



**USAID
ECONOMIC & INSTITUTIONAL
REFORMS IN CROATIA**



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I. EXECUTIVE SUMMARY

In April 2000, Booz·Allen & Hamilton was awarded the U.S. Agency for International Development (USAID) Economic & Institutional Reforms in Croatia project. The project was successfully completed on April 30, 2001. The following is the Final Report, which outlines the results and accomplishments, recommendations for additional technical assistance, and lessons learned. The project was a continuation of technical assistance by USAID to the Government of Croatia (“GOC”) in its efforts to improve the environment for economic growth and investment. The precursor to the project was an assessment conducted by Booz·Allen for USAID from February – May 2000. Based upon this initial assessment, USAID and GOC decided to focus subsequent technical assistance in three priority areas:

- 1) modernizing registries for collateral, land and companies;
- 2) strengthening the judiciary administration; and
- 3) increasing legal information, knowledge, and access to the public policy development process in key areas of commercial and economic law.

From the assessment recommendations, specific tasks were identified that would produce results during the period of performance for this project. During the project, USAID and Booz·Allen agreed to modify certain tasks in order to maximize the effect of technical assistance in priority areas. To that end, technical assistance was focused on three areas:

- Modernizing the land registration system in the Zagreb Land Registry Office (LRO), including improving business processes and assisting in developing an initial strategy to harmonize information with the Zagreb Cadastre Agency,
- Preparing the environment and foundation for a collateral registry, by providing options for the legal framework, financial support, and operational structure of a new agency, and
- Improving the administration and adjudication of commercial cases in the Zagreb Commercial Court through the introduction of case management tools and methods of enforcing discipline in the courtroom.

This Final Report provides a summary of the tasks, results and deliverables, and lessons learned in the three areas of technical assistance. The Report also includes recommendations for additional technical assistance to increase the sustainability of the project's accomplishments. In late April 2001, USAID awarded Booz·Allen the follow-on project and technical assistance will continue in all areas.

The Economic & Institutional Reforms in Croatia project was structured in two phases: assessment and implementation. While a detailed description of stated objectives and results/deliverables is included as **Appendix 1**, Booz·Allen completed the following tasks meeting the contract requirements:

Registries Modernization

- Reduce backlog of requests in Zagreb Land Registry
- Develop/implement guidelines to review, inventory and store Zagreb Land Registry archives
- Develop training program for clerks in Zagreb Land Registry
- Analyze in detail current flow of Zagreb Land Registry work
- Suggest and implement changes in Zagreb Land Registry workflow and processes
- Assist in developing global approach to Zagreb Land Registry data conversion and Cadastre harmonization
- Develop draft secured transaction law
- Determine feasibility of public-private organization to finance Collateral Registry
- Develop processes for Collateral Registry functioning

Court and Judicial Administration

- Develop/implement guidelines to review, inventory, and store Commercial Court Archives
- Identify tools to strengthen Commercial Court management and reduce abuses of judicial process
- Analyze Commercial Court clerk exams and compare with actual practices
- Develop/implement training program on identified areas after review of court clerk exams/practices
- Develop training curriculum on court management and minimizing abuses of judicial process
- Conduct training program and seminars

Access to Legal Information/Commercial Public Policy Development

- Assist parliamentary economic committees to develop more transparent and user-friendly procedures
- Develop tools to increase public access and input to commercial legislation and ministerial regulations
- Implement public awareness campaign

Through USAID technical assistance the process of reforming registries and judicial administration has begun; Croatia has taken steps to develop some overall strategies to update and modernize its land and company registries. However, there are financial and practical limitations that have prevented the full-implementation of these strategies. The proposed strategies also lack the full support of those who carry out the functions within these institutions as the proposed systems (as well as the underlying laws) do not coincide with the realities of daily operations. Finally, social and political issues have hampered the cooperation needed for the various entities and individuals to participate wholeheartedly in activities that might bring about needed changes. For example, in the collateral registry area, there is support within the business, academic, and governmental sectors for the creation of a collateral registry, but there is no consensus on the location, procedures, and rights of the parties in secured transactions.

As with most adjustments within an organization, change must be supported from the top down and bottom up. Facilitating communication at all levels was (and will continue to be) key to implementing meaningful and sustainable changes. The Ministry of Justice, the High Commercial Court, and commercial court judges have expressed support for changes in the commercial courts:

- Education of judges and court staff,
- Modification of the laws on civil procedure to help court room discipline,
- Introduction of more automation and technology in the court room,
- Modification of bankruptcy procedures,
- Introduction of case management techniques, and
- Improvement of the media's understanding of the courts.

As with the collateral registry area, stakeholders need to continue discussions to focus and develop a consensus on what specific changes should be implemented and the priority of those changes due to limited resources.

In all areas, training was a consideration, and seminars and courses were conducted for targeted groups. In the Zagreb Land Registry, a training course on request processing procedures was conducted for all administrative staff, and a seminar series for junior clerks was developed (and continues to undergo revision, and it is anticipated that the series will begin early in the follow-on project). Finally, training on the production of appeals was identified as a priority, and discussions were begun on what to include in a training program.

Throughout the project, the Booz·Allen team gained insight into business and legal aspects of registries and commercial courts, and has made recommendations for future technical assistance. Some recommendations may be applicable to transition countries in the Balkans and other regions.

II. BACKGROUND

A. OVERVIEW OF SCOPE OF WORK

Though the scope of the project was modified several times, the overall purpose remained assisting the GOC in its efforts to improve the environment for economic growth and investment. The Scope of Work anticipated two phases: assessment and implementation. In the assessment phase, Booz·Allen & Hamilton ("Booz·Allen") conducted in-depth assessments and developed recommendations in the three priority areas (registries modernization, judicial administration, and legal information and public policy development) identified by the Joint Registries Commission coordinated by the Ministry of Justice ("MOJ"). These assessments were conducted between April and June 2000. Implementation of the Land Registry and collateral registry recommendations began in June 2000. The commercial court judicial administration activities were postponed during USAID and World Bank discussions on coordinating technical assistance in this area; implementation began in mid-September 2000. Since the parliament was in recess during the summer months, implementation in the access to legal information and public policy began in earnest in mid-September also. In November 2001, USAID postponed

this activity indefinitely due to overlap with the USAID Office of Democracy & Governance technical assistance program. Activities in the Zagreb Land Registry, collateral registry development, and commercial court judicial administration continued through April 2001, which was the end of the project.

Assessments

The Phase I assessments focused on the following three priority areas for reform:

- Modernizing registries for land, collateral, and companies in order to strengthen the overall framework for the creation and protection of property rights;
- Strengthening judicial administration through institutional and administrative reforms designed to increase efficiency, transparency, and predictability in the application and interpretation of important commercial and economic laws; and
- Increasing legal information, knowledge, and access to the public policy development process in key areas of commercial and economic laws (e.g. bankruptcy, companies, competition, contracts, intellectual property international trade, government procurement, secured transactions, and others).

Each team focused analyses on four specific perspectives:

- ✓ the legal frame work (e.g. governing laws and regulations)
- ✓ the implementing institutions of the respective laws (e.g., the primary government operating agencies or departments)
- ✓ the supporting institutions (e.g. the official and unofficial offices, and organizations and individuals that have an interest or are part of the process) and
- ✓ the market for reform (e.g. the demand for modernization and reform from interested parties).

The first team focused on registries modernization and included Eufrona Snyder, JD, Booz·Allen Team Leader; Aimee Carter, Booz·Allen Business Process Re-engineering Specialist; and Jerome Donovan, JD, consultant. The Team began its work in Zagreb on April 16, analyzing the overall land registration system and several land registries, the Company Registry at the Zagreb Commercial Court, and the environment for a collateral registry. The team provided USAID with a Registries Modernization Report (**Appendix 2**) and departed on May 8, 2000.

The second team goal was to assess and identify institutional and administrative reforms that could help strengthen judicial administration in the commercial courts. The assessment was conducted between May 14 and June 4, 2000, and team members included Wade Channell, JD, Booz·Allen & Hamilton Team Leader; and consultants, Robert St. Vrain, JD, and Thaddeus Benjar, JD. The Judicial Administration Report can be found at **Appendix 3**.

The third team focused on identifying specific activities to improve public's access to legal information and commercial and business policy development process. The team included two

consultant lawyers, Jerry Zarr, Team Leader, and Peter Yanachkov, and Aimee Carter. The assessment was completed in June 2000. See **Appendix 4** for the Legal Information and Knowledge Access Report.

Implementation

In the implementation phase, teams worked with counterpart implementing institutions and supporting institutions to undertake recommended activities. Technical assistance focused on modernizing the Zagreb Land Registry and Company Registry, the Zagreb Commercial Court; and strengthening the environment for a collateral registry.

Zagreb Land Registry

Technical assistance at the Zagreb Land Registry Office (LRO) started on the backlog of land registration requests with the goals of:

- Increasing the speed of processing files;
- Reducing the number of duplicate and redundant filings;
- Developing a baseline of types of files processed;
- Developing new procedures to resolve backlog requests; and
- Streamlining the resolution process for all requests.

The Booz·Allen Team also commenced work on clarifying the LRO archives; however many of the identified problems were addressed by the LRO's move to new facilities. Emphasis was shifted entirely on understanding and improving the workflow and processes of land registration requests. It was evident from comments received by and the observations of the Booz·Allen Team that basic management skills, customer service, and other best practices needed to be re-engineered and re-enforced. Additionally, basic training in these areas and on specifically related laws and regulations was identified as necessary. The team used observation of the LRO's current training methods, review of pertinent laws and regulations, and interviews with staff to develop training program outlines and materials.

Collateral Registry

Earlier it had been determined that there was no effective method available to creditors to give notice of their pledge rights on movable property to third parties. Additionally, pledge rights on immovable property were hampered by the backlog of requests in most land registries. In order to provide institutions and stakeholders with different options for implementing and running collateral registries and the requisite laws, the Booz·Allen Team assisted the MOJ in organizing a conference on October 16-17, 2000, a conference in Zagreb on secured transactions and registries. Following the conference, the Ministry of Justice (MOJ) met with representatives of other countries to discuss collateral registries. In January 2001, a Croatian delegation including the Deputy Minister and the Head of the Informatics Division of the Ministry of Justice visited registries (collateral, land, and company) in Quebec and Nova Scotia, Canada. A survey of stakeholders supported the idea of private funding for the implementation of a collateral registry; however, there has not been any specifically expressed interest by any one of the stakeholders.

The more likely source of funding is the Norwegians who have made a proposal to the MOJ. The Team has been advised that the Croatian government has approved entering into an agreement with the Norwegian Registry Development to assist in implementing the collateral registry. The MOJ advised the Team that it anticipates that work on the collateral registry will be a cooperative effort by several donors, including USAID and the Norwegians.

While the Croatians had modified and passed laws that attempted to give creditors more assurances, as was the case with other laws passed in the 1990s, actual practices did not coincide with the laws. Additionally there are ambiguities between the laws affecting secured transactions. The Booz·Allen Team compiled some 37 laws, regulations and decrees relating to secured transactions and other tasks. As the MOJ was interested in the Macedonian model of a collateral registry, the Team provided a Croatian translation of the Macedonian law. The Ministry of Justice is in the process of drafting a law to be reviewed by a commission.

Company Registry

Implementation of recommended activities was obstructed by the Zagreb Commercial Court's refusal to cooperate or grant permission to work at the Company Registry. The Team was advised that a registry commission including the president of the High Commercial Court, Commercial Court judges, and representatives of the MOJ reviewed changes in the procedures of the Company Registry. The Team and the MOJ discussed the need to bring the fees charged by the Company Registry in line with the actual expenses incurred. Some adjustments to fees were made in early 2001. The Team also made recommendations for change in the archival processing and physical storing of Company Registry files. While a dialogue with members of the commission commenced, additional review and modifications to procedures, infrastructure, and laws are still needed.

Commercial Courts

The work in the commercial courts was delayed to allow discussions between World Bank, USAID and MOJ about the scope and participant levels in reform work. During this time, the Booz·Allen Team focused its efforts on reforms to the Company Registry located in the Zagreb Commercial Court, and in garnering the interest of supporting institutions and implementing institution outside Zagreb in technical assistance. Particularly, the Varazdin Commercial Court was interested in discussing specific steps to improve court operations and reduce case processing time. The Team discussed a Case Management Model (Appendix 35) with professors at the Zagreb Faculty of Law who have been involved in developing policy in the commercial law area. The Team also coordinated regularly and shared information with the USAID/DG project implemented by the National Center for State Courts (NCSC).

A survey of Commercial Court judges on the recurring questions and problems of a lack of discipline or enforcement authority in the litigation process was conducted in December 2000. With a 64% response rate and engaging comments from judges, the survey was considered a success and culminated in a series of workshops at 6 of the 9 Commercial Courts, which was supported by the president of the High Commercial Court. Certain findings and discussion

topics from the workshops were presented at the annual Commercial Court Judges Conference held with USAID sponsorship in late April 2001 in Bjelolasica.

Improving Legal Information and Public Policy Development

Based on the success of the private sector to improve the content and distribution of legal information (e.g., case reviews and law journal articles focused on economic and business interests), the Team refocused efforts on increasing the public's access to policy development process specifically regarding commercial and business issues. Tentative planning for a conference on Transparency for Members of the Sabor centered on three areas: information technology, Sabor practices requiring rules changes, and Sabor practices requiring administrative action. The team coordinated with numerous members of the donor, contractor, and private sector communities regarding their interest in participating in such a conference and to discuss ideas for public information on accessing Parliament. Following a meeting with USAID/DG on the overlap with other USAID implementers, the team agreed to limit activities to increasing the parliamentary access of small and medium enterprises. In this area, the team began developing ideas for publications on the legislative process and a private sector advocacy guide intended for public distribution.

B. REVISIONS TO SCOPE OF WORK

While subtle changes in emphasis and approach occurred and a few no-cost extensions granted, only several major modifications to the project's technical scope of work were enacted. Specifically, a component was added to the Land Registry modernization and the legal information and public policy access activity was deleted.

Upon the MOJ's request for assistance in developing a global approach to the design and implementation of data conversion and harmonization with the Land Cadastre and a logistics strategy for large-scale information technology procurement, the project scope was amended to include this work. The former is was a priority request so that the MOJ could be prepared for eventual World Bank assistance on Land, which would focus on capital improvements. Undertaking the latter work required a specialized Procurement Logistics Advisor to develop options for an overall strategy, identifying logistical details to procure services and equipment for a Land Registry conversion system, and preparing a "roll-out" schedule.

Despite continuous coordination efforts, in early November 2001, due to the continued issue of overlapping work with that of USAID/DG's program, further work in this area was suspended.

C. CONSTRAINTS

In general, recurring constraints on activities resulted from lack of coordination and communication between and within parties involved in the technical assistance. During the summer months, work in the Commercial Court area could not be performed, since it was unclear whether USAID or the World Bank would provide certain technical assistance as both institutions had complementary plans. A similar situation occurred in the public policy access activity. With certain implementing counterparts, the dearth of communication from the MOJ to

counterparts led to resistance to cooperation and a feeling by managers that they had no authority or permission to participate in MOJ-approved activities. Despite earlier assurances of cooperation the Zagreb Commercial Court refused access to the Company Registry. Commercial Court judges were concerned that their own priorities, rather than MOJ dictates, would be addressed. Throughout September and October there was difficulty in gaining access to the Land Registry, because the LRO was moving to new facilities, which required the full attention and focus of LRO senior managers, thus delaying progress in this area. The below section on Lessons Learned (page 35) discusses this further.

Another significant constraint was the volatile political environment and uncertainties among implementing counterparts about continuation in their positions. Managers at the Land Registry and courts were hesitant to make changes given the constitutional debate over judicial appointments and the spring local elections. Further budgetary constraints or priorities also limited the allocation of resources—personnel and financial—to the Commercial Court and registries to institute certain technological changes.

Overall constraints were not major deterrents from the successful completion of the tasks and the Team was able to work around them. However, constraints did result in some revisions to the manner and timing of deliverables.

III. TASKS, RESULTS, AND DELIVERABLES

A. REGISTRIES MODERNIZATION

1. TASK ONE: REDUCE BACKLOG OF REQUESTS IN LAND REGISTRY

Stated Objectives	Deliverables	Actual Results
Facilitate commercial transactions by reducing delays in the processing of real estate documentation	Increase speed from stated maximum of 24 months to 3 months or less. Increase person-hours efficiency by 20%	<ol style="list-style-type: none"> 1. New process introduced for finalizing resolutions, increasing distribution to clients from 3 months to 3-5 days. 2. Decreased Kalendar preparation time from 1 hour to 30 minutes. 3. Began canceling plomb numbers of backlog Kalendar within 15 days.
	Reduce number of backlog request by identifying duplicate or redundant filings	<ol style="list-style-type: none"> 1. As of April 27, 2001, resolved 350 multiple plomb files. 2. Developed Junior Clerk Seminar Program including checking for redundant filings and documents (see Task 3).
	Develop “short-cuts” or special emergency procedures for processing request that are over 4 years old	<ol style="list-style-type: none"> 1. Obtained Appeal Court approval of short Kalendar rejection resolution to speed up process. 2. Eliminated Year 1999, 2000 backlog of files awaiting finalization and distribution 3. Implemented typing procedures to keep up to date with 2001 files. In total in excess of 4000 files have been acted upon.
	Sample 10,000 request files to develop baseline	<ol style="list-style-type: none"> 1. As of April 27, 2001, sampled 12,978 files, of which the final processing of some was completed.
	After establishing shortcuts implementation, sample 1000 files for affect of procedure on time processing of requests.	<ol style="list-style-type: none"> 1. By April 30, 2001 over 700 Z and Zs Kalendar files rejected. 2. New PL review process resulted in 900 files processed by April 27, 2001. 3. Eliminated 1996 Z Kalendar backlog.

Stated Objectives	Deliverables	Actual Results
	Assemble data for analysis and prepare periodical analysis reports of data	<ol style="list-style-type: none"> 1. Delivered periodically at contractor meetings. 2. On-going analysis of results and procedures adjusted.
	Analyze findings and prepare recommendations to USAID and MOJ	<p>Key recommendations:</p> <ol style="list-style-type: none"> 1. Restructure LRO operations to improve allocation of resources to priority activities. 2. Consolidate and simplify document and information requirements for registration. 3. Expedite and reject inactive resolved requests not responded to by clients. 4. Through work reorganization and efficiency improvements dedicate at least 15% of clerks to backlog clearing. <p>See also Appendix 5 – Report-Status of Technical Assistance and Proposed Modernization Strategy, Zagreb LRO.</p>
	Incorporate USAID and MOJ changes in proposed procedures regarding backlog requests	<ol style="list-style-type: none"> 1. Multiple plomb numbers are grouped to expedite outstanding requests for the same Land Registry record number. 2. Simplified resolution forms used to expedite backlogs 3. Inactive Kalendar requests are rejected and cancelled using streamlined procedures. 4. Proposed information flow assessment for expediting backlog files. Appendix 6 – Proposed Backlog Workflow LRO.

Backlog clearing activities were undertaken in a number of areas in the Zagreb LRO. For current Kalendar Files (Z) typists have cleared 1999 and 2000 Kalendar resolutions and 2001 Kalendar files are being typed and prepared for mailing as they are resolved. Some simple mortgage resolutions are being typed as needed. In this area in excess of 4000 files have been dealt with.

A simplified Old Kalendar Files (Z) rejection resolution format for simple cases was approved by Appeals and Superior Court and a final approval of short and medium forms was obtained from Judge Zivkovic of the LRO. In this area two LRO staff clerks were working on this activity and a total of 365 files have been resolved. In general the process of rejection is taking too long because of re checking files and resolutions but the process is under review with the Registrar to introduce further streamlining.

The clearing of backlog Z - PL Files continues in a chronological from 1997. Approximately 650 files from 1997 have been resolved. For the entry of backlog Z Files tombstone information has been entered into the MOJ EDP-LR database for 5500 plomb files and are continuing to be entered at a volume of about 150 files per day. For backlog Zs - PL Files one clerk was organized to work only on Zs backlog files grouping plomb numbers and by the end of the project approximately 350 files had been resolved. Old (Zs) Kalendar files have also been dealt with as part of the backlog and approximately 400 files from 1992 have been dealt with by Zs clerks. To complete the backlog actions about 700 final register entries have been made. This has resulted in over 12,000 backlog actions being completed as part of the project.

Based on information provided by judges and senior clerks, the team developed a Seminar Program for Junior Clerks (Appendix 7 – Proposed Seminar Program for Junior Clerks) to improve the quality of decisions and the timeliness of processing requests, and to reinforce the application of pertinent laws and regulations. The first session of the program focused on the steps in reviewing a request, including specifically checking the Collection of Documents for already-submitted documentation before writing a Kalendar resolution. Senior clerks had expressed concerns that when reviewing request files junior clerks did not take the time to research the status of requests to determine if a file or related file already existed, which might contain required documentation previously filed. Instead, junior clerks needlessly prepared Kalendar resolutions requiring the client to bring documentation that was already in the LRO's Collection of Documents. Not only were decisions hand-written and so must be typed for distribution but also the LRO did not have a sufficient number of motivated typists to handle the volume of decisions. Therefore, such resolutions are backlogged and take from 2 months to several years to be distributed to clients. Naturally, clients were frustrated with LRO requests for documentation that they had already filed. The seminar session should impress upon junior clerks the importance of checking for redundant filings and documents as a way to reduce inefficiencies.

2. TASK TWO: DEVELOP/IMPLEMENT GUIDELINES TO REVIEW, INVENTORY AND STORE LAND REGISTRY ARCHIVES

Stated Objectives	Deliverables	Actual Results
Increase speed of access by public and courts to records and increase efficient use of current storage facilitates	Increase the effective storage area by 20% by destruction or removal of files that fall 10 years beyond any statute of limitation period	Move of Land Registry Office to new facilities in October 2000 provided an additional 50% of space that accommodated all active files effectively.

Stated Objectives	Deliverables	Actual Results
	Computerize indexing of files; color coding; location/site placement	Collections of documents were reorganized in new facilities for improved access and Land Books grouped by municipality. Computer indexing of paper records was considered unnecessary.
	Increase speed from stated maximum of 3 days to 1 day or less. Increase person-hour efficiency by 20%	Archived Land Books are housed in the same area as active records in LRO and are immediately accessible. Collections of Documents and Inheritance files older than 1991 are available from Municipal Court Archives within 24 hours.
	Inventory and sort files. Coordinate work with move of Land Registry to new facilities on or about September 30, 2000	Move was monitored but the LRO management handled the procedure without technical assistance from USAID.
	Remove and destroy non-essential files	Documents and files older than 1991 remained in Municipal Court Archives and the balance are housed in the LRO new facility.
	Re-classify and store essential files	Procedure monitored but this activity was handled by the LRO without technical assistance from USAID.
	Analyze findings and prepare recommendations on archiving procedures and submit to USAID and MOJ and Court	<p>Key recommendations are:</p> <ol style="list-style-type: none"> 1. Implement a simple electronic file check-out information system for tracking documents and Land Books. 2. Formalize a policy for care, use, and security of files. 3. Investigate financial assistance for restoration of deteriorated Land Books. <p>See Appendix 8 – Report-Status of Technical Assistance and Proposed Modernization Strategy, Zagreb LRO.</p>

The archives are generally well organized and actively accessed with approximately 10,000 information requests conducted annually. Because they are small in volume, archives have been housed efficiently in fire proof and climate-controlled facilities in the new LRO. Access to the

archives is semi-controlled, leaving some risk for misplacing files. A more formally controlled system of access to the archives should be implemented but at the same time efficient access maintained. The archives contain active inheritance files and old inactive Land Books. Resolved inheritance files have been relocated to the main Zagreb archive facility at Vodnikova. The collection of documents back as far as 1965 are kept in the archive in the LRO and the remaining collection dating back to 1884 are stored in the Municipal Court Archive along with old judgments, executions, and decisions.

3. TASK THREE: DEVELOP TRAINING PROGRAM FOR CLERKS IN LAND REGISTRY

Stated Objectives	Deliverables	Actual Results
<p>Improve quality of service to public. Improve morale of court staff.</p>	<p>Analyze court clerk exams and compare actual practices in Land Registry</p>	<ol style="list-style-type: none"> 1. Translated of Procedure for Court Employees and Clerks, which explains general exam topics. Appendix 8 – Rules of Procedure for Court Employees and Clerks. 2. Assessed LRO operations and practices to determine training topics/improvement areas. Used information for training courses and materials.
	<p>Develop/implement training program on identified areas in Land Registry</p>	<ol style="list-style-type: none"> 1. Developed training programs based on observations and staff interviews. 2. Trained all Administrative Staff (17 total) during 4-week Workshop Program for Administrative Staff. Appendix 9 – Workshop Program for LRO Administrative Window Staff. 3. Conducted Administrative Staff-Job Shadowing Program. 4. Developed Junior Clerk Training Program (on-going). Appendix 7 – Proposed Seminar Program for Junior Clerks.

The actual exam given to courts clerks was not available to the project team for fear it would become public. However, the project team was instructed that the Rules of Procedures for Court Employees and Clerks (**Appendix 8**) provided the general exam topics for the different levels of court employees. After reviewing the Rules of Procedures, the team analyzed how the topics corresponded with the existing training efforts and work practices at the LRO. Training for new LRO employees or even re-fresher courses or continuing education did not exist. In theory, new

employees to the LRO were mentored but this was not a structured program and instead employees were told to find senior employees to answer their questions.

Work practices suggested that administrative staff did not understand the impact of their role in ensuring the quick processing of requests. For example, administrative staff saw their function as merely accepting requests without properly reviewing them for completion or proper documentation. Some administrative staff did not know the required documentation for common requests. Neither did administrative staff have a sound understanding of the whole request process in order to answer client questions. On the Zs window, clients can both submit proposals and request extracts; while clerks prepare extracts, clients ask questions of administrative staff at these windows. However, since the staff was never trained on the specifics of extracts they could not answer questions accurately. During the training feedback session of the Workshop Program for LRO Administrative Window Staff (**Appendix 9**), administrative staff complained that when they first started working at the LRO, the training consisted of: "Here is the window, here are the clients, here are your colleagues, now go to work." Administrative staff felt that they knew their responsibilities, however, clerks and judges believed that administrative staff did not have a good grasp of the general administrative proceedings (basic request submission requirements such as documentation), internal court operations, and court fees—as required in the Rules of Procedures.

Similarly, junior clerks did not understand the request in-take process and therefore did not grasp the importance of assisting administrative staff in answering legal or technical questions about particular resolutions. In reviewing request proposals, it was noted that junior clerks did not check the status of requests to identify redundant filings or check the collection of documents for previously submitted documentation, which would obviate the need for clients to submit documentation already located at the LRO. Decisions drafted by junior clerks were found to be lacking in clarity, thus requiring re-writing by judges. These examples demonstrated the adverse impact of the lack of a training program on the volume of incomplete cases being added to the backlog, the increased frustration of clients, and general inefficiencies.

Based on interviews and observations described above, in December 2000 the project team provided LRO senior management with a suggested training program outline for their review and comment. It was important that the LRO senior management not only supported but also actively participated in developing a training program. The initial proposed program combined both administrative staff and junior clerk topics, but was later separated into two programs in order to focus on the issues important for both groups. LRO senior management was very hesitant to training and the project team had difficulty in obtaining their input on the proposed programs. Both the senior management and judges, while agreeing that the administrative staff and junior clerks needed additional education in key areas, were afraid of offending the staff, whom they remarked would be too "sensitive" to suggestions for training, had "high opinions of themselves", and would "revolt." Despite initial hesitancy and obstructionist behavior, two separate training programs were developed.

The Workshop Program for LRO Administrative Window Staff (**Appendix 9**), includes brief reports on the individual sessions) consisted of 9 sessions over a 4-week period from March 1 – April 5, 2001, during which all 17 staff members participated in training. The workshops

focused on obtaining feedback and input from administrative staff on training needs and reviewing key Land Registry operations. Following the classroom sessions, the administrative staff participated in an extracts preparation job-shadowing program to practice in reality what they had learned. The job shadowing was well-received and administrative staff reported that the program was useful and they appreciated the opportunity to learn more about Land Registry operations. This additional knowledge should help administrative staff to answer client questions better and more efficiently. The feasibility of another program where administrative staff would shadow clerks resolving requests was approved and implementation is being discussed.

A Proposed Seminar Program for Junior Clerks (**Appendix 7**) also was developed. The judges were even more concerned about offending junior clerks, and therefore several iterations of the program have been discussed. The program was designed to include sessions on reviewing requests, writing decisions and extracts, and key laws and regulations. It included 5 sessions of an hour each over a 5-week period in order to give clerks sufficient time to practice techniques in-between sessions. In addition to classroom seminars, other informal training methods were discussed and some implemented. For example, one clerk was chosen for informal mentoring whereby the project team's clerk liaison instructed him on making registration entries resulting from the testing procedures. The clerk had been assigned to preparing extracts but was inefficient.

The senior judge working with the project team on training issues agreed that some seminars would be appropriate for the entire LRO staff. A seminar on Cadastre Operations, which was originally envisioned for junior clerks, has been revised for all staff. The Cadastre has been approached about leading an expanded seminar. The seminar would cover the following general topics:

- ❑ General overview of Land Cadastre operations; review of relevant Cadastre forms
- ❑ Problems with clients the LRO sends to Cadastre for information
- ❑ Communicating with the Cadastre on client questions
- ❑ How to read parcel maps (use LRO and Cadastre maps as examples)

Additional detailed seminars regarding harmonization between the Cadastre and LRO may be necessary once that process has begun. In addition, a series of seminars on client service, communication, and time management have been discussed and seen as necessary. General topics have been tentatively agreed. Finally, prior to the installation of the Ministry of Justice computers, all staff will be trained on system operations, data conversion, electronic reporting, and the Cadastre system software.

4. TASK FOUR: ANALYZE IN DETAIL CURRENT FLOW OF LAND REGISTRY WORK

Stated Objectives	Deliverable	Actual Results
<p>Improve workflow. Maximize efficiency. Increase transparency and accountability</p>	<p>Report of findings.</p>	<p>Key recommendations are:</p> <ol style="list-style-type: none"> 1. Delegate more authority to Clerks for the approval of registration requests. 2. Assist LRO management to develop their skills in modern human resources management. 3. Eliminate rush note system in favor of immediate resolution of requests. 4. Establish an active help desk and hotline. 5. Establish self-service access to LRO records for legal professionals. 6. Standardize and simplify the forms used for registration requests. <p>See Appendix 5 – Report – Status of Technical Assistance and Proposed Modernization Strategy – Zagreb LRO for detailed report.</p>
	<p>Report of findings regarding computerized system.</p>	<ol style="list-style-type: none"> 1. Key recommendation: implement introduction of computers in a phased approach to maximize best use of procurement system and to minimize distribution to on-going activities. See Appendix 10 - Report – Procurement Logistics.

It is unfortunate that the land registration system operates like a court requiring considerable case resolution documentation by clerks and verification by a team of 5 judges. Judges tend to work in an adversarial fashion with the clerks and a team environment has not been established effectively. Less than 10% of resources are dedicated to keeping the Land Books current. Most staff resources are expended in processing, verifying, documenting decisions or resolutions, and responding to client requests for information and extracts.

There are many hand-offs and different individuals involved in dealing with a registration request file thus there are numerous delays in processing requests and finally obtaining approvals. The fact that the documents required for registration are numerous and sometimes complicated causes further delays due to frequent omissions and errors by clients and the additional degree of difficulty for clerks and judges to examine the documents. There are inconsistencies in the way that clerks and judges resolve requests. In other words there is a lack of standardization and application of judgments to cases and therefore additional delays are caused by these inconsistencies.

On an average day about 250 to 300 registration requests are submitted and an equal number of requests for information and extracts from the Land Books and Zs database are received. The Land Books are often difficult to interpret and the rights for one land registry record are recorded in more than one book making the extract production process time consuming. Zs extracts are produced automatically from the database.

It is estimated that there are about 350,000 properties in Zagreb. Only about 1/3 of those are registered in the Land Registry Office. Of the properties registered only about 50% of the records are up to date.

Some requests for registration are given priority over others, introducing further inconsistencies in the overall system. For example mortgages are treated with highest priority. When a client considers their request more important they are allowed to plead their case to the Registrar or Judges and obtain a rush note. These rush notes give first priority to a request and these files are then dealt with before other requests—even those that were submitted long before the request with the approved rush note. This becomes another inconsistency introduced into the system. Rush notes also interfere with the regular processes of dealing with chronological files and introduce an additional level of chaos into the production procedures undertaken by clerks. It is ironic that even the urgent rush note files are backlogged 6 months at the present time.

Historically, LRO work quotas have been set at low levels and clerks tend to work at a limited capacity making quotas fill the allotted time. Actual productive work time during the day tends to be approximately 6 hours in duration as is typical in most state organizations and deemed acceptable by public employee standards in Croatia.

Many private clients prefer to prepare their own documentation for registration since they either cannot afford legal fees or they mistrust lawyers and notaries. This introduces multiple errors and omissions into submissions causing further burdens on the system. Clerks and judges expend considerable effort to resolve incomplete client submissions.

Because of the lack of standardized forms and the inherent complications with documents, the legal professionals often submit incomplete and incorrect proposals for registration. Dealing with these incomplete files consumes considerable LRO resources.

5. TASK FIVE: SUGGEST AND IMPLEMENT CHANGES IN LRO WORKFLOW AND PROCESSES.

Stated Objectives	Deliverables	Actual Results
<p>Improve workflow. Maximize efficiency. Increase transparency and accountability.</p>	<p>Specific deliverables developed through recommendations under Task Five.</p>	<ol style="list-style-type: none"> 1. Implemented Instruction List to reduce submission of incomplete requests. Appendix 11 - Instruction List. 2. Developed and distributed 25,000 brochures on document requirements. See Appendix 12 – Z Brochure and Zs Brochure. 3. Developed new forms to increase processing speed and decrease amount of documentation. See Appendix 13 – New LRO Forms. 4. Eliminated pause on proposal windows during client hours. 5. Suggested creation and structure of Law Service Area. 6. Suggested reorganization of Submission Area. 7. Suggested improved workflow. See Appendix 14 – Proposed Workflow LRO. 8. Suggested global changes to land registry. See Appendix 5 - Report – Status of Technical Assistance and Proposed Modernization Strategy – Zagreb LRO.

It is commonly understood that improvements to procedures need to be developed to reduce drastically the time taken to resolve and process registration request files. There are a number of legal constraints or impediments that work against this objective. It is essential to employ a more practical interpretation of the laws to operate the LRO more effectively. Visits to other district land registry offices demonstrated the use of more efficient methods to deal with the processing of land registration files. These practical methods must be applied in Zagreb and the USAID technical assistance team is continuously working in that direction. In general more streamlined techniques are necessary for the resolution process. Requirements for this will be:

- Simplification of the explanations used to document the decision,
- Standardization of decisions and how those decisions are reported,
- Promotion of simplified forms and documents by clients and the legal profession, and

- Development of consolidated forms that will combine and clarify the information on one form making easier for clients to complete accurately and easier for land registry personnel to examine.

Currently the land registry system does not operate in conformance to the new Law on Land Registration and the Law on State Survey and Real Estate Cadastre. The implementation of one combined General Register and the close integration of the cadastre must be achieved. As yet no detailed strategy has been developed to achieve this conformance. The USAID technical assistance up to this point has addressed only the present operations of the LRO in dealing with the backlog of files and to implement more streamlined procedure in the day to day operation of the LRO. The next steps will address the above challenge of legal conformance and integration of the LRO operations with those of the City Cadastre Office.

As mentioned, the current registration system for immovable property (Book of Deposited Contracts Zs system) functions quite effectively on a computer application developed about six years ago. Unfortunately it is not suitable for the proposed combined EDP Land Register and will not support the graceful integration of a digital cadastre that will eventually be linked to the Land Register. Selected data from this system will be migrated electronically to the database of the new MOJ software application during 2001.

Once the new MOJ software is fully implemented clients will have on-line access to the Land Register in the LRO and over the Internet. The interpretation of the records will remain somewhat complicated due to the archaic structure of the Land Register but at least the data will be readily accessible and the generation of extracts from land registry records will be immediate. In the interim, self-service access areas will be set up for the legal profession to access the Land Books and the collection of documents in the LRO during extended periods during the day under the supervision of two or three clerks.

In conjunction with the Instruction List (**Appendix 11**), which notifies clients immediately of missing/incomplete documentation, the project team developed two brochures—*List of Required Documents for Apartment (Zs) Requests* and *List of Required Documents for Land Rights (Z) Requests* (**Appendix 12**). These brochures provide users with a list of necessary documents and fees for the most common request types. In response to suggestions about a media and print campaign on the brochures, LRO senior managers feared the public would think that problems at the LRO had been resolved, leading to an onslaught of clients rushing to register. Therefore, the project team and LRO agreed to distribute brochures at places convenient for clients with land registration issues. The director of administrative operations at the Municipal Court assisted the team in placing the brochures at the Municipal Court, the Inheritance Department at Vodnikova, and the Cadastre Agency. In addition, the president of the Municipal Court informed the Bar Association and the Chamber of Notaries about the brochures and provided them with copies. A total of 35,000 brochures were produced and nearly half have been distributed. The Municipal Court will produce more brochures as necessary.

The general public, attorneys, and notaries positively received the brochures. At the LRO, the staff provided clients with the brochures when completing the Instruction List, and clients have said that such information was necessary long ago. Clients have remarked that they are pleased

to have some reference material regarding land registration. When attorneys and notaries— noticing some changes at the LRO—have complained about the lack of information on required documentation, the LRO has been able to respond with the brochures. Brochures on other land registration issues have been discussed but LRO senior management has been hesitant to take on the responsibility of providing additional information for fear of criticisms or inaccuracies.

6. TASK SIX: DESIGN GLOBAL APPROACH TO LAND REGISTRY DATA CONVERSION AND CADASTRE HARMONIZATION.

Stated Objectives	Deliverables	Actual Results
Facilitate the harmonization of the Land Registry and the Cadastre and the conversion of data.	Develop overall strategy, identify logistics details to procure services and equipment for land registry conversion system and prepare a “roll-out” scheme.	<ol style="list-style-type: none"> 1. Assessment of the state of national registry system, IT in 111 land registry offices 2. Roll-out strategy (within framework of the National Strategy for Computerization of the Land Registry) designed and tested for LRO. 3. Workstations installed at LRO extract windows. 4. Clerk training held on MOJ EDP-LR software. 5. Initial assessment and testing of methodology to compare old and new cadastral maps and to reconcile the LRO records for one cadastral municipality. 6. Discussed “roll-out” schedule with hardware and software suppliers to. Assessed LRO user requirements, software applications, data requirements, and investigated an implementation strategy to support user needs. Appendix 10 – Report – Procurement Logistics. See Appendix 17 – Report – Status of Technical Assistance and Proposed Modernization Strategy – Zagreb LRO.

The Ministry of Justice has prepared a Five-Year Plan for Electronic Data Processing (EDP) Land Registry and Land Registry Database implementation. In general terms, the EDP Plan addresses:

- the computerization of the data in the Land Books,
- the harmonization between the Land Registry and the Cadastre records,
- the need to increase the efficiency of the Land Registry in updating and resolving Land Registry cases,
- the creation of up-to-date, accurate and secure ownership on immovable property, and the provision of better public access to the LRO data.

With respect to the computerization of the data in the Land Books the software developed by the Ministry will allow for the direct transformation of the information from the A, B and C tables in the Books into the new database. The format of the old Land Books has been duplicated with the structure of the new software and provisions in the Law on Land Registration have been incorporated into the software application as well. In a sense the MOJ, constrained by an impractical Law on Land Registration and the old structure of the Land Books, have fundamentally automated an old manual system. Technically, however the system is well designed and attempts will be made to introduce some modifications to the structure of the system to make it more adaptable to a cadastre oriented parcel-based system which will be easier to understand by outside users and less cumbersome to maintain. Procedures will be developed to conduct the data conversion in the most effective manner possible. Both sporadic and systematic methods will be applied with the data capture approach and the data conversion procedure will be incorporated into the day-to-day production of extracts from the Land Books.

Since the early 1960's the Land Registry Office has not updated cadastral maps to coincide with land registry records. The Cadastre Office however has continued to update the cadastral maps (about 60% of the coverage in Zagreb is presently in digital form) and has developed a new numbering system for parcels. This means that the parcel numbers used for the LRO registration records in most cases does not coincide with the official cadastre parcel numbers. In addition, old and outdated parcel boundaries appear on the old cadastral maps referenced in land registry records and in many cases parcel subdivisions and consolidations are not reflected either. In six pilot projects across Croatia a process has been conducted to reconcile and harmonize the land registry records with those maintained by the cadastre offices as well as land possession rights. These procedures, although achieving good results, are very rigorous and therefore time consuming and expensive. There is need to develop more streamlined and cost effective methods to achieve the harmonization. Some semi-automated techniques are being used in one cadastral municipality in Zagreb for the reconciliation of ownership and land registry records for a utility corridor. From the processes used in this project streamlined procedures can be developed that can be applied to other areas within the City. Additional details in this area are outlined in **Appendix 17 – Report – Status of Technical Assistance and Proposed Modernization Strategy – Zagreb LRO.**

7. TASK SEVEN: DEVELOP DRAFT SECURED TRANSACTION LAW

Stated Objectives	Deliverables	Actual Results
Clarify and consolidate secured transaction laws	Translate and locate key legislation	1. Compiled translation of 37 laws, regulations, and decrees relating to property and secured transaction laws. See Appendix 18, 19-Laws.
	Submit draft and recommendations for secured transaction law to appropriate parliamentary representative and regulations to appropriate ministry	2. Provided Croatian translation of Macedonian law. Appendix 20, Macedonian Law (English and Croatian). 3. Submitted written and oral comments to MOJ.

The laws affecting the rights and obligations of the pledgee and pledgor under a pledge agreement for a non-possessory pledge of a moveable property are contained in contract, property, registry (administrative), and execution laws and regulations. These laws are often consolidated and located within a specially designated section of the law called secured transaction laws. However in most jurisdictions the laws are contained under various code sections. The laws directly relating to secured transactions in Croatia are the Law on Execution, Law on Possession and Other Material Rights and Law on Bankruptcy. See **Appendices 18, 19 Laws.**

On October 16 and 17, 2000, the Ministry of Justice and the Law Faculty of Zagreb University co-hosted a conference in Zagreb on the International Conference on Secured Transaction laws and Registries of Pledges on Movables (“Collateral Registry Conference”). The Collateral Registry Conference was held at the Chamber of Economy. The format of the Collateral Registry Conference was a day dedicated to presentations of material on issues relating to the establishment and functioning of a collateral registry and a second day of discussion by the participants. On the first day the speakers and topics were as follows:

Speaker and Organization	Topic of Speech
Bozidar Matovina, Secretary of Ministry of Justice	Welcome and Introduction
Eufrona Snyder, Booz·Allen & Hamilton	Registries as Economic Drivers: Opportunities in Croatia
Edita Culinovic-Herc, Assistant Professor at the Law Faculty in Rijeka	EBRD Model Law on Secured Transactions and the (Im)possibility of its Reception into Croatian Legal System
Arsen Janevski, Professor at the Law Faculty in Skopje	Law on Secured Transactions of Movables and Rights – Macedonian Model
Zarko Kamcev, Director of Collateral Registry of the	Practical Use of the Collateral Registry in the Republic of Macedonia

Speaker and Organization	Topic of Speech
Republic of Macedonia	
Cristina Stocia, Attorney from Romania	The Legal Regime for Security Interest in Personal Property
Mihajlo Dika, Dean of Law School in Zagreb	Registry of Court and Notary Public Pledge Rights and Other Secured Claims of Creditors

See **Appendix 18, CD Collateral Registry Conference**, for visual presentation of speakers' talks.

Invited participants included representatives from the academic, legal, and business communities. There were representatives from the Notary Association, Banking Association, Chamber of Economy, Ministry of Economy, Ministry of Foreign Affairs, Bar Association and the law faculties at the University of Zagreb and Rijeka. See **Appendix 19, Collateral Registry Conference Attendance List**, for list of attendees. At the end of the discussion on the second day of the Collateral Registry Conference, Mr. Matovina, Secretary of the Ministry of Justice, announced that a commission would be formed to continue the work on the collateral registry. He also assured the participants that the Ministry would keep them advised of further actions. See **Appendix 20, Collateral Registry Conference Material**, for material presented at conference.

As a follow up to the Collateral Registry Conference, representatives of the Ministry of Justice met with Professor Janevski and Director Kamcev of Macedonia for a demonstration of their system. The Ministry of Justice was represented by Mr. Matovina, Secretary of the Ministry of Justice; Ms. Edia Brkic, head attorney for the civil law, and Mr. Bozidar Jelacic, head attorney for the property law. The Macedonian registry operations system allows for quick access to information: as part of the demonstration, a report was ordered by telephone and delivered by telefacsimile during the time the meeting was conducted. The Macedonians received assistance from international donors to fund the implementation of the system—the Norwegian Registry Service was directly involved with the design of the system.

Representatives of the Ministry of Justice met with the Norwegian Registry Service on several occasions, including one with Deputy Minister Ranko Marijan. The Ministry of Justice advised the Project that the Croatian government has approved entering into an agreement with the Norwegian government and the Norwegian Registry Service whereby a specified sum of monies would be provided by the Norwegian government for the implementation of a collateral registry. A contract has not been signed as of the date of this report. The Ministry of Justice does not view the work of the Norwegian to be exclusive and anticipates continued assistance from a USAID contractor in the development of the collateral registry.

The Team met with representatives of individual banks and representatives of the Banking Association. The director of the Legal Department of the Zagrebacka Banka advised the Project that the board of Zagrebacka Bank has approved continued efforts to get the collateral registry established. Zagrebacka Banka also met with other members of the Banking Association interested in meeting with the Ministry of Justice on the implementation of the registry. During the project the Banking Association had no official position on the structure and procedures of a

registry; however, it is anticipated that this group will develop the position over the next few months.

Meetings were also held with the Notary Association and the Chamber of Economy. These two groups supported the efforts of the Ministry of Economy but differed on the degree of participation and control that other groups might have in the operations of the registry. Neither group had an official position at the time of writing.

8. TASK EIGHT: DETERMINE FEASIBILITY OF PUBLIC-PRIVATE ORGANIZATION TO FINANCE COLLATERAL REGISTRY

Stated Objectives	Deliverables	Actual Results
Shape inchoate demand into focused public/private cooperation.	Identify participants and organize roundtable discussions between parties interested in establishing public private organization to finance collateral registry	<ol style="list-style-type: none"> 1) Met with the Association of Bankers, the Chamber of Economy, and the Notary Association. 2) Collateral Registry Conference of interested stakeholders held in October 2000. See Appendices 21-23-Collateral Registry Conference. 3) Survey conducted in March - April 2001, showing approval of private financing. See Appendix 21 Collateral Registry Survey and Report
	Conduct series of roundtable discussions regarding establishing public private organizations for the financing of collateral registry	<ol style="list-style-type: none"> 1) Conducted a two-day Collateral Registry Conference on October 16 to 17, 2000. 2) Met with representatives of banks, notaries and Chamber of Economy. 3) Met with Deputy Minister, IT Director of MOJ and representatives of foreign registries.
	Review and establish legal support for the establishment of public private organization for the financing of collateral registry	<ol style="list-style-type: none"> 1) Identified legal precedent for public-private organization (credit agency to be established under National Bank laws). See Appendix 18, 19 Laws. 2) Company Registry uses contractors for operations.

Stated Objectives	Deliverables	Actual Results
	Assist any interested and approved group by MOJ in identifying steps to create public-private financing entity for collateral registry or other financing alternatives	<ol style="list-style-type: none"> 1) Financing of registry operations discussed at Collateral Registry Conference October 16-17. 2) Met with Norwegian Registry Service to review financing opportunities, resulting in possible funding opportunity. 3) Representatives of Zagrebacka Bank participated in Registries Trip to Canada. Appendix 22, Quebec Presentation Material and Appendix 23, Nova Scotia Presentation Material.

The Team identified four “private” groups as potential participants in a public/private agency to establish and run the registry—the Notary Association, the Bar Association, the Chamber of Economy, and the Bank Association. The strongest public candidate for such an association is the Ministry of Justice and more specifically the courts. See results of Collateral Registry Survey at **Appendix 21, Collateral Registry Survey and Report**. However, there is not wide general support for the formation of such an entity and the candidates have not been forthcoming with the necessary commitments to proceed with the formation of the public/private entity. While the communication between the Ministry of Justice and the private sector has improved during the course of the project, there is still additional work to be done in focusing the competing goals of the Ministry of Justice and the respective stakeholders. There is overall support for the implementation of a collateral registry. As far as support for the formation of a public/private entity to run the registry, there is greater support for a governmentally run agency. Further, to paraphrase a Croatian expression "we are sitting at a table with persons who do not have any wallets in their pockets." Individual representatives from the Notary Association and Chamber of Economy wish to run the registry but have no concrete proposal on the funding of the registry. The Banking Association had proposed supporting the registry financially; however, there is currently no official proposal to do so.

In accordance with the expressed preference of stakeholders and the Ministry of Justice, the Collateral Registry Conference was held rather than a series of roundtable discussions regarding the establishment of a public/private entity to finance the collateral registry. Within the discussion groups at the Collateral Registry Conference, the Project introduced issues relating to the economics of a registry. These issues include the types of cost and benefits of the law and registry to the public, business, creditors, borrowers, and the government. In addition to the Team, other speakers at the Collateral Conference introduced systems that were run or operated in other than the traditionally government funded and operated systems. See **Appendix 18, CD Collateral Registry Conference** and **Appendix 20, Collateral Registry Conference Material**.

In the furtherance of the Collateral Registry Conference, the Ministry of Justice with assistance of the Project conducted a survey of key stakeholders. See **Appendix 24, Collateral Registry Survey Participants** for list of individuals to whom the survey was sent. The results of the

survey showed that 74% of the respondents believed that a private company should be able to help finance the implementation of a pledge registry. Almost all respondents were evenly split on whether or not a private company should be able to participate in any revenues from the registry. Further, only 24% of the participants would be willing to help fund the implementation. This latter percentage could be explained by the make up of the respondent who included court, government, and individuals involved in various aspects of the process for securing pledges on movable properties. Further, the minority position stated for supporting the registry through private funds does not correspond with prior discussions with the Banking Association representatives and individual banks. See (**Appendix 21, Collateral Registry Survey and Report** for other results of the survey. See **Appendix 25, Collateral Registry Survey Questions** for questions in the survey.) The Notary Association is interested in running the registry but has limited resources to implement the registry. The Chamber of Economy has expressed interest in donating facilities to house the registry and staff to run the registry but no direct contribution of cash.

There is legal precedent for the formation of a public/private entity to run a registry. Under Article 104 of the Banking Law, the National Bank and all banks are required establish the Croatian Registry of Credit Liabilities as a “separate legal person”. See **Appendix 18, Law (Banking Law)** for reference to law. While the Banking Association has put in considerable effort to establish this registry there has been no successful implementation to date. Secondly, the Company Registry is run on a day-by-day basis by IN2, a contractor. The contractor serves as an advisor on a commission whose functions include making suggestions and modifications to the system. Thus, there is no prohibition on the formation of a public/private agencies per se and use of private companies to run government operations are accepted practices.

At this time, the Ministry of Justice has not selected any group to participate in a public/private financing entity for the collateral registry. The Ministry of Justice has held meetings with the Chamber of Economy but most recently relayed to the Team that the MOJ prefers a government-run registry. The MOJ had looked to more traditional funding sources that include the Norwegian government. The Norwegian government purportedly has offered monies to assist in the formation of the registry and the Croatian government has authorized entering into an agreement with the Norwegian Registry Service to conduct an assessment and design a system. Meetings were held with the Team, Norwegian Registry Service, and the MOJ to discuss the approach to the assessment and design of the system. The MOJ anticipates that assistance from USAID would continue and be coordinated with any efforts by the Norwegians in this area.

The Banking Association remained interested in participating in the registry; however a more formalized consensus is needed. Efforts along this line continued throughout the period of performance and it is expected that the relationship will continue into the follow-on project. The Notary Association is interested in participating in the registry; however do not have funds available to fund its implementation. Likewise, the Chamber of Economy has suggested a limited contribution (e.g. facilities and staffing) to the registry implementation and operations.

9. TASK NINE: DEVELOP PROCESSES FOR COLLATERAL REGISTRY FUNCTIONING

Stated Objectives	Deliverables	Actual Results
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Stated Objectives	Deliverables	Actual Results
Strengthen local capacity for implementation of a collateral registry	Assist Ministry of Justice and others to find sources of funding for registry.	MOJ has identified and preliminarily approved funding sources for a registry. Chamber of Economy has offered to provide assistance to MOJ in establishing registry.

Following the meetings with the Norwegians, the Norwegians have supported a formal proposal of providing funds (estimated to be 25M DM) for several projects including the collateral registry. Further, the Norwegian Registry Service has made a proposal to commence work in certain area relating to registries. The Ministry of Justice advised the Project that the Croatian government approved entering into an agreement with the Norwegian government and the Norwegian Registry Service to implement a collateral registry. This funding would be used to establish the more traditional government funded and run registry. However, the law on the collateral registry has not been written or approved by the Sabor. Further, funding of the implementation of the registry by the Norwegian Registry Service is not limited to the traditional approach as evidenced by service done by this agency in other countries.

The MOJ also advised the Team that the Chamber of Economy be interested in running the registry. Several meetings took place with the Ministry of Justice. However, the MOJ took no official position on the Chamber of Economy's participation in the registry in the future. It should be anticipated that competing private groups (e.g. Banking Association) would present their respective interest to the MOJ.

10. TASK NUMBER TEN: LEAD TRIP TO VIEW LAND, COLLATERAL, AND COMPANY REGISTRIES IN THE U.S. AND CANADA.

Stated Objectives	Deliverables	Actual Results
Broaden understanding of options to establishing and running of registries and develop contacts with other officials and individuals acting in similar capacities	Trip to view registries and related activities of the Ministry of Justice by Croatian policy level officials and stakeholders to the United States and Canada	Registries Trip to Quebec, Nova Scotia and USA: January 23-31, 2001. See Appendix 22, Quebec Presentation Material and Appendix 23, Nova Scotia Presentation Material, Appendix 34, U.S. Bureau of Land Management Presentation Materials.

From January 23 to 31, 2001, five Croatian representatives visited registries in Canada and the USA. The purpose of the trip was to provide policy makers and other participants an opportunity to:

- 1) observe practices of other registries and courts to illustrate issues which are key to implementing and maintaining an efficient and competitive registry and court;

- 2) study management techniques and technology that are applicable to those governmental entities and businesses that deal with information filing, storage and retrieval and judiciary functions; and
- 3) develop contacts with other officials and individuals who are acting in the same or similar capacities to assist in maintaining and continuing dialogue on resolutions of current and future issues that will face registries.

The Participants were as follows:

Ranko Marijan	Deputy Minister of the Ministry of Justice
Nevenka Rogan-Skrapec	Head of Informatics Division of Ministry of Justice
Renata Santek	Head of Civil Department of the Zagreb Municipal Court
Damir Pahic	Representative of the State Geodetic Administration
Mladen Coric	Executive Director of the Legal Department of Zagrebacka Bank

The Participants were visited operations of registries for land, companies and personal property in Quebec and Nova Scotia, Canada. In the USA, the focus was on state land administration and land records. An additional component of the USA portion of the trip was visits to the National Center for State Courts, the Federal Judicial Center and other courts.

Province of Quebec, Ministry of Justice – Montreal, Quebec

In Quebec, presentations were made by Gilles Harve, Director of Registries, Ms. Jo-Anne Poulio, Manager of Communications, Ms. Diane Paquin, Director of the Center for Services for RDPRM, Mr. Nicole Page, Mr. Charles Dorion, Communications, Guy Picard, Analyst of Information all with the Quebec Ministry of Justice, and Mr. Milan Cvijanovic, LGS Group Inc, Montreal, Quebec.

One important presentation offered the methods used by the government to convert and harmonize the land records to a computerized system. There are similarities between the land registries in Croatia and Quebec that include the guarantee provided by the government to land owners; use of notaries and the retention of the original documents. A partnership was formed between the Government and a private company to design and implement system. The partnership has the rights to run the registry for 15 years. Both the government and the private entity forming the partnership have shared responsibility to meet performance objectives. The private entity is responsible for system performance. The government owns the system.

The work began in 1997 with operations to begin in November 2001. The system will allow a notary to send file over the Internet and to request filing of the document. The registry will confirm by certificate the registration within an hour. Conversion of the land books is done on weekends, as the books are needed for operations during the week. Those documents that have been converted contain an image of the registration page followed by an area where data can be inserted. As of October 2001, there will be centers where the public can have computer access to the files.

The Register of personal and movable real rights (RPMRR) is also computerized. New laws regarding securities were enacted in January 1994 and by 1998 everyone was able to have access to the register by Internet. By August 1999, people could send applications to the registry electronically. There is a degree of complicity that results from the types of rights that can be registered in the RPMRR (110 rights). However, the registry operations aspects of this registry do allow public access and filing. See **Appendix 22 – Quebec Presentation Material** for additional presentation material.

Service Nova Scotia and Municipal Relations – Halifax, Nova Scotia

In Halifax, Nova Scotia, the participants were introduced to the land, company and personal property registries. The Croatian delegation was first greeted by the Minister of Service Nova Scotia and Municipal Relations. Officials who participated in the visit were Deputy Minister and Director Registries, Nancy Vanstone, Director of Registries, Peter Kittilsen, Danny Gray, and Arlen D'Eon, Land Registry Halifax. A demonstration of the Registry 2000 project and the Nova Scotia Business, Joint Stocks and Condominium Registries was also presented. Additionally, the participants met with Diane Webber and Elaine MacEachern, UNISYS, Halifax that designed and runs the personal property registry for the Maritime Provinces Governments. This personal property registry is a centralized computerized registry serving the Canadian provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island. The system was designed to encourage filings and searches by Internet. Individuals and entities can enter the information after registering with the government and access the information through a web interface to the Nova Scotia Property Records Database (NSPRDB).

Then Land Registry is in the process of converting to title guarantees by government from a grantor/grantee index tracking system to a parcel-based register. The method of converting the records illustrated the ability to continue operations during the conversion period.

Please see **Appendix 23 – Nova Scotia Presentation Material**, for more detailed material presented.

U.S. Department of the Interior, Bureau of Land Management – Washington, D.C.

In Washington three members of the delegation visited the U.S. Department of the Interior, Bureau of Land Management Headquarters and the Eastern States Office. Participants in the presentations in the Headquarters Offices were: Ray Brady, Manager Lands and Realty; Tess Lopez, International Affairs Specialist; Ed Harne, Advanced Technology Program Manager; Michael Swartz, Group Manager-Regulatory Affairs; Tony Danna, Deputy Group Manager-Legislative Affairs. In the Eastern States Office the participants in the presentations were: Gayle Gordon, State Director; Joe Beaudin, Deputy State Director, Cadastral Survey and Government Land Office Records; Corky Rodine, Branch Chief, Cadastral Office Operations; Linda Brooks, Branch Chief Government Land Office Records; Patricia Tyler, Team Leader, Government Land Office Production Team.

In the Lands and Realty presentation the mandate of the BLM was explained with an overview of the organization structure. A general explanation of how BLM manages the State lands under

the Federal Land Policy & Management Act and the various records systems that are maintained to fulfill their mandate. For the Regulatory Affairs presentation a briefing of the Administrative Procedures Act was delivered and a review of various regulations governing general management and transactions affecting State lands. Additional legislation was discussed in a Legislative Affairs presentation and a number of questions posed by the Croatian delegation were addressed. In the Advanced Technology, Geographic Services presentation the lessons learned by the BLM were the focus of the information discussed as they would apply to similar systems in Croatia. The importance of data standards was stressed and an emphasis on a cost benefit approach to data capture was conveyed. The BLM were very frank about their lack of success with the former ALMRS geographic information system due the capture of too much data and a lack of proper data structuring and organization. The features of the new system NILS were then presented.

In the Eastern States Office of the BLM a briefing on the operations was presented by the State Director and after reviewing the topics of interest by the Croatian delegation presentations were made on nature of the cadastral operations with specific examples of activities and a detailed review of the state records maintained in the office. The Eastern Office is undertaking a massive program of data conversion of their State land book records and a demonstration of this system was provided to the group.

Please see **Appendix 34 – U.S. Bureau of Land Management Presentation Material**, for more detailed material presented.

C. COURT & JUDICIAL ADMINISTRATION

11. TASK ELEVEN: DEVELOP/IMPLEMENT GUIDELINES TO REVIEW, INVENTORY & STORE COMMERCIAL COURT ARCHIVES

Stated Objectives	Deliverables	Actual Results
Improve efficient use of current storage facilities. Reduce time for file research and retrieval	Inventory and sort files	This deliverable was not completed because access to files and assistance by court was denied.
	Remove and destroy non-essential files	This deliverable was not completed because access to files and assistance by court was denied.
	Re-classify and store essential files	This deliverable was not completed because access to files and assistance by court was denied.
	Analyze findings and prepare recommendations on archiving procedure and submit to USAID, MOJ and court	See Appendix 26, Company Registry Reorganization.

Work at the Zagreb Commercial Court in reviewing and initiating a Company Registry project was not pursued because of a lack of interest and support from the president of the Commercial

Court. One meeting was held with the Clerk of Court and the head of the Registry Department. A tour of the records storage area in the basement was conducted where a number of problems were noted: mildew, inadequate space, and old files that should have been archived. The Team outlined a possible course of action and provided it the court president and court clerk; however, no authorization to proceed was given. The Company Records reorganization effort was placed on hold until a later date when the court would support the project and authorize working with court staff.

12. TASK TWELVE: IDENTIFY TOOLS TO STRENGTHEN COURT MANAGEMENT AND REDUCE ABUSES OF JUDICIAL PROCESS

Stated Objectives	Deliverables	Actual Results
Ensure cases are run in orderly and timely manner. Reduce processing time for cases. Strengthen judicial process.	Report findings to USAID and High Commercial Court.	Through surveys and interviews, 24 recommendations were developed. See Appendix 27, Commercial Court Project Outline.

To gain access and “advertise” the commercial law improvement activity to the Commercial Court judges, the Team designed a Litigation Management Survey. The survey addressed the frequently mentioned complaint about a lack of discipline in courtroom proceedings, which was voiced by judges during the assessment phase and in subsequent meetings. The president of the High Commercial Court reviewed and endorsed the survey form, which was sent to all Commercial Court judges. A high percentage of judges (64%) responded and submitted a number of comments. A report based on the tabulation of the responses and a summary of the comments was drafted and shown to President Sepic before being disseminated to all of the Commercial Court judges. A series of round table discussions were scheduled at a majority of the Commercial Courts (six meetings) and a list of suggestions was drafted after the series of meetings with the judges.

13. TASK THIRTEEN: ANALYZE COMMERCIAL COURT CLERK EXAMS AND COMPARE WITH ACTUAL PRACTICES

Stated Objectives	Deliverables	Actual Results
Increase efficiency and knowledge of court clerks. Improve correlation between state court clerk exams and best practices.		Translated Rules of Procedures for Court Employees and Clerks, which explains general topic exam. See Appendix 8.

The actual exam given to courts clerks was not available to the project team for fear it would become public. However, the project team was instructed that the Rules of Procedures for Court Employees and Clerks (**Appendix 8**) provided the general exam topics for the different levels of court employees.

14. TASK FOURTEEN: DEVELOP/IMPLEMENT TRAINING PROGRAM ON IDENTIFIED AREAS AFTER REVIEW OF COURT CLERK EXAMS/PRACTICES

Stated Objectives	Deliverables	Actual Results
Increase efficiency and knowledge of court clerks. Improve correlation between state court clerk exams and best practices.		Access to and cooperation of Zagreb Commercial Court was restricted. Focus changed to judge training.

It was determined that the state court clerk exam is general in nature and thus not meant to test factors specific to clerking in the commercial court.

15. TASK FIFTEEN: DEVELOP TRAINING CURRICULUM ON COURT MANAGEMENT AND MINIMIZING ABUSES OF JUDICIAL PROCESS

Stated Objectives	Deliverables	Actual Results
Ensure cases are run in orderly and timely manner. Reduce processing time for case. Strengthen judicial process		1. Roundtable discussions on issues identified through survey and references to existing Civil Procedure Law. Appendix 28 Litigation Management Survey Results; Appendix 29 – Commercial Court Questionnaire Results.

The survey form was designed so that the answers to the eight basic questions could be tabulated and placed into a table or graph for easy perusal. The many comments that judges included on the survey form were summarized and placed into a narrative format so that those who read the report could understand the concerns of the judges and the suggestions that many of the judges had on how to address certain problems. The survey results and comments were used as a basis for discussion with the judges in individual meetings held in Varazdin, Bjelovar, Kalovac, Rijeka, Slavonski Brod and Osijek. Approximately five judges attended each of the six meetings so there was a variety of viewpoints expressed.

16. TASK SIXTEEN: CONDUCT TRAINING PROGRAM AND SEMINARS

Stated Objectives	Deliverables	Actual Results
Ensure cases are run in orderly and timely manner. Reduce processing time for cases. Strengthen judicial independence.		1) Conducted six roundtable discussions with judges at six of the nine commercial courts. 2) Participated in annual conference of commercial court judges in Bjelolasica on April 26 & 27, 2001

A list of suggestions for changes in the Commercial Courts was formulated into a proposed three-year plan for the Commercial Courts—Commercial Court Project Outline. These suggestions were reviewed with President Sepic and discussions about a national Commercial Court Judges’ conference followed. The Commercial Court judges had not met in four years and were anxious to have more educational opportunities. USAID offered to help sponsor the proposed national Commercial Court meeting and the list of suggested changes was included in the program materials for the review of all attendees at the conference. Discussions with President Sepic also began about the formation of a Commercial Court Advisory Council to examine issues and propose specific programs to improve the judiciary. President Sepic agreed to appoint representatives to an Advisory Council. Each court president was consulted and a representative from each Commercial Court was appointed to the Council.

The High Commercial Court judges and the Commercial Court judges from all of the courts met in Bjelolasica April 26-27, 2001. Approximately 185 judges, trustees and senior legal advisers attended the meeting. Bankruptcy and enforcement issues were the main focus of the program. Noted professors from the Zagreb Faculty of Law participated in most of the formal sessions and conducted question and answer sessions with the judges on problems that had been drafted and submitted by the judges before the conference. Members of the High Commercial Court also participated in panel discussions and gave their comments on the questions that were raised by the judges. The judges asked that an annual conference be held so that issues could be raised and addressed on a more timely basis.

The newly formed Commercial Court Advisory Council had two initial meetings during the Bjelolasica conference. A schedule for future meetings was set—mid-June, mid-September, late October, and, possibly early December. Issues for future exploration were discussed. The Advisory Council will guide and work with USAID sponsored project personnel in designing project activity and sponsoring programs for the improved functioning of the Commercial Courts. The Advisory Council will function as the Croatian partner with project personnel throughout the next phase of the Commercial Law Project.

D. ACCESS TO LEGAL INFORMATION/COMMERCIAL PUBLIC POLICY DEVELOPMENT

17. TASK SEVENTEEN: ASSIST PARLIAMENTARY ECONOMIC COMMITTEES TO DEVELOP MORE TRANSPARENT AND USER-FRIENDLY PROCEDURES

Stated Objectives	Deliverables	Actual Results
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Stated Objectives	Deliverables	Actual Results
Increase transparency and responsiveness to Parliament to constituents concerns.		1. Met with Parliament members and constituents to identify stakeholder concerns 2. Developed preliminary plans to conduct workshops and conference on issues. Appendix 30, Information on Sabor Members and Committees Efforts terminated upon request of USAID

While this portion of the project was terminated, the Project had begun its efforts to establish contact with key parliamentarians and committee members to determine the need and cooperation of these persons. Preliminary information had been collected on Sabor members and Committees that related to commerce. The response from those individuals that the Project met were favorable. See **Appendix 30, Information on Sabor Members and Committees**.

18. TASK EIGHTEEN: DEVELOP TOOLS TO INCREASE PUBLIC ACCESS AND INPUT TO COMMERCIAL LEGISLATION AND MINISTERIAL REGULATIONS

Stated Objectives	Deliverables	Actual Results
Increase and focus public access to policy and decision-makers. Increase advocacy capacity of existing local organizations and the public.		1. Met with Parliament members and constituents to identify stakeholder concerns 2. Developed preliminary plans to conduct workshops and conference on issues. Appendix 31-Plan of Action and Report on the Enhancement of Internal and External Access in the Chamber of Representatives of the Republic of Croatia Appendix 32-Impediments to Transparency Parliament of Republic of Croatia Efforts terminated upon request of USAID

The Project was developing some pamphlets and training material to be used in connection with its public awareness campaign. Preliminary research had been completed in certain areas. In

November 2000, USAID terminated this activity due to overlap with the Democracy & Governance work involving the parliament.

19. TASK NINETEEN: IMPLEMENT PUBLIC AWARENESS CAMPAIGN

Stated Objectives	Deliverables	Actual Results
Increase and focus public access to policy and decision-makers. Increase advocacy capacity of existing local organizations and the public.		<ol style="list-style-type: none"> 1. Met with Parliament members and constituents. 2. Identified issues of concern to stakeholders. 3. Developed preliminary plans for workshops on issues. See Appendix 34, Contact List.

The Project met with six associations and organizations whose members were engaged in activities that affect directly or indirectly commerce. These organizations are the Chamber of Notaries, American Chamber of Economy, Croatian National Bank, Banking Association, Croatian Chamber of Economy and the Bar Association. Due to expressed interest by these organizations, a presentation schedule was prepared but due to the termination of this activity, the presentations did not take place. **Appendix 33, Parliament Access Contact List** provides information on those person contact and results of those meetings.

IV. LESSONS LEARNED

Cooperation and communication between donor agencies can ensure successful implementation and integration of tasks, assist counterparts in maximizing the return on their investment in the reforms, and decrease the possible occurrence of “donor fatigue.”

It is important that donor agencies take active steps to communicate the scopes of their respective projects to their counterparts. It is also essential that the counterparts understand the different policies and practices of the various donor agencies (e.g. that USAID favors funding for technical assistance while World Bank may provide funding for equipment) and the benefits of coordinating activities between donors (e.g. combining grants with loans). A significant delay occurred in the implementation of the Commercial Court related tasks due to coordination efforts about the scope of a planned project by World Bank. As the overlapping nature of USAID and World Bank projects became clear, the two agencies discussed and agreed on cooperating on work in the Commercial Court area. Had an agreement not been reached, the duplication of efforts that would have occurred would have been substantial. The Ministry of Justice (MOJ), the policy counterpart under this project, had been conducting discussions with both World Bank and USAID yet did not identify the overlapping nature of the plans of the two donor agencies.

Communication, commitment, and coordination among the varying levels of counterparts are critical for implementation success.

In the same vein as donor coordination and communication, so too must the varying levels of counterparts engage each other in the technical assistance process. Often the policy counterpart

(e.g. MOJ) does not communicate, rather it dictates to the implementing counterparts (e.g., Commercial Court, Land Registry Office) who are most affected by recommended changes. The projects' goals and the actions required to achieve those goals often do not get communicated to the various participants, resulting in confusion, timidity, and delay. Implementation is impeded by limited communication from the policy counterpart (MOJ) to project participants (courts and registries), resulting in an uncertain commitment by both to the projects' goals. Both USAID and the Ministry of Justice should address this problem of a weak partnership. How can communication be improved, commitment and continuity sustained, and better coordination maintained? Turnover of personnel is a nagging problem that contributes to the lack of sustained commitment to the needs of the project. Participants do not know where to go to get questions answered or authorization to proceed (poor communication). Contacts are not identified for new participants in the project implementation phase (lack of continuity, impaired commitment).

Government agencies where actual project implementation occurs need to be given more input and adequate notification from the superior government body about the goals and timing of project activities. For example, the assessment phase of a project is essential to the successful implementation of reforms. Assessment reports with analysis of weaknesses and recommendations for change should be shared with the implementing counterparts that are the subject of the report. Those assessed should be allowed to review and make comments on the assessment reports before any implementation begins. Local “buy-in” and cooperation will increase if there is better internal project communication and a joint sense of partnership in a common venture. However, when results of assessment efforts are not shared between the donor and counterpart (particularly the implementing counterpart), repetitious interviews and reviews results in “donor fatigue,” which thwarts not only a successful assessment but also implementation. Assessment reports should be more widely shared and comments sought from the implementing counterparts whose operations are being reviewed and critiqued. Cynicism and resentment can also develop when project goals and objectives are not coordinated or communicated with implementation counterparts; this is particularly the case when the policy counterpart is perceived by the implementing counterpart as intrusive or obtuse.

Inefficiencies of agencies may be due to the failure of laws to account for practical and financial realities.

Croatia has enacted a series of laws that have been effective in other countries to run effective registries and provide safeguards against corruption. An example is the Law on Land Registration (LLR), which is based on the Austrian model. Some Zagreb Land Registry (LRO) processes contradict the LLR requirements yet attempting to institute changes immediately and directly in accordance with the LLR would be unsuccessful in and detrimental to the LRO. Interim steps must be developed and completed that were not anticipated by the Law on Land Registration. In addition to training, the affected personnel need to “buy in” to the changes required under the law.

Laws implemented without adequately consulting its users and without full consideration of jurisdictional peculiarities can impose unwieldy constraints against operating efficient registries. Often too much detail is embedded in the law that would be more appropriately included in regulations, which can be more easily created and amended. Substantially more effort is

required to introduce changes after legislation is enacted as opposed to the creation of new modern legislation. This will be a factor for future legal reform in Croatia.

Political, human, and economic factors may interfere with the actual incorporation of technology and systems that would otherwise increase efficiency. Easily accessible and complete information can be threatening to individuals, businesses and political factions. The past political system and cultural traditions in Croatia have discouraged openness to new ideas and have not encouraged free thought and initiative on the part of management and staff in most organizations. Fundamental management of organizations and human resources is generally lacking, and Croatian attitudes towards these areas in many instances are negative. The effectiveness of technical assistance will be severely limited if these fundamental impediments are not fully recognized; therefore, serious efforts must be made to overcome and rectify them during technical assistance activities.

Technology and legal principals relating to registries may vary between jurisdictions but the fundamental system objectives and functions should be the same. A concentrated effort must be made to refocus the Croatian land registration system on the fundamental objectives and functions that progressive systems internationally satisfy. Regardless of unique jurisdictional requirements, land registration systems must function effectively, securely, and transparently, and provide a simple and clear portrayal of property rights. Registries should be efficient and accurate, and should provide complete and readily accessible information. Within those goals, the cost and time of creating and maintaining the registry operations should be considered. The next issues relate to the specific functions of a designated registry and how those functions reflect societal need and history. Computerization efforts and the law must satisfy the above requirements.

Although the Croatian Land Registry system is patterned after that of Austria it incorporates the particular requirements considered essential to the legal and technical environment in Croatia. Due to the nature of the body of law in Croatia pertaining to land registration, a number of blockages and constraints are imposed on the system which prevent its efficient operation. There are other examples (Republika Srpska, Bosnia, and Romania) where good laws have been passed but there still is no functioning registry. While some pre-packaged solutions are appropriate, if solutions of this nature are not readily accepted, the ultimate goals can be reached through hybrid or “new cloth” answers. Even a partial win is better than nothing gained.

Increased donor awareness of the different levels of recipients of technical assistance is needed and a higher level technical assistance anticipated.

Donor agencies tend to focus on quantifiable results that reflect individual events and individual accomplishments rather than less quantifiable but nonetheless valuable, broader-based goals and objectives. Institutional change and development may be more difficult to measure but the benefits can be significant and very important to long range, broad scale project success. Croatia is not a Third World or developing country; rather, it is a country in *transition* and a more sophisticated approach may be required to achieve the long-term reforms that are needed. For example to encourage the growth of an efficient judiciary, in addition to training programs on effective case handling and disposition, the overall management of the courts must be improved.

Court presidents are not necessarily well-trained court managers and yet court presidents are the chief administrative officers of the individual courts. Management training for court presidents and for senior court staff (Clerks of Court, Court Secretaries, the Senior Advisors, and the presidents of registry offices) is needed to improve the long-term prospects for the Croatian judicial system. Court presidents need to be instructed as effective court managers who can lead, motivate, monitor, innovate, and discipline in a positive fashion, and who can develop a court wide agenda for improvement.

Modern management principles should be taught not only to court presidents and senior court officials but also to mid-level managers who can either help a program to succeed or thwart the efforts made by senior managers if day-to-day cooperation is not present. Personnel management as a specialty within the broader field of management needs to be taught to Croatian managers at every level. If attractively presented and packaged and properly instructed, organizational development and management principles can be taught to Croatian court managers (including court presidents). The expectation is that the courts will become more client oriented, more sensitive to the public's expectations, and more attuned to resource constraints.

Basic management principles need to be taught and more technical assistance focused on developing institutional capacities.

In earlier technical assistance to the former communist countries, donors and implementers determined that basic Western concepts (e.g. increased productivity is desirable because it increases profitability) on how a market economy functions and the role of individuals in that economy were not understood nor were accepted norms. Likewise, certain basic management concepts for technologically dependent systems and procedures were not familiar or recognized to be different from those of general management principles. Management tools of both types are directly related to the counterparts' ability to continue the practices and procedures required to ensure the sustainability of results and successes of technical assistance.

It is the nature of government institutions in the Balkans to preserve even still the traditional socialist style of operation. Bureaucratic constraints and procedures can handicap agencies like the Land Registry, which are critical in supporting the developing economy. There is a need for the Government of Croatia—along with governments in other Balkan countries—to make progress towards reinventing government operations by conducting honest assessments of mandates and to re-orient their operations towards client needs. Consideration of different organizations like special operating agencies may be appropriate for service critical offices like the Land Registry.

The effectiveness of technical assistance is directly dependent on the nature of the management practices in place in an organization. Without proper management structures and procedures, the introduction of new processes and technology can be diminished by as much as 60% to 80%. Prior to intensive technical assistance—whether for re-engineering current activities or for the introduction more modern systems—it is necessary to assess carefully management capabilities and to attempt to establish the appropriate management practices that will effectively support the technical assistance. Management capabilities and practices also impact on the soft side of the organization, which involves the readiness of the human resources to accept and support the

technical assistance. These two fundamental factors must be factored and addressed early during the technical assistance otherwise the chance of success will be reduced.

V. RECOMMENDATIONS FOR ADDITIONAL TECHNICAL ASSISTANCE

A. LAND REGISTRY MODERNIZATION

Accelerate procedures to achieve conformance to Law on Land Registration and the Law on State Survey and Real Estate Cadastre.

The existing Law on Land Registration and Law on State Survey and Real Estate Cadastre make provision for the standardization of the General Register and for the integration of the Land Registry and the Cadastre. The LRO and the Cadastre are not presently operating in full conformance with these laws after four years. This is working to the detriment of establishing a more efficient Land Registry.

An assessment of Land Registry legal and process deficiencies has been completed and now for the follow on project a definitive action plan for legal conformance should be developed and implemented.

Continue with the reduction of the backlog of registration requests by employing simplified processes and forms and allocating land registry staff to these tasks.

Presently there remains approximately 100,000 request files backlogged in various process stages in the Zagreb LRO. It will be necessary to continue an aggressive program to reduce this backlog. The existing rigorous procedures for resolving these requests must be streamlined through improved processes, documentation and approval efficiencies. The existing procedures and resources applied by the BAH Team to the backlog challenge must be advanced to achieve complete backlog elimination within a reasonable time frame.

Develop modifications to existing registration system to accommodate a parcel-based General Register more compatible with the Cadastre.

Despite the existence of a relatively complete Cadastre, the General Register uses a separate registry record number (RRN) to index registered properties. This system allows the grouping of more than one parcel and the respective rights for more than one parcel, or portions of parcels, under the same RNN. This General Register structure is provided for in the Law on Land Registration unfortunately causing difficulty in accessing the rights that pertain to one parcel as defined in the cadastre. Modifications to the existing General Register procedures and Ministry of Justice software must be developed to allow its evolution to a more parcel-based-like structure.

Investigate and develop a parcel identification system and standards in cooperation with State Geodetic Agency and Ministry of Justice.

Although a system of property identification is in place for surface properties it is neither suitable nor sufficiently complete to support the computerization or the concise and unique identification of all properties including strata parcels. These parcel identification standards must be developed and perfected with all Croatian Stakeholders in order to support the effective identification of all properties to be registered and subsequently support the development of parcel-based multipurpose land information system.

Explore option for LRO to operate similarly to a business self-sustaining cost center.

The Zagreb Land Registry Office provides a critical service in direct support of the land market and in turn economic development. The existing operation is constrained by bureaucratic rules and procedures that adversely effect operational efficiencies, client service and system modernization. The introduction of more business-like methods of operation and perhaps the establishment of a special operation agency status may be appropriate. These options need to be explored in follow-on activities.

Aggressively promote the move away from a rigorous resolution-oriented system to a document examination-oriented system using simplified and standardized registration documents.

Presently the LRO operates much like a court with detailed resolutions prepared for decisions on registration requests. This procedure is considered unorthodox and unnecessary for a modern land registration system. Using simplified registration documents and an approval/registration stamp approach the whole process of creating a detailed resolution could be eliminated in favor of a simplified approval procedure accomplishing the same result. This process must be fully explored and an implementation procedure developed as soon as possible within existing legal provisions or, if necessary, with support of the appropriate changes to the law.

Assist with the preparation of a modernization plan for the LRO in cooperation with the MOJ.

With modernization activities taking place on a number of fronts in the LRO and similar activities taking place within the MOJ as well it is necessary to prepare a detailed modernization implementation plan that will incorporate all of these actions. This plan will build on the MOJ Five Year EDP plan and include the operational implementation actions that are necessary with specific dates and responsibilities.

Investigate and recommend methods to streamline the MOJ registration software.

Although the MOJ has developed a modern software database application, which will serve as the Electronic Land Register (EDP-LR), the software is overly complex and needs some simplification. In addition it should be adapted cadastre integration and to accommodate a more parcel-based registry structure. Technical assistance is important in this area to ensure that the most cost effective technology environment is established.

Develop methods to provide immediate access to cadastre records and begin the LRO-Cadastre Office reconciliation process as soon as possible.

The LRO, for most of the registered properties, does not refer to the current official parcel numbers maintained by the Cadastre Office. One of the reasons for this is the difficulty of access to cadastre records and cadastral maps by LRO staff. In addition a reconciliation of the registered parcel definition (parcel number or description) to that recorded in the Cadastre Office must be undertaken. Either immediate electronic access must be provided to cadastre records or current hard copy maps produced for reference by the LRO. Foreign technical assistance would be very beneficial to expedite the process of reconciliation between the LRO and the Cadastre. Some bureaucratic barriers can be avoided and assistance with technical procedures can be provided which will accelerate the overall reconciliation process.

Develop a strategy and accelerated legal procedure for the initial registration of possessory ownership rights maintained by the Cadastre Office.

The Cadastre Office maintains possessory ownership information for the majority of properties in Zagreb. This information provides the basic ownership evidence for initial registration of a property in the Land Registry. Since only approximately one third of the properties in Zagreb are registered there is an immediate need to develop an accelerated legal procedure to initially register these possessory owners.

Develop the procedure for the transfer of alpha-numeric data from the cadastre information system for use with the Land Registry system.

This data maintained by the Cadastre Office and resides in a database format. With some minor manipulation it can be transported over to the MOJ EDP-LRO database structure. This information can then be used to aid in the LRO-Cadastre reconciliation process and to provide the initial ownership evidence data for first registration of approximately 200,000 properties.

Ensure that cost effective methods are used for parcel mapping, initial registration, and reconciliation of the Cadastre with LRO.

The existing pilot projects for land registration reform and cadastral renovation and reconciliation have employed rigorous and detailed procedures. Although the results achieved were good, the cost and time to achieve the results is excessive. Applying accepted risk management and more effective technical procedures for land definition and adjudication the per parcel costs for the reform and reconciliation can be substantially reduced. It is necessary to develop these methods and document the process to provide guidance and standardization not only for Zagreb but also for other municipalities in Croatia.

Undertake a cost-benefit assessment of a document imaging system.

The proposal for the EDP-LRO is to provide online access to registry records. The main General Register will be accessible since it will have the necessary interface for Internet access. The General Register however is an index of property rights and contains only an abstract of the

rights that affect a property. For complete information concerning these rights it is necessary to reference the collection of documents. These are the files of the actual documents supporting a particular transaction. Online access to these documents is impossible at the present time. Modern registries are imaging these types of documents for improved access through electronic medium. It is proposed to simplify and reduce the amount of documents and forms necessary to execute a transaction in the Zagreb land registry. This will lend itself to the more cost effective imaging of the documents eventually. A cost-benefit study should be conducted however to provide the justification for such an investment in technology and data conversion before final decisions are made on acquiring an imaging system.

Develop a data conversion strategy for Land Books to incorporate systematic and sporadic methodologies of data capture.

The Land Books in the Zagreb Land Registry are the main indexes for the recording of registered rights. For the automation of these Books only the active rights will be converted and entered into the database. The entries in the Books often contained detailed text descriptions and the parcel rights are somewhat difficult to identify at times. Methods and standards will need to be developed to undertake a program of systematic conversion of the entries in the Books and sporadically to enter the information referred to during resolution writing and extract production.

Assist with the development of the migration strategy to transfer the Book of Deposited Contracts data to the new EDP-Land Registry system.

Options for the transfer and migration of the apartments registration information (Book of Deposited Contracts) to the new EDP-LR will have to be investigated and tested. The Law on Land Registration calls for one common General Register and the BDC register does not conform to the legal provisions in the law nor to acceptable technological standards. A translation software will have to be developed to undertake the conversion and a well monitored training program and transition period carried out to reorient the staff in the LRO to use the new software which they are strongly opposed to at the present time.

Assist LRO management to implement modern team management and human resource management practices.

The institutional, management, and organizational weaknesses inherent in the LRO are a major barrier to modernization at the present time. Continued efforts will be required to work with and advise management in the LRO to implement new more effective work programs and human resources support procedures and policies in order to properly prepare the LRO for transition and to establish an efficient service oriented registration office. Training, mentoring, and assistance will be necessary on an ongoing basis to achieve these critical organizational improvements.

Submit proposal for changes to Laws, Rules, Regulations, etc., for improving the effectiveness of the Land Registration System.

There is a need for the LRO to move quickly toward conformance to the existing Law on Land Registration and the Law on State Survey and Real Estate Cadastre. Secondly, modifications are

necessary to the Book of Rules for conducting land registry procedures since the introduction of computerization will introduce new requirements. Lastly there are provisions in the new laws that require revision or elimination as they create barriers to the operation of an effective land registry. Simplification and standardization will have to govern the operation of the new LRO and the laws must support this principle. Those impediments that have been identified in previous technical assistance activities will have to be formally documented and a procedure to undertake legislative amendment pursued.

Continue to support and assist with working groups from LRO, Chamber of Notaries & Bar Association to address and resolve LRO matters for system improvements.

Numerous operational, legal procedure, and legal documentation issues exist in the present LRO. Under this task a working group was established with senior representatives of the LRO, Bar Association and the Chamber of Notaries to address these issues. It will be essential to ensure that this process continues and that the proper assistance is provided to facilitate working group meetings, to make certain that a constructive focus is maintained and to see that the decisions of the working group are applied to procedural changes, documentation, and policy.

Develop a Land Registration System operational manual to include both legal and technical requirements as well as cadastre operations and procedures.

A compilation of the current laws, ordinances and rules are necessary as a day-to-day reference manual for LRO staff. In addition to these documents a number of policies, procedures and other training materials are in preparation on an ongoing basis. This information needs to be assembled and included in an operational/training manual that becomes a live document to be maintained up-to-date for use by LRO personnel. It is recommended that a management manual also be prepared to guide senior staff and Judges in the modernization of the organization and to assist in the better care and feeding of human resources.

Improve the knowledge of LRO users about the land registration system and registering ownership rights through targeted training and seminars and in conjunction with public information.

The two main groups of users of the land registration system—legal professionals and the general public—need additional education about the system in general, the importance of registering land, and the process through which registration requests are resolved. Junior members of the legal and paralegal communities (attorneys and public notaries) and those who have not had much contact with land registration matters tend not only to not know the correct procedures or documentation but also have difficulty in preparing documents based on proper legal foundations. In addition, giving the public enough *prior* information and guidance so that they arrive at the LRO with completed proposals and documentation, should decrease the number of resolutions requiring additional information. The MOJ, non-governmental organizations, and self-governing organizations could be approached about organizing continuing education programs.

Produce additional public information tools on the land registration system and documentation in order to improve the quality of the general public's involvement.

The two brochures (**Appendix 12**) that described the list of required documentation for both apartment and land rights registration requests proved to be useful tools for the public and the legal and paralegal communities. Additional information on the land registration system, an overview of the LRO, the content of certain types of documentation, and the land registration procedures that must be followed would improve the knowledge of people who are not able to afford the services of attorneys. The same information would also be useful the legal community.

RECOMMENDATIONS FOR WORK WITHIN THE REGION

Develop guidelines for land registration and cadastre law and regulations to ensure the development of effective land registration systems in the Balkans.

Framework legal provisions need to be documented to guide in the preparation and revision of the law for land registration and cadastre in the Balkan Region. These provisions would incorporate the fundamental jurisdictional-independent principles of land registration and cadastre systems that are accepted internationally as sound elements necessary to operate these systems effectively while accommodating local requirements.

Develop operational system standards to serve as guidelines for land registration system modernization in the Balkans.

There is a need to document system standards for land registration in the Balkans. These standards would deal with the principles of operation, documentation, property identification, and any other activities involved in the setting up and operation of modern land registries in the Balkans.

Prepare a generic physical model for a typical integrated land registration-cadastre system to be used for software application development in the Balkans.

The trend in the Balkans in land registration system automation is to perpetuate old paper systems and to retrofit new technology to outmoded laws as opposed to following a re-engineered approach to software application design and development. As a means to assist other Balkan jurisdictions in avoiding these pit falls it is recommended that a generic physical system model be developed to serve as a guide for future software development in the region for land registry and cadastre modernization.

Develop business models and commercialization framework models for land registration implementation and operation to serve as an alternative funding mechanism for land registration system modernization in the Balkans.

The challenge in implementing modern registries is the effort required to convert existing data to a new system and to render these systems and their supporting organizations responsive to the

demands of clients and the land market as a whole. Traditional bureaucratic institutions in the region are limited with the level of funding that can be raised to implement modern systems but perhaps more seriously are limited and burdened with unwieldy organizations that cannot respond to current service demands. More business-like models of operating land registration systems have proven very successful in other international jurisdictions. It is recommended that forms of business models, special operational models or commercial framework models be explored and investigated as an alternative to existing government organizations that could more effectively operate new land registration systems in the Balkans.

B. COLLATERAL REGISTRY

Conduct study of financing alternatives.

While donor funding appears to be a possible source of funds to establish the registry, the costs of running the registry should be understood on a conceptual and specific level. Concepts of registry costs were introduced at the Collateral Registry Conference in October 2000. A specific and projected costs and revenue study will assist the Ministry of Justice and stakeholders to establish a sustainable registry with broader support by its users.

Amend laws and regulations.

The Croatian laws need to be supplemented to authorize and define registry operations for pledges on non-possessory pledges on movable property. Further, current laws need to be amended to correct inconsistencies and ambiguities relating to creditor's and debtor's rights and obligations and the scope of properties subject to pledges of this nature. As in other areas of Croatian law, the actual practices of the court and public are different than the written law. As such, regulations, and amendments (in the form of consolidation and harmonization) to the laws need to be enacted to clarify and direct the courts, public and other government entities to insure in the steps that are available. This is especially the case in the enforcement of creditor rights to seize and sell the property subject to a pledge; the eviction of possessory of property after such sale; and re-sale of the property after the seizure.

Develop cooperation between donor agencies.

The MOJ has notified the Project of the Croatian government's approval of entering into an agreement with the Norwegian Registry Service and the Norwegian government. In prior conversations, Norwegian Registry Services' representatives have advised the Project that they wish to coordinate its activities with USAID and other donor agencies. Additionally, the Project has been contacted by European Bank for Reconstruction and Development (EBRD) about the current efforts to establish a registry in Croatia. The EBRD has been actively involved in this area for many years in the region and more immediately is working in Serbia. The MOJ also wishes that USAID continue its efforts in this area. The Project recommends that USAID take a pro-active interest in coordinating efforts in the collateral registry area with the Norwegians, EBRD and other donor agencies.

RECOMMENDATION FOR WORK WITHIN THE REGION

Develop a regional approach to secured transaction laws and registries in the Balkans: many countries and donor agencies have expressed a need to approach the economic problems experienced by countries in the Balkans on a regional basis. A regional approach does not mean the enactment of “cookie-cutter” laws or identical registry operations. However, donor agencies should recognize the need to promote consistent views relative to transparency, public access rights, enforcement and accountability. This is particularly important for creditors who are willing to use movable property as security for loans. Movable property by its nature is more likely to cross borders between countries making enforcement (i.e. seizure and sale) more difficult for the creditor.

C. COMPANY REGISTRY

Develop a map or detailed diagram of the Zagreb Commercial Court basement file area with an indication where types of records are stored. The map/diagram will be a starting point for reorganizing the records and designing a more efficient file storage and access system. Obtain a breakdown of a company registry file to determine what documents or usually in the company registry file and how a file is organized. Study how registry files grow over time as documents are added, e.g., annual financial reports, change in directors. Projection of future file storage needs can be based on a growth pattern of existing files. Propose an inventory of the company registry files including all files being retained in judges’ offices.

Develop a list of different types of registry files for inclusion in a reorganization plan. More information will be needed on the present storage scheme and the breakdown of different kinds of company records. Identify those files that can be moved to another site for long-term or archival storage. Develop an estimate of that would be involved in a move of the company registry. Two options should be explored: a partial move of selected files based on the types of records and the frequency of accession and a total move of the company registry operation from the courthouse. Investigate the mold/mildew problem and research affordable ways to minimize the damage being caused to files.

Investigate the option of relocating the entire company registry operation to another location. Develop a cost estimate for a registry relocation. An alternative cost estimate should be developed for a partial move of selected company records to create additional storage space at the court for current records.

Study the current electronic data entry system. Document what information is available and how it is accessed and used. Suggest the formation of a small working group to advise on the expansion and enhancement of the current automation system. Determine how often registry records are accessed. Document which kinds of files are regularly accessed and which files are rarely accessed. Check to see if a file check-out system for the removal of files is being consistently used in the company registry. If a system is being used test its usefulness and accuracy. Propose a check-out system if none is being used consistently.

Review any manuals and written guidelines for staff to use in registry work, particularly for file management and tracking. Develop a procedures manual if one does not exist. Set forth the procedures that should be followed in processing all records requests.

Determine what statistics are available and review the statistics on registry activity at the Commercial Court: how many weekly/monthly new applications for registering a new company; how many applications are rejected by the court are returned for additional information; what is the average length of time the court takes to review a company application; what is the numerical breakdown of the number of registry files by year and by other distinguishing categories.

D. COMMERCIAL COURTS

Partnering—Communications—Public Relations.

The High Commercial Court has created a Commercial Court Advisory Council to work with project staff in formulating and implementing practical programs to benefit the Commercial Courts. The Council needs to be adequately supported. Regular meetings every six to eight weeks should be convened so that interest and momentum are maintained. A three-year project plan should be developed so that there is a shared vision for development with set priorities and clearly identified goals over the course of the project.

Communications need to be enhanced in several ways. Assessment reports should be widely shared with the project participants who will be affected by project activity. Assessment reports should be shared with participants in draft form and comments about the analysis and recommendations in the report should be solicited and considered before the final report is produced. The final report also should be a transparent document. Local “buy-in” and cooperation will be greatly increased if implementing counterparts are notified about project goals and potential involvement. USAID and the MOJ also need to continue their efforts to coordinate activities among various donor groups and share information about related efforts by regularly convening meetings with representatives from respective donor agencies.

Public relations and improved media relations are two related areas where concentrated effort is needed to improve the public image of the courts and to improve the accuracy of reporting on court activities, problems faced by the courts, and individual, high profile cases. Brochures and pamphlets about the organization and the function of the courts need to be developed and widely distributed for better public awareness about and appreciation for the work of the courts.

Automation and Technology.

In addition to the World Bank Bankruptcy Case Management Program to bring more automation to the Croatian courts, a separate but related automation program is needed to provide all Commercial Courts with Internet access, e-mail capability, and multi-media training capability. A pilot project is recommended to examine the potential benefits of other uses of technology in the courts. Placing recording equipment in selected courtrooms or hearing rooms to record trial proceedings would enable stenographers to produce a verbatim transcript of the record for review on appeal.

Training and Continuing Education.

Continuing education programs for judges and court staff are widely desired. Specific training courses are needed in a number of areas for the effective operation of the courts:

- Case management techniques for both judges and staff ;
- National training program for all newly appointed judges;
- Structured new judge court specific orientation program;
- Course for all court presidents on organizational theory and development, personnel management, internal communication, and planning;
- Series of bankruptcy workshops for bankruptcy judges, trustees, and practitioners on concrete practices and techniques for moving and disposing of bankruptcy cases.

Judicial Training Institute.

USAID and the Ministry of Justice should discuss the creation of a separate entity or organization for the development of judicial training programs with a separate budget and a separate board of directors. Training is too important to be left to junior members of the Ministry and a very low budget priority. Judges should be appointed to the board of directors with limited representation from the Ministry.

RECOMMENDATION FOR WORK WITHIN THE REGION

Balkan Conference on Judicial Independence.

In conjunction with ABA-CEELI and the individual Ministries of Justice in each country a conference on the political implications of a fully independent judiciary should be explored. Judges, ministers of justice, and members of the legislature should be invited to attend and examine the issues involved in the judiciary being an equal branch of government. The difficult issue of removing the ministries of justice from administrative and financial control of the courts must be discussed. Direct contact between the judiciary and the legislature without intermediary filtering by the ministry of justice should be discussed. How to provide the courts with adequate resources and how to develop a separate independent administrative support structure from the ministry of justice needs to be a key topic on the program. Assuring that judges have an on-going judicial education program should be part of the program on strengthening the judiciary. Comparisons between and among the various countries in the Balkans should be made as well as with European Union standards for judicial independence and support for the judiciary. These comparisons are needed to break down the insularity that exists in several of the countries and the resigned acceptance of a limited form of judicial independence.

E. PUBLIC INFORMATION

In discussions with the business community, the Team learned that there was little input from domestic and foreign investors into legislation and policy affecting commercial and economic growth. The business community needs assistance in formulating a coherent voice on issues affecting them. In addition, an institutionalized, continuing dialogue between policy makers and the business community on targeted issues affecting commercial enterprises and investment opportunities is needed. With coordination and communication, these recommendations could strengthen and complement the activities of other offices.

VI. APPENDICES

- Appendix 1 – Detailed Description of Stated Objectives and Results
- Appendix 2 – Registries Modernization Report
- Appendix 3 – Judicial Administration Report/Commercial Courts Assessment
- Appendix 4 – Access to Legal Information and the Policy Process Report
- Appendix 5 – Report-Status of Technical Assistance and Proposed Modernization Strategy,
Zagreb LRO
- Appendix 6 – Proposed Backlog Workflow LRO
- Appendix 7 – Proposed Seminar Program for Junior Clerks
- Appendix 8 – Rules of Procedure for Court Employees and Clerks
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- Appendix 18 – CD Collateral Registry Conference
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the Chamber of Representatives of the Republic of Croatia
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