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## SEPARATION OF POWERS PROGRAM

ANNUAL REPORT - YEAR FOUR

OCTOBER 1, 2011 – SEPTEMBER 30, 2012

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# SEPARATION OF POWERS PROGRAM ANNUAL REPORT - YEAR FOUR OCTOBER 1, 2011 – SEPTEMBER 30, 2012

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|         |  |
|---------|--|
| COP     | Chief of Party   |
| DCOP    | Deputy Chief of Party  |
| ENCJ    | European Network of Councils for the Judiciary                     |
| EU      | European Union   |
| EWMI    | East-West Management Institute, Inc.                               |
| HCC     | High Court Council   |
| IACA    | International Association of Court Administration                  |
| IDI     | Institutional Development Index                                    |
| IT      | Information Technology   |
| JA      | Judicial Academy   |
| JUSTPAL | Justice Sector Peer-Assisted Learning                              |
| MFAS    | Material and Financial Affairs Sector of the High Court Council    |
| MOF     | Ministry of Finance  |
| MOJ     | Ministry of Justice  |
| MOU     | Memorandum of Understanding  |
| NGO     | Non-Government Organization  |
| P-BMP   | Performance-Based Monitoring Plan                                  |
| SFMA    | Sector for Financial and Material Affairs of the National Assembly |
| SPP     | Separation of Powers Program                                       |
| SRC     | SRC Sistemske Integracije d.o.o.                                   |
| USAID   | United States Agency for International Development                 |

## INTRODUCTION

The East-West Management Institute, Inc. (EWMI) is pleased to present this Annual Report for the Separation of Powers Program (SPP) in Serbia, covering project activities for the period October 1, 2011 through September 30, 2012 (Year 4). SPP is funded by the United States Agency for International Development (USAID) through a five year contract that ends in August 2013. In general, SPP is designed to help Serbia move closer to European Union accession by strengthening the division of power and authority among Serbia's three branches of government.

The Annual Report tracks the three Tasks identified under EWMI's contract and included in SPP's Year 4 workplan: Judiciary Capacity (Task 1); Court Administration (Task 2); and Parliamentary Capacity (Task 3). SPP made steady and measurable progress in Year 4 towards achieving its contractual performance objectives under each Task, as described in detail below. It did so in a challenging implementation environment, which included: the continuing political and functional disruptions caused by the 2009 judicial election/reappointment process and the 2010 court network restructuring; stove-piped management within the High Court Council that caused delays to many project activities; elections that brought to power a new government intent on quickly changing many substantive, procedural, and judicial laws; a constitutional challenge to the appointment of Justice Nata Mesarovic as Chief Justice, which resulted in delays to SPP's policy level activities; and the failure to appoint permanent court presidents, which delayed training efforts and the appointment of additional court managers.

### Task 1: Judiciary Capacity

Task 1 centers on building the financial independence of the judicial branch: developing judicial budget and finance capacity; transferring budget, finance, and planning functions to the judiciary; developing a strategic plan for the judicial branch; and improving management capability. The contractual performance objectives for Task 1 are:

| No. | PERFORMANCE OBJECTIVE   |
|-----|---|
| 7   | After four years, the judiciary has adopted five- and 10-year development plans.  |
| 8   | After four years, the budget and finance office and judicial leaders prepare an integrated budget for all courts.                               |
| 12  | After five years, budget and finance staff and judicial leaders deal directly with the Ministry of Finance in budget preparations/negotiations. |
| 14  | After five years, substantial progress is noted for Factor 10 (Budgetary Input) of the Judicial Reform Index.                                   |

Cumulative progress towards each performance objective as of September 30, 2012 is summarized below, followed by a detailed description of Task 1 workplan activities undertaken in Year 4.

### **Performance Objective No. 7 – Strategic Planning**

- The High Court Council (HCC) officially adopted a three-year strategic plan on March 18, 2011. The plan sets out the Council’s priorities, mission, vision statement, and short-term goals.
- SPP’s objective is to extend the current plan to cover the five year mandate of the Council’s current judge members. Chief Justice Mesarovic agreed to extend the plan and appointed a working group to do so, but drafting was postponed until Year 5.
- It is highly unlikely that the HCC will adopt a 10-year strategic plan, and most planning experts now advise against adopting such long term plans. By letter dated April 11, 2012, EWMI suggested amending this performance objective.

### **Performance Objective No. 8 – Preparation of Integrated Budgets**

- Control over the budget and finances of the courts formally passed from the Ministry of Justice (MOJ) to the HCC on January 1, 2012, although the MOJ continued to provide financial and budget services for the courts through March 2012 at the HCC’s request. The HCC now controls the budget for judges, lay judges, expert witnesses, ex officio attorneys, and the operating expenses of the courts, while the MOJ controls the budget for capital expenditures, information technology (IT), and administrative staff. This bifurcation of financial management causes confusion in, and additional work for, the courts.
- SPP assisted the HCC in developing a systemization (staffing) plan for its Material and Financial Affairs Sector (MFAS), which was adopted in December 2010. The systemization plan includes positions for 12 financial and budgeting experts, one internal auditor, and one procurement officer. By April 2012, 10 of the 12 MFAS positions for financial and budgeting experts were filled, including all senior level positions. The financial positions provide the HCC with sufficient manpower to carry out its budget and financial responsibilities.
- The auditor position and two MFAS positions remained vacant. The two MFAS positions are administrative in nature and will not negatively impact MFAS operations. One auditor is insufficient to meet the internal audit needs of the HCC and court system.
- SPP made great progress in building analytical and operational capacity within the MFAS in its six months of operations starting in April 2012 -
  - Previously, judicial budgeting was simply a “prior year’s costs plus inflation” calculation, with the MOJ taking budget instructions from the Ministry of Finance (MOF) and forwarding them to the courts with little guidance.
  - Following SPP’s recommendation, the MFAS now issues preliminary budget instructions to the courts; the courts submit preliminary budgets to the MFAS; the MFAS aggregates and analyzes their budget submissions and makes preliminary allocation decisions; and these preliminary budgets and allocations are reviewed and adjusted after MOF instructions are issued.
- Automated tools provided by SPP, including budget software, a court profile database, and a status of funds report, have substantially improved the budgeting process by allowing the HCC to automate the routine collection of court budget information, freeing MFAS staff to perform budget analysis functions and elevate the budget development process to a needs-based budget approach. As such, the HCC has the tools and manpower it needs to prepare and submit integrated budgets to the MOF.

- SPP developed a Budget and Accounting Policy Procedures Manual and drafted seven internal operating procedures for the MFAS that, once adopted, will provide baseline organizational and operating procedures for the MFAS and court financial staff.
- SPP delivered a “Future Budget Model for a Financially Independent Judiciary” report to the HCC that provides a series of recommendations to strengthen the budget management infrastructure of the HCC and courts, maximize the use of available resources, and further the goal of financial independence.

### **Performance Objective No. 12 – Budget Preparation/Negotiation with Ministry of Finance**

- SPP assisted the HCC in negotiating its 2011 budget by preparing an appeal to the MOF for additional funds.
- As noted above, SPP introduced a new budget preparation process within the HCC and courts. The HCC now has the objective information needed to justify its funding requests and to advocate for the judicial budget directly with the MOF.

### **Performance Objective No. 14 – Budgetary Input**

- Factor 10 of the American Bar Association’s Judicial Reform Index (JRI) measures whether the judiciary has a meaningful opportunity to influence the amount of money allocated to it by the legislative and/or executive branches, and, once funds are allocated to the judiciary, whether the judiciary has control over its own budget and how such funds are expended. USAID efforts to arrange for the implementation of a new JRI have been unsuccessful. Instead, EWMI and USAID have agreed that the evaluation team conducting the project’s final assessment will address the JRI factors in its review. In the interim, upward progress in the JRI rating can be measured by the achievements described in this Annual Report.

## **Workplan Activities**

### **1.1 High Court Council Budget and Finance Functions**

Control over the budget and finances of the courts formally passed from the MOJ to the HCC on January 1, 2012. The HCC subsequently authorized the MOJ to continue providing financial and budget services for the courts through March 2012. By April 2012, 10 of 12 MFAS positions for financial and budgeting experts were filled by experienced personnel from the MOJ and court system, including all senior level positions. Two administrative positions remained vacant, but such vacancies did not negatively impact MFAS operations. Thus, by the end of Year 4, the HCC had sufficient, competent staff to adequately perform its day-to-day budget and financial operations.

The financial powers assumed by the HCC are, however, somewhat limited in scope. The Law on the Organization of Courts and the Law on the High Court Council continue to split the responsibility for approving and managing judicial resources between the HCC and the MOJ. The HCC controls the budget for judges, lay judges, expert witnesses, ex officio attorneys, and the operating expenses of the courts. Comparatively, the MOJ controls the budget for capital expenditures, IT, and administrative staff. This bifurcation of financial management

causes confusion in, and additional work for, the courts. MFAS and court staff are, for example, uncertain about which institution is responsible for forwarding MOF budget instructions to the courts; to whom courts should submit draft financial plans; and to whom courts should submit monthly requests for funds.

Nevertheless, SPP made great progress in Year 4 in developing budget planning and monitoring capacity at the HCC, and in improving the judiciary's budget development practices. In the past, judicial budgeting was largely reactive - the MOJ would forward the MOF's budget instructions to the courts with little guidance and little time for proper analysis and budget preparation. SPP

successfully championed a new budget process for the judiciary, moving it towards needs-based budgeting. With SPP's guidance and training, the MFAS now issues preliminary budget instructions to the courts, well in advance of the

**Improved Budgeting Process for Courts**

- MFAS issues preliminary budget instructions to the courts;
- Courts submit preliminary budgets to MFAS;
- MFAS aggregates and analyzes budget submissions and makes preliminary allocations;
- Preliminary allocations are adjusted after MOF instructions are received.

formal instructions from the MOF; the courts submit preliminary budgets to the MFAS; the MFAS aggregates and analyzes their budget submissions and makes preliminary allocation decisions; and these preliminary budgets and allocations are reviewed and adjusted after MOF instructions are received. The new process will help ensure that the judiciary's funding goes where most needed.

Automated tools provided by SPP, including budget software, the court profile database, and status of funds report (each discussed in greater detail below), have also substantially improved the budgeting process by allowing the HCC to automate the routine collection of court budget information, freeing MFAS staff to perform budget analysis functions and elevate the budget development process from a "prior year's costs plus inflation" calculation to a needs-based budget approach based on factual evidence.

**1.1.1. HCC Organization and Operating Procedures.** In addition to improving the budget process, SPP worked throughout Year 4 to develop the HCC's organizational structures and operating procedures. These efforts met with mixed results, as the HCC's focus on the judge election/reappointment process kept the HCC from considering other institutional matters. Still, SPP successfully raised awareness of the need for financial policies and procedures within the HCC and laid the groundwork for their future adoption.

**1.1.1.A. HCC Budget and Finance Committee.** SPP encouraged the HCC to establish a budget and finance committee, and developed a white paper on the matter providing, among other things: a recommendation for establishing a standing Budget and Finance Committee; a draft charter for and recommended authorities of the committee; proposed operational functions of the MFAS in support of the committee; and discussions about critical events in the budget process. Building on the white paper, SPP produced a "Summary Proposal for Creating a Budget and Finance Committee of the High Court Council" (see [Annex 1](#)) and submitted it in January 2012 to the HCC-SPP Advisory Committee, with the understanding that Advisory Committee members would shortly thereafter seek approval for the Budget and Finance Committee from the full Council.

SPP subsequently learned that the proposal was never submitted to the Council, but instead remained exclusively in the hands of the advisory committee members and Justice Mesarovic. SPP met with Justice Mesarovic in April 2012 to review the proposal, at which time Mesarovic voiced her opposition to forming the Budget and Finance Committee. From her perspective, all budget-related matters should flow directly from the MFAS to the full Council and not to a committee, regardless of its constitution. From SPP's perspective, this decision is a mistake because the HCC's role in negotiating, securing, allocating, and managing financial resources is too great to be addressed by the full Council in light of its other duties. Accordingly, in Year 5 SPP will continue to advocate for the creation of the Budget and Finance Committee.

As an additional stimulus for the HCC to address its organizational issues, SPP successfully assisted the HCC in gaining membership in the European Network of Councils for the Judiciary (ENCJ). The ENCJ represents all judicial councils of European Union Member States, and its mission is to reinforce an independent yet accountable judiciary and promote best practices to enable the judiciary to deliver timely and effective justice. The HCC failed to seek membership for years, and was one of the few councils in the region lacking membership or observer status. With SPP's encouragement and assistance, the HCC pursued and obtained observer status in May 2012 during the ENCJ's General Assembly meeting in Dublin, Ireland. SPP sponsored Justice Mesarovic's participation in the General Assembly meeting, which paved the way for membership.

SPP also tried to arrange for a high ranking ENCJ official to address HCC members in matters relating to the transfer of budget and financial powers from the executive to judicial branch. It solicited advisory assistance and received offers from several ENCJ members to share their experiences, but Justice Mesarovic declined their offers.

**I.1.1.B. Study Tour.** SPP sent a delegation of HCC members, MFAS staff, and court financial staff to the Netherlands June 3-7, 2012 to learn best practices for organizing and executing the budget functions of a judicial council and the courts. Through meetings with the Dutch Council for the Judiciary, Ministry of Justice and Security, and Dutch courts, participants learned about how the Dutch Council and Ministry cooperate on budget matters, lessons that can prove useful in light of the split in financial powers over Serbia's judiciary. Delegates were also instructed on: the analytical approaches used by the Dutch to determine funding for their courts; support activities provided by the Dutch Council's administrative office to the council and courts; and the flow of information and communications between the judiciary and the council on financial matters.

**I.1.1.C. Future Budget Model for a Financially Independent Judiciary.** SPP also developed its *Future Budget Model for a Financially Independent Judiciary* report (see [Annex 2](#)) as a resource tool that the HCC can use to strengthen the budget management infrastructure of the HCC and courts, maximize the use of available resources, and further the goal of financial independence. The report discusses various elements of a financially independent judicial branch and provides a series of recommendations for administering the budget formulation and execution processes, addressing topics such as cost-containment (allocation formulas), staff equalization, and program budgeting.

SPP delivered the report to HCC-SPP Advisory Committee judge members Bancevic and Stoiljkovski in December 2011, with agreement that they would formally present the document to the HCC in an upcoming session. SPP subsequently learned that the report was shared with some but not all Council members. SPP raised the issue again during a February 2012 Advisory Committee meeting, but received no explanation or assurances that the report would be presented to all Council members.

| <b>Future Budget Model</b>  |                           |
|---|---------------------------|
| The <i>Future Budget Model for a Financially Independent Judiciary</i> report includes recommendations relating to: |                           |
| - Court System Staffing   | - Appropriations          |
| - Major Procurements  | - Institutional Integrity |
| - Committee Structure   | - Internal Controls       |
| - Budget Independence   | - Budget Reporting        |
| - Budget Advocacy   | - Staffing Equalization   |

Failing to make headway with the Advisory Committee, SPP presented the report in June 2012 to the newly appointed HCC Secretary General, Irina Ristic. While the HCC had not considered the report's recommendations by the end of Year 4, SPP remained optimistic that Ms. Ristic, formerly the Chief of Cabinet for Justice Mesarovic at the Supreme Court of Cassation, would shepherd the report into the right hands. And while the HCC in Year 4 did not pursue statutory changes designed to increase financial independence, it may do so in Year 5 as it becomes more comfortable with and confident in its financial powers.

**1.1.2. Human Resources.** As Year 4 began, most MFAS positions were vacant. The hiring process began in earnest in January 2012, with the appointment of Branka Tomasevic as HCC Assistant Secretary General and manager of the MFAS. Ms. Tomasevic previously served as the Head of the Budget and Accounting Department at the Belgrade Appellate Court, and was an active participant in the working group formed to develop the Budget and Accounting Policies and Procedures Manual (see section 1.1.3.C.). As such, SPP was able to quickly establish a close working relationship with her, which helped move many project activities forward.

For example, SPP worked closely with Ms. Tomasevic in early 2012 to develop an intensive training program to prepare MFAS staff, once hired, for their roles in the 2013 budget development process. She helped identify training topics, programs and providers, as well as the timeframe for program delivery. Similarly, SPP and Ms. Tomasevic worked together in early 2012 to determine the best organizational structure for the MFAS. SPP presented three possible structures for the MFAS: a functional structure in which employees with similar skills work in the same department under supervision of a person with a higher level of skill; a program structure where the organization is divided according to work programs; and a matrix structure adopting characteristics of both the functional and program structure (see [Annex 3](#)). Ms. Tomasevic decided to implement a functional structure because of its familiarity (the same structure is used by the budget office of the MOJ).

By the end of March 2012, eight staffers had either been hired directly by the HCC or were scheduled to be transferred from the MOJ, including the head of the budget department, two budget staff, and two accounting staff. The HCC used the month and SPP's assistance to ready

the MFAS' offices and ensure that all IT equipment was operational. On March 22<sup>nd</sup>, the employees who were directly hired by the HCC settled into their offices at the HCC. MOJ personnel were officially transferred to the MFAS on April 2<sup>nd</sup>. MFAS positions and staff are summarized in [Annex 4](#) to this report. By April 2012, 10 of the 12 systematized MFAS positions were filled, including all senior level positions. The remaining two vacancies were clerical in nature and did not negatively impact MFAS operations. As such, the MFAS has the human resources it needs to carry out the day-to-day budget and financial responsibilities of the HCC.

**MFAS: Staffed and Trained**

April 2012: 10 of 12 MFAS positions filled, including all senior level positions.

June 2012: MFAS and court staff trained on budget preparation and justification.

**1.1.3.A. Formulation/Adoption of MFAS Internal Operating Procedures.**

When first established, the MFAS lacked operating policies and procedures to guide and standardize its financial operations. Recognizing this deficiency, SPP developed a list of seven priority policies and procedures that the MFAS should adopt (see [Annex 5](#)), as well as related rationales for their adoption. The priority procedures identified by SPP include: procedures for creating the HCC's financial plan; directives on financial operations; directives on budget accounting and financial reporting; directives on maintaining the inventory of financial assets and obligations of the HCC; directives on cash operations; public procurement procedures; and directives on internal financial controls and internal audit.

SPP secured the MFAS' agreement to develop internal operating procedures and delivered drafts of the seven priority procedures in June 2012. The procedures were reviewed by senior MFAS staff in July and August. SPP intended to hold a two-day retreat in September, at the MFAS' request, to speed the review, adoption, and implementation of the procedures. The retreat, as well as further communications and strategic planning (see sections 1.3.2.A. and 1.3.1., respectively) have been delayed, however, due to the uncertainty surrounding Justice Mesarovic's continuing role in the HCC.

**1.1.3.B. Training on Internal Operating Regulations and Procedures.** Training for MFAS staff on the internal operating procedures was scheduled to take place in Year 4 after the procedures were adopted. Now that adoption of the procedures has been delayed, training is scheduled to take place in Year 5.

**1.1.3.C. Budget and Accounting Policies and Procedures Manual.** In Year 3 SPP drafted a "Budget and Accounting Policies and Procedures Manual" that documents the processes and procedures related to the financial management operations of the courts. At SPP's request, the HCC appointed a working group to review the manual for completeness and accuracy. By the end of December 2011, SPP finished compiling and editing all working group comments and sent the final text of the manual, along with a recommendation that MFAS and court financial staff be instructed to follow the manual in their daily operations, to the judge members of the HCC-SPP Advisory Committee. A copy of the manual is attached as [Annex 6](#).

The committee's judge members were supposed to seek Council approval of the manual in Year 4 but failed to do so. Such failure was due in large part to their time commitments to the then ongoing judge election/reappointment process. SPP continued throughout Year 4 to

encourage the committee's Council members, as well as the HCC Secretary General, to submit the manual to the Council for approval, and will alert USAID if and when further delays impinge upon project objectives.

**1.1.3.D. Training on the Budget and Accounting Policies and Procedures Manual.** Training on the manual will not take place until after it is adopted by the HCC. SPP prepared related training materials in Year 4 and is ready to deliver training upon the HCC's request.

**1.1.3.E. Systemization Plan for the MFAS.** The HCC, with SPP's assistance, adopted a systemization (staffing) plan for the MFAS in Year 3. Together with MFAS management, SPP reviewed the sector's operations in September 2012 to assess the adequacy of the plan. SPP determined that the plan was adequate for meeting the current day-to-day operational duties assigned to the MFAS. Additional staffing would be beneficial, however, to provide the analytical capabilities that will be needed if the HCC is to take full advantage of various resource materials and budgeting tools provided by SPP. For example, additional staff could be used to generate the 15 standard reports included in the new court profile database (see section 1.1.4.C.) and the use of the status of funds report to monitor court budget execution (see section 1.1.4.B.). SPP reviewed these findings with Ms. Tomasevic and will monitor the MFAS' response.

**1.1.4.A. Building MFAS Analytical Capacity and Information.** SPP championed a proactive budget process for the courts in Year 4, moving the judiciary towards needs-based budgeting and away from the old practice of developing budgets based on the prior year's costs plus inflation. Historically, the MOJ engaged in reactive budgeting – taking the budget instructions issued by the MOF and forwarding them to the courts with little or no additional guidance or analysis. With SPP's guidance and training, the HCC now issues preliminary budget instructions to the courts; the courts electronically submit their draft budgets and justifications to the HCC; the HCC aggregates and analyzes the budget submissions and makes preliminary allocation decisions; and budget allocations are adjusted after the MOF issues formal budget instructions. The rationale for issuing preliminary instructions is to allow adequate lead time for the MFAS to analyze and consolidate court budget submissions for review and approval by the HCC.

The HCC presented its new budget software and improved budget process at a World Bank-sponsored Justice Sector Peer-Assisted Learning (JUSTPAL) information systems conference, held in Brioni, Croatia, September 27-28, 2012. The presentation highlighted the Council's continuing transition to needs-based budgeting, utilizing tools and systems provided by SPP. The Council's presentation drew great interest from the audience, particularly about the software modules that can be used to conduct comparative analyses of budget submissions, analyze and prioritize budget requests, and track and analyze actual expenditures versus budgeted funds.

**1.1.4.B. Budget Execution – 2012.** In addition to improving the budget development process, SPP also worked in Year 4 to improve budget monitoring and execution. Courts historically have not prepared comparative budget utilization reports that would assist in evaluating budget execution. SPP developed a "status of funds report" to address this

shortfall. The status of funds report will provide the MFAS with sufficient information to assess and act on requests for line item reprogramming, supplemental budget requests, and the annual rebalancing of court budgets. It will also highlight which courts are overspending and under-spending their funds.

SPP presented the status of funds report to MFAS management in spring 2012 and instructed them on its use. It counseled the MFAS to require all courts to submit the report on a monthly basis. The HCC, however, will likely require quarterly reports instead, which the MFAS will use to track and analyze actual expenditures versus budgeted funds. Additional information about the status of funds report can be found in [Annex 7](#).

**1.1.4.C. Budget Formulation – 2013.** SPP championed a new budget formulation process for the judiciary, as described in section 1.1., above, which the HCC quickly implemented. July 2012 marked the start of this new budgeting process. SPP and the MFAS drafted preliminary budget instructions in early July 2012 and determined related materials to be sent to the courts. The budget instructions were sent to the courts on July 17<sup>th</sup>, along with the court profile template (see below) and a user’s manual for the budget software. The courts were given until August 15<sup>th</sup> to develop draft budgets based on the instructions, and were instructed to submit their drafts via the budget software provided by SPP. By August 20<sup>th</sup>, all courts had electronically submitted draft budgets and related justifications to the HCC. The MFAS subsequently used the automated system to conduct comparative analyses of the draft budgets, request additional justifications and information from courts when needed, and prepare a consolidated budget for the judiciary. Because of SPP’s assistance, the Serbian judiciary has improved its budgeting process and is finally using automated tools in support of budgeting. The new process will help ensure that the judiciary’s funding goes where most needed, and will provide the information required for the HCC to advocate for additional funds when the State budget is compiled.

SPP also provided the HCC with tools and training in support of the new budgeting process. SPP, for example, developed and introduced court profiles into the budget process in Year 4. Each court was required to submit a budget profile to the HCC along with its draft 2013 budget. The profile, which is built into the budget software provided to the HCC and courts, includes information on: expenditures for the prior fiscal year by major economic classification; expenditures for the current year by major economic classification; number of judges, lay judges, support staff, and staff funded from contractual services; the amount of fees assessed in the prior year; and the amount of fees collected during the current year. All of the profiles were entered into a database developed by SPP and incorporated into the HCC’s budget software. With the profiles and database, the MFAS can now conduct comparative analyses of budget submissions, determine appropriate allocations, and analyze and prioritize budget requests. Ultimately the database can be used to develop court standards in areas such as the ratio of support staff to judges, court premises, IT equipment and software, and equipment replacement schedules.

**Modern Budget Tools  
Introduced by SPP:**

- Budget Planning Software
- Court Profiles
- Status of Funds Report

SPP also trained MFAS and court financial staff on the court profile report and developed an operating manual on its use. The manual, which is also incorporated into the software, provides step by step instructions for completing the court profile report, explains the data elements included in the profile, identifies the standard reports that can be prepared based on these data elements, and describes how the information in each report can be used to develop needs-based budgets.

A brief summary of the court profile report is included in Annex 7.

**1.1.4.D. Building Audit Capacity.** An internal audit position is included in the HCC’s systemization plan but remains unfilled. SPP offered its assistance in filling the vacancy to the HCC throughout Year 4, but hiring an auditor is not a current priority for the Council. Once an auditor is hired, SPP will informally assess his/her training needs and, if time and resources allow, provide mentoring and training to address such needs.

**1.1.4.E. Financial Management.** SPP planned to assess the financial operations of the MFAS and courts in Year 4 to determine if they were operating in accordance with the Budget and Accounting Policies and Procedures Manual. Now that adoption of the manual has been postponed until Year 5, SPP will focus its resources on updating the manual rather than assessing its use. It will continue to recommend, however, that the HCC instruct MFAS and court financial staff to follow the manual in their daily operations.

**1.1.5.A. Information Management Training.** SPP procured and installed a financial management system in the HCC in Year 3 to support the new judicial budgeting process. The system includes budget, accounting, and human resources software. In addition to supporting a direct budget beneficiary (the HCC) and indirect budget beneficiaries (the courts), the software supports budget development based on predetermined budget targets, budget development without predetermined targets, and program budgeting. Thus, the system will support more sophisticated budget practices as and when they are adopted.

After securing the HCC’s commitment to use the budget software to prepare the 2013 judicial budget, SPP conducted a nationwide refresher course on the software in June 2012. Regional trainings were held in Novi Sad, Nis, Kragujevac, and Belgrade for staff



Figure 1: Training Court Staff on the New Budget Software Provided by SPP

from Serbia's 129 courts, with practical guidance on how to develop and submit budgets, justifications, and related materials through the system. Now, Serbia's courts can use the system to provide accurate and timely budget information to the MFAS for inclusion in a consolidated court system budget, and did so in the 2013 budget development cycle.

**1.1.5.B. System Maintenance.** SPP re-evaluated the financial system's functionality in Year 4 to determine if any software modifications were required to improve its use. Recognizing the value of the court profile (section 1.1.4.A.) and status of funds report (section 1.1.4.B.), SPP and the HCC agreed that additional modules relating to the reports should be built into the system. Accordingly, SPP entered into a subcontract with SRC in July 2012, pursuant to which SRC modified the budget software to allow for: (1) the consolidation of the status of funds report information by court type and for all courts; and (2) the preparation of standard reports developed by SPP from court profile information. The work was substantially completed in September 2012.

**1.1.6.A. HCC-SPP Advisory Committee.** The HCC-SPP Advisory Committee was formed to facilitate activities and communications between the two organizations. In this regard it has achieved mixed results. While the committee provided a convenient channel of communications, particularly in those months of Year 4 when the HCC lacked a Secretary General, the Council members on the committee - Judges Branka Bancevic and Aleksandar Stoiljkovski - repeatedly failed to share information with the full Council. It quickly became clear that they were not effective advocates for project activities, as their time was instead consumed by the judge election/reappointment process. Fortunately, however, the project's technical work continued moving forward despite these shortcomings, as SPP found other ways to advance its work.

**1.1.6.B. Implementing P-BMP IDI.** One element of SPP's Performance-Based Monitoring Plan (P-BMP) is an Institutional Development Index (IDI) for the MFAS. The IDI was designed to be an assessment and development tool for the HCC. Instead, it has become a unilateral measurement tool employed by SPP since the HCC has declined to take ownership. Year 4 efforts to establish bilateral use of the IDI did not bear fruit. Instead, IDI reporting in SPP's P-BMP will continue to be unilateral.

## **1.2 Judicial System Budget Process**

**1.2.1.A. Budgeting Software for Courts.** SPP procured and installed budget software in the courts during the last quarter of Year 3. Activities relating to the software are described in sections 1.1.4. and 1.1.5, above.

**1.2.1.B. Budget Development, Management, and Justification Training.** In April 2012, SPP created a budget development, management, and justification module as part of its advanced training curriculum in court management for court presidents and managers (see section 2.1.1.G.(3)). Topics covered in module include the legal framework governing the budget process, utilization of the court profile database for developing budget ceiling recommendations, and use of the status of funds report for budget monitoring purposes.

**1.2.1.C. Project Management Training.** Project management training was also incorporated into the advanced training curriculum. The module addresses issues such as how to secure, monitor, and account for grants from international organizations.

### **1.3 Planning and Outreach**

**1.3.1 Strategic Planning.** A three year strategic plan was adopted by the HCC in March 2011. SPP's objective is to extend the current strategic plan to cover the five year mandate of the Council's current judge members. Throughout the year, Justice Mesarovic and others expressed their willingness to extend the plan. Getting them to take action, however, proved difficult due to their focus on the judge election/reappointment process. In spring 2012, SPP developed a roadmap for updating the strategic plan and discussed the matter with Justice Mesarovic. In June, SPP was informed by the HCC's Coordinator for International Cooperation that the strategic planning working group could meet in September to begin work on the five year plan. The Secretary General subsequently informed SPP that the working group could not meet until late 2012 at the earliest due to other commitments. SPP will continue to push for dates for a drafting retreat. The constitutional challenge to Justice Mesarovic's leadership will, however, likely cause further delay to this and other policy-level matters.

**1.3.2.A. Communications.** The HCC currently lacks a formal communications plan. After several delays, agreement was reached in April 2012 to create a communications plan to improve the HCC's internal, external, and crisis communications. The HCC formed a steering committee in April, and SPP provided a template for developing the plan. SPP subsequently facilitated a series of drafting retreats, at which it was agreed that the HCC would develop both a communications strategy and a Public Trust and Confidence Plan for implementing the strategy. A copy of the current draft is attached as [Annex 8](#). The working group will meet again in Year 5 to finalize the plan.



**Figure 2: Members of the Communications Working Group at their inaugural session, May 18-19**

### **Other Relevant Information:**

- Judge Milimir Lukic resigned from the HCC on November 23, 2011. Media reports indicated that Judge Lukic believed the MOJ was ignoring and circumventing the authority of the HCC "in proceedings involving the proposing and adoption of laws." Although Lukic was not immediately replaced, the HCC continued to render decisions until mid-December 2011, when Ombudsman Sasa Jankovic warned the Council that decisions made without a quorum could be declared illegal. In February 2012, Judge Miroljub Tomic officially replaced Judge Lukic on the Council. Judge Tomic, the deputy president of the Kragujevac Appellate Court, has worked closely with SPP since its inception, serving on the project's Court Administrator Working Group, Case Weighting Working Group, and as a lecturer for project training programs.
- In January 2012, Ombudsman Jankovic stated that the recent work of the HCC was not legitimate. The Ombudsman determined that, as the result of the resignation of Judge Lukic and suspension of Judge Blagoje Jaksic (who was arrested on 10 year old charges shortly after being criticized for voting to return too many unelected judges to the bench), the HCC lacked the appropriate composition to issue decisions. The Ombudsman's statement called into question all decisions issued by the HCC since the resignation of Judge Lukic from the Council. He went on to recommend that the Council stop working until its composition was complete. In response, the Council issued the following statement: "Members of the High Court Council have concluded that the work of the High Court Council in incomplete composition does not jeopardize the legality of its functioning or its decision-making process, considering that the Law on the High Court Council stipulates that the Council may convene a session in the presence of at least six members of the Council, and that the Council's decisions are reached by majority vote of all its members. These requirements are presently fulfilled: nine members, out of eleven as determined in the Constitution, are participating in the work of the Council. The fact that the incomplete composition of the High Court Council does not question the legality of the Council's work or its decision-making has been confirmed in the ruling of the Constitutional Court upon the appeal of the unelected judge Zoran Saveljić, number VIII U-102/2010 dated May 28, 2010."

## 2. Task 2: Court Administration

Task 2 focuses on improving court administration and case management in Serbian courts. The contractual performance objectives for Task 2, in order of subject matter, are:

| No. | PERFORMANCE OBJECTIVE  |
|-----|--|
| 1   | After two years, a career track for court managers/administrators is in place, and the authorities have approved a plan for placement of court administrators throughout the court system.   |
| 5   | After three years, trained professional court administrators/managers are working in key positions.  |
| 6   | After four years, additional trained court administrators/managers are working within the system.  |
| 13  | After five years, all the positions identified in the plan for placement of court administrators have been filled.   |
| 10  | After four years, the average number of cases pending for more than two years has been reduced, and the average number of cases pending for more than four years in select courts has been reduced.  |
| 15  | After five years, the average case processing time in selected courts has been reduced.  |
| 14  | After five years, substantial progress is noted for Factor 28 (Case filing and tracking systems) of the Judicial Reform Index.   |
| 14  | After five years, substantial progress is noted for Factor 18 (Case Assignment) of the Judicial Reform Index.  |
| 9   | After four years, a significantly lower percentage of users of select courts report offering and paying bribes to the judiciary and court personnel.   |
| 11  | After four years, and even more after five years, there is greater openness of court proceedings and information about court operations, increased support for judicial independence and reform, and reduced perception of corruption in the courts. |

Progress made by the end of Year 4 towards each of these performance objectives is summarized below, followed by a detailed description of Task 2 workplan activities undertaken in Year 4.

### Performance Objectives Nos. 1, 5, 6, 13 – Court Managers

- Building on the achievement of objectives 1 and 5 in Years 2 and 3, additional steps were taken in Year 4 to institutionalize the court manager position. The court manager position was formally established through the Book of Court Rules in 2009 and has since been approved in court staffing plans. Seven court managers were already working in the courts, and an additional six courts were scheduled to hire court managers.
- In June 2012, the MOF adopted an overall staffing plan for the judiciary, which included elements of the long-term staffing plan developed by SPP.

- The MOJ agreed to treat all court managers as higher advisors, the highest non-judicial position in the court system, consistent with the hiring plan.
- A draft amendment to the Law on Court Organization was completed in September 2012 stating that every republic level court and court providing material, financial, and technical support for more than 30 judges must have a court manager. The amendment should be considered by government and parliament early in Year 5.
- The Novi Sad Appellate Court engaged a court manager in Year 4, although 5 other courts with approval to hire a court manager did not due to the delay in appointing permanent court presidents. SPP and the MOJ discussed the risk of losing funding for court manager positions in 2013 if approved positions are not filled by the end of 2012, and the MOJ agreed to push for such appointments.
- A career track framework was completed in September 2011. It details the professional development and advancement of court managers according to current legislation.
- SPP developed a model recruitment, hiring and performance evaluation plan for court managers.

### **Performance Objectives Nos. 10, 15 – Backlog Reduction and Case Processing Efficiency**

- Courts participating in SPP's backlog reduction and prevention programs produced many positive results, including the following:
  - The six courts participating in SPP's backlog reduction program reduced their combined backlog from over 23,000 cases in 2010 to less than 12,000 cases as of September 30, 2012, a 49% decrease in backlog (well in excess of SPP's targeted 25%-30% reduction).
  - The average clearance rate for the five courts participating in SPP's backlog prevention program exceeded 113%, significantly higher than the clearance rate target of 95%.
- SPP developed a template for backlog reduction planning that was initially used by its 10 partner courts. The MOJ subsequently recommended that all Serbian courts use the SPP template for 2012 backlog reduction planning. SPP also provided tools for analyzing and monitoring performance against backlog reduction goals.
- SPP successfully worked with court managers to reduce the enforcement backlog. At the Belgrade First Basic Court, Infostan, the largest utility, entered into payment agreements with 80,000 debtors with multiple enforcement actions against them, resulting in the removal of 600,000 cases from the system.
- As part of its efforts to chronicle and publicize the successes of its case management efforts, SPP in July 2012 published the *Best Practices Guide: Backlog Prevention & Reduction Measures for Courts in Serbia*. The guide provides practical techniques and guidance for improving case and court management, and chronicles the lessons learned and successes achieved by SPP's 10 partner courts in their backlog reduction efforts.
- SPP and the HCC's case weighting working group analyzed proposed standards for defining case complexity and the amount of judicial time that should be allocated to each case event, and developed case weights that can be used to effectively allocate human and material resources within the judiciary. SPP also drafted a final report on the case weighting methodology, which the working group will submit to the HCC in Year 5.

- SPP has developed orientation and advanced training programs in court management for court presidents, court managers, and other professionals. The orientation training program was formally adopted by the Judicial Academy as part of its curriculum.
- During Year 4, SPP updated its individual case management training materials to reflect changes in the civil and criminal procedure codes, conducted a four day train-the-trainers session, and drafted additional training manuals. The trainers will deliver the training for basic court judges in Year 5.
- Several of SPP's recommended backlog reduction and prevention techniques were incorporated into the new civil and criminal procedure codes, including the use of preliminary hearings to set case schedules and hearings, and improvements to service of process and delivery of court documents.

### **Performance Objective No. 14 – Case Tracking and Case Assignment**

- USAID efforts to arrange for the implementation of a new JRI have been unsuccessful to date. Instead, EWMI and USAID have agreed that the evaluation team conducting the project's final assessment will address the JRI factors in its review. In the interim, upward progress in the JRI rating can be measured by the achievements described in this Annual Report.

### **Performance Objectives Nos. 9, 11 – Bribery, Openness, Independence, Corruption**

- SPP's court administration work focuses on efficiency matters and some activities related to improving transparency in the courts. EWMI and USAID are discussing how best to measure impact in these performance objective areas in light of the quality of data available and difficulty in measuring public experience with corruption and public attitudes towards the judiciary, especially since the judge election/reappointment process (beyond the control of the project) has negatively impacted public discourse during this period.

## **2.1. Court Management**

**2.1.1. Position of Court Manager.** SPP successfully established the court manager position in Serbia's judicial system through the Book of Court Rules. Thirteen courts were approved to engage court managers. Seven court managers are currently working in the courts. An eighth court manager had worked at Belgrade First Basic Court, but his contract was not renewed, and the position remained unfilled by the end of Year 4.

Further institutionalization of the court manager position in Year 4 required an amendment to the Law on Court Organization to codify the position, adoption of a long-term hiring plan specifying the criteria for placing managers in additional courts, and approval of the MOJ's overall staffing plan for the judiciary to ensure that all court managers are engaged at the highest paid non-judicial position in the court.

Efforts to amend the law, adopt the hiring plan, and approve the overall staffing plan stalled for months, captive to broader disputes between the MOJ and MOF. Positive movement came in June 2012 on two fronts. First, the overall staffing plan was adopted by the MOJ and MOF.

Second, the MOJ honored its agreement with SPP to treat all court managers as higher advisors, the highest non-judicial position in the court system, consistent with the hiring plan.

Amending the Law on Court Organization proved a thornier issue. Initially, amendments were tied to the outcomes of the World Bank's cost-driver assessment of the court network, and

**Court Managers**

- 13 courts approved to engage court managers.
- 7 court managers currently working in courts (an 8<sup>th</sup> manager was hired but his contract was not renewed).
- Amendment to the Law on Court Organization proposed to codify position.

were delayed along with the assessment. The establishment of the new government, however, brought a burst of legislative activity, including a draft amendment to the Law on Court Organization in September 2012 stating that every republic level court and court providing material, financial, and technical support for more than 30 judges must have a court manager. The amendment should be considered by

government and parliament early in Year 5.

Unfortunately, two other factors may continue to delay the actual engagement of additional court managers. First, acting court presidents in the five other courts approved to engage court managers prefer to defer the hiring decision until after permanent court presidents are appointed and confirmed. Essentially, the acting presidents are reluctant to bind their successors to an appointment. It is unlikely that permanent court presidents will be appointed and confirmed until early 2013. Second, additional courts are unlikely to engage court managers until after (i) the proposed amendment to the Law on Court Organization is adopted or rejected and (ii) proposed changes to the court network are finalized. As such, it is unlikely that additional court managers will be appointed absent significant support and prompting from the HCC and/or MOJ.

Support for engaging additional court managers should come from the MOJ. SPP met in August 2012 with the MOJ's Assistant Minister, Jelica Pajovic, and its Head of Human Resources to discuss the dynamics of engaging court managers in the five courts with approved but vacant positions. If these five courts fail to hire court managers by the end of 2012, they risk losing funding for the position in 2013 (according to the MOJ's staffing procedures). SPP then met with Assistant Minister Simic and State Secretary Danilo Nikolic in September to garner further support for hiring the additional court managers. They agreed to, among other things, push for the engagement of four additional court managers before the end of 2012. The draft 2012-2017 National Judicial Reform Strategy, developed by local stakeholders with World Bank assistance, also advocates for the continuing engagement and use of court managers.

**2.1.1.A.&B. Court Manager Position and Long-Term Plan.** SPP's Year 4 Workplan included three goals relating to court managers: (1) fill the six authorized but unfilled court manager positions; (2) obtain approval for the position in additional courts; and (3) obtain approval for the long-term court manager staffing (hiring) plan. One of the six authorized courts - Novi Sad Appellate Court – engaged a court manager in Year 4. Efforts to fill the remaining authorized positions in Year 4 stalled, as described above.

Similarly, efforts to secure the approval and engagement of court managers in the 13 additional courts identified in the long-term staffing plan gained little political traction. The HCC failed to

provide institutional support for the position, and individual Council members were provided few channels or forums within which to express support for the position. Further, while several Assistant Ministers of Justice supported the position and helped lay its legislative foundation, they were unable to muster institutional support for engaging additional court managers.

Officials in the new MOJ, however, appear set to build on this foundation and push courts to engage additional managers. After taking office in August 2012, Minister of Justice Selakovic announced the MOJ's intention to amend several substantive and procedural laws relating to the judiciary, including the criminal and civil procedure codes and the laws on judges, court organization, High Court Council, and court seats. Working groups were assembled to draft the required amendments. Under the Ministry's agenda, the amendments should be drafted by October 15, 2012, reviewed in public debates in October and November, finalized in November, and submitted to the National Assembly for approval before year's end. The proposed amendments to the judicial laws, as currently envisioned, would significantly change the court network and court jurisdictions.

The MOJ's legislative agenda presents both an opportunity for and threat to SPP's court administration efforts. On a positive note, the MOJ has, as noted above, agreed to incorporate the court manager position into the Law on Court Organization. It also indicated a willingness to build a national backlog reduction strategy into the same law (see section 2.2.2). The scope and pace of reforms may, however, outstrip the working group's capacity, as well as SPP's ability to provide meaningful input. In such case, SPP's desired reforms may take a back seat to competing legislative priorities.

Furthermore, the MOJ is considering a major restructuring of the court network. Courts with managers, as well as the additional courts identified in the long-term staffing plan, may be impacted by the restructuring, further complicating SPP's efforts. If the network is changed, SPP will apply the staffing plan's selection criteria to the proposed network to determine which, if any, additional courts qualify for court managers. It will provide the results to the MOJ and, time allowing, work to secure the approval and engagement of managers in these additional courts.

**2.1.1.C.(1) Human Resources - Career Track.** The Court Administrator Working Group completed its work on the court manager career track in Year 3 and presented its report to the MOJ in Year 4. The report describes the status of court managers when hired and their advancement and salary opportunities, as determined by the Law on Civil Servants and the Law on Salaries of Civil Servants and State Employees. It also addresses other regulations impacting the status and position of court managers. As the report explains, the existing legislative framework effectively determines the career track of court managers (and other civil servants). Unless and until the Law on Civil Servants is amended, no further action to establish a career track is possible or required.

**2.1.1.C.(2) Evaluation of Court Manager Position.** In August and September 2012, SPP evaluated the utilization of court managers and their contributions to the work of their courts. Interviews and focus group discussions were held with court presidents and managers to ascertain the current status of court managers and develop recommendations for

strengthening the position. The assessment report, which also includes recommendations for further defining and standardizing the court manager position, is attached as Annex 9. Outcomes of the assessment will subsequently be used to improve court manager utilization, modify and finalize court manager profiles, lobby additional courts to engage court managers, and push for amendments to the Law on Court Organization.

**2.1.1.C.(3) Recruitment Plan and Hiring Process.** SPP previously drafted a Model Recruitment and Hiring Plan that sets forth an objective and merit-based hiring process for court managers. The document was presented in Year 4 to the courts approved to engage court managers. SPP will again present the hiring plan in Year 5 to these courts and to the additional courts qualified to engage court managers under the staffing plan.

**2.1.1.D. National Association.** SPP continued in Year 4 to sponsor periodic meetings of court managers and encourage the formation of a national association for court management. Formal meetings were held in November 2011, December 2011, February 2012, April 2012, and May 2012, and additional informal meetings convened throughout the year.

The November 2011 meeting included discussions about online and desktop applications developed by the manager of Belgrade First Basic Court, which were subsequently shared with other court managers for use in their courts. The December 2011 meeting gathered both court managers and members of the court administrator working group to exchange ideas on how to further fortify the position of court managers in Serbia's court system. The discussion focused mostly on the creation of a national association, and two approaches on structuring the future association were considered: (1) establishment of several separate associations of court employees (court managers, court secretaries, and judicial assistants) which would be included in one national association; and (2) establishment of one national association open to all who are motivated to elevate the work of court management. This topic was revisited in subsequent meetings, but no consensus approach emerged. Instead, the court managers and working group agreed to postpone further discussions until more court managers were engaged in the court system.

**2.1.1.E. International Cooperation.** SPP supported and/or sponsored several international learning opportunities for staff and counterparts in Year 4. Five court managers and two court secretaries traveled to the United States May 9-20, 2012 on a study tour sponsored by the Open World Leadership Program. SPP nominated the participants, selected Orlando, Florida, as the destination, and worked closely with Orlando's federal and state courts on the agenda. Participants learned about best practices in court management in U.S. courts, gave the study tour very high marks, and thanked SPP for tailoring it to their needs.

SPP also participated in a JUSTPAL conference in June 2012 at The Hague. The conference provided an opportunity for justice professionals from throughout Eastern Europe and Central Asia to discuss current developments and trends in judicial budgeting and court management. The most notable trends were similar to those in Serbia: the transfer of budgetary powers from the executive branch to independent self-governing judicial entities; tensions between ministries of finance and judicial bodies enhanced by economic conditions and limited budgets; needs for increased competencies of courts to manage their own

resources; challenges related to performance measurement, quality management, public trust, and confidence in courts; and backlog reduction and prevention. SPP made presentations on its backlog reduction and prevention efforts, as well as on the impact of economic development on the workload of courts, which can be found at <http://www.justpal.org/cop-managers-resources>.



Figure 3: Participants in JUSTPAL Conference, June 2012, The Hague

SPP planned to send an HCC delegation to the fifth annual conference of the International Association of Court Administration (IACA), but its efforts proved unsuccessful. In March 2012, SPP obtained USAID's approval to send five judge members of the HCC, along with two project representatives, to the June 2012 IACA conference in The Hague. When SPP informed the HCC of its offer, the HCC responded that the five judge members could not be out of the country at the same time, and insisted that SPP instead sponsor Justice Mesarovic's hand-picked list of delegates. SPP was also told that it must accept all such delegates, otherwise no one would be allowed to attend. SPP and USAID discussed the HCC's "all or nothing" proposition and agreed that SPP could only support nominees who were active in project activities. When the message was communicated to HCC, Justice Mesarovic refused to allow any HCC delegates to attend.

SPP staff did, however participate in the conference, which focused on the challenges faced by judicial systems in an era of decreased resources and increased workloads. SPP learned about different trends in court system management and administration, roles of high judicial councils worldwide, and strategic planning in courts, and shared its experiences from the conference with its court managers and partner courts.

**2.1.1.F. Working Group.** The establishment of a national association for court management, as described in section 2.1.1.D., provides a logical end date for the Court Administrator Working Group. Efforts to establish the association have been unsuccessful to date in light of differing views on its mission and membership. While the working group formally wound down its activities in mid-Year 4, individual members continued to support SPP activities, including the creation of a national association, on an ad hoc basis.

**2.1.1.G.(1) Training - Work with the Judicial Academy.** SPP, since its inception, has worked closely with the Judicial Academy to ensure the sustainability of its training programs. These efforts have resulted in the Academy's agreement to incorporate many of SPP's programs into the Academy's continuing curriculum.

In the shorter term, SPP and the Academy reached agreement in January 2012 on an implementation plan for joint training programs. The plan addresses shared and exclusive responsibilities relating to the development of training materials, organization of train-the-trainers sessions, delivery of trainings, and other matters relating to orientation and advanced trainings in court management and individual case management training. A copy of the implementation plan is attached as Annex 10.

**2.1.1.G.(2) Orientation Training for Court Managers and Court Presidents.** In Years 3 and 4, SPP developed and revised its orientation training program in court management for court managers and court presidents. The training has since become part of the Judicial Academy's mandatory training program. Existing court managers were trained in Year 3. SPP intended to train additional court managers in Year 4. Instead, such training will be provided in Year 5 once a critical mass of additional court managers is hired.

SPP also planned to assist the Academy in Year 4 in implementing orientation training for court presidents. All materials for the orientation training program were developed in 2010. Training cannot take place, however, until permanent court presidents are appointed or Justice Mesarovic lifts her prohibition against acting presidents participating in training. By the end of Year 4, Justice Mesarovic showed no sign of changing her position. Recent news articles indicated that permanent court presidents will not be appointed until early 2013.

**2.1.1.G.(3) Advanced Training.** The complexity of modern courts and court practices requires the delegation of administrative functions and responsibilities to court managers and other professional administrative staff, who must practice extensive managerial and administrative skills to effectively serve the courts and allow judges to spend more time adjudicating cases. The advanced training in court management is intended to build the skills and knowledge necessary for court managers and others to effectively fulfill these responsibilities.

With SPP's support and encouragement, the Judicial Academy and Belgrade Faculty of Organization Sciences reached agreement pursuant to which the Faculty will develop additional "management skills" modules for the advanced training and provide trainers to teach such modules. The Faculty celebrated its 40<sup>th</sup> anniversary in November 2011 and marked the occasion by signing a memorandum of understanding with the Academy relating to the advanced training program. The Judicial Academy and faculty met throughout Year 4 to develop training materials and plan future steps for implementing the advanced training program. Draft materials were circulated in early April 2012, harmonized later that month, and further revised during the summer. Work stopped when the MOJ announced its intention to overhaul most substantive and procedural laws relating to the judiciary. SPP will support ongoing efforts by conducting train-the-trainer sessions, assisting in the development of training materials, and providing financial support for training events. It will also monitor developments and determine appropriate steps for finalizing the materials.

In any case, the advanced training cannot take place until after the orientation training is completed. Orientation training will be held in mid-2013 at the earliest, in light of current restrictions.

**2.1.1.G.(4) Study Tour.** SPP conducted a study tour to the Netherlands from October 2-7, 2011 for Serbian justice officials. The visit was organized as part of SPP's efforts to improve court administration, and provided participants with the opportunity to observe and discuss best court administration and management practices utilized in Dutch courts. Topics emphasized during the visit were financial management, effective acquisition and allocation of resources, and improving daily court operations.



Figure 4: Serbian court officials attend a lecture during their study visit to the Netherlands.

The Dutch Council for the Judiciary hosted discussions on topics such as quality management, long-term strategic planning, organization of finances, training and information management. Serbian and Dutch counterparts energetically discussed the challenges faced by the judiciaries in both countries and solutions to such challenges. This strategic debate was a highlight of the visit, with both sides realizing that they face similar issues that can be resolved by using similar methods and techniques. The study tour agenda, including a list of participants, is attached to this report as [Annex 11](#).

**2.1.2. Weighted Caseload.** SPP is assisting an HCC-appointed working group in developing a weighted caseload system that will permit an objective calculation of the number of judges needed for each court and support objective budget and case distribution. In Year 4, SPP helped develop proposed case weights and a timekeeping process for testing and verifying degrees of complexity, events, and event times for all case types. A summary of SPP's work is attached as [Annex 12](#).

**2.1.2.A.&B. Weighted Caseload Working Group and Timekeeping.** In September 2011, the HCC issued a decision approving a timekeeping exercise to validate proposed case weights and appointing approximately 400 judges from 37 courts to participate. The working group met several times in October 2011 to prepare the procedures needed to implement the exercise and develop training for participating judges. All necessary instructions, daily logs and documents were developed by mid-October with SPP's assistance. SPP and the working group also organized and conducted six orientation trainings in October for the judges participating in the timekeeping exercise.

The timekeeping exercise officially commenced in November 2011 and concluded in February 2012. During this period, courts submitted daily logs to SPP each week. SPP input the information into a database of time and events capable of objectively calculating the number of judges needed in each court. The database was then used by the working group to help adjust and finalize the case weighting system.

**2.1.2.C. Development of Weighted Caseload Methodology.** The working group met in March, May, and September 2012 with Judge Ken Stuart, SPP's former COP, to analyze data, propose adjustments to case weights, and develop its final report. Judge Stuart began drafting a final report in May 2012, including recommendations for case weights and timeframes. He continued his work in June and July, analyzing data from five courts to test the working group's adopted values of time required to complete certain events and case types, as well as its opinions on the numbers of judges needed based on such values. The final report will include recommendations on the number of judges for each court, guidelines for case distribution, and guidance on the allocation of court resources. The final report will be issued by the working group, not SPP, and the recommended case weights will be theirs.

**2.1.2.D. Approval.** The working group is expected to complete and submit its final report to the HCC in October 2012. SPP will continue to help the working group in Year 5 in its efforts to obtain approval of the case weighting methodology and related recommendations.

**2.1.2.E. Timeframes.** In determining the amount of time required to complete an average case, the working group considered only case events included in laws. It did not address the timeframes between case events that are not addressed by law. The group believed that sufficient timeframes are included within the civil procedure, criminal procedure, and enforcement codes, as well as other laws. Accordingly, and as indicated in its workplan, SPP did not independently undertake the development of the additional timeframes.

## **2.2. Case Management**

**2.2.1 Backlog Reduction and Case Management.** SPP is working with 10 partner courts to reduce backlogs and increase case processing efficiency. The Annual Judges' Conference organized by the Supreme Court of Cassation and HCC, held in October 2011 in Zlatibor, provided an excellent forum to broaden and deepen support for these efforts. The conference, co-sponsored by SPP, gathered all acting court presidents and approximately one third of Serbia's judges to discuss developments within the judicial system. Justice Mesarovic used her keynote speech to emphasize the judiciary's partnership with USAID in advancing judicial reform. In particular, Justice Mesarovic showcased the concrete initiatives and impact of SPP's partner courts to reduce and prevent backlogs, the foundations of which have been incorporated into national legal frameworks, including the civil and criminal procedure codes.

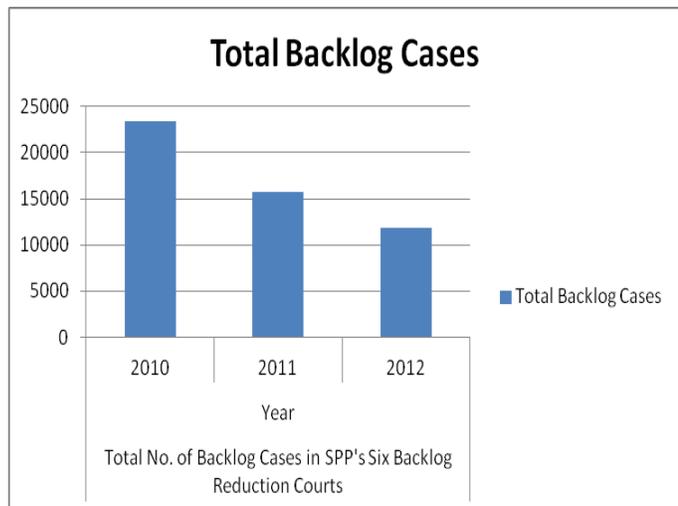
Capitalizing on Justice Mesarovic's address, SPP used the conference to present its backlog work to a broader audience. The project premiered a short video emphasizing the best practices and successes of its partner courts and moderated a panel discussion among acting court presidents from five partner courts about different techniques successfully utilized to

reduce backlogs and increase case processing efficiency. Particular experiences, such as reorganizing the work of registry offices, reallocating existing resources to produce greater efficiency in court operations, and forming teams to attack the oldest and most complex cases, were presented in greater detail, which gave an opportunity for many judges and acting court presidents to learn firsthand about the best practices of SPP's courts, and to consider applying them in their own courts.



Figure 5: Acting court presidents present their achievements at the Annual Judges' Conference

**2.2.1.A. Backlog Reduction and Case Management Work with Courts.** SPP's partner courts continued to successfully reduce backlogs and increase clearance rates throughout Year 4. By the end of the year, the six courts participating in SPP's backlog reduction program, focused on bringing cases older than two years to resolution, had reduced their combined backlog from over 23,000 cases in 2010 to less than 12,000 cases as of September 30, 2012. This 49% decrease in backlog well exceeded SPP's target of a 25%-30% reduction. Five of SPP's six backlog courts achieved net backlog reductions from 2010 to 2012, including the Basic Court in Vrsac (from over 400 to less than 200 backlogged cases), Basic Court in Subotica (from over 1,700 to less than 400), Basic Court in Vranje (from over 15,000 to less than 4,000), Basic Court in Nis (from nearly 2,500 to less than 2,400), and the Higher Court in Novi Pazar (from over 150 to 51). Only the Higher Court in Belgrade, with its large overall caseload and limited resources, experienced an increase in backlog since measurement began in 2010, from approximately 2,500 backlogged cases to nearly 4,000. Despite its overall increase, Belgrade has experienced recent success. After watching its backlog swell to over 6,300 cases as of September 30, 2011, it utilized SPP's backlog reduction template (see below) and, at SPP's recommendation, created multiple backlog reduction teams to trim its backlog to less than 4,000 cases at the end of Year 4. Interestingly, SPP has historically been unable to forge the close working relationship with Belgrade that it enjoys with most of its partner courts. Nevertheless, Belgrade is enjoying



success simply by using SPP's tools and templates, proving that other courts can also successfully apply SPP's recommendations to tackle their backlogs.

The courts achieved these impressive results through their dedication to justice and the application of various backlog reduction and prevention techniques provided by SPP and summarized in SPP's *Best Practices Guide: Backlog Prevention & Reduction Measures for Courts in Serbia* (see section 2.2.2.B.(2)). Some of the more successful techniques applied are described below.

**Successful Backlog Reduction Techniques:**

- Establishing Backlog Reduction Teams
- Monitoring and Labeling Backlog Cases
- Improving Delivery and Service of Documents
- Improving the Work of Court Registry Offices
- Scheduling Court Hearings Efficiently
- Utilizing E-justice Measures
- Improving Cooperation with External Partners

Cooperation with External Partners of the Courts: The Basic Court in Vrsac, among others, sought active cooperation with its external partners rather than work in isolation. It held regular meetings with these external partners to understand their needs and requirements, exchange information, and discuss ways to prevent unnecessary delays, thereby leading to more effective cooperation and shorter judicial procedures.

Improved Delivery and Service of Documents: The Basic Court of Subotica identified that service of documents was a serious backlog generator. It entered into a Protocol of Cooperation with the local post office, with both parties agreeing to explore ways of improving service and decreasing delays. Improvements were made by introducing stronger internal controls at the postal office and by monitoring the successful delivery of judicial documents. The court, in turn, ensured that all documents and subpoenas were complete and legible, thus enabling the postal service to act upon them in a timely manner.

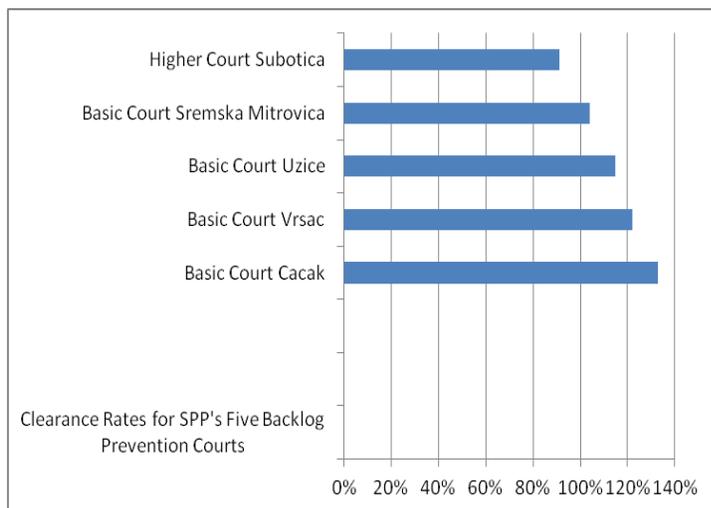
Backlog Reduction Teams: In the District Court of Novi Pazar, a team composed of the assigned judge, the president of the criminal department, officers of the criminal department registry, and the court's delivery service reviewed all of the court's old criminal cases to identify procedural obstacles to their resolution. Specific recommendations were developed on how to proceed with each case based on reports from the assigned judge and discussions with the criminal department. The Basic Court of Nis established backlog reduction teams for civil, labor and criminal cases. Each team was composed of an experienced judge, a recently appointed judge, and a registry clerk. The teams discussed problematic cases on a regular basis and provided concrete recommendations for efficient resolution.

Preparatory Departments: The Basic Court in Vrsac established Preparatory Departments in its criminal and civil departments where judge's assistants verify indictments, check the application of procedural rules, and perform similar administrative tasks. In the Basic Court of Subotica, 15 judicial assistants work under a judge's supervision to conduct legal research, collect relevant documents, and prepare draft judgments, all for the purpose of increasing efficiency. Registry clerks also regularly update judges on specific developments in a case, thereby allowing judges to take the steps required to avoid delays in proceedings.

The Basic Courts in Sremska Mitrovica, Vranje and Cacak assigned each registry clerk to work on the cases of two or three judges within the criminal department or civil department. The

chief of registry in the Basic Court of Sremska Mitrovica is deeply involved in identifying all relevant aspects of criminal proceedings and identifying deadlines for the judges. The Basic Court in Cacak reorganized its Registry Office so that certain clerks register new civil cases, others register new criminal cases, etc.

SPP’s partner courts were equally successful in their backlog prevention efforts, i.e., reducing the likelihood of future backlogs by increasing the percentage of cases closed versus cases opened in a corresponding period. The higher the clearance rate, the less likely the backlog will



grow. At the end of Year 4, the average clearance rate for the five courts participating in SPP’s backlog prevention program exceeded 113%, meaning that the courts, on average, closed 13% more cases than were filed in the same period. Based on these impressive results, SPP easily exceeded its clearance rate target of 95%. Four of the five courts in the backlog prevention program achieved clearance rates in excess of 100%. The Basic Court in Cacak led the way, with a 133% clearance rate, followed by the Basic Court in Vrsac (122%), Basic

Court in Uzice (115%) and Basic Court in Sremska Mitrovica (104%). While the Higher Court in Subotica saw its clearance rate drop to 91%, it nearly eliminated its entire backlog, with only 26 old cases remaining at the end of Year 4.

SPP’s tireless efforts helped generate these successes. The project met with its partner courts throughout Year 4 to analyze their performance, identify fluctuations in backlogs, case inflows, and case processing efficiency, and formulate specific recommendations for each court to address its most pressing needs.

Following a series of court visits in the first quarter of Year 4, SPP gathered the acting court presidents from its 10 partner courts in January 2012 to help develop their annual backlog reduction plans for 2012. [Serbian courts are required to submit such plans on an annual basis to the MOJ, HCC, and Supreme Court of Cassation.] Seizing the opportunity, SPP provided the courts with a template to be used in preparing their annual plans, as well as a tool for analyzing and monitoring their performance against annual backlog goals. By the end of February, all 10 courts submitted their backlog programs, using SPP’s recommended structure and incorporating most elements of the template into their plans. Following SPP’s recommendation, five courts also published their annual backlog plans on their websites.

The MOJ subsequently recommended that all Serbian courts use SPP’s templates to create and submit their annual backlog reduction plans, and sent the courts SPP’s template plan, data collection tools, and practical guidance on implementing and monitoring a successful backlog reduction campaign. “The Justice Ministry is grateful for all of the efforts made by SPP in

backlog reduction and prevention and we see this manual to be useful for all the courts in Serbia,” Assistant Minister Jelica Pajovic said. “Courts in SPP’s network are already showing results, even though they are in an early stage of implementing this program. This simple and practical approach to resolving and preventing backlog will be of great assistance to all courts in tackling their problem of backlog,” she added. The template and related materials can be found in [Annex 13](#).

Additional court meetings were held in March 2012, including meetings with the Basic Courts in Vranje and Vrsac. Vranje is one of the more challenging courts in SPP’s backlog reduction and prevention portfolio due to leadership and internal communications issues. Nevertheless, the court continued to experiment with additional backlog reduction techniques recommended by SPP, including techniques for improving the delivery of court documents.

Vrsac, comparatively is recognized as a system leader in efficiency per judge, with each civil judge closing an average of 35 cases per month and each criminal judge closing an average of 30 cases. Its close cooperation with the local legal community, fostered by SPP, helps explain its leadership position and continued improvement. For example, the court, with SPP’s assistance, held a meeting with external partners and the expert community in May 2012 to discuss changes in the Civil Procedure Code, and used the opportunity to present its most frequent users with new opportunities for shortening civil proceedings and making procedural actions more efficient.

Additional backlog and clearance rate statistics as of September 30, 2012 can be found in the P-BMP report attached as [Annex 14](#).

**2.2.1.B. Enforcement Cases.** SPP intended to broaden its work into enforcement cases in Year 4, to coincide with the implementation of the new Law on Enforcement. Shortly after the law became effective, however, it became clear that there were significant problems with the law’s implementation that would undermine SPP’s efforts. Accordingly, SPP instead continued to focus its backlog reduction efforts on other case types.

Nevertheless, SPP still found a way to reduce enforcement backlogs through its work with court managers. As part of the management team, court managers are well positioned to help their courts address and reduce backlogs. Belgrade’s First Basic Court provides a compelling example of how court managers can do so by utilizing SPP’s backlog reduction techniques. Infostan, Belgrade’s largest utility company, accounts for the majority of enforcement cases pending in Belgrade’s First Basic Court. These cases typically involve unpaid utility bills. Working together with the court, Infostan entered into payment agreements with nearly 80,000 debtors with multiple enforcement actions pending against them, agreeing to withdraw the enforcement actions in exchange for payment under the payment agreements. The court and Infostan also reviewed and eliminated other cases that were previously settled or otherwise resolved (e.g., the debtor died and the debt was uncollectible). As a result of these efforts, nearly 600,000 cases were removed from the system.

**2.2.2.A. Developing a National Backlog Reduction Strategy.** The European Union has indicated that the burgeoning case backlogs in Serbia’s courts must be fixed. SPP

developed a draft national strategy for case backlog and delay reduction in Year 3 and submitted it to the HCC and MOJ for consideration. In Year 4 it developed the Best Practices Guide described in section 2.2.2.B.(2) below, which provides a practical and logical foundation on which to build an operable national backlog reduction strategy.

Although both the HCC and MOJ, at different times in Year 4, expressed interest in implementing an overall backlog reduction strategy, neither fully committed to the process. Instead, the HCC continued to focus on the judge election/reappointment process. The MOJ, in turn, was unwilling to commit to a national strategy absent the HCC's participation.

For example, SPP efforts to present the draft strategy to the full composition of the HCC were unsuccessful, even though the idea for such a presentation originated with the HCC. Alternatively, SPP presented the strategy, its case management work, and the Best Practices Guide to the HCC-SPP Advisory Committee. While they reacted favorably and suggested that an HCC-appointed working group be formed to address backlog reduction and case management issues, they noted that the HCC could not appoint such a working group until after the election of permanent court presidents.

A national backlog reduction strategy can serve as the cornerstone for continuing backlog reduction and case management efforts in Serbia's courts after SPP's closeout. Accordingly, SPP will continue to advocate for the adoption of a national strategy in Year 5. The Best Practices Guide, for example, will be reviewed at two different sessions of the Annual Judges' Conference in Zlatibor in October 2012. SPP will use the opportunity to encourage additional courts to tackle their backlogs by using the techniques described in the Guide, as well as to capture additional case management innovations introduced in other courts.

**2.2.2.B.(1) Dissemination of Results - Court to Court Meetings.** SPP promoted peer-to-peer exchanges among its partner and other courts in Year 4, to deepen and widen utilization of its backlog reduction and prevention techniques. The Higher Court in Subotica quickly established itself as a leader in these efforts. In March 2012, SPP and the Higher Court organized a meeting of civil department judges from all higher courts under the jurisdiction of the Novi Sad Appellate Court. The judges used the opportunity to share techniques for improving case and court management and for harmonizing court practice. They also adopted conclusions that should help their courts manage cases more efficiently.

In April 2012, SPP organized a court-to-court meeting between the Basic Courts in Cacak and Uzice. Judges from Uzice used the forum to inform their Cacak colleagues about techniques used to significantly increase case processing efficiency and improve court operations. Cacak also learned about how simple, inexpensive, and effective outreach efforts, such as installing signage throughout a court building and creating information desks, can relieve a court of many daily inconveniences.

In May 2012, the Basic Court in Vrsac, supported by SPP, held a one day training workshop for the local legal community on the Law on Civil Procedure that came into effect on February 1, 2012. The event gathered over 80 representatives from the bar, prosecutor's office, police, medical and welfare centers, local enterprises, and media. The court used the opportunity to

educate attendees on how parties to civil proceedings should exercise their rights and duties in an efficient and effective manner.

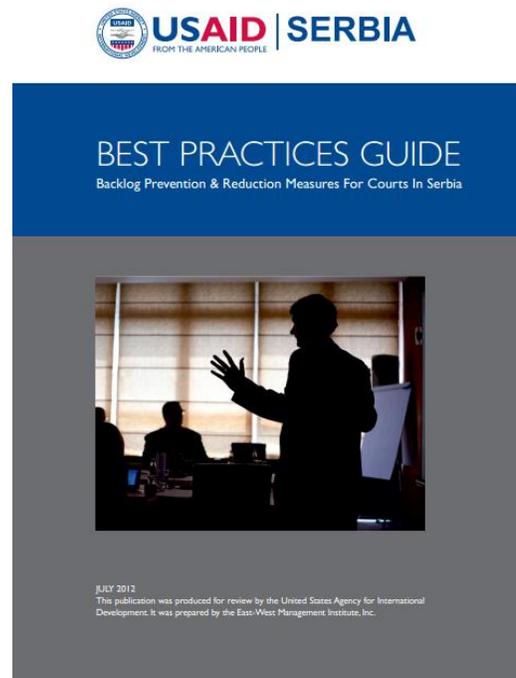
**2.2.2.B.(2) Dissemination of Results - Best Practices Collection.** As part of its efforts to chronicle and publicize the successes of its case management efforts, SPP in July 2012 published the *Best Practices Guide: Backlog Prevention & Reduction Measures for Courts in Serbia*. The guide, which conforms to international standards developed by the European Commission for the Efficiency of Justice, provides practical techniques and guidance for improving case and court management, and chronicles the lessons learned and successes achieved by SPP's 10 partner courts in their backlog reduction efforts. The guide includes a description of the techniques applied by SPP's partner courts, steps taken to implement each technique, and results achieved.

Copies of the Guide were delivered to courts, state institutions, and international organizations. The techniques and successes described in the Guide can be used by other courts to tackle their backlogs. English and Serbian versions of the Guide are available for download from SPP's website at

<http://www.ewmispp.org/archive/file/resources/USAID%20-%20backlog%20best%20practice%20-%20K3%20-%20english%20ver%2005.pdf>.

**2.2.2.B.(3) Dissemination of Results - Conference.** The Best Practices Guide was formally released on July 9, 2012. The launch event featured opening remarks by U.S. Ambassador Mary Burce Warlick, E.U. Ambassador Vincent Degert, and Chief Justice Mesarovic, and gathered more than 90 people from the international community and justice system. Additional information about and pictures from the launch event are available at <http://www.ewmispp.org/?lang=english&mod=pages&pgid=117>.

**2.2.2.B.(4) Dissemination of Results - Cooperation with Other Institutions.** As described in various sections of this report, SPP worked throughout Year 4 to incorporate the MOJ and HCC more deeply into its activities, including its work with the courts. Such efforts were rewarded when the MOJ recommended that all Serbian courts use SPP's templates to create and submit their annual backlog reduction plans (see section 2.2.1.A.), and when the MOJ accompanied SPP on several court visits. Further reward came when the Supreme Court of Cassation, in its annual report, endorsed SPP's court administration activities, describing SPP's work as a "big step in establishing a more efficient, productive and cost-effective court system," highlighting the creation of the court manager position, and stressing the importance of SPP's related training efforts.



**2.2.2.B.(5) Dissemination of Results - Roundtable on Enforcement Cases.** See section 2.2.1.B above.

**2.2.2.B.(6) Dissemination of Results - Newsletter and Website.** SPP published newsletters in November 2011 and February 2012. The first newsletter focused on SPP's participation in the 2011 Annual Judges' Conference, its court administration study tour, and training for court financial staff on the budget software provided by SPP. The second newsletter addressed the development of the weighted caseload methodology, as well as the results of backlog reduction efforts in 2011 and targets for 2012. The newsletters can be found on SPP's website at <http://www.ewmispp.org/archive/SPPNewsletterOctober%202011.pdf> and <http://www.ewmispp.org/archive/SPP%20Newsletter%20February%202012.pdf>.

SPP also produced a video newsletter in May 2012 featuring the Basic Court in Vrsac. The video is available on the project's YouTube Channel, opened in May 2012, at <http://www.youtube.com/user/USAIDSPP?feature=mhee>. The channel includes other video documentaries on backlog reduction and court management, as well as media reports about SPP's activities.

**2.2.3.A. Training - Individual Case Management.** One of SPP's goals is to create training curricula that will be used by Serbia's Judicial Academy to train court presidents, judges, court managers, and other court staff through the end of the project and beyond. SPP previously developed an individual case management curriculum for judges on how to manage and process cases efficiently. Related training was delivered to newly appointed judges in May and June 2011 by Judicial Academy trainers coached by SPP.

The training was so highly regarded that the Academy requested SPP's assistance in delivering it to all first instance court judges, and asked that the curriculum be updated to reflect changes in the civil and criminal procedural codes. SPP updated the materials in February 2012 and conducted a four day train-the-trainers session on the updated individual case management modules in July. It also drafted manuals for the trainers, including provisions on decision/opinion writing and assisted the trainers in developing additional training manuals. The trainers will deliver individual case management training to first instance judges in Year 5.



Figure 6: Individual Case Management training for civil law judges, July 2012

**2.2.3.B. Training - Caseflow Management.** SPP planned in Year 4 to incorporate caseflow management into court president and court manager trainings, but no such training sessions took place (see sections 2.1.1. and 2.1.1.A., above).

## 2.3 Outreach and Support

**2.3.1.A. Support for Court Manager Position.** In November 2011 SPP produced a documentary, *Efficient Court Management*, which highlights the benefits of introducing court managers into Serbia's judicial system. The documentary features the efforts of Belgrade First Basic Court and its court manager to reduce its backlog of enforcement cases (see section 2.2.1.B). The film, which captures the innovations and changes brought to the biggest court in the country by its court manager, is intended for use at conferences, meetings and trainings, and has been widely distributed in the legal and international communities. The film is also available at <http://www.youtube.com/watch?v=bbHyBueyYNY&feature=plcp>

**2.3.1.B. Support for Backlog and Case Processing Efficiency Activities.** As part of its efforts to generate additional support for its backlog reduction and case management activities, in October 2011 SPP developed a short video entitled *Faster Access to Justice* featuring five courts that have successfully reduced their backlogs and increased their clearance rates through the use of different techniques recommended by SPP. Using teams to resolve old cases, improving cooperation between courts and other relevant institutions, and improving communication with citizens were highlighted as areas where courts can make significant progress by applying SPP's recommended techniques. The video also trumpets the dramatic results achieved by select courts in reducing their backlogs and increasing case processing efficiency.

The video's premiere at the Annual Judges' Conference in Zlatibor in October 2011 was attended by over 250 judges from all over Serbia. SPP received immediate positive feedback from different courts, the MOJ, the HCC, and the donor community. SPP sent copies of the video to the judicial and donor community, including courts that are not cooperating directly with SPP but showed interest in learning more about SPP's techniques. The video is available online at: <http://www.youtube.com/user/USAIDSPP>. SPP also used material from the video to produce three shorter videos on particular case management techniques: team work, differentiated case management and coordination with outside institutions, which were incorporated into the individual case management training modules referenced above.

A short version of the *Faster Access to Justice* video was aired on Serbian State Television RTS, Program 2, on November 8, 2011. When introducing the clip, the announcer noted that, "An efficient judiciary is possible, as shown by examples of some courts that, with the help of the USAID Separation of Powers Program, succeeded in resolving some of the key problems." Additionally, two local television stations in Vrsac, TV Viktorija and TV Banat, played the video and interviewed the president of its Basic Court about backlog reduction efforts and successes, with many court users calling in to express positive views about the court's work. Due to popular demand, each station aired the video and interview three more times, resulting in nearly six hours of promotional time for SPP's work.

SPP's court administration accomplishments were captured in the story *USAID Program Helps with the Implementation of European Standards in Serbia's Courts* published on November 3, 2011, by Blic as part of the special edition marking USAID's 50th anniversary worldwide and 10 years

in Serbia. The article highlighted SPP's work in helping courts to reduce and prevent backlogs and resolve cases more efficiently, and noted how many initiatives recommended by SPP and used by these courts to reduce and prevent backlog are now incorporated into national legal frameworks, such as Serbia's new criminal and civil procedure codes.

The March 28, 2012 court-to-court meeting of Vojvodina higher courts (see section 2.2.2.) also attracted significant media coverage. SPP's Chief of Party (COP) was interviewed by the local television station Yu-Eco, and the project's Deputy Chief of Party (DCOP) and Task 2 Manager were guests on the same station's live afternoon program. The COP was also interviewed by Radio Subotica and Regional TV Vojvodina. TV Vojvodina aired its coverage of the court-to-court meeting during its prime time news the same evening.

After the court-to-court meeting between Cacak and Uzice Basic Courts (see section 2.2.2.B.(1)), the acting presidents of both courts and SPP's DCOP held a press conference. The press conference was covered by three local television stations, with reports aired that evening during prime time news.

In April 2012, SPP visited the Basic Court in Cacak to discuss and define methods for enhancing the court's outreach efforts. Activities discussed include improving signage in the court building, providing citizens with forms and templates through information desks, and utilizing the court's website to publish forms and court fees. SPP was joined by the spokesperson of the Basic Court in Uzice, who shared his court's best practices.

As part of its preparations for the launch of the Best Practices Guide (see section 2.2.2.B.(1)), SPP organized a media briefing event, attended by journalists from independent news agencies Fonet and Beta, state-owned Tanjug news agency, and Serbia's highest selling daily Blic. SPP's DCOP subsequently gave a multi-media interview to Fonet news agency, which was published on July 8, 2012. Video of the interview is available on Fonet Web TV. The interview was picked up by several print and online outlets, including the daily Glas javnosti, on-line Balkan Magazine, and web portal Moja Vest.

**2.3.1.C. Support for Weighted Caseload Methodology.** In mid-October 2011, the daily Politika published an interview with HCC President Mesarovic, who announced the timekeeping exercise as a part of case weighting methodology development. SPP contacted the author of the article and offered a follow-up interview and supporting documentation. Politika interviewed SPP's Task 2 staff and COP in December, who gave details on the purpose of the timekeeping process and data obtained through it. SPP graced the cover of Politika daily on January 14, 2012 in a story explaining the importance of developing a weighted caseload system and the significance of the timekeeping exercise. An English translation of the story can be found at <http://www.ewmispp.org/?lang=english&mod=pages&pgid=103>.

**2.3.2 Outreach Planning.** SPP worked with its ten backlog reduction and prevention courts, courts with court managers, and the HCC throughout Year 4 on communications and outreach planning. In October 2011, SPP assessed the outreach and communication needs of its counterparts and, based on its findings, prepared a set of templates (Public Trust and Confidence Templates) for court outreach and communication plans, both short-term (one

year) and long-term (five years). These templates were then used by the courts in December 2011 to develop plans tailored to the specific needs of courts implementing backlog reduction plans and courts with court managers.

In May 2012, SPP conducted five workshops for court presidents, managers and spokespersons, as well as High Court Council and Judicial Academy representatives, on how to increase public trust and confidence in the courts and judiciary. The workshops addressed issues such as improving use of websites, better court signage, improved relations between courts and media, outreach, developing better information desks, and improved media coverage.



Figure 7: Attendees of the Vrsac workshop on outreach and transparency.

### Task 3: Parliamentary Capacity

Task 3 focuses on building the National Assembly's capacity to manage its own budget and resources, to plan strategically for its own institutional development, and to enhance its transparency by communicating its work to the public more effectively. The contractual performance objectives for Task 3 are:

| No. | PERFORMANCE OBJECTIVE   |
|-----|---|
| 2   | After two years, the Assembly has done more thorough analysis of some pending legislation, and/or the Assembly's operations have become more transparent. |
| 3   | After three years, the Assembly Budget Office can support and implement all aspects of the parliamentary budget and finance process.                      |
| 4   | After three years, the Assembly produces five-year strategic and financial plans.   |

On September 22, 2011, USAID issued a modification to EWMI's contract extending the completion date for Task 3 from August 14, 2011 to December 14, 2011. SPP's activities during this extension period, which included the first quarter of Year 4, related solely to strengthening the National Assembly's budget and finance capacity. No other activities were authorized or undertaken.

By the end of the first quarter of Year 4, SPP had achieved all three performance objectives, except that the Assembly did not adopt a five-year financial plan because its leadership did not want to bind future assemblies to such a plan. The five-year strategic plan adopted by the Assembly in January 2011 did, however, include a one-year financial plan in so far as it was accompanied by a workplan that included a 2011 budget for implementing each workplan activity. As such, the Assembly had a financial plan tied to its strategy, but only for 2011, not for all five years.

A summary of progress made on each performance objective by December 14, 2011 is set forth below, followed by a detailed description of the Task 3 workplan activities undertaken during Year 4.

#### **Performance Objective No. 2 – Transparency and Legislative Analysis**

- SPP provided expert review and analytical assistance to the National Assembly on the Act regulating the Staffing of the Assembly, the Internal Organization Act, and the Act on the Accreditation of Journalists.
- The Assembly drafted and adopted a communications plan addressing internal, external, and crisis communications with SPP's guidance and assistance. SPP also provided related training on communications matters.
- SPP assisted the Assembly in developing a new parliamentary website. The website, launched in June 2011, significantly increased the transparency and openness of the

Assembly by providing the public with more information about Assembly events and operations.

- Training programs were provided in the areas of media relations, information services operations, and website management.

### **Performance Objective No. 3 – Budget and Finance Capacity**

- The Assembly can now formulate its budget utilizing appropriate procedures. SPP provided the Assembly with a set of administrative policies and procedures required for effective and transparent financial operations.
- The Assembly can now formulate its budget utilizing modern tools. SPP procured budgeting, accounting, and human resources software for the Assembly. As of July 2011, the Assembly had the functionality needed to prepare all required budgets, operating plans, and financial plans, as well as the accounting application needed to implement and monitor financial plans and budget execution.
- The Assembly changed its budgeting methodology. No longer does one person control and perform the process. Instead, each committee, caucus, and other beneficiary of funds participates in the budget preparation process.
- Assembly staff was trained on issues relating to budget development, execution, monitoring, and advocacy, as well as on financial management. It now analyzes projected versus actual expenditures and uses the results to inform future budget cycles.
- The Assembly is providing more information about its expenditures, and expenditures can be more readily tracked through a new accounting system. Spending controls remain weak, however, and cash payments still need to be curtailed.
- Internal audit capacity remains weak.

### **Performance Objective No. 4 - Strategic and Financial Planning**

- A five-year strategic plan was adopted in January 2011. Its mission and vision statements are well-defined and useful for the future.
- The first annual (2011) implementation plan related to the strategic plan was drafted and approved.
- A one-year financial plan for 2011 was adopted by the Assembly's Secretariat. Adoption of a long-term financial plan was not feasible, as current Assembly leadership believed it could not bind future assemblies to such a plan. The lack of a long-term financial plan diminishes the ability to use the strategic plan as a practical guide for future planning since the costs associated with various activities remain undisclosed and/or unknown.
- Assembly staff was trained on drafting financial plans.

## **Workplan Activities**

### **3.1. Budget and Financial Management**

**3.1.1 Advising/Mentoring on Development of the Budget Office.** SPP continued to develop the structure and operational capacity of the Assembly's Sector for Financial and Material Affairs (SFMA), as well as increase the substantive expertise of its staff, during the extension period.

**3.1.1.A. Budget Office Operations and Procedures Support.** Historically, the Assembly lacked operating policies and procedures to guide and standardize its financial operations. SPP provided the Assembly in Year 3 with over 35 policies and procedures to fill this void and introduce the required disciplines. Throughout the extension period, a parliamentary working group reviewed and harmonized policies relating to financial operations, accounting, cashiers' operations, and the registry of property. These policies were subsequently adopted after Task 3 ended – Rule Books on Budget Accounting and Cashiers Operations were adopted in January 2012 and a Rule Book on Financial Material Operations was adopted in February 2012 - and can be found on the Assembly's website.

SPP also guided the Assembly in developing internal control procedures and policies. In addition to receiving SPP's assistance, working group members attended training provided by the State Central Unit for Harmonization of Laws and developed a report describing systems that could serve as models for establishing the Assembly's internal control policies. Internal control procedures were adopted after Task 3 ended and can be found on the Assembly's website.

Other policies that the Assembly requested and SPP drafted were subsequently found to exist in other form, such as in government bylaws and decisions of the Assembly's Administrative Board. The working group determined that the SFMA should continue operating under these old policies rather than adopt new ones, even though many of the old policies were insufficiently developed and poorly systemized, and despite SPP's advocacy for more detailed, coherent, and transparent policies.

**3.1.1.B. 2012 Budget Development.** The SFMA used the budget software provided by SPP to develop its 2012 budget, as well as to prepare trend analyses of historical spending patterns to determine baselines for the 2012 budget. The SFMA hoped to develop a detailed, six-level budget in accordance with MOF budget instructions, but the lack of sufficient lead time provided by the MOF prevented it from doing so. The MOF issued 2012 budget instructions to direct budget beneficiaries, including the Assembly, in late November, and gave them only two days to develop and submit their budgets. The SFMA has, however, developed sufficient detail so that it can allocate the budget and track expenditures at all levels once funds are received. Having encountered no material problems in using the software, the SFMA noted that the 2012 budget development process provided a solid foundation for the effective use of the software in future budget planning processes.

**3.1.2. IT Support to Budget Office.** SPP previously provided the Assembly with budgeting, accounting, and human resources software and trained SFMA staff on its use. As of the end of Year 3, all three software applications were fully operational, and the Assembly had the tools needed to prepare all future budgets and financial plans.

Historical data was migrated from the Assembly's old systems to the new system in October and November 2011. The Assembly and SRC (the software provider) tested the data migration in December and confirmed it was accurate and operational.

The SFMA intended to use both its old and new accounting and human resource programs in parallel for several months to ensure that the new systems were working as expected. While this practice was still in place when Task 3 ended, the SFMA now works solely with the software and systems provided by SPP.

The software that SPP provided to the Assembly is licensed from SRC. As such, the Assembly must pay continuing licensing fees to utilize the software. SPP used the extension period to re-educate Secretariat and SFMA leadership on the carrying costs of the system, and helped broker a licensing agreement between the Assembly and SRC for continued use of the system. The project also used the extension period to build a direct relationship between the Assembly and SRC for purposes of future IT support and negotiations.

**Other:**

- In accordance with the modification to EWMI's contract, Task 3 activities ended on December 14, 2011. SPP, USAID, and Assembly officials met on December 20<sup>th</sup> to effectuate the transfer of equipment, licenses and contractual rights (support and maintenance) relating to the website and financial management software from EWMI to the Assembly. Secretary General Odalovic used the occasion to express his gratitude for SPP's support and expressed hope that similar assistance could be provided in the future. A copy of the transfer agreement is attached as Annex 15.

## **4. ADMINISTRATIVE**

### **4.1 Performance Based Monitoring Plan (P-BMP)**

SPP submitted P-BMP reports to USAID on a quarterly basis, along with its December 2011, March 2012, June 2012, and September 2012 monthly reports. The annual P-BMP report submitted with the September 2012 monthly report is attached as Annex 16.

The reporting category most dependent on statistical data from outside sources is court caseload information. With the change of the court network at the beginning of 2010 (which changed court sizes and case jurisdictions, and physically transferred cases between courts) and the institution of a new electronic case management system (installed over time during 2010 and 2011), reliable data from the courts concerning filed, open, and resolved cases remains difficult to obtain. Courts have experienced significant data migration issues into the new software system, and the Supreme Court of Cassation, MOJ, and courts often report different statistics, thereby making it difficult to establish reliable baselines. Another difficulty is collecting age of case data for measuring backlogs, as the judiciary has no convenient, reliable system for accurately tracking the age of cases.

### **4.2 Other Administrative Activities**

USAID issued a modification to EWMI's contract on September 22, 2011, extending the completion date for Task 3 from August 14, 2011 to December 14, 2011 and limiting Task 3 activities during the extension period to strengthening the National Assembly's budget and finance capacity.

### **4.3 Reports and Deliverables As Required by the Contract**

- Annual Workplan. SPP's Annual Workplan for Year 5, covering the period commencing October 1, 2012, and ending August 11, 2013, was submitted to USAID on August 31, 2012. [See additional notes in section 4.5.]
- Monthly Progress Reports. Each monthly progress report was submitted as required.
- Quarterly Financial Reports. EWMI submitted to USAID brief, quarterly accrual expenditure reports before the end of each quarter, containing a summary page reflecting spending by category for the quarter and showing cumulative spending to date.
- Monthly Financial Reporting. EWMI submitted monthly invoices to USAID for payment of reimbursements due under the contract. EWMI has also responded to all USAID inquiries for explanation of the monthly expenses.
- Short-Term Consultant Reports. SPP used short-term consultants for work in Tasks 1 and 2 during Year 4. When requested, consultants met with the COR to discuss the work performed, challenges encountered, and recommendations for the future.

Consultants also filed written reports summarizing the work performed during their consultancies and recommended follow-on activities.

#### **4.4 Progress Meetings**

SPP conducted quarterly progress meetings in December 2011 and in April, June and October 2012. Each meeting was used to brief international counterparts on progress made in implementing project activities, as well as prospects for and impediments to future activities.

#### **4.5 Workplan**

As noted above, EWMI submitted SPP's Year 5 Workplan to USAID on August 31, 2012. Given that it is the final year of the project, particular emphasis was placed on sustainability, continuity, and the handover of activities from SPP to its counterparts at the HCC, MOJ, Judicial Academy, and various courts. SPP will use Year 5 to prepare for this transition, developing resource materials and roadmaps that its counterparts can utilize in future years to sustain SPP's reform efforts. Several environmental impediments to SPP's work are identified in the workplan and are summarized below:

- Judge Election/Reappointments: Issues surrounding the election/reappointment of judges continue to constitute a significant distraction for the HCC and consume significant amounts of its time and resources.
- Action against Justice Mesarovic: The constitutional challenge to Justice Mesarovic's appointment, if it moves slowly and/or is upheld, could cause significant delays in SPP's work with the HCC, particularly at the policy level.
- Stove-Piped Management at HCC: Justice Mesarovic retains approval power over matters great and small, causing significant delays. She and her confidantes on the Council, with whom she has instructed SPP to communicate, do not always share information or developments with other HCC members. As a result, Council members are not always fully informed of SPP activities and accomplishments. Working around her is fraught with risk.
- New MOJ: The appointment of a new Minister of Justice and related changes in MOJ personnel provide new challenges and opportunities. While the new State Secretary of the MOJ, for example, is a vocal supporter of the court manager position, the Ministry has many competing priorities and may seek support SPP cannot provide.
- Changes to the Court Network: The new MOJ is considering significant adjustments to the court network that was restructured in 2010. It is quite possible that: (1) SPP's partner courts in the backlog reduction program may be restructured or their jurisdictions may change; and (2) courts eligible to receive court managers will likely change, and will likely be determined by the Law on Court Organization.

- Lack of Permanent Court Presidents: Failure to appoint permanent court presidents is delaying both training and the appointment of additional court managers. Justice Mesarovic will not let acting court presidents participate in training. Several acting court presidents are reluctant to appoint court managers without the tacit support of Mesarovic. It is unlikely that permanent court presidents will be appointed until March or April 2013, after “reappointed” judges are returned to the courts and changes to the court network are completed.