



## ANNUAL REPORT FOR 2015

### MDTF-JSS BANK-EXECUTED COMPONENTS

#### MDTF-JSS BACKGROUND

The Multi-Donor Trust Fund for Justice Sector Support (MDTF-JSS) was established in 2009 to support strengthening of the Republic of Serbia's justice sector to facilitate its integration into the European Union. As such, the MDTF-JSS aims to improve aid effectiveness and donor coordination across the sector through the implementation of a coordinated work program, financed by pooled contributions from Serbia's development partners.

For more information about the MDTF-JSS, including recent activities and reports, see <http://www.mdtfjss.org.rs/en>.

Progress under the MDTF-JSS was slow in the early years due to a range of factors detailed in the 2012 Mid-Term Review. From 2013, momentum and implementation progress have improved and the project has been rated as satisfactory.

The MDTF-JSS parent trust fund comprises four child trust funds for: Bank-executed advisory services; recipient-executed grant-funded activities; trust fund administration and management; and supervision of the recipient-executed grant activities.

#### JUSTICE SECTOR BACKGROUND

After a year of consultation, the European Commission (EC) approved the Chapter 23 Action Plan on September 28, 2015. The Action Plan provides an overview of the measures and deadlines for reforms that Serbia intends to undertake with regard to justice, fundamental rights and corruption in order to align its legislation and practice with EU standards. The Chapter 23 Action Plan is based on the findings and recommendations of the Serbia Judicial Functional Review (see below).

On December 14, 2015, nearly two years after the launch of accession negotiations with the EU, Serbia opened the first two chapters on financial control (Chapter 32) and the normalization of relations with Kosovo (Chapter 35). Negotiations on Chapters 23 and 24 are expected to open in the first half of 2016.

The negotiating procedure for Serbia is most similar to the one being applied to Montenegro .i.e. Chapters 23 and 24 - on judiciary, security and human rights - are among the first to be opened and last to be closed, and any possible standstill in these two Chapters may affect the entire course of negotiations.

During 2014, the MDTF-JSS prepared the Serbia Judicial Functional Review as a comprehensive assessment of the current functioning of Serbia's judicial system, along with options and recommendations to inform Serbia's justice reform initiatives in view of the requirements of Chapter 23 of the *Acquis Communautaire*. The Review was launched in early 2015.

The Review provided the basis for the Serbian authorities to develop their Chapter 23 Accession Action Plan and to amend the Action Plan for the Implementation of the National Judicial Reform Strategy 2013-2018. In doing so, the Review presents an objective baseline of current sector performance, which enables Serbia to assess the impact of future justice reform initiatives.

The Review comprises an *external* performance assessment and an *internal* performance assessment. The external assessment (Part 1) examines how well the Serbian judicial system serves its citizens in terms of efficiency, quality, and access to justice services. The internal assessment (Part 2) examines the inner workings of the system, and how governance and management, financial and human resources, ICT, and infrastructure are managed for service delivery. The two assessments capture different aspects of sector performance and should be read together. The Functional Review microsite, operational from April 2015, provides detailed information: <http://www.mdtfjss.org.rs/en/news/2015/serbia-judicial-functional-review-microsite-is-operational#.V7zGO4VOKfh>

A distinct feature of the Review is its emphasis on data and analysis. Assessments draw on a mix of quantitative and qualitative data, including statistical analysis of case management, finance and human resource data, a multi-stakeholder perception survey, an access to justice survey, process maps, legal analysis, a desk review, focus group discussions, workshops and key informant interviews.

The recommendations are designed to be actionable and specific with the objective of aligning the performance of the Serbian judiciary with that of EU Member States. In each case, a ‘main’ recommendation is highlighted, accompanied by a series of practical next steps to implement it.

The Review also captured good practice by courts and prosecutors’ offices and MDTF-JSS will support dissemination of individual and institutional good practices and innovations through workshops and colloquia among Court Presidents and heads of departments within courts.

## **SUMMARY OF BANK EXECUTED ADVISORY SERVICES – TF097210**

### ***1. JUDICIAL FUNCTIONAL REVIEW DISSEMINATION***

During 2015 the MDTF-JSS team organized dissemination events in the seat of four appellate courts in the Country, in cooperation with the Supreme Court of Cassation. Additional dissemination events were organized at the law faculties. These events were organized to share findings and recommendations with judiciary representatives from the whole of Serbia.

**A launch event** on February 3, 2015, in Belgrade was organized in cooperation with the Supreme Court of Cassation, Ministry of Justice and Republic Public Prosecution Office. It was attended by over 80 stakeholders, including domestic and international community representatives, and representatives of the judiciary, Judicial Academy, Ombudsperson, Law faculties, judges and prosecutors associations, judicial assistants association, union of judiciary employees, etc. (For more information, see <http://www.mdtfjss.org.rs/en/news/2015/launch-of-the-serbia-judicial-functional-review-in-belgrade#.VvFoe4-cGEY>)

**Dissemination events** were organized in the Appellate Courts in Novi Sad, Kragujevac and Nis. Attendance at each event exceeded expectations. The active participation among stakeholders at these events confirmed the high level of consensus around the Review’s finding and recommendations. Support was particularly strong among Court Presidents, Judges and court staff, which bodes well for the implementation of the Review’s recommendations.

On February 4, 2015 the MDTF-JSS team presented key findings and recommendations from the Review to representatives of the judiciary from the territory of Novi Sad Appellate Court. On February 5, 2015, the MDTF-JSS team presented at Kragujevac Appellate Court and on February 20, 2015 in Nis Appellate Court. (For more information, see <http://www.mdtfjss.org.rs/en/news/2015/dissemination-events-in-novi-sad-and-kragujevac#.VvPiQ4-cGEY> and <http://www.mdtfjss.org.rs/en/news/2015/dissemination-of-the-serbia-judicial-functional-review-presentation-in-the-appellate-court-in-ni--20150304184610#.VvPih4-cGEY>)

Judges and prosecutors were interested in the following topics:

- improvement of court fee collection;
- introduction of prosecutors' fee having in mind costs generated by the prosecutorial investigation;
- strengthening of financial management flexibility;
- establishment of practical solutions in service of delivery;
- increasing skills of support staff and changes of the human resource structure in the judiciary;
- improvement of the perception of corruption in judiciary.

**A dissemination event in Brussels** on February 10, 2015 provided the opportunity to present and discuss lessons learned and key findings from the Review with the EU Commissions, as well as views on judicial issues and concerns on implementation gaps. A delegation of Serbian judicial stakeholders together with the World Bank team hosted the event. The presentation was attended by the EU Commission stakeholders – DG NEAR and DG JUSTICE. (For more information, see <http://www.mdtfjss.org.rs/en/news/2015/presentation-of-the-serbian-judicial-functional-review-to-the-eu-commission-in-brussels-february-10-2015#.VvPiso-cGEY>)

In response to requests, the MDTF-JSS team organized **dissemination events at the Nis and Belgrade Law Faculty** on 7 and 9 April respectively. The events were attended by students of final years, master students and teaching staff, including professors. The aim of the presentation was to increase students' knowledge as possible future holders of judicial functions on the situation in the judiciary and the need for its reform to align it with EU standards. The discussion that followed was focused on issues related to the functioning of the judiciary in practice, methods for improving efficiency and quality, and the alignment of the Serbian Judicial System with the EU requirements in integration process.

We also had interest from other countries in the region on how to emulate the Serbia process, thus short missions in Bosnia and Herzegovina, Montenegro, Albania and Kosovo presented the Review in detail. These were funded by Bank resources (not the MDTF), but they ensured further dissemination of the Serbia Judicial Functional Review and put Serbia on the map as a leader in the region in terms of their analysis of the justice system and readiness to engage in the Chapter 23 process.

## ***2. TARGETED DISSEMINATION WORKSHOPS***

A series of tailored dissemination workshops was held for specific target audiences in the sector (i.e. a workshop on financial management for the administrative offices of the High Judicial Council and State Prosecutorial Council; a workshop on service of process for court presidents, etc.). Purpose of the tailored workshops was to transfer good practices identified in the Functional Review to all courts.

## ***3. FINANCIAL MANAGEMENT ACTIVITIES***

Two workshops were organized on Finance management – one for MoJ representatives and another for the High Judicial Council and State Prosecutorial Council staff on April 1 and 3, 2015, respectively. The MDTF-JSS team presented key findings and recommendations from the Judicial Functional Review on finance management. The presentation was followed by discussion on the need to: introduce flexibility in financial management; prepare a transition plan for transfer of financial management competences from the MoJ to the High Judicial Council and State Prosecutorial Council; and increase capacities of the Councils to takeover responsibilities from the MoJ. The representatives of the State Prosecutorial Council emphasized the necessity of additional assistance since, by comparison, the High Judicial Council had long-lasting donor support in establishing and increasing its financial management capacities.

#### **4. IMPROVEMENT OF EFFICIENCY – SERVICE OF PROCESS AND USE OF AVP**

Several workshops were organized with the aim of sharing good practice in service of process and the use of AVP as a tool for electronic scheduling of hearings. The purpose of the workshops was to support replication of innovative approaches if there are possibilities for that.

On June 24, 2015, the MDTF-JSS team presented key findings, good practice and recommendations from the Judicial Functional Review on service of process and ICT management to representatives of the Novi Sad Appellate court. Presidents and supporting staff of the courts where good practice was identified – service of process in Novi Sad misdemeanor court and e-filing in Subotica Basic court – presented to their colleagues their practice and possibilities for introduction in other courts.

The MDTF-JSS team and the Supreme Court of Cassation organized a workshop in Kragujevac on November 27, 2015, and in the Appellate Court in Nis on December 11, 2015, to discuss options for improved service of process. The service of process is critical for efficient court proceedings. Based on the information from the Review over 57 percent of attempts at service fail on average. Judge from the Misdemeanor Court in Novi Sad presented examples and experience with improved service of process in Novi Sad thanks to the hiring of the local Youth Employment Agency that was paid per successful delivery. This innovative approach contributed to significant increase in successful delivery and resulted in substantial reduction of operating costs. Participants agreed that this approach is a useful model which can be replicated in larger cities with bigger courts. However, due to the low urbanization in Southern Serbia courts will have to rely on the Serbian Postal Office and court couriers. Participants invited the Supreme Court of Cassation to review and amend the Memorandum of Understanding with the Serbian Postal Office in order to reduce costs and improve successful delivery. (For more information, see <http://www.mdtfjss.org.rs/en/news/2015/how-to-increase-efficiency-with-service-of-process-examples-from-misdemeanour-court-in-novi-sad-workshop-in-kragujevac#.VvPjGY-cGEY> and <http://www.mdtfjss.org.rs/en/news/2015/how-to-increase-efficiency-with-service-of-process-examples-from-misdemeanor-court-in-novi-sad-workshop-in-kragujevac-november-11-2015#.VvPjMo-cGEY>)

On December 23, 2015, the MDTF-JSS team and the Supreme Court of Cassation and Higher Court organized a workshop in Novi Sad to discuss options for improved use of AVP for electronic scheduling of hearings.

#### **5. SUPPORT IMPROVED USE OF AVP AND SAPS**

The MDTF-JSS team drafted Terms of References for a range of ICT-related activities as part of the ‘bridging activities’ for 2015, but procurement is yet to commence. New staffing and governance arrangements for ICT have revealed new stakeholder preferences, so the MDTF-JSS has to discuss possible ways forward in 2016.

#### **6. SUPPORT TO THE CHAPTER 23 ACCESSION ACTION PLAN**

The MDTF-JSS team supported the MoJ in development of the Action plan for Chapter 23, especially in adjusting and inclusion of Functional Review recommendations. The Action Plan for Chapter 23 was developed as a response on the Screening report. Since the Functional Review is data-rich analysis its findings and recommendations were included in the final version of the Action Plan. A separate document matching Action Plan activities and Functional Review recommendations is attached to the Action Plan for Chapter 23 which was approved by the European Commission in September 2015.

#### **7. COMMERCIAL COURTS NEEDS ASSESSMENT**

The Bank has prepared a Needs Assessment for the commercial courts to identify their specific needs and future programing 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 and IT-savvy. However, for that same reason, other donors and the MoJ

focused their attention elsewhere. Keeping in mind the importance of the commercial courts for economic development, the MDTF-JSS would like to support improvement of efficiency, quality and access to the commercial courts.

In December 2015, the draft assessment was shared and meetings were held with commercial court stakeholders and the International Finance Corporation to seek stakeholder and donor views. Following the consultation process, the Needs Assessment was finalized and shared among stakeholders. Some activities to support the Commercial Courts could commence in the first quarter of 2016. Other larger activities may require additional MDTF-JSS contributions to finance. Meetings will be organized in January 2016 to prioritize activities that will be implemented and supported in 2016.

#### ***8. ANALITIC WORK TO SUPPORT THE ESTABLISHMENT OF VICTIM SUPPORT SERVICES***

The MOJ requested the MDTF-JSS expand its engagement in support to victim support services, including a comparative analysis and a legal and institutional assessment. The MDTF-JSS analytic work should contribute to the establishment of comprehensive network for victim/witness support services in the country. The MDTF-JSS will deliver an institutional assessment of the existing patchwork of victim support available, as well as a comparative analysis of EU11 experiences in delivering victim support services, which will inform an options paper with recommendations and a fiscal impact analysis.

Terms of Reference were prepared in consultation with stakeholders and an international expert is currently being sourced to work closely with the task team, to be selected in January 2016. A first draft institutional analysis will be shared with stakeholders for initial comments by April 2016.

#### ***9. SUPPORT TO THE STATE PROSECUTORIAL COUNCIL***

The State Prosecutorial Council (SPC) requested assistance in improving the transparency of their work and in taking over financial management responsibilities. The MDTF-JSS team identified areas for immediate support: improving transparency and communication with an external audience, including advice on website design and associated information protocols to embed online transparency into SPC operations; conducting a training needs assessment of the SPC Administrative office staff; and providing support in financial management. Terms of Reference for the consultants that will support the core team will be drafted in January 2016 and implementation of the support will start in the first quarter of 2016.

#### ***10. COMPARATIVE ANALYSIS OF SMALL CLAIMS PROCEDURES***

Work has commenced in the comparative analysis of mechanisms to fast-track the resolution of minor civil disputes. This activity was recommended by the Serbia Judicial Functional Review. It seeks to apply lessons from EU Member States that have streamlined case processing for small claims. A draft analysis will be shared with stakeholders for comments in March/April 2016.

#### ***11. HUMAN RESOURCE ANALYSIS OF SUPPORT STAFF IN THE JUSTICE SECTOR***

The MOJ also requested support in conducting a human resources analysis of support staff in the judicial sector. This analysis will build on the Human Resources Chapter of the Serbia Judicial Functional Review and provide a deeper analysis of the number of support staff and their allocation across the sector, and will identify areas where regulations could be tightened or amended. The analysis will include all administrative staff in courts and prosecutors' offices, and at the MOJ, the administrative offices of the HJC and SPC and the Judicial Academy. The analysis will not cover judges, prosecutors and judicial and prosecutorial assistants. The aim of this analysis is to assist the MOJ, SCC and the Council in the process of determining the required number of employees in the

Serbian judiciary in line with the Law on Maximum Number of Employees in the Public Sector. Terms of Reference were prepared in coordination with stakeholders and an international expert will support the task team. The activity will take approximately three months and be completed by May 2016.

### ***12. COMPARATIVE ANALYSIS OF THE LAWYERS IN LEGAL AID***

The MDTF-JSS defined the scope of a comparative analysis that will contribute to the improvement of Serbia's legal aid system. The comparative analysis of the role of lawyers in legal aid is underway and a draft will be shared with stakeholders for comment by May 2016.

### ***13. PROCESS MAPS***

The MDTF-JSS was awarded the World Bank ECA Knowledge and Innovation Award 2015 for developing an improved methodology for measuring implementation gaps through Process Maps. (The four Process Maps developed under the MDTF-JSS are available here: [http://www.mdtfjss.org.rs/en/serbia-judicial-functional-review#.VUdk0\\_IVgoI](http://www.mdtfjss.org.rs/en/serbia-judicial-functional-review#.VUdk0_IVgoI).) The award provides funding to the task team to share its experience in developing Process Maps with stakeholders in the region.

The MDTF-JSS organized a workshop for justice sector stakeholders from the Western Balkans region and for representatives of DG Enlargement and DG NEAR in June 2015 to present the methodology for developing Process Maps as tools for measuring implementation gaps. Implementation gaps - a difference in law on the books and law in practice - represent a big challenge in all EU accession countries so interest in the workshop was high. More than 30 justice sector stakeholders participated at the workshop and actively discussed possibilities to use process maps in measuring progress in the reforms and EU negotiation process.

## **SUMMARY OF TRUST FUND ADMINISTRATION AND MANAGEMENT – TF097022**

### ***1. MANAGEMENT COMMITTEE MEETINGS***

During 2015 two Management committee meetings were organized:

- On April 23, 2015 to discuss the request for an extension, progress in drafting the Chapter 23 Action Plan, and bridging activities;
- On September 15, 2015 to discuss recent project results and next steps for the extension of the MDTF-JSS. The meeting noted the recent progress made by the Reform and Accession Facilitation Unit, approved the proposed work plan for 2016-2018, and agreed on next steps to process the paperwork to extend the MDTF-JSS.

In addition to Management Committee meetings, the Bank facilitated five missions to Serbia during 2015. The Aide Memoires of each mission summarize progress, challenges and next steps, and are available on the MDTF-JSS website.

### ***2. TRANSFER OF TASK TEAM LEADER RESPONSIBILITIES***

In April 2015 Task Team Leader responsibilities were handed over by Mr. Klaus Decker to Ms. Georgia Harley.

There was significant administrative and planning work conducted in 2015. The MDTF-JSS prepared the three-year extension plan, held consultations on the design of, scope, and focus of the MDTF for the next three years, prepared the work plan, and signed Administration Agreements with the active donors, among other activities.

### **3. DESIGN OF BRIDGING ACTIVITIES**

In February 2015, it was agreed that while the Chapter 23 Accession Action Plan was not yet approved and a new program document was being developed ‘bridging activities’ would be useful to maintain momentum and see the MDTF through the transition period. These activities were: selected by consensus among Serbian stakeholders; non-contentious and relatively easy to implement; aligned with the latest draft of the Chapter 23 Action Plan and the recommendations in the Functional Review; aligned with various other strategies (the NJRS, SEIO Sector Planning Document etc.); and consistent with MDTF rules. Following the release of the third draft of the AP on 22 April 2015, the Management Committee approved the bridging activities.

### **4. DESIGN AND PREPARING THE WORK PLAN FOR 2016-2018**

With the MDTF-JSS was due to close on December 31, 2015, in February 2015, the Minister of Justice and other judicial stakeholders requested the MDTF-JSS be extended for an additional three years to December 2018 to build on and leverage the project’s good results to date and ensure their sustainability.

The stated purpose of the extension was to intensify implementation support to the sector in the coming years and to build on and leverage good results and ensure their sustainability. In recent years, the MDTF-JSS has made valuable contributions toward strengthening the rule of law and aligning with EU standards while offering a flexible mechanism that minimizes donor overheads and improves coordination. Much diagnostic and analytic work has been undertaken recently, in particular through the 2014 Judicial Functional Review, which documents the current performance challenges and their causes. The sector is now well-placed to receive more targeted technical assistance to implement agreed actions. As a result, stakeholders stated that future programming should focus more on recipient-executed implementation than on Bank-executed advisory services. In doing so, the MDTF-JSS should focus more intensively than in the past on support for Access to Justice, given that the dedicated Access to Justice sub-component has a large (approx. 1,600,000 USD) undisbursed balance. Consultations and analytic work highlight pressing needs in this area, which the MDTF-JSS is well-placed to support.

In April 2015, the MDTF-JSS Management Committee requested the task team draft a document to elaborate plans for programming from 2016 to 2018. Based on the request of the Minister and donors, this programming document would not be limited to the existing resource envelope, but on a realistic assessment of needs and capacities, as per the design process below.

In developing this draft programming document, the task team analyzed: (a) key *strategic documents* (e.g. the National Judicial Reform Strategy 2015-2018 and accompanying NJRS Action Plan, Screening report for Chapter 23, third draft of the Chapter 23 Accession Action Plan, and SEIO draft Sector Planning document); (b) all current *analytic work* (e.g. the Judicial Functional Review, and other works); and (c) the *MDTF-JSS program documents* (e.g. the 2012 Mid-Term Review, monitoring reports, etc.); and (d) existing and planned *donor programming* across the sector.

The team requested stakeholders identify activities that should be prioritized for support and held consultations with Serbian stakeholders and MDTF donors regarding preferences and priorities.

The objective of the MDTF-JSS would remain, namely to provide support for strengthening the justice sector of the Republic of Serbia in order to facilitate its integration in the European Union. The ‘hybrid’ structure of the MDTF-JSS would remain, so the project would continue to provide both Bank-executed advisory services and Recipient-executed technical assistance and implementation.

Bank-executed advisory work would focus on meeting key analytic gaps in areas such as fiscal impact analyses and sub-sectors where the Functional Review identified further analysis is required. Bank-

executed advisory work would also provide technical know-how to transfer needed skills, such as how to conduct surveys and functional analysis, to Serbian stakeholders.

Recipient-executed technical assistance would focus on implementing reforms. Recipient-led work ensures that the design of the activity is locally-owned and needs-driven, with support from and policy dialogue with the Bank.

#### ***5. EXTENSION OF THE PROJECT TO SUPPORT IMPLEMENTATION OF THE CHAPTER 23 ACTION PLAN***

The MDTF-JSS was extended for a period of three years from December 2015 to December 2018. Amendments to the Administration Agreements were signed between the World Bank and each of the existing donors – Denmark, Slovenia, Spain, Sweden and Switzerland. The Grant Agreement was extended with the Government of Serbia by exchange of letters between the Bank and the Serbian European Integration Office (SEIO). The authorities agreed the project will seek to increase the grant amount (the recipient-executed component) in early 2016 to further foster stakeholder ownership of the reform implementation in coming years.

#### ***6. NEW DONOR TO THE MDTF-JSS***

In December 2015, the Embassy of the Netherlands re-joined the MDTF-JSS with a contribution of EUR 300,000. Their first tranche of EUR 100,000 was received in December 2015. The Netherlands was a contributor to the MDTF-JSS from 2008 to 2011 and continued to attend Management Committee meetings periodically as an observer. The Administration Agreement between the World Bank and the Delegation of the European Union to Serbia expired in 2015. The number of MDTF-JSS donor members thus remains at six.

#### ***7. REPORTING AND AUDIT OF THE BANK***

The streamlined reporting and single audit system continues to work well for the MDTF-JSS. Audits were clean without any recommendations and are available on the MDTF-JSS website.

### **SUMMARY OF TRUST FUND SUPERVISION – TF097023**

All recipient-executed activities and arrangements were supervised by the World Bank to a satisfactory standard. Audit reports of the recipient-executed work were clean with no additional recommendations. The ratings for procurement and financial management continue to be satisfactory.

Supervision arrangements included support to the expansion of local technical assistance in the agencies of the sector. The RAFU was extended by 12 months with the approval of the Management Committee. Technical assistance to the Supreme Court of Cassation (SCC) has commenced, with three consultants from the RAFU team selected to support SCC in April 2015 who report directly to the President of the Supreme Court. Activities include developing a case law database, developing policies on harmonization of law, and supporting backlog reduction. For information relating to the recipient-executed component of the MDTF-JSS, see the annual report prepared by the Project Implementation Unit.