

Document of  
The World Bank

Report No: ICR00003369

IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(IBRD-80680, IDA-42090, IDA-49610, TF-56731)

ON A

CREDIT

IN THE AMOUNT OF SDR 14.8 Million  
(US\$ 21.6 MILLION EQUIVALENT)

AND AN ADDITIONAL FINANCING CREDIT

IN THE AMOUNT OF SDR 5.8 MILLION  
(US\$ 9.2 MILLION EQUIVALENT)

AND AN ADDITIONAL FINANCING LOAN

IN THE AMOUNT OF US\$ 24.2 MILLION

TO THE

REPUBLIC OF AZERBAIJAN

FOR A

JUDICIAL MODERNIZATION PROJECT

September 30, 2015

Europe and Central Asia  
Governance Global Practice

## CURRENCY EQUIVALENTS

(Exchange Rate Effective March 28, 2006)

Currency Unit	=	SDR
SDR 1.00	=	US\$ 1.46
US\$ 1.00	=	SDR 0.68
US\$ 1	=	AZN 0.90

(Exchange Rate Effective December 31, 2014)

Currency Unit	=	SDR
SDR 1.00	=	US\$ 1.45
US\$ 1.00	=	SDR 0.69
US\$ 1	=	AZN 1.27

### FISCAL YEAR

1 July – 30 June

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing	M&E	Monitoring and Evaluation
BEEPS	Business Environment and Enterprise Performance Survey	MOF	Ministry of Finance
BER	Bid Evaluation Report	MOJ	Ministry of Justice
CAS	Country Assistance Strategy	MS	Moderately Satisfactory
CMS	Case Management System	MTR	Mid-Term Review
CPF	Country Partnership Framework	MU	Moderately Unsatisfactory
CPS	Country Partnership Strategy	NGO	Non-Governmental Organization
CSO	Civil Society Organization	OSCE	Organization for Security and Co-operation in Europe
DMS	Document Management System	PAD	Project Appraisal Document
EA	Environmental Assessment	PCN	Project Concept Note
EC	European Commission	PDO	Project Development Objective
EMP	Environmental Management Plan	PHRD	Policy and Human Resource Development (Japanese Trust Fund)
EU	European Union	PIU	Project Implementation Unit
FA	Financing Agreement	PP	Procurement Plan
FGD	Focus Group Discussions	PRAMS	Procurement Risk Assessment & Management System
GDP	Gross Domestic Product	PRIMA	Portfolio Risk Management System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	QAG	Quality Assurance Group
GOA	Government of Azerbaijan	RAP	Resettlement Action Plan
IBRD	International Bank for Reconstruction and Development	RPF	Resettlement Policy Framework
ICT	Information and Communication Technology	S	Satisfactory
IDA	International Development Association	TA	Technical Assistance
IDP	Internally Displaced Persons	TTL	Task Team Leader
IOC	Incremental Operating Costs	U	Unsatisfactory
JMT	Judicial Modernization Team	USAID	US Agency for International Development
JSSIP	Judicial Services and Smart Infrastructure Project		

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ICR Team Leader: Lubomira Zimanova Beardsley

**REPUBLIC OF AZERBAIJAN**  
**Judicial Modernization Project**

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<b>A. Basic Information</b>			
Country:	Azerbaijan	Project Name:	Judicial Modernization Project
Project ID:	P099201	L/C/TF Number(s):	IBRD-80680,IDA-42090,IDA-49610,TF-56731
ICR Date:	09/30/2015	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	REPUBLIC OF AZERBAIJAN
Original Total Commitment:	USD 21.60M	Disbursed Amount:	USD 56.10M
Revised Amount:	USD 55.00M		
<b>Environmental Category: B</b>			
<b>Implementing Agencies:</b> Ministry of Justice			
<b>Cofinanciers and Other External Partners:</b>			

<b>B. Key Dates</b>				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	01/30/2006	Effectiveness:	12/29/2006	12/29/2006
Appraisal:		Restructuring(s):		05/09/2011 06/21/2013
Approval:	06/29/2006	Mid-term Review:	11/01/2011	10/18/2011
		Closing:	12/31/2011	12/31/2014

<b>C. Ratings Summary</b>	
<b>C.1 Performance Rating by ICR</b>	
Outcomes:	Unsatisfactory
Risk to Development Outcome:	Low or Negligible
Bank Performance:	Moderately Unsatisfactory
Borrower Performance:	Moderately Satisfactory

<b>C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)</b>			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
<b>Overall Bank Performance:</b>	Moderately Unsatisfactory	<b>Overall Borrower Performance:</b>	Moderately Satisfactory

<b>C.3 Quality at Entry and Implementation Performance Indicators</b>			
<b>Implementation Performance</b>	<b>Indicators</b>	<b>QAG Assessments (if any)</b>	<b>Rating</b>
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

<b>D. Sector and Theme Codes</b>		
	<b>Original</b>	<b>Actual</b>
<b>Sector Code (as % of total Bank financing)</b>		
Law and justice	100	100
<b>Theme Code (as % of total Bank financing)</b>		
Access to law and justice	25	25
Judicial and other dispute resolution mechanisms	50	50
Legal services	25	25

<b>E. Bank Staff</b>		
<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Laura Tuck	Shigeo Katsu
Country Director:	Henry G. R. Kerali	D-M Dowsett-Coirolo
Practice Manager/Manager:	Adrian Fozzard	Deborah L. Wetzel
Project Team Leader:	K. Migara O. De Silva	Waleed Haider Malik
ICR Team Leader:	Lubomira Zimanova Beardsley	
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## **F. Results Framework Analysis**

### **Project Development Objectives (from Project Appraisal Document)**

From Project Appraisal Document: to assist the Azerbaijan authorities in developing, and implementing the initial phases of a long-term judicial system modernization program by building capacity to achieve incremental improvements in efficiency, citizen information, and its ability to handle future demand.

From the Financing Agreement: to develop capacity of the Recipient's judicial system to achieve incremental improvements in efficiency, citizen information and its ability to handle future demands.

The PDO in the original Financing Agreement 2006 was 'to develop capacity of the Recipient's judicial system to achieve incremental improvements in efficiency, citizen information and its ability to handle future demands.'

**Revised Project Development Objectives (as approved by original approving authority)**

The PDO remained for the duration of the project.

**(a) PDO Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1 :</b>	Increased efficiency of court operations			
Value quantitative or Qualitative)	Lower than 100% clearance rate for civil cases at first instance courts	n/a	10% increase	100%
Date achieved	05/09/2011	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	No achievements			
<b>Indicator 2 :</b>	Professional staff enhancement			
Value quantitative or Qualitative)	Less than 5% of staff has access to integrated information systems	At least 50% of professional staff accessing and using IT-based resource management system (RMS)	n/a	n/a
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	Dropped at 2011 restructuring			
<b>Indicator 3 :</b>	Improved judicial training to raise level of professional performance			
Value quantitative or Qualitative)	Insufficient formalized training	At least 80% receive training	n/a	Partially achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	Only IT training and no substantive training was provided; no formalized training available.			
<b>Indicator 4 :</b>	Enhanced public access to legal and judicial information			

Value quantitative or Qualitative)	No regional legal center functioning	At least 3 regional centers	n/a	Not achieved
Date achieved	06/06/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	2 regional centers in Baku and Guba cities operated between 2011 and 2013			
<b>Indicator 5 :</b>	Increased user confidence			
Value quantitative or Qualitative)	Insufficient physical infrastructure	At least 17 courts constructed, 4 courts rehabilitated	11 courts constructed	Achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	By March 2015 all courts constructed were functional.			
<b>Indicator 6 :</b>	Increased number of judges, all selected using new more objective selection procedures			
Value quantitative or Qualitative)	No new judges selected using new procedures		At least 75% of new judges selected using new procedures (in the first instance court)	81%
Date achieved	06/05/2006		05/09/2011	12/31/2014
Comments (incl. % achievement)	At restructuring in 2011, 50% of first instance court judges had already been selected using the new procedures.			

**(b) Intermediate Outcome Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1 :</b>	Increased number of professional staff accessing and using IT-based resource management system (RMS)			
Value (quantitative or Qualitative)	Less than 5%	At least 50%	n/a	Currently 100% of MOJ professional staff in the Financial and Procurement Departments use IT-based systems for resource management.
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments	Not achieved, the planned RMS has never been introduced.			



(incl. % achievement)				
<b>Indicator 2 :</b>	Number of judges selected using new evaluation procedures			
Value (quantitative or Qualitative)	None	At least 150		n/a
Date achieved	06/05/2006	10/03/2006		12/31/2014
Comments (incl. % achievement)	Dropped at 2011 restructuring			
<b>Indicator 3 :</b>	Number of JLC officials and other public institutions utilizing info network			
Value (quantitative or Qualitative)	No network utilized	100%	n/a	Partially achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	According to the MOJ Notary Department an internal depository of select information was created and is operational for notaries. Other institutions, including the JLC, don't use info networks.			
<b>Indicator 4 :</b>	At least 20% reduction in time of court decision enforcement with organizational streamlining and automation in Baku			
Value (quantitative or Qualitative)	90 days for enforcing court decisions regarding contract enforcement in Azerbaijan	At least 20% reduction	n/a	Not achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	No change in days.			
<b>Indicator 5 :</b>	Increased percentage of judges and staff trained in modern methods and tools in new facilities			
Value (quantitative or Qualitative)	None	80%	n/a	Partially achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	Revised at 2011 restructuring			
<b>Indicator 6 :</b>	Development of an integrated ICT plan and other technical equipment for courts constructed and rehabilitated in selected locations.			
Value (quantitative or Qualitative)	No plan	70%	No target.	Non-evaluable.
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 7 :</b>	At least 20% improvement in overall satisfaction with judicial services in two or more pilot location			

Value (quantitative or Qualitative)	64% of users perceive the court as inadequate	20% improvement	n/a	Non-evaluable
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	The actual baseline (user survey) was established only by the end of 2010.			
<b>Indicator 8 :</b>	Information strategy developed and at least three citizen legal information centers functioning.			
Value (quantitative or Qualitative)	No regional centers	At least 3 regional centers functioning	n/a	Not achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	2 regional centers in Baku and Guba cities operated between 2011 and 2013.			
<b>Indicator 9 :</b>	New organization and automated functioning of notaries and registries adopted at central and regional level.			
Value (quantitative or Qualitative)	None	All	n/a	Non-evaluable
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	See also section 3.6 of the main report.			
<b>Indicator 10 :</b>	At least 60% of users surveyed recognize improved capacity and computerization of registries of legal entities and notaries			
Value (quantitative or Qualitative)	No baseline	60%	n/a	Non-evaluable
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 11 :</b>	Number of experts engaged to scale up coordination capacity and deployed for knowledge transfer			
Value (quantitative or Qualitative)	None	17	n/a	n/a
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)	Dropped at 2011 restructuring.			
<b>Indicator 12 :</b>	Strategic infrastructure investment plan for mid- and long-term developed			
Value (quantitative or Qualitative)	No plan	Plan developed	n/a	Not achieved.
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014

Comments (incl. % achievement)	No plan developed.			
<b>Indicator 13 :</b>	11 courts constructed per modernization concepts			
Value (quantitative or Qualitative)	No courts constructed/rehabilitated	17 courts constructed and 4 courts rehabilitated	11 courts constructed	Achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 14 :</b>	Comprehensive training program established and operating			
Value (quantitative or Qualitative)	Ad hoc programs	80%	Comprehensive training program established and operating	Not achieved
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 15 :</b>	Number of twinning partners			
Value (quantitative or Qualitative)	0	TBD	5	0
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 16 :</b>	At least 80% of new and current judges receive systematically organized professional training courses			
Value (quantitative or Qualitative)	0	80%	n/a	0
Date achieved	06/05/2006	10/03/2006	05/09/2011	12/31/2014
Comments (incl. % achievement)				
<b>Indicator 17 :</b>	Court performance measurement and management framework developed and functioning			
Value (quantitative or Qualitative)	0		Program developed	No program developed
Date achieved	06/05/2006		05/09/2011	12/31/2014
Comments (incl. % achievement)				

<b>Indicator 18 :</b>	Policy dialogue on empirically assessed impediments of access to justice ongoing			
Value (quantitative or Qualitative)	0		4 dissemination and knowledge sharing workshops	1
Date achieved	06/05/2006		05/09/2011	12/31/2014
Comments (incl. % achievement)	Partially achieved.			

### G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	10/16/2006	Satisfactory	Satisfactory	0.00
2	12/27/2007	Unsatisfactory	Unsatisfactory	2.00
3	12/19/2008	Moderately Unsatisfactory	Moderately Unsatisfactory	2.42
4	06/29/2009	Moderately Satisfactory	Moderately Satisfactory	2.42
5	03/31/2010	Moderately Satisfactory	Moderately Satisfactory	4.66
6	10/25/2010	Moderately Satisfactory	Moderately Satisfactory	8.47
7	05/28/2011	Moderately Satisfactory	Moderately Satisfactory	18.83
8	07/05/2011	Satisfactory	Moderately Satisfactory	20.63
9	01/21/2012	Satisfactory	Moderately Satisfactory	23.10
10	11/12/2012	Moderately Satisfactory	Moderately Satisfactory	27.11
11	06/23/2013	Moderately Satisfactory	Moderately Satisfactory	37.45
12	02/04/2014	Satisfactory	Satisfactory	45.17
13	09/29/2014	Satisfactory	Satisfactory	54.93

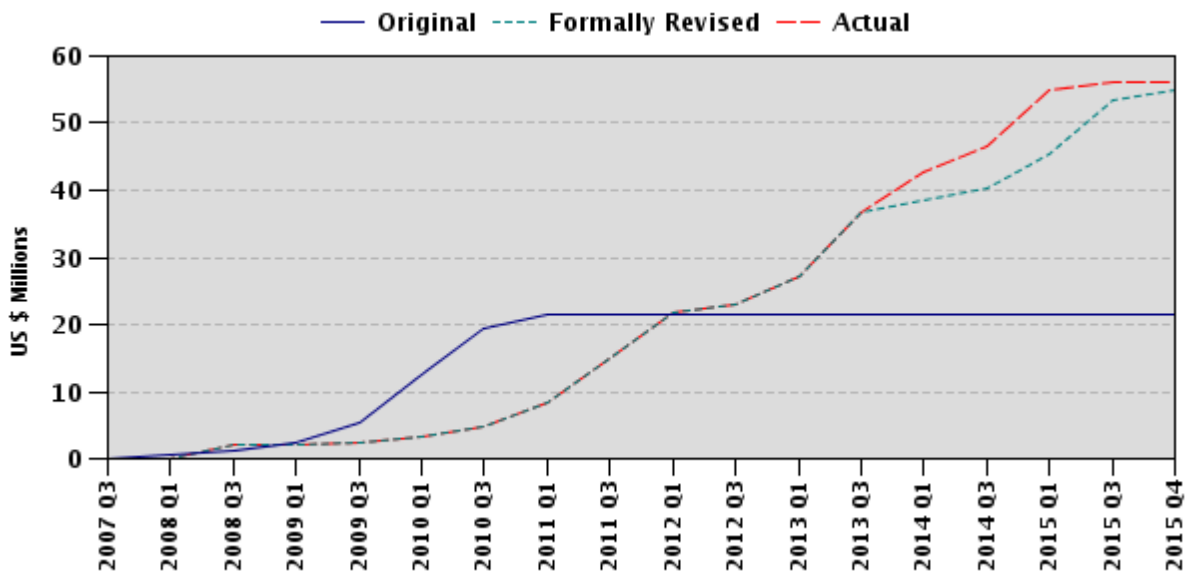
### H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
05/09/2011	N	MS	MS	16.90	i) change to one of the Intermediate Outcome Indicators as a result of the reduced overall number of courts built under the Project;

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					ii) inclusion of additional technical assistance (TA) activities in order to ensure achievement of the Project Development Objective.
06/21/2013	N	MS	MS	37.45	The objective of this restructuring is to address safeguard and fiduciary issues identified by the Bank and the client, and thereby strengthen and streamline the implementation of the Judicial Modernization Project (JMP). The restructuring entails five measures to address these issues and strengthen implementation: (a) triggering a new safeguard (OP 4.11 Physical Cultural Resources) as civil works are ongoing or envisioned for historical urban areas which may be subject to potential chance finds – the reason for going to the Board; (b) strengthening fiduciary and risk management; (c) reallocating credit and loan proceeds to address changes in the estimated costs of completion of activities; (d) amending the IBRD Loan Agreement to include incremental operating costs (IOC) as an eligible category of expenditure, and amending the definition of IOC to include "bank charges"; and (e) retroactive financing, in an amount not to exceed US\$861,123 from IBRD Loan 8068-AZ and US\$1,676,590 from IDA Credit 4961-AZ, for eligible expenditures incurred after January 1, 2011 but prior to the date of

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					countersignature of the Additional Financing Loan Agreement and FA.

### I. Disbursement Profile



## **1. Project Context, Development Objectives and Design**

### **1.1 Context at Appraisal**

#### *Country Context*

1. During the decade following its independence in 1991, Azerbaijan experienced a territorial dispute with Armenia, a drop in real GDP of approximately 60 percent and the strains associated with the transition to a market economy and democracy. From 2000 until project conception in 2006, Azerbaijan experienced double-digit growth averaging 11 percent, yet poverty incidence remained high and Azerbaijan remained one of seven low income countries in ECA. At project conception, Azerbaijan was set to experience a massive oil boom and economic expansion. The challenge was deploy increasing revenues to grow the non-oil sector and reduce poverty.

#### *Sector Context*

2. Soviet institutional and legal legacies and decades of underinvestment had taken their toll on the judicial system. Since 1995 Azerbaijan had implemented a series of legal and institutional reforms, yet, after a decade of reform, the Business Environment and Enterprise Performance Survey (BEEPS) 2005 and other data showed that the courts continued to constitute a significant obstacle to private sector development. The key challenges of the judicial system were identified as: (i) weak management capacity; (ii) insufficient human capital; (iii) inadequate working conditions mainly because of neglected court and office facilities; and (iv) lack of access to information by users of courts and legal professionals.

#### *Rationale for Bank Assistance*

3. Azerbaijan's State Program on Poverty Reduction and Economic Development 2003-2005 identified the increase in legal awareness and access to legal institutions by the poor and improved performance of justice institutions among the country's strategic objectives. It also included: observance of human rights, improvement of execution of court rulings and the independence of judges among its priorities. The 2005 Presidential Decree No. 352 on Modernization of Court System provided a long-term reform vision. Based on this vision, the Ministry of Justice (MOJ) prepared the outline of a medium and long-term (10 years) modernization plan which was estimated to cost approximately US\$ 60-70 million. In 2005 the MOJ requested World Bank support for implementing this plan. During the period of project preparation, the 2003-2006 Country Assistance Strategy (CAS) did not foresee Bank support to justice and rule of law. However, Bank support to justice and rule of law was foreseen in the 2007-2010 Country Partnership Strategy (CPS) and have featured in each CPS since.

### **1.2 Original Project Development Objectives (PDO) and Key Indicators**

4. The PDO in the original Financing Agreement 2006 was 'to develop capacity of the Recipient's judicial system to achieve incremental improvements in efficiency, citizen information and its ability to handle future demands.' The PAD provided a slightly different version of the PDO: 'to assist the Azerbaijan authorities in developing and implementing the initial phases of a long-term judicial system modernization program by

building capacity to achieve incremental improvements in efficiency, citizen information, and its ability to handle future demand'. This ICR relies on the authoritative PDO from the Financing Agreement (FA).

5. The key PDO outcome indicators were: (i) improved staff and professional performance; (ii) accessibility, adequacy, user confidence and ability to address increased future demand; (iii) improved availability of training; and (iv) public awareness, support and understanding of the program.

### **1.3 Revised PDO**

6. The PDO remained for the duration of the project. However, two project restructurings – a Level 2 restructuring in May 2011 and a Level 1 restructuring in June 2013 – led to significant corrective changes in the project's design (components and activities), under this PDO. Driven by the client's demands and priorities, the project's scope shifted towards more court infrastructure and away from human capacity building activities. Those changes are described in Section 1.5 and visualized in Annex 10, 11 and 12.
7. The 2011 restructuring was combined with Additional Financing (AF) and an extension of the project closing date. This first restructuring revised the project results framework indicators as follows: (i) increased efficiency in court operations (to focus attention on performance of courts instead of staff); (ii) improved judicial training to raise levels of professional performance (to measure training instead of performance of trainees); (iii) enhanced public access to legal and judicial information available (to shift attention on access to information by users of the legal system); (iv) user confidence (to focus attention on court users' experience and perception rather than legal understanding of the general population); and (v) increased number of judges selected using new selection procedures (to allow measuring of new selection procedures).
8. In addition, six intermediate indicators were amended and two new intermediate indicators were added. The most important modification (and the primary reason for the restructuring) was the reduction in the number of courts to be constructed and/or rehabilitated under the project, from 22 courts to 11. The two new indicators were: court performance measurement and management framework functional; and policy dialogue on impediments to access to justice ongoing. These were added to enable the project to set the stage for focusing on court performance and on access to justice. The stated overall purpose of the modification was to emphasize the incremental quality of the reforms supported by the project and to align the indicators with the new project design.

### **1.4 Main Beneficiaries**

9. The PAD (and the subsequent restructuring documentation) highlighted proposed benefits to the general population without further specifications. The original PAD refers at various stages to the courts (including the Supreme Court and the courts in the Nakchivan Autonomous Republic), judges, the MOJ, the Judicial Legal Council (JLC), the Judge Selection Committee, notaries, state registries, bailiffs and ushers, prosecutors, and the legal profession. Only Component 4 (Improving Citizen Information) specified the target groups, which were the urban and rural poor, internally displaced persons, women, minors, low income families, user groups, small businesses, community leaders, and farmers.



## 1.5 Original Components

10. The original project had four components:
11. **Component 1: *Strengthening the Management Capacity of Judicial Institutions*** (total US\$ 4.47 million, of which IDA: US\$ 2.47 million and PHRD: US\$ 1.00 million) The original activities included:
  - (i) Development and installation of an integrated system for management decision making and planned processes aimed at enhancing operational effectiveness;
  - (ii) Design and implementation of an information network between the JLC and other public institutions for promoting communication and coordination mechanisms;
  - (iii) Capacity building for the MOJ and JLC on court system modernization, including evaluation of judges; and
  - (iv) Capacity building for the Judicial Modernization Team (JMT) to implement the project, including planning and supporting of stakeholder participation.
12. **Component 2: *Upgrading Court Facilities*** (total US\$ 19.63 million, of which IDA: US\$ 11.3 million and PHRD: US\$ 1.00 million). The original activities included:
  - (i) Upgrade of courthouses in accordance with international standards. This was to be done through: development of a medium and long-term strategic infrastructure plan, carrying out of court renovation, rehabilitation and construction of selected courts, including provision of office equipment; and capacity building for supervision of rehabilitation and construction activities;
  - (ii) Upgrade of technologies for the courts. This was to be done through: design and preparation of an ICT Master Plan for courts (including the Supreme Court and the Constitutional Court); testing and implementation of automated case management systems; and provision of information, communication and technology and other equipment to the courts to be constructed and rehabilitated under subcomponent (i).
13. **Component 3: *Human Capital - Strengthening Professionalism of Judges and Staff*** (total US\$ 6.7 million, of which IDA: US\$ 4 million and PHRD: US\$ 0.5 million). The original activities included:
  - (i) Capacity building for training. This was to be done through: design and development of an organization and structure for the Judicial Academy; development of a faculty of permanent and part-time professors and formalization of twinning arrangements with international training institutions; development of training programs; design and provision of facilities for the Judicial Academy; and provision of ICT and other office equipment for the Judicial Academy;
  - (ii) Development of professional skills and capabilities of new and existing judges, court chairmen, deputy court chairmen, staff and legal professionals, through the provision of training;
  - (iii) Preparation and facilitation of annual judicial conferences in order to evaluate impacts, exchange views and share experiences for further learning.

14. **Component 4: *Improving Citizen Information, including strengthening of registries and notaries*** (total US\$ 4.4 million, of which IDA: US\$ 3.4 million and PHRD: US\$ 0.5million). The original activities included:

- (i) Identification of information needs of target groups; and development of pilot citizen information programs, including information campaigns to inform citizens about the modernization program of the judicial system and evaluation of pilot citizen information programs; and
- (ii) Upgrade of the registries' and notaries' functions. This was to be done through: review and computerization of information collections, cataloging and archival services of registries, including provision of information and communication technologies and office equipment, and review and update of the organization and functioning of notaries, computerization of the certification and information collection services, including provision of ICT and office equipment.

## 1.6 Revised Components

15. The 2011 restructuring added a fifth component (Project Management) and revised the original components as below. The 2013 restructuring changed the project components indirectly, through reallocation of credit and loan proceeds and activities. These changes are described in Section 1.7.

16. **Component 1: *Strengthening the Management Capacity of Judicial Institutions***. In the 2011 restructuring, the cost of the component increased from US\$ 2.47 million to US\$ 10.5 million. Two new activities were added and one was expanded. The new activities were: provision of ICT and other technical equipment to the JLC, pilot courts and other justice institutions for the creation of automated case and document management system and an information network; and capacity building for judges and staff through the provision of training on ICT systems. Activities under Section 1.5 para I. (iii) were expanded to include court performance management. The 2013 restructuring simplified the name of this component to Strengthening Management Capacity and adjusted the estimated cost to US\$ 10 million.

17. **Component 2: *Upgrading of Court Facilities and Technologies***. In the 2011 restructuring, the cost of this component was increased by nearly 300 percent from US\$ 11.3 million to US\$ 33.0 million. The development of an Infrastructure Plan was dropped. The 2013 restructuring changed the name of the component to Court Infrastructure and ICT and further increased the costs by additional US\$ 4 million to US\$ 37.02 million.

18. **Component 3: *Improving Quality of Operations of Judges, Staff and Other Legal Professionals***. In the 2011 restructuring, the cost of this component was increased from US\$ 4 million to US\$ 4.6 million. Three activities were dropped and four new activities were added. The activities to support the Judicial Academy were dropped, including the design and development of the Academy's organization and structure; design and provision of facilities, and ICT and office equipment. The new activities were: carrying out diagnostic work related to improvement of quality of legal services; conducting a case file analysis and developing courseware (software) for the Judicial Academy. The 2013 restructure changed the name of component to Judicial Training and reduced the cost estimates by more than US\$ 4 million, down to US\$ 0.53 million as support for the Judicial

Academy was no longer continued given its inadequate governance arrangements, the low quality of the faculty, and the inappropriate facility. The GOA intended to use funds from other donors for the Judicial Academy.

19. **Component 4: *Improving Citizen Information and Access to Justice*.** In the 2011 restructuring, the total cost of this component was increased by 32 percent from US\$ 3.4 million to US\$ 5 million. A cluster of new, mostly analytical, activities were added. The new activities included: analysis of the legal aid system, analysis of the market for legal services; the development of the second phase of the e-notary system; analysis of court dispute resolution and alternative dispute resolution mechanisms; analysis of the court enforcement system; and carrying out outreach activities for public awareness. The 2013 restructuring changed the name of the component to Citizen Information and reduced the cost estimate to US\$ 3.49 million, close to the amount at appraisal stage.
20. **Component 5: *Project Management*.** This component was added in the 2011 restructuring and the cost was estimated US\$ 1.9 million (as compared with estimated operating costs of US\$0.4 million at appraisal). The component intended to finance operating costs of the JMT, including project audits. The cost estimate for this component was more than doubled in the 2013 restructuring to US\$ 3.96 million to strengthen PIU capacities given fiduciary weaknesses experienced in the past.

## **1.7 Other significant changes**

### **(i) Project Design**

21. The 2011 restructuring: (i) shifted the project focus toward a concept of ‘smart courts’, a concept that linked efficiency of courts operations with optimization of the architecture of court offices and digitalization of business operations; (ii) reduced the number of construction projects from 22 to seven construction sites housing 11 courts; (iii) increased the volume of additional technical assistance for ‘soft reforms’, including analysis of court performance and analytics for legal services; and (iv) reduced financing for the Judicial Academy. The change in design was justified by the need to achieve the PDOs.
22. The 2013 restructuring did not directly change the project design. However, the design of components 3 and 4 changed as a result of the significant reallocation of proceeds (described below).

### **(ii) Costs and Funding Allocations**

23. The project’s estimated baseline costs were US\$ 21.6 million. The ratio of funding allocations among the components was: 67 percent for components 1 and 2 (for the management capacities of institutions governing the project and the sector and court construction and corresponding ICT activities) and about 33 percent for components 3 and 4 (for HR capacity and access to information and services). Between 2009 and 2011 the project cost estimate was increased by US\$ 4.3 million. The ratio of funding allocations for components 1 and 2 increased to 77.6 percent. The 2011 Additional Financing increased financing from IDA and IBRD by US\$ 33.4 million (IDA credit of US\$ 9.2 million and an IBRD loan of US\$ 24.2 million) to US\$ 55 million. At that time an additional US\$ 39 million in total was also added by the Government of Azerbaijan, bringing the total project cost to about US\$ 96 million. Approximately 89 percent of additional Bank funds were allocated to components 1 and 2. Overall, the ratio of allocations among the components

was: 79 percent (increase of 12 percent) for component 1 and 2 and 18 percent for components 3 and 4. The 2013 restructuring further reduced the allocations for components 3 and 4 by more than US\$ 5.5 million. As a result, the share of funds allocated to components 1 and 2 further increased by 6.5 percent to 85.5 percent and for components 3 and 4 by 7.3 percent (decrease by approximately 9 percent). The allocation for HR capacities (component 3) was reduced to below 1 percent of total funding.

24. The increased allocations for construction under the 2011 restructuring were partially justified by the need to bridge funding gaps (partially due to underestimation at project preparation and partially due to an increase of construction costs and inflation after project approval) and by the infusion of additional technical assistance (TA) ‘necessary to achieve the PDO’. Adjustments under the 2013 restructuring were justified by the need to update and align category costs with the activities needed to achieve the PDO and to ensure timely completion. The ISR 13 (September 29, 2014, p. 12) suggested that the reallocations were at least partially justified by the fact that the Government of Azerbaijan (GOA) received support for the Judicial Training Academy and judicial training from the European Commission (EC).
25. Summarizing, there was a strong shift towards court construction and corresponding ICT activities and away from strengthening management, human capacities and access to information and/or justice in a broader sense. The scope of project activities was reduced despite significant increases in funding from the Bank (more than doubled) and from the Borrower (nearly four times as much as originally foreseen). For details see Annex 1, Tables a-e, Annex 2, Annex 10-12.

### **(iii) Closing Date**

26. In the 2011 restructuring, the closing date of December 31, 2011 was extended for the original project activities by 18 months until June 30, 2013. For activities funded by the additional financing, the extension was for three years until December 31, 2014.

## **2. Key Factors Affecting Implementation and Outcomes**

### **2.1 Project Preparation, Design and Quality at Entry**

#### *Background Analysis*

27. Preparation started late 2005 and was accelerated to be completed in less than six months. The project was approved on 29 June 2006. The Minutes from the 2006 Project Concept Note Review Meeting and a 2008 QAG Review suggest that the urgency to get the project to the Board was motivated by a desire to secure IDA funding before Azerbaijan’s growing oil wealth made the country ineligible. A Quality Assurance Review at Entry, as recommended by the PCN Review Meeting, did not take place.
28. The PAD analyzed briefly the sector and its challenges, drawing largely on global and regional studies (Reports included 2005 BEEPS, IFC Doing Business Report, 2006 CEPEJ Report on European Court Systems, and the 2005 WB Report on Judicial Systems in Transition Economies). The project took the GOA’s judicial reform plan as a base. Consultations with stakeholders were sufficiently broad but could have been more in-depth to secure sufficient understanding of what the project entailed and required. Recurring

comments at PCN stage included the need for greater specificity, concreteness, more realism and a shift in strategic focus from judicial efficiency to quality ('given that the judiciary was at the bottom of the judiciary quality scale' as the ECA Quality Team' argued). These recommendations were not reflected in the final PAD.

#### *Project Design*

29. To mitigate the limited analytic foundation and political economy risks, the Concept Review Meeting proposed a 'flexible' project design. For the same reasons the PDO was defined broadly and its achievement was made contingent on a number of additional diagnostics and strategies. The design also included a large number of small activities involving a great number of legal functions, services, and institutions. The result was a design that was both fragmented and complex. Further, the scope of key activities was imprecise and cost estimates were ballpark at best. Descriptions of some activities and cost estimates were inconsistent across the PAD and other project documents. In all, the design allowed for multiple interpretations of key concepts (such as 'ability to handle future demand'). These multiple interpretations led to confusion and diffusion of activities during the eight years of implementation and made project implementation difficult for both the Bank and the GOA.

#### *Government Commitment*

30. The GOA was committed to judicial modernization at the outset and to the project components as concepts. However, engagement during preparation appears not to have been deep enough to generate a shared understanding of what the project would entail, how concepts would translate to implementable activities, or what role the MOJ itself needed to play once the project became effective. It took two years for the GOA to fully engage in project implementation. GOA commitment has grown stronger with the clarifications and changes in the project design. In particular, their enthusiasm and drive for excellence in the infrastructure activities helped ensure that these activities were implemented to high quality. This commitment, however, has not been even across all components and activities.

#### *Readiness of Implementation*

31. In retrospect, it is clear that the project was not ready for implementation at the time of approval (as highlighted in the QAG Review of May 6, 2008 quoted below). There was no shared understanding of the content of the project, including 'little understanding among responsible units of the components and what needed to be done' to progress them. No preparatory work appears to have been done to advance the implementation of specific activities between the appraisal and the project effectiveness. The role of the JMT was unclear, as was its structure and arrangements for its financing. The JMT's readiness seems 'not to have been scrutinized at appraisal'. Adequate staffing was not a condition of effectiveness, and the JMT at the time comprised only part-time civil service staff with no experience of Bank projects and 'no guidance appeared to have been given on Bank procurement and financial management procedures'. The procurement plan (PP) was 'superficial', merely 'paraphrasing' the wording of the components and was 'not grounded in realistic cost estimates nor sufficiently broken down to facilitate implementation'. Further, there was uncertainty over the amount of the GOA contribution (US\$ 1.0 million instead of US\$ 11.0 million as it was mentioned in the PAD), and how it should be used.

## *Assessment of Project Risks*

32. The overall risk rating was high, as was appropriate. The PAD identified critical risks as follows: managing multiple and unrealistic expectations; transparency and corruption in procurement and financial management; judicial independence; limited capacity of the MOJ to manage large projects; sustainability of investments; implementation delays; and donor coordination. However, several risks were not well articulated – for example ‘judicial independence and ethics’ was identified as a risk, when (presumably) the risk was that a lack of independence and ethics would politicize decision making and undermine project outcomes. Mitigations did not address how the risk would be addressed. Other risks, such as ‘managing multiple and sometimes unrealistic expectations’ could have been mitigated, at least in part, with deeper engagement during preparation. In retrospect, some additional risks could have been foreseen but were not articulated, such as inflation and rising construction costs, complexity of design, policies regarding the organization of the judiciary (large number of smaller courts) or privatization of notaries; criteria for selection of pilot courts (to avoid support with one or two judges courts<sup>1</sup>); limited impact due to minimal scope of interventions (e.g. selection of judges); sustainability of funds (e.g. for legal aid); and reputational risks associated with certain activities, such as the NGO database and related state-centered reforms.

## **2.2 Implementation**

33. Project implementation was a complicated journey.

### **2007 - 2010**

34. The PAD painted a picture of a project ready to move, starting in January 2007. No activities, however, were implemented for the first ten months of the project (ISR No. 2, December 27, 2007). In addition to inadequate preparation, the reasons for lack of activity included: insufficient guidance by the Bank (no formal mission took place during this time) and a shortage of funds. Under a new Bank team leadership, by February 2008, the project rating was reduced to *unsatisfactory*. A Bank QAG Review in 2008 provided useful guidance to the implementation of the project. In order to address the challenges, the MOJ and the Bank agreed to amend component 2 (to revise the number of pilot courts) to adjust the allocations of funds (mainly to clarify the use of US\$ 11.0 million GOA contribution and base allocations on more precise cost estimates); to change the procurement plan; and to revise the implementation arrangements. They also prepared an action plan to streamline the implementation of ‘ready to go’ activities. Some changes to the project design were also introduced (e.g. component 3 was redirected toward court operations). In December 2008, in response to some progress achieved through the above measures (particularly improvement of MOJ implementation capacity), the project rating improved to *moderately unsatisfactory*. The rating was further upgraded in June 2009, to *moderately satisfactory* on the basis of further advancements, mainly in case management, preparation of ICT training, and progress in construction activities. However, it took more than one year to complete the reallocations of funds and amend the procurement plan (September, 2009). It took over two years for the JMT to be in place with the requisite capacity to implement the project and three years to amend the project design. By the end of 2009, project

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<sup>1</sup> Research suggest that a court should not have less than six judges in order to allow not only for economy of scale and specialization and guarantee independence of judges and impartiality of their decisions.

implementation had gained some momentum. Several tangible results were achieved. The ICT Strategy and Action Plan and the Prototype Designs for Court Facilities were developed, and the Constitutional Court, Supreme Court and some other justice institutions received furniture, equipment and IT. In January 2010 the MOJ and the Bank agreed on the design of component 2 for financing of courts and removed the last obstacle to the more systemic adjustment of the project design, cost estimate and timetable.

## **2011- 2012**

35. In 2011 the GOA and the Bank proceeded with: joint restructuring, additional financing and extension of the project's closing date (see section 1.6). The number of pilot courts was reduced while the resource allocations for construction and ICT (implementation of the concept of smart courts) increased (see also Annex 1, Table a, b and e, Annex 2, Annex 10 and 11). The GOA and the Bank refined the project focus as court efficiency through good court architecture and digitalization of court operations ('smart courts') as opposed to the previous focus on court management. Additional TA for 'soft reforms' was also added, including: a court file analysis; introduction of court performance system; review of regulatory framework for legal services; analysis of enforcement of civil judgments and support for the Judicial Academy. According to the restructuring document, additional TA was meant to fill the impact gap caused by the reduction of the number of pilot courts. However, no analysis appears to have been undertaken to compare the impact of these substantively different activities. TA expanded the project engagement to additional parts of the legal system and institutions which arguably further fragmented the design. The TA also lacked stakeholders' buy-in: most of the activities envisioned were not undertaken but subsequently passed to the new JSSIP. The budget of the project was increased by US\$ 33.4 million. Almost 90 percent of the additional financing went for components 1 and 2 to finance construction and ICT based activities. It is these components where the project had most success (for final results see Annex 12).
36. A *Mid-Term-Review (MTR)* was conducted late in the project cycle in October 2011, five months after restructuring and two months prior to the original closing date. Given the project's poor preparation and serious implementation challenges, an early and rigorous MTR would have been valuable. Its analysis could then have informed the restructure, additional financing and extension in 2011. Instead, the MTR was perfunctory, descriptive and failed to provide analysis that could inform the remainder of the project. The MTR as well as the 2011 restructuring close to the original closing date were delayed due to changes in TTLs and on the MOJ's side.
37. From January 2010 to November 2011, the project's overall performance was rated *moderately satisfactory*. After the MTR, in November 2011 the project rating was upgraded to *satisfactory*. The progress of the project, however, continued to lag behind schedule. For example, seven months before the original closing date, not a single construction activity had been completed. For further details see Annex 2.

## **2013 -2014**

38. Implementation of construction and digitalization-related activities (components 1 and 2) gained pace, though running into such challenges as triggering environmental and social safeguards, further cost adjustments and relocations and allowing for retroactive financing. All these items were adequately addressed in the 2013 restructuring (see Section 2.4).

39. Progress was much slower for ‘soft reforms’ developing management and other capacities in the justice institutions. Many of the TA activities, other than those related to the digitalization of business operations and provision of ICT and other equipment, were either dropped or delivered toward the very end of the project (see Annex 1 Table e, Annex 2). One of the most significant changes brought by the 2013 restructuring -- adjustments in components and costs – negatively influenced components 3 and 4, which were financing the above TA. For instance, the 2013 restructuring further reduced the allocations for components 3 and 4 to the benefit of components 2 and 5 (financing construction and ICT related activities and JMT costs) (see section 1.7 and Annex 1). As a result of the reduction the allocation for component 3 Improving Capacity of Judges, Staff and Other Legal Professionals was reduced from US\$ 4.6 million to US\$ 0.53 million. By shifting resources in this way, there were no funds available to develop training curricula or deliver training, and the project delivered no training other than ICT training associated with the rollout of equipment. This was a substantial departure from the PAD (under the original design the component 3 was the second largest project component after component 2) and the 2011 restructuring, which had both emphasized the importance of training and the need for significant reform of the education and training systems for judges, court staff and other legal professionals. The rationale for these being dropped should have been explained in project documents. In the end, only a handful of the analyses (‘Review of Enforcement of Civil Judgments’ and ‘Review of the Bar’) were completed toward the end of the project. Those reports, which were delivered earlier, such as the Justice Academy Assessment (2011), did not gain traction, due to ‘an absence of political will’.<sup>2</sup> Many of the critical analytics such as demand analysis, capital investment master plan, integrated management system, training needs assessment (original PAD) or court file analysis, analytics for court performance evaluation system were not completed. For details about project outputs see Annex 2 and Annex 1, Table e.

## 2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

### *Results Framework*

40. The original design provided an ambitious M&E plan, but the details were vague and often technically inaccurate. Some of the PDO outcome indicators were formulated as objectives, (e.g., ‘*improved performance and improved availability of training*’). Some of the intermediate indicators were unclear (e.g., ‘*accessibility of demand*’). The ambiguity extended to intermediate outcomes and their indicators, such as ‘*improved control system for resource planning and application*’, ‘*improved knowledge base and modernization capacity*’ and ‘*number of experts engaged to scale up coordination capacity and deployed for knowledge transfer*’. Some of the intermediate outcomes and their indicators were not supported by project activities, e.g., ‘*improved bailiffs’ services*’. Further, the initial arrangement for results monitoring was inadequate. Baseline data were mostly missing or were unclear (e.g., ‘*insufficient physical infrastructure*’). The Bank ECA Quality Group pointed to the problems with the results framework prior to approval in April 2006, stating that ‘*It would seem to be worded in a way that it would be met whatever the outcome of the project would be, and indicators are only output or process related. [...] Since increased efficiency is clearly stated in the PDO, can’t we find at least one or two indicators that could relate to some measure of efficiency?*’<sup>3</sup>

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<sup>2</sup> Interview with Consultant for Judicial Academy Needs Assessment.

<sup>3</sup> Peer Review Comments to the project PAD; Appraisal Decision Meeting, April 10, 2006.



41. The M&E framework was adjusted in 2009-10 and again at the 2011 restructuring. Several of the above ambiguities and mistakes were addressed but some items remained that left a mismatch between indicators, activities and results. For instance, the volume of training remained one of the critical indicators, even though the project's allocation for training had been continually declining to the point that the project no longer financed training (after the 2013 restructuring). In 2011, court efficiency indicator was defined in terms of *the court clearance rate*. However, Azerbaijan's courts historically performed well on this indicator.<sup>4</sup> In addition, no specific baseline was provided, although a 10 percent of improvement was the final target (see Annex 15, Annex 12). It was also not clear how attribution would be dealt with or why support to pilot courts would move an aggregate indicator – these assumptions were not unpacked. Another new indicator – *'performance management framework operational'* – was added, although the project did not finance the implementation of this system. The case management system (CMS) financed by the project could contribute to the collection of data which are necessary for the performance management system but was not sufficient for creating it. The *'at least 20 percent reduction in time of court decision enforcement with organizational streamlining and automation in Baku'* remained in the framework, although the project financed only analytics, which were not completed until July 2014, so it's unclear how any change could be attributable to the project. A further M&E challenge was that several indicators measured aggregate data across all courts, even though the project targeted only a set of pilot courts (see Annex 13 and 14) with limited potential to spillover to all courts during the project period.

#### *Institutional Arrangements*

42. The responsibility for M&E was assigned to the MOJ (JMT), and the PAD envisioned an annual reporting against the M&E Framework and Performance Yardsticks contained in the PAD. The 2013 restructuring changed this to a semi-annual reporting which would include: (i) implementation progress and results and (ii) compliance with safeguards. In 2010, the MOJ and the Bank acknowledged the need for a baseline analysis to feed the indicators, but the analysis was not undertaken. A baseline survey was conducted but not until four years into project implementation, targeted only one results indicator (satisfaction of users).

#### *Reporting*

43. The first Progress Report was submitted by the JMT in March 2013, following the 2013 restructuring. During 2013 and 2014, the JMT submitted four very comprehensive semi-annual and two annual reports (for 2012 and 2013). The reports, however, did not cover the whole result framework.

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<sup>4</sup> According to the CEPEJ edition 2008 Report, in 2006 the Azerbaijan clearance rate for litigious civil cases was higher than 100%.

## *Rating*

44. The ambiguity of PDOs and results framework made measuring and rating of the project progress difficult.<sup>5</sup> It is clear that the December 2007 downgrading of the project performance to U was appropriate. The same cannot be said about the upgrades to MU and eventually MS in 2011 just prior to restructure. These two upgrades appear to be based on the assessment of the progress achieved since February 2008 (a low base, when a new TTL was appointed) rather than progress made toward PDOs as per results framework and/or disbursement levels. Similarly, the S ratings from July 2011 to January 2012 do not appear to be justified by results (against the project results framework) achieved by that time, nor were the S ratings in the last two ISRs. The final ISR covering the whole period was not done.

## **2.4 Safeguard and Fiduciary Compliance**

### **Safeguards**

45. The original PAD classified the project as an environmental category B, with no significant or irreversible impacts on the environment. The Environmental Assessment (EA) Policy (OP 4.01) was triggered, and this required the preparation of the Environmental Management Plan (EMP). The EMP envisaged development of site-specific EMPs for each proposed sub-project (courthouses and other facilities to be rehabilitated or reconstructed under the project). The PAD foreshadowed that in order to provide a basis for the selection of new courthouse locations, an infrastructure master plan (or strategic infrastructure plan) would be prepared in the first year of implementation, but this never happened. Over the course of project implementation, sites were selected without the master plan and the site-specific EMPs were prepared, which identified specific impacts, adequate mitigation measures and monitoring mechanisms. The JMT assigned a staff member who was responsible for the day-to-day supervision of the project environmental compliance and proper environmental monitoring and reporting.
46. Involuntary Resettlement (OP BP 4.12): this was not triggered under the original PAD but in the course of implementation one case of land acquisition occurred. In 2007, supervision of construction of the Yasamal District Court encroached upon the seating area of an adjacent restaurant. An abbreviated Resettlement Action Plan (RAP) was developed and the owners compensated. A Resettlement Policy Framework (RPF) was prepared by the MOJ for the entire project, approved by the Bank and disclosed on July 19, 2012. The RPF provided guidance for the preparation of site-specific RAPs for the remaining locations, if found necessary. However, since no further land acquisition or physical displacement of persons occurred, no other site-specific RAPs were found to be required.
47. Physical Cultural Resources (OP 4.11): the policy was triggered in the 2013 restructuring, as civil works were ongoing or envisioned for historical urban areas which may have been subject to potential chance finds. It would have been advisable to have triggered this policy earlier, given the locations of constructions. Once triggered, the EMP was amended to

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<sup>5</sup> ECA Quality Group, Peer review comments, April 10, 2006: The formulation of the DO and outcome indicators reflects the lack of impact or powerlessness of the project to make the system more efficient. The DO is worded in very guarded and cautionary terms: 'to assist'... 'in the initial phases'... 'to achieve incremental improvements'.

incorporate the procedures to be followed by the contractor and client in case of chance finds at the above sites. No chance finds arose.

### **Fiduciary**

48. The risks related to financial management were rated *moderate* at project appraisal. The existing financial management systems met minimal IDA requirements. A review of staff and their activities indicated proper safeguarding of assets and well-managed accounting and administration oversight by the Finance Director. Appropriate accounting procedures and internal controls including authorization and segregation of duties were followed.
49. Financial management ratings varied over the course of the project.<sup>6</sup> Throughout and despite close supervision audit reports as well as the Bank's Financial Management Supervision Reports point to gaps in the project's financial management: significant volumes of over-commitment (highest estimated over-commitment in April 2012: US\$ 8.8 million; final over-commitment: US\$ \$3.5 million). This was due to documentation of key implementation aspects lagging significantly behind actual progress on the ground and the financial management software's incapability to track commitments, changes to existing contracts without prior agreement with the Bank and signing appropriate amendments to the contracts, and payment of bonuses to JMT staff missing no objections from the Bank. The latest PRIMA Assessment rates the project's financial management as satisfactory (November 11, 2013).
50. Due to the absence of retroactive financing within the Additional Financing the GOA allocated additional funding to pay for these over-commitments. The project's restructuring 2012/2013 consequently rated the financial management risks as *high* and introduced mitigation measures: (i) introduction of commitment controls; (ii) intensive procurement reviews; and (iii) increased supervision intensity with special attention to supervision of civil works and ICT goods procurement and contract management. Modification to the financial management software allowed the JMT to monitor project obligations and commitments. Similarly, modifications were made to contract disbursement monitoring to ensure that total amount of contracts do not exceed funds available under the project categories. Nevertheless, the project significantly overdrew in some components/categories.

### **Procurement**

51. The risks related to procurement were rated as *high* at appraisal due to limited procurement expertise and limited experience in procuring Goods and Works through national procurement rules, despite some guidance from the State Procurement Agency procurement specialists. Mitigation measures included training for procurement staff, recruitment of at least three consultants (procurement, finance and an architect firm with knowledge of environmental codes) to support the initial period of project implementation activities, as well as a Procurement Plan being prepared at appraisal stage.

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<sup>6</sup> Financial management was rated *Satisfactory* at the time of signature of the FA (October 2006), it dropped to *Moderately Unsatisfactory* in the following ISR. By the time of the appraisal mission for the AF (April 2011) and the MTR (October 2011) the rating was raised again to *Satisfactory*, only to drop again to *Moderately Unsatisfactory* immediately after. In 2013 it was raised to *moderately satisfactory*; over the course of calendar year 2014 the rating went up to *satisfactory* and stayed there until project closure.

52. Similarly to the ratings for financial management, the ratings for procurement fluctuated over the course of the project.<sup>7</sup> Despite positive ratings in the ISRs, the PRAMSs<sup>8</sup> flag a number of issues, again similar to those raised under the project's financial management: over-commitment and disregard of agreed procedures when amending contracts, a lack of competition in procurement, the need to pay more attention to quality BERS, and delays in finalizing contracts. PRAMS ratings in 2012 and 2013 were *moderately satisfactory*; the rating for 2011 was *satisfactory*.

## 2.5 Post-completion Operation/Next Phase

53. The sustainability of project investments reflects GOA preferences and priorities. For the courthouses, operations and maintenance has been provided for in the GOA budget, and the pride demonstrated among stakeholders for the upgraded facilities demonstrates their ownership. However, the sustainability of other activities remains fragile. In particular, the various TA activities seem to have had little impact to date. While it is possible that their findings may be picked up in the future by the authorities, there is limited buy-in at the initial stage. Emerging from all the activities, the strongest success is perhaps the JMT itself, which stands as a capable and effective unit to rollout reforms in areas where political will exists.
54. There is a large Bank-funded follow-on project to support the next phase. The Azerbaijan Judicial Services and Smart Infrastructure project (JSSIP), (total cost US\$ 200 million, including US\$ 100 million of IBRD financing), was prepared and became effective in October 2014. It builds on the JMP and aims to improve the access, transparency and efficiency of delivery of selected justice services. The JSSIP will continue implementing a smart court concept, which is the key success of the JMP. The JSSIP also recognizes that 'access to justice, particularly for the most vulnerable people' lags behind the advancement achieved in the state court system. The new project will take up the lessons from the closed legal aid centers and expand access to the poor and vulnerable. JSSIP allocated US\$ 16.38 million or (8.2 percent) to this work.

## 3. Assessment of Outcomes

### 3.1 Relevance of Objectives, Design and Implementation

Rating: Modest

55. Given the importance of the justice sector to inclusive growth, poverty reduction, and good governance, the project's thematic and sectorial focus was an appropriate response to the challenges facing Azerbaijan at the time of project preparation. Within that frame however, persistent low demand for court service (5 percent as opposed to 30 percent in the rest of Europe), extremely low budget allocations for legal aid (less than 0.5 percent of the justice sector budget allocation) and the lowest number of private attorneys and legal professionals in Europe in general, combined with already high clearance rates and short disposition times, brings into question the focus of the project on court efficiency. The above suggests

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<sup>7</sup>Starting as *satisfactory* when the Financing Agreement was signed, the rating immediately dropped in the next ISR to *moderately unsatisfactory*. By the end of 2010 it was raised to *satisfactory* and then dropped to *moderately satisfactory* by the time of the MTR. In 2014 it was again rated as *satisfactory* and remained there until project closure.

<sup>8</sup> See PRAMS sequence 3, May 9, 2013; sequence 2, September 9, 2012; sequence 1, February 11, 2011.

that poor quality and unpredictable decision-making as well as access barriers, including low legal awareness were arguably more pressing problems than ability of the system to process cases and manage demand (see also section 3.2). Tackling the quality problems required, at a minimum, capacity building and training, which was planned but did not happen. Addressing the access issues required a careful balancing of strategies targeting both demand and supply and supporting the state systems while also providing more direct support for people's ability to navigate the system for their benefit. The demand study, which was planned also, was not produced. The project provided some support for improving access to information and counseling as well as service of notaries, and this was part of the PDO. However, it appears that the principle strategy was to build the state capacity. Further, there was limited ownership of demand-side activities, and they remained at the periphery of project implementation.

56. Equal access to quality services, increased private sector growth and protection of human rights are a part of the country's 2020 vision, which is recognized as a guide for current and future Bank engagement. The draft of the Country Partnership Framework (CPF) points to the negative impact of persisting deficiencies in justice service delivery on country development. JSSIP is now seen as the main vehicle for addressing these gaps.

### **3.2 Achievement of Project Development Objectives**

Rating: Modest

57. Progress toward achieving the PDO stalled at the beginning but then sped up. The project disbursed all proceeds, including government contributions (US\$ 99,973,134.00), and only US\$ 0.26 million out of US\$ 3.0 million from the PHRD Trust Fund (TF) were canceled (see Annex 1). The GOA expressed its satisfaction with the project's achievements by requesting a follow-up operation, implementation of which has begun.
58. Despite this, the PDO of the project was not fully accomplished. The factors contributing to the less than satisfactory result are described in section 2 and Annex 3. Most importantly, despite restructuring, additional financing and extension, there remained a significant mismatch between the *de facto* focus of the project and the formal PDO and results framework. In reality court infrastructure and ICT for court operations were the project's true focus accounting for approximately 90 percent of disbursements. Yet the documentation highlighted a range of other outputs and activities, apparently in an effort to balance 'hard' and 'soft' reforms. There was little buy-in and ultimately little progress on these.
59. If judged on achieving its true focus - court infrastructure and ICT for court operations – the project would be largely successful. However, the ICR team is required to evaluate the project based on the 'formal' PDO and results framework.

#### **Outcomes**

60. The PDO included: improved efficiency of courts, increased access of citizens to information, and increased ability of courts to handle future demand. Below is a brief description of results achieved by the project:
  - (i) *Clearance rate* (measure of efficiency of courts). The project aimed to increase the clearance rate for all courts from less than 100 percent by 10 percent. According to 2014 statistics provided by the MOJ, the 2014 clearance rate for the district courts of

Azerbaijan was 99 percent. There is no difference between the 2014 clearance rates of the pilot courts compared with other courts. The current overall clearance rate is only slightly better than it was in 2006. For further details see Annex 15.

- (ii) *Increased percentage of judges selected using new selection procedures (by 75 percent).* This target was substantially met but attribution for the success may be misleading. 2011 statistics<sup>9</sup> suggest that in 2006, no judges were appointed using the new selection procedures, and by the 2011 restructuring, 237 judges (more than 50 percent of sitting judges) had been selected using these procedures. The last ISR from January 2015 indicates that 81 percent of sitting judges were selected through new procedures. However, the original PAD states that the new selection process had already been developed with the assistance of the COE in 2004 and implemented in 2005. Possibly, up to 20 percent of sitting judges were selected through the new process prior to the project effectiveness. During ICR interviews, members of the JLC confirmed that the project financed software for the random allocation of questions to candidates for judgeship and the JLC internal network, but they stressed that this software was a small contribution to the reform, particularly compared to the role played by the EC.
- (iii) *Improved judicial training to raise level of professional performance.* The 2006 baseline for this indicator was that less than 5 percent of judges received systematic training. The end of project target was '80 percent of judicial staff receive training'. By the end of the project, no training curricula was developed. The final ISR states that 1,795 out of 2,489 (72 percent) staff of MOJ, pilot courts and justice entities received training. The ISR explained that JMP-funded training was limited to ICT and case and document management rollout, because other professional training, and other activities under Component 3, were being delivered by the EC. The EC did not substantiate this claim--quite the opposite: the EC informed the Bank that its justice sector program had been very limited.<sup>10</sup>
- (iv) *Enhanced public access to legal and judicial information.* The achievement of the PDO was measured by the number of new citizen information centers. The target was to have at least three operational centers by the end of 2014. Two centers (in Baku and Guba) were operating from 2010 to 2013 and provided services to 4,380 clients.<sup>11</sup> The centers closed in the beginning of 2013 because there were insufficient fund to support their continued operation after the PHRD Grant closed in 2012.
- (v) *Increased users' confidence in the court system.* No baseline was established for this indicator in 2006, but the target for improvement was a 20 percent increase. According to the last ISR in January 2015, a 2010 survey of users found that 53 percent of survey participants reported that there is no need for additional reforms<sup>12</sup>, which was used to measure user confidence in the trial system.<sup>13</sup> The second user survey was conducted in 2014, and found that 79 percent of survey participants saw no need for additional reforms. However, over the same period the number of people who answered that they have never

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<sup>9</sup> See 2011 Restructuring Paper.

<sup>10</sup> Interview with EC representatives.

<sup>11</sup> ISR, January 2015.

<sup>12</sup> See Annex 5, Table b, question E.4.

<sup>13</sup> The trial system is only one aspect of the judicial system, so one can assume that this indicator was chosen as a proxy – rather than a direct – indicator for user confidence.

accessed the court system also increased.<sup>14</sup> More importantly, the above answers alone could hardly be interpreted as an evidence of users' confidence. For further details, see section 3.6 and Annex 5.

## Outputs

61. The project achieved some impressive and visible outputs, notably building 'smart courts and/or court centers with optimal environment for efficient service provision'. The 2010 and 2014 surveys and interviews with judges and court employees working in new courts for the ICR confirmed a high level of satisfaction with their working environment. Some of the reforms appear to have had a positive impact on peoples' lives (e.g. a digitalized information depository for notaries). However, as mentioned above, many of these reforms were implemented too late or on a scale not significant enough to deliver optimal outcomes. Moreover, a large number of important outputs were not delivered, more notably the survey of legal demand; the strategic investment plan; subject matter training curricula and training for judges and other legal professionals; a digitalized resource management system; court performance management system. The Judicial Training Academy remained one of the weakest institution in the sector.
62. Despite an obvious relevance of some activities to the achievement of PDOs the project documents do not explain as why they were dropped. Three factors seem to contribute to this situation. First, the broad and vague formulation of the PDO allowed altering project outputs and activities without risking their relevance to at least one of the PDOs. Second, the rationale about which output relates to what outcome was not clear and evolved throughout the implementation.<sup>15</sup> Third, frequent personnel changes negatively influenced institutional memory and consistency of the project supervision and implementation.
63. Below is a summary of the key outcomes organized according to the project outputs. For details about project outputs, see Annex 1, Table e, and Annex 2.
  - (i) *Efficiency of Courts*. Key project outputs attributing to the court efficiency include: new court premises; ICT networks and case and document management system; court performance system; resource management systems, particularly training management system and asset management system; and training on case management and substantive training; improved system for enforcement of civil court decisions. None of the above activities have been fully implemented. For instance, the expected construction of three courts facilities was not completed by the end of the project, two of the completed construction projects involved very small courts with one or two judges; support for

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<sup>14</sup> For example: Annex 5, Table b, question B.9 "Are you satisfied with the legal services in your area of residence?" 53% in 2014 vs. 45% in 2010 answered that they have never used legal services in their area of residence; question C.13 "Do courtroom capacities allow participation of all interested parties in court sessions?" 50% in 2014 vs 30% in 2010 answered that they have never applied to court; question C.5 "Are all forms related to legal proceedings written in an understandable manner?" 17% in 2014 vs. 8% in 2010 answered that it is often difficult to understand their meaning; question C.3 "How do you estimate treatment of people by judicial personnel?" 12% in 2014 vs. 4% in 2010 answered that they estimate it rude, 38% in 2014 vs. 30% in 2010 do not know. 43% of court users perceive the judicial system as corrupt vs. 36% of court users in 2010.

<sup>15</sup> For example, the original PAD anticipated that management of court resources, along with construction and technology would drive the efficiency of courts. Yet the 2011 restructuring framed construction and technology as critical contributors to 'the ability of court to handle future demand'. However, at the same time the concept of smart courts, introduced by the 2011 restructuring, identified both factors as drivers of court efficiency. In fact, most of outputs contributed to more than one outcome.

developing software for selection of the judges or e-notaries system was a very small part of the overall reforms program; ICT networks and CMS and DMS were implemented only in pilot courts construction of which was completed and the MOJ and JLC. Some activities, including those the completion of which conditioned the achievement of PDO, were not implemented including the training curricula and the training of legal professionals, a case file analysis and court performance systems, and an investment master plan and a demand analysis.

- (ii) *Increased access of citizen to information.* Project outputs attributing to better access of the people and businesses to legal information ‘include: publishing court decisions; internet based sites of legal institutions; information and legal aid centers; e-depositories of information necessary for issuing decisions and acts of notaries and other registries. The most critical output for achieving this outcome was a functional system of at least three citizen information centers and legal aid offices. As mentioned above, this activity was implemented only partially and proved unsustainable. An internet-based system for publishing court decisions was created and is operational as of today. The e-notary system was built and pilots were rolled out to the satisfaction of the notaries who are the direct beneficiaries of the system. The expansion of the system is expected to be implemented under the JSSIP. As for the register of NGO please see section 3.5 c).
- (iii) *Increased ability of courts to handle future demand.* The lack of clarity appears to be the biggest challenge of this outcome. While the PAD linked this outcome to managerial capacities of the justice sector, the 2011 restructuring linked it to the ability of courts to process cases and monitor their performance. The original intent to analyze peoples’ needs and demand for legal services was abandoned as were activities intended to improve the general management of resources. The M&E system for court performance also was not implemented. The ICR argues that both a solid court management system and capacity of courts to deliver on demand for their services are necessary for delivering this outcome. As for the management system, the required capacities include: management of needs and demand for court and other legal services; capacity to predict and influence inflow of cases; plan for financial and human resources; and match demand with supply capacities. Very little if any progress has been made in these areas. As for the ability of courts to process their cases, the MOJ and courts started and made significant progress in designing and piloting the CMS and DMS. The impact of these reforms, so far, is difficult to measure.

### 3.3 Efficiency

Rating: Negligible

- 64. Ultimately, the JMP produced fewer benefits than anticipated in the PAD, and the benefits that were produced were delivered at approximately three times the PAD’s cost estimate. With the exception of e-notary services, net benefits were negligible and isolated within the pilot courts. Further, some missed opportunities reduced cost effectiveness.
- 65. Economic and financial rates of return are not available for the project. Although the original PAD estimated that the benefits to be significant, no *ex ante* economic and financial analysis of the likely benefits and costs were conducted. No baseline assessments were made of the functioning of the judiciary that could be used to reconstruct the *ex ante* position in 2006 or a without-project scenario. The design and implementation issues discussed above (including the fragmented project design, inadequate M&E arrangements, and several dropped activities) added further challenges to the analysis. Further,



insufficient data was available at project completion to conduct a full cost-benefit analysis. Within these constraints, Annex 3 attempts to identify the costs and benefits of some key outputs and examine their cost effectiveness.

### **3.4 Justification of Overall Outcome Rating**

Rating: Unsatisfactory

66. The overall outcome rating of the project is rated *Unsatisfactory* due to: the modest relevance of project objectives and design; modest efficacy in achieving three PDOs and negligible efficiency of the project.

### **3.5 Overarching Themes, Other Outcomes and Impacts**

#### **(a) Poverty Impacts, Gender Aspects, and Social Development**

67. The project sub-objective was to develop mechanisms and opportunities for the provision of legal information for the general population and especially for targeted groups, including refugees and displaced people, women, minors, and the poor. As a result of the project, the general population and these groups should have gained greater access to legal services, principally to legal aid and legal information to assist them in solving their problems. This was expected to happen through citizen information centers, collaborative programs between the legal community and schools, and by close alignment of the project with the programs, financed by the Bank or other donors, which benefit the above categories of people. The project has contributed to this by running two citizen information centers for approximately three years which provided legal assistance to over 4,300 clients. Except for legal aid, there is no evidence to suggest that the project impacted the above categories of people. As mentioned above legal aid was provided for very short time and its impact on people's lives was not measured.

#### **(b) Institutional Change/Strengthening**

68. Project activities that were expected to have a potentially positive impact on the Azerbaijan justice system's capacity and institutional development include: developing the 'smart court design'; completing construction of four court facilities (work on three facilities is underway); developing and piloting Case Management and Document Management systems which involve the courts, the MOJ and the JLC; providing TA to the JLC to improve its structure and operations; providing a significant amount of ICT and equipment to pilot courts, the MOJ, the SC and Constitutional Courts; developing a software for random distribution of questions for the selection of judges; creating a database for courts' decisions; developing a depository of information for notaries' certificates; and providing training in the use of ICT to 1,795 out of the 2,489 of the MOJ and pilot courts' employees. A number of studies also have paved the way for future reforms. The actual impact of the above activities on the system, however, remains to be seen. Thus far, the performance of courts has not improved as a result of the above reforms (measured by the clearance rate). This may be because the scope of the reforms was not sufficient, because many of the activities were implemented too late to show results yet, or because the important complementary interventions targeting capacity and institutional development related to the competence of judges did not occur, and because the system for subsidized legal services and the system for performance management were either not implemented or have not been institutionalized.

**(c) Other Unintended Outcomes and Impacts (positive or negative)**

69. One of the project's activities was digitalization of the MOJ's system for registering NGOs, which aimed to improve efficiency in the MOJ's dealings with the NGO community. It appears that the project supported digitization without the task team having engaged in the sensitive policy dialogue on NGO registration or analyzing the reputational risks of such support. Since then, the reports by the OSCE and EU indicate that the policies and their legal framework may not be in compliance with international standards insofar as it allows the State to examine future activities of NGOs.<sup>16</sup>

**3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

70. A baseline survey of users and beneficiaries was conducted in 2010 and the results became available in 2010, more than four years after project effectiveness. A follow up survey was conducted in 2014. The information about both surveys provided to the ICR team is incomplete; the 2011 survey report and the 2014 focus groups report are missing. In addition, the 2011 focus groups report does not distinguish between Baku and the (different) regions which make it impossible to draw results for any of the project sites. More importantly, very few questions of the focus group discussions relate to the starting or end points of the project which defeats the very purpose of this survey. The low participation in surveys (20 percent in 2010 focus groups discussion and 5 percent in the 2014 survey) is cause to question the validity of the surveys' findings. The results of surveys vary between the different groups and also among the different groups which makes it hard to draw a consistent picture of the beneficiaries' perception of the justice sector and/or the project's contribution to its enhancements. During the focus group discussions in 2010 the participants pointed to a number of issues where they saw room for improvement, largely related to adjustments in the legislative framework to facilitate its practical implications. Regarding the user surveys, court employees in Baku and the regions rate justice sector performance and services higher than the general population and court users. Some differences are significant, for example, when 79 percent of court employees don't see any problem with receiving (government-paid) legal aid compared to only 27 percent of (potential) recipients (2010: 65 percent vs. 1 percent). Within the general population/court user group answers vary as well. While 79 percent of courts users in 2014 do not see a need for additional reforms of the judicial system, 43 percent of them see also corruption in the judicial system (2010: 53 percent respectively, 36 percent). Some answers may lead again to the conclusion that the project did not address the most pressing issues. Where 38 percent of court users in 2014 would like to use e-services at the court, including e-filing, compared to 32 percent in 2010, 50 percent see no need for this in 2014 compared to only 31 percent in 2010. Similarly, only 33 percent of court employees see a benefit in modern and upgraded buildings in 2014, compared to 42 percent of court employees surveyed in 2010. For further details see Annex 5.

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<sup>16</sup> See for example, *Freedom of Association in Azerbaijan: Gaps Analysis of the legislative and practical issues related to NGOs, operating in Azerbaijan*. Center for Legal Initiatives. September 27, 2013. Accessed on May 4, 2015: <http://www.osce.org/odihr/106012?download=true>.

#### **4. Assessment of Risk to Development Outcome**

Rating: Low

71. As mentioned above, the GOA has embarked on a number of follow-on justice reforms grounded in the Presidential Decree of 2014. The Decree mandates the establishment of an e-court information system and use of e-DMS to enhance access to justice, reduce red tape, improve sector transparency, enhance the responsiveness of service delivery and strengthen the enforcement of court decision. These intentions, plus reforms aiming to improve access to justice (particularly for vulnerable groups), are supported by the new JSSIP. This provides sufficient guarantees that the developmental outcomes of the project are sustainable.

#### **5. Assessment of Bank and Borrower Performance**

##### **5.1 Bank Performance**

###### **(a) Bank Performance in Ensuring Quality at Entry**

Rating: Moderately Unsatisfactory

72. As described in Section 2, the original project design had shortcomings. Due to accelerated preparation, the design was not sufficiently researched or detailed, leaving much to be determined during implementation. Unclear and inconsistent terminology used in the PAD caused uncertainties throughout the project cycle. Broad but ill-informed consultations with stakeholders failed to build understanding, consensus and commitment to the complex design. The recommendations of the PCN and PAD review meetings, including the proposal to conduct a Quality Review at Entry were not followed up. Further undermining project design effectiveness, during the first month of the implementation there was no Task Team Leader (TTL) available to help the GOA and their counterparts at the MOJ, none of whom were familiar with Bank guidelines, procedures and project implementation, to begin implementation of the project.<sup>17</sup> Unexplained and often incorrect costing of project activities, an error in GOA contribution to the project financing and a lack of clarity regarding how it should be used also caused uncertainties once the project became effective. Finally, the procurement plan was superficial and the project implementation arrangement inadequate for smooth implementation. (See also Section 2.1.)

###### **(b) Quality of Supervision (*including of fiduciary and safeguards policies*)**

Rating: Moderately Satisfactory

73. During first ten months of the project there were no supervision missions and no project activities took place. During the following 18-months attention focused on getting the project on track, including: conducting QAG review; JMT staffing, identification of project activities, developing a procurement plan, aligning cost estimates and scope of activities to the realities on ground, clarifying the contribution of the GOA and its allocations; and preparation for restructuring. During this period, the Bank team engaged effectively with the JMT and stakeholders at the MOJ in order to provide the needed support. In 2011 the project was restructured, extended and additional funds were added to address the above

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<sup>17</sup> JMT members noted that sometimes they were unable to contact TTL or team members for months. (Interview with JMT).

challenges. However, the MTR took place after the above critical decisions were taken and no additional analytics was done to justify the changes in the project design and focus. More importantly, the supervision team failed to revisit the PDO and outcomes in the light of the above. This situation repeated itself in 2013 when the supervision team responded to the triggering environmental and social safeguards, cost adjustment, relocating proceeds and allowing for retroactive financing (due to overdraw of project proceeds). The 2013 restructuring led to further departure of the project from the original focus and design. Even so, the PDO and Result Framework were not adjusted to reflect changed project focus. Project implementation continued smoothly after the 2013 restructuring; supervision missions were conducted regularly and they addressed implementation challenges in timely and sufficient manner.

74. From the client's perspective, the high turnover in TTLs (five TTLs over eight years; the longest serving time was 22 months and the shortest 12 months) and the Bank team (FM, procurement) impacted project implementation. Records of TTL handovers suggest that some handovers were consistent with Bank guidelines. Further, the JMT noted that there were times, particularly in the earlier stages of the project, when they looked to the Bank for specific guidance on technical issues relating to the judicial reform agenda and pathways forward, but that Bank staff provided only general advice. This caused some disappointment for the client and limited policy dialogue, which in turn reduced the ability to leverage Bank expertise for the remainder of the project.<sup>18</sup>
75. A large team (57 experts) with a diverse skillset supported project implementation (see Annex 4). Supervision expenditure fluctuated throughout the life of the project from US\$ 107,500 in FY08 to US\$ 277,032 in FY12 and back to US\$ 123,947 in FY14. The most expensive year in terms of supervision was FY12, when expenditure was double its previous year, largely due to an increase in staff time, though the ICR team was unable to match this with a noticeable improvement in the quality or intensity of supervision that year.

**(c) Justification of Rating for Overall Bank Performance**

Rating: Moderately Unsatisfactory

76. As discussed above.

## **5.2 Borrower Performance**

**(a) Government Performance**

Rating: Moderately Satisfactory

77. The GOA supported this project throughout the preparation, appraisal and implementation. At project closure, it remains committed to the project's objectives and activities. Further, it has already started implementing a follow-up project that picks up several of the activities that were not completed under the JMP.
78. However, there were gaps in GOA's support at the outset, which contributed to the slow start in implementation. No focal points were appointed at the MOJ who had the capacity and experience to implement a rather complex (due to numerous activities across agencies)

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<sup>18</sup> Interview with JMT.

project. Discrepancies between the MOJ and the Ministry of Finance (MOF) about the importance of the project further led to slow adjustments in the project, such as the simple reallocation of project funds in 2009, which took several months.

79. To the GOA's credit, once focal points were assigned the project received the support needed, not only from the MOJ. Key stakeholders were involved in project decision-taking such as the design of court houses and input was valued. While this was clearly the case for the project's construction activities, it was less so in the case of ICT activities and hardly the case for TA provided under this project or pilot programs. Often, it was unclear to users and decision-makers what the newly introduced ICT systems, specifically the CMS and DMS, could do beyond a mere tracking of cases and how to use them to improve the sector's overall performance. The majority of TA, mostly in the form of reports, was provided only after the restructuring in 2011; some of it as late as a few months before project closure. As there was no time left to act on the recommendations provided, it remains unclear if and how stakeholders intend to act on them. Other activities, such as outreach and awareness campaigns and legal aid, either did not commence, or closed once project funds were spent. There is no documentation to suggest that lessons have been drawn in any systematic way from the various pilot activities, though these activities will be picked up under the JSSIP.

**(b) Implementing Agency or Agencies Performance**

Rating: Moderately Satisfactory

80. It was difficult for the JMP to recover from its original 'stalled start', but it did so remarkably well. It took two years to establish a fully functioning JMT. Once properly staffed and trained, project activities got on track and the first project deliverables came through in 2009. Strong ownership and effective leadership within the JMT, in combination with efforts made to have key stakeholders involved, such as judges and the Registry Department at the MOJ, further supported project progress. In areas of political will and focus, the JMT was a powerful implementation force.
81. At time though, the focus was uneven, particularly in areas where and commitment of GOA was weak. The JMT did not regularly consult with the Banks on issues that triggered safeguard policies and some fiduciary concerns; TA had a tendency to fall through the cracks. These lapses in attention to the softer reforms, complemented by limited experience among stakeholders, also influenced the design of ICT applications when it remained unclear by time of project closure who has what kind of access rights and for which purposes. Further, a number of activities were implemented but missed opportunities for sustainability, such as outreach, awareness and legal aid, and so were not integrated into the mainstream of the judiciary.

**(c) Justification of Rating for Overall Borrower Performance**

Rating: Moderately Satisfactory

82. The performance of the borrower was mixed in the beginning but in the end was successful. Once the project's content and implementation responsibilities were understood, the MOJ responded. Since then the MOJ's leadership and commitment to the key parts of the project was exemplary. As mentioned above some of the project activities did not receive as much attention as needed for the full implementation of the project and for achieving the PDO. One of the weaker segments of the implementation was the M&E of the project progress and results.

## 6. Lessons Learned

- (i) *Explicitly acknowledge and address early the risks of ‘elastic’ project design.*
83. The accelerated preparation of this project did not allow time for the necessary sector diagnostics that would inform critical aspects of the project design and implementation arrangements. To address the analytics gap, a ‘flexible’ design was adopted to push critical decisions into the implementation phase. Experience suggests that this strategy can work only if the risks stemming from fast track preparation and flexible project design are identified and addressed very early in implementation. Even in such case, the minimal quality requirements for the project should not be compromised. It is also important that a lack of knowledge about factors detrimental to the project is not counterweighted by an ‘elastic’ formulation of PDOs and/or a result framework. Specific mitigating strategies and measures to address the above can include: a mandatory QAG at entry; conditions for effectiveness; early focus on addressing the gap in knowledge through necessary analytics; additional (independent and/or regular) reviews in critical areas (in this case construction and safeguards); rigorous planning for implementation e.g. through annual work plans prepared by the implementation and supervision teams; strong implementation capacity; and more robust Bank technical advice and compliance oversights.
- (ii) *Capitalizing on Comparative Advantages.*
84. Where a project delivers a certain output well (in this case ‘smart court’ infrastructure), and where that output contributes to an important outcome, the Bank and client should consider focusing the project and – critically – its results framework on that aspect to maximize results. MTR and restructuring provides the opportunity to apply lessons, reflect on comparative advantage and increase selectivity. Encumbering project with activities that lack stakeholder buy-in and are inadequately financed are more likely to dilute the positive aspects of the project, increase fragmentation and undermine the achievement of results.
- (iii) *Assuring Client’s Support for all Project Activities.*
85. The project sought to support Government’s priorities as expressed in the Presidential Decree (mainly construction of courts and offices and digitalization of business operations) while also including additional, mostly TA based activities, which sought to promote institutional reforms. Initial implementation difficulties signaled that there was uncertain commitment to these reforms as well as building human capacities within the institutions to bring reforms as envisioned in the Decree to life. Lack of progress in these areas was addressed by dropping some of reforms but others were then added. In the end, only those reforms which enjoyed strong support by the Government (mostly from the beginning of the project) were successful, in this case to the extent which exceeded even the most optimistic expectations. The above experience confirms: that (i) understanding is a precondition of consensus and commitment; and that (ii) only genuine consensus generates results.

- (iv) *M&E system must be aligned with the Project Design.*
86. M&E arrangements need to closely follow the key project activities, if target values are expected to be met and attributed to the project. Consistent and timely monitoring is then necessary throughout the project cycle. Restructuring documentation should be reviewed holistically and for internal consistency to prevent situations where, for example, the results framework retains elements that are no longer funded due to reallocations between components. Preliminary results and outcomes should be used and applied on a continued basis to further inform project design and activities.
- (v) *Continuity on Borrower Side as well as on the side of the Bank Matters.*
87. The implementation success on the GOA side of this project was driven by three key qualities: strong leadership in the MOJ; competence in the JMT; and high level of continuity in staffing.<sup>19</sup> On the Bank side, however, the Project was managed by five TTLs over eight years, and the supervision team involved approximately 60 personnel. To the extent possible, the Bank should avoid successive changes of TTLs and key personnel during the project cycle, except in cases of under-performance or staff departure. TTLs should generally remain in situ for at least two years to maximize the quality of supervision. Handovers should be carefully managed (as per the Bank guidelines) and coordinated with the client to prevent disruption, mistrust or misperception. Supervision teams should have depth in the core functional areas addressed by the project: only five of the 57 professionals on the supervision team appeared to have the legal background needed to provide specific guidance on technical issues relating to the reform agenda (see also 5.1 (b)).
- (vi) *Use MTRs to the benefit of the project.*
88. Where possible, an MTR should be conducted before restructuring and additional financing, so that its analysis can inform project redesign. This is particularly important for projects where preparation has been poor or where the analytic base is weak.
- (vii) *Task teams should be cautious to trigger safeguards policies*
89. This is particularly in large and complex projects. In this case, the cultural heritage policy could have been foreseen, and its inclusion at the appraisal stage would have prevented implementation teams from needing to restructure the project at a later stage.
- (viii) *Complexity should be avoided.*
90. Complex project designs require more intense supervision by more diverse skill sets and higher number of experts. Complex designs are also prone to continual modifications which increases risk to consistency and integrity of the implementation process. A large number of small activities increases the number of transactions and the capacity needed to process them. They also demand more time of a TTL and increase costs of supervision.

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<sup>19</sup> From 2008, the project had the same leader and the same manager, and turnover of JMT staff was otherwise minimal.

(ix) *Disconnect between ISRs and ICR should be avoided.*

91. Some of the issues identified in the ICR only should be detected earlier via more realistic ISRs that track progress more rigorously against the results framework. Candid reports that assess progress against a solid results framework, instead of assessing merely progress from one ISR to the next will help teams and managements to obtain a clear picture of the project's status.

**7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

**(a) Borrower/implementing agencies**

**(b) Co-financiers (N/A)**

**(c) Other partners and stakeholders (e.g. NGOs/private sector/civil society)**



## Annex 1. Project Costs and Financing

### (a) Project Costs by Component (IDA, IBRD funds)

Components	Appraisal Estimate (USD millions, totals)	Estimate Revised at Reallocation 2009 (USD million)	Estimate Revised at Additional Financing 2011 (USD millions)	Estimate Revised at Restructuring 2013 (USD millions)	Actual <sup>20</sup> (USD millions)	Percentage of Latest Restructured Estimate
<u>Component 1:</u> Strengthening the Management Capacity of Judicial Institutions	2,470,000.00	2,324,480.00	10,500,000.00	10,000,000.00	10,046,328.00	100%
<u>Component 2:</u> Upgrading of Court Facilities and Technologies	11,300,000.00	16,528,672.00	33,000,000.00	37,020,000.00	39,880,073.00	107%
<u>Component 3:</u> Improving the Quality of Judges Staff and Other Legal Professionals	4,000,000.00	1,410,829.00	4,600,000.00	530,000.00	536,419.00	101%
<u>Component 4:</u> Improving Citizen Information and Access to Justice	3,400,000.00	2,252,746.00	5,000,000.00	3,490,000.00	4,651,797.00	133%
<u>Component 5:</u> Project Management	400,000.00	1,781,277.00	1,900,000.00	3,960,000.00	5,860,649.00	148%
<b>Total Baseline Cost</b>	21,600,000.00	24,298,004.00	55,000,000.00	55,000,000.00	60,975,266.00	111%
	3,000,000.00 PHRD Grant <sup>21</sup>	3,000,000.00 PHRD Grant	3,000,000.00 PHRD Grant	3,000,000.00 PHRD Grant		
Physical Contingencies	0	0		-	-	
Price Contingencies	0	0		475,647.00 IDA	475,647.00 IDA	
Total Project Costs	35,600,000.00	37,568,004	96,570,000.00	96,550,000.00	100,772,230.00	104%
Front-end fee IBRD			60,500.00 IBRD	60,500.00 IBRD	60,500.00 IBRD	
Total Financing Required						

<sup>20</sup> Including PHRD funds.

<sup>21</sup> For specific use of the PHRD Grant funds see Table (d) Actual Costs of Revised Project Activities and Outputs.

**(b) Project Costs by Expenditure Category**

Expenditure Category	Appraisal Estimate (USD millions)	Estimate Revised at Reallocation 2009 (USD million)	Estimate Revised at Additional Financing 2011 (USD millions)	Estimate Revised at Restructuring 2013 (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Latest Restructured Estimate
<b>Works</b>	<b>10.02</b> (90%)	<b>10.2</b> (55%)	<b>31.26</b> (58%)	<b>30.94</b> (58%)	<b>30.91</b> (total: 62.16)	<b>99%</b>
<b>Goods</b>	<b>6.47</b> (100%)	<b>7.77</b> (79%)	<b>15.25</b> (68%)	<b>15.21</b> (70%)	<b>14.80</b> (total: 23.57)	<b>97%</b>
<b>TA and Consultant's Services, including Audits</b>	<b>4.77</b> (100%)	<b>6.6</b> (100%)	<b>7.71</b> (100%)	<b>8.01</b> (75%)	<b>10.34</b> (total: 10.88)	<b>127%</b>
<b>Training</b>	<b>2.94</b> (100%)	<b>0.68</b> (100%)		<b>0.09</b> (100%)		
<b>Incremental Operating Costs</b>	<b>0.4</b> (100%)	<b>0.75</b> (100%)	<b>1.54</b> (100%)	<b>1.83</b> (62%)	<b>3.54</b>	<b>193%</b>
<b>Unallocated</b>	0	0	<b>0.475</b> (100%)			
<b>Total</b>	<b>24.6</b>	<b>26.0</b> (Currency fluctuation)	<b>58.00</b>	<b>58.00</b>	<b>59.6</b>	<b>102%</b>
	21.6 IDA Credit	21.6 IDA Credit	21.6 IDA Credit	21.6 IDA Credit	23.1 IDA Credit	
	3.0 PHRD Grant	3.0 PHRD Grant	3.0 PHRD Grant	3.0 PHRD Grant	2.7 PHRD Grant	
			9.20 IDA Credit	9.20 IDA Credit	8.8 IDA Credit	
			24.20 IBRD Loan	24.20 IBRD Loan	24.2 IBRD Loan	
<b>Borrower</b>	11.0	11.0	39.30	39.28	<b>41.17</b>	<b>105%</b>
<b>Grand Total</b>	<b>35.6</b>		<b>97.30</b>	<b>97.28</b>	<b>100.77</b>	<b>104%</b>

**(c) Financing**

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD million)	Restructuring Estimate 2009 (USD million)	Restructuring Estimate 2011 (USD million)	Restructuring Estimate 2013 (USD million)	Actual (USD million)	Percentage of Restructuring
Borrower	Counterpart	11.0	11.0	39.30	39.28	41.17	105%
International Development Association (IDA) <sup>22</sup>	Credit (IDA-42090)	21.60	24.30	21.60	21.60	23.1	107%
International Development Association (IDA)	Credit (IDA-49610)			9.20	9.20	8.8	96%
International Bank for Reconstruction and	Loan (IBRD-80680)			24.20	24.20	24.20	100%

<sup>22</sup> The IDA-Credit 42090 was fully disbursed by November 2011.

Development (IBRD)							
Japan PHRD Grant	Co-financing (TF-56731)	3.00	3.00	3.00	2.74	2.74	91%
<b>Total</b>		<b>35.60</b>	<b>37.57</b>	<b>97.30</b>	<b>97.28</b>	<b>100.77</b>	<b>104%</b>

**(d) Amount spent over Time**

Calendar Year	Amount spent (USD)
2006-08	476,985.00
2009	4,113,822.00
2010	14,313,434.00
2011	16,826,666.00
2012	22,258,743.00
2013	25,141,565.00
2014	16,902,419.00
<b>Grand Total</b>	<b>100,772,230.00</b>

**(e) Actual Costs of Revised Project Activities and Outputs<sup>23</sup>**

<b>Component 1: Strengthening the Management Capacity of Judicial Institutions</b>	<b>15,845,535.00 (WB: 10,046,328.00)</b>	
<b>Goods</b>	<b>13,648,496.00 (WB: 7,987,740.00)</b>	
ICT and other equipment for creation of automated case and document management systems <i>(to be completed under JSSIP)</i>	6,546,643.00 (WB: 4,520,742.00)	
Software and hardware for Judicial-Legal Council	99,590.00 (WB)	
Hardware for selection of judges	98,480.00 (WB)	
Office equipment, furniture and materials	Sheki Court Complex	1,738,172.00 (WB)
	Sabunchu Court Complex	1,167,199.00 (WB)
	Guba District Court	394,375.00 (WB)
ICT and other technical equipment	Sheki Court Complex	1,655,856.00 (WB)
	Sabunchu Court Complex	1,455,627.00 (WB)
	Guba District Court	543,942.00 (WB)
<b>Consultant Services, including Audits and Trainings</b>	<b>2,197,041.00 (WB: 1,909,787.00)</b>	
Functional analysis of the MoJ	International consultant	92,647.00 (PHRD)
	Local consultant	40,744.00 (PHRD)
Sr. Information Systems Advisor	114,946.00 (WB: 97,412.63.00)	
Sr. Judicial Information Systems Advisor	131,895.00 (WB: 115,130.00)	
Training in ICT	MoJ staff	314,727.00 (WB)
	Judges	682,848.00 (WB: 578,693.00)
Training and study tours for the MoJ personnel	75,227.00 (WB)	
ICT master plan, technology platform design, development	International IT Expert	150,201.00 (WB)
	National IT Expert	341,088.00 (WB)
Technical Assistance to Strengthen the Judicial-Legal Council	201,330.00 (WB)	

<sup>23</sup> For a complete list of originally envisioned activities/outputs 2006 and the list of envisioned activities/outputs by the time of AF see Annex 10, 11.

<b>Component 2: Upgrading of Court Facilities and Technologies</b>		<b>73,877,830.00</b> <b>(WB: 39,880,073.00)</b>
<b>Civil Works</b>		<b>62,159,444.00 (WB: 30,910,796.00)</b>
Construction	Sheki Court Complex (4 courts) <i>(to be completed under JSSIP)</i>	20,079,366.00 (WB)
	Sabunchu Court Complex (2 courts) <i>(to be completed under JSSIP)</i>	14,086,537.00 (WB)
	Baku City Yasamal District Court	11,053,915.00 (WB: 5,389,754.00)
	Guba District Court	4,709,095.00 (WB)
	Gedabek District Court	3,441,761.00 (WB: 1,382,265.00)
	Oguz District Court	2,912,317.00 (WB: 1,341,528.00)
	Gandja City Nizami District Court	6,503,037.00 (WB: 2,962,789.00)
<b>Goods</b>		<b>6,895,152.00 (WB: 4,889,708.00)</b>
Software for Court Acts Database		41,890.00 (WB)
Software and hardware for Supreme Court		1,105,430.00 (WB: 873,165.00)
Software and hardware for Constitutional Court		991,916.00 (WB: 783,489.00)
ICT and other technical equipment	Oguz District Court	124,868.00 (WB: 0.00)
	Gedabek District Court	128,107.00 (WB: 0.00)
	Gandja City Nizami District Court	234,355.00 (WB: 0.00)
	Baku, Gedabek, Oguz and Gandja	1,718,977.00 (WB: 1,601,005.00)
Technical equipment for Baku City Yasamal District Court		759,830.00 (WB: 266,978.00)
Office equipment, furniture and materials in courts		1,789,779.00 (WB: 1,339,935.00)
<b>Consultant Services, including Audits and Trainings</b>		<b>4,196,651.00 (WB: 4,079,569.00)</b>
Project design for renovation and construction of courts		2,309,551.00 (PHRD)
Additional works for carrying out project design for renovation and construction of courts		483,355.00 (WB)
Support for continuing supervision of rehabilitation and construction		398,095.00 (WB)
Author supervision for courts under renovation and construction		159,996.00 (WB: 135,580.00)
Carrying out author supervision for courts under renovation and construction		118,954.00 (WB)
Carrying out additional design works		726,700.00 (WB)
<b>Component 3: Improving the Quality of Judges Staff and Other Legal Professionals</b>		<b>536,419.00</b> <b>(WB)</b>
<b>Consultant Services, including Audits and Trainings</b>		<b>515,003.00 (WB)</b>
Bar Association professionalization assessment and policy options		107,637.00 (WB)
Judicial Modernization International conferences and workshops		57,013.00 (WB)
Training/Participation in Conferences/Knowledge Sharing		45,907.00 (WB)
Justice Academy needs assessment, strategic planning and development of operating procedures		223,715.00 (WB)
Technical Assistance to Strengthen the Judicial-Legal Council		56,489.00 (PHRD)
Carrying out surveys		24,243.00 (WB)
Development of training curricula <i>(will be done under the new JSSIP)</i>		0.00
Evaluation of impacts of training programs <i>(will be done under the new JSSIP)</i>		0.00
Evaluation of pilot citizen information programs and their replication <i>(will be done under the new JSSIP)</i>		0.00
Raising student awareness for the judicial system <i>(will be done under the new JSSIP)</i>		0.00
Annual judicial modernization conferences and evaluation training program <i>(will be done under the new JSSIP)</i>		0.00
Case file analysis <i>(will be done under the new JSSIP)</i>		0.00
<b>Incremental Operating Costs</b>		<b>21,416.00 (21,416.00)</b>
Translation, editing and printing of books into Azeri language		21,416.00 (PHRD)

<b>Component 4: Improving Citizen Information and Access to Justice</b>	<b>4,651,797.00</b> <b>(WB: 3,545,505.00)</b>
<b>Goods</b>	<b>2,865,339.00 (WB: 1,759,047.00)</b>
MoJ Registry Offices	Communication and printing equipment 75,173.00 (WB: 59,537.00)
	ICT and other computer equipment 307,500.00 (WB: 242,924.74)
Hardware for court acts database	130,048.00 (WB)
Development and implementation of e-notary system	2,352,299.00 (WB: 1,780,207.00)
<b>Consultant Services, including Audits and Trainings</b>	<b>1,786,458.00 (WB: 1,650,579.00)</b>
Database developer (programmer)	8,334.00 (WB)
Integration of civil service acts system and archive	32,749.00 (WB)
Modernization and automatization of MoJ Central and Regional Registry offices (NGO registration, including archives)	383,815.00 (WB)
Preparation of technical specifications for e-notary system	84,304.00 (WB)
Public information strategy for judicial information campaign (TV, radio, print, media)	454,758.00 (WB)
Identification of information needs of target groups (such as IDPs, women, minors, low-income families)	112,334.00 (WB: 87,008.00)
Internet-based information services, including design of website to enable the public access (pilot project courts)	87,008.00 (WB)
Enforcement analysis and policy options	134,479.00 (WB)
Establishment of legal and judicial information centers	211,323.00 (WB)
Carry out of baseline survey	100,291.00 (WB)
Creating legal and judicial information center in Baku and Guba	177,065.00 (PHRD)
Support for partnership program between schools and courts; raising student awareness of judicial system through visits to courts, in collaboration with Ministry of Education ( <i>will be done under JSSIP</i> )	0.00
Carry out Empirical Studies and Surveys (multiple assignments) ( <i>will be done under JSSIP</i> )	0.00
Evaluation of pilot citizen information programs and their replication ( <i>will be done under JSSIP</i> )	0.00
Production of media for judicial information campaign (TV, radio, print media) ( <i>will be done under JSSIP</i> )	0.00
Legal aid system and needs analysis including policy options ( <i>will be done under JSSIP</i> )	0.00
Market for legal services analysis and policy options ( <i>will be done under JSSIP</i> )	0.00
Court dispute resolution and alternative dispute resolution analysis and policy options ( <i>will be done under JSSIP</i> )	0.00
Courthouse open days ( <i>will be done under JSSIP</i> )	0.00
Establishment of legal aid clinics at the Baku State University ( <i>will be done under JSSIP</i> )	0.00
<b>Component 5: Project Management</b>	<b>5,860,649.00</b> <b>(WB: 4,862,694.00)</b>
<b>Goods</b>	<b>156,227.00 (WB: 123,413.00)</b>
ICT equipment (including Accounting software) for the Judicial Modernization Team	49,117.00 (WB: 38,802.00)
Judicial Modernization Team office furniture	11,651.00 (WB: 9,204.00)
Judicial Modernization Team vehicles (3)	95,459.00 (WB: 75,406.00)
<b>Consultant Services, including Audits and Trainings</b>	<b>2,187,562.00 (WB)</b>
Results collection, reporting, monitoring and evaluation	133,183.00 (WB)
ICT equipment (including Accounting software) to the Judicial Modernization Team	12,432.00 (WB)
Training expenditure	143,904.00 (WB, including 18,540.00 PHRD)
Remunerations	1,723,168.00 (WB)

Audit	180,597.00 (WB)
<b>Incremental Operating Costs</b>	<b>3,516,859.00 (WB)</b>
Operating costs	3,382,072.00 (WB)
Fencing of Guba District Court	20,715.00 (WB)
Employee Salaries	114,068.00 (114,068.00)

## Annex 2. Project Outputs by Component

### Component I: Strengthening Management Capacity of Judicial Institutions

By the time of the **Mid-Term Review** in October 2011 the following outputs were delivered, respectively underway:

- **ICT Master Plan** and design of a technology platform developed;
- **Study tours** conducted with the purpose to build capacity at the MOJ to better perform its functions through the development and installation of an integrated information management system aiming at enhancing operational planning, statistical analysis, resource management and citizen information and other fields:
  - i) judicial and court administration, case load management/Washington, D.C., – 1 MOJ staff, 2009;
  - ii) court house design, architecture, CMS, court operations/Dubai, Shardja and Abu Dhabi, U.A.E. – 5 MOJ staff, 2009;
  - iii) leadership and project team management/Montreal, Canada – 1 MOJ staff, 2009;
  - iv) IT study tour/Ankara, Turkey, 9 staff from MOJ, Supreme Court, PIU, 2010;
- Installation of **local area networks** at project sites (where feasible);
- **700 staff** of MOJ (around 20%), Constitutional Court, JLC and select 1<sup>st</sup> Instance Courts in Baku and district areas received **ICT training**;
- **Hardware and software as well as printing equipment** to be used in selection of judge candidates and in the examination process provided to the **JLC**;
- **235 judges** have been appointed using new selection procedures; **more than 50% of 1<sup>st</sup> Instance Court Judges** have now been selected using the **new procedures**;
- **Final report and recommendation package** concerning best European and international practice delivered to **JLC to strengthen its technical capacity** in the areas of selection of judges, evaluation of judges' activities, their jurisdiction, promotion and disciplinary proceedings.

By the time of **project closure** in December 2014 the following outputs were delivered:

- **CMS rolled out in 5 locations**: Ganja City Nizami District Court, Ganja Grave Crimes Court, Gedabek District Court, Oguz District Court, Guba District Court;
- **CMS piloted in 7 locations**: Yasamal District Court (Baku), Baku Appeals Court, Baku Economic and Administrative Court No. 1;  
(Full roll-out proposed to be financed under the JSSIP but extent and scope will depend on (a) the evaluation of the JMP pilot, and (b) the estimated costs of the proposed roll-out.)
- **CMS functionalities** piloted at the **MOJ**;
- **DMS piloted in 11 institutions**: MOJ, Sheki Regional Justice Department, Sabunchu District Registration Office, Notary Office No. 16 (Baku), Yasamal District Court (Baku), Baku Administrative Economic Court No. 1, Baku Appeals Court, Judicial-Legal Council, Center for the Work with Municipalities (Baku), General Department of Registration and Notary, and State Population Registry;  
(Full roll-out proposed to be financed under the JSSIP but extent and scope will depend on (a) the evaluation of the JMP pilot, and (b) the estimated costs of the proposed roll-out. As of today the contractor is facing challenges in fully deploying the DMS in the MOJ since senior staff members are yet to take full ownership.)
- **1,795 staff** out of 2,489 **from pilot entities are trained in IT** (i.e. 72%);
- **81% of new judges in the first instance courts** have been **selected** using the **new procedures**;

- **Office equipment, furniture and materials delivered and partially installed in 7 courts:** Sheki Court Complex (construction was not completely finished by time of project closure); Sabunchu Court Complex (construction was not completely finished by time of project closure); Guba District Court;
- **ICT and other technical equipment delivered and partially installed in 7 courts:** Sheki Court Complex (construction was not completely finished by time of project closure); Sabunchu Court Complex (construction was not completely finished by time of project closure); Guba District Court.

### **Component II: Upgrading of Court Facilities and Technologies**

By the time of the **Mid-Term Review** in October 2011 the following outputs were delivered, respectively underway:

- **ICT and other technical equipment** (print house, UPS, video and other office equipment) for the new administrative building of the **Supreme Court** to improve operating efficiency and facilitate routine work (completed in 2009);
- **ICT and other technical equipment** (office, conference, printing and security equipment) as well as design and implementation of **information network and electronic DMS** for the **Constitutional Court** to improve operating efficiency and facilitate routine work (completed in 2010);
- Construction of **Oguz District Court completed** (November 2011) and functional with **ICT equipment and furniture installed**;
- **Detailed architectural and engineering designs and cost estimates for 24 courthouses** (incl. court complexes in Sheki, Sabunchu, Shirvan and Sugavit cities) developed.

By the time of **project closure** in December 2014 the following outputs were delivered:

- **4 more courts are completed** - Yasamal District Court, Gandja District Court, Gedabek District Court, and Guba District Court – and functional with **ICT equipment and furniture installed**;
- **6 courts expected to be completed and functional by March 2015:** Sheki Court Complex (4 courts) and Sabunchu Court Complex (2 courts);
- **Database of Court Decisions** operational in pilot courts;
- **Court Recording and Transcription (CRT) System** installed in functional pilot court locations;
- **First stage** of technical specifications and screen mock-ups **for e-filing and e-searching** (Tender procedures is expected to start in 2015 under JSSIP).

### **Component III: Improving the Quality of Operations of Judges, Staff and Other Legal Professionals**

By the time of the **Mid-Term Review** in October 2011 the following outputs were delivered, respectively underway:

- **“Justice Academy Needs Assessment, Strategic Planning and Development of Operating Procedures and Curricula Procedures”** completed; final report comprising recommendations and action plan for institutional strengthening of the JA and strengthening professionalism of its staff (September 2010 – June 2011 (presentation to the MOJ).<sup>24</sup>

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<sup>24</sup> Under the new leadership of the Academy, and with more high-level attention being paid to its role, the MOJ agree with the Bank that instead of spending any further money under the JMP, it would make sense to provide suitable allocations under the proposed new project. The original allocation in the JMP was deliberately kept low because (a) there were significant organizational and capacity weaknesses and (b) the EU was funding most of the training needs of the Judiciary.



By the time of **project closure** in December 2014 the following outputs were delivered:

- **Baseline Court User Survey** completed;
- **Assessment of the Azeri Bar Association**, including policy options (actions on this report are planned for under the JSSIP);
- **1 Judicial Modernization Conference** in Azerbaijan;
- **Participation** of Azeri justice sector representatives in **conferences**;
- **Translation, editing and printing of books** into Azeri language.

#### **Component IV: Improving Citizen Information and Access to Justice**

By the time of the **Mid-Term Review** in October 2011 the following outputs were delivered, respectively underway:

- Modernization and automation of **MOJ Central and Regional Registry offices dealing with registration of NGOs**;
- Software developed to **integrate civil service act systems and archives**;
- Provision of modern **ICT and other office equipment** (HSDSL modems, b/w laser printers etc.) to strengthen capacity of registry and notary office staff of the MOJ and facilitate routine works (completed in 2009), including binding and digitizing existing civil acts registration material;
- Technical specifications for **e-notary system** (approximately 300 notaries) completed (June 2010), detailed system design finalized, notary staff trained;
- Design for “Internet-based Information Services”, including website design to enable **publication of court decisions and related materials** for citizens and legal professional; contract to purchase **hardware** for court decision database;
- Technical report summarizing the findings of an “**Information Needs Assessment of Target Groups (such as IDPs, women, minors, low-income families, small businesses) and the General Public**” developed;
- Creation of **2 legal information centers in Baku City and Guba City**; the centers closed in May 2013;
- **Baseline Court User Survey** completed.

By the time of **project closure** in December 2014 the following outputs were delivered:

- **Pilot e-notary system deployed, including training of staff**; in all urban registry location, notary operations automated; e-notary system started implementation in some locations;
- **Implementation of e-notary system in some locations**;
- **4,380 citizens received free legal aid** by 2 legal information centers in Baku City and Guba City (closed in May 2013);
- **Public information strategy for judicial information campaign** developed; (Strategy expected to constitute an important input in the design of the communications and outreach elements of the new project.)
- **Web Portal Application installed in pilot courts**: this application provides citizens access to information about courts, judges, and cases;
- **Analytic study on efficiency of enforcement of court decisions**; (Key recommendations planned to be implemented under JSSIP).

### Annex 3. Economic and Financial Analysis

The PAD estimated that the benefits to be derived from the project would be significant, but no *ex ante* economic and financial analysis of the likely benefits and costs were conducted. Annex 9 of the 2006 PAD merely restated the objective and components of the project. No baseline assessments were made of relevant aspects of the functioning of the judiciary or without project base costs that could be used to reconstruct with the *ex ante* position in 2006. The design and implementation issues discussed in the main text of the ICR added further challenges to the analysis, including the fragmented project design, inadequate M&E arrangements, and many dropped activities. Some basic court performance statistics are available at Annex 15, as well as global and regional indices. However, insufficient data was available to conduct an *ex post* costs benefit analysis. Nonetheless, this Annex attempts: to compare results and costs of investment in the four pilot courts<sup>25</sup> built by 2012; and to identify the costs and benefits of some key outputs and examine their cost effectiveness.

Ultimately, the JMP produced fewer benefits than anticipated in the PAD, and the benefits that were produced were delivered at approximately four times the cost estimated in the PAD. With the exception of e-notary services, benefits were modest and isolated within the pilot courts, and were not big enough to have spillover effect to the national judiciary. Further, some missed opportunities reduced cost effectiveness.

#### **Court Modernization: Value for Money**

For the four operational pilots, approximately US\$ 35 million was spent on infrastructure and ICT<sup>26</sup> other modernization across four courts with 23 judges, who each have a support team of 3 staff on average, resulting in an investment per judge were US\$ 1.5 million per judge team. However, standard measures of performance in courts – namely disposition times, clearance rates, dispositions per judge and backlog – remained largely unchanged before and after the project.<sup>27</sup> They also remained largely unchanged between the pilot courts and courts that did not receive support<sup>28</sup> (see also cost benefit analysis under Component 1).

#### **Cost benefit analysis by components**

##### **Component 1: Strengthening the Management Capacity of Justice Institutions**

The total cost of this component 1 was US\$ 15.85 million. The primary outputs delivered were a CMS (rollout in 5 locations, pilots in 7 locations) and a DMS in pilot locations. These outputs cost about US\$ 13.7 million (World Bank contribution about US\$ 8.9 million)<sup>29</sup> and their expected benefits related to improved efficiency in operations.<sup>30</sup> The JSSIP will fund the rollout of the CMS and DMS across Azerbaijan, at which time benefits are expected to start flowing. The JSSIP Economic Analysis anticipates that full rollout will improve the efficiency and quality of decisions, saving more than US\$ 2.3 million p.a. Although data is not available, ICR consultations revealed some anecdotal evidence to suggest that people working in the

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<sup>25</sup> Gandja, Gedabek, Oguz, Yasamal.

<sup>26</sup> USD 35 million include cost of construction, furniture, equipment, software, for and installation of CMS and DMS and IT training for staff without government's contribution.

<sup>27</sup> See Annex 15; CEPEJ Evaluations, 2008 to 2014; and JSSIP PAD.

<sup>28</sup> See Annex 15 comparing the clearance rates and dispositions per judge in pilot courts vs. national averages.

<sup>29</sup> These costs do not include consultant services and training (approximately US\$ 1.5 million). ICT support was funded both under component 1 (approximately US\$ 9.1 million) and component 2 (approximately US\$ 4.6 million).

<sup>30</sup> See 200 PAD, Annex 9 (Economic and Financial Analysis). These systems may also improve the quality of service delivery in courts, including by improving staff morale and professionalism and reducing corruption, but data was not collected to enable quality-related benefits to be quantified.

system are beginning to feel some benefits. For instance, one court president reported time savings for judges and staff in his court by noting that in the past judges routinely had to work late to complete their tasks and that now they can leave work on time. However, the absence of an alternative productive time use makes this benefit difficult to quantify.

Part of the problem in identifying net efficiency gains in this area is that the system's efficiency parameters were already high before the project's large-scale investments. Average disposition times,<sup>31</sup> dispositions per judge and time to enforce contracts<sup>32</sup> were all already lower than EU and EU10 averages before the project became effective.

Also under this component, the JMP provided software and hardware to the JLC to support the selection of judges, at a cost of US\$ 0.2 million. Improved selection of judges would likely have generated benefits in terms of quality of justice service delivery. However, the extent to which the improvements are attributable to the JMP, given its relatively small contribution to the effort, is unclear. Further, the extent of improved quality is not known and the benefits deriving from enhanced quality difficult to quantify.

## **Component 2: Upgrading of Court Facilities and Technologies**

The total cost of this component was US\$ 73.9 million. The primary outputs delivered were the construction of 11 courts in seven locations, at a cost of US\$ 62.2 million (WB contribution US\$ 31 million). Accompanying the civil works was the provision of furniture and office equipment at a cost of US\$ 5.1 million.<sup>33</sup> For ICT software see component 1. Software and hardware was also provided to the Supreme Court and Constitutional Court at a cost of US\$ 2 million.

*Benefits:* As discussed above, it is difficult to identify efficiency gains, as standard efficiency measures (disposition time, clearance rate, dispositions per judge etc.) remain unchanged before and after the project, and between the operating pilot courts and the rest of the court network. Nonetheless, some benefits can be identified within the pilot courts. It is estimated that co-location of courts and related services in the 'court complexes' would increase economies of scale in service delivery. Users and legal professionals would save time and money by using these 'one-stop shops', and this would likely improve the user experience. Co-location would also likely improve coordination and therefore quality of services. However, these benefits were not quantified under the JMP. The improved facilities would also have produced energy efficiency savings although, when asked, the JMT referred to these as 'not applicable' (See Annex 14). For the two larger complexes (Yasamal and Sheki), additional benefits would include multiplier effects to local businesses in the vicinity of the courthouses. In addition, better access for disabled persons would bring substantial benefits for those persons, and modern facilities may have improved the perception of the judiciary to the general public. The demonstration effects of improved facilities may also produce benefits for other public sector agencies and improve citizen perception of the judiciary. The JSSIP will apply lessons from these pilots to scale up 'smart courts' across Azerbaijan, and the JSSIP expects these benefits to be significant.

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<sup>31</sup> Disposition times in civil litigious cases are around one-fifth of the EU average. Disposition times actually increased slightly – though still well below the EU and EU11 averages – over the course of the project. However, this may be due to factors outside the project's influence, such as increased numbers of incoming cases, increased complexity of cases and improvements in due process.

<sup>32</sup> According to IFC Doing Business Report, the number of days to enforce a contract actually increased from 267 days in 2006 to 277 days in 2014. However, this remains around half the OECD average. Further, the cost of the claim and the number of procedures has remained the same over the period.

<sup>33</sup> Partially funded under component 1.

*Costs of delay:* The absence of project activity in the first two years increased the costs of these activities because of rising inflation and construction costs as Azerbaijan experienced a construction boom. From 2006 to 2007, construction should have commenced at courthouses in Oguz, Yasamal, Gedabek and Gandja, during which time CPI was approximately 10%. Instead, these high-disbursing activities started in 2008, when inflation had risen to approximately 25%. The delays also delayed the commencement of benefits for users. The delay enabled stakeholders to re-think construction activities, adopt the ‘smart court’ concept, and benefit from newer technologies.

*Cost effectiveness and courthouse selection:* There lay opportunities to increase benefits and improve economies of scale through the selection of courthouses for upgrading. For example, the construction of the Oguz District Court cost approximately US\$ 3 million, yet it has only two courtrooms and houses a single judge.<sup>34</sup> The court carries a light caseload of approximately 850 cases per year, which the sitting judge described to the ICR team as minor cases. Of these, approximately 30 are criminal cases, which the judge referred to as relatively minor, yet the project supported significant upgrading of criminal justice facilities (such as holding cells, transportation for prisoners and accommodations for prosecutors and victims). To date, these facilities have gone largely unused. The Oguz District Court is also located adjacent (30 minutes’ drive) to the Sheki Court Complex, which also underwent construction to the value of US\$ 20 million, and their proximity creates some overlap in their services to citizens. If the US\$ 3 million had been invested in a courthouse that housed a larger number of judges, greater courtroom capacity, carried a larger caseload and/or was located further away from other project sites, a larger number of citizens might have experienced the project’s benefits. Nonetheless, better value for money was realized elsewhere. The Gandja District Court cost approximately US\$ 6.5 million, but it carries a caseload of over 5,000 cases and has six courtrooms and six judges. The construction of the Yasamal District Court Complex cost approximately US\$ 11 million, but it carries a caseload of over 17,000 cases, 12 courtrooms, and 14 judges and its jurisdiction covers the most economically active part of the country.

*ICT training:* The project delivered ICT training to more than 1,795 of judges and MOJ staff at a cost of US\$ 1 million. It is likely that this training produced some benefit in terms of increased productivity of MOJ staff in processing information. However, the only records of its results are attendance and certificate: there is no evidence of skills before and after the training, and the cost of time spent in training was not measured. No evaluation of the impacts of training has been conducted. Such an evaluation is planned under the JSSIP at which time benefits may become apparent.

### **Component 3: Improving the Quality of Judges, Staff and other Institutions**

The total cost of this Component was US\$ 0.54. Its largest output was a needs analysis of the Judiciary Academy, which cost approximately US\$ 224,000 and was delivered by a senior international consultant on an extended mission to Baku.<sup>35</sup> The needs analysis aimed to support the Judicial Academy to develop a strategic approach to institutional development and assess training needs. The needs analysis appears not to have gained traction, and no benefits appeared to have accrued from it. No curricula or specific courses were developed based on the analysis, and ultimately the project withdrew its engagement with the Academy and funding was reallocated to infrastructure activities.<sup>36</sup> (Thereafter, the only training funded by JMP was study tours for MOJ staff at a cost of US\$ 0.07 million under Component 1 and participation at international training/conferences at US\$ 0.13 million under Component 4, and the impacts of these have

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<sup>34</sup> Similarly, the construction of the Gedabek District Court cost approximately US\$ 3.5 million. Although it has only two courtrooms and two judges, it handles over 1,500 cases.

<sup>35</sup> The remaining half of the funds under this Component was used to fund the baseline and follow-up survey, the Study of the Bar, and participation at various conferences. The benefits of these activities were not quantifiable.

<sup>36</sup> The ICR team was advised that GIZ is set to prepare its own needs analysis, including curricula and courses, which further suggests that minimal benefits accrued from the JMP-funded analysis.

not been measured.) The JSSIP plans to develop such curricula and courses, so the benefits may be realized in the future. In terms of the cost effectiveness, alternative implementation modalities may have been possible. For example, using a mix of international and local consultants and shorter missions may have reduced the cost by up to half and improved the cost-effectiveness of the output.

#### **Component 4: Improving Citizen Information and Access to Justice**

The total cost of this Component was US\$ 4.7 million. Its primary output was the delivery of legal aid to 4,380 persons at two centers in Baku and Guba for two years from 2011 to 2013, at an average of 5.5 clients per day per center. The benefits were estimated to be approximately US\$ 70<sup>37</sup> per client and delivered to a total cost of approximately US\$ 0.39 million.<sup>38</sup> Although these figures suggest a slightly negative net benefit, there may have been some unquantified benefits to the beneficiaries,<sup>39</sup> as well as value for GOA through experimentation. The centers closed in May 2013 after the PHRD grant expired, which suggests a lack of sustainability and ownership over the results at the time. The JSSIP plans larger-scale access to justice initiatives, and further benefits may be realized under that project.

Further, this Component delivered an e-notary service at a cost of US\$ 3.2 million. No data was collected on likely impacts, but anecdotal evidence from ICR consultations suggests that the system has already generated net benefits. Notaries are now able to conduct their business more efficiently, and deliver cheap and fast services to the public. Notaries are intermediate service providers for property registration and business registration, so increased efficiencies in their operations, if passed on, can have economy-wide effects. According to data from the Doing Business Reports, from 2010 to 2014 the number of days it takes to start a business in Azerbaijan has fallen from 10 to 7, and the cost as a share of income per capita has fallen from 2.9% to 1%. However, for property registration the number of days has remained the same at 10 days and the price as a share of the contract amount has increased from 0.2% to 0.5%. The precise extent to which these changes are attributable to software developed under the JMP was not quantified under the project.

This Component also funded online information tools in the pilot courts. The web portal provides citizens information about courts, judges and cases in those courts and cost US\$ 0.9 million and would save the time of court users in accessing material and staff in providing it. A court acts database provides court decisions online at the pilot courts, and cost US\$ 0.62 million. The net benefits of these online tools may already be positive even across the small number of pilot courts, but data had not been collected to quantify the extent. The JSSIP plans to roll out the portals across Azerbaijan, at which time the benefits are estimated to be significant.<sup>40</sup>

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<sup>37</sup> See JSSIP PAD, Annex 7, Economic and Financial Analysis. The benefit received by the beneficiary was based on the value of the lawyer's fees (US\$ 70). The assumption may be generous given that beneficiaries had not demonstrated a willingness to pay that amount prior to free provision.

<sup>38</sup> See JSSIP PAD, Annex 7, Economic and Financial Analysis.

<sup>39</sup> Data was not collected on user satisfaction at the legal aid centers or the extent to which users benefitted in terms of their ability to resolve their dispute or grievance.

<sup>40</sup> See JSSIP PAD, Annex 7, Economic and Financial Analysis.

## Annex 4. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team Members

Names	Title	Unit	Responsibility/ Specialty
<b>Lending</b>			
Mala D. Johnson	Program Assistant	ECSP4	Administrative Support
Waleed Haider Malik	Sr. Public Sector Mgmt. Spec.	GGODR	Task Team Leader
Alexandra M. Habershon	Program Coordinator	INTOP	Governance
Hikaru Kitai	Consultant	GGODR	Architect
Shahridan Faiez	Safeguards Specialist	ECASD	Social Development
Ida N. Muhoho	Consultant	GGODR	Financial Management
Maria del Carmen Novoa Cancela	Consultant	ECSP4	Judicial reform
Philip Gerald Thacker	Consultant	ECSP4	Infrastructure
Robert Buergenthal	Sr. Counsel	LEGJR	Justice Sector Specialist
Amy Evans	ET Consultant	ECSP4	Environmental & Safeguards Issues
Hans Jurgen Gruss	Sr. Counsel	LEGJR	Legal
Richard Messick	Sr. Governance Specialist	GGODR	Governance
Amitabha Mukherjee	Lead Public Sector Specialist	GGODR	Governance
Gurcharan Singh	Sr. Procurement Specialist	GGODR	Procurement
<b>Supervision/ICR</b>			
Nigar Aghayeva	Consultant	GENDR	Environment & Natural Resources
Anna Apostu	Consultant	ECSP4	Research
Saida R. Bagirli	Sr. Operations Officer	ECCAZ	Operational Policy and Country Services
David S. Bernstein	Lead Public Sector Specialist	GGODR	Task Team Leader
Frederick Edmund Brusberg	Consultant	OPSOR	Sustainable Development/Social Development
Robert Buergenthal	Sr. Counsel	LEGJR	Justice Sector Specialist
Hassane Cisse	Director	GGODR	Governance
Norpulat Daniyarov	Sr. Financial Management Specialist	GGODR	Public Sector Governance, Budget, Performance Review & Strategic Planning
Joanna Peace De Berry	Sr. Social Development Specialist	GSURR	Social, Urban Rural and Resilience
K. Migara O De Silva	Sr. Economist	GGODR	Task Team Leader
Klaus Decker	Sr. Public Sector Specialist	GGODR	Task Team Leader
Donna Dowsett-Coiroollo	Director	ECCU3	Director
Nadira Dzheenbekova	Voice Secondee (Director, Ministry of Finance, Kyrgyz Republic)	ECSPE	Operations Support
Elizabeth Eapen	Consultant, Operations Support	ECSPE	Operations Support

Donna Dowsett-Coiroollo	Director	ECCU3	Director
Amy Evans	ET Consultant		Environmental Safeguards issues
Shahridan Faiez	Safeguards Specialist	ECASD	Social Development
Deepal Fernando	Sr. Procurement Specialist	GGODR	Procurement (Governance)
Maninder Gill	Director	GSURR	Social, Urban, Rural and Resilience
Ahmet Gokce	Sr. Procurement Specialist	ECISO2 – HIS	Procurement
Cheryl Gray	Director	GSURR	Director
Claire Louise Greer	Operations Analyst	GGODR	Operational Policy and Country Services
Hans Jurgen Gruss	Chief Counsel	ECLEG	Legal
Tala Hadavi	Consultant	ECSP4	Research
Gulana Enar Hajiyeva	Sr. Environmental Specialist	GENDR	Environment and Natural Resources
Alim Hasanov	Economist	ECCAZ	Operational Policy and Country Services
Takao Hasuike	Consultant		IT Specialist
Elene Imnadze	Sr. Public Sector Specialist	GGODR	Operational Policy and Country Services
Satoshi Ishihara	Sr. Social Development Specialist	GSURR	Social, Urban Rural and Resilience
Indira Iyer	Consultant	GMFDR	Macroeconomics & Fiscal Management
Ilgar Jalilov	Consultant	GSURR	Social, Urban Rural and Resilience
Tural Jamalov	Financial Management Specialist	GGODR	Financial Management
Yoko Kagawa	Sr. Operations Officer	GGODR	Operational Policy and Country Services
Hiraku Kitai	Consultant	GGODR	Architect
Karin Komoto			
Waleed Haider Malik	Sr. Public Sector Mgmt. Specialist	GGODR	Task Team Leader
Aida Abbas Qizi Mammadova			
Shahla Mammadova	Consultant	ECCAZ	Operational Policy and Country Services
Danijel Marasovic	Consultant	GGODR	Architect
Giovanni Mascarenhas	Deputy Chief Information Officer	ITSCT	Information and Technology Solutions
Leonard Frank McCarthy	Vice President, Institutional Integrity	INTVP	Legal
Richard E. Messick	Sr. Public Sector Specialist	GGODR	Governance
Ekaterina Mikhaylova	Lead Strategy Officer	GEEDR	Sustainable Development – Energy & Mining
Ida N. Muhoho	Consultant	GGODR	
Amitabha Mukherjee	Lead Public Sector Specialist	GGODR	Task Team Leader

Saida Nabiyeva	Translator		Translator
Craig R. Neal	Consultant	GGODR	IT systems specialist
Maria del Carmen Novoa Cancela	Consultant	ECSP4	Judicial specialist
Susana Padilla	Program Assistant	GGODR	Administrative Support
Rajesh Pandey	Consultant	ECSP4	Operations Support
Zoi Melina Papoutsis	Consultant (Economist)	ECSP4	Analytical and Operations Support (restructuring)
Lilit Petrosyan	Consultant	ECSP4	Data analysis
Maya Sheli Port	ET Consultant	LEGES	Legal
I.U.B. Reddy	Sr. Social Development Specialist	GSURR	Social, Urban Rural and Resilience
Jesus Renzoli	Sr. Procurement Specialist	ECISO2 – HIS	Procurement
Olga Albertovna Schwartz	Consultant	GGODR	Governance
Zulfiya Sharifli	Consultant	ECSC3	Financial management
Etibar Vagif Shirinov	IT Specialist	ECCA3	IT Specialist
Karl Skansing	Procurement Specialist		Procurement
Gurcharan Singh	Sr. Procurement Specialist	GTIDR	Transport & ICT
Olga Sipka	Consultant	GGODR	Governance
Ramesh Sivapathasundram	Lead Information Officer	GTIDR	ICT Systems Specialist
Ireneusz M. Smolewski	IT Procurement	GGODR	IT Procurement
Philip Gerald Thacker	Consultant	ECSP4 – HIS	Infrastructure and Courthouse Management
Anthony G. Toft	Deputy Gen Counsel, Operations	LEGVP	Legal
David Waigwa Wachira	Young Professional	GGODR	General Support
Barry Raymond Walsh	ET Consultant	LEGJR	Legal
Debbie Wetzel	Sector Manager	ECSP4	Sector Manager



(b) Staff Time and Cost

Stage in Project Cycle and FY	Staff Time and Cost (Bank Budget Only)		TTL	Task Team Members
	No. of staff weeks	USD Thousands (incl. travel and consultant costs)		
<b>Lending</b>	<b>20.47</b>	<b>279,676.01</b>		
FY06	20.47	279,676.01	Waleed Haider Malik	Hikaru Kitai, Alexandra Habershon, Mala Johnson, Robert Buergenthal, Shahridan Faiez, Gurcharan Singh, Gerald Thacker, Maria del Carmen
<b>Supervision</b>	<b>197.08</b>	<b>1,401,923.89</b>		
FY07	12.63	118,921.80	Waleed Haider Malik	Mala Johnson, Ahmet Gokce, Maria del Carmen
FY08	19.11	107,250.65	David S. Bernstein (since 08/2007)	Jesus Renzoli, Philip Gerald Thacker, Claire Greer, Craig Neal, Ahmet Gokce, Saida Bagirli
FY09	23.63	133,776.35	David S. Bernstein Klaus Decker (since 05/2010)	Jesus Renzoli, Claire Louise Greer, Gerald Thacker, Craig Neal, Saida Bagirli, Ahmet Gokce,
FY10	34.27	149,905.90	Klaus Decker	Claire Greer, Saida Bagirli, Jesus Renzoli, Tural Jamalov, Norpulat Daniyarov, Craig Neal, Gerald Thacker
FY11	32.97	147,541.12	Klaus Decker Amitabha Mukherjee (since 03/2012)	Deepal Fernando, Norpulat Daniyarov, Claire Greer, Gulana Hajiyeva, Tural Jamalov,

				Gerald Thacker, Jesus Renzoli
FY12	28.08	277,032.33	Amitabha Mukherjee	Danijel Marasovic, Olga Sipka, Tural Jamalov, Deepal Fernando, Klaus Decker, Claire Greer, Gulana Hajiyeva, Indira Iyer, Craig Neal, Zoi Melina Papoutsi, Gerry Thacker, Nigar Aghayeva
			K. Migara O De Silva (since 04/2013)	
FY13	23.76	230,801.55	K. Migara O De Silva	Gulana Hajiyeva, Olga Sipka, Deepal Fernando, Irene Imnadze, Yoko Kagawa, Giovanni Mascarenhas, Zoi Melina Papoutsi, Ramesh Sivapathasundram, Gerald Thacker, Nigar Aghayeva.
FY14	9.44	123,947.37	K. Migara O De Silva	Gulana Hajiyeva, Danijel Marasovic, David Wachira, Olga Sipka, Nigar Aghayeva
FY15	13.19	112,746.82	K. Migara O De Silva	Danijel Marasovic, Olga Sipka
<b>Grand Total</b>	<b>217.55</b>	<b>1,681,599.90</b>		

## Annex 5. Beneficiary Survey Results

A **baseline survey** was conducted in **October/November 2010**. The participation of 800 respondents in this baseline survey was planned, thereof 400 from the general population, 200 from court users, and 200 from judicial professions (judges, lawyers and court support staff). Responses were received from **approximately 80 judicial staff** via focus group discussion. Of those approximately 80 judicial staff 1/3 was from Baku City and 2/3 from the regions. A direct comparison is impeded by the fact that these 2 groups were asked slightly different sets of questions. A final report concerning the 2010 findings from the survey is missing. For the responses as available via the focus group discussions, see Table (a) below.

A **final survey** was conducted in **September – November 2014**. The participation of 1,180 respondents in this final survey was planned, thereof 1,018 from the general population/Baku City, 929 from the general population/regions, and 590 from judicial professions (judges, lawyers and court support staff). Responses were received from **416 respondents from the general population, including citizens who accessed the courts, and 390 court employees**.

A full report for the 2014 findings is missing and no differentiations were made between Baku and the regions. Further, the Focus Group Discussion Report for 2014 is missing, so there is no comparison possible with the results from 2010.

For a summary of the key findings as available through the final survey with reference to 2010 findings, see Table (b) and (c) below.

### (a) Focus group discussions: judicial staff – October/November 2010

Baku City (3 focus groups à 7-9 people)		Regions (7 focus groups à 7-9 people)	
<p><b>Question 1:</b> In your opinion, how will the development of out-of-court resolution of disputes affect the activity of courts?</p>	<p>The Development of out-of-court resolution of disputes may only cause quantitative changes (unequivocally). <i>Suggestion: Public opinion should be formed and stimulated for the development of out-of-court resolution of disputes.</i></p>	<p><b>Question 1:</b> In your opinion, are there any problems in the field of accessibility of courts (judicial protection of rights)? Are norms with regard to returning a claim due to its failure to comply with the requirements towards its form and contents sufficiently comprehensive, what problems are there with the experience in this field? Must claims be accepted if simple photocopies, rather than originals are attached thereto?</p>	<p>Claimants may not be required to provide additional documents not required by law. Specifically, law does not require that a statement with regard to the respondent's place of residence be provided. Also, it is not right to demand an original of a document from the claimant at the initial stage and to return the claim on that basis. <i>Suggestion: Law is perfect in this field but mistakes are made in the practice of their application. Therefore, the practice must change.</i></p>

<p><b>Question 2:</b> What problems exist in the exercise of the right to use judicial protection by convicts at places of confinement? What problems may come up if a person wishes to be provided with an attorney for making a complaint? Which authority should he apply to for that?</p>	<p>There are no problems with the exercise of prisoners' right of judicial protection, but there are problems with the process of providing legal aid at the state's expense.</p>	<p><b>Question 2:</b> Are there difficulties with establishing the amount of state duties paid for consideration of civil cases by courts? Who and how establishes the price of assessed claims?</p>	<p>There are problems especially with the establishment of duties in connection with assessed claims as there are no explicit rules in connection with the establishment of the price of assessed claims. <i>Suggestion: There should be an expert service or a specialist for evaluations in courts. Additional norms in connection with the invitation of a specialist for establishing the initial price of a claim, as well as providing for the judges' authority to conduct the relevant procedural actions without accepting a claim should be introduced into laws.</i></p>
<p><b>Question 3:</b> Are there difficulties with establishing the amount of state duties paid for consideration of civil cases by courts?</p>	<p>4 out of 21-27 participants acknowledged that there are problems with establishing the amount of duties. Although laws establish the amount of state duties payable during the application to courts, difficulties arise in practice as norms are not sufficiently comprehensive. <i>Suggestion: Improvement of laws.</i></p>	<p><b>Question 3:</b> What is your opinion on the use of legal aid provided at the state's expense and the quality of free attorney service? Are the rules of application for and conditions for obtaining free legal aid explicitly regulated by law?</p>	<p>Procedures and criteria for establishing if a person is needy are not established by law and this creates difficulties in practice. <i>Suggestion: Law must be improved.</i></p>
<p><b>Question 4:</b> Which problems are there with the acceptance of claims? Are there any problems with establishment of territorial jurisdiction of applications? What problems are there with</p>	<p>There are problems with the acceptance of claims by courts; requiring a statement regarding the place of residence of the respondent in order to determine territorial jurisdiction, and</p>	<p><b>Question 4:</b> Do you think that the period of consideration of cases in courts and, specifically, periods of expert examinations are satisfactory? What is the reason of court hearings not beginning in time?</p>	<p>Technical problems and workload impede timely beginning of court hearings. Also, expert examinations take long time. <i>Suggestion: Material and technical base of court should be</i></p>

<p>establishment of the place of residence of a respondent? How normal is it to assign the claimant with this duty? What applications are returned at what stage in the case of breach of requirements towards the contents and form of an application? What is your opinion on the requirement that copies of written evidences attached to an application be certified by a notary?</p>	<p>notarization of photocopies of documents attached to the claim create difficulties. <i>Suggestion: This issue must be regulated on legislative level.</i></p>		<p><i>improved, the number of court rooms in court building should correspond to the number of judges, the period for conducting expert examinations should be established, and regional expert examination centers must be established in order to reduce the workload of experts.</i></p>
<p><b>Question 5:</b> Is there a need for specialization of judges by fields of law?</p>	<p>There is a need for specialization on certain fields. <i>Suggestion: The practice of European countries in this field should be studied and applied in our national system.</i></p>	<p><b>Question 5:</b> Is information on court proceedings provided to the parties timely and duly?</p>	<p>The time of court hearings and postponed hearings should also be placed on courts' web pages. Courts should be able to use faster postal services. <i>Suggestion: Web pages of courts should be created, electronic correspondence should be switched to, and fast postal service should be provided for courts at the state's expense.</i></p>
<p><b>Question 6:</b> Are legal bases of the mechanisms of objection to a judge perfect? How logical it is for a judge to have the authority to leave without consideration an objection to such judge?</p>	<p>Only another judge or the chairman of the court may consider initial admissibility and merits of an objection to a judge. The functions of a judge against whom an objection is made must be suspended as of the objection. <i>Suggestion: Amendments should be made in laws, either the institute of leaving an objection without consideration should be</i></p>	<p><b>Question 6:</b> The situation with the enforcement of court judgments: the reality and problems.</p>	<p>The level of current technical and material support of enforcement officers is low. The support of other state authorities and, specifically, law enforcement authorities to enforcement officers is not at the required level. <i>Suggestion: Material and technical support of enforcement officers should be improved and their compensation increased. The</i></p>

	<i>removed or this issue should be resolved by other judges, the chairman of the relevant court or by a senior judicial authority, rather than by the judge against whom an objection was made.</i>		<i>procedure of engaging law enforcement authorities in the enforcement process should be regulated by law.</i>
<b>Question 7:</b> Is the principle of openness of the court complied with? Is any person able to participate in court hearings? Is any person able to obtain any court judgment?	3 out of 21-27 participants stressed that court decision must be available also for persons which are not parties to a case. <i>Suggestion: The relevant provisions must be introduced in law.</i>	<b>Question 7:</b> Are any persons allowed to participate in court hearings? Is it possible for any person to obtain any court decision? Is the number of court enforcement officers sufficient for carrying out supervisory functions during court hearings?	Participation of random persons at open court hearings should be provided for and that court decision must be available also for persons who are not parties of the case. <i>Suggestion: The relevant provision must be introduced in law.</i>

**(b) Summary of Key Findings: General Population – September-November 2014**

<b>General Population: Baku City and regions</b> (416 respondents: general population and citizens who used the court)		
<b>Question</b>	<b>Significant increase</b>	<b>Significant decrease</b>
<b>Question B.1:</b> What do you consider the role of the court to be in solving your problems (restoration of rights) as compared with other government authorities?	“Protection of rights by the court order is more efficient” answer has been mentioned by 35% of respondents as opposed to 18%.	In line with this, “I don't consider courts efficient in restoration of rights” answer was mentioned by 12% in the final wave vs. 25% in the previous.
<b>Question B.2:</b> Where and how do you obtain forms for legal action?	“Internet pages of courts” has become a source for greater share of population: 15% vs. 5% in the previous wave.	
<b>Question B.3:</b> Can you file a lawsuit independently without a lawyer?	67% vs. 32% now answer positively to this answer.	
<b>Question B.4:</b> In your opinion, what is the best way to ensure accessibility of the court forms?	38% vs. 11% consider that they should be placed on internet pages of courts.	10% vs. 19% suggest that form should be given by court employees.

<b>Question B.5:</b> Your attitude to state duties/fees for legal actions?	66% vs. 45% have said that that they do not know.	21% vs. 39% think that “amount of charges good enough, it is not high”.
<b>Question B.6:</b> Are there any difficulties in identifying the amount of duties/fees? ( <i>asked to those, who did not say “have never applied” in B5</i> )	13% vs. 3% said that there such problems.	
<b>Question B.7:</b> What are the problems encountered with filing a lawsuit and its acceptance by court for consideration?	Most of the answers have been mentioned by the lower share of respondents in the current wave: <ul style="list-style-type: none"> <li>✓ “No problems” – 24% vs. 39%;</li> <li>✓ “No opportunities provided for receiving comprehensive information on required documents” – 3% vs. 6%;</li> <li>✓ “Court staff requires additional documents that are not considered in the current legislation” – 2% vs. 5%;</li> <li>✓ “Some courts require certification of supplementary documents at notary office” – 3% vs. 10%.</li> </ul>	64% vs. 37% - “have not applied, do not know”
<b>Question B.8:</b> Is the number of lawyers sufficient for providing quality legal services?	“The number of lawyers is enough” answer has been mentioned by 38% vs. 29%.	Share of those, who do not know, has dropped from 45% to 38%.
<b>Question B.9:</b> Are you satisfied with the legal services in your area of residence?	53% vs. 45% have said that they “Never used from legal services in my area of residence”	“There are some professionals among lawyers who provide quality legal assistance” has been mentioned by 4% as opposed to 10% in the previous wave
<b>Question B.10:</b> What are the problems with receiving government-paid legal aid?	27% vs. 17% said “there are no problems” and 53% vs. 46% said that they do not know.	Meanwhile, 10% vs. 27% pointed that “Public defender is rarely assigned to those who can’t afford legal assistance”.
<b>Question B.11:</b> What do you think about the quality of government-paid legal aid?	“Quality service” – 23% vs. 11%.	“Such service is rarely of quality” - 30% vs. 40%.

<b>Question B.12:</b> Are proper conditions created for access of disabled persons to the court houses?	“Yes” – 25% vs. 3%; “Do not know” – 48% vs. 30%.	“No” – 16% vs. 58%.
<b>Question C.2:</b> In your opinion, what are the factors impeding independence of the judges?		“Imperfect legislation” – 13% vs. 24%; “Administration system’s flaws” – 25% vs. 42%.
<b>Question C.3:</b> How do you estimate treatment of people by judicial personnel?	“Rude” – 12% vs. 4%; “Do not know” – 38% vs. 30%.	“Courteous” – 41% vs. 50%; “Too busy to help” 10% vs. 14%.
<b>Question C.4:</b> How are the parties informed about legal proceedings?	“Through e-mail” – 3% (more precisely, 2.6%) vs. 0% (more precisely, 0.3%)	“Notifications are mailed” – 59% vs. 66%
<b>Question C.5:</b> Are all forms related to legal proceedings written in an understandable manner?	“No, it is often difficult to understand their meaning” – 17% vs. 8%.	“Yes, they are understandable” – 47% vs. 60%
<b>Question C.7</b> Do court sessions start on time?	“I have never applied, do not know” – 47% vs. 30%	“Yes” – 37% vs. 43% “No” – 8% vs. 22%
<b>Question C.8</b> What is (are) the reason(s) for delayed start of court sessions?		“Judges are overloaded with work” – 21% vs. 79%
<b>Question C.9:</b> Are you informed about postponed court sessions in a timely manner?	“No, if I do not inquire myself, I am not informed” – 35% vs. 20%.	“Sometimes information is late” – 29% vs. 55%.
<b>Question C.10:</b> Are court decisions and other documents mailed to parties in a timely manner?	“I have never applied, do not know” – 45% vs. 34%.	“Often late” – 13% vs. 20%; “Have to go directly to court to obtain them” – 3% vs. 7%.
<b>Question C.11:</b> Are court decisions served timely?	“Yes, served timely” – 30% vs. 22%.	“Often serve later” – 22% vs. 28% “So late that they do not matter anymore” – 8% vs. 14%
<b>Question C.12:</b> Does technical condition of court houses impact the quality of fair legal proceedings?	Yes – 4.6% vs. 0.3%.	No, the most important is the judge’s fairness – 70% vs. 79%.
<b>Question C.13:</b> Do courtroom capacities allow participation of all interested parties in court sessions?	“I have never applied, do not know” – 50% vs. 30%.	Yes – 34% vs. 41%; No, often people are not allowed in due to absence of seats – 16% vs. 29%.



<b>Question C.14:</b> Are there rooms in court houses for holding meetings and discussions with the lawyers?	Don't know – 46% vs. 34%.	No, not available – 5% vs. 23%.
<b>Question C.15:</b> Are there rooms or seats in the court houses intended for those awaiting the court sessions?	Yes, there are – 48% vs. 35%; I have not applied, do not know – 38% vs. 30%.	Very few, not all visitors can sit – 8% vs. 26%.
<b>Question C.16:</b> Are there means for investigating video, photo evidence, as well as electronic evidence during court consideration of a case?	Yes – 38% vs. 22%; I have not applied, do not know – 54% vs. 35%.	No – 8% vs. 43%.
<b>Question C.18:</b> Is swearing an oath by trial participants important for a fairer trial?	Yes – 27% vs. 18%; No – 9% vs. 5%.	Don't know – 64% vs. 77%.
<b>Question C.19:</b> In your opinion, is there corruption in judicial system?	Yes – 43% vs. 36%.	No – 18% vs. 24% Don't know – 33% vs. 47%
<b>Question C.20:</b> Does amount of judges' salary affect the quality of justice and what is your opinion about the amount of wages?	Yes, it affects. Judges earn high salary – 31% vs. 13%.	Yes, it affects. Judges earn low salary – 14% vs. 22%; No, it does not affect - 55% vs. 65%.
<b>Question D.1:</b> How do you obtain information about the imposition of disciplinary measures and rewards of judges?	Don't know – 73% vs. 61%. Can be obtained through... - 10% vs. 6%.	Such information is not available – 17% vs. 33%.
<b>Question D.2:</b> Where do you obtain laws (and other regulations) on court operations, judges' authorities and duties?	On court's website – 17% vs. 6%; From the electronic (internet) legislation base – 12% vs. 0%.	From printed materials/resources – 5% vs. 23%.
<b>Question D.3:</b> Can you obtain the court decision you need?	Yes – 41% vs. 27%.	No – 59% vs. 73%.
<b>Question D.4:</b> From which source(s) can you obtain information about cases currently considered in court (this can be your own case)?	Court's website – 24% vs. 6%; Never applied, do not know – 45% vs. 35%.	Court secretary – 9% vs. 14%; Assistant judge – 5% vs. 14%.
<b>Question D.5:</b>	Yes – 38% vs. 32%; No need – 50% vs. 31%.	Can't use the computer – 4% vs. 31%.

Would you like to use electronic services of the court (filing forms, courts' business hours, other information, etc.)?		
<b>Question E.4:</b> Is there a need for additional reforms (concrete measures) of judicial system?	No, current system is perfect. 79% of respondents expressed their satisfaction with the system vs. 53% in the baseline.	Yes – 21% vs. 47%.

(c) **Summary of Key Findings: Court Employees – September-November 2014**

<b>Court Employees: Baku City and regions</b> (390 respondents; 97% of which working at the courts)		
<b>Question</b>	<b>Significant increase</b>	<b>Significant decrease</b>
<b>Question B.4:</b> What are the problems encountered with acceptance of a lawsuit for consideration in the court?	Documents containing correctable technical mistake are returned – 19% vs. 12%.	No problems – 70% vs. 78%.
<b>Question B.7:</b> What are the problems with receiving (government-paid) legal aid?	No problems at all – 79% vs. 65%.	Public defender is rarely assigned to those who can't afford legal assistance – 10% vs. 19%.
<b>Question B.8:</b> What do you think about the quality of government-paid legal aid?	This is a quality service – 55% vs. 40%.	Lawyers act indifferently – 21% vs. 32%.
<b>Question B.10:</b> How do you estimate obligatory participation of a lawyer in filing of cassational appeal and supplementary cassational appeal and in appearing in courts of this instance?	This is not normal, because it excludes participation of jurists who are not lawyers – 6% vs. 2%.	This is a direct limitation of the right of access to court of those who can't afford a lawyer and can't obtain a (government-paid) public defender – 7% vs. 14%.
<b>Question B.11:</b> Do you consider the Supplementary Cassational Instance and the Constitutional Court to be an effective way of the protection of rights?	Yes. This instance plays a significant role in the protection of rights – 91% vs. 83%.	Since Supplementary Cassational Instance fulfils the same functions as the Cassational Instance, there is no necessity in the former – 4% vs. 11%.
<b>Question B.12:</b> Are persons who do not speak the language in which the legal proceedings are held provided with the free interpreter?	Yes – 99% vs. 96%.	

<b>Question B.14:</b> Do you consider the interpretation service to be satisfactory?	Interpretation service is at high level – 80% vs. 65%.	
<b>Question C.1:</b> Are you satisfied with the judges' level of knowledge?	Yes – 81% vs. 73%.	Newly selected judges are more knowledgeable since they take phased exams and undergo trainings – 11% vs. 18%.
<b>Question C.2:</b> Is there a need for judges' specialization in civil, criminal, administrative and other areas?	Yes, this is important to enhance knowledge and improve professionalism of judges in the relevant field – 54% vs. 39%.	No, judge is supposed to know all areas of law at the same level – 24% vs. 33%.
<b>Question C.3:</b> In your opinion, are judges independent?	Yes, judges are independent and do not depend on anyone – 98% vs. 90%.	
<b>Question C.4:</b> How does the current system of judges' appointment affect their independence?	Only judicial authorities should participate in the appointment matters – 70% vs. 16% (note: base in previous wave = 20; in current = 7 cases).	
<b>Question C.6:</b> Do you consider a mechanism of lodging a protest to the judge to be reasonable?		Difficult to answer – 2% vs. 6%.
<b>Question C.7:</b> Are principle of equality and adversarial principle observed in a fair legal proceeding?	Yes. This principle is fully observed – 93% vs. 86%.	This principle is only observed in civil cases, while in criminal cases prosecution is favoured – 3% vs. 6%.
<b>Question C.9:</b> Do court sessions start on time?	Yes – 93% vs. 83%.	No – 7% vs. 17%.
<b>Question C.12:</b> Does technical condition of court houses impact the quality of fair legal proceedings?	No, the most important is the judge's fairness – 62% vs. 53%.	If buildings become modern and grand people's faith in fair trial will increase – 33% vs. 42%.
<b>Question C.13:</b> Do you consider conditions in the courtrooms to be normal? ( you can choose more than one answer)	Yes – 91% vs. 57%.	Court rooms are very small and do not have sufficient number of seats – 5% vs. 14%; Court rooms are not provided with air conditioning and heating systems – 2% vs. 13%; Court room acoustics is bad – 2% vs. 7%; Technical supply of courtrooms is poor – 5% vs. 30%.

<b>Question C.14:</b> Are there rooms in court houses for holding meetings and discussions with the lawyers?	Yes – 88% vs. 60%.	No – 12% vs. 40%.
<b>Question C.15:</b> Are there rooms or seats in the court houses intended for those awaiting the court sessions?	Yes, there are – 90% vs. 60%.	Very few, not all visitors can sit – 6% vs. 28%; Some courts don't have anything like that and people have to wait outside – 4% vs. 12%.
<b>Question C.16:</b> Entrance to which courts is associated with certain problems?	I can easily access any court building and have never experienced any problems – 93% vs. 72%.	I encounter problems while trying to enter the Appellate Court – 2% vs. 15%; I encounter problems while trying to enter Grave Crimes Court – 2% vs. 10%; I encounter problems while trying to enter the Supreme court – 4% vs. 18%.
<b>Question C.17:</b> Are there means for investigating video, photo evidence, as well as electronic evidence during court consideration of a case?	Yes – 81% vs. 39%.	Other responses have therefore significantly dropped down.
<b>Question C.18:</b> What are the factors obstructing fair legal proceedings?	No – 95% vs. 90%.	Executive authorities have influence over judges – 2% vs. 6%.
<b>Question C.19:</b> Is there a necessity for organizing court sessions under oath?	No, conducive conditions should be created for normal functioning of this institution – 11% vs. 4%; This institution should not be applied before judicial reforms are finished – 14% vs. 6%.	
<b>Question C.20:</b> Are court decisions served timely?	Yes – 63% vs. 48%.	Sometimes with a delay – 35% vs. 50%.
<b>Question D.2:</b> Where do you obtain laws (and other regulations) on court operations, judges' authorities and duties?	Through court's website – 91% vs. 55%.	Printed materials – 18% vs. 32%; Do not know how to obtain – 3% vs. 8%.
<b>Question D.3:</b> Can you obtain the court decision you need?	Yes, easily – 49% vs. 32%.	Court decisions are only given to the parties – 46% vs. 58%.
<b>Question D.4:</b> From which source(s) can you obtain information about cases	Relevant court's website – 72% vs. 11%.	Court secretary – 23% vs. 38%.

currently considered in court (this can be your own case)?		
<b>Question D.5:</b> Would you like to use electronic services of the court (filing forms, courts' business hours, other information, etc.)?	Yes – 96% vs. 89%.	No need for this – 2% vs. 7%.
<b>Question E.3:</b> Are results of judge's evaluation open to public?		I am against making such information public in order to safeguard reputation of judges – 26% vs. 35%.
<b>Question E.4:</b> Are complaints in relation to cases of gross violation of procedural rights investigated properly?	Such complaints are seriously investigated – 95% vs. 80%.	Difficult to answer – 4% vs. 16%.
<b>Question E.5:</b> Are regulations related to engaging judges to disciplinary proceedings reasonable?		So to speak, practice of initiating disciplinary proceedings in relation to lawsuits addressed by physical and juridical persons directly to Judicial Council is almost non-existent – 2% vs. 5%.
<b>Question F.1:</b> Are you aware of the judicial reforms in the country?	Yes – 98% vs. 95%.	
<b>Question F.2:</b> Is participation of the civil society in judicial reforms ensured?	Government closely cooperates with the civil society in this field - 81% vs. 62%.	Government sets civil society institutions aside of this process – 2% vs. 8%; Difficult to answer – 13% vs. 24%.
<b>Question F.3:</b> How do you estimate the judicial reforms held in the country?	No real steps have been taken in this direction and there is mostly an imitation of reforms – 13% vs. 5%.	
<b>Question F.4:</b> In your opinion, what are the reasons of absence of effective outcomes by judicial reforms?	Difficult to answer – 43% vs. 24%.	Lack of professional personnel – 17% vs. 25%; Deficiency of financial resources – 11% vs. 21%; Low legal culture of the population – 40% vs. 49%.
<b>Question F.5:</b> What measures are needed for development of the judicial system?	Current system is perfect – 37% vs. 29%.	Create proper conditions for serving court decisions within reasonable period – 12% vs. 19%; Improve material and technical resources of courts – 35% vs. 54%.

## **Annex 6. Stakeholder Workshop Report and Results**

A stakeholder workshop was not conducted.

## **Annex 7. Summary of Borrower’s ICR**

Since 2000 Azerbaijan has begun to gradually modernize its judiciary in line with the State Program for Poverty Reduction and Economic Development (SPPRED, 2003) and the State Program for Poverty Reduction and Sustainable Development (SPPRS, 2008). The SPPRS stresses the centrality of public sector reform and good governance for the country’s progress, and aims to align Azerbaijan with EU norms and standards by 2015. The GOA sees the implementation of comprehensive judicial and legal reforms as key elements to reduce poverty, strengthen governance and fight corruption, and to build a competitive non-oil economy.

The objectives of the first phase of judicial and legal reforms were to modernize the legal framework for the justice system; to strengthen judges’ professionalism and to ensure a transparent and merit-based recruitment; to improve the courts’ physical and technological infrastructure; and to improve access to justice. Azerbaijan adopted modern criminal, criminal procedure, civil and civil procedure codes following international practices. Legislative and procedural reforms eventually led to Azerbaijan’s membership in the Council of Europe (CoE) in January 2001.

Concrete outcomes were obtained early on in the reform process: In 2000 judges were selected for the first time via a competitive, objective and transparent process that has further improved over the years, and was acknowledged by the CoE and the EU as an interesting example for other countries going through transition. Judges’ salaries have folded 30 times since 2000 and the judiciary is experiencing an increase in status recognition and in the number of qualified applicants. An independent body – the Judicial-Legal Council (JLC) – was introduced to manage the judiciary, handle judicial discipline and strengthen judicial independence. It comprises representatives from the judiciary, the Presidential Office, the parliament, the prosecution, and the bar. A hot-line to the JLC to report judicial corruption is now functional.

### **Project Context and Changes over Time**

The Judicial Modernization Project (JMP) was the first Bank-assisted operation in the justice sector in Azerbaijan and helped to develop and implement the initial phase of a long-term judicial system modernization program.<sup>41</sup> Its objective was to assist the Azerbaijan authorities in developing, and implementing the initial phases of a long-term judicial system modernization program by building capacity to achieve incremental improvements in efficiency, citizen information, and its ability to handle future demand.

Main beneficiaries of the project were different groups of the population such as the general population, judges, judge candidates, court staff, lawyers, and other specialists working in the justice sector. Project beneficiaries have benefited from the activities conducted under the project, through

- (i) strengthening management capacity of judicial institutions for improved planning and HR processes;
- (ii) improving court facilities and infrastructure to facilitate accessibility, trust and demand for services;
- (iii) strengthening professionalism of judges and staff; and
- (iv) improving the availability of and access to legal and judicial information and services.

In September 2009 the Financing Agreement was amended to reallocate funds among disbursement categories, in particular funds were moved from works and training to goods and incremental operating costs, and to properly reflect on the Government’s financial contributions to the project.

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<sup>41</sup> See also *Decree for the Modernization of Court System* (January 19, 20006), *Decree for the Improvement of Judicial Bodies* (August 17, 2006), *Order for the Establishment of an “Electronic Court” Information System* (February 13, 2014).

In 2011 Additional Financing increased the project's budget by US\$33.4 Mio. (IDA-Credit: US\$9.2 Mio., IBRD-Loan: US\$24.2 Mio.), which were used to address the project's financing gap due to a dramatic increase in construction costs and unrealistic original price estimates. Further, the project was restructured: funds were reallocated from the category of consultant services and training to incremental operating costs to cover overruns in the latter, and the project's closing date was extended.

A second restructuring in 2013 aimed at strengthening and streamlining project implementation. Credit and loan proceeds were reallocated to respond to changes in cost estimates, the project's fiduciary and risk management was strengthened, two new safeguards were triggered, and the definition of incremental operating costs was amended. Further, a retroactive financing in an amount not to exceed \$861,123 from IBRD Loan 8068-AZ and \$1,676,590 from IDA Credit 4961-AZ, for eligible expenditures incurred after January 1, 2011 but prior to the date of countersignature of the Additional Financing was agreed.

### **Key Factors Affecting Implementation and Outcomes**

Key for implementation and achieving results was the strong commitment demonstrated by the GOA and JMT to build a modern judiciary that is efficient, transparent and able to respond to future demand.

Preparation of the project took place in close cooperation with government counterparts as well as other international organizations, such as USAID, ABA-CEELI, CEPEJ, OSCE, and the CoE. Yet, the project was not fully ready at the time of project approval due to some delays in establishing the Steering Committee and the PIU, preparing the Environmental Management Plan (EMP) and technical specifications for some components to name only a few.

Despite delays and implementation at the initial project stage due to a lack of capacities and experience with the World Bank's fiduciary requirements. This situation improved once the PIU was properly staffed and senior management showed strong ownership. As a result, the project delivered on most of the planned activities, and did so in compliance with procurement and financial management policies and guidelines. In fact, reporting happened in due time and the project received unqualified audit opinions during the time of its implementation. Thus, project implementation was considered satisfactory with all funds spent by project closure. Nevertheless, the project was challenged by a development objective that left room for interpretation, yet remained the same while performance indicators changed over time.

The project was classified as an environmental category "B" project. Monthly monitoring of construction sites was carried out by the PIU team in accordance with the overarching environmental monitoring and mitigation plans and in line with site specific EMPs. The JMT made all necessary efforts to comply with safeguard policies.

Looking forward, the successful project implementation has provided a solid basis for future enhancements. The GOA will continue to work with the World Bank to implement the next phase of its long-term reform program. On October 31, 2014, the *Judicial Services and Smart Infrastructure Project* became effective (2014 - 2018, total costs US\$ 200 Mio, IBRD contribution USD 100 Mio.). Its Development Objective is to improve the access, transparency and efficiency of delivery of selected justice services; it will build on the achievements and lessons learned from this project.

### **Project Components and Assessment of Outcomes**

The project was the first justice sector project implemented and it achieved its objectives as measured by its indicators. Sustainable progress was made to "develop capacity of Azerbaijan's judicial system to achieve incremental improvements in efficiency, citizen information, and its ability to handle future demand". However, some shortcomings in achieving the PDO and its indicators were identified. These



were mainly associated with the delays in implementation due to weak capacity and coordination of implementing agency and PIU in the initial stage of project implementation. The shortcomings were consistently addressed throughout project implementation via adequate PIU staffing and building internal capacities. By project closure, all planned results were achieved; some activities that were partially implemented under this project will be carried forward under the new project.

The success of the project was evaluated by the following key performance indicators:

- 1) Increased efficiency of court operations;
- 2) Increased percentage of judges selected using new more objective selection procedures;
- 3) Improved judicial training to raise level of professional performance;
- 4) Enhanced public access to legal and judicial information;
- 5) Increased user confidence.

The individual results as achieved per component are the following:

### **Component 1: Strengthening Management Capacity of Judicial Institutions**

The component contributed significantly to strengthening management capacity and technical capability of judicial institutions. Automated case management and document management systems were created and piloted, all accompanied by IT trainings of staff to guarantee successful implementation and use of the new software. Further, an information network was introduced at the MOJ, pilot courts and other justice institutions. A set of recommendations on how to modernize and administer courts, including the selection, evaluation and promotion of judges as well as disciplinary proceedings were developed for the Judicial-Legal Council. Trainings and study tours for MOJ staff to learn from best practices in the areas of court administration, court architecture, case management, information flow, and project management complemented the above.

### **Component 2: Improvement of Court Facilities and Infrastructure**

The component had a substantial impact on strengthening and upgrading court infrastructure as well as increasing the judiciary's efficiency thanks to improved working condition, reduced opportunities for corruption, increased transparency and security. Citizens now enjoy easier access to court information.

Under the project about 30 prototype "smart" courts were designed in accordance with international best practices and 11 "smart" courts were constructed and rehabilitated in Baku City (Yasamal District Court), Gandja (Nizami District Court), Gedabek (District Court), Oguz (District Court), Sheki (complex of 4 courts) and Sabunchu (complex of 2 courts), all equipped with modern IT. Modern IT equipment (ICT, UPS, video, print house, electronic document management system) was also provided to the Supreme Court and the Constitutional Court of Azerbaijan.

The project was a pioneer in the development and introduction of efficient organization of court systems through innovative courthouse design. In fact, the idea of combining three or four courts in one court complex, i.e. one single building, saved the costs for one building per four designed and constructed. The cost savings were then used to construct one additional regional court complex that was placed in a densely populated region and has eased access to justice for approximately 2 million people (20% of the population). Cost savings for transportation and lodging of approximately Euro 10 Mio. per year are expected due to more evenly distributed workload across the regional court complexes.

### **Component 3: Improving Quality of Operations of Judges, Staff and other Legal Professionals**

The component supported improvements in the quality of operations of judges, staff and other legal professionals by providing technical assistance to the Justice Academy. To strengthen the Academy's capacities a needs assessment was prepared including a set of recommendations concerning its strategic planning and the development of curricula and trainings.

Further, a report on strengthening the capacity of the Bar Association was developed that outlined policy options based on the assessment conducted.

#### **Component 4: Improving Citizen Information and Access to Justice**

The component contributed greatly to improving access to justice when two legal information centers in Baku and Guba cities provided free legal advice to more than 4,380 people. The services provided covered areas such as civil and family law, in particular disputes involving alimony, property and inheritance issues. An information strategy for judicial information campaigns was developed to complement these services.

Further, an automated registration information system for "non-profit legal entities" was introduced, as well as a unified web-portal for all courts to facilitate citizens' access to the courts. Related and to comply with the *Law on Access to Information* of the Republic of Azerbaijan an electronic database of court cases and final court decisions was created. Software and hardware for this database were financed under this component, and the population of this data base has commenced.

Also under this component, the court enforcement system in Azerbaijan was analyzed. The final report provides recommendations on how to improve efficiency and effectiveness of court decision enforcement. An e-notary system was developed and piloted in select locations; the MOJ registry offices were furnished with modern ICT, printing and communication equipment.

A baseline survey (2010) and a final perception survey (2014) regarding the judicial system were carried out and showed about 79% improvement in overall satisfaction with judicial services.

#### **Component 5: Project Management**

This component contributed to strengthening the MOJ's capacity to efficiently and effectively implement the Judicial Modernization Project, particularly with respect to procurement, financial management and environmental policies and standards. Over the course of the project, and with support and oversight from the World Bank, the PIU coped with all fiduciary obligations in a satisfactory manner and performed well on its routine obligations.

#### **Assessment/Evaluation of Risk to Development Outcome**

Rating: Moderate

The significant investments made in court and ICT infrastructure as well as in human capacities will be maintained and built on by continued investments in the justice sector to further improve services provided. Strengthening the judicial system and introducing international standards will help to improve public sector management and to combat corruption in Azerbaijan. The continuation of the reform agenda for more transparency and efficiency in public institutions will complement these efforts.

#### **Assessment Bank and Borrower Performance**

##### **Bank Performance**

Rating: Satisfactory

The Bank team performed their obligations with due diligence and worked efficiently with the Government and the MOJ/PIU. Issues arising over the course of the project were addressed in an effective and timely manner. World Bank missions concluded with detailed aide memoires, which summarized the project status, identified outstanding issues and next steps, and contained updated procurement plans. The MOJ

expresses its gratitude to the World Bank team for its cooperation and valuable assistance to the project. Despite some delays at the beginning the project was successfully implemented and achieved its development objectives.

## **Borrower Performance**

Rating: Satisfactory

Over the course of the project, the MOJ was able to ensure that the project disbursed and made progress against its development objectives thanks to its management's coordination and leadership skills. Close collaboration with all project stakeholders complemented these efforts substantially. Thus, the MOJ's performance was rated as satisfactory. The performance of the PIU was also considered satisfactory. Most outputs were delivered as planned, and procurement and financial management was adequate once the PIU was properly staffed. Government funds were allocated in a timely manner and in accordance with the project agreements.

## **Lessons Learned**

***Government commitment:*** Justice sector reforms require constant focus on outcomes to be achieved throughout implementation to maintain the momentum of reform. Upgrading court infrastructure, improving working conditions for staff, and modern ICT equipment will have a long-term impact on the strengthening of management and institutional capacity of justice sector institutions in Azerbaijan if done right. Institutions benefitting comprise the judiciary, including the Supreme Court and the Constitutional Court, the JLC, the Justice Academy, the pilot courts as well as indirect beneficiaries.

The MOJ and other stakeholders gained valuable experience in implementing complex institutional reforms, ICT solutions and civil works, and how continued monitoring can be used to the benefit of project activities and strategic goals. The MOJ recognized the need for careful sequencing of reforms and the development of ICT solutions, allowing adequate time for consultation, business process reengineering, piloting and review. Lessons learned from pilots should and will be taken into account when upscaling activities under the new project. The MOJ also gained familiarity with Bank procurement and safeguards policies and put in place robust systems to ensure compliance. Looking back, more attention should be given to strengthening the capacity and skills of judges and court support staff through the provision of relevant trainings and other knowledge-sharing arrangements.

***Implementation arrangements:*** The project faced some delays in the early stage of project implementation due to a lack of full ownership, gaps in project management and fiduciary skills (lack of qualified staff), which resulted in low disbursement rates. However, the challenging issues were addressed timely and adequately by MOJ senior management; necessary measures to correct the situation were taken once management was fully on board.

## **Economic and Financial Analysis**

Azerbaijan has achieved spectacular growth over the last decade with the economy more than tripling and moving from low income status to middle income status. Growth was mainly driven by expansion of oil exploration, production and exports. As is the general case with rapid growth, qualitative reforms have lagged behind quantitative growth. For example, share of government spending on judiciary and prosecution fell from more than 10 percent of total state budget expenditure to 5.5 percent in 2013 (5.9 percent in 2014). Bigger economy means more economic activity, transactions, contracts, etc. As a result, access to justice, speed of court settlements and capacity of the courts to handle more cases becomes paramount issue.

Good example of increasing demand for judicial services is 20x increase in number of disputes arising from credit/loan contracts from 2006 to 2013. Loans by commercial banks have increased from AZN 2.4bn in 2006 (12.6 percent of GDP) to AZN 15.4 bn in 2013 (26.5 percent of GDP) (AZN 18.5bn in 2014 (31.4 percent of GDP)). Failure to match this demand by judicial services can result in higher transaction costs for provision of credit, higher interest rates on loans that can act as brake on further economic growth.

Aware of the need for better judicial services, government approved judicial reform in 2006 with (Decree on Development of Institutions of Justice). Following the approval of the reform package, government requested support from the World Bank to modernize Azerbaijan's judicial system eventually leading to the birth of Judicial Modernization project in 2006. The project started with some lag in 2008 and is about to close in 2015 with significant achievements, like modern courts and court complexes that incorporate latest innovations in judiciary improving access to justice, speed to clearance, and certainly raises confidence in judiciary and its prestige.

However, despite whatever "anecdotal" evidence, as all projects, benefits of the project should be evaluated by robust economic and financial analysis and JMP PIU has tried to attain that goal despite the fact that public sector institutional reform projects are rarely underpinned by a detailed economic and financial analysis owing to difficulties of attribution and in the estimation of costs and benefits.

### **Component 1: Strengthening the Management Capacity of Judicial Institutions**

This component comprises of delivery of Case Management System (CMS), Document Management System (DMS) and ICT Training. Total cost of this component was US\$ 15.85 million. Outputs of this component were delivered in 5 locations (pilots in 7 locations). Therefore full benefit of these outputs is limited. The JSSP, the follow up project, is designed to extent these systems all over the country. Benefits are expected to be realized thereafter.

However, even partial delivery of CMS and DMS seems to be yielding benefits as the case statistics from new courts show some improvements in average clearance rate, disposition time, time to enforce contracts, resulting in higher productivity of judges. The direct benefit of increased productivity is quantified as the cost saved from not hiring additional judges to handle increased case load. Total annual direct saving is calculated to be US\$ 0.6 million per year.

With CMS and DMS judges spent far less time searching archives and other paper based documents. Rather they can access all necessary documents with a click of mouse. As a result, according to anecdotal evidence, judges more and more are able to finish their work within reasonable time frames. This in turn, probably, increase the confidence of users, improves job satisfaction of judges, provides them far more time to rest and improves their self-esteem.

Another sub-component is ICT equipment and trainings that contributed to automation of judge selection. The cost of the sub-component was US\$ 0.2 million. While it is easy to understand the qualitative benefits

of improved judge selection based on automated system, transparency of selection being one of the valuable benefits, its economic and financial benefits are hard to quantify.

Sub-component also covered training of 1,795 judges and MOJ staff at a cost of US\$ 1 million, corresponding to around US\$ 550 per person. It is assumed that these trainings resulted in improvement of skills equivalent to US\$ 150 per month per person (US\$ 1,800 per annum). Quick mathematical calculations indicate that overall, these trainings yield annual benefit of US\$ 5 million. Unfortunately, except for attendance and certificate, no records of training results were kept. Nevertheless, with increasing case load, fast penetration of ICT in judicial area, judges and other staff probably would have to undergo some kind of training eventually. Its cost would have been far higher in case conducted abroad. The JMP just facilitated the process. Going forward, JSSIP is expected to conduct evaluation of benefits of these trainings that will continue under the new project as well.

### **Component 2: Upgrading of Court Facilities and technologies**

Comprising the construction of buildings for 11 courts in 7 districts and provision of software and hardware for Supreme and Constitutional Courts, the component cost US\$ 73.9 million. Civil works of construction new court buildings, 5 separate and two court complexes were cost US\$ 62.2 million. US\$ 5.1 million was spent for office equipment and furniture for these courts, another US\$ 2.0 million on software and hardware for Supreme and Constitutional Courts.

We need to separate direct benefits of court complexes (Sheki Court Complex comprising 4 courts and Sabunchu Court Complex comprising 2 courts) and the rest. Combination of courts provides “one-stop shops” thereby saving money and time of users/citizens. At the same time maintenance cost of court complexes will save money for the budget as these courts have one common area, joint administration, support facilities, etc. These courts will be finished within JSSIP.

Leaving aside economic and financial justifications for new court buildings it is worth noting that former court buildings in 5 districts (Yasamal, Ganja Nizami, Gedabek, Guba, and Oguz) were old and in dilapidated conditions. For example, Gedabek court occupied building dating to mid-19<sup>th</sup> century. None of them were designed specifically for courts. As such, citizens were able to run into judges’ rooms, which are considered improper by international standards, to site one of many problems. Moreover, various security conditions were not in place: small fire could have wiped out all documents and archives in some of these courts. For this reason there was and is urgent need to upgrade or build new courts that meet requirements of current day justice demands. Also if we takes into account that the number of judges increased twice it was not possible to accommodate new judges and court staff in these buildings.

Baku City Yasamal District Court: Court construction cost US\$ 11.1 million. It has been built for 18 judges and hosts 14 judges with 12 court rooms and had caseload of above 17,000 cases in 2014. Per caseload and per court room, Yasamal District Court is the most efficient among 5 courts. Yasamal district is one of the most economically active districts in Azerbaijan and covers population of more than 290,395. Gandja Nizami District Court was built at cost of US\$ 6.5 million which makes it second in line in terms of efficiency. In 2014 this court had a caseload of 5,609 cases and consists of 6 rooms and 6 judges. Population under the jurisdiction of this court is 148,366. Guba District Court, covering population of 155,624, is being built at cost of US\$ 4.7 million. Court currently hosts 4 judges. Gedabek and Oguz courts cover relative small regions, with 2 and 1 judge respectively. Probably Oguz District Court might have been spared as it hosts just one judge, less than 1,000 cases. However, as every district needs its court, Oguz needed one too. Otherwise probably it would have been logical to merge it with Sheki Court Complex just in the neighboring district.

New courts and court complexes represent large public investments, especially in the regions of the country, leading to backward and forward linkages. Evidence from Yasamal District Court indicates that following

the inauguration of the court, various small shops, restaurants, legal services, etc. emerged in the vicinity of the court serving court staff.

Significant but difficult to quantify benefit of all these courts is that they provide full access for disabled persons. Modern design and IT infrastructure of the courts allow easy navigation within the court that result in time saving for citizens. Eventually, all these contribute to improvement of perception of court among citizens. Moreover, these buildings fit general architectural design of the districts, creating more livable places in the region. As a result, along with backward and forward linkages, these court buildings boosted regional economic activity, especially for lower income groups who are employed in new business surrounding courts.

Based on the expected number of staff employed in new courts, the size of new court buildings and the need for operating supplies, maintenance and provision of utilities, as well as the expected total number of visitors in new courts, total additional demand for services at the local level is estimated to approach US\$ 42 million annually after the last two courts - the Baku City Sabunchu Court Complex and the Sheki Court Complex - become operational in 2015. The associated government revenues from increased value-added tax attributable to the JMP is estimated to be US\$ 14 million annually.

1. Table 1 below, depicts the local multiplier effects for the individual courts. These estimates are based on detailed information for every court provided by the MOJ and a set of very conservative assumptions, namely:
2. Court staff would spend US\$15 daily in Baku and Gandja and US\$10 in other cities on all services including food and related services; the assumed amounts spent by visitors were twice as high (US\$30 in Baku and Gandja and US\$20 in other cities) due to the broader range of needs;
3. Courts would annually require local supplies, utilities and maintenance services equivalent to 5 percent of investment cost;
4. One-third of the total number of visitors would demand one room-night of lodging in the vicinity of courts the night before the trial or court hearing, and an additional ten percent of visitors would require one hotel room-night after the court event; and
5. The shares of value added in sales revenues are 25 percent for food and related services, and 40 percent for supplies, utilities, maintenance and provision of lodging and/or hotel services.

**Table 1. Multiplier effects on local business.**

Name of court	Number of Judges	Total number of staff (including technical)	Total Number of days in court annually	Demand for services p/c per day	Annual demand for services by court staff*	Area (square meters)	Estimated investment cost (in USD, without VAT)	Annual demand for supplies, utilities and maintenance @ 5% of inv. cost	Number of visitors per year	Annual demand for services by visitors**)	Annual demand for lodging by visitors ***)	TOTAL LOCAL INDIRECT EFFECTS
Baku City Sabunchu Court Complex	18	144	34848	\$ 15	\$ 3,630	3,000	14,442,754	\$ 722,138	190,000	\$ 5,700,000	\$ 5,763,333	\$ 12,189,101
Baku City Yasamal District Court	14	89	21538	\$ 15	\$ 3,630	3,600	13,050,550	\$ 652,528	170,000	\$ 5,100,000	\$ 5,156,667	\$ 10,912,824
Gedabek District Court	2	23	5566	\$ 10	\$ 2,420	2,000	2,924,990	\$ 146,250	12,000	\$ 240,000	\$ 364,000	\$ 752,670
Oguz District Court	1	16	3872	\$ 10	\$ 2,420	2,000	2,878,222	\$ 143,911	15,000	\$ 300,000	\$ 455,000	\$ 901,331
Gandja City Nizami District Court	6	49	11858	\$ 15	\$ 3,630	2,062	6,711,395	\$ 335,570	72,000	\$ 2,160,000	\$ 2,184,000	\$ 4,683,200
Sheki Court Complex	23	173	41866	\$ 10	\$ 2,420	21,500	20,579,185	\$ 1,028,959	198,000	\$ 3,960,000	\$ 6,006,000	\$ 10,997,379
Guba District Court	4	35	8470	\$ 10	\$ 2,420	4,000	4,850,944	\$ 242,547	16,800	\$ 336,000	\$ 509,600	\$ 1,090,567
<b>TOTAL SALES GENERATED</b>					<b>\$ 20,570</b>			<b>\$ 3,271,902</b>		<b>\$ 17,796,000</b>	<b>\$ 20,438,600</b>	<b>\$ 41,527,072</b>
Share of Value Added in Revenues					25%			40%		25%	40%	34%
<b>TOTAL VALUE ADDED GENERATED</b>					<b>\$ 5,142.50</b>			<b>\$ 1,308,761</b>		<b>\$ 4,449,000</b>	<b>\$ 8,175,440</b>	<b>\$ 13,938,343</b>

\*) Daily demand for food and related small services for court staff is conservatively estimated at US\$15 for Baku and Ganja and US\$10 for other cities.

\*\*) Daily demand for food and related services for visitors is estimated at US\$30 for Baku and Ganja and US\$20 for other cities.

\*\*\*) It is estimated that 1/3 of visitors will require one night of lodging before the day in court, and 1/10 another night after attending the court session, at US\$70 per night.

Cost of delay: Delay in the start of the project by 2 years had negative impact on the potential benefits of the project. Oil windfall in Azerbaijan started in 2006, resulting in higher construction costs, higher inflation and real appreciation of AZN. For example, real exchange rate of AZN appreciated 18.0 percent and 21.6 percent in 2007 and 2008. So, when project started in 2008, cost of inputs was much higher than they would have been of the project started in 2006.

### **Component 3: Improving the Quality of Judges, Staff and other Institutions**

The total cost of this Component was US\$ 0.54. Its largest output was a conducting of the comprehensive needs analysis of the Justice Academy, which cost approximately US\$ 224,000 and was delivered by a senior international consultant on an extended mission to Baku. The needs analysis aimed to support the Judicial Academy to develop a strategic approach to institutional development and assess training needs. Based on this analysis the Ministry of Justice was provided with the roadmap of proper organization of the work of the Academy and managed to approve its new structure, organize the trainings in a more systematic ways and etc. Only one assignment relating to the development of curricula or specific courses was withdrawn and funding was reallocated to infrastructure activities (Thereafter, the only training funded by JMP was study tours for MOJ staff at a cost of US\$ 0.07 million under Component 1 and participation at international training/conferences at US\$ 0.13 million under Component 4, and the impacts of these have not been measured).

### **Component 4: Improving Citizen Information and Access to Justice**

#### **Sub-component 4.1: Free Legal Aid**

Free legal aid component (cost: US\$ 1.6 million) provided free legal aid to 4,380 people over two years (2200 per year). Each participant (person) received indirect benefits worth US\$ 70 (in terms of cost of lawyer salaries). Total project cost/per beneficiary was US \$120 (including both lawyer salaries and others costs). Calculations indicate that direct economic benefit of this component reached US\$ 0.66 million over two years (2012-2013) and indirect benefits reached US\$ 4.5 million.

#### **Sub-component 4.2: e-Notary Service**

The e-Notary service component delivered new e-notary services at a cost of US\$ 3.2 million. Notaries are intermediate service providers for property registration and business registration in Azerbaijan, and increased efficiencies in their operations can have a significant economy-wide impact. The likely benefits from this project component stem from improved efficiency and reduction in transaction cost, including informal payments and reduction in corruption practices. Given that nation-wide e-notary registry wasn't fully rolled out under the project, impact of economic benefits had been limited and quantifiable only for the new business registration services.

According to data from the Doing Business reports, from 2010 to 2014 the number of days it takes to start a business in Azerbaijan has fallen from 10 to 7, and the cost as a share of income per capita has fallen from 2.9 percent to 1 percent. As a result of these reforms, the number of new businesses registered in 2008 shows an increase of 30 percent on 2007 levels<sup>42</sup>. Available Doing Business data also shows that between 2008 and 2012 close to 27,506 new businesses have been registered under the new system. The simplification of registration procedures has led to a reduction in business registration costs for SMEs, which the IFC conducted survey, carried out post the implementation of the reform, reports at US\$ 141.25. This is a significant improvement in comparison with the results of the 2007 IFC survey (conducted prior to implementing the reform), which showed an average payment of US\$ 337.50, suggesting savings of US\$ 196.25 per SME. Extrapolating this figure to the total number of registered firms between 2008 and 2013 (latest available data) would suggest that the introduction of the one-stop-shop system for firm registration has resulted in total cost savings for legal entities and individual entrepreneurs of about US\$ 5,396,875.

Further findings of the 2009 IFC survey also reveal that there are no statistically significant differences between registrations in the capital city Baku and any other city or district of the country, suggesting that the registration process is being applied uniformly throughout Azerbaijan. However, for property registration the Doing Business report indicates that the number of days needed to register property has remained the same at 10 days and the price as a share of the contract amount has increased from 0.2% to 0.5 percent. Given the complexity and resources, full roll-out and upgrade of the e-notary system for property registration will be done under the JSSIP.

This Component also funded online information tools in the pilot courts. The web portal provides citizens information about courts, judges, cases and court documents templates and cost US\$ 0.9 million and would save time of court users in accessing material and staff in providing it. A court acts database provides court decisions online at the pilot courts, and cost US\$ 0.62 million. The net benefits of these online tools may already be positive even across the small number of pilot courts, but data had not been collected to quantify the extent. The JSSIP plans to roll out the portals across Azerbaijan, at which time the benefits are estimated to be significant.<sup>43</sup>

#### **Summary of results**

As was mentioned above, Judicial Modernization is a social project and as most of the social projects yields minimal direct economic and financial benefits. Our calculations indicate that direct financial benefits that include taxes and measures only benefits accruing from the project are negative. Net present value of financial loss is US\$ 65 million. In substance it means that in cash terms, project is loss making for the state budget. However, when we include indirect benefits we get to economic benefits. Economic analysis measures net value for the economy as a whole. As such, taxes are excluded to avoid double accounting

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<sup>42</sup>Study of Small and Medium Enterprises in Azerbaijan, conducted in 2007-2008 and published in June 2009, IFC, Baku.

<sup>43</sup> See JSSIP PAD, Annex 7, Economic and Financial Analysis.



and indirect benefits incorporated. Indirect benefits include welfare benefit arising from the free legal aid, impact on local business, and indirect benefit on business environment in general. At 12 percent discount rate, net present value of economic benefits is \$100 million.

It worth mentioning that our calculations do not include positive impact of the project on improved prestige of judiciary, improvement of self-esteem of judges, beauty of the buildings that make the districts better living spaces, or advantages stemming from access to disabled. Even excluding these factors, which are impossible to quantify, project yields \$100 million positive NPV, thereby making the project beneficial for the country as a whole.

**Table 2. Economic analysis - direct and indirect effects, in Mio. US\$.**

		w/o VAT	w VAT	2006- 2008	2009	2010	2011	2012	2013	2014	2015- 2024
EC	<b>TOTAL ECONOMIC COSTS</b>	<b>\$ 91.7</b>	<b>\$ 91.7</b>	<b>\$ 0.5</b>	<b>\$ 4.1</b>	<b>\$ 14.3</b>	<b>\$ 16.8</b>	<b>\$ 22.3</b>	<b>\$ 25.1</b>	<b>\$ 16.9</b>	<b>\$ -</b>
	1 Improving Capacity	\$ 14.4	\$ 14.4								
	2 Civil Works	\$ 67.2	\$ 67.2								
	3 Quality of Judges	\$ 0.5	\$ 0.5								
	4 Better Delivery	\$ 4.2	\$ 4.2								
	5 Project Management	\$ 5.3	\$ 5.3								
	Cost of land and utilities	\$ -	\$ -								
EB	<b>TOTAL ECONOMIC BENEFITS</b>			<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ 0.9</b>	<b>\$ 8.8</b>	<b>\$ 28.6</b>	<b>\$ 30.1</b>	<b>\$ 59.1</b>	<b>\$ 360.5</b>
	<b><u>Direct Economic Benefits</u></b>			<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 0.6</u></b>	<b><u>\$ 0.6</u></b>	<b><u>\$ 3.1</u></b>	<b><u>\$ 3.1</u></b>	<b><u>\$ 2.7</u></b>	<b><u>\$ 50.1</u></b>
	Case										
	1.1 Management/Automation			\$ -	\$ -	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 28.6
	1.2 ICT Training			\$ -	\$ -	\$ -	\$ -	\$ 2.2	\$ 2.2	\$ 2.2	\$ 21.5
	4.1 e-Notary			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	4.2 Free legal aid			\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ -	\$ -
	2 Court Complexes			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2 Sale of vacated courts			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b><u>Indirect Economic Benefits</u></b>			<b><u>\$ 0.3</u></b>	<b><u>\$ 0.3</u></b>	<b><u>\$ 0.3</u></b>	<b><u>\$ 8.2</u></b>	<b><u>\$ 25.5</u></b>	<b><u>\$ 27.0</u></b>	<b><u>\$ 56.4</u></b>	<b><u>\$ 310.4</u></b>
	4.2 Welfare improvements from Free Legal Aid			\$ -	\$ -	\$ -	\$ -	\$ 1.5	\$ 3.0	\$ 3.0	\$ 30.1
	Multipliers effects on local										
	2 businesses			\$ -	\$ -	\$ -	\$ 7.9	\$ 23.7	\$ 23.7	\$ 53.1	\$ 277.3
	Indirect effects on Business										
	4.1 environment			\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 3.0
	Net Cash Flow ECON				\$ -						
With	Analysis			\$ -0.1	3.4	\$ -12.1	\$ -6.5	\$ 8.4	\$ 7.2	\$ 43.7	\$ 360.5
	Less ECON NCF w/o				\$ -						\$ -
W/O	project			\$ -0.0	0.1	\$ -0.5	\$ -1.1	\$ -2.3	\$ -3.8	\$ -5.3	16.1
	<b>NET ECON CASH FLOW OF THE PROJECT</b>			<b>\$ -0.1</b>	<b>3.5</b>	<b>\$ -12.6</b>	<b>\$ -7.6</b>	<b>\$ 6.1</b>	<b>\$ 3.4</b>	<b>\$ 38.4</b>	<b>\$ 344.4</b>
	<b>ERR</b>	<b>59%</b>									
	<b>NPV at 12% Economic Prices</b>	<b>100.4</b>									
	Opportunity Cost from Interest										
W/O	Earned			\$ 0.0	\$ 0.1	\$ 0.5	\$ 1.1	\$ 2.3	\$ 3.8	\$ 5.3	\$ 16.1
	on Risk Free U.S. 5 Year T-Bills @ 1.90% annually										
	<i>Memo item: Civil works implementation dynamics</i>						14%	43%	43%	96%	100%

**Table 3. Financial analysis, in Mio. US\$.**

	w/o VAT	w VAT	2006- 2008	2009	2010	2011	2012	2013	2014	2015- 2024
<b>FC</b>	<b>TOTAL FINANCIAL COSTS</b>		<b>\$ 0.5</b>	<b>\$ 4.4</b>	<b>\$ 15.4</b>	<b>\$ 18.1</b>	<b>\$ 23.9</b>	<b>\$ 27.0</b>	<b>\$ 18.1</b>	<b>\$ -</b>
1	Improving Capacity	\$ 14.4	\$ 17.0							
2	Civil Works	\$ 67.2	\$ 79.3							
3	Quality of Judges	\$ 0.5	\$ 0.6							
4	Better Delivery	\$ 4.2	\$ 5.0							
5	Project Management	\$ 5.3	\$ 6.3							
	Cost of land and utilities	\$ -	\$ -							
<b>FB</b>	<b>TOTAL FIN BENEFITS</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.6</b>	<b>\$ 0.6</b>	<b>\$ 3.1</b>	<b>\$ 3.1</b>	<b>\$ 2.7</b>	<b>\$ 50.1</b>
	<b><u>Direct Financial Benefits</u></b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.6</b>	<b>\$ 0.6</b>	<b>\$ 3.1</b>	<b>\$ 3.1</b>	<b>\$ 2.7</b>	<b>\$ 50.1</b>
	Case									
1.1	Management/Automation			\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 28.6
1.2	ICT Training			\$ -	\$ -	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 21.5
4.1	e-Notary			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4.2	Free legal aid			\$ -	\$ -	\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -
2	Court Complexes			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Cash Flow FIN							\$ -	\$ -	
With	Analysis		\$ -0.5	\$ -4.4	\$ -14.8	\$ -17.5	\$ -20.8	23.9	15.4	\$ 50.1
								\$ -	\$ -	
W/O	Less FIN NCF w/o project		\$ -0.0	\$ -0.1	\$ -0.5	\$ -1.1	\$ -2.3	\$ -3.8	5.3	16.1
	<b>NET FIN CASH FLOW OF THE PROJECT</b>		<b>\$ -0.5</b>	<b>\$ -4.5</b>	<b>\$ -15.2</b>	<b>\$ -18.6</b>	<b>\$ -23.1</b>	<b>27.8</b>	<b>20.7</b>	<b>\$ 34.0</b>
	<b>IRR</b>		<b>-10.4%</b>							
	<b>NPV at 12% Financial Prices</b>		<b>-\$65</b>							
	Opportunity Cost from Interest Earned		\$ 0.0	\$ 0.1	\$ 0.5	\$ 1.1	\$ 2.3	\$ 3.8	\$ 5.3	\$ 16.1
W/O	on Risk Free U.S. 5 Year T-Bills @ 1.90% annually									
	<i>Memo item: Civil works implementation dynamics</i>					14%	43%	43%	96%	100%

## **Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders**

The ICR team sought the views of development partners engaged in the justice sector regarding sector progress in general and the JMP in particular. Among those partners were USAID, GIZ and the OSCE. A meeting with the EU Delegation did not materialize, however, they confirmed that the EU was not involved in the implementation of the JMP and has no further comments to provide.

Partners confirmed that there was a certain level of consultation when the project was being prepared. However, they noted that this decreased during implementation, presumably as JMP focused on getting its own house in order.

Partners acknowledged the strong relationship that the World Bank has developed over time with the MOJ and other justice sector agencies. This was considered as a break-through and major achievement in the sector. They pointed to governance challenges and difficulties in engaging in the sector given its political economy, which has translated into rather limited work programs for several donors.

Partners pointed to some concerns how the JMP implemented certain activities, namely the registration of NGOs, the selection of judges and the provision of legal aid. While the newly introduced registration system for NGOs facilitates financial support by the GOA, it also increases control over NGOs in a manner that raises concerns for some partners. The ICR team was pointed to the biased selection of attorneys to the Azeri Bar Association, particularly to the oral exam which, by their observation is prone to undue influence. In this context reference was made to similarities in the selection of judges and possibilities to have less objective procedures in place. Concerning the selection of judges, the ICR team was pointed to biased selection of attorneys and members to the Azeri Bar Association. In this context, references were made to similarities in the selection of judges and possibilities to have less objective procedures in place.

With respect to the Legal Aid Centers, none of the partners was aware of the project's support to the centers in Baku and Guba. However, the ICR team was pointed to the need for (neutral) service provisions that are independent of the government-paid legal service provisions.

## **Annex 9. List of Supporting Documents**

- Azerbaijan – Judicial Modernization Project: Project Information Document, January 24, 2006 (*Report No. AB2222*)
- Azerbaijan – Judicial Modernization Project: Environmental Assessment: Annex: Environmental Management Plan (*Report No. E1390*)
- Azerbaijan – Judicial Modernization Project: Project Appraisal Document, June 5, 2006 (*Report No. 35447*)
- Financing Agreement, Credit 4209-AZ Conformed, October 3, 2006
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 01, October 16, 2006
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 02, December 27, 2007
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 03, December 19, 2008
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 04, June 29, 2009
- Azerbaijan – Judicial Modernization Project: Report of Independent Auditors and Special Purpose Financial Statements, November 5, 2009
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 05, March 31, 2010
- Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors' Report, July 10, 2010
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 06, October 25, 2010
- Azerbaijan – Judicial Modernization Project: Judicial System Perception Survey (baseline survey), December 2010
- Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors' Report, February 28, 2011
- Azerbaijan – Judicial Modernization Project: Integrated Safeguards Data Sheet, March 23, 2011 (*Report No. AC6157*)
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 07, May 28, 2011
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 08, July 5, 2011
- Azerbaijan – Judicial Modernization Project (JMP) – Mid-Term Review Mission: Aide Memoire, October 10-18, 2011
- Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 09, January 21, 2012 (*Report No. ISR5092*)
- Azerbaijan – Judicial Modernization Project: Resettlement Plan: Resettlement Policy Framework, June 1, 2012 (*Report No. RP1323*)

Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors’ Report, June 27, 2012

Azerbaijan – Judicial Modernization Project: Environmental Assessment (Vol. 2): Environmental Management Plan, June 29, 2012 (*Report No. E1390*)

Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 10, November 12, 2012 (*Report No. ISR6132*)

Integrated Safeguards Data Sheet (Restructuring Stage) – Judicial Modernization Project – P099201, February 27, 2013 (*Report No. ISDSR2536*)

Ministry of Justice, Republic of Azerbaijan – Judicial Modernization Project: Annual Report, June 2013

Azerbaijan – Judicial Modernization Project: restructuring, June 21, 2013 (*Report No. RES9572*)

Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 11, June 23, 2013 (*Report No. ISR9584*)

Amendment to the Loan and Financing Agreements for Loan 8068-AZ and Credit 4961-AZ, July 19, 2013

Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors’ Report, September 20, 2013

Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 12, February 4, 2014 (*Report No. ISR11666*)

Ministry of Justice, Republic of Azerbaijan – Judicial Modernization Project: Annual Report, March 31, 2014

Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors’ Report, June 17, 2014

Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 13, September 29, 2014

Azerbaijan – Judicial Modernization Project: Final Judicial Perception Survey, November 2014

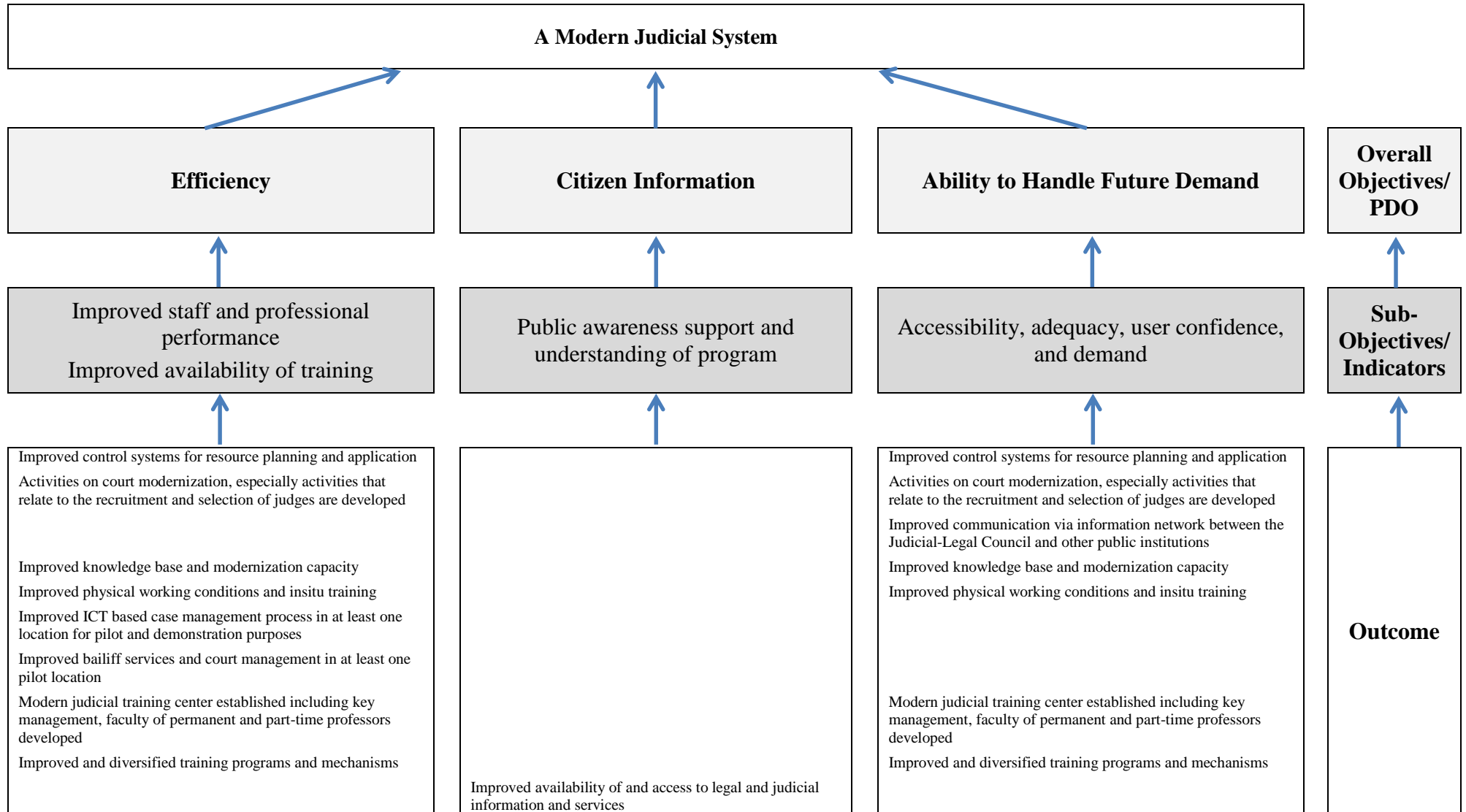
Ministry of Justice, Republic of Azerbaijan – Judicial Modernization Project: Monitoring & Evaluation Report (Period January 1 – June 30, 2014), December 24, 2014

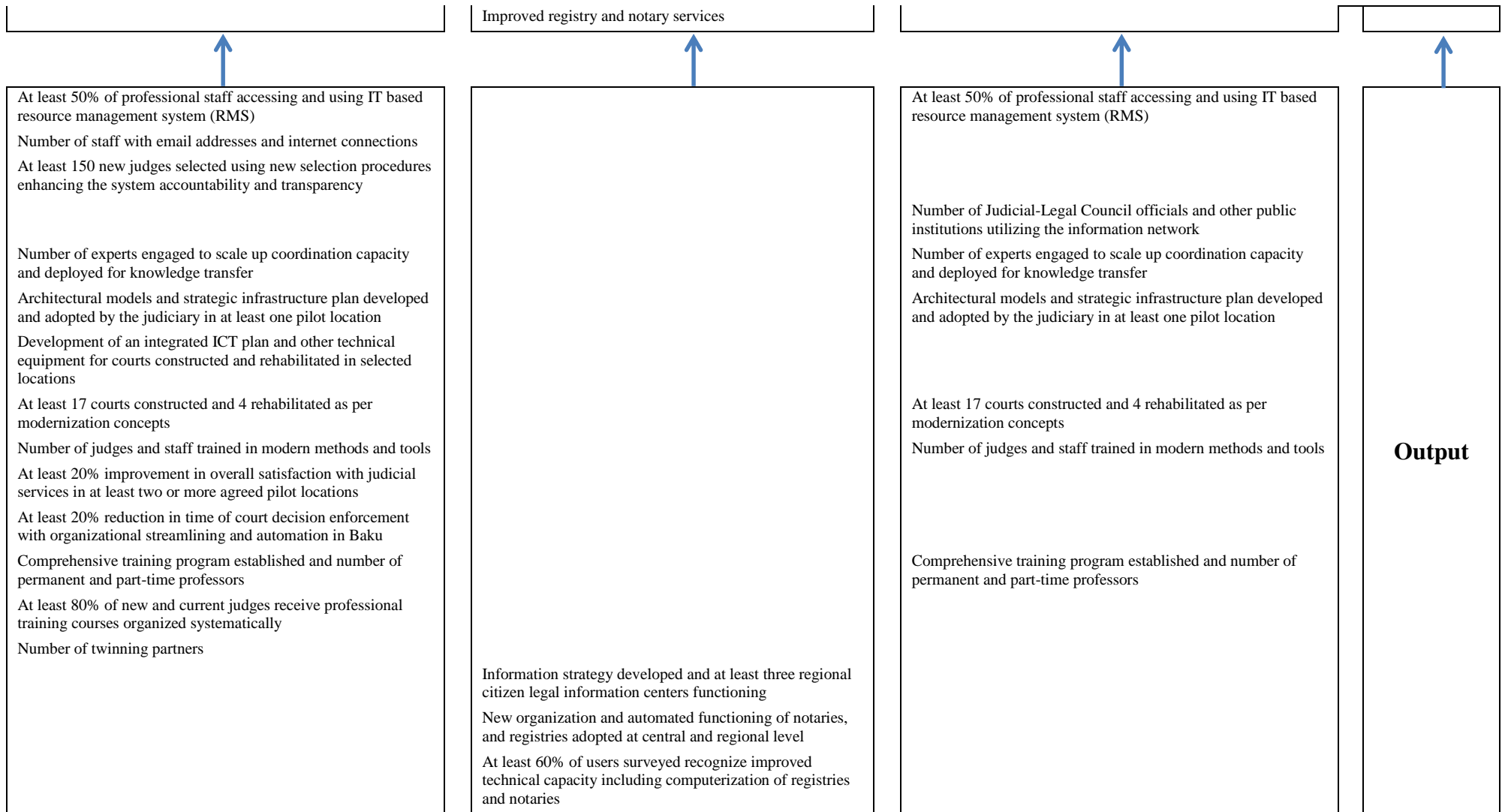
Ministry of Justice, Republic of Azerbaijan – Judicial Modernization Project: Monitoring & Evaluation Report (Period July 1 – December 31, 2014), February 26, 2015

Azerbaijan – Judicial Modernization Project: P099201 – Implementation Status Results Report: Sequence 14 (Report in draft as of May 1, 2015)

Azerbaijan – Judicial Modernization Project: Special-Purpose Financial Statement and Independent Auditors’ Report, June 17, 2015

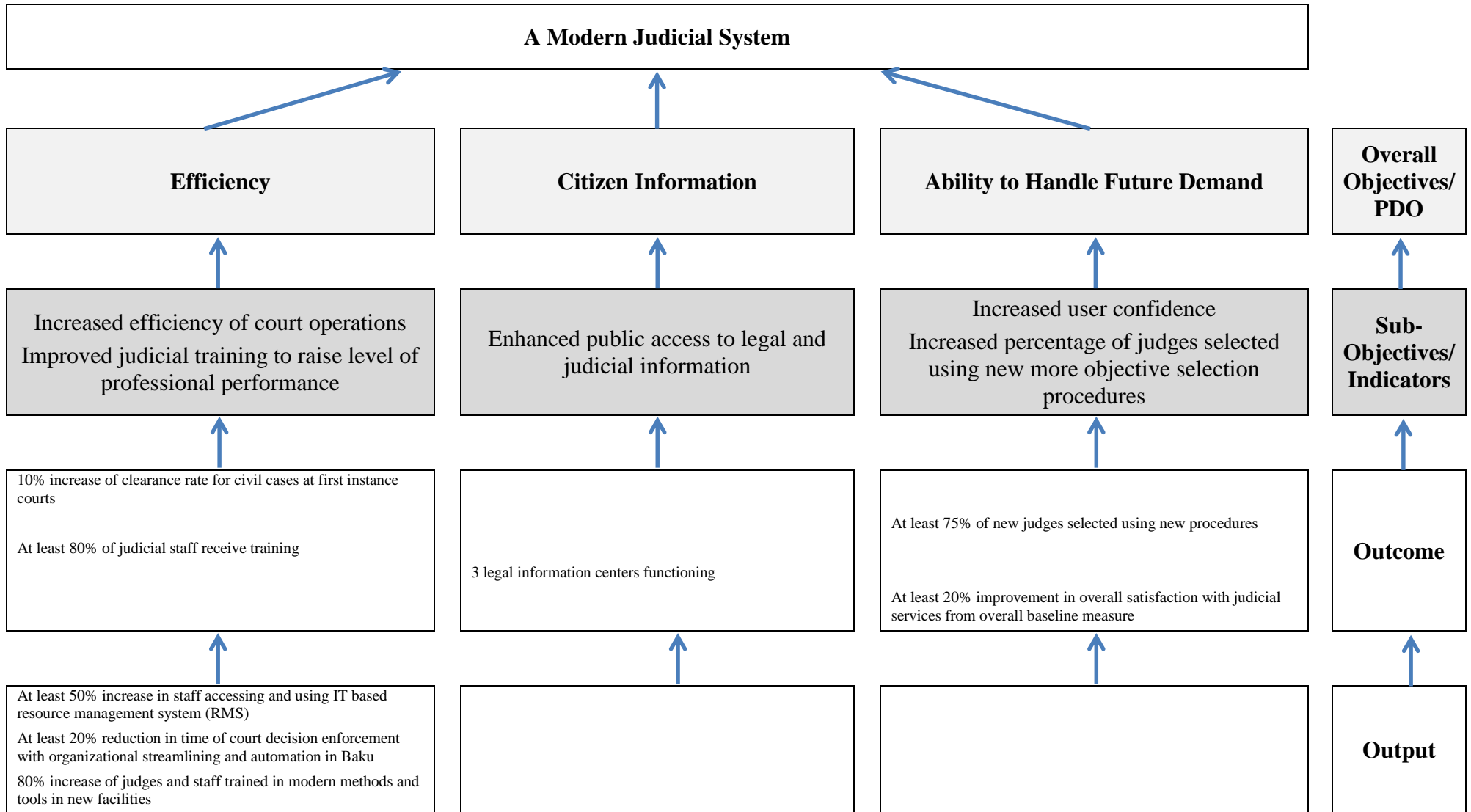
**Annex 10. PDO Framework 2006**







**Annex 11. PDO Framework 2011**



Integrated ICT plan and other technical equipment developed for courts constructed and rehabilitated in selected locations  
At least 20% improvement in overall satisfaction with judicial services in two or more pilot locations

Information strategy developed and at least three citizen legal information centers functioning  
New organization and automated functioning of notaries, and registries adopted at central and regional level  
At least 60% of users surveyed recognized improved capacity and computerization of registries of legal entities and notaries

Strategic infrastructure investment plan for mid-and long-term developed  
11 courts constructed as per modernization concepts  
Comprehensive training program established and operating  
At least 80% of new and current judges receive systematically organized professional training courses  
Court Performance Measurement and Management Framework developed and functioning  
Policy dialogue on empirically assessed impediments to access to justice ongoing  
Number of Judicial-Legal Council officials and other public institutions utilizing information network  
5 twinning partners

## Annex 12. Results Framework<sup>44</sup>

Project Development Objective Indicators			Results
Baseline	Actual	End Target	
<b>Indicator 1: Increased efficiency in court operations (Percentage, Custom)<sup>45</sup></b>			
Lower than 100% clearance rate for civil cases at first instance courts <sup>46</sup>	Oguz District Court: 100%; Yasamal District Court: 99%; Ganja District Court: 100%; Gedabek: 98%. (National average: 99%)	110.00	Not achieved.  While numbers for civil cases increased over time, the clearance rate per court remained the same. The average disposition for civil cases per judge went down for all pilot courts except for Oguz District Court.
<b>Indicator 2: Improve Judicial Training to Raise Level of Professional Performance (Percentage, Custom)</b>			
-	1,795 out of 2,489 staff at MOJ, pilot courts and justice entities have been trained in IT, i.e. 72%	80.00	Not achieved.  As of today, no measurable actions have been taken concerning the Judicial Academy Needs Assessment; no training materials were developed; and judges and staff (in pilot institutions) have only received IT training as part of introducing CMS/DMS. According to PAD and restructuring packages judicial training was meant to be broad and comprehensive, including training on legal drafting, ethics, communication skills etc.
<b>Indicator 3: Enhanced public access to legal and judicial information available (Text, Custom)</b>			
No regional legal information centers or information available	Legal information centers in Baku and Guba cities provided free legal aid to more than 4,380 users in both centers together.	At least 3 functioning regional legal information centers.	Not achieved.  There is currently no functioning regional legal information center in place.

<sup>44</sup> Indicators as outlined here are the key indicators as reflected in the ISR; results as of December 31, 2014 (based on ISRs, Aide Memoires).

<sup>45</sup> Until ISR 9 including Indicator 1 was phrased as follows: “Increased number of judges, all selected using new more objective selection procedures”, see now Indicator 5.

<sup>46</sup> This baseline indicator was introduced via the 2011 restructuring, see ISR 10.

	This activity was closed in May 2013.		The ICR team was not able to confirm whether and to what extent legal information was prepared and distributed.  The two centers once operating were closed due to insufficient funding. Centers will be reopened under JSSIP.
<b>Indicator 4: User confidence</b>			
No baseline survey on court user satisfaction conducted	79%. According to the final survey results, the satisfaction with the judicial system has risen from 53% (baseline survey) to 79% ("believe in the trial system").	At least 20% improvement in overall satisfaction with judicial services from overall baseline measure.	Non-evaluable, see also section 3.6.
<b>Indicator 5: Increased number of judges, all selected using new more objective selection procedures. (Test, Custom)</b>			
No new judges selected using new procedures.	81%. Following restructuring and extension, the end target has been changed from "At least 360 new judges selected using new procedures", to "At least 75% of new judges selected using new procedures". The end target of 75% refers to first instance courts, namely, the judges selected in the first instance courts will be promoted to the appeal instance and (or) supreme court. According to the latest update received from the Judicial Legal Council (JLC), the final results as of December 31, 2014 is 81%.	At least 75% of new judges selected using new procedures (in the first instance court)	Partially achieved.  The project did not contribute to the development of objective selection procedures/standards. It only provided the needed IT hardware and software.  New selection procedures were designed with the assistance of the Council of Europe in 2004 and were implemented in 2005.
<b>Intermediate Results Indicators</b>			<b>Comments</b>
<b>Baseline</b>	<b>Actual</b>	<b>End Target</b>	
<b>Indicator 1: % of professional staff in MOJ accessing and using IT based resource management systems (RMS). (Text, Custom)</b>			
Less than 5%	100% MOJ professional staff in the Financial and Procurement Departments are responsible for resource management.	At least 50%	Not achieved.  Please note: The JMT informed the ICR team that such an

	Currently 100% of those staff use IT-based systems for resource management.		RMS has never been introduced.
<b>Indicator 2: Sufficiency of physical infrastructure (Text, Custom)</b>			
0 courts constructed and rehabilitated	Only 5 out of 11 courts are operational at the time of project closure. 6 courts were not completed by project closure, they are likely to become operational by March 2015.	11 courts constructed/rehabilitated	Achieved.  5 out of 11 courts are operational at the time of project closure. 6 courts were not completed by project closure, they are likely to become operational by March 2015.
<b>Indicator 3: Modernization of notaries and registries (Text, Custom)</b>			
New law on registries passed but no locations automated	Pilot testing of software (and functional modules) completed; All urban registry locations and notary operations automated; e-notary system started implementation in some locations.	All urban registry locations and notary operations automated.	Partially achieved.  According to the MOJ Notary Department a (internal) depository of information relevant to land registration, car ownership, and others, was created and is operational for notaries. The MOJ does not have precise information how many notaries are using the system. The implementation of a second phase of e-notary did not commence. For registries/registration of NGOs see section 3.5.  Given the complexity and resources, full roll-out and upgrade will be done under the new project (JSSIP).
<b>Indicator 4: Enforcement of Court Judgments (Text, Custom)</b>			
90 days to enforce court decisions based on contract enforcement measurement in Doing Business	Recommendations package regarding the analysis of the enforcement system was prepared by the consultant and approved by MOJ. This results are linked to the new project and will be financed under the new project (JSSIP).	At least 20% reduction in time for court decision enforcement	Not achieved.  Report/Analysis of the enforcement system looking at constraints and identify ways to improve; this initiative will be financed under the new project (JSSIP).

### Annex 13. Supporting Documentation: Systems, IT, Equipment

System	Details of the system/purpose	Who is connected (how many are connected out of the total number)?	Who is using it internally (staff)?	Who is using it externally (other institutions, other professionals, public)	If possible, indication of usage (e.g. website hits, number of downloads)	Responsibility for maintenance	Actual Costs	Operational since when	Pilot? Or part of scaling-up?
<b>CMS</b>	Automation of case flow in courts.	Courts: 41 judges out of 550, approx. 150 court staff; MOJ	Court staff, Judges	MOJ: staff can keep track on cases, apparently no restrictions, systems allows to connect anyone	N/A	Supplier: <i>Bestcomp</i>	8,328,008.00	Provision of IT starts in 2010; however the first court to use it was only finished in Nov 2011	pilot
<b>DMS</b>	Automation of document flow in MOJ, Justice institutions, pilot courts	Courts, MOJ, Justice institutions (bailiffs, JLC)	MOJ, Justice Institutions: no data exchange as of today	Courts, Judges	N/A	Supplier		2010	pilot
<b>E-Notary</b>	Automation of Notary service in Azerbaijan	Courts, MOJ, Justice institutions.	MOJ, Justice institutions.	Judges	N/A	State Notary service, partly outsource	2,412,141.00 (includes E-registry for NGO)	Implementation period 2011-2014	
<b>E-Registry for NGOs</b>	Digitalization of registration of NGOs	MOJ	MOJ	MOJ	N/A	State Notary service, partly outsource	Included by Notary	Implementation period 2011-2014	
<b>Websites (Portal?)</b>	To create unique portal of court system	Courts, JLC	Court Staff, Judges,	Citizens	Around 20.000 01.01.2015-28.01.2015 (google analytics)	MOJ	N/A	2010	
<b>Publication of Court Decisions</b>	To provide high quality services to the citizens	Courts	Courts staff, Judges	citizens	N/A	MOJ	385 592	2012	Pilot; only select courts are connected today

<b>ICT for Supreme Court</b>	To provide with necessary equipment	Supreme court	Courts staff, Judges	N/A	N/A	Supreme court	1097358.00	2009	
<b>ICT for Constitutional Court</b>	To provide with necessary equipment	Constitutional court	Courts staff, Judges	N/A	N/A	Constitutional court	817664	Starting in 2010/2011	
<b>Networks for JLC</b>	To setup network	JLC	JLC Staff	N/A	N/A	Supplier	JLC still to be connected to unified network systems		
<b>Resource Management for the MOJ</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Resource Management for the Courts</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Management System for the MoJ</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>IT/VC equipment for Courts</b>	To provide with necessary equipment	Courts	Courts staff, judges	Citizens	N/A	Supplier	6,639,739.72	2011	
<b>Furniture for new Courts</b>	For usage	Courts	Citizens	Citizens	N/A	MOJ	5,089,041.13	2012	
<b>IT equipment for MOJ/Department for Notaries</b>	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.	Indicated in E-notary.
<b>Furniture for MOJ/Dep</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<b>Department for Notaries</b>									
<b>ICT (hardware , software) for Judicial Academy</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



## Annex 14. Supporting Documentation: Court Constructions

Table I: Specificities re constructed court buildings

Site/ City	Court Type	Court Size (m <sup>2</sup> )	No of Court Rooms		No of Judges		No of Staff		Construction Start Date	Construction Cost Estimates (in US\$)	Construction End Date	Actual Costs (in US\$)	Electricity Savings	Heat Savings	Savings in transport and postage costs	Recycled Was Water	(Future) Installations of Solar Panels	Any other savings/benefits
			Before	After	Before	After	Before	After										
<b>Sheki</b>	COMPLEX	18,593.03 m <sup>2</sup> (including Annex)	N/A	16	N/A	36	N/A	174	Nov 2012	17,400,000.00	To be completed under the new project	30,853,706.34	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sabunchu</b>	COMPLEX	9,056.96 m <sup>2</sup>	N/A	14	N/A	21	N/A	100	Nov 2012	12,300,000.00	Dec 2014	14,426,194.99	N/A	N/A	N/A	N/A	N/A	N/A
<b>Guba</b>	District Court, 1 <sup>st</sup> Instance	3,315.88 m <sup>2</sup>	2	4	4	6	N/A	21	Feb 2013	4,150,000.00	Nov 2014	4,844,764.30	N/A	N/A	N/A	N/A	N/A	N/A
<b>Baku City Yasamal</b>	District Court, 1 <sup>st</sup> Instance	7,672.4 m <sup>2</sup>	5	12	14	18	N/A	100	Feb 2010	10,854,345.00	Oct 2012	10,785,213.38	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ganja City Nizami</b>	District Court, 1 <sup>st</sup> Instance	3,914.21m <sup>2</sup>	2	6		11	N/A	28	Aug 2010	6,599,150.00	Nov 2012	6,557,117.15	N/A	N/A	N/A	N/A	N/A	N/A
<b>Gadabay</b>	District Court, 1 <sup>st</sup> Instance	1,259.00 m <sup>2</sup>		2	2	3	N/A	17	Aug 2010	3,485,874.00	Nov 2012	3,463,713.15	N/A	N/A	N/A	N/A	N/A	N/A
<b>Oguz</b>	District Court, 1 <sup>st</sup> Instance	1,264.00m <sup>2</sup>		2	1	1	N/A	15	Aug 2010	2,960,717.00	Nov 2011	2 9418,595.03	N/A	N/A	N/A	N/A	N/A	N/A

Table II: Construction Progress over Time

Court Site	MOJ plans (pre-appraisal stage)	Area/m <sup>2</sup>	Cost (US\$)	Appraisal Stage (PAD)	2011 (restructuring, AF)	2013 (restructuring)	Status at Project Closure	Area/m <sup>2</sup>	Number of personnel	Cost (US\$)	Selection Criteria	Comments
Oguz District Court (1 <sup>st</sup> Instance)	Construction	560 m <sup>2</sup>	224,000.00	Construction	Finished		Finished in November 2011	1,264 m <sup>2</sup>	1 judge (eventually 2); 15 court staff	2,960,717.00	Selection done on the basis of physical conditions	Decided by the MOJ
Baku City Yasamal District Court (1 <sup>st</sup> Instance)	Construction	2,200 m <sup>2</sup>	880,000.00	Construction	Under construction	/	Finished in October 2012	7,672 m <sup>2</sup>	18 judges; 100 court staff	10,854,345.00	Selection done on the basis of physical conditions	Decided by the MOJ
Gadabey District Court (1 <sup>st</sup> Instance)	Construction	780 m <sup>2</sup>	312,000.00	Construction	Under construction	Finished	Finished November 2012	1,259 m <sup>2</sup>	3 judges; 17 court staff	3,485,874.00	Selection done on the basis of physical conditions	Decided by the MOJ
Ganja City Nizami District Court (1 <sup>st</sup> Instance)	Rehabilitation	800 m <sup>2</sup>	400,000.00	Construction	Under construction	/	Finished in November 2012	3,691 m <sup>2</sup>	11 judges; 28 court staff	6,599,150.00	Selection done on the basis of physical conditions	Decided by the MOJ
Guba District Court (1 <sup>st</sup> Instance)	/	/	/	/	Construction	Under construction	Finished in November 2014	3,315 m <sup>2</sup>	6 judges; 21 court staff	4,844,764.30	Selection done on the basis of physical conditions	Decided by MOJ
Baku Local Economic Court N. 2 (1 <sup>st</sup> Instance)	Construction	1,100 m <sup>2</sup>	440,000.00	Construction		Sabunchu Court Complex	Finished in December 2014	8,297 m <sup>2</sup>	21 judges; 100 court staff	12,300,000.00	Selection done on the basis of physical conditions	Decided by the MOJ
Baku City Sabunchu District Court (1 <sup>st</sup> Instance)	Construction	1,900 m <sup>2</sup>	760,000.00	Construction								Decided by the MOJ

<b>Sheki Appeals Court*</b>	Construction	3,000 m2	1,200,000.00	Construction	Design of Court Complex	Under construction	Not finished by time of project closure	12,400 m2	Eventually: 36 judges; 174 court staff	33,956,000.00	Selection done on the basis of physical conditions	Decided by the MOJ
<b>Sheki Local Economic Court*</b> (1 <sup>st</sup> Instance)	Construction	1,100 m2	440,000.00	Construction								
<b>Sheki District Court</b> (1 <sup>st</sup> Instance)	Construction	/	/	Construction								
<b>AR Grave Crimes Court</b>	Construction	10,000 m2	4,000,000.00	Construction								
<b>Baku City Narimanov District Court</b> (1 <sup>st</sup> Instance)	Construction	1,700 m2	680,000.00	Construction		Design ready		7,210 m2		10,562,000.00	Selection done on the basis of physical conditions	Will be constructed under the new project
<b>Baku City Surakhani District Court</b> (1 <sup>st</sup> Instance)	Rehabilitation	900 m2	300,000.00	Rehabilitation and Construction	Design ready	/		4,529 m2		6,634,000.00	Selection done on the basis of physical conditions	Decided by the MOJ; will be constructed under the new project
<b>Sumqayit Appeals Court*</b>	Construction	3,000 m2	1,200,000.00	Construction	Design of Court Complex	Design ready	/	21,598 m2		35,884,000.00	Selection done on the basis of physical conditions	Decided by the MOJ; will be constructed under the new project
<b>Sumqayit Local Economic Court*</b> (1 <sup>st</sup> Instance)	Construction	780 m2	312,000.00	Construction								
<b>Sumqayit City Court</b> (1 <sup>st</sup> Instance)	Construction	2,000 m2	800,000.00	Construction								
<b>Baku City Binagadi District Court</b> (1 <sup>st</sup> Instance)	Construction	2,000 m2	800,000.00	Construction	Designed	/	/	/	/	/		Decided by the MOJ; currently no plans for construction.
<b>Shirvan Appeals Court*</b>	/	/	/	/	Design of Court Complex	Design ready	/	20,364		33,956,000.00		Decided by the MOJ; currently no plans for construction.
<b>Shirvan Local Economic Court</b> (1 <sup>st</sup> Instance)	/	/	/	/								

<b>Baku Appeals Court</b> * <sup>47</sup>	/	/	/	Rehabilitation	/	/	/	/	/	/		
<b>Baku City Khatai District Court</b> (1 <sup>st</sup> Instance)	Construction	1,800 m2	720,000.00	Construction	/	/	/	/	/	/		
<b>Baku City Sabayil District Court</b> (1 <sup>st</sup> Instance)	Rehabilitation	1,600 m2	500,000.00	Rehabilitation	/	/	/	/	/	/		
<b>Baku City Nasimi District Court</b> (1 <sup>st</sup> Instance)	Rehabilitation	1,240 m2	500,000.00	Rehabilitation	/	/	/	/	/	/		
<b>Ganja Appeals Court</b> *	Construction	3,000 m2	1,200,000.00	Construction	/	/	/	/	/	/		
<b>Ali Bayramli Appeals Court</b> *	Construction	3,000 m2	1,200,000.00	Construction	/	/	/	/	/	/		
<b>NAR Grave Crimes Court</b> *	Construction	1,100 m2	440,000.00	Construction	/	/	/	/	/	/		
<b>Training School</b>	Renovation	/	1,000,000.00	/	/	/	/	/	/	/		
<b>Berde</b>	Renovation	/	180,000.00	/	/	/	/	/	/	/		

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<sup>47</sup> \*These courts are listed in the Decree of the President of the Republic of Azerbaijan N 352, January 19, 2006.

## Annex 15. Supporting Documentation: Court Statistics

Table 1: Oguz District Court

<b>Oguz</b> <i>completed in November 2011</i>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Incoming cases (total)</b>	534	585	541	663	848
Civil	425	446	391	482	595
Criminal	29	29	24	20	31
<b>Caseload (incoming + pending from previous year)</b>	556	624	586	697	906
Civil	446	480	431	512	651
Criminal	30	34	29	23	31
<b>Number of judges</b>	1	1	1	1	1
<b>Average caseload per judge</b>	517	579	552	639	842
Civil	412	440	401	456	598
Criminal	25	29	26	23	24
<b>Average disposition per judge (total)</b>	27	28	22	33	28
Civil	30	33	27	45	32
Criminal	73	63	42	0	106
<b>Clearance rate</b>	97%	99%	102%	96%	99%
Civil	97%	99%	103%	95%	100%
Criminal	86%	100%	108%	115%	77%

Table 2: Baku City Yasamal District Court

<b>Yasamal</b> <i>Completed in October 2012</i>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Incoming cases (total)</b>	10,361	11,659	11,211	12,140	15,858
Civil	7,004	7,562	6,683	7,409	11,272
Criminal	588	537	536	586	498

<b>Caseload (incoming + pending from previous year)</b>	11,061	12,641	12,291	13,323	17,182
Civil	7602	8,385	7,613	8,447	12,380
Criminal	669	537	666	700	688
<b>Number of judges</b>	13	13	13	10	14
<b>Average caseload per judge</b>	775	889	854	1,200	1,127
Civil	521	573	506	734	798
Criminal	40	42	42	51	39
<b>Average disposition per judge (total)</b>	36	34	39	40	32
Civil	44	45	58	55	39
Criminal	99	86	75	136	98
<b>Clearance rate</b>	97%	99%	99%	99%	99%
Civil	97%	99%	98%	99%	99%
Criminal	89%	102%	103%	87%	109%

Table 3: Ganja City Nizami District Court

<b>Ganja</b> <i>Completed in November 2012</i>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Incoming cases (total)</b>	2,911	3,446	3,000	3,853	5,217
Civil	2,017	2,268	1,970	2,431	4,043
Criminal	158	170	173	191	159
<b>Caseload (incoming + pending from previous year)</b>	3,112	3,667	3,292	4,160	5,609
Civil	2,193	2,467	2,225	2,700	4,381
Criminal	180	192	198	222	199
<b>Number of judges</b>	6	6	6	6	6
<b>Average caseload per judge</b>	482	563	498	628	874
Civil	332	369	326	394	673
Criminal	26	28	28	30	30
<b>Average disposition per judge (total)</b>	28	32	37	38	25
Civil	36	42	50	52	31
Criminal	51	55	68	80	38
<b>Clearance rate</b>	99%	98%	99%	98%	100%
Civil	99%	98%	99%	97%	100%
Criminal	100%	98%	96%	95%	113%

Table 4: Gedabek District Court

<b>Gedabek</b> <i>Completed in November 2012</i>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Incoming cases (total)</b>	878	1,320	1,557	1,348	1,506
Civil	680	1,047	1,275	981	1,249
Criminal	31	63	53	56	35
<b>Caseload (incoming + pending from previous year)</b>	937	1,447	1,810	1,504	1,646
Civil	727	1,164	1,519	1,130	1,376
Criminal	38	72	61	63	42
<b>Number of judges</b>	2	2	2	2	2
<b>Average caseload per judge</b>	405	597	827	682	745
Civil	305	460	685	502	614
Criminal	15	32	27	28	18
<b>Average disposition per judge (total)</b>	57	77	34	37	38
Civil	70	97	40	46	44
Criminal	113	46	47	46	73
<b>Clearance rate</b>	92%	90%	106%	101%	99%
Civil	90%	88%	107%	102%	98%
Criminal	94%	102%	102%	100%	100%

Table 5: National Average for District Courts

<b>National Average for District Courts</b>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Incoming cases (total)</b>	147,237	178,541	188,899	213,893	279,380
Civil	89,806	113,578	118,671	135,180	199,825
Criminal	10,825	10,606	9,768	9,311	9,607
<b>Caseload (incoming + pending from previous year)</b>	157,592	190,626	204,378	229,824	298,030
Civil	98,647	123,997	132,305	149,098	216,179
Criminal	12,108	12,027	11,253	10,718	11,274
<b>Number of judges</b>	234	233	232	224	246
<b>Average caseload per judge</b>	633	752	812	943	1,129
Civil	377	474	510	593	806
Criminal	46	45	42	40	39
<b>Average disposition per judge (total)</b>	23	32	31	32	26
Civil	43	45	43	45	33
Criminal	48	51	52	67	60
<b>Clearance rate</b>	101%	98%	100%	99%	99%
Civil	98%	97%	100%	98%	99%
Criminal	99%	99%	101%	97%	101%





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# AZERBAIJAN

- ⊙ RAYON CAPITALS
- ⊙ CAPITAL OF AUTONOMOUS REPUBLIC
- ⊙ NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- RAYON BOUNDARIES
- - - INTERNATIONAL BOUNDARIES

