of Law on Juvenile, Criminal Procedure Code and Law on Police.

- a. The analysis of the legislative framework related to victim support services identified Juvenile Legislation and legislation regulating the work of the police as priorities. The *Assessment of the Alignment of Serbian Juvenile Legislation with the EU 2012/29 Directive was prepared in May 2016*.<sup>2</sup> The purpose of this assessment was to identify the extent of alignment of the Law on Juveniles with the EU 2012/29 Directive article by article. Serbian legislators can use this document as a baseline tool for amendments to national legislation in the process of harmonization with the EU Acquis, especially with regard to the Law on Juveniles, Criminal Procedure Code, and Law on Execution of Criminal Sanctions.
- b. The *Assessment of the Alignment of Police Legislation with the EU 2012/29 Directive* was drafted in December 2016.<sup>3</sup> The analysis of legislation and policy documents relevant to police responsibilities towards victims of crime was carried out with a view to assessing compliance with the EU Victims' Rights Directive. The analysis included a desk review of documents, practice guidelines, secondary laws and other relevant documents. The purpose of the assessment is to ensure proper support to victims of crime during throughout the entire justice process from first contact with police and prosecutors through the courts.

11. The MDTF-JSS will continue to partner with VSE to conduct: a mapping of all victim support services currently offered in Serbia; a comparative analysis of Finnish and French models for victims' support, given their relevance to Serbia's context; an analysis of funding models, given the importance of fiscal sustainability to the viability of the support system. Work under these activities started in 2016 and will continue through 2017. These activities have been agreed with the EU Delegation to ensure that analytic work lays the foundation for future IPA financing.

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<sup>1</sup> Available at: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/analysis-of-victims-rights-and-services-in-serbia-and-their-alignment-with-eu-directive-2012-29-eu#.WL7Ir4WcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/analysis-of-victims-rights-and-services-in-serbia-and-their-alignment-with-eu-directive-2012-29-eu#.WL7Ir4WcHcw)

<sup>2</sup> The Assessment is available on the MDTF-JSS website at: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/assessment-of-alignment-of-serbian-juvenile-legislation-with-the-eu-2012-29-victim-support-directive-#.WL13kYWcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/assessment-of-alignment-of-serbian-juvenile-legislation-with-the-eu-2012-29-victim-support-directive-#.WL13kYWcHcw)

<sup>3</sup> The final report is available on the MDTF-JSS website at: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2017/assessment-of-alignment-of-serbian-police-legislation-with-the-eu-2012-29-victim-support-directive#.WRRB1oVOI2w](http://www.mdtfjss.org.rs/en/mdtf_activities/2017/assessment-of-alignment-of-serbian-police-legislation-with-the-eu-2012-29-victim-support-directive#.WRRB1oVOI2w)

## 1.2. Support to the State Prosecutorial Council to effectively perform its tasks

12. The MDTF-JSS team worked closely with the State Prosecutorial Council (SPC) on a range of institutional strengthening activities. The Chapter 23 Action Plan envisages that the SPC should be strengthened, in particular its strategic planning role, and should take the leadership role in managing the prosecution system.

13. The MDTF-JSS team finalized a ***Training Needs Assessment for the SPC*** in light of its significantly expanded responsibilities envisioned in the National Judicial Reform Strategy and Chapter 23 Accession Action Plan. The Training Needs Assessment for the SPC is the first systematic approach aiming to increase capacities of the SPC Administrative Office. The assessment analyzes the existing skills, training needs, delivery options/providers, and a training plan for all staff of the SPC. The team facilitated a workshop in May 2016 with the new members of the Council and the Secretariat to validate the results and agree on next steps for capacity building of staff.<sup>4</sup>

14. The Training Needs Assessment found that no continuing education had ever been offered to SPC Administrative Office staff. The Training Needs Assessment also acts as a planning tool, and the SPC use it to identify training opportunities available within Government, and which could be funded by the MDTF-JSS and other donors. For this reason, the MDTF-JSS included SPC staff in the MDTF-JSS training plan for 2016. (Information on trainings provided is available in the Recipient Executed Annual report.) The MDTF-JSS will continue to provide support to the Administrative Office staff in 2017. The purpose of the trainings is to increase capacities of the Administrative Office so that the SPC could effectively performed tasks envisaged in the National Judicial Reform Strategy and the Action Plan for Chapter 23, such as planning and execution of the budget, improvement of SPC and PPOs transparency, and management over the prosecution system.

15. The team also facilitated a series of policy and planning discussions with the new SPC members, who were elected in April 2016 to a five-year term. The new SPC and the MDTF-JSS team discussed the SPC's goals and priorities, and ways in which the MDTF-JSS could support initiatives that improve the performance of the prosecution service, and ways in which success could be measured. The MDTF-JSS worked together with the SPC to develop an ***Outline for the SPC's 5-year Action Plan***. The outline was prepared based on interviews with SPC members and Administrative Office management and staff. In October 2016, the MDTF-JSS team organized a two-day workshop with the members of the SPC and the Administrative Office to finalize the outline of the SPC 5-year Strategic Plan. The workshop was an opportunity for interactive discussion and identification of common positions on specific topics. Five-year priorities are in line with the Action Plan for Chapter 23, but will also ensure more structured work by the SPC. The draft Outline of the SPC Strategic Plan presents joint efforts by SPC members and Administrative office staff and is available on the MDTF-JSS website.<sup>5</sup>

16. The Action Plan for Chapter 23 envisaged the transfer of the remaining budgetary competences from the MOJ to the SPC, which requires additional preparatory activities as well as capacity building and resources for the SPC Administrative Office. The MDTF-JSS supported the SPC in better understanding the budget planning process and preparation of the

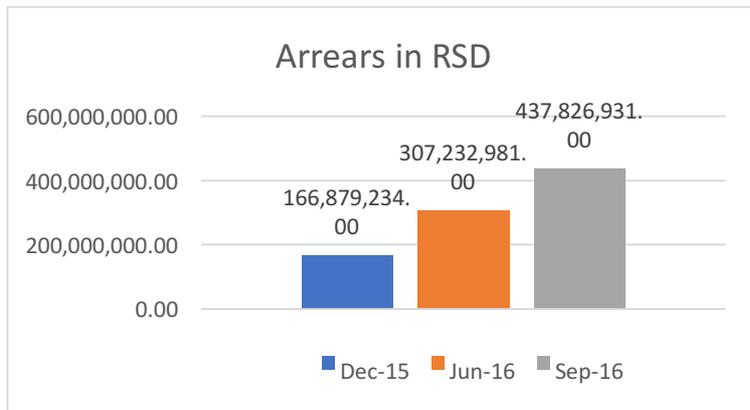
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<sup>4</sup> The full report is available on the MDTF-JSS website at:

[http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/the-mdtf-jss-worked-together-with-the-state-prosecutorial-council-spc-to-develop-a-training-needs-assessment-tna-#.WL7cv4WcHcx](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/the-mdtf-jss-worked-together-with-the-state-prosecutorial-council-spc-to-develop-a-training-needs-assessment-tna-#.WL7cv4WcHcx)

<sup>5</sup> See: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/two-day-workshop-to-finalize-the-outline-of-the-state-prosecutorial-council-strategic-plan#.WL16HIWcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/two-day-workshop-to-finalize-the-outline-of-the-state-prosecutorial-council-strategic-plan#.WL16HIWcHcw)

**budget for the operation of the Council and the Public Prosecution Offices (PPOs)**, as the SPC had to develop its budget plan for the 2017. The team focused its assistance on analyzing the budgetary pressure facing the prosecution system and addressing it in ways that do not negatively impact the effective operation of criminal justice. Fiscal constraints and the changed role of the prosecutor are putting additional pressure on the SPC and PPOs to do more with fewer resources.



**Figure 2. Growth of Arrears in Basic, Higher and Appeal PPOs**

case backlogs and unequal distribution of resources, and to the problems arising from the shortcomings of traditional budget planning.

18. The Budgeting Analysis identified recommendations for overcoming existing challenges and better using available resources. Some recommendations address the need to identify potential savings as a part of budget justification, benefits of centralizing financial staff support functions, or introduction of auditing of attorneys’ and experts’ invoices as a control tool for expenditures.<sup>6</sup>

19. The findings from the Analysis helped the SPC to prepare for negotiation of the 2017 budget. As a result of those budgetary negotiations, the Ministry of Finance approved 39 percent increases in the budget for investigative expenses, based on the evidence provided.

20. The MDTF-JSS expert team also prepared a draft *Analysis of Arrears of PPOs* in December 2016 which led the Ministry of Finance to transfer additional funds to the SPC to cover arrears in December 2016 and to prevent legal actions by unpaid vendors that would increase costs. Prior to 2013, the PPOs did not show any arrears. Changes to the criminal procedure legislation in October 2013 resulted in a sudden explosion of arrears as the PPOs became burdened with expenditures that had previously been paid for by the courts. The growth in arrears has had a direct negative impact on the efficiency and timeliness of case processing in both courts and PPOs. For example, a large number of attorneys conducting mandatory defense, as well as expert witnesses in criminal cases, are owed arrears across Serbia. Among other implications, these service providers routinely refuse to work these days unless they are paid in advance, and this causes delays and adjournments in the scheduling of hearings.

21. The Analysis of PPO Arrears was prepared based on a sample of five PPOs of basic and higher level. The primary focus of the analysis was to address the two key sources of arrears accumulation: investigation expenses and postal related expenses. The Analysis

17. The MDTF-JSS also supported the SPC to conduct an *Analysis on Budget Estimates for the Operation of the State Prosecutorial Council and Public Prosecutor Offices*. The MDTF-JSS facilitated a series of meetings between the SPC and select PPOs in order to gather data and information on the budget planning process and challenges in the execution of the budget. Key findings relate to the explosion in arrears, growing

<sup>6</sup> The analysis is available on the MDTF-JSS website at: [http://www.mdjfss.org.rs/en/mdtf\\_activities/2016/analysis-on-budget-estimates-for-the-operation-of-the-state-prosecutorial-council-and-public-prosecutor-offices#.WL16JYWcHcw](http://www.mdjfss.org.rs/en/mdtf_activities/2016/analysis-on-budget-estimates-for-the-operation-of-the-state-prosecutorial-council-and-public-prosecutor-offices#.WL16JYWcHcw)

identified substantial differences in the process of assuming commitments regarding investigation expenditure. This is the main reason for observing large variation in the extent of arrears across PPOs. The Analysis found considerable lack of clarity and guidance in expenditure verification during investigation process and inadequate IT arrangements to support the financial management process. Another important finding is that investigation related expenditure levels per case vary significantly across PPOs. Recommendations were formulated to increase transparency, protect integrity, and improve financial and overall performance of Serbian PPOs.

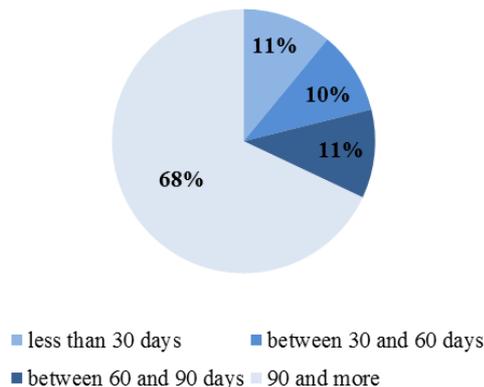


Figure 3. Term structure of arrears in PPOs

22. The main findings and recommendations from the Analysis were presented in December 2016 to the SPC members. Additional dissemination event was organized on March 2, 2017 for the members of the SPC, representatives of the Republic PPO, SPC Administrative office staff, and budget staff from the PPOs that were included in the sample. The findings will be presented to the High Judicial Council (HJC) and the courts

since the different practices affect courts' budgets.

23. In addition to the immediate effect of the Analysis that resulted with the transfer of additional funds, the SPC and the RPPO will prepare Guidelines for the PPOs to unify process of commitment assumption and expenditure verification. These changes should result in budget savings.

24. The SPC has requested a **Functional Review of the Prosecution Service**, noting that the prosecution did not have sufficient data to be analyzed at the time of the Judicial Functional Review in 2013. The MDTF-JSS team, jointly with the SPC, developed an **Outline for the Functional Review**, and the analysis will be conducted in 2017.

25. The MDTF-JSS also supports the SPC's efforts to improve transparency and communications with external audiences. The team provided advice on the **design of the SPC website and associated information protocols to embed online transparency into SPC operations**. The new SPC website was launched in April 2016. Training was also provided to the team on integrating transparency obligations and website management into the daily work of the SPC. The website now meets transparency obligations, hosts a range of information and is updated regularly by the Administrative Office.

26. Building on the success of the SPC's work in improving transparency, the MDTF-JSS progressed to work with the SPC and PPOs to improve transparency and outreach of PPOs themselves. The team has undertaken an **Analysis of all existing PPO websites** using a questionnaire developed and shared with the SPC to gather information from all PPOs. The report was finalized in February 2017. The analysis covers the uniformity of PPOs websites, as well as the technological-administrative aspect. Currently, 16 percent of prosecutor offices do not have websites, and 14 percent of those PPOs that have websites do not use the official domain (\*.jt.rs). The lack of a common approach for website development resulted in

significant variations among the PPOs' public presentation. The Analysis revealed that the structure, content and services of the prosecutor's office websites vary significantly.

27. The purpose of the Analysis is to support the SPC and the RPPO in the implementation of activities from the Chapter 23 Action Plan and Communication Strategy. Both documents require improvement of transparency of the prosecution service and improved communication with the public and media.

28. The Analysis will serve as a basis for developing a unified model for the PPOs websites. The MDTF-JSS will support development of PPOs websites in 2017 to ensure unified approach and regular update of the content. The SPC is working on identification of a core group of ICT staff among the PPOs. This core group should be transformed in the future ICT team.

## **2. Outcome indicator #2: analysis, technical assistance and survey data raise and measure awareness of issues facing the justice sector, and inform policies/decision-making.**

29. The MDTF-JSS conducts analytic work and provides technical assistance to encourage informed and evidence-based decision making processes across the justice sector. The analytic work presents a mix of legal analysis, fiscal impact assessments, statistical analysis, analysis of practices and implementation of legislation, desk reviews, etc. The analyses are followed by recommendations and options for improvement. Stakeholders are consulted on the analyses and these are disseminated to the wider public.

### **2.1. Commercial Courts Needs Assessment**

30. The Bank has prepared a Needs Assessment for the commercial courts to identify their specific needs and future programming for the MDTF-JSS Work Plan 2016-2018. Commercial courts were the first courts in the justice system where case management system was introduced and as such developed a reputation as high performers adept at using ICT. However, for that same reason, other donors and the MOJ gradually went on to focus their attention on other courts, leaving the Commercial Courts somewhat lagging in support and performance. Bearing in mind the importance of the Commercial Courts to the business climate and for economic development, the MDTF-JSS delivers technical expertise to help improve efficiency, quality and access to justice at the Commercial Courts.

31. Following the consultation process, the Needs Assessment was finalized and shared among stakeholders in January 2016. Meetings were organized in January 2016 to prioritize support in 2016. It was agreed that priorities for 2016 are: capacity building, support to commercial court registries, equalization of the workload of commercial courts and modernization of equipment.



Figure 4. Screenshot of new SPC website

## 2.2. Analysis of Commercial Court Registries

32. Based on the Commercial Courts Needs Assessment, the MDTF-JSS has begun to work directly with the Commercial Courts to implement several key recommendations in 2016. The Assessment identified a need for support to improve the performance of the registries of the Commercial Courts, primarily at Belgrade Commercial Court, as the busiest Commercial Court in the country. It is essential that registries are efficient as they provide the support necessary for judges to dispose of cases in a timely manner. In order to improve service delivery to court users and the public's confidence in the court, registries must become better organized and more user-oriented.

33. The first step in providing support to the registry offices was the preparation of the *Targeted Analysis of Good Practices and Bottlenecks at Commercial Court Registries*, which identified bottlenecks in process, good practice, and provided recommendations on a program of support to achieve the necessary efficiencies. While the primary focus was the Belgrade Commercial Court, the Analysis is based on field visits to Pančevo, Čačak, Kragujevac, Niš and Novi Sad. In addition to meeting with the President and registry staff of the Commercial Courts in those towns, meetings were held with the Bar Association and Chambers of Commerce in most locations.<sup>7</sup>

34. The findings relate to procedures and practice, training of registry staff, information and communication technologies, and archiving and infrastructure. The fact that there is no formal training provided (with the exception of one-off training during the introduction of Libra software between 2006-2008) with respect to the role and responsibility of registry staff or typists raised real concern. In many registries, computers are more than eight years old and are no longer able to run modern software. Furthermore, servers have reached their full capacity. All courts have archiving issues, with most courts having reached full capacity onsite. As all registry staff use computers and archives in the execution of their duties, these issues slow down the speed at which staff can work.

35. The Analysis serves as a map for improvement of processes in Commercial Court registries. During 2017, the MDTF-JSS will continue to support Commercial Courts, including trainings, purchase of equipment, archiving, etc. Specifically, the MDTF JSS will assist Commercial Courts to develop standardized case flow practices and to draft a Manual that sets out the practice and converts the Rules of Procedure and Law on Civil Procedure into a practical daily guide for staff. These activities should improve efficiency of the commercial registry offices and equalize the staff workload.

## 2.3. Analysis of Caseloads and Workloads in Commercial Courts

36. Among the key challenges identified in the Needs Assessment was the unequal distribution of workloads among Commercial Courts. Based on the request of the Belgrade Commercial Court, the team began work on an *Analysis of Caseloads and Workloads in Commercial Courts*, with a view to optimizing resource allocations across the specialized jurisdiction. The analysis aimed to examine options to transfer cases, increase specialization of judges, enhance use of mediation, promote greater use of judicial assistants in case processing, further develop the court practice departments, introduce backlog reduction strategies, and incorporate methods of examining statistics that do not require changes to the case management system. Work began on the Analysis, but was not finalized in 2016 due to changes in leadership

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<sup>7</sup> The Analysis of Commercial Court Registries is available on the MDTF-JSS website at: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/analysis-of-commercial-court-registries#.WL\\_vRoWcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/analysis-of-commercial-court-registries#.WL_vRoWcHcw)

at the Commercial Courts. Fresh consultations with leadership at the Commercial Courts will be necessary to advance this work in 2017.

#### 2.4. Comparative analysis of Bar Associations and Law Societies in Selected European Jurisdictions

37. The MDTF-JSS team prepared a comparative analysis of the role of Bar Associations in order to inform policy making in EU candidate countries that wish to reform their justice systems to align them with EU standards. Bar associations perform the important task of protecting and promoting the legal profession and ensuring the quality of legal services provided to citizens and businesses. The *Comparative Analysis of Bar Associations and Law Societies in Select European Jurisdictions*<sup>8</sup> analyzes and compares the structure, role, and tasks of Bar Associations and Law Societies across a number of European jurisdictions. The Council of Bars and Law Societies of Europe (CCBE) and the national Bar Associations and Law Societies of the countries covered by Analysis provided useful information and data.

38. The Analysis examines the roles of bar associations in Albania, Austria, Bulgaria, Croatia, Czech Republic, England and Wales, Lithuania, the Netherlands, Serbia, and Spain. It takes a closer look at a number of features and responsibilities: entrance to the Bar, decision making bodies in the Bar, administrative capacities of the Bar, lawyers fee, free legal aid, mandatory defense, pro bono work, complaints, discipline, and external supervisory role over the Bar. All aspects are analyzed in the broader context, e.g. membership fees in the context of services offered by Bar Associations and income level in a specific country.

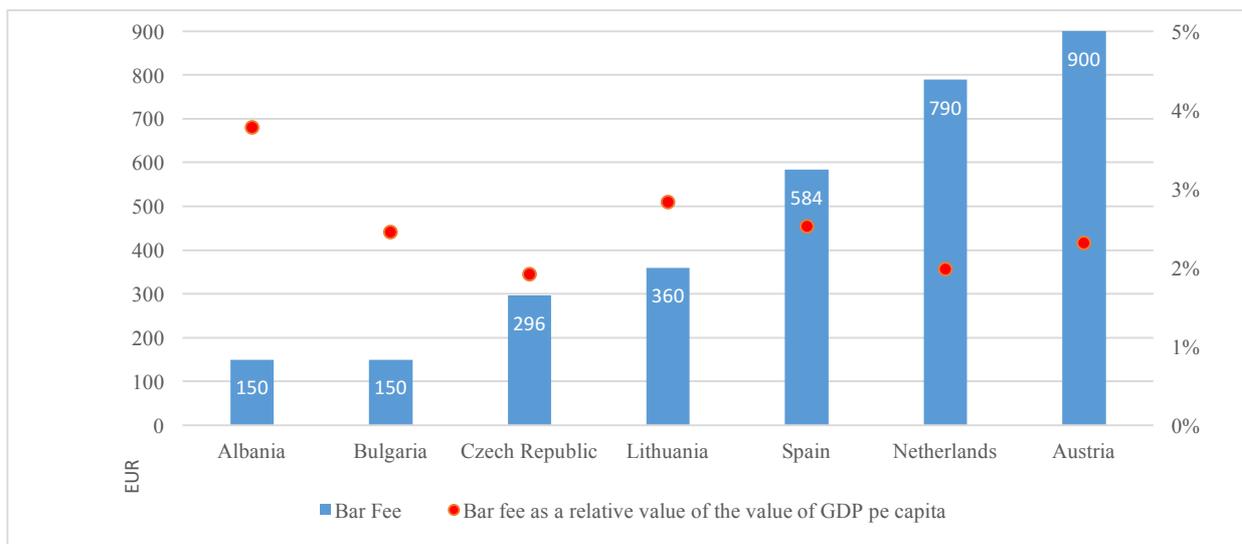


Figure 5. Bar fees in EUR and as a relative value of GDP per capita

39. Serbian authorities intend to use the Comparative Analysis to open discussion with Bar associations and their role in legal aid, mandatory defense, pro bono work, etc. Over the last few years, Bar Associations in Serbia have faced new challenges (internal crises, introduction of new legal professions, legal aid legislation, criticism for high fees). A better understanding

<sup>8</sup> The Comparative Analysis of Bar Associations and Law Societies in Select European Jurisdictions is available on the MDTF-JSS website [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2017/comparative-analysis-of-bar-associations-and-law-societies-in-select-european-jurisdictions#.WL16TIWcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2017/comparative-analysis-of-bar-associations-and-law-societies-in-select-european-jurisdictions#.WL16TIWcHcw)

of how Bar Associations deliver legal aid can help to inform policy dialogue on the provision of free legal aid in Serbia.

## 2.5. Analysis of Options for Improving Service Delivery by Support Staff under Non-Core Functions in Courts and PPOs

40. The MDTF-JSS team worked with the MOJ to collect data for the human resource analysis of non-judicial functions in the judiciary. The Analysis will serve as an input to the Judicial Efficiency Project’s proposed support to a Human Resources Strategy in 2017.

41. The MDTF-JSS team shared the draft analysis on how to develop shared services for non-core functions in court and prosecutor offices with the MOJ, SCC, SPC, HJC, MPALSG and MOF in September 2016. Based on stakeholder feedback the *Analysis of Options for Improving Service Delivery of the Support Staff under Non-Core Functions in Courts and Public Prosecutor Offices* was developed in December 2016 and finalized in early 2017.

42. The Analysis shows that Serbia continues to employ more staff outside of core case processing functions (25 percent of court and PPO staff) than other European countries. The judicial system needs fewer low-level ancillary staff who contribute less to service delivery. The judiciary should instead invest in specialized and analytic roles, such as advisors, court managers and secretaries, and statisticians. Funding would also be better deployed for investments in infrastructure or ICT, which would support and enable those people remaining to perform at a higher level.

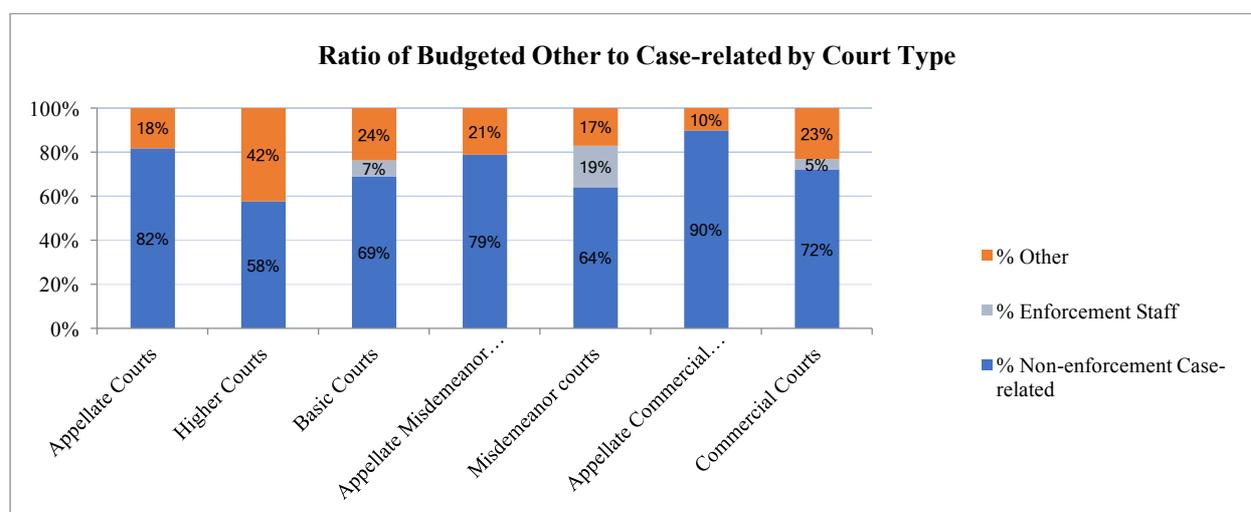


Figure 6. Ratio of Budgeted Other to Case-related Staff by Court Type

43. The Analysis also makes recommendations for sharing services among judicial and PPO units housed in the same building. This could include areas such as ICT, security, human resource and finance, in ways that will improve service delivery and save costs. None of the recommendations require trade-offs with service delivery, and indeed the implementation of these recommendations would both save money and improve performance of the justice system.

## 2.6. Supporting a new approach to Annual Reporting at the Supreme Court of Cassation

44. The MDTF-JSS team worked with the Supreme Court of Cassation (SCC) on a range of initiatives to boost transparency and outreach of the work of courts. The SCC requested

support to improve the quality of its reporting process and the layout and outreach of its reports. The 2015 report comprised over 500 pages of statistical tables published on its website. This is important information, but is virtually unintelligible to most readers. While the statistics will remain available on its website, the SCC sought a better means to convey basic information on the court system’s performance and programs. The MDTF-JSS team assisted the SCC management team to *develop a new template and tables for annual reporting* of approximately 50 pages in length, highlighting key performance areas in a simplified and user-friendly layout that draws on international best practice in court annual reporting. This report is also accompanied by a short five-page brochure, summarizing its contents. The SCC 2016 Annual Report was developed based on the draft templates and was published in hard copy and on the website in March 2017.

45. The Report was presented at a public event organized in March 2017. Consolidating the mass of statistics into easily understood charts and tables, the SCC was able to illustrate recent trends, add an explanation of their causes and discuss the new challenges they pose. For the first time, the Annual report comprises key CEPEJ performance indicators, such as disposition time and clearance rate. The English version of the report is also available on the SCC website.

## 2.7. Analysis of courts websites

46. The MDTF-JSS team started working with the SCC on their plans to upgrade courts’ websites across the judiciary.

47. The MDTF-JSS *Analysis of Court Websites*<sup>9</sup> examined all aspects related to courts’ presence on the internet (e.g. how many courts have active websites, analysis of website quality, where websites are hosted, who is responsible for content management, compatibility with mobile platforms, competences within the court for website management, etc.) The Analysis showed that a significant number of courts has a website (only 7 percent do not). The majority of court websites are registered under the official domain (\*.sud.rs), though a few courts are registered under different domains. Lack of coordination in the development of courts websites resulted in differences in their content, design, and visual identity.

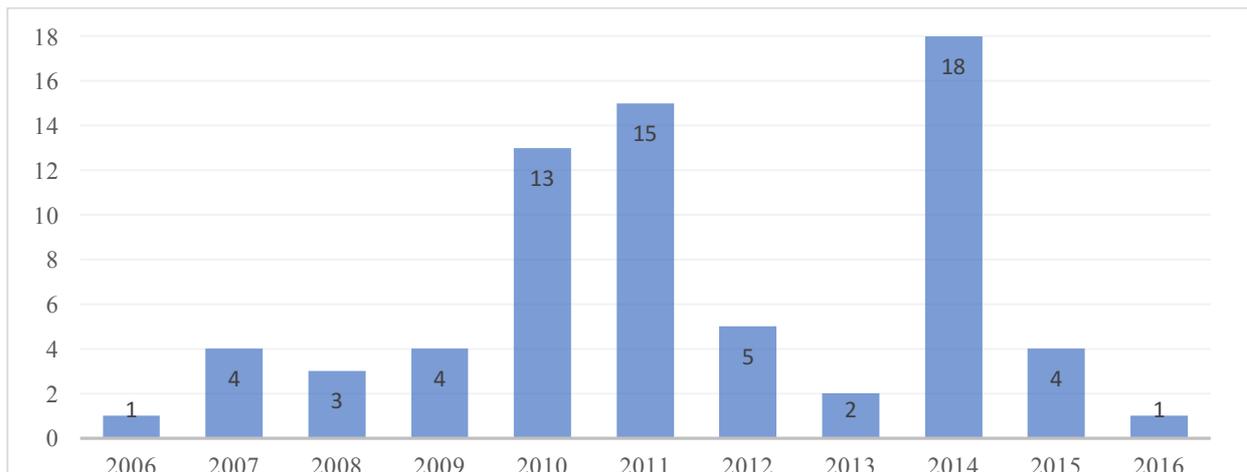


Figure 7. Chronological appearance of courts on the internet 2006-2016

<sup>9</sup> The Analysis of Court Websites is available on the MDTF-JSS website at: [http://www.mdtfjss.org.rs/en/mdtf\\_activities/2016/analysis-of-court-web-sites-in-the-republic-of-serbia#.WL15-IWcHcw](http://www.mdtfjss.org.rs/en/mdtf_activities/2016/analysis-of-court-web-sites-in-the-republic-of-serbia#.WL15-IWcHcw)

48. The MOJ used the Analysis to inform the preparation of their tender for courts' websites. The Government will finance the development of unified court websites from its own budget.

49. The MDTF-JSS also supported the preparation of a comparative analysis of small claims resolution options. The report '*Fast-tracking the Resolution of Minor Disputes: Lessons from EU Member States*' analyzes the different small claims and simplified procedures across the various EU Member States against a series of key performance dimensions. The report highlights the main features of small claims procedure and details a series of options available for those countries that wish to introduce or reform their small claims procedure. The report will be finalized in 2017.

## 2.8.Design of Court Rewards Program

50. Under the Bank-executed advisory component, the MDTF-JSS worked closely with the SCC and HJC to design a rewards program to boost court performance. The Bank team conducted research into the growing body of literature on how public sector institutions can systematically motivate their staff to perform better, even in circumstances where pay and conditions are fixed. The Bank team documented a range of examples of good practices from around the world, including from advanced judiciaries which are increasingly using incentives to drive performance.

51. Some key lessons emerging from that work were as follows:

- a. Non-financial rewards can be more powerful than cash;
- b. Group rewards encourage team player behavior, especially among smaller teams;
- c. Rewards provide extra motivation to do socially desirable acts;
- d. Rewards for 'most improved players' motivate lower and middling performers.
- e. Rewards provide extra motivation when combined with recognition from senior figures and visibility from peers.

52. The Bank team worked with the SCC and HJC to design a reward program to fit the Serbian context.<sup>10</sup> The design focused on motivating first instance courts to improve their efficiency and productivity in processing cases. In this the inaugural year, the Supreme Court issued two categories of awards: the largest improvement in backlog reduction and; the largest improvement in the number of resolved cases per judge. By focusing on 'most improved player' awards, the



Figure 8. Rewards Ceremony at the Annual Conference of Judges

<sup>10</sup> See for example this blog which summarizes the process – <http://blogs.worldbank.org/europeandcentralasia/positive-competition-drives-better-performance>

program aimed to motivate lower performing courts in order to increase consistency of justice services

and lift average performance across the judiciary. By measuring performance on a ‘per judge’ basis, the program managed to control for variation in court size, so smaller courts with fewer judges have an equal chance of success. The choice of prizes is also designed to incentivize performance. In each category, the 1<sup>st</sup> prize is 5,000 EUR, the 2<sup>nd</sup> prize is 3,000 EUR, and the 3<sup>rd</sup> prize is 2,000 EUR. Prize money was aimed to be sufficiently attractive to motivate a court, but not so lucrative to create perverse incentives. Winning courts can choose to spend their prize money on either: ICT hardware (desktop computers, monitors, printers, scanners, servers etc.); Office equipment (desks, chairs, conference tables, shelves, clocks, law books etc.); or materials for the beautification of the court (paint, plants, signage, materials for repairs etc.)/ The team worked with the PIU and the SCC to design and put in place rules to ensure that prizes are used for the benefit of the court as a whole, and that decisions were based on objective data from case management systems and have been tested and verified by the courts and the Bank.<sup>11</sup> The implementation of the rewards program was funded under the Government-executed component of the MDTF-JSS, and the rewards program has been formally adopted in the Supreme Court’s Book of Rules.

### **3. Outcome indicator #3: trainings & workshops strengthen individual capacities of key personnel in the sector. Knowledge transferred from experts/consultants to key personnel.**

53. Trainings and workshops aim to strengthen the capacity of judges, prosecutors and judicial staff through the design of a training strategy and implementation program. Many activities are designed as peer exchange and unification of work and practices in courts and PPOs. The activities are implemented in cooperation with the SCC, Appeal Courts and Judicial Academy.

54. The majority of these activities are implemented under the Government-executed component of the MDTF-JSS and are presented as part of their separate annual report. Through the beneficiary executed component, the MDTF-JSS supported three events for judges of the Commercial Courts. In total 388 participants attended events organized for Commercial Courts.



**Figure 9. Case law harmonization workshop in Kladovo Judges**

#### **3.1. Increasing capacities at the Commercial Courts**

55. In line with the findings of the Commercial Courts Needs Assessment, the MDTF-JSS in collaboration with the World Bank IFC Debt Resolution Project and Appellate Commercial Court initiated implementation of recommendations focused on increasing capacities and quality of the Commercial Courts’ personnel. Jointly with the Debt

<sup>11</sup> See for example,

[http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova\\_UkupnoReseni.pdf](http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova_UkupnoReseni.pdf) and [http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova\\_ResenoStarih.pdf](http://www.vk.sud.rs/sites/default/files/attachments/KriterijumizaNagradjivanjeSudova_ResenoStarih.pdf).

Resolution Project, the MDTF-JSS supported three events for Commercial Court judges.

56. In collaboration with the Debt Resolution Project, the MDTF-JSS supported a workshop on case-law harmonization that was held in Kladovo on 21 April. The conference had a twofold aim: to review results of case-law departments and raised awareness of the relevance of case-law harmonization; and to compare the results of the Commercial Courts from the first quarter of 2016 with the results from 2015. The conference was attended by 25 participants.

57. The MDTF-JSS also supported a conference on the rollout of the new Law on Enforcement and Security in Vršac, which discussed the new provisions of the law and the relationship between bankruptcy, liquidation and enforcement. Speakers at the conference discussed new provisions and challenging issues posed by the new Law, including types of litigation, legal remedies, and transitional provisions.<sup>12</sup> The conference was held on April 26-27 2016 and attended by 78 participants, including judges and judicial assistants.



Figure 10. Conference on new Law on Enforcement in Vršac



Figure 11. Annual Conference of the Appellate Commercial court

and 320 issues in the field of commercial law were discussed focusing inter alia on the change of creditor's claims against the debtor, nullification of the General Assembly decision, the variable interest rate clause in the loan agreements, basic criminal and legal aspects of bankruptcy, joint sale of immovable and movable assets and the modifications to former practices introduced in the Law on Enforcement and Security. In addition, the performance of the Commercial Courts was discussed. A total of 39,629 out of 104,762 new and pending cases were resolved in the first half of 2016, i.e. 49% more than in the same period last year. Particularly good results have been achieved in reducing backlog, with total backlogged cases decreased by 61%. One of the crucial conclusions derived from the discussions is that further improvements in efficiency of the Commercial Courts are of paramount importance for the

58. The annual conference of the Appellate Commercial Court was held at Zlatibor from September 6-9, 2016. The conference focuses on the most current and contentious issues under the jurisdiction of Commercial Courts. The main topics in 2016 included new trends in the field of bankruptcy, privatization, enforcement, civil rights, and the matter of corporate crime (commercial offences).

During the three-days, 7 reports

<sup>12</sup> The overview of these activities is presented on the MDTF-JSS website at: [http://www.mdjfss.org.rs/en/mdtf\\_activities/2016/commercial-courts-conferences-in-vrsac-and-kladovo-april-2016#.WL13KYWcHcw](http://www.mdjfss.org.rs/en/mdtf_activities/2016/commercial-courts-conferences-in-vrsac-and-kladovo-april-2016#.WL13KYWcHcw)

entire judicial system in Serbia. The event was attended by 288 participants representing Commercial Courts, the Supreme Court of Cassation, the High Judicial Council and the Association of Lawyers of Serbia. Once confirmed at the Commercial Disputes and Economic Offence Department verification sessions, the event discussions, reports and conclusions shall serve as guidelines for the Commercial Courts and their future procedural approach.

### **COMPONENTS 2 & 3: BANK-EXECUTED FIDUCIARY SERVICES**

59. In addition to the Bank executed advisory services outline above, the Bank executed its fiduciary functions as trustee for the hybrid fund. The Bank supervised the implementation of the Government-executed grant, including ongoing dialogue with stakeholders across the sector on programming. The Bank supervised all procurements and financial management arrangements and reviewed and issue no objections for all activities under the Government-executed component. The Bank also administered the trust fund and managed the four child trust funds. During 2016, the Bank updated the MDTF-JSS website so that it provides more regular updates of activities and makes available all aide memoires, reports, and audits. The Bank continues to manage the content of the website. Management arrangements continue to be satisfactory, audit reports are clean and financial management and procurement arrangements are satisfactory.

### **LOOKING FORWARD: 2017 Priorities**

60. In 2017, the MDTF-JSS will continue to provide support to establishment of victim support services. Specifically, the MDTF JSS will: a) finalize a mapping of all victim support services currently offered in Serbia; b) prepare a comparative analysis of Finnish and French models for victims' support, given their relevance to Serbia's context; and, c) conduct an analysis of funding models, given the importance of fiscal sustainability to the viability of the support system. This work will inform policymakers, including the relevant working group, and will inform future IPA programming.

61. The MDTF-JSS team will continue to work closely with the State Prosecutorial Council to strengthen its capacity to perform its functions and build trust and confidence in the prosecution services. In 2017, the Functional Review of the Prosecutors System should be finalized to inform the SPC and the RPPO during budget preparation for 2018, but also to ensure equal distribution of resources and address specific causes of bottlenecks and delays. The MDTF-JSS will support the efforts of the SPC and RPPO to increase transparency and outreach through the development of a unified model for all PPO websites. In addition, the MDTF-JSS will provide support to the SPC and RPPO in development of a new templates for their Annual Reports that will include CEPEJ indicators and will be user friendly to increase transparency and promote outreach among stakeholders, the media and the general public.

62. The MDTF-JSS will continue to work directly with the Commercial Courts to improve work of the registry offices through the development of standardized case flow management practices and a court registry manual. In addition, the MDTF-JSS will continue to support meetings of the Commercial Courts case law departments in order to ensure case law harmonization. The Bank-executed component will also fund a series of trainings and conferences, together with the IFC, on select topics where legal certainty in commercial matters can be improved. The MDTF-JSS will also

63. Based on the positive experience with the Rewards Program the MDTF-JSS will continue to support the Supreme Court of Cassation to implement an enhanced Reward Program in 2017. This will include support in the design of the rewards in line literature on what works in incentivizing public sector performance, as well best international practice and lessons from judiciaries around the world.

64. In 2017, the MDTF-JSS will also intensify its support to activities that promote access to justice. This will include the development and promotion of a Self-Representation Guide and related materials that can assist citizens and small businesses to know their rights and obligations and help them to navigate the court system. The MDTF-JSS will work closely with CSOs to ensure the sustainability of this work.



