

**REPUBLIC OF SERBIA**

**Multi Donor Trust Fund  
for  
Justice Sector Support  
(MDTF-JSS)**

**TF071171**

**PROJECT MEMORANDUM**

**December 1, 2008**

**Justice Practice Group  
Public Sector Institutional Reform Cluster  
Poverty Reduction and Economic Management Unit  
Europe and Central Asia Region  
The World Bank**

## Executive Summary

1. As part of its European Union (hereafter “EU”) integration process, Serbia has taken important steps to accelerate justice sector modernization and reforms. Following the signing of the Stabilization and Association Agreement (SAA) in 2008 with the European Commission (EC), Serbia desires to further accelerate its justice sector modernization and reforms, aimed at strengthening the rule of law and improving the capacity, performance, efficiency, integrity, accountability and professionalism of its justice sector. This will more effectively contribute to Serbia’s ability to protect fundamental rights, improve the business climate, enhance access to justice for the poor and vulnerable, combat corruption and strengthen governance.

2. A Multi-Donor Trust Fund for Justice Sector Support (MDTF-JSS), with contributions from development partners and administered and executed by the World Bank, is envisaged as an effective instrument for coordination between the Ministry of Justice (MOJ), other justice sector institutions such as the courts and prosecutors, the EC, development partners and civil society to enable Serbian authorities to: (a) update the National Judicial Reform Strategy (NJRS); (b) develop an adequately resourced NJRS implementation plan with progress benchmarks; (c) strengthen the institutional capacity of the MOJ and the judiciary to implement, coordinate, monitor and evaluate judicial reforms and modernization; (d) track and report progress on judicial reforms and (e) incorporate NGO/civil society/academic/development partner participation in justice sector reform and modernization efforts.

3. The MDTF-JSS will complement EC support and technical assistance to Serbia’s justice sector. The over-arching objective of the MDTF-JSS is to facilitate Serbia’s justice sector EU integration process, establish a justice sector performance framework and strengthen aid coordination in Serbia’s justice sector. The MDTF-JSS therefore seeks to: (a) be an innovative mechanism for all parties to coordinate donor support for Serbia’s justice sector in line with government and EU integration priorities and contributors’ financing priorities; (b) provide focused short-term support to Serbia for justice sector capacity-building, analytical and advisory work, peer-based learning and other technical assistance to the MOJ, the judiciary and the Ministry of Finance of Serbia; (c) improve aid effectiveness in the justice sector through actions to increase on-budget programmatic donor support to Serbia’s justice sector; (d) promote stakeholder participation in supporting Serbia’s justice sector; and (e) facilitate tracking and reporting progress on justice reform implementation and impact.

4. The MDTF-JSS will therefore facilitate: (a) implementation of joint activities in areas of common interest; (b) utilization and leveraging of existing government and donor resources and facilities in support of justice sector reforms and modernization; (c) maximization of impact through partnerships and knowledge-sharing; (d) strengthening the progressive integration of budget- and donor-financed justice sector reform and modernization activities; (e) pooling of resources and expertise where appropriate; and (f) strategic outreach, monitoring and evaluation.

5. Improving the performance of judges and prosecutors in Serbia is a long-term challenge. It will require effective policy formulation, policy implementation and resource management – all geared to improved delivery of justice sector services. Concrete actions to strengthen the effectiveness, independence, professionalism and accountability of judges and prosecutors can create, over time, an appropriate environment within which justice professionals can focus on improving performance and service delivery. The MDTF-JSS is an initial, but potentially significant, contribution to such an effort.

## A. Background

1. Serbia's judicial reforms have been in progress for several years. These reforms have been supported by resources from Serbia's budget, the EC and other development partners. Three key development challenges for Serbia's justice sector<sup>1</sup> relate to strengthening judicial and prosecutorial independence, accountability and efficiency.

2. Following its 2000 political transformation, Serbia accelerated its justice sector reforms, recognizing their importance for EU accession, strengthening governance, improving the business climate, combating corruption and improving state accountability and effectiveness. The National Assembly endorsed the NJRS in 2006 to guide sector reforms. However, the overall reform impact so far has been less than anticipated: public trust and confidence in the judiciary remains low; institutional capacity constraints affect reform design, coordination and implementation; fragmented donor-financed projects and programs have over-taxed already low capacity and financed inappropriate tangential practices such as topping up of MOJ civil service salaries. A key reason for underachievement on justice sector reform has been that – as in many other sectors - overall capacity to coordinate, prioritize, sequence, resource and implement a multi-year sectoral strategy remains weak. Hence a credible results-oriented justice sector strategy still needs to be anchored to a strong central policy process that provides to the Cabinet (in the executive) and – in the special case of the justice sector – also to the judiciary and legislative leadership oversight of such a key strategy.

3. However, with Serbia having signed the SAA with the EC, preparing a draft National Program for Integration (NPI) into the EU and a new Government in place as of July 2008 with a renewed commitment to justice sector reform, there is now a window of opportunity to transform planned reforms into concrete and visible actions during the next 2-3 years, whose impact could be assessed through objective performance indicators.

4. Since late 2006 the World Bank had been receiving requests to support Serbia's judicial reforms. However the elections in January 2007 and the delay in the formation of the government thereafter precluded any earlier engagement. Furthermore, with more than 15 donors including the EC providing aid to Serbia on judicial reform, it did not make sense for the World Bank to finance a project at that time. Instead, based on discussions during the last few months between the MOJ, the EC, the World Bank and donors, consensus has crystallized on a 2-pronged approach to support Serbia's justice sector reforms:

- a) ***A Partners' Forum***: An accessible forum for a policy- and results-based dialogue between the Serbian authorities (MOJ, judges, prosecutors) and donors on: (i) articulation of medium-term justice sector priorities for reform, institutional strengthening and modernization; (ii) justice sector performance improvement and indicators to track and report on performance; and (iii) increased aid coordination and effectiveness - the strategic advice and guidance from such a Forum underpinning an updated justice sector reform strategy/action plan/expenditure program; and
- b) ***An MDTF***: The establishment, at the request of donors and the MOJ in December 2007, of a Bank-administered and -executed MDTF for Justice Sector Support (MDTF-JSS) as a key vehicle to pool donor contributions to finance a coordinated work program to support the MOJ and justice sector institutions to achieve the above objectives and prepare the foundation for appropriate longer-term operational support for Serbia.

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<sup>1</sup> Except where otherwise specified, the term 'justice sector' in this Memorandum includes the courts, prosecutors, Ministry of Justice and other agencies/entities involved in provision of justice sector services.

5. In view of the importance of the MDTF-JSS in supporting the acceleration of Serbia's justice sector EU integration process, it is also envisaged that the EC could (a) provide resources through its funds under the Instrument for Pre-Accession (IPA) to implement those elements of the NJRS that are not financed through the MDTF-JSS, and ideally, (b) consider the possibility of directing some of its own resources (e.g. IPA) through the MDTF-JSS upon request by the government.

6. Justice Minister Snezana Malovic has been an integral part of the close dialogue between the World Bank and the MOJ. The MOJ has reaffirmed its commitment to the MDTF-JSS under the new government. Several donors have pledged contributions to the MDTF-JSS: Denmark (333,000 Euro); Norway (250,000 Euro); Slovenia (100,000 Euro); Spain's Agency for International Cooperation (490,000 Euro); the Swiss Agency for Development and Cooperation (400,000 Euro) and the United Kingdom's Department for International Development (800,000 GBP). These commitments now total about Euro 2.8 million (i.e. more than US\$4 million) till date against an original target of Euro 2 million. A Memorandum of Understanding was signed in Belgrade on October 24, 2008 between the MOJ, the World Bank, Denmark, Norway, Slovenia, Switzerland and UK-DFID pledging to expedite the finalization of the MDTF-JSS and begin implementation at the earliest. Furthermore, other development partners such as the Netherlands have indicated that they may consider contributing to the MDTF-JSS in future<sup>2</sup>.

## **B. Objectives and Proposed Strategic Focus**

7. **Objective of the Partners' Forum.** The Partners' Forum objective is to facilitate Serbia's EU justice sector integration process and improve the performance of the justice sector, by providing a forum for program- and results-based policy dialogue between the MOJ, courts, prosecutors, donors and other 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. The Forum will be accessible to all stakeholders involved in the justice sector in Serbia<sup>3</sup>. The intention is to strengthen and re-energize judges' and prosecutors' independence, efficiency and professionalism through an appropriately inclusive and consultative process. Importantly, the Forum will be linked to the 'natural' budget-driven cycle of planning and review – so that the MDTF-JSS can explicitly reinforce other reforms and initiatives pertaining to, for example, public financial management (PFM) and aid effectiveness (e.g. the Development Aid Coordination Unit, DACU, is exploring the possibility of establishing donor dialogue in various sectors as part of the annual operational planning process<sup>4</sup>).

8. **MDTF-JSS objective.** The objective of the MDTF-JSS is to provide (i) an appropriate financing vehicle to achieve the Partners' Forum objectives and (ii) focused short-term capacity-building support to the MOJ and the judiciary. The MDTF-JSS will therefore: (a) complement EC support and technical assistance in the justice sector; (b) provide focused short-term capacity-building, analytical, policy advice and peer-based learning support to the MOJ, the judiciary and

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<sup>2</sup> To accommodate such contributions in future, the MDTF components (see Annex 2) have been designed to facilitate upward scalability of MDTF-financed activities. Current activities represent the minimum number and scale of activities to be financed.

<sup>3</sup> In other words, the intent is for the Partners' Forum to be inclusive of all actors - from government (e.g. MOJ, MOF, courts, prosecutors), donors (whether contributing to the MDTF or not – the intention is to be fully inclusive during discussions about strategic priorities and program scope: hence the MOJ, the Bank and MDTF donors perceive the EC, the OSCE, UNDP and USAID, for example, as key stakeholders and participants in this process) and other stakeholders (e.g. NGOs, academia, etc).

<sup>4</sup> This is supported by the GOP program financed earlier by DFID and now by Norway.

the MOF; (c) support the MOJ in coordinating donor support for the justice sector around Serbian and EU integration priorities; (d) be an instrument to improve aid effectiveness in the justice sector through actions to increase on-budget programmatic donor support to Serbia's justice sector; and (e) promote external stakeholder participation in supporting Serbia's judiciary and tracking progress in reform implementation.

9. The MDTF-JSS, the MOJ and development partners will appropriately publicize the idea and objectives of the Partners' Forum and the MDTF-JSS<sup>5</sup> to initiate public and media awareness on issues such as the concrete implications of justice sector reform; why such reforms are important for governance and EC accession; why aid effectiveness is crucial for facilitating justice sector reform; and to explain and publish proposed justice sector reform benchmarks to track reform progress and impact. Annex 1 depicts the conceptual linkages between the Partners' Forum and the MDTF-JSS.

### **C. Rationale for the MDTF-JSS**

10. Serbia has begun reforming and modernizing its justice sector, recognizing its importance in strengthening governance, improving the business climate, combating corruption, and strengthening checks and balances to improve state accountability and effectiveness. The MDTF-JSS will accelerate this process through short-term resources to address specific constraining issues, including: strengthening the increasing (but still low) capacity in the justice sector to cost, prioritize, sequence and coordinate multi-year sectoral reform programs<sup>6</sup>; promoting consultation between stakeholders aligned to the budget process for effective resourcing of reforms; tracking and publicly reporting on justice sector performance; and facilitating peer-based knowledge-sharing and learning with EU member states and other countries which have implemented similar reforms. The MDTF-JSS will pool contributions from Serbia's development partners interested in supporting such efforts.

11. Channeling development partner resources through the MDTF-JSS will support government-led donor coordination on justice sector reform and modernization. It will build on and strengthen the existing dialogue and coordination arrangements between the executive, judiciary, development partners and civil society. In addition, MDTF-JSS-financed activities are expected to facilitate greater cooperation and collaboration between the executive and judicial branches and thereby accelerate the policy dialogue on and implementation of justice sector reforms. The MDTF-JSS results orientation (see Annexes 2 and 3) will help strengthen the results framework for judicial reform overall, and at the same time facilitate monitoring tracking and reporting of progress and impact in a progressively more harmonized and transparent manner.

12. Most importantly, the MDTF-JSS is envisaged to support the government to develop a multi-year costed Justice Sector Expenditure Program, to be financed through Serbia's budget resources and the EC and, if necessary, co-financed by other development partners. Such an approach could (a) reduce Serbia's transactions costs in dealing with a multitude of development partners with their respective implementation and reporting requirements, and (b) strengthen Serbian institutions' capacity to develop, coordinate, implement, monitor and report on reforms.

### **D. Components and Sub-Components**

13. The MDTF-JSS will comprise the following components (key activities are at Annex 2):

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<sup>5</sup> Including, e.g. through a public-access MDTF web portal, media outreach, stakeholder consultations etc.

<sup>6</sup> The capacity constraint is a key reason why contributors are pooling funds into an MDTF instead of going to the logical end of aid harmonization by providing their resources directly through the budget.

a) **Component 1. Institutional Capacity**

The objective is to facilitate capacity-building in the MOJ, judiciary and the MOF to design, coordinate and implement judicial reform and modernization programs<sup>7</sup>.

b) **Component 2. Resource Management and Aid Coordination**

The objective is to facilitate the justice sector leadership to strengthen justice sector resource management and aid coordination.

c) **Component 3. Legal and Institutional Environment**

The objective is to facilitate the strengthening of the legal and institutional environment for the judiciary.

d) **Component 4. Judicial Facilities and Infrastructure**

The objective 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.

e) **Component 5. Outreach, Monitoring and Evaluation**

The objective is to institutionalize strategic outreach, M&E arrangements to track and report progress on justice sector reform progress and impact.

14. **Activities and estimated costs.** MDTF-JSS activities have been finalized in consultation with the MOJ, MDTF-JSS donors, and key justice sector stakeholders such as the EC and bilateral partners. MDTF-JSS activities under each of the above components, along with estimated costs, are depicted in [Annex 2](#), which also indicates, for each activity, the outputs, estimated costs and indicators of progress. A key initial activity to be commissioned is a robust analysis of 'drivers of change'/political economy of justice reform, whose findings – among other things – will provide a framework to identify incentives, interests and stakeholders who can both facilitate and impede institutional reforms in the justice sector, and thereby assist authorities to calibrate and sequence reforms to increase the possibility of their success and sustainability. [Annex 3](#) depicts the higher-level objective and outcomes.

15. **Disbursements.** [Annex 4](#) depicts the year-by-year disbursement estimates. Based on these estimates and information from MDTF-JSS contributing donors on their programming of funds, [Annex 5](#) indicates the estimated timing for the Call of Funds, to enable donors to plan their fund releases upon receipt of the Call of Funds from the World Bank. [Annex 6](#) depicts the allowable restriction categories for MDTF-JSS expenditures.

## **E. Governance Arrangements**

16. **Governance of the Partners' Forum.** The Partners' Forum will be the setting for policy dialogue and interaction between justice sector institutions, the MOF, the EC and other development partners working in the justice sector. A *Justice Partners' Advisory Committee*

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<sup>7</sup> Including for (i) building capacity in the High Judicial Council to the extent not financed by development partners (e.g. the USAID-financed US\$40 million Separation of Powers Project is understood to include technical assistance to develop HJC budget capacity) and (ii) developing an effective communication and change management strategy and action plan for broader public (including civil society) involvement.

(JPAC)<sup>8</sup> will coordinate the policy dialogue involving Serbian authorities, development partners and other stakeholders; the discussion on issues of justice sector reform, institutional strengthening and modernization; and aid coordination and effectiveness for the justice sector. JPAC meetings are proposed to be held at least thrice a year, co-chaired by the MOJ and the World Bank (as administrator of the MDTF-JSS).

17. **MDTF-JSS Governance.** The MDTF-JSS will constitute the financing vehicle for the activities necessary to achieve the Partners' Forum objectives specified in paragraph 7. The World Bank will administer and execute the MDTF-JSS with responsibilities to be specified in Administration Arrangements between the Bank and each MDTF-JSS contributor. An **MDTF-JSS Management Committee** will be established, comprising (i) representatives of all MDTF-JSS donors contributing a minimum of Euro 100,000 and (ii) the World Bank as administrator. The World Bank will report to the MDTF-JSS Management Committee quarterly on activities financed or under consideration from the MDTF-JSS. Day-to-day execution of MDTF-JSS activities will be the responsibility of a World Bank Trust Fund-accredited Task Team Leader who will coordinate with the MOJ.

#### **F. Key MDTF-JSS Performance Indicators**

18. Key MDTF-JSS performance indicators comprise:
- a) Agreement on a set of actionable indicators and baseline data to track justice sector performance and reform impact, and their adoption by the MOJ to assess justice sector performance;
  - b) A satisfactory NJRS Implementation Plan which addresses Serbia's justice sector EU accession requirements and includes prosecutorial reform priorities and estimated costs;
  - c) An action plan to establish an accessible but cost-efficient court and prosecutorial office network through appropriate consolidation;
  - d) Adoption by the Serbian authorities of the recommendations from a Justice Sector Public Expenditure and Institutional Review (JSPEIR) including a multi-year action plan to implement program-based budgeting in the MOJ and judiciary;
  - e) Specific recommendations for (a) a progressive increase in the ratio of on-budget Official Development Assistance (ODA) in the justice sector to total ODA in the justice sector compared to the 2008 baseline and (b) institutional arrangements in the justice sector to utilize the anticipated increasing proportion of on-budget ODA;
  - f) A medium-term performance-based expenditure program for the justice sector covering the period 2010-2015; and
  - g) Annual reporting, based on appropriate sources and instruments (e.g. periodic independent surveys), of businesses' and households' (including gender-based) access to and satisfaction with justice sector services<sup>9</sup>.

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<sup>8</sup> Comprising representatives from the MOJ, World Bank, EC, the courts, the prosecution, the MOF and other development partners.

<sup>9</sup> This exercise will use – to the maximum extent possible – existing data and sources such as those available from CEPEJ, BEEPS, LiTS, etc. Where such data is not available, appropriate instruments and methodology will be used. In addition, this annual reporting exercise is intended to be a precursor to such annual data collection and reporting exercises financed and contracted by Serbian authorities themselves.

## G. Potential Risks to MDTF-JSS Implementation and Measures for Mitigation

19. It is essential that the Government of Serbia and MOJ stay committed to justice sector reform and modernization and adequate budgetary resources to the sector are allocated. Key risks and mitigation measures are outlined below.

**Table: Risks and Mitigation Measures**

| Risk   | Mitigation Measure(s)  | Rating          |
|--|--|-----------------|
| <p><u>Political risks.</u></p> <ul style="list-style-type: none"> <li>Political stability in Serbia could be jeopardized through political volatility affecting the current coalition including on account of developments related to Serbia.</li> <li>Unanticipated negative developments on Serbia's EU integration process (including on cooperation with the International Criminal Tribunal for Yugoslavia) could create volatility and put institutional reforms at risk.</li> </ul>   | <ul style="list-style-type: none"> <li>The World Bank and donors will work cooperatively with the Serbian authorities in a highly flexible manner to encourage Serbia's continued international engagement and integration at a particularly sensitive time.</li> <li>At the same time, the World Bank and donor support will be necessarily dependent on Serbia meeting international responsibilities.</li> </ul>  | <p><b>H</b></p> |
| <p><u>Country risks.</u></p> <ul style="list-style-type: none"> <li>Macroeconomic risks arising from fiscal imbalances and global economic turbulence could negatively affect Serbia's macroeconomic stability.</li> </ul>   | <ul style="list-style-type: none"> <li>The World Bank and donors will need to be agile in responding to changing circumstances and the specific needs of a sophisticated middle income country like Serbia.</li> <li>The proposed World Bank development policy operation (on public financial management) offers opportunities and leverage to the Serbian authorities to address some of these risks and support implementation of policy-related justice reforms.</li> </ul>  | <p><b>H</b></p> |
| <p><u>Sector risks.</u></p> <ul style="list-style-type: none"> <li>Strong and consistent champions of justice sector reform may be absent given the sensitive political environment and the constraints of the current coalition government.</li> <li>There may be inadequate coordination and consensus between the three branches of the state on the priorities for justice sector reform, weakening the drive for such reforms.</li> <li>Insufficient and/or delayed budgetary and EC financial support for justice sector reforms may place certain reforms at risk.</li> <li>Delays in decision-making in the MOJ, or lack of institutional capacity in the MOJ, may delay policy decisions and their implementation, including most effective use of budgetary resources for strengthening justice sector performance.</li> </ul> | <ul style="list-style-type: none"> <li>The path to EU accession is a strong risk mitigation factor – and the EC's emphasis on justice sector reforms (most recently in its November 5, 2008 Progress Report) is a measure of comfort. Furthermore, the SAA reporting process can be an especially helpful tool for tracking progress on reforms – and thereby helping mitigate a key sector risk.</li> <li>The MDTF-JSS is anchored in strong demand from both government and donors (including the EC), and the recognition by both that the justice sector is a key area needing close attention and support by Serbian policy makers for successful EU integration.</li> <li>The MOJ is staffed at the senior-most levels by appointees who are familiar with justice sector challenges, have been playing a key role and have a strong track record in designing reform strategies and actions to address them, and have strongly supported the MDTF-JSS engagement from the outset – all evidence of strong in-country ownership and commitment.</li> <li>The key actors in the MOJ and the judiciary have all been closely working together in advancing the MDTF-JSS idea, and there is no</li> </ul> | <p><b>S</b></p> |

| Risk   | Mitigation Measure(s)   | Rating   |
|--|---|----------|
|  | <p>reason to believe – barring unforeseen events - that their coordination and intensity of support would diminish in the near future.</p> <ul style="list-style-type: none"> <li>The World Bank is collaborating closely with the EC both in Belgrade and Brussels and has been assured of its strong support and encouragement especially as the core MDTF-JSS objective is to facilitate Serbia’s EU integration.</li> </ul>   |          |
| <p><u>Activity-related risks.</u></p> <ul style="list-style-type: none"> <li>The new Government which was sworn into office in July 2008 has reiterated its commitment to judicial reform and to the MDTF-JSS. However, some shifts or readjustments to activity focus and priorities cannot be ruled out in view of the difficult agenda on judicial reform.</li> <li>The MDTF-JSS focus involves numerous stakeholders and actors in different branches of the government, who may have conflicting agendas (manifested, for example, in inter-agency turf battles, coordination gridlocks, backtracking on reforms and delays in decision-making and/or activity implementation) – this may also create significant risks of failure to make demonstrable progress on MDTF-JSS indicators.</li> <li>The ability of Serbian reformers, the EC, other donors and the World Bank to influence the policy agenda and prioritization may be limited. This could create a high reputational risk for all actors.</li> <li>Weak technical and implementation capacity in the MOJ, MOF and judiciary may adversely affect the quality and pace of reforms supported by the MDTF-JSS.</li> </ul> | <ul style="list-style-type: none"> <li>Use the window of opportunity created by the formation of the new government to (a) identify best practices and replicable models most relevant for Serbia (e.g. some elements of the work will benefit from the experience of countries such as new EU member states); (b) suggest possible priorities, strategy and an implementation road-map/options for Serbia on these reform themes.</li> <li>Maintain a strong MDTF-JSS-financed program with strategic focus on the core needs of Serbia’s justice sector for EU integration.</li> <li>MDTF-JSS-financed activities will emphasize consultative design, clear communications, multiple champions, explicit implementation agreements and transparent implementation.</li> <li>Appropriate stakeholder consultation for MDTF-JSS-financed activities.</li> <li>The proposed Partners’ Forum will be the appropriate body to provide early warning of the risk of failure to achieve the MDTF-JSS indicators and suggest remedial actions to the appropriate Serbian authorities.</li> <li>Appropriately staffed and proactive MDTF-JSS team in Belgrade &amp; Washington DC will help strengthen technical and implementation capacity of the MOJ and the judiciary, MOJ requests for information and just-in-time technical support, facilitate peer-to-peer learning on a continuous basis, and address donors’ information requests.</li> </ul> | <b>H</b> |
| <p><u>Donor coordination and financing arrangements.</u></p> <ul style="list-style-type: none"> <li>There may be differences of opinion between contributing donors, or between donors and the MOJ, resulting in delays in MDTF-JSS financing, design and/or implementation.</li> <li>There may be delays in release of initial and/or subsequent contributions by donors.</li> <li>Some donors may withdraw support for Serbia during the proposed MDTF-JSS implementation period or not release future installments due to changes in donor strategic priorities or focus areas.</li> </ul>  | <ul style="list-style-type: none"> <li>The strategic areas that the MDTF-JSS will finance have been agreed upfront in this Project Memorandum on the basis of discussions so far between the Bank, donors and the MOJ.</li> <li>The financing arrangements will be confirmed upfront with donors, Letters of Intent have been received from six contributors and a MOU on working jointly to advance justice sector reform and modernization has been signed between the MOJ, the World Bank and 5 donors in Belgrade on October 24, 2008.</li> <li>The task team has been and will continue to be in continuous contact with all donors and calls for funds will be made well in advance.</li> </ul>   | <b>H</b> |

| Risk  | Mitigation Measure(s)  | Rating   |
|---|--|----------|
| <u>World Bank supervision and/or implementation capacity.</u> <ul style="list-style-type: none"> <li>• The World Bank may not be able to field a technically qualified supervision team, due to personnel and/or budget constraints.</li> </ul> | <ul style="list-style-type: none"> <li>• The World Bank has formed a fully technically qualified HQ-Belgrade team to supervise the MDTF-JSS and provide significant substantive content and advice.</li> <li>• The MDTF-JSS will finance an appropriate skill mix of technical specialists who will work with the MOJ to build technical capacity and provide in-time technical advice and quality assurance.</li> <li>• Up to 15% of MDTF-JSS financing will be used for World Bank staff time to enable adequate staffing for analytics, quality assurance, technical support and policy advice.</li> <li>• World Bank management has also indicated its full support for the MDTF-JSS by proposing an adequate supervision budget and providing quality assurance.</li> </ul> | <b>H</b> |
| <u>Cost recovery and dependency.</u><br>Not applicable  | <ul style="list-style-type: none"> <li>• The standard 5% administration fee is proposed for this MDTF-JSS. The World Bank has also signaled its intention to provide an adequate supervision budget for FY09 and beyond.</li> </ul>  | <b>N</b> |
| <u>Policy or control exception.</u><br>Not applicable   | <ul style="list-style-type: none"> <li>• No policy or no procedural exceptions are necessary to implement this MDTF-JSS.</li> <li>• Likewise, no control exceptions will be sought.</li> </ul>   | <b>N</b> |
| <b>Overall Risk Rating</b>  |  | <b>H</b> |

## H. Procurement, Financial Management, Reporting and Audit

20. The MDTF-JSS will be executed by the Bank. All Bank policies and processes in respect of procurement and financial management will apply. All MDTF-JSS procurements will be implemented in accordance with World Bank guidelines. Annual progress reports will be submitted to donors. An Implementation Completion Report will be submitted within six months of the MDTF-JSS closing date. The Bank's standard internal controls will be applied and reported to donors. The Bank's standard audit arrangements will apply and will be provided in the MDTF-JSS documentation.

## I. Supervision, Management, Quality Assurance and M&E

21. A Trust Fund-accredited TTL will be responsible for MDTF-JSS implementation and supervision. Since key capacity-building and technical/policy advice will be provided by Bank specialists, an amount not exceeding 15% of the MDTF will be used for Bank staff time, in line with similar arrangements in other cases. Quality assurance will be provided by the Sector Manager and by expert peer reviewers for key MDTF activities such as risk analyses, judicial expenditure reviews and stakeholder surveys. The MDTF-JSS will be underpinned by a results framework, with MDTF performance indicators depicted in Annexes 2 and 3.

## J. Follow-on Arrangements

22. The MDTF-JSS and Partners' Forum are envisaged to lead to a medium-term performance-based Justice Sector Expenditure Program to be financed by the Serbian budget, the EC and donors including the World Bank – so that post-MDTF-JSS programmatic donor engagement in the sector can continue to be coordinated and effective. Furthermore – depending on progress on broader public financial management reforms – such an Expenditure Program for the justice sector would include a multi-year costed sector strategy and action plan that would be

captured in Serbia's first Medium Term Expenditure Framework (MTEF) and subsequent annual budgets.

23. In terms of donor participation, partners such as UNDP, USAID<sup>10</sup> and OSCE may stay outside the formal contributing arrangements but are envisaged to participate in the Partners' Forum and could, if feasible, provide support for MDTF-JSS activities in kind.

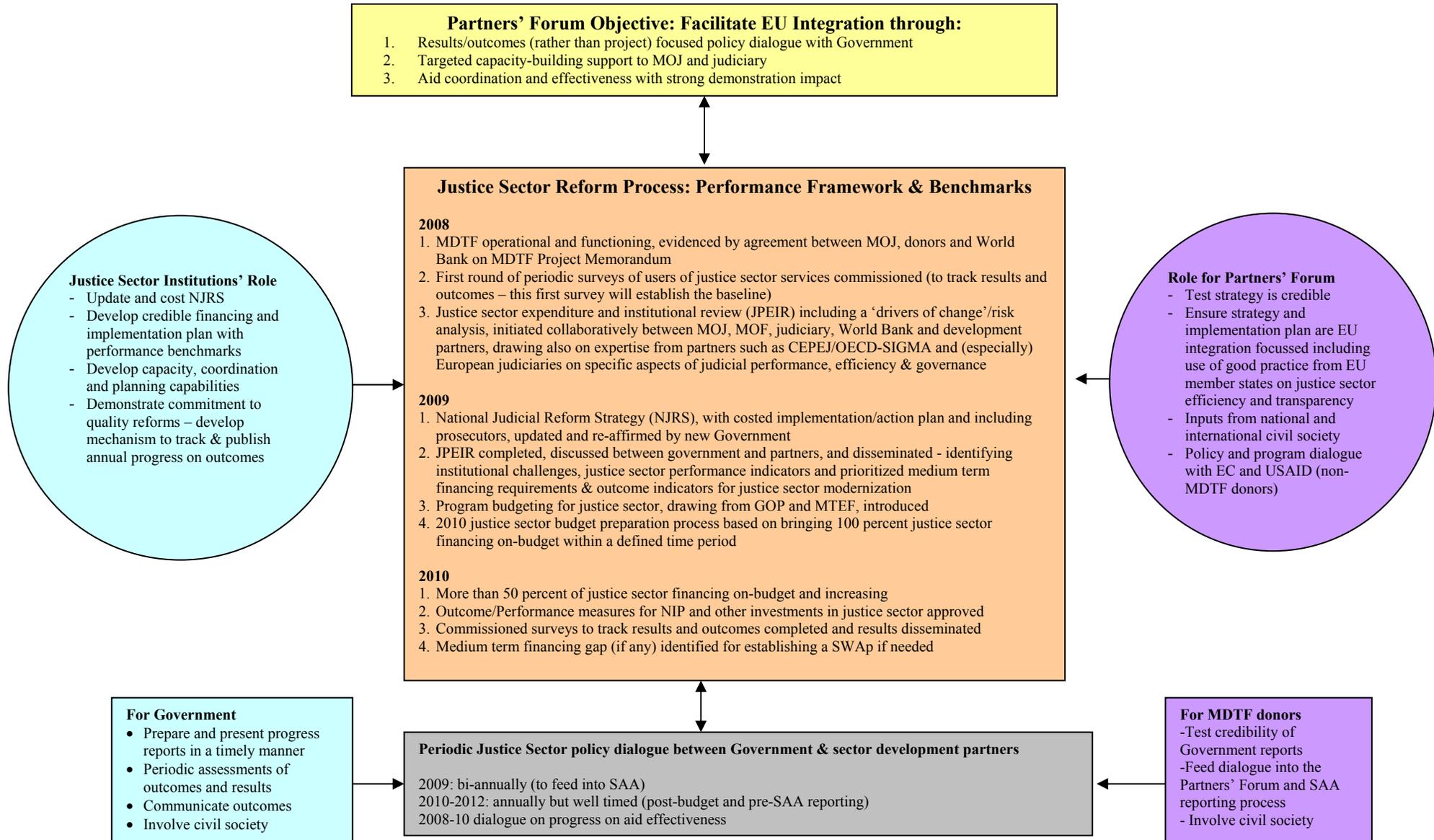
#### **K. Relevance to World Bank Group Country Partnership Strategy**

24. The MDTF-JSS scope and objectives are fully in line with the World Bank Group's 2007-2011 Country Partnership Strategy (CPS) for the Republic of Serbia. The proposed MDTF-JSS will contribute to the Bank Group's strategic CPS priorities, by contributing to (i) strengthening governance and anti-corruption, and (ii) improving Serbia's business environment and competitiveness.

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<sup>10</sup> Discussions have already been initiated, for example, with USAID to explore greater coordination and alignment between the MDTF and USAID's Separation of Powers Project (SPP).

**ANNEX 1**  
**CONCEPT - JUSTICE SECTOR SUPPORT: PARTNERS' FORUM AND MDTF-JSS**



## ANNEX 2

### MDTF-JSS: ACTIVITIES, COMPONENTS, COSTS AND PROGRESS/IMPACT INDICATORS

(Note: 1. Amounts shown are indicative. 2. Exchange rates may vary. 3. All MDTF activities will facilitate government efforts and build capacity in the MOJ and judiciary. 4. All components and activities are modularly structured to facilitate upward scalability if and when more donors join the MDTF.)

| Sl. No.   | Component & Activity  | Start & Completion Dates | Outputs   | Amount (USD)   | Indicator of Progress/ Impact  |
|---|---|--------------------------|---|----------------|--|
| <b>1. INSTITUTIONAL CAPACITY : TA/Policy Advice to strengthen capacity in the MOJ, Judiciary and the MOF to design, coordinate and implement judicial reforms and modernization</b> |   |                          |   |                |  |
| <b>Objective: Strengthen MOJ and judiciary institutional capacity</b>   |   |                          |   |                |  |
| 1.1   | TA/Policy advice on National Judicial Reform Strategy   | Dec 2008 - Dec 2010      | 1. Analysis of activity implementation, impact and gaps. 2. Draft Strategy and IP for Prosecutors. 3. Draft updated NJRS IP for 3-5 years with clear objectives, milestones and indicators of impact. 4. Stakeholder consultation workshops. 5. Final updated NJRS IP.  | 250,000        | 1. Endorsement of analysis, Prosecutors' Strategy and Action Plan and updated NJRS Action Plan by MOJ and judiciary. 2. Stakeholder consultation workshops held as planned. 3. Satisfactory arrangements, agreed with and endorsed by MOF, MOJ and judiciary for resourcing NJRS implementation through MOJ and judiciary budgets, EC and donor financing for 2010-2015. |
| 1.2   | Peer-based learning and knowledge sharing for MOJ, courts, prosecutors and other justice sector stakeholders  | Jan 2009 - Dec 2010      | 1. Peer based professional networking and knowledge sharing workshops and other activities for Communities of Practice (e.g. judges, budget professionals, IT and facilities professionals). 2. Workshops & roundtables for stakeholder engagement. 3. MDTF Web Portal for outreach, communication, training and knowledge-sharing.   | 205,000        | 1. Feedback informs development and implementation of Serbia's justice sector reform and modernization program. 2. Identification of good practice and best fit and their adaptation by authorities to Serbia's needs and circumstances. 3. Number of hits on & comments/interactions through the MDTF Web Portal.   |
| 1.3   | TA/Policy advice for combating corruption in the Justice Sector as an element of a national anti-corruption plan.   | Jan 2009 - Dec 2010      | 1. Consultatively prepared Anti-Corruption Action Plan for justice sector based on GRECO recommendations (June 2008 Report on Serbia) as an element of a national plan. 2. Stakeholder and outreach workshops and roundtables. 3. Training and capacity building for MOJ and judiciary to combat corruption as an element of the MOJ support for establishment of the Anti-Corruption Agency. (Note: the MOJ is understood to be responsible for establishment and resourcing of the proposed Anti-Corruption Agency till such time as it is able to function as an independent Agency. The MDTF support under this activity will support the MOJ to expedite establishment of the Agency and include justice sector anti-corruption actions as part of the overall approach to anti-corruption.) | 155,000        | 1. Anti-Corruption Action Plan for justice sector with indicators of progress and impact. 2. Anti-Corruption Agency operational and follow-on IPA-financed EC funding for further capacity-building confirmed.   |
| 1.4   | TA/Policy advice on (i) more effective implementation in domestic legislation of international and EU conventions; (ii) development and piloting of methodology for regulatory/fiscal impact assessment of new laws | Jun 2009 - Dec 2010      | Development of (i) methodology, MOJ institutional capacity, resourcing and performance indicators pertaining to more effective domestic implementation of international and EU conventions; and (ii) pilot methodology for MOJ to conduct regulatory and fiscal impact assessment of new laws.  | 190,000        | 1. Operational manual/executive instructions developed and adopted for items (i) and (ii). 2. Consultation workshops and training. 3. Core MOJ staff identified and trained.   |
| 1.5   | TA/Policy advice to strengthen MOJ organizational structure and capacity for strategic and operational planning   | Jan 2009 - Dec 2010      | 1. Strategy paper outlining the functions/mandate, organization, skill mix, staffing and resourcing needs of a Strategic and Operational Planning Unit (SOPU) in the MOJ. 2. Peer-learning, consultation workshops and roundtables.   | 100,000        | 1. Commitment from MOJ and MOF on SOPU function/mandate, structure, staffing and resourcing. 2. SOPU established, staff recruited, unit resourced and functional. 3. MOJ SOPU staff trained in project preparation, implementation and monitoring.   |
| <b>SUB-TOTAL COMP. 1</b>  |   |                          |   | <b>900,000</b> | <b>23%</b>   |

| 2. RESOURCE MANAGEMENT & AID COORDINATION: TA/Policy Advice to strengthen justice sector resource management including through the introduction of program budgeting and performance management |   |                     |  |                  |   |
|---|---|---------------------|--|------------------|---|
| Objective: More effective justice sector resource management & aid coordination   |   |                     |  |                  |   |
| 2.1   | TA/Policy advice to strengthen MoJ, MoF and judiciary institutional capacity for more effective resource management and allocation including through the introduction of program budgeting  | Nov 2008 - Dec 2010 | 1. Justice sector public expenditure and institutional review [JPEIR - including (i) drivers-of-change/political economy analysis; (ii) budget policy and development; (iii) budget execution (esp. procurement); (iv) internal controls and financial management in MOJ and judiciary; and (v) appropriate justice sector performance indicators]. 2. Consultation & dissemination workshops/roundtables for stakeholders and other learning/knowledge events/visits. | 475,000          | 1. JPEIR completed by August 2009 and feeds into 2010 judiciary budget development process. 2. JPEIR recommendations endorsed by MOF and MOJ by December 2009 as an Action Plan. 3. Action Plan implemented from 2010. 4. Increasing proportion of justice sector Official Development Assistance (ODA) is on-budget compared to 2008 baseline. 5. Justice sector budget allocations and actual expenditures are publicly available through MOJ and MDTF Web Portals. 6. Feedback from government, EC and donors. |
| 2.2   | TA/Policy advice to strengthen capital budgeting processes and institutional capacity in the MOJ and judiciary  | Nov 2008-Dec 2010   | 1. Capital budgeting policy note with action plan. 2. Draft Capital Budgeting Operational Manual. 3. Training/roundtables/consultation workshops/other learning events.  | 275,000          | 1. Endorsement of judiciary medium-term Capital Budgeting Strategy and Action Plan. 2. Endorsement of capital budgeting Operational Manual for judiciary. 3. Feedback from government, EC and donors.   |
| 2.3   | TA/Policy advice to (a) improve budgeting and resource management aspects of aid coordination and aid management in the Justice sector; (b) strengthen MOJ and judiciary institutional capacity for reform coordination, management of the EU integration process and justice sector donor coordination | Jan 2009 - Dec 2010 | 1. Policy note on aid coordination and management for the justice sector with action plan. 2. Functioning EU Integration, Reform Coordination and Donor Management Sector Unit in MOJ  | 250,000          | 1. Policy note recommendations adopted by MOJ and MOF. 2. MOJ Aid Coordination Group unit established and functional and staff trained. 3. An increasing proportion of donor financing for justice sector modernization is on-budget each year (compared to 2008 baseline). 4. Feedback from EC, other donors, MOF, MOJ and other stakeholders on effectiveness of such arrangements.   |
| 2.4   | TA/Policy advice to support preparation of a medium term Justice Sector Expenditure and Modernization Program   | Jan 2009 - Dec 2010 | 1. Policy notes/strategy papers to support preparation by the authorities of a Medium term Justice Sector Expenditure and Modernization Program. 2. Training/consultations/roundtables/learning events   | 200,000          | 1. Agreement between MOJ, MOF, courts, prosecutors, EC and donors on strategy and content of sector-wide program. 2. Appropriate indicators to track progress and impact are agreed between government, EC and donors. 3. Budget allocations for this sector-wide program are stable and predictable.   |
| <b>SUB-TOTAL COMP. 2</b>  |   |                     |  | <b>1,200,000</b> | <b>31%</b>  |
| 3. LEGAL AND INSTITUTIONAL ENVIRONMENT: TA/Policy Advice to strengthen the legal and institutional framework for the judiciary  |   |                     |  |                  |   |
| Objective: Improve legal and institutional framework for the judiciary  |   |                     |  |                  |   |
| 3.1   | TA/Advice to strengthen MoJ, judiciary and prosecutorial human resource policy, management and processes  | Jan 2009 - Dec 2010 | Instructions, workshops/training and processes to implement legislatively mandated objective merit-based criteria for judges' and prosecutors' recruitment, appointment, performance evaluation, promotion, discipline and appeals.  | 225,000          | 1. Feedback from judges, prosecutors, independent experts and other stakeholders on actual experience with implementation of new laws.  |
| 3.2   | TA/Policy Advice to strengthen MOJ institutional capacity for legal drafting  | Jan 2009 - Dec 2010 | Inputs to task team to enable most effective advice to MOJ to draft laws on judges and prosecutors   | 53,000           | 1. Stakeholders satisfied with contents of laws drafted.  |
| 3.3   | TA/Policy advice for addressing urgent in-service and entry-level training needs  | Jan 2009 - Dec 2010 | Training Needs Assessment and support provided where needed  | 200,000          | 1. Training needs assessment accepted by MoJ and Judicial Training Center. 2. Demand-driven training and other learning activities held as needed in conformity with Training Needs Assessment.   |
| <b>SUB-TOTAL COMP. 3</b>  |   |                     |  | <b>478,000</b>   | <b>12%</b>  |

| <b>4. JUDICIAL FACILITIES &amp; INFRASTRUCTURE: TA/Policy Advice for modernization courts and prosecutorial network</b>                                    |  |                     |   |                     |  |  |
|--|--|---------------------|---|---------------------|--|--|
| <b>Objective: Accelerate systematic modernization of the court and prosecutorial network and assessment of impact on access &amp; satisfaction</b>         |  |                     |   |                     |  |  |
| 4.1  | TA/Policy advice to strengthen MoJ and judiciary institutional capacity for (a) modernizing courthouses and prosecutor offices, (b) establishment, operation and maintenance of justice sector IT and communication facilities | Jan 2009 -Dec 2010  | 1. Judicial Infrastructure and IT Modernization Strategy and Action Plan. 2. Stakeholder consultation workshops and other learning activities and visits  | 600,000             |  | 1. Outputs accepted by MOJ, judges, prosecutors and donors. 2. Priorities reflected by appropriate (a) budget allocations for 2010-2015 and (b) EC financing. 3. Periodic surveys of judges, prosecutors and their administrative/technical staff indicate increasing satisfaction with use of new business processes and ICT systems compared to baseline   |
| <b>SUB-TOTAL COMP. 4</b>   |  |                     |   | <b>600,000</b>      |  | <b>16%</b>   |
| <b>5. OUTREACH, MONITORING &amp; EVALUATION - TA/Policy Advice for outreach, monitoring and evaluation of Justice Sector Reform Program</b>                |  |                     |   |                     |  |  |
| <b>Objective: Institutionalize strategic outreach and M&amp;E arrangements to track &amp; report progress on justice sector reform progress and impact</b> |  |                     |   |                     |  |  |
| 5.1  | Strategic outreach and communications  | Dec 2008 - Dec 2010 | 1. Interactive web-based MDTF Portal for strategic communication, outreach and public reporting. 2. Stakeholder consultations, workshops and roundtables. 3. Media/press outreach & communication event(s) and briefing materials | 200,000             |  | 1. Web Portal operational. 2. Number of unique visitors/'hits' to Web Portal. 3. Use of Web Portal for strategic communications/outreach, monitoring, evaluation and reporting on MDTF activities. 4. Feedback from users, government (executive & judiciary), development partners.   |
| 5.2  | Independently conducted surveys/focus groups/etc of users of justice sector services (households and firms) to establish baseline and track progress   | Dec 2008 - Dec 2010 | 1. Survey and other reports. 2. Stakeholder consultation and dissemination workshops & roundtables including involving Law faculty/students/civil society/broader academia in Serbia and outside/mass media                       | 300,000             |  | 1. Survey findings publicly disseminated and verify increase in public and businesses' access to and satisfaction with justice sector functioning. 2. Survey findings are used by MOJ and judiciary in policy/program development and monitoring. 3. Survey findings taken into account in developing and adjusting NJRS and judiciary budget allocations. 4. Independent annual surveys of justice sector stakeholders institutionalized. 5. Feedback on survey results and dissemination on MDTF Web Portal evidenced by number of hits/visitors and their comments/questions. |
| 5.3  | TA/Policy advice for preparation, publication, dissemination and updating of Justice Sector Actionable Indicators (with CEPEJ and other partners)  | Jan 2009-Dec 2010   | 1. Actionable Justice Indicators. 2. Consultation and dissemination roundtables/ workshops  | 165,647             |  | 1. Indicators are adopted by MOJ, judges and prosecutors for design and adaptation of justice sector reforms and modernization priorities. 2. Performance indicators are publicly available and periodically updated. 3. Performance indicators are used by Serbian authorities and the EC on Serbia's EC integration dialogue.  |
| <b>SUB-TOTAL COMP. 5</b>   |  |                     |   | <b>665,647</b>      |  | <b>17%</b>   |
| <b>TOTAL in USD available for activity allocation</b>  |  |                     |   | <b>3,843,647.00</b> |  |  |
| <b>TOTAL MDTF Principal with 5% Admin Fee and 35,000 Setup Fee</b>   |  |                     |   | <b>4,082,786.00</b> |  |  |

### ANNEX 3

#### 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"> <li>1. Updated NJRS, Implementation Plan and NJRS results framework together provide a satisfactory basis for tracking and reporting progress on justice sector performance</li> <li>2. Periodic stakeholder surveys show improved private sector and public ratings for justice sector efficiency and performance</li> <li>3. Increasing share of justice sector ODA is on-budget</li> <li>4. Strategic outreach and monitoring and evaluation (M&amp;E) arrangements are institutionalized so as to track and report justice sector reform progress and impact</li> </ol> | <ul style="list-style-type: none"> <li>• Overarching framework for justice sector performance and progress reporting.</li> <li>• Faster disposition of cases and reduction of case backlogs indicate increased efficiency and access to justice.</li> <li>• More effective management of justice sector resources – human, financial, physical and IT</li> </ul> |

## ANNEX 4

### DISBURSEMENT ESTIMATES

#### SERBIA MDTF FOR JUSTICE SECTOR REFORM - DISBURSEMENT ESTIMATES BY EXPENDITURE CATEGORY (USD)

| Allowable Restriction Group            | FY 2009           | FY 2010             | FY 2011             | FY 2012           | TOTAL               | % Allocation |
|--|-------------------|---------------------|---------------------|-------------------|---------------------|--------------|
| Associated overheads                   | 20,000.00         | 65,147.00           | 60,000.00           | 10,000.00         | 155,147.00          | 4%           |
| Consultant Fees                        | 300,000.00        | 830,000.00          | 724,000.00          | 100,000.00        | 1,954,000.00        | 51%          |
| Contractual services                   | 15,000.00         | 30,000.00           | 20,000.00           | 5,000.00          | 70,000.00           | 2%           |
| Extended Term Consultants              | 40,000.00         | 120,000.00          | 120,000.00          | 20,000.00         | 300,000.00          | 8%           |
| Media and Workshop costs               | 20,000.00         | 160,000.00          | 140,000.00          | 29,000.00         | 349,000.00          | 9%           |
| Staff costs                            | 80,000.00         | 190,000.00          | 190,000.00          | 70,000.00         | 530,000.00          | 14%          |
| Travel expenses                        | 50,000.00         | 200,000.00          | 100,000.00          | 45,000.00         | 395,000.00          | 10%          |
| Temporary support staff costs          | 5,000.00          | 20,000.00           | 17,000.00           | 3,500.00          | 45,500.00           | 1%           |
| Equipment costs lease                  | 12,000.00         | 25,000.00           | 8,000.00            | -                 | 45,000.00           | 1%           |
| <b>Total</b>                           | <b>542,000.00</b> | <b>1,640,147.00</b> | <b>1,379,000.00</b> | <b>282,500.00</b> | <b>3,843,647.00</b> | <b>100%</b>  |
| <b>Add Admin Fee (5% of principal)</b> | 39,450.00         | 81,214.30           | 68,950.00           | 14,125.00         | 204,139.30          |              |
| <b>Add US\$35,000 Set Up Fee</b>       | 35,000.00         | -                   | -                   | -                 | 35,000.00           |              |
| <b>Grand Total</b>                     | <b>616,450.00</b> | <b>1,721,361.30</b> | <b>1,447,950.00</b> | <b>296,625.00</b> | <b>4,082,786.30</b> |              |

**Note:**

The information in the above table is only indicative. All figures are estimates. Actual disbursements may vary from that provided above and such variations will not be recorded by way of an amendment to the Agreement. Each donor will have access to the financial information relating to the Trust Fund through the World Bank Trust Funds Donor Center secure website.

## ANNEX 5

### INDICATIVE SCHEDULE FOR CALL OF FUNDS

| Donor                  | Dec 2008 Call of Funds | Jun 2009 Call of Funds | Dec 2009 Call of Funds | Jun 2010 Call of Funds | Dec 2010 Call of Funds | TOTAL               |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|
| <b>AECID Spain</b>     | Euro 340,000           |                        | Euro 150,000           |                        |                        | <b>Euro 490,000</b> |
| <b>UK-DFID</b>         | GBP 250,000            | GBP 150,000            | GBP 200,000            | GBP 100,000            | GBP 100,000            | <b>GBP 800,000</b>  |
| <b>SDC Switzerland</b> | Euro 400,000           |                        |                        |                        |                        | <b>Euro 400,000</b> |
| <b>Norway</b>          | Euro 50,000            |                        | Euro 100,000           |                        | Euro 100,000           | <b>Euro 250,000</b> |
| <b>Denmark</b>         | Euro 333,000           |                        |                        |                        |                        | <b>Euro 333,000</b> |
| <b>Slovenia</b>        |                        |                        | Euro 100,000           |                        |                        | <b>Euro 100,000</b> |

**Note:**

The above table is indicative. The payment schedule for each donor may vary based on their budgets/preferences. The payment schedule by each donor will be specified in their respective Administration Agreement/Administration Arrangement.

## ANNEX 6

### ALLOWABLE RESTRICTION GROUPS - ESTIMATES

| <b>SERBIA MDTF FOR JUSTICE SECTOR SUPPORT - ALLOWABLE RESTRICTION GROUPS</b> |                      |                            |
|--|----------------------|----------------------------|
| <b>Allowable Restriction Group</b>   | <b>Amount in USD</b> | <b>% of MDTF Allocated</b> |
| Associated overheads   | 155,147.00           | 4%                         |
| Consultant Fees  | 1,954,000.00         | 51%                        |
| Contractual services   | 70,000.00            | 2%                         |
| Extended Term Consultants  | 300,000.00           | 8%                         |
| Media and Workshop costs   | 349,000.00           | 9%                         |
| Staff costs  | 530,000.00           | 14%                        |
| Travel expenses  | 395,000.00           | 10%                        |
| Temporary support staff costs  | 45,500.00            | 1%                         |
| Equipment costs lease  | 45,000.00            | 1%                         |
| <b>Total Amount Allocated for Activities</b>                                 | <b>3,843,647.00</b>  | <b>100%</b>                |

**Note:** For ease of reference it is clarified that:

- a) The categories of expenditure indicated above will, unless otherwise specified, include all sub-categories and/or commitment item group descriptions under each category;
- b) The term “Equipment costs lease” includes costs for (i) rental of offices, equipment and furniture and (ii) maintenance; and
- c) The term “Travel Expenses” means the cost of travel expenses incurred by the Bank, on airfare, train tickets, visa/LP charges, subsistence, taxi, other travel and local transportation, for short-term and extended-term consultants and temporaries, Bank staff and participants (including experts and government officials) in knowledge-sharing and peer-learning events and activities such as study tours, workshops, seminars and conferences.
- d) The above amounts allocated are estimates and are indicative only. If, in the Bank’s opinion, an amount of the Contribution funds allocated to any of the expenditure categories specified above will be insufficient to finance the expenditures for such category, the Bank may, at its discretion, reallocate to such category an amount of the Contribution funds then allocated to another category which, in the Bank’s opinion, will not be necessary to meet other expenditures under that other category.