



### ***Subcomponent 2.2. Accelerating the resolution of commercial disputes***

**17. This subcomponent focuses on addressing the effectiveness of the judiciary to resolve commercial disputes, as one of the most pressing issues affecting the business environment.** By first unclogging the case management system from the existing significant backlog, court efforts can be focused on tackling current commercial cases more efficiently. For this, the following two initiatives have been prioritized for support under this subcomponent:

- a) ***Reducing the court backlog of cases older than 10 years***, which will be focused on resolving longstanding commercial cases that continue to disrupt economic activities. Accelerating the resolution of these cases is expected to significantly reduce the backlog by almost half during the project timespan. A database of old cases has been created (presiding judge, activities undertaken, reasons for lack of resolution, and planned time limits for case resolution and reasons for the inability to resolve a case within the planned period). Further analytics will be supported by the creation of a database of cases for protection of the right to trial in a reasonable time. This activity will be monitored by the MoJ and implemented in cooperation with municipal and commercial courts.
- b) ***Reducing the average time to first instance decisions in litigious and bankruptcy cases before commercial courts***, which is a critical precondition to raise the effectiveness level of the justice system to secure legal certainty for economic players and prevent further accumulation of backlog cases in the future. Based on standards set by the European Court of Human Rights case-law and the Council of Europe recommendations<sup>10</sup>, targets for an appropriate level of responsiveness of Croatian courts have been agreed. To achieve these targets, the MoJ in addition to help maximizing the utilization of ICT tools, will implement procedural reforms alleviating unnecessary burden on judges, further equalizing workload among judges, and providing instruments to harmonize judicial interpretations and other supporting tools. This activity will be monitored by the MoJ and implemented in cooperation with commercial courts.

### ***Subcomponent 2.3. Rehabilitation and upgrading of selected court facilities***

**18. This subcomponent will finance the physical rehabilitation of selected courts to meet international standards of service allowing for better court performance and user experience.** Improved conditions of the judicial facilities will enhance business experience and confidence in the judiciary and will introduce the concept of agile infrastructure in the justice sector, which complements the modernization efforts aiming at decongesting the provision of justice services and upgrading the service standards. The court facilities that will benefit from renovation, rehabilitation and upgrading under this component are the Zagreb Municipal Court and the judicial facilities in Vinkovci, Kutina and Varazdin. These courts were selected based on their level of caseload, their focus on business activities, and their geographical location in lagging regions. The subcomponent will support both functional and construction designs and implementation of rehabilitation works and upgrading of standards.

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<sup>10</sup> See 2019 European Semester: Assessment of progress on structural reforms, prevention and correction of macroeconomic imbalances, and results of in-depth reviews under Regulation (EU) No 1176/2011  
[https://ec.europa.eu/info/sites/info/files/file\\_import/2019-european-semester-country-report-croatia\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-croatia_en.pdf)



#### **Subcomponent 2.4. Strengthening Public Investment Management practices in the judiciary**

**19. This subcomponent aims at strengthening public investment management practices in the judiciary in order to optimize infrastructure spending and allow for savings to be redirected to service modernization.** This will contribute to more effective utilization of the MoJ's capital budget and will allow for stronger engagement of international partners in improving judicial infrastructure. It will also allow the development of *standard project designs* for the planning, rehabilitation and maintenance of justice courts. This practice will reduce the time and cost in the design, procurement and execution of regional and municipal justice investment projects across the country. Overall, such cost savings will allow redirecting resources towards modernization of services and improving the user experience. Support will be provided to the Strategic Planning Directorate and its Sector for Judicial Infrastructure Department in the MoJ, as well as to Court Presidents, who also play a role in the investment planning system and are responsible for maintenance of judicial infrastructure. This project subcomponent will complement ongoing initiatives supported by the European Social Fund and its Justice Modernization Project (Project One), which provides financing for the development and implementation of a comprehensive ERP system. Bank support under this subcomponent will offer technical assistance and sharing of best practices in investment management in the judiciary to complement these efforts.

#### **Additional support to Project Management and for Technical Assistance (EUR 3.9 MM)**

**20. These activities will support overall project management and provide technical assistance required for the implementation of the above two components including:**

- a) ***Support to the operations of the Project Implementation Unit (PIU) and monitoring and evaluation (M&E) activities.*** This includes hiring of required specialized personnel to carry out technical supervision of infrastructure rehabilitation activities as well as to ensure compliance with procurement, safeguards and financial reporting requirements. M&E functions will provide effective oversight of the reform process and specifically of the completion of agreed DLIs. The project will provide support to develop required M&E instruments, such as surveys and impact evaluations, as well as the establishment and financing of the verification procedures for the results-based activities that would then be used to trigger associated disbursements. The project will also provide support to carry out the citizen engagement and change management activities.
- b) ***Technical assistance activities to complement ongoing support provided by other development partners and the European Commission in areas relevant to the two project components.*** These additional technical assistance funds are expected to be used to cover potential gaps, not available through own resources or externally funded programs, towards the achievement of the DLIs and of the PDO, for both Components 1 and 2.

#### Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No