

Multi Donor Trust Fund for Justice Sector Support in Serbia (TF071444) 2013 Annual Progress Report

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ABBREVIATIONS

CPC – Criminal Procedure Code

CSO – Civil Society Organization

EU – European Union

FIA – Fiscal Impact Analysis

FLA – Free Legal Aid

HJC – High Judicial Council

ICT – Information and Communication Technology

JA – Judicial Academy

MDTF-JSS – Multi-Donor Trust Fund for Justice Sector Support

MOJPA – Ministry of Justice and Public Administration

MoLSP – Ministry of Labor and Social Policy

MTR – Mid-Term Review

PIU – Project Implementation Unit

RAFU – Reform and Accession Facilitation Unit

RCCP – Review of the Criminal Chain Process

RFU – Reform Facilitation Unit

SIC – Strategy Implementation Commission

SPC – State Prosecutorial Council

USD – United States Dollar

WB – World Bank

1. Introduction

1.1.MDTF-JSS Background Brief

1. This is the fifth Annual Report of the Multi Donor Trust Fund for Justice Sector Support (MDTF-JSS) in Serbia. The report outlines recent political, economic and justice sector developments and outcomes, presents risks to achieving intended development outcomes and reports on implementation progress during the period between January and December 2013. The report also outlines key expected deliverables for 2014. Financial information for calendar year 2013 is included in Annex 1.

2. The World Bank-executed MDTF-JSS was established in 2008 and became operational in January 2009 at the request of donors and the Serbian Ministry of Justice (temporarily renamed Ministry of Justice of Justice and Public Administration, MoJPA), to serve as a mechanism to pool donor contributions for financing a coordinated work program in support of the MoJPA and other justice sector institutions in achieving the objectives of the National Judicial Reform Strategy (NJRS) adopted in May 2006.

3. However, after the launching of the MDTF-JSS initially established as a World Bank-executed facility during 2010 the Trust Fund was amended to become a hybrid facility that is jointly executed by the World Bank and the Serbian Ministry of Justice. Consequently, there are now two parts of the Fund, one Bank-executed, and the other Recipient-executed (Government-executed).

4. The following donors have made a total contribution of approximately USD 8.7 million to the MDTF-JSS: DFID (GBP 800,000), the Kingdom of Spain (EUR 490,000), the Kingdom of Denmark (EUR 333,000), Switzerland (USD 1,090,000) the Kingdom of Norway (EUR 250,000), the Kingdom of the Netherlands (USD 300,000), Slovenia (EUR 100,000) and the Kingdom of Sweden (SEK 31,000,000). Switzerland decided to increase its contribution to the Trust Fund in 2011 by an additional CHF 500,000. After fulfilling its contributions in full and with satisfaction of the outcomes and reporting on activities, the Kingdom of the Netherlands ended its cooperation with the Trust Fund during 2011. The European Union contributed to the Trust Fund in 2013. The EU Instrument for Pre-Accession Assistance (IPA) Management Committee approved the next round of IPA funding for Serbia and joined the MDTF-JSS through an IPA funded contribution. The total funds for the EU contribution is 2 million EURO.

5. The Trust Fund was restructured and all existing donors consented to the Framework Agreement between the WB and the EU. The Amendment to the Grant Agreement between the WB and the MoJPA reflecting several changes was signed. Modifications include operating costs as a new category of Eligible Expenditures and increase of eligible expenses financed by the grant funds from 80% to 100%.

6. Given the additional contributions by donors, a delay in implementing Recipient-executed activities, demand by the Ministry of Justice for further assistance and with donor consent, the closing

date of the of the Trust Fund was extended by four years from December 31, 2011 to December 31, 2015.

7. The main activities of the MDTF-JSS in 2013 included the following:

- Advisory services to the Ministry of Justice and the Judiciary provided through individual consultants in the areas of anti-corruption, EU integration and development aid effectiveness;
- Support to the Ministry of Justice to develop the next Justice Sector Strategy;
- Analysis of the Criminal Chain Process;
- Development of an ICT Strategy for the Justice Sector;
- Multi-stakeholder perception survey;
- Several workshops, seminars and learning events on topics relevant to Serbia's justice sector reform efforts;
- Launch of the Functional Review of the Serbian Judicial System;
- Fiscal Impact Analysis of draft Free Legal Aid Law;
- Cross-country comparison of free legal aid systems;
- Technical assistance provided by the Reform Facilitation Unit and Project Implementation Unit within the Ministry of Justice to implement Recipient-executed activities;
- Ongoing support to the organization of the Partners' Forum;
- Continued improvements to the MDTF-JSS web-site (www.mdtfjss.org.rs) established to improve outreach and increase public awareness of justice sector reforms and of MDTF-JSS program activities;
- Part time Access to Justice advisor in Belgrade assisting the MOJ in the development and delivery of a law regulating free legal aid;
- Full time program coordination in Belgrade.

8. The Trust Fund has generally delivered in 2013 what was agreed at Management Committee meetings and indicated in the Annual Report for 2012.

1.1.Components

9. Components of the Trust Fund:

Component 1 provides advisory services to strengthen justice sector reform in Serbia in the areas of: i) Institutional Capacity; ii) Resource Management and Aid Coordination; iii) Legal and Institutional Environment; iv) Judicial Facilities and Infrastructure; and v) Outreach, Monitoring and Evaluation.

Component 2 provides technical assistance in the five areas from the Component 1 and in the additional area of access to justice.

Component 3 funds Supervision.

Component 4 funds Trust Fund Administration.

Component 5 funds Program Management.

10. Component 1 is Bank-executed and provides advisory services primarily through analytical reports, training of relevant MoJPA staff and other relevant staff, policy dialogue and surveys.

11. Component 2 is Government-executed and provides technical assistance to the MoJPA through the support given to Reform Facilitation Unit in the Ministry of Justice. Component 2 seeks to strengthen justice sector reform in Serbia in the six areas of: i) Institutional Capacity; ii) Resource Management and Aid Coordination; iii) Legal and Institutional Environment; iv) Judicial Facilities and Infrastructure; v) Outreach, Monitoring and Evaluation; and vi) Access to Justice. Component 2 has two sub-components: (2.1) supports the Reform Facilitation Unit in the Ministry of Justice; and, (2.2) strengthens access to justice. While some overlap in deliverables is natural, Sub-Component 2.1 generally focuses on the above described first five areas, whereas the Sub-Component 2.2 is focused exclusively on access to justice (AtJ).

12. The sub-component activities are in line with the MDTF-JSS overall objectives of providing support to the Serbian justice sector authorities in implementation of the justice sector reform agenda, preparation of long-term reform strategy and acceleration of Serbia's EU integration pertaining to the justice sector. The activities are aligned with the original components of the Trust Fund seeking to deliver on the objectives related to (i) Institutional Capacity; (ii) Resource Management and Aid Coordination; (iii) Legal and Institutional Environment; (iv) Judicial Facilities and Infrastructure; and (v) Outreach, Monitoring and Evaluation.

2. Key Development in the Justice Sector in 2013

2.1 EU Accession

13. In April 2013, finding that Serbia had met the key priority of taking steps towards visible and sustainable improvement of relations with Kosovo, as set out in its 2011 Opinion on Serbia's membership application, the Commission recommended to the Council that accession negotiations be opened. The European Council decided on opening accession negotiations with Serbia on 28 June 2013 starting no later than January 2014. Analytical examination of the EU *acquis* started in September 2013. On September 1, 2013 the Stabilization and Association Agreement entered into force after conclusion of the ratification procedure in EU member states.

14. Key findings of the EU in Serbia 2013 Progress Report related to chapter 23 *Judiciary and fundamental rights* included:

"There has been some progress in the area of judiciary and fundamental rights. Reforms are on the right track. Their implementation will test Serbia's preparedness and willingness to proceed forward."

15. The Commission recommendations included the requirement of *"a comprehensive functional analysis of the judiciary in terms of cost, efficiency and access to justice, as well as constitutional amendments"* in order to continue with the reform.

16. Beside the need for continued visible and sustainable progress in the normalization of relations with Kosovo, the Commission recommended that Serbia sustain *"the momentum of reforms, independence of key institutions, media freedom, anti-discrimination policy, the protection of minorities and the business environment"*.¹

2.2. Economic Outlook

17. In view of the difficult economic situation, economic reforms have progressed slowly. Achieving a sustainable fiscal position and tackling the numerous obstacles to growth remains a challenge. Real GDP grew by 2.1% in the first and by 0.7% in the second quarter. However, economic growth has been uneven, concentrated in few sectors, and employment stagnated. Private consumption has continued to decrease and import growth lost pace. Activity in key sectors such as construction and retail trade continued to decline. Unemployment is very high and sustainable employment creation represents a major challenge. Labor market rigidities are significant.

18. The European Commission stated that *"the adoption and implementation of a credible medium-term fiscal adjustment programme, backed by systemic reforms of the public sector to restore fiscal sustainability and stem further rise in the government debt, is urgently needed"*.²

Growth and External Performance

¹ European Commission, Serbia 2013, Progress report, p. 17.

² European Commission, Serbia 2013 Progress Report, p. 17.

19. After a recession in 2012, growth resumed in 2013. According to estimates, the Serbian economy grew by around 2.5 percent in 2013, slightly better than the previously projected growth of 2 percent.

20. The economic recovery in 2013 was driven by a rise in exports and a good agriculture season. Growth of exports comes as a result of previous foreign investments, especially from the large FIAT factory in Serbia and its suppliers. Foreign-owned companies account for more than two-thirds of Serbian exports. Agriculture, which suffered from severe drought in 2012, is estimated to have grown by more than 15 percent in 2013.

21. The recovery from 2013 resulted also in a small reduction of unemployment. The unemployment rate is still very high (at 20.1 percent in October 2013) but it is significantly lower than the peak of 25.5 from 2012. Youth unemployment, at 49.1 percent, is even worse at more than twice the national rate of unemployment. While the informal sector served as a buffer for low employment rates in the past, this no longer seems to be the case as informal employment itself seems to be decreasing. Many young people are leaving the country in search of employment opportunities – in particular in Western Europe.

22. Strong export performance led to a significant reduction of the current account deficit (CAD) in 2013. The CAD reached 5 percent of GDP in 2013 and was more than halved compared to 2012. The main reason for the reduction of the CAD in 2013 was a growth of exports of 25.6 percent (in euro terms), which led to a reduction of the trade deficit by almost 30 percent. Other components of the current account improved as well. Most importantly, remittances increased by more than 10 percent compared to 2012.

23. The exchange rate was broadly stable through much of 2013, even without significant interventions by the National Bank of Serbia (NBS). The Dinar appreciated nominally in the second quarter of 2013 and was broadly stable since then (in nominal terms). The NBS intervened in the foreign exchange market much less than in previous years by both selling and purchasing the foreign exchange.

Fiscal Performance

24. The fiscal deficit (not including below-the-line items) for 2013 is estimated to have been 4.9 percent of GDP. The government managed to control expenditures and to reduce the deficit below the level envisaged by the supplementary budget (the deficit was projected at 5.5 percent of GDP). Consolidated general government expenditures were 1.4 percent higher than in 2012 (in nominal terms) while revenues were 4.4 percent higher than in 2012 (in nominal terms). As a result, the deficit was 18 percent lower than in 2012. Still, this was not sufficient to reverse the trend of increasing public debt. At the end of the year the stock of public debt stood at 63.6 percent of GDP (including guarantees).

2.3 Justice Sector Reform

25. To meet the challenges of the reform of the judicial system, a new National Judicial Reform Strategy for the period 2013-2018 has been adopted by Parliament on July 1st, 2013. This Strategy represents a continuation of the reform activities set out by the National Judicial Reform Strategy for

the period 2006 – 2011. An Action plan for the implementation of the new Strategy was adopted by the Government on July 31st, 2013. The new National Judicial Reform Strategy is conceived as a five-year strategic framework which elaborates key principles - *independence of the judicial system, impartiality and quality of justice, improvement of competence, accountability and efficiency of the judiciary* - their strategic objectives and long-term guidelines for achieving those objectives.

26. Serbia held parliamentary and local elections at their normal term in beginning of May 2012, together with provincial elections in Vojvodina. After one year of operations the new Government was reconstructed. On September 2nd, 2013 the Serbian National Assembly elected the new members of the Serbian Government, which includes 18 ministries and 22 members.

27. The ICT Strategy Report supported through the activities of the Multi Donor Trust Fund for Justice Sector Support was approved by the MOJPA in July 2013. The objective of the ICT Strategy Report is to guide the development and implementation of ICT policies, ICT Infrastructure, Information Systems, and ICT human capital development in all segments of the Justice Sector in the Republic of Serbia.

28. The Strategy on Fighting Corruption for the period 2013-2018 has been adopted by Parliament on July 1st, 2013. An Action plan for the implementation of the new Strategy was adopted by the Government on August 25th, 2013. The Strategy is based on the following principles: rule of law, “zero tolerance” for corruption, accountability, universality of implementation of measures and cooperation of entities, efficiency and transparency.

29. One more policy document, the Draft Public Administration Reform Strategy,³ is in the final phase.

New Criminal Procedure Code

30. The new Criminal Procedure Code (CPC) that was adopted by Parliament in September 2011 is under implementation in all criminal cases since October 1, 2013. It introduces a new model of criminal investigation with the general aim to shorten the investigative phase and the proceedings as whole. The CPC has introduced many long-awaited innovations, and made a radical break up with previous laws on criminal proceedings. The main novelty of the Code is the transformation of the concept of criminal procedure from an inquisitorial to an adversarial system, in line with the trends in the region and in Europe. This change in the concept significantly affected the role of the various criminal procedure actors – public prosecutors, judges, and defense attorneys.

31. The new CPC has received severe criticism by professionals in the field and academia, related mainly to the institutional capacities of prosecutors to lead the investigation, the constitutional position of prosecutors, the protection of human rights, the abandonment of the principle of ‘substantive truth’ and the introduction of the principle of ‘formal truth’, and the challenges in the cooperation between police and prosecutors. It is argued that despite the efforts, some norms that affect public prosecution are incomplete, contradictory and difficult to apply in practice.

Judicial Academy and appointment of first generation of graduates

32. During 2013, the Judicial Academy (JA) continued the organization of initial and continuous education and enrolled the fourth generation of students. The first generation of students successfully

³ Adopted on January 24, 2014 by the Serbian Government.

passed the final exam. The State Prosecutorial Council (SPC) and the High Judicial Council (HJC) proposed the JA graduates for the initial election. The Parliament elected the JA graduates in March 2013.⁴ The Association of judges and prosecutors assistants challenged the constitutionality of the provisions of the Law on Judicial Academy. The JA organized numerous trainings courses, initial and continuous trainings in the area of criminal, civil and commercial law. Special attention has been devoted to education of judges and prosecutors on the implementation of new Criminal Procedure Code.

Reintegration of non-reappointed judges and prosecutors

33. The reappointment procedure carried out for judges and prosecutors in 2009/2010 and the review process conducted to correct its shortcomings were overturned in July 2012 by the Constitutional Court as not meeting the required standards. The Court revoked all the decisions of the HJC and the SPC on the non-reappointment of judges and prosecutors that had been appealed and instructed the Councils to reinstate all of them within 60 days. The Constitutional Court decisions led to the reintegration of some 800 judges and 100 prosecutors, representing one third of the total number. The High Judicial and State Prosecutorial Councils (HJC and SPC) reappointed all previously non-reappointed magistrates to their courts or prosecution offices, or to the jurisdictions that replaced them, within the 60-day deadline set by the Constitutional Court. In addition, some 900 magistrates recruited in 2009 on a probationary basis were granted permanent tenure in December 2012. It was expected that their reintegration would help to reduce case backlog and resolve the unbalanced case burden among courts and judges.

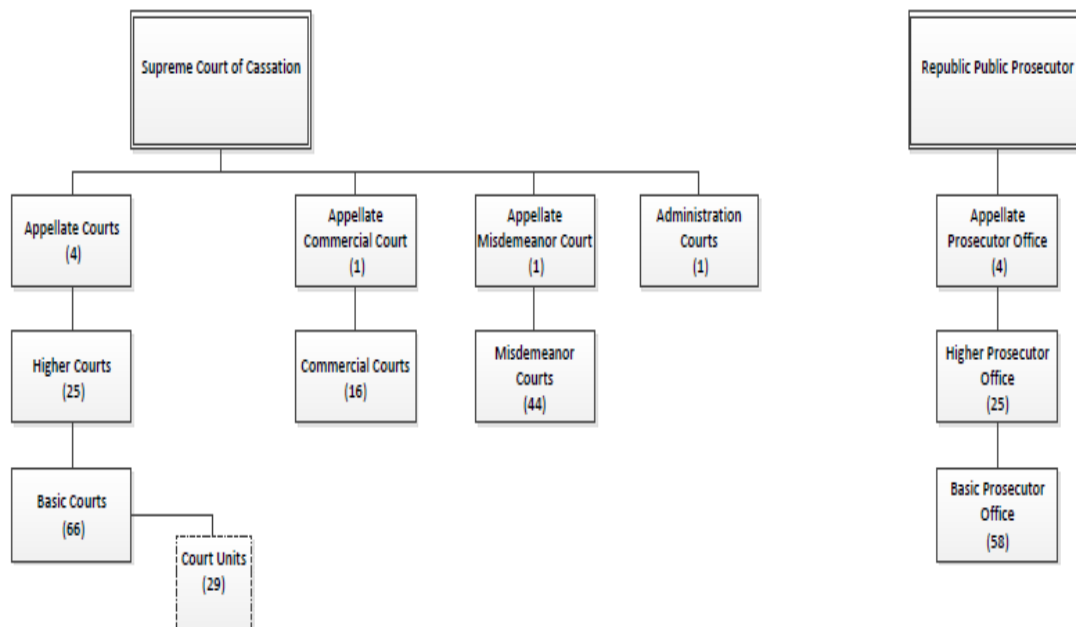
Court and Public Prosecutors Office Network

34. The Law on Seats and Territorial Jurisdiction of Courts and Public Prosecutors' Offices introduced the new network of courts and public prosecutors' offices which became operational on January 1, 2010, characterized by the reduction in the total number of courts and prosecutors' offices, as well as in the number of judges and public prosecutors. However, an assessment of the Supreme Court of Cassation shows that imbalanced allocation of cases remains in the new network, the length of proceedings remains excessive in many cases, court units incur significant travel expenses, and that the reduced court network had a negative impact on the right to access to justice. Major imbalances in the workload of judges persist between courts, particularly between those in Belgrade and other courts. Having in mind the shortcomings of the judicial network from 2010, adjustments to the court and prosecutor's office networks were planned with the aim to ensure optimal allocation of the reappointed judges and prosecutors and the needs of the whole judiciary in terms of access and proximity.

35. On November 20, 2013 the new Law on Seats and Territorial Jurisdiction of Courts and Public Prosecutors Offices was passed in Parliament. According to the new Law the number of basic courts increased from 34 to 66 and number of basic prosecutors' offices increased from 34 to 58. The law provided a framework for the new network of courts and prosecution offices that became effective as of January 2014 (diagram below).

⁴ Association of judicial and prosecutorial assistants challenged the constitutionality of the Law on Judicial Academy provisions (article 40) related to the primacy of Judicial Academy graduates in election procedure for judges and prosecutors. In February 2014 the Constitutional Court decided that article 40 of the Law on Judicial Academy is not in line with Constitution.

New Network of Court and Public Prosecutors Offices – effective from January 1, 2014



Disciplinary System for Judges and Prosecutors

36. To ensure accountability, the two Councils have taken steps toward setting up a disciplinary system. The HJC introduced a disciplinary prosecutor and commission, which handled a small number of cases and delivered a few final decisions. The SPC introduced a disciplinary prosecutor and commission in 2013. The SPC received 44 complaints and delivered 2 final decisions from July 2013 till the end of the year.

New Judicial Services

Bailiffs

37. The Law on Enforcement and Security introduced private bailiffs in 2011. Private bailiffs are a new judicial profession that has received great importance to conduct enforcement in certain group of cases under delegated authority from the state. The first group of bailiffs who passed the qualifying exam were sworn in during May 2012. While the MOJPA determines the number of private Bailiffs to be appointed, the law calls for the appointment of 1 bailiff per 25.000 inhabitants. At the end of 2013 there are 130 bailiffs in Serbia. Private bailiffs are automatically members of their own chamber, which is largely self-governing. Private bailiffs can deal only with enforcement cases that have commenced since 1 May 2012. The MOJPA keeps the registry of bailiffs. It is anticipated that the introduction of bailiff services will lead to a reduction in the case back-log of enforcement cases. It is expected that introduction of private bailiffs will lead to overcoming of the following shortcomings: inefficiency of court bailiffs due to lack of financial resources and insufficient number of qualified and trained personnel; bad system of delivery, which allows debtors to obstruct; difficult access to information on debtors property and the absence of effective mechanisms to prevent the debtors from concealing their assets; and procedural provisions that allow for a range of abuse for the purpose of delaying proceedings.

Notaries

38. The Law on Public Notaries was adopted in May 2011. Public notaries will assume the authority for legal authentication services, which have been handled by the courts. Amendments to the law adopted in February 2013 considerably extended the powers of notaries and now notaries have authority relating to real property transactions, proceedings pertaining to co-owners of property, the division of common property and non-litigious and administrative proceedings, including inheritance proceedings. The introduction of the notaries is postponed until September 2014. It is expected that the introduction of notaries will solve the following shortcomings in the system: weak legal certainty, lack of transparency, heavy workload of courts and limited access to justice. The functioning of the notaries should have implications for reducing the number of disputes and court cases arising from the lack of legal certainty in the real estate area, achieving transparency in company law, the reduction of the administrative workload of courts and judges, and facilitating access to justice for citizens, entrepreneurs and small and medium enterprises.

39. Bailiffs and notaries should significantly unburden the courts, which will considerably reduce the overall backlog of old cases in general. However, the entry into force of the Law on Public Notaries was postponed until September 2014.

Free Legal Aid

40. In the second half of 2012, the newly formed Government reconfirmed its intention to complete FLA legislation. The working group of the MOJPA prepared a draft law on Free Legal Aid and announced the draft Law for public discussion in Autumn 2013. The Bank actively supported preparation of the draft Law on FLA and prepared a fiscal impact assessment as well as a cross country comparison of free legal aid systems in Europe.⁵ The proposed draft prepared by MOJPA and the workgroup envisages provision of primary and secondary free legal assistance. While every citizen is eligible for the primary legal assistance, which consists of advice and provision of information, representation before courts is provided only to those citizens who are beneficiary of social support. The draft law envisages stronger involvement of municipal centres for social welfare which will be responsible for reviewing applications for secondary legal assistance and ensuring full compliance with the eligibility criteria.

41. The draft law on FLA envisages that the secondary legal assistance can be provided only by lawyers. The workgroup and representatives of the CSOs raised their concerns that this approach is not best suited for the vulnerable groups since their understanding of FLA and lawyers is limited. The MOJPA is engaged in dialogue with CSOs and is identifying workable solution.

Case Back-Log

42. A back-log of cases continues to be a problem, and has not been resolved by the adoption of the new court network. The case-load between courts continues to vary significantly. The back-log remained at 3.34 million cases at the start of 2012. From January 2014 a unified system of back-log reduction will be implemented in all courts in Serbia.

International Partners in the Justice Sector

⁵ More information on Free Legal Aid is available on the MDTF website.

43. Beside the MDTF-JSS the main international partners in justice sector reform in Serbia are the EU Delegation (through the Instrument for Pre-Accession Assistance), the OSCE, USAID, the Embassy of Norway and GiZ.

44. The EU Delegation has contributed €5.5 million of IPA funds, to continued support in justice sector reform. The EU Delegation in Serbia is expanding its project portfolio in the justice sector and the EU joined the MDTF-JSS in 2013.

45. OSCE activities in 2013 were focused on strengthening the capacities of the HJC and the SPC, support to the Anti-Corruption Agency and prison reform. In addition, the OSCE was active in reform of the Serbian security sector with focus on the police. The OSCE in cooperation with the Judicial Academy and the US Department of Justice organized trainings on the new Criminal Procedure Code for judges and prosecutors. The OSCE is also working with the Judges Association and the Association of Public Prosecutors. During 2013 the OSCE provided expert advice to the MOJPA and to working groups created by the MOJPA to amend key legislation related to the Serbian justice system, and to provide support to the HJC and the SPC on disciplinary procedure.

46. USAID has continued to deliver the Judicial Reform and Government Accountability Project (JRGA), which is a 5-year project (2011-2015) aimed at improving Serbia's rule of law, judicial efficiency, independence and integrity and the openness and accountability of government operations overall. The project promotes reduced opportunities for corruption in some government institutions and increased detection of corruption. The project has two components: the first component - focused on support to the Misdemeanor Courts - will help make the administration of justice more efficient, transparent and responsive to the needs of court users, and to increase public awareness about these improvements; and Administrative Courts. The second component will help strengthen the capacity of Serbia's Independent Agencies and civil society to promote open, accountable and efficient government; to fight corruption and poor administrative practices; and to generate public demand for, and participation in, good governance.

47. The USAID Separation of Powers Program (SPP), a five year project, was designed "to help Serbia move closer to EU accession by strengthening the division of power and authority among Serbia's three branches of government." The three SPP tasks are to: 1) Develop the judiciary's capacity to allocate, acquire, and manage its own resources by strengthening its ability to engage in strategic planning and budgeting; 2) Assist the judicial branch in making the administration of justice more efficient, transparent and responsive to the needs of users by introducing professional court managers and reducing backlogs in selected courts; and 3) Develop the capacity of the National Assembly of the Republic of Serbia by assisting it in acquiring, allocating and managing its own resources through improved strategic planning and budgeting. Within the first task the SPP provided assistance to the High Judicial Council in preparation and implementation of the budget for the entire judicial branch, and in increasing the capacity of its Material and Financial Affairs Sector.

48. In partnership with the consultancy company IMG, the Kingdom of Norway in 2010 funded a project on "Improving the Delivery of Justice in Courts in Serbia". This project was focused on improvement of court efficiency, information sharing through info desks and infrastructure improvements. Based on the results achieved through implementation of this project the Kingdom of Norway has awarded an additional contribution of 4 million EURO to IMG to continue, and to expand project activities during 2010-2014. The project focuses on enhancing the quality and performance of

Serbian courts, support the development of the juvenile justice system and strengthening the capacity of the High Judicial Council.

49. The Council of Europe and the European Union have launched, in December 2012, a EU funded project “Strengthening the Capacities of Law Enforcement and Judiciary in the Fight against Corruption in Serbia” (PACS). With duration of 28 months, the project will encompass specialised training designed for the judiciary, prosecution and law enforcement officers; introduce new IT tools to investigate corruption and white collar crime; and will conduct risk analyses and provide recommendations aimed at improving the efficiency of criminal investigations and proceedings.

50. The Legal Reform Project, implemented by *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), focuses on the major challenges to Serbian legal reforms: improvement of the overall legislative process; implementation of the reformed laws and the popularization of legal provisions, particularly in the field of civil and commercial law. The project will last until 2018.

3. Risks

51. The MDTF-JSS was originally classified as a high-risk project for three primary reasons: (1) a concern that the reform process would be stalled because of the lack of an overarching Judicial Reform Strategy, (2) a concern that the coalition government would be affected by political instability and the possibility of early parliamentary elections, and (3) a concern that the Ministry of Justice and Public Administration lacks sufficient implementation capacity to respond to the reform challenges.

National Judicial Reform Strategy for the period 2013-2018

52. To respond to new challenges in reform of the Serbian judiciary, the MOJPA led the process of design and preparation of the new judicial reform strategy for the period 2013-2018. The new National Judicial Reform Strategy (NJRS) is building on the limited success of the previous reform and is in line with Serbia's EU Accession Process. The MOJPA organized a round of consultations with key national and international partners on the scope and activities outlined in the draft NJRS. As a result the Government of Serbia in June 2013 approved the proposed NJRS which was followed by approval of the Action Plan for Implementation of the NJRS in July 2013. This was then followed by creation of the Strategy Implementation Commission (SIC) in Fall 2013, which comprises representatives of key national judicial institutions and representatives from CSOs and Judicial Academy. The role of SIC is to oversee implementation of the NJRS and its Action Plan and to report on the achieved progress.

Political stability and EU Accession Process

53. The political instability in 2013, which resulted in changes in the cabinet in September 2013, has not had a major impact on the MOJPA. However, as a result of the political instability the Serbian parliament was dissolved in late January 2014 and early parliamentary elections were scheduled for March 2014.

54. The Serbian Government formed in July 2012 expressed its commitment to pursue Serbia's EU membership and to accelerate the process of European integration. During 2013 the MOJPA was focused on preparation of the new National Judicial Reform Strategy in line with EU standards and passage of the new Law on Territorial Organization of Courts and Prosecutor's Offices (New Court Network), full rollout of the new Criminal Procedure Code and changes to the Law on Court Organization. All of this had positive effects on Serbia's ability to continue with the EU accession process. However the EU message to the Serbian judiciary authorities is that additional attention should be given to reforms of the justice sector since the judiciary is one of the major priorities.

Capacity in the Ministry of Justice and Public Administration

55. Lack of qualified staff continues to be an issue in the MOJPA. The Reform Facilitation Unit (RFU), established in 2011 and funded by the MDTF-JSS has contributed to reducing the risk related to understaffing. However, the overall capacity to coordinate, prioritize, resource, and implement a multi-year justice sector strategy remains weak. The MOJPA requested from the MDTF-JSS Management Committee to continue with funding of the RFU in a slightly different format. MOJPA proposed that the RFU be transformed into the Reform and Accession Facilitation Unit (RAFU) which would provide technical support to the MOJPA and the Strategy Implementation Commission.

56. All in all, the MDTF-JSS continues to be classified as a “high risk - high reward” project.

4. Outcomes

57. The outcomes framework for the MDTF-JSS is set out in the Project Memorandum from late 2008.

MDTF-JSS Results framework - Development Objective and Outcome Indicators

Development Objective	Outcome Indicators	Use of Outcome Information
<p>Facilitation of the acceleration of Serbia's European Union integration process pertaining to the justice sector.</p> <p>[This will be done by supporting (i) strengthening institutional capacity; (ii) the improvement of justice sector performance and (iii) increased aid effectiveness.]</p>	<ol style="list-style-type: none"> 1. Updated NJRS, Implementation Plan and NJRS results framework together provide a satisfactory basis for tracking and reporting progress on justice sector performance 2. Periodic stakeholder surveys show improved private sector and public ratings for justice sector efficiency and performance 3. Increasing share of justice sector ODA is on-budget 4. Strategic outreach and monitoring and evaluation (M&E) arrangements are institutionalized so as to track and report justice sector reform progress and impact 	<ul style="list-style-type: none"> • Overarching framework for justice sector performance and progress reporting. • Faster disposition of cases and reduction of case backlogs indicate increased efficiency and access to justice. • More effective management of justice sector resources – human, financial, physical and IT

58. There has been good overall progress in achieving the development objective of acceleration of Serbia's European Union integration, which is the key development objective to which the Trust Fund is contributing. Significant progress was made in meeting the political criteria, including a comprehensive legal and institutional framework for the rule of law and the protection of human rights and minorities, which overall corresponds to European and international standards. Progress has also been made with the gradual completion of the legal framework and the refinement of the institutional set-up of the judiciary.

5. Progress Report

59. It was negotiated with the MOJPA and MDTF donors to re-allocate funds and transfer 700.000 USD from the Recipient-executed part of the Trust Fund to Bank-implemented advisory services. Funds will be used for the Functional Review. The Functional Review will provide a baseline and analytical input for the accession negotiations between Serbia and the EU. An amendment has been prepared and signed to the Administrative Agreement between the EU and the World Bank to reflect this change.

60. During 2013, the main activities included ongoing advisory services to the MOJPA on justice sector reform, anti-corruption and international cooperation, training and knowledge sharing on specific elements of the justice sector reform agenda, including Access to Justice and the technical support provided by the Project Implementation Unit (PIU) and the Reform Facilitation Unit (RFU) to the Ministry of Justice and Public Administration.

61. The Trust Fund continued to provide analytical input including through support for the development of the Justice Sector Strategy 2013-2018, analysis of criminal case processing and analytical work through the Judicial Functional Review.

Project Implementation Unit (PIU) and Reform Facilitation Unit (RFU)

62. The PIU is comprised of a Procurement Specialist, a Financial Specialist and the Head of the PIU, Assistant Minister Backovic. The PIU provides oversight and administrative support to ensure the effective day to day functioning of the RFU. The RFU, comprising up to eleven core support personnel, is responsible for contributing to the achievement of the Government's reform goals. The MDTF-JSS funds the long term consultants and legal experts working within these two units. Together, these teams provide expert advice, recommendations and technical assistance to the MOJPA and the Judiciary. Tasks include drafting of technical and policy notes and papers, input to strategic planning, facilitation of aid coordination and effectiveness, project design and implementation, and the procurement of all client-delivered goods and services described in the MDTF-JSS Program Framework. Based on the initial agreement, the RFU was intended as a short-term gap-filling measure and was scheduled to expire on 31 December 2013.

63. In the upcoming accession negotiation the added capacities that the RFU provides will be very useful for MOJPA. The MOJPA therefore proposed the establishment of the Reform and Accession Facilitation Unit (RAFU) and accompanying draft TORs for the 12 RAFU consultants, focusing on building in sustainability elements, including twinning and ensuring that the consultants have sufficient experience and expertise to conduct capacity building with their civil servant colleagues. Meanwhile, the MDTF-JSS agreed with the MOJPA to extend the contracts of four existing consultants for one month until January 31st and one contract for two months from 1 January to 28 February 2014 to ensure continuity of operations.

Mid-Term Assessment

64. An independent team assessed the progress in the implementation (by the Bank and the Ministry of Justice) of the MDTF-JSS to achieve the Project Development Objective. The goal of the Mid-Term Review (MTR) was to assess the progress on the implementation of the Program Framework and the activities currently being delivered. The team reviewed the relevance of the Program Framework in

light of the main challenges facing the justice sector and in its delivery of services in Serbia, and identified institutional constraints to achieving results. In addition, the MTR team made recommendations aimed at improving results in the implementation of the MDTF-JSS. The MTR report and presentation on the key findings from the MTR was delivered in April, 2013 to the donors and MOJPA. Following the recommendations from the MTR the Bank's team working on the TF was strengthened and the justice sector experts joined the Bank team in April. Based on the recommendations of the MTR, revision and update of the MDTF-JSS Program Framework will be prepared. The updated Framework will take into account results from both Bank-executed and Recipient-executed components of the MDTF.

65. Key findings of the MTR include: Implementation risks are high - the MDTF-JSS implementation environment is very complex and risks of implementation obstacles are substantive. Despite the potential risks, the endeavour is worthwhile. The focus of the MDTF-JSS on Serbia's justice issues is highly relevant not just in the context of EU accession, but also for the country's overall development. Major actors have reiterated their commitment. The new government has expressed its commitment to accelerating EU membership. Donors have underscored the importance of delivering sound technical assistance to support Serbia's EU accession process in relation to justice issues.

(i) Institutional Capacity

66. The objective of this sub-component is to facilitate capacity-building – within the MOJPA, the judiciary and the Ministry of Finance - to design, coordinate and implement judicial reform and modernization programs.

Ongoing advisory services

67. Throughout 2013, the RFU has provided advisory services to the MOJPA related to various aspects of European Integration, including application of different International Conventions, and EU Directives and Regulations.

68. The President of the High Judicial Council requested from the MDTF team a Rapid Assessment of the capacity of the Administrative Office of the HJC. The draft Concept Note with scope and methodology for this activity was planned to be prepared in mid-April, however the HJC adopted a new Systematization on April 2 so this technical assistance was no longer required.

69. It was planned that the MDTF will work with the Administrative Office of the State Prosecutorial Council and will provide advice on budget planning in line with procedures adopted by the HJC. However the new Criminal Procedure Code entered into force on October 1, 2013 and affected budget and financial requirements of the prosecution service. It was agreed with the US Department of Justice and Separation of Powers Project (USAID SPP) to organize consultations how best to support the State Prosecutorial Council.

70. The MDTF provided support in the process of preparation of the National Judicial Reform Strategy 2013-2018, the draft Law on Free Legal Aid, and the draft Law on court seats (JPEIR was presented).

EU Integration

71. The RFU has continued to support the MOJPA in the process of harmonization of the legislation of the Republic of Serbia in line with the *Acquis Communautaire*, analyzing relevant EU Directives and Regulations, and International Conventions.

72. The agreement on the Functional Review and its content was a key activity launched in 2013 to support EU integration. The team confirmed with MOJPA, the EC Delegation in Serbia, the High Judicial Council (HJC) and the State Prosecutorial Council (SPC) that the Functional Review of the Serbian Justice System should be the main analytical work produced by the MDTF in the upcoming year. Key stakeholders expressed their commitment and support for such an analysis and reiterated the high level of importance that this analysis will have to the EU accession negotiations by assessing the current functioning of the institutions of the broader judicial system in Serbia with a view to providing analytical and advisory input to ongoing and planned justice reform initiatives in Serbia in view of EU accession, and by providing a sound and solid empirical basis to enable Serbia to assess the impact of future justice reform initiatives compared to current justice system performance.

73. These activities have supported delivery of activities outlined in the Program Framework (Annex 3) "Objectives set for implementation of the National Strategy for Combating Corruption are met, in accordance with the agreed timelines" and, (ii) "Expediting the adoption of relevant International Conventions, and EU Directives and Resolutions in Serbia, and their inclusion into Serbian legislation" and the corresponding indicator - "Relevant and appropriate international conventions and treaties included in Serbia's legislation and implemented".

International Cooperation

74. The MDTF actively participated in donor coordination meetings. The MDTF Coordinator keeps regular contacts with all donors outside the Trust Fund, such as USAID, GIZ and OSCE, and keeps them informed about the progress of the MDTF activities. As a result there is no overlap between the MDTF activities and other donor's assistance to Serbian judiciary.

75. The RFU assisted in the organization of Partners' Forum. There was one meeting of the Partners' Forum organized by MOJPA and the topic for discussion is status of judicial infrastructure and how to improve that. This instrument funded under the MDTF is designed to provide policy and result-based dialogue between the Serbian judiciary and international partners. In order to strengthen Partners' Forum it was decided to better coordinate this mechanism with the Thematic Workgroup meetings hosted by SEIO.

76. This work has supported delivery of activities outlined in the Program Framework (Annex 3) (i) "Strengthening regional cooperation in the fields of mutual legal cooperation and assistance, especially in issues pertaining to organized crime and anti-corruption" and the corresponding indicator – "Reports prepared and endorsed by Government and relevant bodies monitoring /assessing regional cooperation in issues pertaining to organized crime and corruption" and "Objectives set for implementation of the National Strategy for Combating Corruption are met, in accordance with the agreed timelines" and, (ii) "Expediting the adoption of relevant International Conventions, and EU Directives and Resolutions in Serbia, and their inclusion into Serbian legislation" and the corresponding indicator - "Relevant and appropriate international conventions and treaties included in Serbia's legislation and implemented".

National Judicial Sector Strategy

77. At the request of the MOJPA, the MDTF-JSS is facilitating the process of development of the new Justice Sector Strategy. The Ministry of Justice identified the MDTF-JSS as the key driver to assist in this process. Advisory services have been provided to assist the MOJPA to develop the new 2013 – 2018 Strategy, which is continuation of 2006 Strategy.

78. The World Bank's MDTF Team, with RFU support, prepared a draft text of the new National Judicial Reform Strategy. The document was provided to the Ministry of Justice in May 2012 for final amendments and clearance. Due to the elections and the later change in the MOJPA leadership, this process was not completed and the new leadership in the Ministry began the preparation of a new Strategy again in the autumn of 2012, using the draft prepared by the MDTF as a starting point. The MOJPA led the process with limited participation from the HJC, the SPC, the Supreme Court of Cassation and the Republic Prosecutors Office. The Judges Association and Association of Public Prosecutors also had limited participation in the preparation of this Strategy.

79. The EU provided expertise through TAIEX missions and experts' opinions on the draft document prepared in late January 2013. USAID and international partners were supportive of the idea to have a new Justice Reform Strategy to provide direction in the next mid-term period. The MOJPA enabled wide consultation process in re-drafting of the Strategy to ensure that partners provide comments on certain directions or actions and to participate in formulating and designing targeted assistance. The final public discussion on the draft Strategy was organized in June 2013 and the Parliament adopted the new Strategy 2013-2018 in July 2013.

80. In parallel to the preparation of the Strategy the MOJPA drafted the Action Plan. Specific measures (such as normative measures, analyses) and activities are further elaborated in the Action Plan, which will be updated annually, based on an analysis of the previously achieved results. The MDTF provided technical advice for the preparation of the Action Plan, costing and monitoring framework for the Strategy for Justice Sector Reform.

81. All MDTF-JSS outputs, including the JPEIR, the Council of Europe reform status assessment, the IPSOS justice sector perceptions survey, and other studies were used in the development of the Strategy.

82. These activities have supported delivery of activities outlined in the Program Framework (Annex 3): "Strategic framework for the second phase of justice sector reform in Serbia" and the corresponding indicator – "Recommendations of strategy note on future cooperation with multilateral and bilateral development partners implemented and reflected in appropriate related documents".

(ii) Resource Management and Aid Coordination

83. The objective of this sub-component is to facilitate justice sector leadership to strengthen justice sector resource management and aid coordination.

Functional Review

84. Review of the performance of core justice institutions would provide a foundational platform for Serbia's EU accession negotiations, by providing a useful baseline for future monitoring and evaluation of Serbian reform efforts and by identifying key aspects, challenges and options for justice sector reform. The Functional Review will assess the current functioning of the key justice sector institutions, and provide analytical and advisory input to ongoing justice reform initiatives in Serbia to achieve EU accession.

85. Integral part of the Functional Review is the performance framework for the justice system, which will provide the basis for the Judicial Functional Review. Initially it was planned as freestanding activity, now it is integrated in the Component 1 of the Functional Review. Functional Review components are as follows: 1. Performance Framework – The framework will identify key performance measurement areas, performance indicators and data types to feed the relevant indicators vis-à-vis EU standards where possible; 2. Performance and Justice Service Delivery: Baseline and Challenges in the Serbian Judicial System (i. Desk Review, ii. Data collection, iii. Data generation, iv. Stakeholder and Institutional Analysis, v. Access to Justice Analysis, vi. Cross-Country data collection, vi. Performance Hypothesis; 3. Assessing Resources and how they effect performance and service delivery in the Serbian Judicial System (vii. Financial Resource Analysis; viii. Human Resource Analysis, ix. ICT Analysis, x. Infrastructure Analysis); 4. Options and Recommendations; 5. Risk Management Framework.

86. The Functional Review will focus on three areas of performance in terms of justice service delivery: efficiency of service delivery; quality of services delivered, and; access to these services. The Review will focus on the courts as the main vehicle for justice service delivery and the primary institutions of justice in Serbia.

87. The Serbian Judicial Functional Review was officially launched on December 16, 2013. By the end of 2013, the full team of local and international consultants was in place, all advertised and selected via competitive recruitment processes. Data collection had commenced, and early data was being shared within the team. The desk review of existing analytic work had been commenced.

Partners' Forum

88. One Partners' Forums, focused on the Functional Review, was organized in December 2013. The Partners' Forum is a mechanism led by MOJPA. The MDTF-JSS provides support to the Ministry in organizing the Forum.

89. The objective of the Partners' Forum is to facilitate Serbia's EU justice sector integration process and to strengthen the performance of the justice sector by providing a forum for program - and results -based policy dialogue between key stakeholders on: (a) justice sector reform, institutional strengthening and modernization; (b) justice sector performance management and performance improvements; (c) improving justice sector aid coordination and effectiveness; and (d) monitoring and reporting on reform progress and impact.

90. These activities have supported delivery of activities outlined in the Program Framework (Annex 3) "Action plan to implement the recommendations of the Justice Sector Public Expenditure and Institutional Review (JPEIR), realized under the Bank - executed part of the MDTF-JSS" and the corresponding indicator – "Action plan finished and adopted by the MOJ senior management".

91. The objective of this sub-component is to facilitate the strengthening of the legal and institutional environment for the judiciary.

92. To provide input to the design of the next phase of justice sector reform in Serbia, the Review of the Criminal Case Process in Serbia (RCCP) was expected to improve the provision of criminal justice sector services to Serbian citizens and thereby facilitate Serbia's eventual accession to the EU. It was expected that the RCCP would (i) assess the current and proposed process criminal matters enter into and move through the criminal justice system, (ii) consider further planned reforms that would impact these processes with a particular view to barriers to access and manoeuvre the system, including but not limited to impediments to efficient processing, cost, information gaps, and access to counsel; (iii) assess current and future potential entry points for different levels of legal aid and advice, (iv) identify reform and resource gaps to enhance criminal justice processing and legal aid and legal advice provision, and (v) assist in the development of a response strategy.

93. The first phase of the RCCP - a legislative mapping and overview of both the current and the new Criminal Procedure Codes- was completed in February 2012. After completion of Phase 1 of the RCCP, the more time consuming Phase 2 of RCCP began with the contracting of a locally-based firm commissioned to conduct comprehensive field research at three agencies (police, prosecutor, courts) in seven separate RCCP sites.⁶ The RCCP team completed field work during the period from July to September 2012. The field data collected by RCCP staff included statistics from AVP software, a series of court, prosecutor and police interviews, and case file reviews of randomly-selected cases from each of the sites. The study also relied upon annual statistics of the three agencies from the years 2010 and 2011. Upon reviewing the data during the Autumn of 2012, the RCCP team delivered preliminary findings to key government stakeholders including members of the new government's CPC working group. A draft final report was delivered to the Bank for review in late 2012.

94. In accordance with the MDTF-JSS judicial reform agenda, the World Bank aid at completion of the Review of the Criminal Case Process in Serbia during 2013. The MDTF team continuously sought the cooperation of the Ministry of Interior regarding the Review of the Criminal Chain Process, and in particular the collection of data from various police stations. The MDTF also drew on the support of national stakeholders, including the PPO, SPC and MOJPA to seek MOI cooperation. In the end, however, effective cooperation could not be secured. The Bank team therefore terminated this activity. Consultations are underway as to how best to support criminal procedure reforms currently underway in a manner that is both evidence-based and ensures stronger stakeholder engagement.

95. These activities have supported delivery of activities outlined in the Program Framework (Annex 3) "Assessment on the implementation status of the prosecution reform" and "Action plan and recommendations for expediting and strengthening the process of prosecution reform" and the corresponding indicators – "Assessment finalized, published and findings reflected in the action plan for expediting and strengthening the process of prosecution reform" and "Action plan finalized, published and under implementation".

iv. Judicial Facilities and Infrastructure

⁶ RCCP sites include all courts, prosecutor offices and police stations located in Belgrade, and 6 other cities throughout Serbia (Subotica, Uzice, Nis, Novi Pazar, Vrsac, Zajecar), as well as organized crime agencies in Belgrade.

96. The objective of this component is to facilitate the acceleration of the systematic modernization of the court and prosecutorial network; strengthen the resourcing, operations and management of the physical and IT facilities of courts and prosecutor offices; and facilitate the assessment of impact on users' access and satisfaction.

ICT Strategy Report for the Justice Sector

97. After a slow start, caused by the changes in the Ministry after the election, this activity has picked up and was finalized in May 2013. This activity is managed by the MOJPA and the Bank team provides support and expert advice. The AAM, a firm from Hungary, was selected by the Ministry to assist in preparation of this strategy report. The Justice Sector ICT Strategy Report covers all ICT systems and sub-systems that support the functions of the above entities. This includes: ICT Governance, Policies and Procedures; ICT Infrastructure; Business and Information Systems covering both adjudicative and administrative processes; and Organizational capacity to manage, maintain and operate ICT systems.

98. The Justice Sector with all its inter-related but independent entities⁷ is a highly complex environment. Each entity has its own clearly delineated functions, processes and responsibilities. Interactions with other entities in the Justice Sector are often highly regulated and carried out under controlled circumstances. This complex environment is reflected in a sector-wide ICT Strategy Report. A Justice Sector-wide ICT strategy Report can be used as a coordination and integration mechanisms for multiple vertical entities in the judiciary. The Strategy Report outlines innovative approach to integration and coordination of the various current ICT developments by the respective entities into a cohesive functioning sector-wide system where data and information can be easily shared and acted upon as needed by the individual entities.

99. These activities supported the delivery of activities outlined in the Program Framework (Annex 3): (i) "Successfully concluded implementation of the Case Management System in courts of general jurisdiction", (ii) "ICT modernization strategy for the justice sector in Serbia" and (iii) "Action plan for implementing key information system-related initiatives in the justice" and the corresponding indicators – (i) "The implementation is concluded and the staff in courts of general jurisdiction have received the appropriate training", (ii) "ICT modernization strategy is prepared, in close cooperation with relevant stakeholders and partners", and (iii) "Action plan for implementing key information system-related initiatives is prepared" and "Action plan finalized, published and under implementation".

(v) Outreach, Monitoring and Evaluation

100. The objective of this sub-component is to institutionalize strategic outreach, monitoring and evaluation arrangements to track and report progress on justice sector reform progress, and impact.

Communications Strategy

101. The RFU consultant, Advisor for the Communication and Media, participated in the finalization of the NJRS and provided input to the communication strategy for dissemination of the NJRS. The MOJPA, in coordination with HJC and SPC, organized several meetings across Serbia to present key objectives of the new NJRS to both judicial professionals and wider public. Thanks to this visibility of

⁷ Entities in the Justice Sector include Ministry of Justice, the Prosecutors, the Prison System, the Judiciary etc.

the NJRS was increased, however additional work is required to explain roles and responsibilities for the implementation of NJRS activities.

Outreach Programs

102. In 2013, the Outreach Program consisted of support to the FLA Law meetings, meetings related to the development and finalization of the National Judicial Reform Strategy 2013-2018 and the accompanying Action Plan.

103. Several outreach activities to increase public awareness and participation in the activities of the MOJPA, were held during 2013. MOJPA led its FLA Law Working Group in a 3-day working retreat designed to reach consensus on a number of outstanding issues that had proven challenging to resolve throughout the duration of the MDTF-JSS Project.

Web portal

104. In order to improve outreach and increase public awareness of MDTF-JSS program activities in Serbia, a dedicated web portal was launched in 2009. The portal is being used to disseminate information about MDTF-JSS events and to share knowledge products produced by the World Bank and partner agencies on the justice sector. The web site has recorded high traffic but the MDTF team seeks to increase usage. For this purpose the web site will be redesigned so it is more user friendly. The consultant for the redesign of the web site was hired in July 2013. This activity will be completed in the first half of 2014. It is available in Serbian and English versions at www.serbiamdtfjss.org.rs.

105. These activities have supported delivery of activities outlined in the Program Framework (Annex 3): (i) "Communications strategy for Serbia's justice sector, aiming to increase public awareness on the Judiciary and strengthen cooperation and collaboration with key national stakeholders", and (ii) "A media campaign to raise awareness on the justice sector reform in Serbia"– (i) "Communications strategy for Serbia's justice sector drafted", and (ii) "Media campaign prepared, launched and implemented".

Multi-Stakeholder Perception Survey

106. The MDTF-JSS started conducting a follow-up survey to the Perceptions of Justice survey organized in 2010. This activity feeds directly in the Functional Review. Questionnaires were developed in a consultative process with the MOJPA, HJC and SPC. The MDTF team requested and received comments and suggestions on the draft questionnaires from the key stakeholders. Based on the feedback provided, the local consultant firm (IPSOS) updated the draft questionnaires and distributed to stakeholders ahead of a joint workshop that was held on 3 October 2013. The participants in the workshop finalized the outstanding issues. The local company was selected to collect data and prepare a preliminary analysis. The field work started end of October and first preliminary results were scheduled to be available in March 2014.

107. Within this activity IPSOS will also prepare two or three maps of court procedures from the perspective of court users.

(vi) Access to Justice

Support to reform of the Free Legal Aid System

108. Having commenced support to the FLA law drafting process in 2011, a part-time Senior Justice Sector Specialist continued to oversee the delivery of advisory services to the MOJ on Access to Justice issues during 2013. Additional support was provided with the Fiscal Impact Assessment of the Draft Free Legal Aid Law and a cross- country comparison of relevant European legal aid systems.

109. In December 2011 the Ministry had prepared a draft FLA Law based on the Netherlands model. Although the draft FLA Law was generally well-received by key stakeholders as well as by the Council of Europe⁸ in a report issued in February 2012, the MOJ also reviewed considerable comments and concerns⁹ from key stakeholders such as bar associations, CSOs, and municipalities. The change in government in July 2012, and the new government's subsequent prioritization of weaknesses in the court network laws and key criminal and civil procedural laws, effectively resulted in the languishing, and effective dissolution, of the prior government's FLA Working Group.

110. Despite this general setback to the ultimate passage of a FLA Law in 2012, this delay in the law's passage has allowed for some productive FLA-related dialogue to transpire which should ultimately lead to the passage of a more sustainable, efficient piece of legislation.

111. In 2013 work on the FLA Law continued. During the working group retreat in October 2013 following issues were discussed:

- Expanded Access for Indigent/Vulnerable Defendants: Access to (or informed waiver of) representation in all criminal cases involving indigent and/or vulnerable defendants facing potential prison terms of any length;
- Ensuring FLA in Municipalities Without Services: Minister of Social Welfare and Labor (MSWL) will offer primary FLA services, to be delivered by legal professionals in the approximately 120 municipalities which do not already provide legal aid services;
- MSWL-led eligibility process: A streamlined FLA eligibility determination for secondary FLA cases capitalizing on MSLW knowledge/experience with target groups and MSLW's expansive municipal coverage, with MoJPA (1st tier) and Administrative Court (2nd tier) review;
- Expanded Secondary Provider Definition: FLA providers will include advocates and non-advocate legal professionals possessing a bar exam and a law degree, thus municipalities may represent in court in cases to be defined by regulation;
- State-led, Independent FLA Quality Control: the quality control system will invite advocate participation, but not control, over the auditing and investigative power of MOJPA. Matters worthy of discipline or removal from the FLA Registry will be reviewed by an independent Quality Control Commission.

⁸ The Council of Europe report recommended a broader definition of 'eligible legal aid provider' beyond the bar association, advocated for a decentralized FLA administrative body independent of the government with authority to control quality of FLA delivery, and cautioned against undue administrative costs incurred during overly complicated beneficiary identification processes.

⁹ Stakeholder concerns centered on the definition of 'eligible legal aid provider' in the draft law. While bar associations continue to advocate for a monopoly over representation in all FLA cases, municipalities, CSO's and legal clinic representatives claim that including non-bar legal professionals (holders of law degrees and bar exam) will drive down costs, and not have a negative impact on quality.

112. The MDTF provided assistance in drafting FLA Law by delivering a fiscal impact analysis of the different alternatives for the provision of free legal aid services, and design of institutional arrangements to reduce opportunities for monopolistic practices in the provision of free legal aid services. The Fiscal Impact Analysis (FIA) was prepared in 2013 as it is clear that this Law will have fiscal impacts, and to encourage evidence based approach to policymaking. The Fiscal Impact Analysis identified the financial implications of different options being considered by the working group, to the extent that these have been particularized. It also included a cross-country analysis of costing in five locations. Draft was circulated in November and FIA was finalized in December.

113. The FIA estimates the combined costs of providing primary and secondary free legal aid services. Most estimates are for the combined costs of what has traditionally been considered secondary legal aid services, that is, for the total costs of legal advice, petition and representation for cases that reach the court docket. Separate aggregate estimates are also made for volume and costs for the traditional form of primary legal aid, as well as for its expanded definition (inclusive of drafting legal documents and motions). Still, the body of these cost estimates focus on the combined cost of primary (in its expanded form) and secondary legal assistance, minus the cost of initial consultation and screening (the previous definition of primary legal aid). Due to the constitutional assignment of legal aid functions to municipal governments, to the degree possible, the FIA attempts to estimate legal aid case demands and case costs down to the municipal level as well as court levels.

114. The draft Law on FLA was posted on the MOJPA web site in December 2013. The aim of the draft Law is to strike a balance between the delivery of both quality and affordable, state-funded legal aid services which, over time, will meet ECHR standards governing this right.

115. MOJPA was scheduled to seek a Council of Europe assessment of the draft law in November, and also plans to draft an FLA Law Implementation Work plan as well as a number of subsidiary FLA regulations in the months ahead.

116. A key development is inter-agency cooperation between MOJPA and Ministry of Labor and Social Policy (MoLSP), primary legal aid may be provided together with the MoLSP, but still by lawyers which is important. Eligibility for indigents is anticipated to be based on the social welfare database from MoLSP.

6. Key Planned Deliverables for 2014

- Judicial Functional Review
- Multi-stakeholder Perception Survey
- GIZ proposed that MDTF plan an ICT assessment for the integration of bailiffs and notaries within the court system, building on the momentum of the ICT Strategy (*Technical assistance and advisory services to the notary and bailiff services (In regard to the training of Notaries, the WB will make a gap analysis and report on regional experiences which will be shared with MOJPA and other Judicial stakeholders. This activity will be closely coordinated with GIZ who is already active in this area)*)
- Continuing support to MOJPA in organization of the Partners' Forum
- Updating of the Program Framework of the MDTF-JSS

ANNEX 1: Financial Report

WORLD BANK GROUP

Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (Successor of TF071171)
(WORLD BANK REFERENCE 71444) - Multi Donor Fund

UNAUDITED TRUST FUNDS FINANCIAL REPORT

Expressed in United States Dollars

	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013
Receipts (Note 1)		
Cash Contributions	1,293,300.00	8,702,140.61
Investment Income (Note 2)	13,612.75	88,487.57
Total Receipts	1,306,912.75	8,790,628.18
Disbursements (Note 1)		
Project Disbursements		
Disbursements to Grantee	(892,877.37)	(1,539,618.06)
Direct costs Disbursed by WBG		
Staff costs (including benefits)	(219,366.49)	(679,677.77)
Consultant fees	(182,705.79)	(1,759,871.75)
Travel expenses	(98,606.19)	(445,085.00)
Airfare rebate	2,893.94	25,779.52
Equipment costs	(486.78)	(909.10)
Media workshop	(2,097.97)	(36,608.00)
Contractual services	0.00	(20,781.12)
Other direct costs	(8,005.39)	(52,199.17)
Total Direct Costs Disbursed by WBG	(508,374.67)	(2,969,352.39)
Total Project Disbursements	(1,401,252.04)	(4,508,970.45)
Non-Project Disbursements		
Administrative fees and expenses (Note 4)	(25,866.00)	(102,474.89)
Total Non-Project Disbursements	(25,866.00)	(102,474.89)
Total Disbursements	(1,427,118.04)	(4,611,445.34)
Excess of receipts over disbursements / (disbursements over receipts)	(120,205.29)	4,179,182.84
Fund Balance		
Beginning of period	4,299,388.12	0.00
End of period	4,179,182.84	4,179,182.84
Fund balance consists of		
Share in pooled cash and investments		4,179,182.84
Undisbursed Commitments as of 07/25/2014 (Note 5)		1,896,512.32

WORLD BANK GROUP

Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (Successor of TF071171)
(WORLD BANK REFERENCE 71444) - Multi Donor Fund

UNAUDITED TRUST FUNDS FINANCIAL REPORT

Status	Beneficiary	VPU/Div	TF Hierarchy	TTL Name
Active	Serbia	GGODR	Trustee Account	Mr Klaus Decker

Contribution details by Donor

Donor	Currency	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013
DENMARK - ROYAL MINISTRY OF FOREIGN AFFAIRS	USD	0.00	333,541.66
EU-COMMISSION OF THE EUROPEAN COMMUNITIES	EUR	2,000,000.00	2,000,000.00
NETHERLANDS - MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION	USD	0.00	222,045.80
NORWAY - MINISTRY OF FOREIGN AFFAIRS	EUR	0.00	93,379.62
NORWAY - MINISTRY OF FOREIGN AFFAIRS	USD	0.00	166,113.96
SLOVENIA-MINISTRY OF FINANCE	USD	0.00	107,558.99
SPANISH AGENCY FOR INTERNATIONAL DEVELOPMENT COOPERATION	USD	0.00	517,935.89
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)	SEK	0.00	20,000,000.00
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)	USD	0.00	1,142,723.92
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	USD	0.00	414,130.22
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	CHF	0.00	500,000.00
UNITED KINGDOM - DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	GBP	0.00	200,000.00
UNITED KINGDOM - DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	USD	0.00	674,345.69

Contribution paid-in details by Donor

Donor	Currency	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013 In USD Equivalent
DENMARK - ROYAL MINISTRY OF FOREIGN AFFAIRS	USD	0.00	333,541.66	333,541.66
EU-COMMISSION OF THE EUROPEAN COMMUNITIES	EUR	1,000,000.00	1,000,000.00	1,293,300.01
NETHERLANDS - MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION	USD	0.00	222,045.80	222,045.80
NORWAY - MINISTRY OF FOREIGN	EUR	0.00	93,379.62	123,410.50

WORLD BANK GROUP

Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (Successor of TF071171)
(WORLD BANK REFERENCE 71444) - Multi Donor Fund

UNAUDITED TRUST FUNDS FINANCIAL REPORT

Contribution paid-in details by Donor

Donor	Currency	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013 In USD Equivalent
AFFAIRS				
NORWAY - MINISTRY OF FOREIGN AFFAIRS	USD	0.00	166,113.96	166,113.96
SLOVENIA-MINISTRY OF FINANCE	USD	0.00	107,558.99	107,558.99
SPANISH AGENCY FOR INTERNATIONAL DEVELOPMENT COOPERATION	USD	0.00	517,935.89	517,935.89
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)	SEK	0.00	20,000,000.00	2,861,986.02
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA)	USD	0.00	1,142,723.90	1,142,723.90
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	USD	0.00	414,130.22	414,130.22
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)	CHF	0.00	500,000.00	532,367.97
UNITED KINGDOM - DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	GBP	0.00	200,000.00	312,680.00
UNITED KINGDOM - DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)	USD	0.00	674,345.69	674,345.69

Disbursement details by Grant

Grant	Grant Name	Executed By	Currency	Grant Amount	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013
TF097022	Bank Executed: Trust Fund Administration and Program Management	Bank	USD	120,559.00	0.00	0.00
TF097023	Bank Executed: Supervision	Bank	USD	175,000.00	75,661.69	169,191.44
TF097118	Justice Sector Support Project	Recipient	USD	2,700,000.00	892,877.37	1,539,618.06
TF097210	Bank Executed: Advisory Services for Justice Sector	Bank	USD	4,324,928.00	432,712.98	2,800,160.95

WORLD BANK GROUP

Multi-Donor Trust Fund for Justice Sector Support in the Republic of Serbia (Successor of TF071171)
(WORLD BANK REFERENCE 71444) - Multi Donor Fund

UNAUDITED TRUST FUNDS FINANCIAL REPORT

Disbursement details by Grant

Grant	Grant Name	Executed By	Currency	Grant Amount	01/01/2013 to 12/31/2013	02/26/2010 (date of inception) to 12/31/2013
	Reform in Serbia					

Notes:

1. This statement is prepared on the modified cash basis of accounting.
2. Investment income is not credited to any trust fund where the daily fund balance is less than USD equivalent \$5,000.
3. Other costs (where applicable) represent all disbursements incurred prior to July 2000.
4. Administrative fees are generally collected from the trust fund in the same month in which contributions are received, however for administrative purposes, collection of fees may occur in the month following receipt of the contribution.
5. Amounts committed relate to the amounts yet to be disbursed for active and pending recipient executed grant agreements and the undisbursed balance of bank executed trust funds.
6. Where applicable, amounts displayed against "staff costs (including benefits)" and "consultant fees" include charges to cover the cost of benefits and general communication, facilities and IT costs unless otherwise specified in the Administration Agreement for the Trust Fund.