



OFFICIAL USE ONLY

R2017-0008/1

January 10, 2017

**Closing Date: Tuesday, January 31, 2017
at 6 p.m.**

FROM: Vice President and Corporate Secretary

Romania - Justice Services Improvement Project

Project Appraisal Document

Attached is the Project Appraisal Document regarding a proposed loan to Romania for a Justice Services Improvement Project (R2017-0008), which is being processed on an absence-of-objection basis.

Distribution:

Executive Directors and Alternates

President

Bank Group Senior Management

Vice Presidents, Bank, IFC and MIGA

Directors and Department Heads, Bank, IFC and MIGA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank Group authorization.

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD2059

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF EUR 60 MILLION
(US\$ 66.99 MILLION EQUIVALENT)

TO

ROMANIA

FOR A

JUSTICE SERVICES IMPROVEMENT PROJECT
January 9, 2017

Governance
EUROPE AND CENTRAL ASIA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective {September 30, 2016})

Currency Unit = EUR

EUR 0.8956 = US\$1.00

EUR 1.00 = US\$1.1165

FISCAL YEAR

January 1 - December 31

Regional Vice President: Cyril E Muller

Country Director: Arup Banerji

Senior Global Practice Director: Deborah L. Wetzel

Practice Manager: Adrian Fozzard

Task Team Leader(s): Klaus Decker

ABBREVIATIONS AND ACRONYMS

CEPEJ	European Commission for the Efficiency of Justice
CFAA	Country Financial Accountability Assessment
COA	Chart of Accounts
CPS	Country Partnership Strategy
CSM	Superior Council of Magistracy
CSO	Civil Society Organization
CVM	Cooperation and Verification Mechanism
DIEFP	Department for the Implementation of Externally Funded Projects
EA	Environmental Assessment
ECRIS	Electronic Case Registration and Information System for the Judiciary
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EC	European Commission
EU	European Union
EUR	Euros
GOR	Government of Romania
HCCJ	High Court of Cassation and Justice
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IFR	Interim un-audited Financial Report
IPA	EU financed Instrument for Pre-Accession
IPF	Investment Project Financing
JRP	Judicial Reform Project
JSIP	Justice Services Improvement Project
LAN	Local Area Network
LEU	Leu
MOC	Ministry of Culture
MOJ	Ministry of Justice
MoPF	Ministry of Public Finance
NPV	Net Present Value
NTRO	National Trade Registry Office
PCCIJ	Prosecutors Office attached to the Supreme Court of Cassation
POM	Project Operational Manual
POCA	EU Operational Programme for Administrative Capacity
PM	Public Ministry
USD	United States Dollar
WAN	Wide Area Network
WB	World Bank



BASIC INFORMATION

Is this a regionally tagged project? No	Country(ies)	Lending Instrument Investment Project Financing
--	--------------	--

- Situations of Urgent Need of Assistance or Capacity Constraints
- Financial Intermediaries
- Series of Projects

Approval Date 31-Jan-2017	Closing Date 31-Dec-2023	Environmental Assessment Category B - Partial Assessment
Bank/IFC Collaboration No		

Proposed Development Objective(s)

To improve the efficiency and accessibility of targeted justice institutions.

Components

Component Name	Cost (USD Million)
Improving Operations of Courts and Institutions under MOJ Authority	34.52
Enhancing National Trade Registry Office Performance	18.12
Improving Prosecution Operations	12.26
Project Management	7.70

Organizations

Borrower : Ministry of Public Finance

Implementing Agency : Ministry of Justice



PROJECT FINANCING DATA (IN USD MILLION)

<input checked="" type="checkbox"/> Counterpart Funding	<input checked="" type="checkbox"/> IBRD	<input type="checkbox"/> IDA Credit <input type="checkbox"/> Crisis Response Window <input type="checkbox"/> Regional Projects Window	<input type="checkbox"/> IDA Grant <input type="checkbox"/> Crisis Response Window <input type="checkbox"/> Regional Projects Window	<input type="checkbox"/> Trust Funds	<input type="checkbox"/> Parallel Financing
Total Project Cost: 72.57		Total Financing: 72.57		Financing Gap: 0.00	
		Of Which Bank Financing (IBRD/IDA): 66.99			

Financing (in USD Million)

Financing Source	Amount
Borrower	5.58
IBRD-86950	66.99
Total	72.57

Expected Disbursements (in USD Million)

Fiscal Year	2018	2019	2020	2021	2022	2023	2024
Annual	2.70	25.02	11.99	6.47	4.88	5.71	3.23
Cumulative	2.70	27.72	39.71	46.18	51.06	56.77	60.00

INSTITUTIONAL DATA

Practice Area (Lead)

Governance



Contributing Practice Areas

Trade & Competitiveness

Social, Urban, Rural and Resilience Global Practice

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Low
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Moderate
9. Other	Low
10. Overall	Substantial

COMPLIANCE



Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11	✓	
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12		✓
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

Sections and Description

DIEFP (recurrent)

The Borrower, through MOJ, shall operate and maintain DIEFP until the completion of the Project, and ensure that it functions at all times in a manner and with adequate staffing and budgetary resources, all acceptable to the Bank.

Sections and Description

Coordination with NTRO and Public Ministry (recurrent)

For purposes of carrying out Parts 2 and 3 of the Project the Borrower, through MOJ, shall: (A) ensure throughout Project implementation the technical coordination with the NTRO and the PM; and (B) unless otherwise agreed with the Bank, maintain the provisions of Government Decision No 652 dated May 27, 2009, as amended to the date of the loan agreement, that establish DIEFP, and that regulate the coordination between MOJ and NTRO, and



between MOJ and the PM.

Sections and Description

Project Operations Manual (recurrent)

The Borrower, through MOJ, shall adopt and carry out the Project in accordance with a Project Operations Manual acceptable to the Bank.

Sections and Description

ESMF (recurrent)

The Borrower shall, through MOJ, implement the Project (except for Part 1(b)(ii)) in accordance with the ESMF.

Sections and Description

No Involuntary Resettlement (recurrent)

The Borrower shall ensure that no Involuntary Resettlement shall be carried out as a consequence of Project implementation.

Sections and Description

EMP (recurrent)

The Borrower shall carry out Project works in accordance with the relevant EMPs.

Conditions

Type

Effectiveness

Description

Project Operations Manual has been adopted by the Borrower in a manner and with contents acceptable to the Bank

Type

Disbursement

Description

Payment of Front-End Fee

**PROJECT TEAM****Bank Staff**

Name	Role	Specialization	Unit
Klaus Decker	Team Leader(ADM Responsible)		GGO15
Elena Corman	Procurement Specialist(ADM Responsible)	Procurement	GGO03
Anneliese Viorela Voinea	Financial Management Specialist	Financial Management	GGO21
Arabela Sena Aprahamian	Team Member	Trade and Competitiveness	GTC03
Cesar Niculescu	Safeguards Specialist	Environmental Safeguards/Civil Works	GEN03
Gabriela Grinsteins	Counsel	Legal	LEGLE
Georgia Harley	Team Member	Judicial	GGO15
Ismail Radwan	Team Member	Governance	GGO15
Jasna Mestnik	Team Member	Finance	WFALN
Luisita I. Guanlao	Team Member	ICT Solutions	ITSDF
Nataliya Biletska	Team Member	Economic and Financial Analysis	GGO15
Valerie Morrica	Safeguards Specialist	Social Inclusion/Social Safeguards	GSU03
Victor Neagu	Team Member	Communications	ECAEC

Extended Team

Name	Title	Organization	Location
-------------	--------------	---------------------	-----------------



**ROMANIA
JUSTICE SERVICES IMPROVEMENT PROJECT**

TABLE OF CONTENTS

I. STRATEGIC CONTEXT	9
A. Country Context	9
B. Sectoral and Institutional Context	10
C. Higher Level Objectives to which the Project Contributes	11
II. PROJECT DEVELOPMENT OBJECTIVES	12
A. PDO.....	12
B. Project Beneficiaries.....	12
C. PDO-Level Results Indicators.....	12
III. PROJECT DESCRIPTION	13
A. Project Components.....	13
B. Project Cost and Financing	17
C. Lessons Learned and Reflected in the Project Design	18
IV. IMPLEMENTATION	18
A. Institutional and Implementation Arrangements.....	18
B. Results Monitoring and Evaluation	19
C. Sustainability	19
D. Role of Partners.....	20
V. KEY RISKS	20
A. Overall Risk Rating and Explanation of Key Risks.....	20
VI. APPRAISAL SUMMARY	22
A. Economic and Financial (if applicable) Analysis.....	22
B. Technical.....	22
C. Financial Management	23
D. Procurement	23
E. Social (including Safeguards).....	24
F. Environment (including Safeguards)	25
G. Other Safeguard Policies.....	26



H. World Bank Grievance Redress.....	27
VII. RESULTS FRAMEWORK AND MONITORING	28
ANNEX 1: DETAILED PROJECT DESCRIPTION	34
ANNEX 2: IMPLEMENTATION ARRANGEMENTS	40
ANNEX 3: IMPLEMENTATION SUPPORT PLAN.....	49



I. STRATEGIC CONTEXT

A. Country Context

1. Over the last twenty-five years, Romania has made significant progress in developing its institutions for a market economy. Economic performance has been strong with annual real growth averaging 6.5 percent between 2003 and 2008. The 2008 crisis depressed growth, demand and investment and forced the Government to take fiscal austerity measures. The economy contracted by 6.5 percent in real terms during 2009-2011 but Romania has since recovered and is now the fastest growing economy in the EU with a Q2 2016 growth rate of 6 percent.
2. Growth has been shared with the bottom 40 percent, with the average income of the lowest income households growing by 6.9 percent between 2000 and 2013 as compared with 4.8 percent for the general population. Nonetheless, Romania is the second poorest country in the EU with one of the highest emigration rates. Large pockets of poverty and inequality remain. Romania has the highest proportion of rural population in the EU at 45 percent, the highest incidence of rural poverty at over 70 percent and one of the largest gaps in living and social standards between rural and urban areas. Children, young people and Roma continue to face higher risks of poverty than others. The child poverty rate is more than 30 percent nationwide and 50 percent in rural areas.¹ There is a strong ethnic dimension to poverty and social exclusion. While the incidence of poverty in Romania is 22 percent,² the incidence for Roma residing in marginalized communities is almost four times higher and three times higher than their immediate non-Roma neighbors.³ This gap in living standards between Roma and non-Roma neighbors in the same marginalized communities is mirrored in similar gaps on human development and social inclusion outcomes.
3. European Union (EU) accession, achieved in 2007, has been the driving force behind structural reforms. Romania has access to significant EU funding, amounting to EUR 36 billion for the period 2014-2020, to support reforms and investments in job creation, innovation, environmental management and social inclusion. Initially, the absorption rate of EU funds was the lowest in the EU but this has improved markedly since 2012, up to 75 percent by mid-2016. Absorption rates have been lowest for agricultural and transport programs, while absorption rates for governance and public administration programs are significantly higher at over 98 percent. The Romanian authorities are conscious of the need to improve programing and effective implementation of EU resources and have secured the Bank's assistance in this area to bring in best practices from other member states.
4. Access to and the quality of services remains uneven across Romania, with Bucharest and other larger cities far better served than the rural areas. Government is increasingly looking to deliver services at scale and find solutions that harness information communications technology (ICT), while also ensuring adequate physical services. Internet penetration has grown fast from 39 percent in 2010 to 58 percent in 2015.

¹ World Bank, 2015 *Background Study for the National Strategy on Social Inclusion and Poverty Reduction 2015-2020*.

² Relative poverty rate around 22% between 2011-2013 (EUSILC data: 2011 – 22.1%; 2012 – 22.5%; 2013 – 22.4).

³ UNDP/WB/EC regional Roma survey, 2011, as reflected in World Bank 2014 *Diagnostics and Policy Advice for Supporting Roma Inclusion in Romania*.



B. Sectoral and Institutional Context

5. At the time of EU accession in 2007, the European Commission (EC) established a Cooperation and Verification Mechanism (CVM) to monitor progress in strengthening the country's judicial system. Romania overhauled the legislative framework for the justice sector to guide the reforms, adopting a new Civil Code, Civil Procedure Code, Criminal Code, Criminal Procedure Code and Insolvency Code. The *Romania Judicial Functional Review 2012*, conducted by the World Bank, provided an assessment of judicial system performance, with recommendations for alignment with EU benchmarks. Many of these recommendations have been adopted by the Government into its strategy and action plan. The CVM Report of January 2016, commended Romania's progress in implementing reforms, stating that:⁴ *'The Romanian judicial system as a whole has continued to demonstrate professionalism, including a capacity to adapt to significant changes in the civil and criminal codes, efforts to unify jurisprudence and a willingness to defend the independence of the judiciary. The track record of the key judicial and integrity institutions in addressing high-level corruption has remained impressive. This continued trend is a sign that Romania is developing sustainability in progressing towards the CVM objectives'*. In February 2016, Commissioner Juncker noted that, if Romania maintains the same pace of implementation, the CVM may come to an end within this Commission's term (by 2019).⁵

6. Justice system performance has improved since EU accession and is generally on par with EU averages. According to the EU Justice Scoreboard 2016, Romania has the highest clearance rate (at 120 percent) in the EU and the time needed to resolve civil, commercial and administrative cases is shorter than the EU average. The percentage of firms reporting that the courts are not a problem for business operations in the Business Environment and Enterprise Performance Survey (BEEPS) has jumped from 28 percent in 2008 to 73 percent in 2013. The percentage of firms reporting that bribery is frequent in dealing with the courts has dropped from 14 percent in 2008 to 1 percent in 2013 and is now better than ECA and EU11 averages. The judiciary has a track record in tackling corruption, with a significant number of prosecutions and convictions, including in high-profile cases.

7. Despite generally good performance, the judicial system faces a number of challenges. Capital investment in the sector has been inadequate. This undermines efficiency and hinders access to the judiciary and delivery of services to citizens and businesses. Across Romania, but particularly in the rural and poorer areas, judicial infrastructure is in very poor condition. Many court buildings do not meet EU access and service standards. The sector is highly automated, relying on ICT applications for most administrative and case management functions. However, hardware and software are obsolete, having been purchased more than ten years ago, before EU accession. The outdated ICT environment causes frequent business disruptions, including system failures, outages and delays. Workstations are unable to run the case management systems, document management, audio recording systems and basic cyber-security systems. Evolving EU standards require increasing levels of automation and online interaction with citizens and businesses which the current ICT environment is unable to support. This leaves Romania backsliding in its EU compliance. Without investment in ICT across the sector, service disruptions jeopardize continuity of core functions and the sector will be unable to implement the upgrades needed to improve service delivery and meet EU standards.

⁴ http://ec.europa.eu/cvm/docs/com_2016_41_en.pdf

⁵ See for example, <http://www.agerpres.ro/english/2016/02/15/ec-president-juncker-sure-cvm-on-romania-will-end-during-his-tenure-19-37-00>.



8. Courts have not kept pace with passage of new laws and amendments to existing laws. Court users perceive adjudication by courts to be inconsistent. This has undermined legal certainty. Potential users are deterred by their limited understanding of legal rights and obligations, lack of familiarity with ever-changing laws and lack of readily accessible information on the justice system. The sector needs to invest in raising greater awareness of new laws and reforms among practitioners (judges, prosecutors, and attorneys) as well as among users and potential users (citizens and businesses).

9. According to the European Commission for the Efficiency of Justice (CEPEJ), the legal aid budget is among the lowest in the EU at less than 1 EUR per inhabitant and provides inadequate access to basic legal information, particularly for vulnerable groups. Services for victims of crime and juvenile offenders are limited, ad-hoc and do not align with relevant EU standards.

10. Justice sector institutions have limited experience in engaging with communities and civil society organizations (CSOs). Vulnerable groups place the least trust in the justice system to be responsive to their needs. Citizens of Roma origin fear discrimination by police and, to a lesser degree, officials of other justice institutions. This, together with perceptions of ineffectiveness of the justice institutions in providing timely and effective solutions of disputes, discourages some citizens from using the judicial system to exercise and protect their rights.

C. Higher Level Objectives to which the Project Contributes

11. The Government Strategy for the Development of the Judiciary (2015-2020), adopted by Government Decision No. 1155 in December 2014, lays out the direction for judicial reform and modernization over the next five years. An Action Plan for the Implementation of the Strategy (2015-2020) was adopted by Government Decision No. 282 in April 2016. The strategic objectives of the Strategy and Action Plan are to increase efficiency and transparency, improve integrity and quality, and guarantee access to justice. Both the Strategy and the Action Plan were the subject of public consultation and debate that included the justice institutions and the legal professions. The Action Plan sets out specific measures, most of them costed and assigned to specific agencies. The Action Plan is monitored by a committee and working group comprising the relevant institutions. Key reforms under the Strategy and Action Plan are supported by external partners. The EU is the leading source of financing for technical assistance under the Operational Program for Administrative Capacity (POCA). The Romanian Government ensures that development partner financing aligns with POCA in order to maximize absorption of EU funds. The Government has turned to the Bank to help finance investments in infrastructure and ICT needed to support implementation of the Action Plan with targeted financing for technical assistance that cannot be addressed from grant sources.

12. Since 2005, the Bank has supported judicial reform in Romania through the Judicial Reform Project (JRP P090309), a USD 130 million investment operation. JRP provided technical assistance to support the overhaul of the legislative framework. The project addressed service delivery constraints caused by inadequate and decrepit judicial infrastructure, with new construction or rehabilitation of more than sixteen courthouses completed (and three more ongoing) in accordance with international design standards. JRP equipped all courts with audio-recording systems to improve transparency and an ICT system for the management of resources across all institutions of the judicial system. JRP is scheduled to close in March 2017.

13. The Government has requested a follow-up investment lending operation to support the implementation of key aspects of the Strategy and Action Plan. World Bank financing will be used primarily for ICT hardware and civil works, focusing on the courts, the National Trade Registry Office (NTRO) (attached to the courts) and the



prosecution service (known as the Public Ministry). Implementation of project activities will complement and leverage POCA funding from the EU and support the implementation of the recommendations of the *Romania Judicial Functional Review 2012*.

14. The project supports all three pillars of the *Country Partnership Strategy (2014-2018)* (CPS). The project's investments in ICT and courthouse modernization support the first CPS pillar relating to the creation of a 21st century government. The project will contribute to the second pillar relating to economic growth and job creation by creating user-oriented business information services via the NTRO. The project also supports the third pillar relating to increased social inclusion, by supporting courthouse infrastructure in underserved regions, and includes activities that promote citizen engagement and community outreach. Lastly, the project supports Romania's efforts to fully utilize available EU funds and improve absorption rates through better systems, supervision and planning.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

To improve the efficiency and accessibility of targeted justice institutions.

B. Project Beneficiaries

15. The primary beneficiaries of this project will be the key justice institutions serving citizens and businesses in Romania, namely: the Ministry of Justice, the courts, the Public Ministry and the National Trade Registry Office. The project will also work with CSOs and key justice stakeholders including attorneys, insolvency practitioners and bailiffs. The ultimate beneficiaries of improved justice services are citizens and businesses. Community awareness and engagement activities will reach out to beneficiaries and specific vulnerable groups directly.

16. There were around 3 million cases pending with the courts and 1.8 million cases pending with the prosecution service in 2015. The number of persons affected by the justice system is significantly greater when one considers that criminal cases involve defendants, witnesses and victims of crime. It is estimated that 65 percent of those affected by the justice system are men and 35 percent women. At the NTRO in 2015, there were approximately 113,000 registrations and approximately 43,000 requests for data from the NTRO archives. The number of NTRO users is estimated to be at least 100,000 per year, of which 60 percent are men and 40 percent are women.

C. PDO-Level Results Indicators

17. The project focuses on improving the efficiency and accessibility of three main justice institutions: the courts; the NTRO; and the prosecution service. The Results Framework is at section VII and presents PDO indicators and intermediate results indicators. JSIP will achieve the following four results:

- a. *Improving accessibility in courts:* Facilities at select court sites will meet EU minimum standards for accessibility. Results data will be disaggregated by court site and by type of standards (e.g. facilities for victims of crime, facilities for juveniles, disabled access).



- b. *Improving efficiency in courts, prosecutor offices and the NTRO:* A more reliable ICT environment will enable courts, prosecutor offices and the NTRO to perform core functions without disruption. The improved ICT environment will also be capable of supporting upgrades to the integrated case management systems. Results data will be measured by ICT technical reports using national systems.
 - c. *Improving access to NTRO services:* NTRO users will be able to access key business information online 24/7 through a web portal rather than in person at NTRO offices.
 - d. *Improving efficiency of NTRO services:* NTRO users will experience a faster response time in accessing business information. Results data will be measured by comparing the difference between the current 5-day response time for in-person service with the online access to information via the NTRO portal.
18. The matrix below shows how the project’s indicators contribute to the two PDO dimensions -- efficiency and accessibility -- in the three components each aligned with one of the targeted institutions.

	Improving efficiency	Improving accessibility
Component 1: Courts	PDO indicator 2 Intermediate result indicators 1 & 2	PDO indicator 1 Intermediate result indicators 1, 3, 5 & 6
Component 2: NTRO	PDO indicator 3 Intermediate result indicators 2 & 4	PDO indicator 4 Intermediate result indicators 2 & 4
Component 3: Prosecution	PDO indicator 2 Intermediate result indicator 2	Intermediate result indicators 5 & 6

III. PROJECT DESCRIPTION

A. Project Components

Component 1: Improving Operations of Courts and Institutions under MOJ Authority

19. Based on the needs identified by the *Strategy for the Development of the Judiciary and the Action Plan (2015-2020)*, this component will include: investments in ICT across the judiciary to maintain and enhance core functions of the courts; courthouse rehabilitation and construction to improve the system’s ability to deliver services, especially in poor and underserved regions of Romania; and community awareness activities to increase responsiveness of the courts to the needs of local communities, especially for vulnerable groups. Preparatory activities that support the courts and institutions under MOJ authority to implement activities under the Action Plan that are acceptable to the Bank and not (sufficiently) funded from grant funds may also be included.

20. ICT investments will improve the efficiency of operations across the court network. In the short term, LAN infrastructure will enable fast and secure electronic exchange of information within courts and between courts in a complex. This will also enable audio recording software financed under the JRP to operate at all workstations. Courts will gradually transition from paper to electronic formats, as more scanning equipment will



be available allowing expansion of e-filing pilots. Free Wi-Fi may be offered to lawyers and parties in several courthouses, saving time for court users and improving the user experience at the courthouse. Investments in ICT equipment, mainly standard hardware (desktops, printers, scanners, servers) and software (office productivity package, Anti-Virus) will replace obsolete equipment and software that was purchased in 2006. Reliable hardware and software will reduce security breaches, system failures and frequent outages across the country, save time and reduce frustration among judges and court staff, enabling them to focus on core functions. Related ICT training will also be provided to users across the court network, which will improve skills and productivity in the workplace. In the medium term, these ICT investments will support system upgrades financed through technical assistance planned under POCA. The extensive POCA-financed upgrades are planned to include the re-engineering of the integrated case management system (ECRIS), the availability of audio recordings, large-scale e-filing, case management of the asset recovery office, and tools for the integration of the EU's e-justice portal and cooperation with EU member states.

21. Investments in judicial infrastructure will improve court operations at first instance courts in various locations across Romania, in an effort to improve the delivery of services to poor and underserved populations. During project preparation, the MOJ identified priority court infrastructure based on the following selection criteria: court caseloads; the condition of infrastructure; and the needs of poor and vulnerable communities (including by taking into account the local human development index, GDP per capita, wage distribution, share of Roma population, and employment rates). Six first instance courts were selected: Calafat, Costesti, Horezu, Tg Neamt, Carei and Corabia. Each of these sites is in very poor condition and requires extensive rehabilitation or reconstruction. The improved infrastructure at these sites will comply with design standards developed under the JRP, and will be completed in the early stage of the new project. The design standards comply with EU and international standards for physical accessibility and for the treatment of prisoners, victims of crime and juveniles. Civil works at an additional three sites have started under the existing JRP and will be finalized early in the new project, including Sibiu Tribunal, Prahova First Instance Court, Tribunal and Court of Appeal. The prioritization exercise also identifies a reserve list of additional sites that could be upgraded in the event of cost savings under this project. The component will also finance the last stage of the Main Design Standards for Romanian courthouses (started under JRP), which will lay the foundation for any future courthouse construction and rehabilitation in Romania.

22. This component will support activities that increase community awareness of justice services. These activities include information campaigns, lay guides, tools to enable access to court services and educational events aimed at improving understanding among citizens (and especially vulnerable groups) of their rights and obligations under the law as a way to reduce informational barriers to access to justice. Community awareness activities will include targeted interventions at select court sites at the local level and campaigns at a national level. These will focus on legal issues that affect poor and vulnerable groups such as personal bankruptcy, legal aid and support to victims of crime. In line with Action Plan items F.2.3 and F.1.3, community awareness activities will be delivered by the courts or in partnership with CSOs. In addition to awareness campaigns, selected court sites will host court open days, community roundtables and workshops on topics of relevance to local communities, including events for victims of crime and measures related to insolvency of individuals. The project will support Improvements in the MOJ Probation Department's services to vulnerable groups, including the development of a strategy for the rehabilitation of offenders (Action Plan B.3.7), appraisal of the status of detainees (A.4.3) and the alignment of protocols for improving services for victims of crime with EU Directive 29/2012. Surveys (to be conducted under Component 4) will measure the impacts of these community activities and will enable two-way feedback on justice issues of relevance for target groups.

Component 2: Enhancing National Trade Registry Office Performance



23. This component supports the NTRO at the central level and throughout its 42 locations across Romania to improve the 28 services offered to users including businesses, financial institutions, insolvency practitioners, attorneys, bailiffs, notaries, courts, prosecutors and citizens, in line with EU standards. These services include, among other things, the provision of certificates, information about companies, entries into the trade registry and steps related to processing of bankruptcy proceedings. NTRO is the single institution responsible for recording the life cycle of a commercial entity from its creation to its dissolution, including registration of mergers, restructurings and insolvency. NTRO also administers personal insolvency in accordance with new legislation (law 151/2015) scheduled to enter into force in early 2017. This new concept presents tremendous challenges for the NTRO and institutions in the judicial system. Based on the needs identified by the Action Plan, this component will include investments in ICT and support to community awareness and engagement activities.

24. NTRO's business plan identifies the needs that are reflected in the Strategy for the Development of the Judiciary and the Action Plan. This component will finance an ICT strategy and detailed enterprise architecture assessment for the NTRO (Action Plan A.1.5). The enterprise architecture assessment will allow NTRO to better plan its future investments and optimize use of EU funds, State budget and future Bank financing. The project will replace all standard hardware and software across the NTRO to enable staff to perform their core functions and eliminate IT-related business disruptions. The project will also upgrade the NTRO's primary and back-up data centers with modern equipment that will secure and enhance ICT performance across the organization and improve business continuity. Together, these investments will enable NTRO's existing e-services to run reliably and NTRO staff to serve their clients in a more efficient and timely manner.

25. This component will transform the existing manually operated archiving system into an online electronic archive system (EAS) making all business information available to the public. Currently, information is available only to NTRO staff. End-users, such as businesses, financial institutions, insolvency practitioners, attorneys, bailiffs, notaries, courts, prosecutors, citizens must request data in-person at NTRO locations, a process which takes several days. The online system will allow end-users in Romania and abroad to access this information at any time through the NTRO portal. This will improve convenience and save time for NTRO staff and end-users. The EAS will enable the NTRO to comply with EU Directive 17/2012, which requires all trade registries in EU member states to provide certain categories of information free online to the public by July 2017.

26. NTRO is the main information source on procedural steps and commercial and personal insolvency documentation. It is the only source where interested parties can verify if a company or an individual is undergoing an insolvency procedure or has been declared insolvent. This component will finance technical assistance that prepares the NTRO to implement upgrades to the electronic bulletins for the new personal insolvency law and the enhanced commercial insolvency procedure. The Insolvency Procedures Bulletin explains how to initiate and undertake an insolvency procedure. Technical assistance will assess the upgrades needed to bring the NTRO Electronic Bulletin into compliance with EU laws. This requires interconnectivity between the NTRO and insolvency registries of other EU member states. Additional functionality will include interconnectivity with ECRIS and the EU e-justice portal. This analytical work will prepare for a follow-up financing that will support rollout of the E-bulletins including investments in software development and servers.

27. This component will also finance information campaigns and outreach activities that will enable the NTRO to increase awareness among its end-users of the services it offers electronically and in person at its 42 locations. Campaigns will encourage a gradual shift in behavior among end-users towards use of e-copies of NTRO information from the EAS, rather than hard copies. Campaigns will target micro and small businesses and CSOs in particular to increase awareness of NTRO services. Activities will focus on the implementation of Law 151/2015 related to insolvency of individuals. This will include workshops for insolvency commissions, courts, insolvency practitioners, bailiffs, lawyers, notaries and others to address unitary enforcement of the law,



establishment of collaboration protocols with the relevant institutions, and awareness campaigns related to the implications of this law for eligible individuals. In partnership with NGOs and with involvement of civil society, JSIP will support special information programs for citizens including workshops and roundtables, service guides and publicity campaigns. These will raise awareness of on-line facilities, such as those for start-up businesses initiated by students, young entrepreneurs and others, the e-services provided by the Electronic Archiving System, and interconnectivity of EU trade and business registers that can be used to obtain information related to foreign business partners.

Component 3: Improving Prosecution Service Performance

28. The ICT investments at the Public Ministry will improve the core functions of the prosecution service in a manner similar to the courts. The WAN and LAN rollout in prosecution offices as well as cabling and reconfiguration of the LAN of the Bucharest Tribunal's Prosecutor Office will enable prosecutors to share information quickly and securely with each other. In addition, investments in the General Prosecutor's Office's main and secondary data centers will lay the foundation for the Public Ministry to implement the EU-funded audio/video records management system, which will ultimately ensure that prosecution interviews with victims and defendants are recorded in compliance with human rights standards.

29. This component will also finance an integrated security system, including security equipment, video surveillance and access cards, at the Prosecutors Office attached to the Supreme Court of Cassation (PCCIJ) where much of Romania's sensitive prosecution work is undertaken. The enhanced security system will improve safety at the workplace and promote the integrity of the prosecution service.

30. Community awareness activities under this component will be carried out in conjunction with those under component 1. Information campaigns to improve legal literacy among vulnerable groups will help the prosecution service to engage directly with groups at risk of being drawn into the criminal justice system and victims of crime. In line with item F 2.4 of the Action Plan, partnerships with NGOs and the General Inspectorate of the Police will support judicial education programs in areas with a high criminal rate and/or high levels of poverty, for example in the area of criminal law, human rights, prevention of and fight against corruption. JSIP will also support implementation of the Protocol signed with the Ministry of Education regarding judicial education in schools. Particular activities will include presentations by local prosecutors in schools, visits of young scholars in prosecution offices and police sections, preparation and dissemination of educational material and prize competitions. The project may also include activities with prosecutors and staff to increase their capacity to use local level feedback and effectively to respond to the needs and challenges faced by vulnerable groups and to address stereotyping and discrimination, in particular regarding Roma.

Component 4: Project Management

31. This component will finance the operating costs of the Department for Implementation of Externally Funded Projects (DIEFP) at the MOJ which will act as the project implementation unit for the project. The Government will fund the salaries of the DIEFP. The IBRD loan will cover other project management costs, including goods, non-consulting services, consulting services and training for MOJ and DIEFP as well as audits and incremental operating costs.

32. This component will also finance the implementation of surveys and related analytical work that will assess the experiences and perceptions of institutional users, end users and potential users of justice services. Survey results will be publicly available and disseminated through workshops and outreach events for institutions and target groups at a national and local level. The surveys will inform implementation and



adjustments in design, particularly at stage of Mid-Term Review, scheduled for 2020. Surveys may also be used to inform institutional decision-making and for reporting to the CEPEJ.

B. Project Cost and Financing

33. The Romanian Government has requested IBRD funding to support the Action Plan to Implement the *Strategy for the Development of the Judiciary (2015-2020)*. IBRD will finance EUR 60 million. The Romanian Government will contribute EUR 5 million from the State budget to the Project to cover the salaries of the DIEFP.

34. JSIP's design reflects the need for a programmatic approach to investment in the justice sector, so that Romania can deliver project investments to implement their Strategy/Action Plan for the justice sector using the various sources of funds at its disposal. The JSIP therefore adopts a programmatic approach to ensure a smooth transition between JRP, JSIP, and future support with the justice sector.

35. The Judicial Functional Review carried out by the World Bank and the Court Optimization Analysis under the JRP have provided the analytical foundation for the Strategy and Action Plan. The investments in court infrastructure under the JRP are evidence of the capacity of the Romanian authorities to successfully execute infrastructure investments if given the right enabling conditions. While JRP completed the rehabilitation and construction of 16 courts, the three additional courts launched under JRP will be completed under JSIP. Design standards for courts in Romania developed under JRP will be completed under JSIP. These standards establish an authoritative normative framework to ensure high quality of courthouse design in line with European and international good practice. Under JSIP, six courts are planned to be rehabilitated or constructed.

36. Similarly in the area of ICT investments, JSIP includes a business architecture assessment to allow NTRO to better plan its future investments and optimize use of EU funds, State budget and future Bank financing. The JSIP will further ensure technical readiness of investments in the E-bulletins for insolvency. Overall, JSIP will remain a flexible source of support to implement the justice sector priorities of the Romanian Government.

Project Components	Project cost USD	IBRD or IDA Financing USD	Government contribution
Enhancing Court Performance	34,522,180	34,522,180	0
Enhancing National Trade Registry Office Performance	18,120,795	18,120,795	0
Enhancing Prosecution Service Performance	12,225,675	12,225,675	0
Project Management	7,703,850	2,121,350	5,582,500
Total Costs	72,572,500	66,990,000	5,582,500



C. Lessons Learned and Reflected in the Project Design

37. Ownership is stronger when the project is designed to support an actionable and focused Strategy and Action Plan for Judicial Reform. There was no strategic framework in the lead-up to EU accession in 2007: the Government was focused on regulatory alignment with the *Aquis Communautaire*. The *Romania Judicial Functional Review* conducted by the Bank in 2012 helped fill this gap by identifying priorities for institutional reform and development of a stronger performance orientation. The recommendations from the *Romania Judicial Functional Review 2012* have been largely adopted in the current Strategy and Action Plan. JSIP finances activities identified in the Action Plan. This alignment will help to ensure ownership and smooth implementation of project activities and sustainability of their results.

38. The project incorporates a number of lessons regarding operational design from the JRP. The PDO for the JRP was broad and proved difficult to measure; the PDO for JSIP is more narrowly targeted to measuring the impact of specific aspects of project-funded interventions. Under the JRP, the ICT projects entailed complex software development involving multiple beneficiary institutions. This complicated the design and slowed down implementation. JSIP finances relatively standard hardware and software. More complex business process reengineering and software development will be financed from EU funds. ICT procurement is at an advanced stage of preparation and packages will be launched immediately upon effectiveness. Experience under the JRP shows that civil works takes about five and a half years to complete owing to lengthy processes for design, feasibility study, construction authorization, procurement and constraints during implementation. During the preparation of JSIP, the Bank and MOJ through DIEFP developed a detailed implementation plan to ensure project readiness, and this plan has informed the implementation arrangements, staffing needs and implementation period of six years eleven months. Civil works on historical sites under JRP were subject to particularly lengthy delays in the finalization of design standards and acquisition of permits. Design standards developed under JRP and alignment of legislation aligned with the Bank's safeguards requirements will facilitate rehabilitation at JSIP's two historical sites. JSIP will facilitate future investments by financing the preparation of a pipeline of implementation-ready ICT and civil works projects. Finally, JRP was designed and implemented with user needs in mind but focused exclusively on the supply side. Following NGO consultations, focus group discussions and a desk review carried out during project preparation, JSIP incorporates demand-side activities and uses supply-side investments to create platforms where justice sector professionals can engage with local communities and vulnerable groups to reach out, build trust, and encourage institutions to be more responsive to the needs of potential users.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

39. Building on a solid track record of effective implementation of the JRP, the Department for the Implementation of Externally Financed Projects (DIEFP) as Project Management Unit will be responsible for day-to-day project implementation, including the procurement of goods, works, non-consultants' and consultants' services, the justification of fund disbursement and financial management, audit, and control, monitoring and reporting. DIEFP will coordinate with beneficiaries outside of the MOJ.

40. DIEFP staffing comprises: project manager; deputy manager; technical manager; technical adviser (x2); financial manager; financial specialist; internal financial controller; procurement specialist (x 2); IT manager; IT



specialist (x 4); legal specialist, judicial system specialist; and driver (x 2). Under JSIP, five additional positions will be created. In order to support JSIP, DIEFP procurement capacity will be expanded to include: two positions to plan, design and deliver procurement, and one position for secretary. A monitoring and evaluation specialist will be appointed to oversee surveys and data collection, including dissemination and dialogue on results. A stakeholder engagement specialist will be appointed to coordinate and oversee communications and community awareness activities to ensure two-way communication with beneficiaries entities. The Government will finance the salaries of DIEFP staff. JSIP will finance all other operating costs.

41. The establishment of a Project Steering Committee was considered and rejected. There are only three implementing institutions and the project components and activities do not require significant coordination between these institutions. Project implementation challenges can be resolved through the sector's existing coordination systems with the support of DIEFP. A dedicated page on the MOJ website will provide information about the project, including project activities, results and the contact details of DIEFP.

B. Results Monitoring and Evaluation

42. The project will use Government systems for project monitoring to the extent possible. DIEFP will gather the data for the indicators in the results framework, with the support of the relevant institutions. In addition to administrative data, the project will generate data on experiences and perceptions of performance through a series of targeted surveys of institutional and end users of justice services. Survey data will be disaggregated by gender and target group. Surveys will be publicly available and used to engage with stakeholders, the public, and vulnerable groups in two-way dialogue on justice issues. Surveys, related workshops and outreach activities will be financed by the project.

43. The Results Framework provides a causal chain from the activities through to intermediate outcome indicators and PDO indicators. The indicators have been developed in accordance with *World Bank Strategic Framework for Mainstreaming Citizen Engagement in World Bank operations*.

44. At the time of appraisal, the data needed for several of the indicators was not yet available to populate the baselines and targets in the Results Framework. DIEFP has scheduled administrative data collection so that all baseline data will be populated by the time of project effectiveness. Surveys will be contracted immediately after project effectiveness.

C. Sustainability

45. The *Strategy for the Development of the Judiciary (2015-2020)* and its Action Plan incorporate recommendations from the *Romania Judicial Functional Review 2012*. These planning instruments have the broad political support of the European Commission and are aligned with its CVM. Consultations with institutions during project preparations confirm that the Action Plan drives reform activity in the Romanian justice sector. Project investments are critical to the success of the Action Plan and there is a strong commitment within the sector to ensure their successful implementation. Project activities also support the Government's efforts to leverage other sources of financing, including POCA funds.

46. The community awareness and engagement activities contained in the project are derived from the Action Plan. Community awareness activities are mainstreamed into JSIP components to create platforms for dialogue that have the potential to create a sustained engagement based on more demand-side interest in project



activities. This is a new initiative for the justice sector and so it is not yet possible to assess the level of commitment and sustainability in the longer term.

D. Role of Partners

47. The project has been prepared in consultation with the national authorities and development partners and takes into account complementary financing for the Strategy and Action Plan from the State budget, EU structural funds and other donors. The Action Plan estimates that more than USD 630 million of State budget funds are required between 2016 and 2020. The Government addresses key reforms under the Strategy and Action Plan using technical assistance financed from the Operational Program for Administrative Capacity (POCA). POCA dedicates two priority axes for the justice sector. Axis 1.3 aims to develop and implement standard systems and improve management in the judicial system, including upgrades to integrated case management systems, management training, standardization, audio/visual recording, business intelligence and alternative dispute resolution. Axis 2.3 aims to improve transparency and integrity in the judiciary, including access to justice and quality of services, supporting communications, social inclusion activities targeting vulnerable groups, especially Roma, standardization of ethics and integrity procedures, targeting proceeds of crime, professional training, unification of case law, and reforms to legal aid. Axis 2.3 is open for proposals to public institutions and partnerships with civil society and professional associations. POCA supports up to a maximum of twenty percent financing for hardware and civil works. Planning under the current phase of POCA is at an advanced stage. Calls for proposals are expected to open in October 2016 and activities are due to commence in 2017. The Romanian Government ensures that development partner financing aligns with POCA so that grant financing is fully utilized. IBRD funds will be used to finance investments in civil works, ICT and selected technical assistance that are critical to the implementation of the Strategy and Action Plan and cannot be financed from other sources.

48. Several bilateral donors are active in the justice sector, including Norway, the Netherlands and Switzerland. These donors primarily support technical assistance in such areas as access to justice for vulnerable groups and asset recovery, and provide broader institutional cooperation. JSIP complements these initiatives and supports the justice sectors efforts to leverage further funding from the State budget or other donors.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

49. The overall risk of the project is expected to be substantial.

50. The risk rating for technical design is substantial. The tight preparation schedule prevented the implementation of a multi-stakeholder survey during the preparation period, so the project does not have baseline data for indicators related to user experiences and perceptions of justice. The limited time available for consultations also poses a risk to the design of activities that engage with end-users including vulnerable groups. The design also emphasizes community awareness and engagement, an area where the authorities have recent interest and limited experience, in contrast to the infrastructure and ICT investments. Design risks are mitigated by engaging key stakeholders in capacity building early in the project, promoting values of service orientation; using survey data as a basis for two-way dialogue; and facilitating stakeholder dialogue to build an



understanding of user needs. The project design takes into account the extended timeframe for the preparation, procurement and implementation of the civil works under the JRP. This timeframe is estimated to be 5.5 years based on a detailed Project Implementation Plan provided by the PIU, counting from the time the design standards that are currently under preparation are approved by Government Decision. This design risk is mitigated by providing for a project duration of six years eleven months.

51. The risk rating for institutional capacity for implementation and sustainability is also substantial. The Bank and DIEFP have a long history of productive working relations with the MOJ, MOPF and courts under the JRP. JSIP includes a component that will be led by the NTRO. This institution has not previously worked with a Bank-financed project. DIEFP has strong project management capacity. However, insufficient or untimely budgetary allocations, difficulties in obtaining construction permits and a lengthy procurement and internal approval process for ICT investments have all been sources of delay in implementation of JRP. These risks can be mitigated by ensuring that DIEFP continues to be well staffed and maintains high standards in project procurement and implementation planning and monitoring. DIEFP will ensure that stakeholders for the ICT solutions financed under the project are involved throughout the procurement process to ensure timely approvals. Loss of staff or failure to fill positions would have a significant impact on the project given DIEFP's role in project implementation. The Legal Agreement contains a Loan Covenant requiring the Government to maintain the DIEFP at all times to a level of staffing and resourcing acceptable to the Bank.

52. The risk rating for stakeholders is moderate. The Romanian justice sector comprises numerous stakeholders with overlapping functions and responsibilities. This can slow down implementation progress by increasing the amount of time and effort required to ensure proper consultation and ownership of reforms and to trouble-shoot during reform implementation. Furthermore, as outlined above, the relationship with the NTRO is less developed. The project mitigates these risks by: aligning activities closely with the recently adopted Strategy and Action Plan, for which there is strong Government commitment; creating separate components for each key institution to demarcate the lead agency responsible for each project area; and conducting periodic management meetings led by the DIEFP with relevant stakeholders. Donor coordination risks are low because the Strategy and Action Plan assign activities clearly among donors. JSIP activities complement activities financed under POCA. Delays in implementation of POCA could impact on the achievement of the Government's reform objectives. This risk will be mitigated by coordination between the Bank, the EC CVM team and the Department for EU Programming based at the MOJ. The project results framework is designed for a without-POCA scenario, so that the project can achieve the results in the absence of POCA funding.

53. The overall fiduciary risk rating is moderate. However, the risk with ICT procurement as an element of the overall fiduciary risk is higher. These risks are particularly acute in the Romanian market where ICT companies are politically connected and in the context of hardware procurement where supplier capability plays a less important role in selection. This risk will be mitigated by ensuring transparency and broad competition in the procurement process and independent review of specifications, tender and bidding documents for ICT procurements by technical specialists from the Bank. ICT requirements and specifications will be shared with the market to get feedback in order to reduce the risk of delays arising from complaints and amendments.

54. The team has assessed the proposed activities in the area of criminal justice in light of the General Counsel's Legal Note on the Bank's Involvement in the Criminal Justice Sector, and deems that these activities have a low risk of political interference.



VI. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

55. The economic analysis suggests that the project will generate net benefits and a substantial return on investment. The net present value (NPV) in real terms is estimated at EUR 28.5 million at a 5 percent discount rate and an internal rate of return (IRR) of 94 percent. The financial analysis of the project considers costs and benefits using a cash flow approach and suggests that the NPV in real terms will be EUR 13.9 million at a 5 percent discount rate and an IRR of 67 percent.

56. The project's estimated economic benefits include efficiency gains and time savings for judges, prosecutors, staff, citizens, businesses and the public administration. Offering NTRO users 24/7 external access to its electronic archive will reduce transaction costs from days to minutes for a wide range of government agencies, citizens and businesses, including financial institutions, suppliers, insolvency practitioners, attorneys, bailiffs, notaries, courts and prosecutors. Courthouse rehabilitations and ICT investments in courts and prosecutor offices will lead to savings in staff time and maintenance costs by those institutions. Upgrades of the IT end-user equipment and the LAN in courts and prosecutor offices will offer time savings to court users and enable more reliable and efficient operability of the redesigned case management and information exchange systems supported by other donors.

57. The project will also produce a range of economic benefits that cannot be easily quantified and have not been reflected in this analysis. These benefits derive from greater reliability of existing ICT systems, data security and integrity, higher staff morale, and improvements in the ability of courts to rely on audio recordings, conduct legal research and ensure equitable decision-making. The community awareness activities will also increase the level of understanding of the law among citizens, especially target groups, which will enable them to make informed decisions in their personal and business affairs.

58. The estimated economic costs include the resources to be invested in the project and expenses that will be incurred to operate and maintain the ICT and courthouse infrastructure. Such costs encompass value of an investment, government personnel time associated with the implementation of the project and operation and maintenance costs of the upgraded LAN and other IT equipment as well as systems supported by the project.

B. Technical

59. The technical project design is based on the Justice Sector Strategy and Action Plan. These strategic documents were prepared in consultation with the European Commission and the CVM. They were further informed by sound analysis in the form of the *Romania Judicial Functional Review 2012* and the *Court Optimization Analysis* supported by the JRP. The technical design is informed by assessments of civil works and ICT requirements. The project will support the finalization of the design standards for courthouses initiated under the JRP. The design standards are based on international good practice, including compliance with EU and international standards for physical accessibility and for the treatment of prisoners, victims of crime and juveniles. The standards will be endorsed by Government Decision and will provide the basis for the design of the civil works supported under this project. The technical design for ICT investments corresponds to the borrower's needs. Further work on an ICT strategy for the NTRO will be undertaken during project implementation. The scope of the community awareness activities under the project is the result of



consultations with NGOs and a series of twelve focus group discussions held with vulnerable groups during project preparation. Overall, the programmatic approach of the project meets the borrower's needs by complementing and leveraging EU structural funds, financing civil works, ICT and technical assistance requirements which cannot be financed from available grants.

C. Financial Management

60. The FM arrangements of *the* project will rely on the systems and structures in place at DIEFP. These have been used under the existing JRP and are satisfactory. DIEFP has two experienced finance specialists who are familiar with World Bank FM and disbursement procedures. The project will use the existing disbursement mechanism, whereby expenditures are initially pre-financed from the State budget and then, when a certain threshold is reached, the IBRD-eligible amounts are claimed by the MOPF for reimbursement from the Bank. The disbursed loan proceeds will be transferred to the MOPF account opened with the National Bank of Romania and will be used according to the Romanian legislation on public debt. Adequate and timely budget allocations are critical for effective implementation. DIEFP will coordinate with the Borrower and project beneficiaries to prepare realistic forecasts and follow-up on any cash-flow shortages. Appropriate accounting records will be maintained by DIEFP for the project in the MOJ's existing systems. The internal controls framework instituted for the JRP is reliable and will continue to be used for the JSIP. FM procedures will be detailed in a separate chapter of the Project Operating Manual (POM), reflecting the latest arrangements in place. Quarterly cash-based interim un-audited Financial Reports (IFRs) will be submitted to the Borrower and the Bank in 45 days after each quarter end in the format agreed with the Bank. Project financial statements will be audited by independent auditors acceptable to the Bank, in accordance with terms of reference agreed with the Bank. The annual audit reports will be due for submission to the Borrower and the Bank six months from the year end.

D. Procurement

61. An assessment of the capacity of DIEFP to implement procurement was carried out in August 2016. The team assessed the risks to DIEFP's ability to implement procurement processes. The key issues and risks concerning procurement for implementation of the project include: limited knowledge and no experience with the new Procurement Framework of Bank; insufficient and/or delayed allocation of budget funds by the MoPF; lack of skilled staff to review the technical designs and related documents; potential risk that the technical designs, already prepared by the designers contracted by the beneficiaries, do not meet the standards and are not aligned with the sustainable investment policies in the justice sector; delays in obtaining construction permits and consultant deliverables under design and supervision of civil works contracts; and lengthy procurement and internal approval processes of the design and acceptance of ICT investments.

62. The following mitigation measures will be undertaken: (i) the Bank team will offer a more in-depth training on the new approach to procurement and specifically on Regulations and STEP; (ii) DIEFP will hire additional procurement specialists and/or procurement assistants to enhance their procurement capacity given the large volume of procurement activities to be funded under the project; (iii) DIEFP Technical Specialists will review the specifications together with the Beneficiaries before these are released to potential bidders as part of the Procurement Documents; (iv) DIEFP will employ technical experts to enhance their capacities in particular areas where the department lack expertise; (v) DIEFP will accurately estimate the annual budgets and allocation of funds in order to avoid delays in allocation of funds on the MoPF side; (vi) DIEFP will closely follow up and



monitor the performance of consultants to avoid delays in contract implementation through proper contract administration (regular inspections/meetings), suitable provisions for deliverables lined to payments where appropriate and timely action in giving notice to consultants for remedying the delays and defaults; (vii) DIEFP will offer continuous support to the Beneficiaries in needs assessment to ensure that these are accurately defined, work closely with the MOJ IT department and ensure regular follow up to avoid delays in IT investments.

63. Four contracts that have been awarded under the existing JRP will be completed under the JSIP. For continuity, the JSIP will continue to apply the earlier World Bank procurement and consultant guidelines to the completion of the contracts. The CPO has approved the application of the earlier procurement and consultant guidelines to these four contracts as an exception under the transitional arrangements included in Section VI of the Procurement Directive. For all other procurements, the new Procurement Framework will apply.

E. Social (including Safeguards)

64. For the civil works, no resettlement land acquisition will be necessary and no social safeguards policies are triggered. The sites selected for the development of the subprojects in the current project financing and the reserved list are publicly owned and not used for agricultural or businesses purposes by formal or informal users. If the development of the subprojects listed in the current financing, reserved list, or future financing, will result in acquisition of private land and/or involuntary resettlement, WB OP 4.12 will be triggered. Moreover, the Environmental and Social Management Framework (ESMF) will be updated and any changes will be reflected in the relevant ESMPs. Any activity related to land acquisition, clearance and resettlement will be undertaken in a way consistent with WB OP 4.12 and applicable national legislation, the more stringent will prevail.

65. The principal safeguards issues relate to inclusion and impacts on vulnerable groups. Access to justice is constrained by a number of factors for vulnerable groups. On the supply side, these include: financial barriers related to court fees; lack of transparency; and a lack of responsiveness of judicial personnel to the particular needs of vulnerable groups. Stereotyping and discriminatory attitudes or practices persist towards some groups, including Roma. On the demand-side, constraints include lack of information and awareness of rights, the legal system and its procedures and lack of capacity to use the judicial system. While information on Romania's judicial system is accessible via the internet, not all citizens have the facilities needed to access this information nor is this information adapted to the needs of vulnerable groups. Finally, there is the limited trust of the Romanian citizenry in the country's judicial system, with the lowest level of trust in prosecutors. Roma citizens in particular anticipate unfair and discriminatory treatment and so avoid the justice system.

66. Improvements to the performance and responsiveness of the targeted justice institutions requires active engagement between legal personnel and potential users of the judicial services. Citizen engagement is mainstreamed in the project. Community awareness and consultation activities focus on specific requirements of vulnerable groups under each of the three project components. Such activities will take place at the national and local levels (for the latter they will target communities surrounding the civic works sites) and occur at key points in the project cycle (see Annex 3 for details). Feedback from users and potential users of judicial services, including vulnerable groups, will be sought through surveys, community roundtables and workshops on topics of relevance to local communities. Surveys will include a baseline and at least two follow-up general population and user surveys and continuous on-line surveys. Surveys will assess levels of user satisfaction and identify bottlenecks affecting the efficiency and accessibility of services for all users and potential users, including vulnerable groups. Survey results will be used to inform project activities, monitor progress, take corrective action and assess impact at project closing. In order to close the feedback loop, survey results will be shared



with users, potential users, communities and vulnerable groups through websites, open days and workshops on a regular basis.

67. While final beneficiaries of the project include citizens and businesses generally, JSIP seeks to deliver positive impacts on women in particular. Significant gender gaps with regard to voice and agency persist in Romania and are reflected in women's lower use of the judicial system. Gender inequality in Romania has distinct geographical, demographic and ethnic dimensions: women living in rural areas, with disabilities, from ethnic minorities, and elderly women face cumulative disadvantages. 28 percent of Roma women have experienced discrimination because of their ethnicity and 11 percent on account of their gender. Domestic violence is another manifestation of women's lack of voice and agency: 30 percent of women in Romania have experienced physical and/or sexual violence since the age of 15. Only one third of victims of domestic violence make complaints to the police and up to 13 percent withdraw. Gender inequality also exists with regard to gender imbalances of judges and other service providers in the judicial system. Project activities will focus on increasing judicial services' awareness of responsiveness to gender-specific needs of potential users through gender equality trainings and capacity-development of justice system service providers with a particular focus on the victims of violence; and through outreach and information activities to strengthening women's voice and agency. The project will establish and report gender disaggregated data for all indicators, including a baseline survey to identify gender-differentiated needs and priorities.

68. Expected negative social impacts of project activities are negligible. Expected positive social impacts of the project include: improved access to the judicial system, both in terms of physical accessibility and by removing capacity-related access constraints; more user-friendly procedures and accessible ICT interfaces at the NTRO; increased legal literacy by providing better access to information about legal rights and obligations; and increased trust in Romania's judicial services, through trust and capacity building activities.

F. Environment (including Safeguards)

69. The project will not finance any activities with significant or irreversible environmental impacts and triggers OP 4.01 with classification as Environmental Category "B".

70. The main project interventions refer to the rehabilitation and limited new construction of court buildings with temporary nuisances resulting from construction activities, and may include: increased pollution due to construction waste; generation of dust, noise, and vibration due to the movement of construction vehicles and machinery; risks due to improper disposal of construction waste, or minor operational or accidental spills of fuel and lubricants from the construction machinery; improper reinstatement of construction sites upon completion of works. All these potential environmental impacts are readily identifiable, small in scale, and minimal in impact and can be effectively prevented, minimized, or mitigated by including into the work contracts specific measures to be taken by contractors under close supervision of compliance by DIEFP.

71. Effective measures have been put in place under the JRP to address and closely monitor the safeguards issues. An ESMF for the project consistent with Environmental Assessment (EA) requirements for both Romania and the World Bank was prepared by DIEFP and found satisfactory by the World Bank. The ESMF was prepared instead of site-specific Environmental and Social Management Plans (ESMPs) because, although the sites are known, the scope of works on each site is not yet known (in particular, whether sites will be rehabilitated or demolished for new construction), and therefore the impacts on these sites cannot yet be assessed. The ESMF has been discussed at the project preparation workshop, posted on the MOJ's website, distributed to the courts involved in the project and sent to the Bank's InfoShop. The ESMF will be incorporated into the POM. Site-



specific ESMPs, based on the ESMF, will be prepared for each site where construction works will be implemented. Issues to be addressed through this ESMF and ESMPs instruments include proper waste management and disposal of construction debris (including asbestos), proper waste water treatment; heating and fuel system assembly, dust and noise control, sensitivity of designs to cultural settings, and cultural heritage/chance finds procedures. In practice, these issues will be addressed through a series of local permits detailed in the environmental framework review, through contractor site supervisor oversight, through the local municipality requirements, and through DIEFP.

72. JSIP will also finance the completion of three civil works projects that commenced under JRP. Site specific EMPs for two of these works (at Sibiu Tribunal and Prahova Palace of Justice) have been prepared, issued to the prospective bidders, disclosed and implemented in accordance with Bank rules. For the civil works at Prahova Tribunal the general EMP for the JRP, prepared and disclosed in 2005 was applied and implemented in accordance with Bank rules. The EMPs prepared under the JRP were re-disclosed on 3 October, 2016 with an notification that they will continue to be applicable to the sites under JSIP carried over from JRP.

73. The project will not finance Category “A” activities or activities that target natural habitats or protected sites, and will prohibit those activities that can cause a significant loss or degradation of any significant natural habitat. The environmental screening process will check for the presence of physical cultural resources. In addition, cultural heritage/chance find procedures will be included in all works contracts.

74. During project implementation, DIEFP will have overall supervision responsibility for ensuring that the measures indicated in the ESMF/ESMPs are being properly performed. DIEFP, in collaboration with the local authorities of the selected courts and the Romanian local Environmental Protection Agencies, will perform the environmental monitoring during construction and operation phases as specified in the monitoring plan of the ESMPs. The supervision strategy for the project will include a special mid-term review of construction contracts financed by MOJ in this period to post-review the application of environmental safeguards and attention to environmental issues.

G. Other Safeguard Policies

75. The project triggers OP/BP 4.11, Physical Cultural Resources because two court buildings (Carei and Corabia) are categorized as historical monuments. The ESMF includes requirements for the MOJ and contractors, as will be further reflected in the site-specific ESMPs and the POM. Specific measures necessary to be taken for complying with Romanian laws and procedures related to the physical cultural resources, and with the World Bank’s requirements for managing impacts on cultural property.

76. Romania has a well-developed cultural heritage protection system with responsibility for monitoring and enforcement conducted by the Ministry of Culture (MOC). The legal framework for cultural preservation is outlined in the Law for Preservation of Historical Heritage No. 422/2001, as amended by several subsequent acts, lastly by the Governmental Ordinance No. 10/2016. The MOC’s Directorate of Historic Monuments must approve all technical documentation for buildings that are officially listed, and can call specialists as members of a Consultative Board, as needed. Designers, contractors and site supervision engineers working on an investment project that involves a historic monument must be certified and listed by the MOC. The construction permit for rehabilitation works at such type of court buildings includes particular requirements for managing any potential impact to such cultural properties, based on a specific permit that is issued by MOC in accordance with the procedures outlined in the Law 422/2001. During the execution of construction works, they also require



the use of supervisor engineers certified in the field of historical buildings. In addition, the bidding documents prepared for these court buildings include specific qualification criteria for contractors to prove expertise and certification in such types of works. The design phase for historical monuments is based on a specific technical expertise carried out for such types of buildings, with the purpose to develop a unified concept of intervention on the historical monument, with variants for maximum and minimum intervention, and with establishing the works priorities. If any cultural assets are found during construction (excavation) works (“chance finds”), the measures outlined in the Law 422/2001 will be undertaken, including the setting up of a protection zone in compliance with the Law 422/2001, reporting to the local offices of MOC, and obtaining a special permit for the execution of works in connection with the found cultural assets.

H. World Bank Grievance Redress

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Romania

Justice Services Improvement Project

Project Development Objectives

To improve the efficiency and accessibility of targeted justice institutions.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Compliance of select court facilities with EU standards for accessibility		Percentage	0.00	90.00	Before and after rehabilitation of select court sites	Expert assessment of each site based on checklist of standards	Ministry of Justice (DIEFP)
<p>Description: This indicator measures the accessibility of courts. The relevant EU standards for accessibility of court facilities will be captured in a composite indicator. Compliance will be assessed for the civil work sites under the project. At present none of the selected court sites meet EU standards on accessibility. The target is 90 percent and not 100 percent compliance, because refurbishment of existing facilities requires trade-offs between different aspects of accessibility and not all can be fully realized.</p>							
Name: Reliability of ICT environment to perform core functions in courts and prosecution offices		Text	TBD	TBD	Continuous, but analytic reports every six months	ICT technical reports based on administrative data on service disruptions and expert assessments	Ministry of Justice (DIEFP and IT Department)



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: This indicator relates to the efficiency of the courts and prosecution offices. The ICT environment in the courts and prosecution offices suffers from service disruptions and other reliability challenges due to outdated equipment and software. A weighted index will capture the relevant aspects of ICT reliability (number of incidents, outages, remedial time etc.). It will be disaggregated by institution (courts, prosecution). A baseline will be established by project effectiveness. The target will then be defined based on available data.</p>							
Name: Response time for NTRO users accessing eligible documents		Hours	120.00	0.50	Continuous, but analytic reports every six months	Web analytics report	National Trade Registry Office
<p>Description: This indicator captures the efficiency of the NTRO. It measures the time required for the NTRO to respond to users requesting access to eligible documents. Currently, the hard copy retrieval of information takes approximately 120 hours. The access will be electronic and the response time will be reduced significantly.</p>							
Name: Percentage of eligible documents available to users 24/7 online on NTRO portal		Percentage	0.00	90.00	Continuous, but analytic report every six months	Web analytics report, based on eligibility protocol	NTRO
<p>Description: This indicator captures the accessibility of NTRO services. It measures the extent to which eligible documents are available to users at any given time. It will be disaggregated by type of information available. Archived information is currently not available online to end users, only in hard copy at NTRO offices. The target is that 90 percent of eligible documents which are available to end users in hard copy at NTRO officers are also available online.</p>							

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Number of hearings conducted at select court sites		Text	TBD	TBD	Before and after rehabilitation of sites	Administrative data (ECRIS, caseload data)	Ministry of Justice (DIEFP)



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: This indicator captures efficiency and to some extent accessibility of court services. Overcrowded and dysfunctional court facilities currently constitute a bottleneck for holding court hearings. This indicator focuses on those courts where civil works will be carried out. The data will be disaggregated by location (six courts) and case type (civil, criminal). Unit of measure will be 'number'. Data needs to be confirmed by project effectiveness. At time of Board submission, available data are as follows: Calafat (708), Carei (670), Corabia (2420), Costesti (1616), Horezu (1150), Tg Neamt (2517).</p>							
Name: Refreshed ICT equipment as a share of all equipment in courts, prosecutor offices and NTRO		Text	TBD	TBD	Annual	ICT technical reports based on administrative data and expert assessment	Ministry of Justice (DIEFP and IT Department)
<p>Description: This indicator relates to efficiency of the courts, prosecutor offices and the NTRO as well as accessibility of the NTRO. It measures the extent to which ICT equipment has been refreshed to enable smooth operations and use of upgraded software. Unit of measure will be 'percentage'. The baseline and target will be determined by effectiveness.</p>							
Name: User perception of accessibility at select sites		Text	TBD	TBD	Before and after rehabilitation of sites, then annually until project closing	Court user survey to be contracted right after effectiveness	Ministry of Justice (DIEFP)
<p>Description: This indicator measures the accessibility of courts. The unit of measure will be 'percentage'. This will be a weighted index of responses to survey questions on user accessibility. It is known that accessibility in the selected sites is not in compliance with EU standards. It is not possible to carry out a baseline survey prior to Board submission. A baseline survey will be carried out after effectiveness to determine the perception of the level of accessibility of court facilities where civil works will be carried out. Data will be disaggregated by location (six courts), profession/role in proceeding (judge, prosecutor, lawyer, staff, party, etc.), gender, membership of vulnerable group (Roma, victim of crime, etc.). The perception should improve once the civil works are finalized. Survey data will be used to inform project activities and will be fed back to users and potential users (including vulnerable groups) at local level (court website, workshops, court open days, etc.).</p>							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: User experience with the NTRO electronic archiving service		Percentage	0.00	75.00	Continuous short pop-up surveys of NTRO users accessing the electronic archive. Analytic report every six months.	User surveys	NTRO
<p>Description: This indicator measures efficiency and accessibility of NTRO services. It captures the satisfaction of users. Data will be disaggregated by type of user (citizen, micro, small, medium business, etc.). The weighted index will be based on answers to a short questionnaire. There is currently no access to an electronic archiving service. The baseline is therefore zero. The user feedback will inform design of project activities and the results will be fed back periodically (at minimum annually) to users and potential users (website, workshops etc.).</p>							
Name: Citizen awareness of select reforms		Text	TBD	TBD	Annual	General population/court user survey	Ministry of Justice (DIEFP)
<p>Description: This indicator relates to the accessibility of courts and to some extent of the prosecution service. It will measure the awareness among citizens of relevant reforms, in particular among vulnerable groups. The unit of measure will be 'number'. The data will be disaggregated by type of reform that is targeted for information campaign (victim support, personal bankruptcy, etc.) and target group (women, children, Roma, victims of crime, etc.). The baseline will be established by a survey to be contracted right after effectiveness. The data will then be used to inform specific project activities.</p>							
Name: Target groups participate in court open days and workshops at select court sites		Number	0.00	3.00	Continuous for every event (court open day or workshop) at the selected sites throughout the project	Administrative data (records of outreach events and workshops)	Ministry of Justice (DIEFP)



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: This indicator relates to accessibility of courts and to some extent prosecutor offices. In order for the institutions to become more responsive to the needs of vulnerable groups these groups need to be actively involved to provide them with relevant information and gather their feedback on relevant performance aspects. The data will be disaggregated by location (courts) and by target group (women, children, Roma, victims of crime, etc.).</p>							



Target Values

Project Development Objective Indicators

Indicator Name	Baseline	End Target
Compliance of select court facilities with EU standards for accessibility	0.00	90.00
Reliability of ICT environment to perform core functions in courts and prosecution offices	TBD	TBD
Response time for NTRO users accessing eligible documents	120.00	0.50
Percentage of eligible documents available to users 24/7 online on NTRO portal	0.00	90.00

Intermediate Results Indicators

Indicator Name	Baseline	End Target
Number of hearings conducted at select court sites	TBD	TBD
Refreshed ICT equipment as a share of all equipment in courts, prosecutor offices and NTRO	TBD	TBD
User perception of accessibility at select sites	TBD	TBD
User experience with the NTRO electronic archiving service	0.00	75.00
Citizen awareness of select reforms	TBD	TBD
Target groups participate in court open days and workshops at select court sites	0.00	3.00



ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY : Romania Justice Services Improvement Project

1. The objective of the Project is to improve the efficiency and accessibility of three targeted justice sector institutions: the courts; the NTR0; and the prosecution service. Project design is based the Strategy for the Development of the Judiciary (2015-2020) and the Action Plan for its implementation. The Action Plan sets out specific measures, each costed and assigned to specific agencies and donors. The strategic objectives of the Strategy and Action Plan are to increase efficiency and transparency, improve integrity and quality, and guarantee access to justice. JSIP is aligned with these objectives. Through the Strategy and Action Plan, the Romanian Government ensures that development partner financing aligns with the Operational Program for Administration Capacity (POCA), funded by EU structural funds, to fully utilize the available grant financing.

2. There are two priority axes for the justice sector under POCA. Axis 1.3 aims to develop and implement standard systems and modern and efficiency management instruments in the judicial system. This supports approximately EUR 50 million for a range of institutional strengthening measures, including significant upgrades to integrated case management systems, management training, standardization, audio/visual recording, business intelligence and alternative dispute resolution. Axis 2.3 aims to improve transparency and integrity in the judiciary, including access to justice and quality of services. This supports communications, social inclusion activities targeting vulnerable groups, especially Roma, standardization of ethics and integrity procedures, targeting proceeds of crime, professional training, unification of case law, and reforms to legal aid. Axis 2.3 is open for proposals to public institutions, but also to partnerships with civil society and professional associations. POCA supports up to a maximum of twenty percent financing for hardware and civil works. Project activities under the components below aim at ensuring complementarity and utilizing synergies with available grant funding.

3. The project ensures a smooth transition between the existing Judicial Reform Project (JRP), the new JSIP and future Bank support to the justice sector. Several activities that commenced under the existing project will be completed under the new project. The new project will also prepare for future activities that may be financed by EU funds or Bank financing to ensure that a pipeline of activities are ready for implementation. Further Bank financing may also support entities and activities aligned with the Action Plan and PDO that are not foreseen under the present project structure.

Component 1: Improving Operations of Courts and Institutions under MOJ Authority

4. Based on the needs identified by the Strategy for the Development of the Judiciary and the Action Plan, this component will include: investments in ICT across the judiciary to maintain and enhance core functions of the courts; courthouse rehabilitation and construction to improve the system's ability to deliver services, especially in poor and underserved regions of Romania; and community awareness activities to increase responsiveness of the courts to the needs of local communities, especially for vulnerable groups.

5. The component will also support preparatory work for the implementation of activities under the Action



Plan that are acceptable to the Bank and not (sufficiently) funded by other sources of funding.

6. The ICT investments will improve the efficiency of operations across the court network. In the short term, LAN infrastructure will enable fast and secure electronic exchange of information within courts and between courts in a complex. This will also enable audio recording software financed under the JRP to operate efficiently at all workstations. Courts will gradually transition from paper to electronic formats, as more scanning equipment will be available and e-filing pilots may be expanded. Free Wi-Fi may be offered to lawyers and parties in several courthouses, saving time for court users and improving the user experience at the courthouse. Investments in ICT equipment, mainly standard hardware (desktops, printers, scanners, servers) and software (office productivity package, Anti-Virus) will replace obsolete equipment and software that was purchased in 2006. Reliable hardware and software will reduce security breaches, system failures and frequent outages across the country, save time and reduce frustration among judges and court staff, enabling them to focus on core functions. Related ICT training will also be provided to users across the court network, which will improve skills and productivity in the workplace.

7. In the medium term, these ICT investments will enable large-scale upgrades of systems financed through technical assistance planned under POCA. The POCA-financed upgrades are planned to include the re-engineering of the integrated case management system (ECRIS), the availability of audio/visual recordings, large-scale e-filing, support for alternative dispute resolution, case management of the asset recovery office, and tools for the integration of the EU's e-justice portal and cooperation with EU member states.

8. Investments in judicial infrastructure will improve court operations in various locations across Romania, primarily first instance courts, in an effort to improve the delivery of services to poor and underserved populations. During project preparation, the MOJ and the Bank developed a list of priority court infrastructure investments. The prioritization was done in two phases. First, the Ministry of Justice assessed the need for rehabilitation and construction for the entire court system. This analysis focused primarily on the condition of existing infrastructure and the urgency of infrastructure investments for the functioning of the court system. Second, sites from this list were prioritized based on poverty related indicators chosen from a World Bank publication (Competitive Cities, Reshaping the Economic Geography of Romania, 2013) to ensure a focus on poor and underserved populations. The first criterion was the local human development index at locality level. Only sites with a rating of low to upper-middle developed (1-3 out of 5) were retained. The second criterion refined the selection using the human development index county level. The third criterion was GDP per capita at county level. Only sites with a rating of low to middle (1-2 out of 4) were retained. The fourth criterion was GDP per capita at county level lower than 75 percent of EU average. The fifth criterion was wage distribution at locality level (1-2 out of 5), with only one exception. The exception was based on a sixth criterion, which was proximity to a large urban area as a driver for change to help leading cities enlarge their demographic and economic mass. The seventh criterion was also wage distribution, but at county level. The eighth criterion was distribution of Roma population. According to the 2011 national census, the average Roma population is around 3%. Only sites where the Roma population is above the national average were considered. The ninth criterion was a local employment rate of less than 20 percent.

9. Based on the prioritization exercise, six sites were selected, namely the first instance courts in Calafat, Costesti, Horezu, Tg Neamt, Carei and Corabia. Each of these sites is in very poor condition and requires extensive rehabilitation or reconstruction. The improved infrastructure at these sites will comply with design standards that are being developed under the JRP and will be completed in the early stage of the new project. The design standards are based on international good practice, including compliance with EU and international



standards for physical accessibility and for the treatment of prisoners, victims of crime and juveniles. Civil works at an additional three sites have started under the existing JRP and will be finalized early in the new project, including Sibiu Tribunal, Prahova Tribunal and Prahova Palace of Justice. The prioritization exercise also identifies a reserve list of additional sites that could be upgraded in the event of cost savings under this project. This component will also finance the last stage of the Main Design Standards for Romanian courthouses (started under JRP), which will lay the foundation for any future courthouse construction and rehabilitation in Romania.

10. This component will also support activities that increase community awareness of justice services. The prioritization of community awareness activities is based on findings about justice challenges of vulnerable groups generated through a desk review of analytical work about the functioning of the Romanian judicial system, a roundtable discussion with NGOs and a series of twelve focus group discussions carried out during project preparation. These discussions were held with Roma women and men, persons with physical disabilities, single mothers, homeless persons, parents of persons with mental disabilities, elderly persons, and social workers for persons with disabilities. The selected activities all reflect the priorities of the Strategy and the Action Plan.

11. Citizen awareness activities will include information campaigns, lay guides, tools to enable access to court services, and educational events aimed at improving understanding among citizens (and especially vulnerable groups) of their rights and obligations under the law as a way to reduce informational barriers to access to justice. Community awareness activities will be a combination of targeted interventions at select court sites at the local level and larger campaigns at a national level. These activities will focus on legal issues that affect poor and vulnerable groups, including legal processes relating to personal bankruptcy, legal aid and support to victims of crime. In line with Action Plan items F.2.3 and F.1.3, these activities will be delivered by the courts or in partnership with CSOs. At the local level the select court sites will host court open days, community roundtables and workshops on select topics of relevance to the local communities, including those related to minimum standards for victims of crime and measures related to insolvency of individuals. JSIP will support the MOJ's Probation Department efforts to improve its services to vulnerable groups, including by developing a strategy for the rehabilitation of offenders (Action Plan B.3.7), an appraisal of the status of detainees (A.4.3), and protocols for improving services to victims of crime to align with EU Directive 29/2012.

Component 2: Enhancing National Trade Registry Office Performance

12. This component supports the NTRO at the central level and throughout its 42 locations across Romania to improve the 28 services they offer to a wide range of end-users, including businesses, financial institutions, insolvency practitioners, attorneys, bailiffs, notaries, courts, prosecutors and citizens, in line with EU standards. These services include the provision of certificates, information about companies, entries into the trade registry, and steps related to processing of bankruptcy proceedings. The NTRO is the only institution that records the life cycle of a commercial entity from its creation to its dissolution, including mergers, restructurings, insolvency and more. In addition, the NTRO has been given the mandate to manage personal insolvency in accordance with new legislation (law 151/2015) scheduled to enter into force in early 2017. This presents tremendous challenges not only for the NTRO but also for all institutions in the judicial system as this concept is newly introduced. Based on the needs identified by the Action Plan, this component will include investments in ICT as well as community awareness.

13. This component will finance an ICT strategy and detailed enterprise architecture assessment for the NTRO (Action Plan A.1.5). The enterprise architecture assessment will enable the NTRO to better plan its future



investments and maximize the use of EU funds, State budget and future Bank financing. JSIP will replace all standard hardware (such as computers, printers, officer scanners, and Uninterruptible Power Supply) and software across the NTRO to enable staff to perform their core functions and eliminate ICT-related business disruptions. The project will also upgrade the NTRO's primary and back-up data centers with modern equipment that will secure and enhance ICT performance across the organization and improve business continuity. Together, these investments will enable NTRO's existing e-services to run effectively and NTRO staff to serve their clients in a more efficient and timely manner.

14. This component will transform the existing manually operated archiving system into an online electronic archiving system (EAS) of all business information available to the public. At present, information is available only to NTRO staff. End-users, such as businesses, financial institutions, insolvency practitioners, attorneys, bailiffs, notaries, courts, prosecutors, citizens must request data in-person at NTRO locations. This takes several days. The online system will enable end-users in Romania and abroad to access this information at any time and within minutes through the NTRO portal. This will be more convenient and save time for NTRO staff and end-users. The EAS will enable the NTRO to comply with EU Directive 17/2012, which requires all trade registries in EU member states to provide certain categories of information free online to the public by July 2017.

15. NTRO is the main information source on procedural steps and commercial and personal insolvency documentation. It is the only source where interested parties can verify if a company or an individual is undergoing an insolvency procedure or has been declared insolvent. This component will finance technical assistance that prepares the NTRO to implement upgrades to the electronic bulletins for the new personal insolvency law and the enhanced commercial insolvency procedure. The Insolvency Procedures Bulletin explains how to initiate and undertake an insolvency procedure. Technical assistance will assess the upgrades needed to bring the NTRO Electronic Bulletin into compliance with EU laws. This requires interconnectivity between the NTRO and insolvency registries of other EU member states. Additional functionality will include interconnectivity with ECRIS and the EU e-justice portal. This analytical work will prepare for a follow-up financing that will support rollout of the E-bulletins including investments in software development and servers.

16. This component will also finance information campaigns and outreach activities that will enable the NTRO to increase awareness among its end-users of the services it offers electronically and in person at its 42 locations. Campaigns will encourage a gradual shift in behavior among end-users towards use of e-copies of NTRO information from the EAS, rather than hard copies. Campaigns will target micro and small businesses and CSOs in particular to increase their awareness of the availability of NTRO services. Activities will focus on the implementation of Law no 151/2015 related to insolvency of individuals. This will include workshops for insolvency commissions, courts, insolvency practitioners, bailiffs, lawyers, notaries and others to address unitary enforcement of the law, establishment of collaboration protocols with the relevant institutions, and awareness campaigns related to the implications of this law for eligible individuals. In partnership with NGOs and with involvement of civil society, JSIP will support special information programs for citizens including workshops and roundtables, service guides and publicity campaigns. These will raise awareness of on-line facilities, such as those for start-up businesses initiated by students, young entrepreneurs and others, the e-services provided by the Electronic Archiving System, and interconnectivity of EU trade and business registers that can be used to obtain information related to foreign business partners.

Component 3: Enhancing Prosecution Service Performance

17. The ICT investments at the Public Ministry will improve the core functions of the prosecution service in a



manner similar to the courts. The WAN and LAN rollout in all prosecution offices and cabling and reconfiguration of the LAN of the Bucharest Tribunal's Prosecutor Office will enable prosecutors to share information quickly and securely with each other. Investments in the General Prosecutor's Office's main and secondary data centers will lay the foundation for the Public Ministry to implement the EU-funded design of an audio/video records management system, which will ultimately ensure that prosecution interviews with witnesses and defendants are recorded in compliance with human rights standards.

18. This component will finance an integrated security system, including security equipment, video surveillance and access cards, at the Prosecutors Office attached to the Supreme Court of Cassation (PCCIJ) where much of Romania's sensitive prosecution work is undertaken. This building is currently being rehabilitated using State budget. The enhanced security system will improve safety at the workplace and promote the integrity of the prosecution service.

19. Community awareness activities under this component will be carried out in conjunction with those under component 1. The prioritization of these activities has been informed by findings about justice challenges of vulnerable groups generated through a roundtable discussion with NGOs and a series of twelve focus group discussions carried out during project preparation (see component 1). At the same time the activities selected reflect the priorities of the Strategy and the Action Plan. Information campaigns to improve legal literacy among vulnerable groups will help the prosecution service to engage directly with groups at risk of being drawn into the criminal justice system and victims of crime. In line with item F 2.4 of the Action Plan, partnerships will be developed with NGOs and the General Inspectorate of the Police to carry out judicial education programs in areas with a high criminal rate and/or high levels of poverty, for example in the area of criminal law, human rights, prevention of and fight against corruption. The component will help the judiciary implement the Protocol signed with the Ministry of Education regarding judicial education in schools. Activities will include presentations by local prosecutors in schools, visits of young scholars in prosecution offices and police sections, preparation and dissemination of educational material and prize competitions. The project may also include training of prosecutors and staff to increase their capacity to use local level feedback and effectively respond to the needs and challenges faced by vulnerable groups and to address stereotyping and discrimination, in particular regarding Roma.

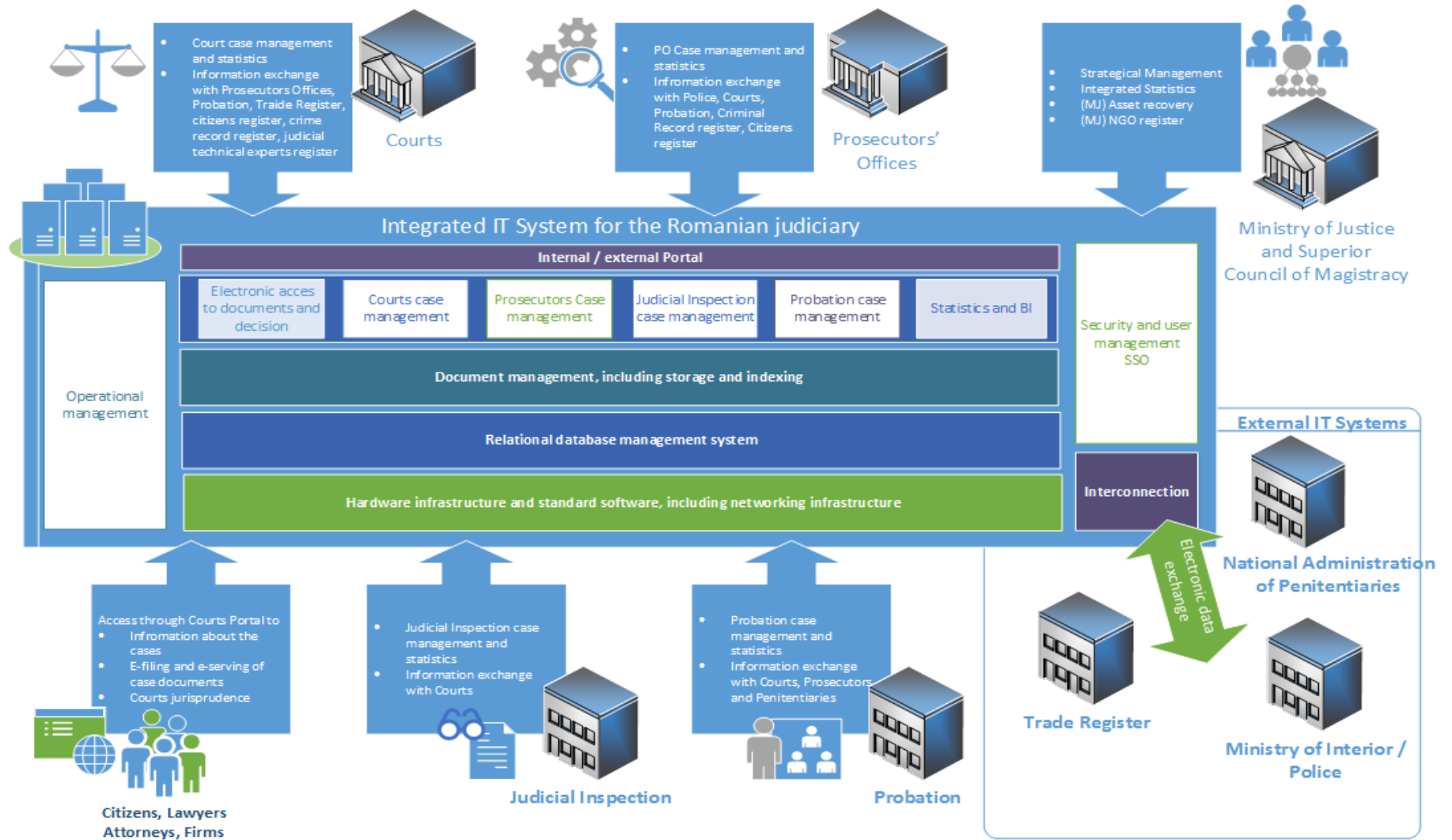
Component 4: Project Management

20. This component will be dedicated to effective management of the JSIP. It will provide funding for the operating costs of the Department for Implementation of Externally Funded Projects (DIEFP) at the MOJ to act as the project implementation unit for the project. The Government will cover the cost of DIEFP staff salaries, The IBRD loan will cover other project management and operating costs including training of MOJ and beneficiary staff.

21. This component will also finance the implementation of surveys and related analytical work that will assess the experiences and perceptions of institutional users, end users and potential users of justice services. Survey results will be publicly available and disseminated through workshops and outreach events for institutions and target groups at a national and local level. The surveys will inform implementation and adjustments in design, particularly at stage of Mid-Term Review, scheduled for 2020. Surveys may also be used to inform institutional decision-making and for reporting to the CEPEJ.



Architecture of the Integrated IT System for the Romanian judiciary





ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY : Romania Justice Services Improvement Project

Project Institutional and Implementation Arrangements

1. This project is a follow-on project which builds on the 2005 JRP Loan 4811-RO, and supports the implementation of Romania's Strategy for the Development of the Judiciary 2015-2020 and accompanying Action Plan. The JSIP will be implemented over a period of six years. The implementation arrangements for the project will draw from the experience of the ongoing JRP which is also implemented by the DIEFP at the MOJ. As such, the project will benefit from a well-experienced PIU with a solid track record of effective project implementation. The MOJ, Prosecutor Service and the NTRO identified as beneficiaries will implement their respective components. The DIEFP will be the implementing agency carrying out as well the fiduciary functions and will, *inter alia*, be responsible for day-to-day implementation of activities under the project, for financial management, procurement, disbursement, communication with the Bank and preparation of progress reports and annual reports in respect of the project.

2. DIEFP staffing comprises: Currently, the positions within the DIEFP are the following: Project Manager (currently vacant), Deputy Manager, Technical Manager, Financial Manager, IT Manager, Technical Adviser (2 positions), Legal Specialist, Procurement Specialist (2 positions), Judicial System Specialist, Financial Specialist, Internal Financial Controller, IT Specialist (4 positions) and Driver (2 positions). DIEFP capacity will be strengthened to support JSIP implementation with the following appointments: two additional positions for procurement specialists; a secretary; a monitoring and evaluation specialist; and stakeholder engagement specialist. If necessary, the capacity of DIEFP will be further strengthened in certain areas (such as environmental and social management) necessary during project implementation. The Government will finance the salaries of the DIEFP. JSIP will finance all other operating costs.

Financial Management

3. **Risk Analysis.** An assessment of the financial management (FM) arrangements of the project has been carried out in terms of staffing, budgeting, accounting, internal controls, flow of funds, financial reporting and external audit. The assessment concluded that the FM arrangements are acceptable subject to the preparation of a financial management manual as part of the Project Operations Manual by Loan effectiveness. The FM residual risk is assessed as moderate after application of mitigation measures. There is a substantial systemic risk of insufficient and/or untimely budgetary allocations for pre-financing project activities from the State Budget. This will be mitigated through timely elaboration of realistic budgetary allocations aligned to the procurement and project implementation plans and close coordination among key stakeholders.

4. DIEFP has substantial experience with the Bank fiduciary procedures and the FM performance of the ongoing project implemented by DIEFP is satisfactory. There are no outstanding Interim Financial Reports (IFRs) or audit reports under the current project.

5. The project will rely significantly on the country's public financial management system (including budget formulation and execution, accounting, and Treasury). The FM arrangements of the project will be the



responsibility of the MOJ (through DIEFP) and MoPF that will work closely to manage loan disbursements. The MoPF will provide monthly allocations related to project activities, as part of the overall budgetary mechanism in place, through the existing channels and procedures. The MOJ will report monthly to MoPF on the expenditures incurred out of the State Budget allocations and provide the necessary supporting documents based on which MoPF will request reimbursement out of the loan proceeds. The loan proceeds disbursed will be transferred to the MoPF account opened with the National Bank of Romania and will be used according to the Romanian legislation on public debt (Emergency Ordinance 64/2007 as subsequently amended).

6. **Staffing.** JSIP will be implemented by DIEFP staff. The financial management and public accounting functions are covered by a team comprising a financial manager, overall responsible for the project's financial management, and an accountant. Both possess appropriate experience and expertise in accounting and financial management and are familiar with Bank procedures and requirements in this area. The currently vacant position of the internal financial controller will be also filled in the first year of implementation of the project.

7. **Funds Flow.** The project will use the pre-financing mechanism that is applicable to Bank-financed operations in Romania. Accordingly, MOJ (as implementing entity) will use pre-financing from State Budget funds and then MoPF (as Borrower) will disburse funds from the loan using the reimbursement method for project eligible payments. The Treasury will make monthly budgetary openings as requested, and the project will receive its allocations in title number 65, as per the existing budgetary structure and classification. Supporting documentation submitted by MoPF to the Bank for disbursements will include only Statement of Expenditures (SOE). No Designated Account will be used.

8. **Planning and Budgeting.** The DIEFP has adequate planning and budgeting capacity in terms of availability of information and monitoring. Budgeting and planning will be the overall responsibility of MOJ and MoPF. The project budget will be prepared based on the procurement and project implementation plans and will be subject to the MOJ's regular budgeting process. Project budgets will follow Government procedures for approval, budget execution reporting and monitoring. Annual budgets will be entered into the commitments and reporting system and used for periodic comparison with actual results as part of the interim reporting. Budget execution data will be compiled and made available by month and quarter. Given the characteristics of the pre-financing mechanism, as mentioned above, the risk pertaining to insufficient or untimely budgetary allocations is substantial.

9. **Accounting policies and procedures.** JSIP will use the existing Romanian budgetary accounting policies, procedures, and systems. JSIP's accounting and budgetary transactions/records will continue to be maintained on accrual basis, as per the prescribed chart of accounts, and denominated in Romanian Lei (RON). The project will use DIEFP accounting procedures and internal control framework to ensure that all procedures and controls are adequately documented, and that contract monitoring and invoice payment procedures are consistently adhered to and documented. Existing controls are reliable and closely monitored by DIEFP and MoJ management.

10. **Information Systems.** Project records will be kept in the existing MOJ's systems, namely in the national commitment control and reporting software (Forexbug) and the integrated Resources Management System (RMS) application developed under JRP for the justice sector. These applications are in the final stages of testing and used in parallel with Ministry's accounting software. Systems should be fully functional starting 2017. DIEFP will be responsible for keeping detailed project accounting records, including distinct records for each project it manages. Adequate software procedures are in place for the timely archiving of the monthly files and regular



information backup.

11. **Internal Controls.** An adequate system of internal controls and procedures was instituted for JRP. JSIP will use the existing public sector internal control framework. This framework includes the use of prescribed templates and checklists to ensure that required procedures are performed and data established during the processing of the invoices, including checking mathematical accuracy of the invoice, confirming legal conformity of the invoice, matching the invoice to the relevant contract, matching invoice to goods received notes or other evidence of completion of work, account numbers, and so forth. Project beneficiaries will be closely involved in the technical design and acceptance of the ICT investments financed from the loan. MOJ has an internal audit unit, rather under-staffed and unfamiliar with the World Bank-financed operations. As it continues to develop, increased reliance will be placed on its activities to also cover internal audit aspects for JSIP. JRP's project financial manual will serve as the basis for the JSIP POM that will be updated with any specifics of the new project by Loan effectiveness.

12. **Reporting and Monitoring.** Quarterly cash-based Interim un-audited Financial Reports (IFR) in local currency will be used for monitoring and supervision of the project. The reports will present the funds received as State Budget pre-financing and used for project expenditures, based on a format agreed with the counterparts and attached to the minutes of negotiations and POM. The IFRs will be due for submission in 45 days from each quarter end. The DIEFP's compliance with IFRs submission and quality under the ongoing project has been satisfactory.

13. **External Audit.** Project financial statements will be audited annually by independent auditors acceptable to the Bank. The MOJ is in compliance with JRP's audit covenant. DIEFP's auditing arrangements and previous opinions of the project audits (unmodified) have been satisfactory to the Bank. Auditors are contracted until the closure of JRP. The format of the terms of reference for the audit has been agreed with the counterparts and attached to the minutes of negotiations and POM. The audited project financial statements together with the auditor's opinion thereon will be provided to the Bank within six months after the year end. The cost of the project audits will be financed from the loan. Audited financial statements and audit reports will be publicly disclosed in a manner acceptable to the Bank.

14. The Supreme Audit Institution (Romanian Court of Accounts) is not yet fully familiar with the Bank's procurement and FM guidelines and procedures. It is planned that its capacity in this regard will be further strengthened. The Court will continue to carry out ad-hoc and regular compliance audits of the Ministry, a following its larger mandate. The Bank will be informed about any issues raised by the Court related to the project, and will review and assess if these will require follow-up actions that should be addressed by the counterparts in order to strengthen the project FM arrangements.

15. **World Bank FM oversight.** The FM arrangements of the project will be monitored by the Bank on a risk-basis, at appropriate intervals, as part of the project supervision plan and support will be provided on a timely basis to respond to client needs. During project implementation, the Bank will supervise the project's FM arrangements through: *desk reviews* of the quarterly IFRs as well as annual audited project financial statements and the auditor's management letters and status of implementation of remedial actions recommended in the auditor's management letter, if any; and *on-site reviews* to evaluate the continuous adequacy of the project's FM and disbursement arrangements. This will include monitoring and reviewing the status of implementation of any agreed actions and issues identified by the auditors, as well as other issues related to project accounting, reporting, budgeting, internal controls, and flow of funds. Special emphasis will be placed on the adequacy of

the budgetary allocations to pre-finance project expenses. A walkthrough review of a sample of transactions will be also conducted during the on-site monitoring reviews.

Disbursements

16. Loan proceeds will be used to reimburse the State Budget pre-financing of the project eligible expenditures. The table below describes the types of the expenditures that will be financed under the Loan, and the applicable IBRD Loan eligibility percentage.

Category	Amount of the Loan Allocated (expressed in Euro)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works, goods, non-consulting services, consultants' services, and consulting services (including project audits), training, and incremental operating costs for the project	60,000,000	100%
TOTAL AMOUNT	60,000,000	

17. The project budget will be included in a specific line in the MOJ budget. Each month, MoPF will provide DIEFP with pre-financing for the project eligible expenditures. The DIEFP will report to MoPF (in EUR and RON) on the eligible expenditures incurred on a monthly basis and will provide periodically to MoPF statements of expenditures in the format agreed with the Bank to report on the amounts spent for project purposes. Based on the documents received, MoPF will request periodic reimbursements from the loan, sending to the Bank applications for withdrawals, supported with the statements of expenditures, as per the instructions in the Disbursement Letter. The funds requested will flow from the Bank to the MoPF's EUR-denominated account opened with the National Bank of Romania, as reimbursement for the pre-financing used for project eligible expenditures. These funds will be used for the purposes specified in the Romanian legislation on public debt.

Procurement

18. Procurement under the project will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers – Procurement in IPF of Goods, Works, Non-Consulting and Consulting Services, issued in July 2016 (Regulations) and with the latest Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits.

19. As an exception to paragraph 18 above, as approved by the Chief Procurement Officer, the Project will include the financing for four contracts that have been started under JRP. The CPO agreed that the World Bank's Procurement and Consultant Guidelines of the JRP (Procurement under IBRD Loans and IDA Credits dated May 2004, revised October 1, 2006 and May 1, 2010 and Selection and Employment of Consultants by World Bank Borrowers dated May 2004, revised October 1, 2006 and May 1, 2010) would continue to apply to the following four contracts under this IPF as an exception to the World Bank's Procurement Regulations for IPF Borrowers, based on his interpretation and authority under paragraph 3 of Section VI of the Procurement Directive:



- a. Contract Number W-1-7-1: Construction of Prahova Tribunal – EUR 450,000. Financial status – 26.31% (advance included) and physical status – 50%.
- b. Contract Number W-1-7-2: Construction of Prahova Palace of Justice – EUR 500,000. Financial status – 20.03% (advance included) and physical status – 15%.
- c. Contract Number W-1-7-3: Sibiu Tribunal Phase II – EUR 1,500,000. Bid Evaluation Report approved. Contract to be signed.
- d. Contract Number CS-1-5: Development of a normative act for identifying the minimum norms and standards for court building design – EUR 50,000. Financial status – 10% and implementation status - 15%.

20. **Project Procurement Strategy for Development:** During the preparation of the project, DIEFP developed a PPSD which describes how the procurement approach will support the development objective of the project and deliver the best value for money. The market analysis revealed that both the construction and IT market in Romania are well developed having strong local and international companies which actively participate in tenders. Based on the nature, size and complexity of procurement to be financed under the project, the strategy suggests the most appropriate methods to be applied in order to achieve value for money. The strategy also analyzes the supply positioning in order to determine the positioning of specific procurement based on its relative supply risk and value within the project. This exercise revealed that most of the contracts to be financed under the project have a relatively low value and low level of supply risk. Most of the civil works contracts planned under the project will be of a non-complex nature with the exception of historical monuments for which specialized expertise is required. Overall, Open National competition will be adopted for these contracts with no application of Best and Final Offer and Negotiations options. No packages of large value and complex nature that would require pre-qualification are foreseen. ICT contracts provide for the procurement of non-complex IT equipment and software development. These will be either purchased by applying Request for Bids or Request for Quotations methods. Given the strong supply market, the suggested approach for these type of contracts is Open International and Open National with single envelope without applying the Best and Final Offer and Negotiations options. There are several contracts which are of a relatively high value and high level of supply risk. It was recommended that these adopt an international market approach and a value for money approach specifically in the case of software development contracts. Consulting services are of various size and nature. These will also follow the Open National and International market approach and selection methods which will be decided taking into account fit-for-purpose and value-for-money considerations. Given that the DIEFP has limited experience in handling procurement based on the national procurement procedures, it has been proposed that the Bank's Standard Procurement Documents are used even for contracts for which national approach is foreseen. Overall the PPSD provides an adequate justification for the selection methods in the Procurement Plan (PP). The strategy was reviewed and agreed with the Bank.

21. **Capacity Assessment:** As part of the assessment, the organization structure and staffing within DIEFP have been reviewed. DIEFP's two Procurement Specialists (one is currently performing the functions of the project Manager) have extensive experience with Bank procurement policies and procedures and the Bank Procurement and Consultant Guidelines based on which the ongoing JRP is being implemented. One Procurement Specialist attended several training courses on Bank procurement, including those organized by the Bank in the region. However, none of the DIEFP staff has experience with the recently approved Regulations which will be applicable under the project. One Procurement Specialist and the DIEFP Financing Manager received a short introductory training on the new Procurement Framework and Systematic Tracking of Exchanges in Procurement (STEP) which is an online procurement planning and tracking tool to prepare, clear and update the project Procurement Plan. More in-depth training on the Regulations will be delivered to the



Borrower in early stages of project implementation. DIEFP will receive as well a hands-on training on the use of STEP.

22. DIEFP has a strong fiduciary and technical capacity. Internal approval processes are functioning generally well without affecting the procurement cycle. However, DIEFP needs to be staffed in line with its Organizational Chart and would therefore require an additional Procurement Specialist, a Procurement Assistant and several technical experts to cover the areas for which currently the PMU lacks expertise.

23. Given the risks identified, the existing capacity within DIEFP, as well as the previous experience with Bank-funded projects, the overall risk for procurement is *Moderate*.

24. **Procurement Plan:** DIEFP developed a PP the entire scope consistent with the project implementation plan. The PP provides information on procurement packages, selection methods, procurement approach and evaluation methods to be adopted for each contract to be financed under the project. Any updates to the PP will be submitted to the Bank for review and approval. The detailed PP will be prepared in STEP and will be also published on the Bank's website.

25. **Record Keeping:** All documentation with respect to each procurement will be retained by DIEFP according to the requirements of the Legal Agreement. DIEFP will furnish such documentation to the Bank upon request for examination by the Bank or by its consultants/auditors. Documents with respect to procurement subject to post review will be furnished to the Bank upon request.

26. **Procurement Prior Review Thresholds:** The Procurement Prior Review Thresholds were set by the Bank based on the project procurement risk level. All contracts at or above the set thresholds are subject to international advertising and the use of the Bank's Standard Procurement Documents. The thresholds will be specified in the Procurement Plan. While currently BAFO, procurement processes involving contract negotiations, competitive dialogue and sustainable procurement are not foreseen under the project, these will be subject to the Bank's procurement prior review irrespective of the contract value, if the decision is taken to apply them during project implementation.

27. **Bank's procurement oversight:** The Bank will exercise its procurement oversight through a risk-based approach comprising prior and post review and independent procurement reviews, as appropriate. The post reviews will be conducted on the procurement processes undertaken by DIEFP to determine whether they comply with the requirements of the Legal Agreement. Procurement supervision visits will be carried out at least once in 12 months. These will include special procurement supervision for post-review. At least 1 in 10 contracts will be subject to Bank post review.

Environmental and Social (including safeguards)

28. **Environmental Safeguards Category.** The project is categorized as Environmental category "B" partial assessment, due to the nature of the proposed civil works.

29. **Establishment of environmental expertise within DIEFP.** Technical specialists within DIEFP will be responsible for full coordination and supervision of the environmental plans and risk mitigation measures undertaken within the project. The specialists will work in close coordination with supervision project coordination staff and technical staff in courts and will: coordinate environmental training for staff, designers



and local contractors; disseminate existing environmental management guidelines and develop guidelines in relation to issues not covered by the existing regulations, in line with the Bank and EU standards for implementation, monitoring and evaluation of mitigation measures; ensure that contracting processes for construction works and supply of equipment include reference to appropriate guidelines and standards; and conduct periodic site visits to inspect and approve plans and monitor compliance.

30. ***For the civil works, no resettlement or land acquisition will be necessary and no social safeguards policies are triggered.*** The plots selected for the development of JSIP subprojects and reserved list are publicly owned and not used for agricultural or businesses purposes, by formal or informal users. If the development of the JSIP subprojects, reserved list or future financing, results in acquisition of private land and/or involuntary resettlement, WB OP 4.12 will be triggered, the ESMF will be updated, any changes reflected in the relevant ESMPs, and any activity related to land acquisition, clearance and resettlement undertaken in a way consistent with WB OP 4.12 and applicable national legislation. The more stringent will prevail. Negative social impacts of project activities are expected to be negligible. The expected positive social impacts of the project on Romania's citizens (understood as (potential) users of the targeted justice services; SMEs, CSOs, including those representing vulnerable population groups as well as the broader Romanian citizenry) are as follows: better access to the judicial system, both in terms of physical accessibility and by removing capacity-related access constraints; more user-friendly procedures and accessible ICT interfaces at the NTRO; increased legal literacy by providing better access for to information about legal rights and obligations and means for their protection through awareness building and outreach activities; and increased trust in Romania's judicial services, through joint trust and capacity building activities at national and local level.

31. DIEFP will follow the mechanism of development and execution of environmental documents in line with the requirements of environmental legislation, good international practice and the World Bank OP 4.01. An Environmental and Social Management framework (ESMF) has been developed and individual (site-specific) Environmental and Social Management Plan (ESMP) will be produced for each subproject, including detailed sections "Environmental protection" (as needed), the state of environmental appraisal, the activities ensuring environmental mitigation measures, institutional framework for preventative arrangements, environmental monitoring program.

32. DIEFP will create monitoring arrangements for environmental and social aspects of the approved projects during the whole project lifecycle. During project implementation, DIEFP will have overall supervision responsibility for ensuring that the measures indicated in the ESMF/ESMPs are being properly performed. The DIEFP in collaboration with the local authorities of the selected courts, will perform the environmental monitoring during both, construction and operation phases, as specified in the monitoring plan of the ESMPs. Major issues concerning project implementation challenges (such as revisions to the list of pre-selected court buildings), including those related to the environmental performance of the project portfolio, will be resolved through the sector's existing coordination systems, with the support of the DIEFP. Each ESMP will be monitored by a specialized supervision and project management consultant, as part of the overall supervision services for each site, during construction stage. Thus, each periodic monitoring report, will include a specialized chapter dedicated to Environmental and Social Supervision and Performance, which shall include the results of the field supervisors screening and review procedures and a description of any operations not currently in compliance with environmental requirements as per its corrective action measures and of the actions DIEFP through the consultancy supervision firm, or directly, has taken or intends to take to correct the situation.

33. The Bank's supervision of the project will include a special mid-term review of construction contracts



financed by MOJ in this period to post-review the application of environmental safeguards and attention to environmental issues.

34. Communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing institutional redress mechanism including the MOJ's Public Relations Department or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. The proposed project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Monitoring and Evaluation

35. The project will support improvements in two dimensions of performance (efficiency and accessibility) across three main institutions (courts, prosecution and NTRO). The results framework provides a causal chain from the activities through to intermediate outcome indicators and PDO indicators. The indicators have been developed in accordance with *World Bank Strategic Framework for Mainstreaming Citizen Engagement in World Bank Operations*.

36. The project will use the Government's results monitoring systems to the extent possible. DIEFP will gather the data for the indicators in the results framework with the support of the relevant *institutions*. For the ICT-related indicators, the DIEFP will work closely with the IT Department at the MOJ. For the infrastructure-related indicators, the DIEFP will ensure that technical assistance provided by infrastructure specialists financed under the project can verify compliance with standards. The project will generate data on experiences and perceptions of performance through a series of targeted surveys of institutional and end users of justice services. Survey data will be disaggregated by gender and target group, and will be used to engage with stakeholders, the public, and vulnerable groups. Surveys, related workshops and outreach activities will be financed by the project. NTRO-related indicators will be collected by NTRO staff using ICT systems, online pop-up surveys and web analytics.

37. At the time of appraisal, data needed for several of the indicators was not yet available to populate the baselines and targets in the Results Framework. DIEFP has scheduled administrative data to be collected so that the relevant baseline data will be populated by the time of project effectiveness. Survey data will be generated immediately after project effectiveness.

Role of Partners

38. The project has been prepared in consultation with partner financing and project activities complement those financed with EU structural funds under POCA. Calls for proposals under POCA are expected to open in October 2016 and financing agreements should be in place early in 2017 for activities to commence in late 2017. POCA places a strong emphasis on technical assistance, limiting financing for investments in ICT equipment and civil works to a maximum of 20 percent of POCA funds. IBRD funds will be used for investments that are critical to the rollout of POCA and the implementation of the Strategy and Action Plan.



39. Bilateral donors are active in the justice sector, including Norway, the Netherlands and Switzerland. These donors primarily support technical assistance in such areas as access to justice for vulnerable groups, asset recovery, and bilateral institutional cooperation. One or more of these bilateral donors may contribute co-financing to the project to scale up activities in the area of citizen engagement and community outreach. If co-financing is formalized, the project will be restructured to reflect the contribution to the project amount and the development results.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY : Romania Justice Services Improvement Project

Strategy and Approach for Implementation Support

1. The strategy for implementation support has been developed based on the nature of the project and its risk profile, and lessons from the existing JRP. Emphasis will be placed on providing effective and timely support to the DIEFP to implement the project and achieve its development results. Supervision will ensure accurate and upstream reporting, auditing and accountability, and technical compliance measures to ensure early detection and remedy of problems.

Implementation Support Plan and Resource Requirements

2. The Task Team will provide timely and effective implementation support through a combination of daily supervision and quarterly implementation support missions. Key members of the Bank's team, including the procurement and financial management experts, the architect, the ICT and the citizen engagement experts are all based in the Country Office and regionally. This will enable the task team to provide more effective supervision and daily implementation support to the DIEFP. In addition, it will allow for early detection and remedy of any issues that arise during implementation.

3. **Project Management:** The TTL will conduct the quarterly supervision of the project, liaise with the client on a daily basis, and will coordinate with Project team members based in the region and HQ to ensure timely guidance and support to the client.

4. **Technical Inputs:** The architect will provide support to the DIEFP and the MOJ in the review of architectural designs for the courthouses, as well as supervision and management of civil works contracts. The architect, jointly with the DIEFP and MOJ staff, will conduct regular site visits and review of documentation to ensure adequate quality of the rehabilitation/construction works. The ICT expert will provide support in the review of ICT architecture and specifications and join missions as required.

5. **Financial Management:** FM support will be provided during Project preparation and implementation and will consist of the following: review of periodic reports, review of audited annual audited financial statements together with auditors' management recommendation letters; monitoring implementation of agreed remedial actions; and addressing emerging issues in collaboration with implementing units.

6. **Procurement:** Procurement related implementation support will include: continuous guidance and advice on various procurement related issues; in-depth training on the procurement framework; hands-on training on the use of STEP; procurement oversight which will include both the ex-ante reviews of the planned procurement actions to be carried out by the Borrower and post-reviews of selective contracts subject to post-review.

7. **Environmental and Social Safeguards:** The environment and social safeguard specialists will support relevant counterpart staff and provide any necessary training. On the social side, supervision will focus on the community awareness activities. Community awareness is prioritized in this project to ensure that



improvements in judicial services are responsive to the needs of (potential) users and to engage potential users in identifying bottlenecks in that context and solutions and approaches for overcoming them. The PIU will organize national level trainings for judicial staff (throughout the project cycle) and the awareness and information activities (Year 1 and 2) as well as the citizen feedback and monitoring mechanisms at the local level (Years 2-6). This involves establishing the processes at local level with the support of CSOs as well as community mobilizers.

Government Level for Community Awareness	Community Awareness Instrument(s)	Target groups and objectives
<i>Component 1: Courts and Institutions under MOJ Authority</i>		
Local Level (working with communities around the civil work sites)	Legal literacy trainings; trust-building activities; outreach events, workshops on justice issues facing vulnerable groups.	Target groups for the community awareness activities at local level are the community at large as potential users of the courts, with a specific focus on the most vulnerable and disadvantaged groups including CSOs working with them. Activities will address and identify solutions for overcoming key access constraints, such as lack of awareness. Information and capacity; lack of financial means and lack of trust.
National level	Awareness campaigns, lay guides, tools to enable access to court services. Training of legal professionals in working with vulnerable groups	Raise community awareness of their legal rights and obligations and ways in which they can navigate the court system to uphold their rights and resolve disputes. Areas of focus will include personal bankruptcy and support to victims of crime.
<i>Component 2: National Trade Registry Office</i>		
National level	Awareness and information campaigns; user feedback via online surveys	Raise awareness among businesses and citizens of NTRO's services, including e-services. Support increased responsiveness of NTRO to the needs of potential and actual users, with a particular focus on micro- and small enterprises operated by persons coming from poor i.e. vulnerable groups. Support dialogue of NTRO staff with CSOs and the various user groups.
<i>Component 3: Prosecution Service</i>		
National level	Trainings for prosecutors on how to engage with vulnerable population groups. Awareness raising among groups at risk.	Support prosecutors' capacity to deal with vulnerable groups, decrease stereotyping and discrimination. Raise awareness among groups at risk of engaging in the criminal justice system (i.e. youth at risk)



Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	Team Leadership	Management, supervision, coordination, dialogue with Government and other stakeholders, as well as EU and other donors	Task Team Leader	
	Project Support	Coordination		
	Technical	Technical review of detailed designs, bidding documents and site supervision	Architect	
	Social	Citizen engagement activities	Social Dev Specialist	
	Environment	Environmental safeguards, supervision and monitoring, training as needed	Environmental Specialist	
	Procurement	Procurement experience, Bank's procurement norms knowledge, procurement reviews and supervision	Procurement Specialist	
	Financial Management	FM experience, knowledge of	FM Specialist	



Bank FM norms,
financial
management and
disbursements

12-48 months

Team Leadership

Other

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task Team Leader (TTL)		Missions and field trips as required	HQ-based
Architect		Field trips as required	Regionally based
ICT Specialist		Missions as required	HQ-based
Environmental Specialist		Field trips as required	CO-based
Procurement Specialist		Missions as required	Regionally based
Financial Management Specialist			CO-based
Environmental Safeguards Specialist		Field trips as required	CO-based
Social Safeguards Specialist		Missions and field trips as required	Regionally based