

# **IPA 2010 CROATIA PROJECT FICHE**

**HR-2009-01-23-01**

## **1. Basic information**

**1.1 CRIS Number:** IPA/2010/022-460

**1.2 Title:** Improvement of the Enforcement system in the Republic of Croatia

**1.3 ELARG Statistical code:** 01.23 - Judiciary and fundamental rights

**1.4 Location:** Croatia, Zagreb

### **Implementing arrangements:**

#### **1.5. Implementing Agency:**

The Central Finance and Contracting Agency (CFCA) is responsible for the tendering, contracting and disbursement of all the project's components in line with DIS principles and the EC Financial Regulation.

#### **The Programme Authorising Officer (PAO) for the project is:**

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#### **1.6 Beneficiary (including details of SPO):**

The Senior Programme Officer (SPO) at the Croatian Ministry of Justice is responsible for the technical management and authorisations associated with the project, including submission of the detailed technical design for the project's components to the CFCA, inputs in relation to the corresponding evaluation of technical offers, plus follow-up contract implementation and monitoring, approval of contract outputs and confirmation to the CFCA that no technical constraints (as opposed to procedural or budgetary constraints) exist in relation to the CFCA's processing contractual payments.

#### **The Senior Programme Officer SPO for the project is:**

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**Financing:**

**1.7 Overall cost (VAT excluded)<sup>1</sup>:** EUR 1 600 000

**1.8 EU contribution:** EUR 1 495 000

**1.9 Final date for contracting:** 2 years following the date of conclusion of the Financing Agreement

**1.10 Final date for execution of contracts:** 2 years following the end date for contracting

**1.11 Final date for disbursements:** 3 years following the end date for contracting

**2. Overall Objective and Project Purpose**

**2.1 Overall Objective:** Support to the development of efficient and effective Enforcement system

**2.2 Project purpose:** Developing an efficient and effective Enforcement system by introducing a Public Bailiff system – reduction of court backlog

**2.3 Link with AP/NPAA / EP/ SAA**

**Accession Partnership (2008/119/EC)**

On 12 February 2008, the Council adopted the Croatia Accession Partnership 2007 that updated the first Accession Partnership adopted in 2006 and identified new as well as remaining priorities for action. The Accession Partnership which forms an integral part of this decision contains inter alia following project relevant key priority:

- Substantially reduce the case backlog in courts and ensure an acceptable length of judicial proceedings,
- Rationalise the organisation of courts, including the introduction of modern information technology systems
- Take measures to ensure proper and full execution of court rulings
- Continue to implement the national law on personal data protection in line with the acquis and ensure an efficient monitoring and enforcement.

**Croatia 2009 Progress Report**

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<sup>1</sup> The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

Croatia 2009 Progress Report (Commission Staff Working Document) - from 14th October 2009 points out that the implementation of the judicial reform strategy has continued and a large volume of new legislation was adopted, in line with the key Accession Partnership priority in this area. The backlog of cases was reduced by 8,4% to 887.000 in December 2008.

However, the overall case backlog and the number of unresolved cases older than three years remain high and the length of judicial procedures excessive. Problems with the enforcement of court rulings constitute a major obstacle to the efficiency of the judicial system.

Overall, reforms in the judiciary continue but the impact of various newly introduced measures remains to be tested in practice. Significant challenges remain, particularly as regards judicial independence and the lack of transparent selection procedures for judges and prosecutors and as regards judicial efficiency, not least the length of proceedings and enforcement of decisions.

## Chapter 23 – Judiciary and fundamental rights

(..) Without more far-reaching reform, continued reduction of the backlog may not be sustainable, especially if judges have focused on `easier` cases to meet output targets. Moreover, problems with the enforcement of court rulings constitute a major obstacle to the efficiency of the judicial system. The number of enforcement cases in the backlog remains high. Reform of the enforcement procedure remains long overdue, although a strategic study on enforcement was adopted in July 2009 which foresees the introduction of a new system of enforcement officers.

### 2.4 Link with MIPD

**The Multi-annual Indicative Planning Document (MIPD) 2009-2011 Republic of Croatia** establishes the strategic objectives and choices for assistance against the 6 areas of intervention. In particular the MIPD has a reinforced emphasis on the political criteria priorities reflecting the increased importance given to these issues in the Strategy Paper.

The project is in line with the MIPD for Croatia for the years 2009-2011 where within *strategic objectives* for IPA assistance over the period 2009-2011 is stated: further sustained efforts in order to build on the progress made, and to accelerate the pace of reforms, notably as regards the political *criteria*, inter alia in the fields of judiciary and public administration reform. In translating the above mentioned objectives into *strategic choices* for assistance to Croatia within the area of the *political criteria* the possible areas of support over the period 2009-2011 are on assisting the Croatian authorities among others in implementing their strategy for the reform of the public administration and in the judicial system including inter alia reducing the case backlog in courts and ensuring an acceptable length of judicial proceedings including the enforcement of court decisions.

Under IPA Component I which core activity is Institution Building, the priorities as regards the *political area* (first area of intervention under this MIPD) which were envisaged in the previous MIPD 2008-2010 will be maintained, i.e. inter alia some

possible areas of support are: implementation of an efficient judicial reform including among others the reduction of the case backlog in courts; ensuring an acceptable length of judicial proceedings and the enforcement of court decisions; rationalising and modernising the courts and to enhance the independence, accountability and professionalism in the judiciary and improving the access to court and transparency towards the public and civil society.

## **2.5 Link with National Development Plan (where applicable)**

### **National Programme for the Accession of the Republic of Croatia into the European Union -2009 (NPAEU)**

The final Draft of the National Programme for the Accession of the Republic of Croatia into the EU – 2009 (NPAEU) was sent in December 2008 to the Ministry of Foreign Affairs and the European Integration. The NPAEU gives the current sectoral overview with planned activities within both legal framework and implemented measures to be undertaken in the forthcoming year within priorities in harmonization of Croatian legislation with *acquis communautaire* as well as general principles. This final version contains within Judicial Reform inter alia following project relevant *key priority*: developing a Strategic study for the purpose of improving the enforcement system in Croatia and introduction of the institution of private enforcement agent.

Law on Amendments to the Enforcement Act (OG 67/08) has further accelerated enforcement proceedings and enforcement treatment in court proceedings by simplifying the delivery of judicial enforcement proceedings and the enforcement actions undertaken by the notaries, expanding the circle of government bodies that are obliged to provide information about the property of enforcement debtor, preventing the misuse of information, limiting the possibility of delay in enforcement and shortening the period in which the enforcement may be postponed, introducing the possibility of entrusting the seized movable assets to persons outside the headquarters of the enforcement court and removing the ambiguities regarding the enforcement of motor vehicles by a public notary. A working group has been established for the preparation of the Strategic Study for a more efficient way of enforcement on movable assets and the introduction of private bailiff, who have been working on improving the institute of enforcement in Croatia, in collaboration with French legal experts in the field of Enforcement Law. On the basis of good cooperation with French experts, the Government of the Republic of Croatia adopted the Strategic Study on 30 July 2009. A fruitful cooperation with French experts started already in March 2007 when the International Association of court Bailiffs organized the international symposium in Zagreb. Furthermore, the best examples of organization, functioning, competences of enforcement system were introduced to the representatives of the Ministry of Justice on their study visit to France in December 2008. Croatian delegation visited also National Chamber of Public Bailiffs where the French experts presented the Institute of Public Bailiffs.

## **2.6 Link with national/ sectoral investment plans(where applicable)**

### **Strategy of the Reform of the Judicial System**

In June 2008, the Ministry of Justice has adopted an action Plan for the Judicial Reform. This document acknowledges that the execution cases count for 32% of the

unsolved cases/backlog. The main reason for the tremendous backlog of execution cases were that judges were overburdened with the general inflow of judicial cases, and that cumbersome procedural legal provisions did not provide for swift execution once a court decision was passed. Apart from procedural issues, the system of delivery of court decisions proved to be prone to corruption. Croatia has amended the Act on Enforcement several times (2003, 2005, and 2008). In general however, the enforcement procedure is still considered to lack efficiency and cost-effectiveness.

The Action Plan states the following: “The proposed amendments to the Enforcement Act are intended to additionally accelerate and simplify the execution procedure, resolve certain dilemmas identified in practice, simplify and further elaborate the work of public notaries and courts, and prevent the possibility of misuse of previously recognised procedural authorities. The existential minimum of the execution debtor is protected, thus providing for the social component of the execution procedure. Furthermore, the institute of a European enforcement order for uncontested claims is introduced and the final deadline for adjudication in motions on uncontested claims has been set. The Draft Proposal of the Amendments to the Enforcement Act was submitted for Government procedure on 9 May 2008”. Since then, the amendments were adopted and the Ministry of Justice has embarked on preparing a more detailed and focused plan of reforming the enforcement.

According to the recently revised Action Plan to the Strategy of Judicial Reform, a new legal framework will be adopted. It is also planned to establish the institutional framework for Public Bailiffs.

### **3. Description of project**

#### **3.1 Background and justification:**

One of the priority issues for Croatia is enforcement of the effective judicial decisions and other titles. An expedient, well performing and efficient enforcement system is highly important in creating and developing a sound and efficient judiciary system. For the Republic of Croatia it is particularly important to develop an efficient enforcement system because of its influence on the national justice system as well as on the development of the Croatian society, especially on the development of the national economy. Moreover, an efficient enforcement system directly contributes to the citizens’ rights to have their legal rights and obligations decided upon in a fair manner and in reasonable time, as it is guaranteed in the Article 29 of the Croatian Constitution and in the Article 26 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

In order to achieve this objective a thorough and institutional makeover of the Croatian enforcement system is essential. Therefore, a new Enforcement Law will be brought as legislative framework for fundamental changes of the enforcement system, which will introduce the institution of public enforcement agent in Croatia. This will be further developed in special legal provisions. It should be noted that out of twenty-seven member states of the European Union, nineteen of them have adopted this institution, and out of twelve member states which joined the EU in 2004, ten had introduced it before the accession.

General strategic goal is to develop an efficient and well performing enforcement system in the Republic of Croatia which will lead to realisation of the creditor's claim. In the framework of the general strategic goal, specific goals are the following: simplifying enforcement procedure, shortening the duration of enforcement procedure, reducing the courts' workload, reducing inflow of the enforcement cases to the courts and reducing enforcement cases backlog in the courts.

The Enforcement Law was adopted on 28 June 1996, and was published in the Official Gazette no. 57 on 12 July 1996. The Law regulates the procedure of enforced realisation and security of creditor's claims as well as the procedure of voluntary judicial of notary-public security of claims. The Enforcement Law also regulates the relations in terms of substantive law where such relations are based on enforcement procedures and security procedures. Since its adoption in 1996, the Enforcement Law was amended six times (Official Gazette 29/99, 194/03, 151/10, 88/05, 121/05, and 67/08); in 2003 The Law Amending the Execution Law was corrected (Official Gazette 173/03). The Ruling and the Decision of the Constitutional Court no. U-I-510/1996, U-I-717/1996, U-I-1025/1999 of 5 April 2000 (Official Gazette 42/00) abolished the paragraph 9 of Article 16 of the Enforcement Law (Official Gazette 57/96 and 29/99).

The amendments to the Enforcement Law were designed to enhance the efficiency of the enforcement procedure and of security procedure in general by making them easier to implement and more expedient. Their objective was also to enable the reduction of the workload of the courts and at the same time to eliminate the shortcomings in the Enforcement Law as such as well as the inadequacies identified in its implementation.

Important amendments to the Law were adopted in 2005, introducing a number of novelties and institutions, including a new procedural body – notary public. The aim of such a step was to take off the workload from the courts (enforcements by notary publics on the basis of trustworthy documents; expanding application of the institution of debenture bonds; new regulation of the fiduciary security institution); to simplify, expedite and make more efficient the enforcements on immovable assets, movable assets (regulating the sale of seized movable assets through public commission agents) and monetary claims on bank accounts, by enabling the obtaining of information about debtor's assets from the state authorities, and by making the information on selling the seized movable and immovable assets (Registries) more transparent.

The most recent amendments to the Enforcement Law were made in 2008 and they created the conditions for immediate implementation of the Regulation EC 805/2004 of the European Parliament and the Council of 21 April 2004 creating the European Enforcement Order for Uncontested Claims as soon as the Croatia becomes the full member of the European Union. It also ensures the implementation of the Directive 2000/35/EC of the European Parliament and the Council of 29 June 2000 on combating late payment in commercial transactions. In addition, the amendments regulate the protection of the debtor's essential survival assets, and rectify some uncertainties identified in the real life enforcements.

Numerous and significant changes of the Enforcement Law made in the past years brought crucial improvements in the enforcement procedure. However, the judicial model of the enforcement is still too time consuming, inefficient and too heavy-handed.

With this project, the Ministry of Justice wants to develop a new efficient and effective enforcement system in the Republic of Croatia which should result in a quicker and easier realization of bailiffs' claims. The goal is to establish a professional enforcement system for which, in most cases, the responsibility will assume a new profession – public bailiff. This will result in relieving the courts from cases in which there is no dispute between the parties, which means that the courts will control the legality of the enforcement procedure and will not be responsible for the execution of the enforcement, which is the case today. Besides the before mentioned, the new enforcement system will act as follows: the starting, definition and implementation procedures will be less formal, the number of reasons for the enforcement debtor to dispute the decision of the enforcement and the number of limitations to the implementation of the enforcement will be reduced, the deadlines in which the decision of enforcement can be disputed will be shortened, and the possibility of the interference from third parties also reduced.

The introduction of the new enforcement system in the Republic of Croatia requires the implementation of various measures and activities.

Within the legal framework the new Enforcement law will be created as the basic legislative framework for the new enforcement system and the introduction of the public bailiff institute, and also a special public bailiff law. The passing of these laws is planned for the 4 Q of 2010.

During next year, immediately after the adoption of the legislative framework, the plan and program for the public bailiff required training will be defined, which will be a prerequisite for their appointment. The program and materials will be created and education (seminars, workshops) with specific target groups (judges, court officials, lawyers etc.) will be conducted.

Croatia has created a corpus of public notaries some 15 years ago. This is considered to have been a success and many court employees and judges became public notaries. In 2005 a transfer of competence from the courts to the public notaries occurred with respect to decisions on uncontested authentic documents. This also is considered to have been a success in the sense that it discharged courts from an important number of cases that did not in effect involve a dispute. However, three issues have been pointed out; issues that could be replicated in the event a corpus of private Enforcement Agents were created. First, the costs of using public notaries are much higher than they were when the courts were competent. Second, it is not clear whether the use of notary publics to decide on authentic documents is constitutional. Third, some issues with respect to possible corruption have been highlighted.

The delegation to Public Notaries of the right to decide and organize the enforcement of uncontested claims has increased the enforcement of decisions massively and has disburdened courts considerably freeing judges to catch up on both the backlog on substantive claims and of enforcement procedures for past decisions rendered. Further, the positive impact of this delegation has been multiplied by the fact that the important number of Public Notaries throughout the country has meant an easier access to justice for Claimants.

The IT and multimedia equipment purchased through this project will be used for setting up logistical and functional capabilities of the Ministry of Justice and Chamber of Bailiffs in order to enable these institutions to implement all their responsibilities that they will

have in implementing new enforcement system. The equipment will be also used for establishment of central communication IT point for office automatization for the Chamber of bailiffs. At this stage and taking into account that the laws are currently being drafted it is impossible to divide the equipment per institution and per employee taking into account that the system is currently being designed, but some estimates of feasible system were made (see Annex VI – *Indicative projection on needs for establishment of new enforcement system*).

Taking into account that DEU suggested that the MoJ should use BERP assistance in order to determine enforcement cases monitoring system, BERP has proposed to the MoJ to follow the system that exists in Portugal. Hence, after internal discussion within the Ministry of Justice and taking in mind assistance that the MoJ will get from IPA 2010 project, the MoJ proposed the following activities in which BERP assistance will be welcomed:

1. Assistance in drafting the legislative framework for Enforcement (Laws and bylaws) financing of meetings of working group outside of Zagreb with all relevant participants
2. Analysis of legislation that should be amended in order to comply with new Enforcement system in RoC and proposals for their amendments
3. Define transition period between the adoption of the new legislation and entering into force (activities that need to be defined are: number of bailiffs, appointment procedure for the nomination of bailiffs, steps need for establishing of Chamber of Bailiffs – time framework)
4. Prepare Strategic plan and corresponding materials for raising public awareness

But still, the MoJ will have more information on activities that could be financed through BERP after the meeting and agreement with BERP representatives.

In regards to the complementary World Bank funded- project "Justice Sector Support Project" (JSSP), it was approved in April 2010 and implementation started in July 2010. The World Bank remains committed to define any activity related to the enforcement system (to be financed by the IBRD loan) in close coordination with the EU 2010 IPA and Dutch regional aid to avoid overlaps.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable):**

#### ***Project impact***

The project should simplify enforcement procedure, shorten the duration of enforcement procedure, reduce the courts' workload, reduce inflow of the enforcement cases to the courts and reduce enforcement cases backlog in the courts.

It should also improve the performance of enforcements, which will be professionalized and made more expedient and simpler by introducing the new institution namely Public Enforcement Agents.

#### ***Catalytic effect***

A Public Bailiff system introduced through the implementation of this project will have a positive impact on achieving results in terms of speeding up Croatia's harmonisation with the EU practices and fulfilling accession criteria.

### ***Sustainability***

With this project, the Ministry of Justice will develop a new efficient and effective enforcement system in the Republic of Croatia which should result in a quicker and easier realization of bailiffs' claims. The goal is to establish a professional enforcement system for which, in most cases, the responsibility will assume a new profession – public bailiff. This will result in relieving the courts from cases in which there is no dispute between the parties, which means that the courts will control the legality of the enforcement procedure and will partially be responsible for the execution of the enforcement. Besides the before mentioned, the new enforcement system will act as follows: the starting, definition and implementation procedures will be less formal, the number of reasons for the enforcement debtor to dispute the decision of the enforcement and the number of limitations to the implementation of the enforcement will be reduced, the deadlines in which the decision of enforcement can be disputed will be shortened, and the possibility of the interference from third parties also reduced.

Additionally is ensured. EU funding will not replace other funding from the Government or other donors and the EU funded intervention/project will result in benefits which would not occur otherwise.

### ***Cross border impact***

Not applicable

## **3.3 Results and measurable indicators:**

### **Contract No 1: Twinning contract**

**COMPONENT I – Strengthening of the existing Department for regulations of enforcement law (within the Directorate for Civil, Commercial and Administrative Law) with respect to its legal and institutional set up, management, operational organisation and human resources**

**Result 1.1. - Administrative capacities of the Department for regulations of enforcement law (within the Directorate for Civil, Commercial and Administrative Law) increased**

Measurable indicators:

- Analysis of the relevant legal framework delivered
- Analysis of role and responsibilities drafted in relation to new enforcement regulations
- Analysis of current organizational structure and working methods delivered
- Analysis of the bylaws regulating the number of employees and scope of duty delivered
- Workload analysis of each employee drafted
- Possible amendments to existing bylaws regulating the number of employees prepared
- Training needs analysis on new enforcement system prepared
- Training materials developed
- 4 in service trainings about new enforcement system organized

- at least 10 employees trained
- One study visit organised (8 persons, max. 5 days)

**Result 1.2. - Efficient monitoring system of the implementation of the Law on Enforcement determined**

Measurable indicators:

- Analysis of the relevant legal framework delivered
- Comparative overview of monitoring systems prepared
- One round table organized
- Possible improvements of bylaws proposed
- Monitoring indicators and the evaluation criteria defined
- Models of reports for monitoring activities drafted
- Training materials developed
- 4 in service trainings about new monitoring system organized
- at least 10 employees trained

**COMPONENT II – Setting up of the Chamber of Bailiffs and increasing of its institutional and administrative capacities**

**Result 2.1 – Legal and institutional set up of the Chamber of Bailiffs improved**

Measurable indicators:

- Legal and regulatory requirements for the Chamber of Bailiffs reviewed
- Roles and responsibilities of the Chamber of Bailiffs employees determined
- Internal organisation set up of the Chamber of Bailiffs analyzed and improved
- Annual work plan for the Chamber of Bailiffs drafted

**Result 2.2 - Ethical codex for Public bailiffs prepared**

Measurable indicators:

- Comparative overview of ethical codes prepared
- Two round tables organized
- Draft of Ethical code prepared

**Result 2.3. – Coordination and communication mechanisms between the Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice determined**

Measurable indicators:

- Relevant legal framework analyzed in relation to the roles and responsibilities of all the institutions in respect to the enforcement
- Recommendations for coordination and communication mechanisms taking into account legal framework and monitoring responsibilities (result 1.2.) prepared
- Training materials prepared
- At least 2 joint workshops for the employees of all the institutions organized
- At least 15 employees of all the institutions trained

**Result 2.4. – A specific self-sustainable training program for continuous education of public bailiffs prepared**

Measurable indicators:

- Comparative overview of educational system of public bailiffs in EU member state prepared
- Comprehensive training strategy for public bailiffs designed
- A possible structure of the educational system proposed
- Specific self-sustainable training program for continuous education developed (including training curricula)
- Training materials for Train the trainers (ToT) developed
- 4 ToT workshops organized
- At least 10 trainers trained
- Annual training programme drafted

**COMPONENT III – Training programmes for the judges in relation to the new Enforcement system developed and implemented**

**Result 3.1. – Training of judges, public prosecutors and court enforcement agents in relation to new enforcement system developed and organized**

Measurable indicators:

- Training needs of judges and public prosecutors analyzed
- Training needs of court enforcement agents analyzed
- Training curricula prepared
- At least 4 seminars prepared and organized
- At least 80 judges trained
- At least 80 public prosecutors trained
- At least 50 court enforcement agents trained

**COMPONENT IV – Promotional visibility activities conducted and inter institutional cooperation strengthened**

**Result 4.1. One general information flow protocol prepared - the protocol for exchange of the information set up between the Ministry of Justice, Ministry of Finance - Tax Administration, Chamber of Bailiffs, Chamber of Public notaries, Croatian chamber of commerce, Ministry of Economy, Labour and Entrepreneurship, other relevant Directorates of the Ministry of Finance, Ministry of Interior and FINA**

Measurable indicators:

- Analysis of business process and information necessary for sharing among the parties with recommendations of the EU best practice delivered
- One Round table organized
- Working group for drafting general information protocol established
- General information flow protocol (on business process) drafted

**Result 4.2. Promotional visibility activities conducted and visibility materials prepared and distributed**

Measurable indicators:

- Consultation with all relevant stakeholders conducted
- At least two models for raising public awareness about the new system prepared

- Promotional leaflets about the new system for general public designed and printed
- At least two round tables with purpose to raise public awareness organized
- 500 booklets with main novelties of new enforcement system for general public designed and printed

### **Result 4.3. Web page of the Chamber of Bailiffs set up**

Measurable indicators:

- Materials for publishing on the webpage defined (English and Croatian)
- Structure of information and design of the webpage defined
- Web page presented on www
- Monthly newsletters designed and put on the web
- 2-4 administrators trained

### **Contract No 2: Technical Assistance contract**

#### **Establishing IT functionalities of the Enforcement system**

### **Result 5 - IT connectivity between relevant institutions of the new enforcement system determined and recommendations prepared**

Measurable indicators:

- Comparative overview of at least two EU member states in relation to IT connectivity needed for efficient enforcement system prepared (with recommendations of the best practice)
- IT interfacing of institutions (listed under result 4.1.) analyzed
- Cost benefit analysis of such connectivity and return of investment (ROI) prepared
- Technical and functional specifications of the specific software solution for such connectivity prepared, with support to the defined bailiffs business process.

### **Contract No 3: Supply contract**

#### **The Chamber of Bailiffs and the Department for regulations of enforcement law (within the Directorate for Civil, Commercial and Administrative Law) equipped with necessary IT and Multimedia equipment<sup>2</sup>**

Measurable indicators:

- IT and Multimedia equipment for establishment of central communication IT point for office automatization for the Chamber of bailiffs and IT and multimedia equipment for the MoJ purchased, installed and tested

### **3.4 Activities:**

#### **Contract No 1: Twinning contract**

#### **Component I - Strengthening of the existing Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) with respect to its legal and institutional set up, management, operational organisation and human resources**

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<sup>2</sup> The MoJ will remain the owner of the equipment and there will be an agreement with MoJ and Chamber of Bailiffs on the use of the equipment bought under IPA funds

- 1.1.1. Analyze the relevant legal framework
- 1.1.2. Analyze the role and responsibilities of the Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) in relation to new Enforcement regulation
- 1.1.3. Analyze the current organizational structure and working methods of the Department for regulations for enforcement law
- 1.1.4. Analyze the bylaws that are regulating the number of employees and scope of duty of the Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law)
- 1.1.5. Analyze the workload of each employee of the Department for regulations for enforcement law (within the Directorate for Civil Law Civil, Commercial and Administrative Law)
- 1.1.6. Propose the possible amendments of the existing bylaws regulating the number of employees
- 1.1.7. Prepare the Training needs analysis on new Enforcement system
- 1.1.8. Develop training materials
- 1.1.9. Organize 4 in service trainings about new Enforcement system
- 1.1.10. Train at least 10 employees
- 1.1.11. Organize one study visit (8 persons; max 5 days)

- 1.2.1. Deliver the analysis of relevant legal framework in relation to monitoring system defined by relevant legislation
- 1.2.2. Prepare comparative overview of monitoring systems
- 1.2.3. Organize round table
- 1.2.4. Propose possible improvements of bylaws that are or will regulate monitoring activities
- 1.2.5. Define monitoring indicators and evaluation criteria
- 1.2.6. Draft models of reports for monitoring activities
- 1.2.7. Develop training activities
- 1.2.8. Organize four in service trainings about new monitoring systems
- 1.2.9. Train at least 10 employees

**Component II - Setting up of the Chamber of Bailiffs and increasing of its institutional and administrative capacities**

- 2.1.1. Review legal and regulatory requirements for the Chamber of Bailiffs
- 2.1.2. Determine roles and responsibilities of the Chamber of Bailiffs
- 2.1.3. Analyze and recommend improvements for internal organisational set up of the Chamber of Bailiffs
- 2.1.3. Draft annual work plan for the Chamber of Bailiffs
- 2.2.1. Prepare comparative overview of Ethical Code for public Bailiffs
- 2.2.2. Organize 2 round tables

### 2.2.3. Prepare draft of Ethical Code

2.3.1. Analyze relevant legal framework in relation to the roles and responsibilities of all the institutions in respect to the enforcement

2.3.2. Prepare recommendations for coordination and communication mechanisms taken into account legal framework and monitoring responsibilities (result 1.2.)

2.3.3. Prepare Training materials

2.3.4. Organize at least 2 joint workshops for the employees of Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice

2.3.5. Train at least 40 employees of the Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice (10 persons per institution)

2.4.1. Prepare comparative overview of educational system of public bailiffs in EU member state

2.4.2. Design comprehensive training strategy for Public Bailiffs

2.4.3. Propose a possible structure of the educational system

2.4.4. Develop specific self sustainable training programme for continuous education (including training curricula)

2.4.5. Develop training materials for ToT

2.4.6. Organize 2 ToT workshops

2.4.7. Train at least 10 trainers per workshop

2.4.8. Draft annual training programme

### **Component III - Training programmes for the judges, public prosecutors and court enforcement agents in relation to the new Enforcement system developed and implemented**

3.1.1. Analyze training needs of judges and public prosecutors

3.1.2. Analyze training needs of court enforcement agents

3.1.3. Prepare training curricula

3.1.4. Prepare and organise at least 4 seminars

3.1.5. Train at least 80 judges

3.1.6. Train at least 80 public prosecutors

3.1.7. Train at least 50 court enforcement agents

### **Component IV - Promotional visibility activities conducted and inter institutional cooperation strengthened**

4.1.1. Deliver analysis of business process and information necessary for sharing among the parties with recommendations of the EU best practice

4.1.2. Organize one round table

4.1.3. Establish working group for drafting general information protocol (the business process)

4.2.1. Conduct consultation with all relevant stakeholders

4.2.2. Prepare at least 2 models for public awareness about the new system

4.2.3. Design and print promotional leaflets about the new system for general public

4.2.4. Organize at least 2 round tables with purpose to raise public awareness

4.2.5. Design and print 500 booklets with main novelties of new enforcement system for general public

4.3.1. Define materials for publishing on the web page (English and Croatian)

4.3.2. Define structure of the web page (information and design)

4.3.3. Implementation and testing of the delivered webpage performed

4.3.4. Design monthly newsletters to be published on the web page

4.3.5. Train 2-4 employees who will be responsible for administrating the web page

Please note that there is also a possibility of derogation to the twinning rules for sub-contracting part of the activities to the private sector. The exact amount should be determined after MoJ/CFCA and TW coordinator consultations at the time of drafting the twinning fiche.

### **Contract No 2: Technical Assistance contract**

#### **Improving IT functionalities of the Enforcement system**

#### **Result 5 - IT connectivity between relevant institutions of the new enforcement system determined and recommendations prepared**

5.1.1. Prepare comparative overview of at least two EU member states in relation to IT connectivity needed for efficient enforcement system (with recommendations of the best practice)

5.1.2. Analyze IT interfacing of institutions (listed under result 4.1.) and propose the solution

5.1.3. Prepare cost benefit analysis of such connectivity with data on return of investment

5.1.4. Prepare technical and functional specifications of the specific software solution of such connectivity, with support to the defined bailiff business process

### **Contract No 3: Supply contract**

6.1.1 Purchasing, installation and testing of necessary IT and Multimedia equipment

#### **3.5 Conditionality and sequencing:**

Twinning and supply contracts should be contracted before technical assistance contract.

Also, the Parliament has to adopt Law on Bailiffs and new Law on Enforcement before the project starts.

#### **3.6 Linked activities**

**CARDS 2002 Reform of the Croatian Court System** ended in February 2006. The project purpose was to improve efficiency of Croatian courts, which should result with better quality of judgments and backlog reduction per case and per judge, as well as increasing the Croatian public trust in judiciary.

**CARDS 2003 Support to the Reform of the Croatian Court System – phase II** has been implemented by the Austrian partners. The project ended in June 2008 and its main purpose was to further enhance the operation and functioning of the Courts as a whole and the pre-selected Courts in particular - Improving the management and information system; Supporting rationalisation of court networks in Croatia; Developing standards in court produced documents; Ensuring modernisation/computerisation of courts.

**CARDS 2004 Improving case management at the High Misdemeanour Court and selected Misdemeanour Courts** started in September 2007. It consists of Twinning and Supply Contract. The project purpose is to support and enhance operation and functioning of the court case management at High Misdemeanour Court and selected misdemeanour courts as well as IT education and training for judges.

**PHARE 2006 Support to the Court Administration and Case Management** started in November 2008. It aims at the roll-out of ICMS to Croatian courts. ICMS will bring in the transparency in work of courts by way of automatic assignments of cases to judges and monitoring of their work which will reduce the possibility of corruption.

**PHARE 2006 Harmonisation and Publication of Case Law** started in November 2008. The project aims at increasing the accessibility and dissemination of national case law from the 50 pre-selected courts (including county, municipal and commercial courts) for all interested parties (on national and international level).

**Bilateral project with the French Republic “Developing a strategic study for enhancing enforcement efficiency and creation of Public Enforcement Agents - Improvement of the Enforcement system in the Republic of Croatia“** aims at taking off the workload from the courts, simplifying, expediting and making the enforcements on immovable assets, movable assets and monetary claims on bank accounts more efficient.

**MATRA project Enhancement of the capacities of the Ministry of Justice** started in 2009 and will last for 24 months. The project aims to contribute to the accession of Croatia to the European Union. In particular, the project aims to:

- Strengthen the MoJ and JA capacities for EU law implementation
- Organize round tables/workshops on functioning of EU member states' ministries of justice (presentation of different models)
- Coaching/counseling for MoJ senior management

The complementary **World Bank funded-project "Justice Sector Support Project" (JSSP)** was approved in April 2010 and implementation started in July 2010. The World Bank remains committed to define any activity related to the enforcement system (to be financed by the IBRD loan) in close coordination with the EU 2010 IPA and Dutch regional aid to avoid overlaps.

#### **Balkans enforcement reform project (BERP)**

This regional project has been established as a common initiative of CILC (NGO from the Netherlands) and International association of bailiffs with the aim to support the reform of Enforcement in Southeast Europe. From May 2009 till October 2009 three

conferences were held in Dubrovnik, Skopje and Kolašin with participation of representatives from Ministry of Justice. BERP has expressed its interest to support the Ministry in the reform of enforcement system but the scope and form of this possible assistance has not been determined yet. After internal discussion within the Ministry of Justice and taking in mind assistance that the MoJ will get from IPA 2010 project, the MoJ proposed the following activities in which BERP assistance will be welcomed:

1. Assistance in drafting the legislative framework for Enforcement (Laws and bylaws) – financing of meetings of working group outside of Zagreb with all relevant participants
2. Analysis of legislation that should be amended in order to comply with new Enforcement system in RoC and proposals for their amendments
3. Define transition period between the adoption of the new legislation and entering into force (activities that need to be defined are: number of bailiffs, appointment procedure for the nomination of bailiffs, steps need for establishing of Chamber of Bailiffs – time framework)
4. Prepare Strategic plan and corresponding materials for raising public awareness

### **3.7 Lessons learned**

Past activities within the Bilateral project with French Republic “Developing a strategic study for enhancing enforcement efficiency and creation of Public Enforcement Agents - Improvement of the Enforcement system in the Republic of Croatia“ showed a disproportionate amount of judicial time spent on procedures and practices relating to enforcement. It is commonly agreed that a strong and efficient judicial system is dependant on a good and transparent system of enforcement. Conclusions gained through the bilateral project should be followed up in this IPA project.

#### 4. Indicative Budget (amounts in €)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Twining	x		1 200 000	1 200 000	1 140 000	95	60 000	5	60 000				
Technical Assistance	x		300 000	300 000	270 000	90	30 000	10	30 000				
Supply		x	100 000	100 000	85 000	85	15 000	15	15 000				
TOTAL IB			1 500 000	1 500 000	1 410 000	94	90 000	6	80 000				
TOTAL INV			100 000	100 000	85 000	85	15 000	15	15 000				
<b>TOTAL PROJECT</b>			<b>1 600 000</b>	<b>1 600 000</b>	<b>1 495 000</b>	<b>93</b>	<b>105 000</b>	<b>7</b>	<b>105 000</b>				

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Public** Expenditure (column (b))

(3) Expressed in % of the **Total** Expenditure (column (a))

## 5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Twinning	1Q 2011	3Q 2011	3Q 2013
Technical assistance	2Q 2011	4Q 2011	4Q 2012
Supply	1Q 2011	2Q 2011	3Q 2011

All projects should in principle be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA

## 6. Cross cutting issues (where applicable)

### 6.1 Equal Opportunity

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Specifically in relation to the issue of equality between men and women, Croatia's population (2001 census) constitutes 51.87% women and 48.13% men, with those in active employment (based on Labour Force Survey statistics, conducted in accordance with ILO methodology, for the second half of 2002) divided 45.31% women and 54.69% men.

All contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs (in days) and of trainees benefiting under the project (in days) as an integral component of all project progress reports

### 6.2 Environment

Not applicable

### 6.3 Minorities

Not applicable

## ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Description of Institutional Framework
- 4- Reference to laws, regulations and strategic documents:
  - Reference list of relevant laws and regulations
  - Reference to AP /NPAA / EP / SAA
  - Reference to MIPD
  - Reference to National Development Plan
  - Reference to national / sector investment plans
- 5- Details per EU funded contract (\*) where applicable:
  - For *TA contracts*: account of tasks expected from the contractor
  - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
  - For *grants schemes*: account of components of the schemes
  - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (\*\*)
  - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (\*\*); account of services to be carried out for the *service part* of the contract

(\*) non standard aspects (in case of derogation to PRAG) also to be specified

(\*\*) section on investment criteria (applicable to all infrastructure contracts and constructing works):

  - Rate of return
  - Co financing
  - compliance with state aids provisions
  - Ownership of assets (current and after project completion)

Reference to national / sector investment plans
- 6- Indicative projection on needs for establishment of new enforcement system

## ANNEX 1: Logical framework matrix in standard format

<b>IMPROVEMENT OF THE ENFORCEMENT SYSTEM IN THE REPUBLIC OF CROATIA</b>	<b>Programme name and number</b> IPA 2010		IPA/2010/022-460
	<b>Contracting period</b> expires 2 years following the date of conclusion of the FA		<b>Disbursement period</b> expires 3 years following the end date for contracting
	<b>Total budget : EUR 1 600 000</b>		<b>IPA budget: EUR 1 495 000</b> <b>Co-financing: EUR 105 000</b>
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
<b>Support to the development of efficient and effective Enforcement system</b>	Efficient and effective Enforcement system developed	Ministry of Justice reports & statistics  National statistical office reports  Progress report  Court statistics	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<b>Developing an efficient and effective Enforcement system by introducing a Public Bailiff system – reduction of court backlog</b>	Public Bailiff system developed  Efficient monitoring system developed  Accelerated enforcement proceedings  At least 50% reduction of enforcement cases backlog in the courts in five years period	MoJ documentation  MoJ reports  Project reports  Court statistics  MoJ documentation including Revised Strategy, Training Strategy, Recruitment Strategy, Performance Management Reports, etc.	Human resources for the project are assured  Successful continuation of the reform in the judiciary
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<b>I. Administrative capacities of the Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) increased</b>	<ul style="list-style-type: none"> <li>• Analysis of the relevant legal framework delivered</li> <li>• Analysis of role and responsibilities drafted in relation to new enforcement regulations</li> <li>• Analysis of current organizational</li> </ul>	Project reports  Analyses  Recommendations	Human resources for the project are assured  Commitment of the MoJ and the Directorate for Civil , Commercial and Administrative Law to engage in the project

<sup>3</sup> The MoJ will remain the owner of the equipment and there will be an agreement with MoJ and Chamber of Baillifs on the use of the equipment bought under IPA funds

<p><b>2. Efficient monitoring system of the implementation of the Law on Enforcement determined</b></p>	<ul style="list-style-type: none"> <li>• structure and working methods delivered</li> <li>• Analysis of the bylaws regulating the number of employees and scope of duty delivered</li> <li>• Workload analysis of each employee drafted</li> <li>• Possible amendments to existing bylaws regulating the number of employees prepared</li> <li>• Training needs analysis on new enforcement system prepared</li> <li>• Training materials developed</li> <li>• 4 in service trainings about new enforcement system organized</li> <li>• at least 10 employees trained</li> <li>• One study visit organised (8 persons, max. 5 days)</li> </ul>	<p>Publications and statistics of MoJ</p> <p>Analyses</p> <p>Publications and statistics of MoJ</p> <p>Regulation on Internal Organization</p> <p>Bylaws</p> <p>Project reports</p> <p>Publications and statistics of MoJ</p> <p>Monitoring charts</p> <p>Project reports</p> <p>Publications and statistics of MoJ</p> <p>Analyses</p> <p>Bylaws Reports</p>	<p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil , Commercial and Administrative Law to engage in the project</p> <p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil , Commercial and Administrative Law to engage in the project</p> <p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil , Commercial and Administrative Law to engage in the project</p> <p>Human resources for the project are assured</p>
<p><b>3. Legal and institutional set up of the Chamber of Bailiffs improved</b></p>	<ul style="list-style-type: none"> <li>• Legal and regulatory requirements for the Chamber of Bailiffs reviewed</li> <li>• Roles and responsibilities of the Chamber of Bailiffs employees determined</li> <li>• Internal organisation set up of the</li> </ul>	<p>Publications and statistics of MoJ</p> <p>Analyses</p> <p>Bylaws Reports</p>	<p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil, Commercial and Administrative Law to engage in the project</p> <p>Human resources for the project are assured</p>

<p><b>4. Ethical codex for Public bailiffs prepared</b></p>	<p>Chamber of Bailiffs analyzed and improved</p> <ul style="list-style-type: none"> <li>• Annual work plan for the Chamber of Bailiffs drafted</li> </ul>	<p>Analysis</p>	<p>Commitment of the MoJ and the Directorate for Civil, Commercial and Administrative Law to engage in the project</p>
<p><b>5. Coordination and communication mechanisms between the Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice determined</b></p>	<ul style="list-style-type: none"> <li>• Comparative overview of ethical codes prepared</li> <li>• Two round tables organized</li> <li>• Draft of Ethical code prepared</li> </ul>	<p>Analysis</p>	<p>Human resources for the project are assured</p>
<p><b>6. A specific self-sustainable training program for continuous education of public bailiffs prepared</b></p>	<ul style="list-style-type: none"> <li>• Relevant legal framework analyzed in relation to the roles and responsibilities of all the institutions in respect to the enforcement</li> <li>• Recommendations for coordination and communication mechanisms taking into account legal framework and monitoring responsibilities (result 1.2.) prepared</li> <li>• Training materials prepared</li> <li>• At least 2 joint workshops for the employees of all the institutions organized</li> <li>• At least 15 employees of all the institutions trained</li> </ul>	<p>Project reports</p>	<p>Commitment of the MoJ, Tax Administration, Chamber of Bailiffs, Chamber of Public notaries, Croatian chamber of commerce, Ministry of Economy, Ministry of Finance, Ministry of Interior and FINA to engage in the project</p>
		<p>Training materials</p> <p>List of trainees</p> <p>Project reports</p>	<p>Human resources for the project are assured</p> <p>Willingness and active participation of all project stakeholders</p>
	<ul style="list-style-type: none"> <li>• Comparative overview of educational system of public bailiffs in EU member state prepared</li> <li>• Comprehensive training strategy for public bailiffs designed</li> <li>• A possible structure of the educational system proposed</li> <li>• Specific self-sustainable training program for continuous education developed (including training curricula)</li> <li>• Training materials for Train the trainers (ToT) developed</li> </ul>	<p>Project reports</p> <p>Memorandum of understanding</p>	

<p><b>7. Training of judges, public prosecutors and court enforcement agents in relation to new enforcement system developed and organized</b></p>	<ul style="list-style-type: none"> <li>• 4 ToT workshops organized</li> <li>• At least 10 trainers trained</li> <li>• Annual training programme drafted</li> </ul>	<p>Project reports</p> <p>Analysis</p>	<p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil, Commercial and Administrative Law to engage in the project</p>
<p><b>8. One general information flow protocol prepared - the protocol for exchange of the information set up between the Ministry of Justice, Tax Administration, Chamber of Bailiffs Chamber of Public notaries, Croatian chamber of commerce, Ministry of Economy, Ministry of Finance, Ministry of Interior and FINA</b></p>	<ul style="list-style-type: none"> <li>• Training needs of judges and public prosecutors analyzed</li> <li>• Training needs of court enforcement agents analyzed</li> <li>• Training curricula prepared</li> <li>• At least 4 seminars prepared and organized</li> <li>• At least 80 judges trained</li> <li>• At least 80 public prosecutors trained</li> <li>• At least 50 court enforcement agents trained</li> <li>• Analysis of business process and information necessary for sharing among the parties with recommendations of the EU practice delivered</li> <li>• One Round table organized</li> <li>• Working group for drafting general information protocol established</li> <li>• General information flow protocol (on business process) drafted</li> </ul>	<p>List of trainees</p> <p>Analysis</p> <p>Memorandum of understanding</p>	<p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil , Commercial and Administrative Law to engage in the project</p> <p>Human resources for the project are assured</p> <p>Commitment of the MoJ and the Directorate for Civil, commercial and Administrative Law to engage in the project</p>
<p><b>9. Promotional visibility activities conducted and visibility materials prepared and distributed</b></p>	<ul style="list-style-type: none"> <li>• Consultation with all relevant stakeholders conducted</li> <li>• At least two models for raising public awareness about the new system prepared</li> <li>• Promotional leaflets about the new system for general public designed and printed</li> <li>• At least two round tables with purpose to raise public awareness organized</li> <li>• 500 booklets with main novelties of new enforcement system for general public</li> </ul>	<p>Round table</p> <p>Project reports</p> <p>Publications and statistics of MoJ</p>	

<p><b>10. Web page of the Chamber of Bailiffs set up</b></p>	<p>designed and printed</p> <ul style="list-style-type: none"> <li>• Materials for publishing on the webpage defined (English and Croatian)</li> <li>• Structure of information and design of the webpage defined</li> <li>• Web page presented on www</li> <li>• Monthly newsletters designed and put on the web</li> <li>• 2 to 4 administrators trained</li> </ul>	<p>Project reports</p> <p>Publications and statistics of MoJ</p>	
<p><b>11. IT connectivity between relevant institutions of the new enforcement system determined and recommendations prepared</b></p>	<ul style="list-style-type: none"> <li>• Comparative overview of at least two EU member states in relation to IT connectivity needed for efficient enforcement system prepared (with recommendations of the best practice)</li> <li>• IT interfacing of institutions (listed under result 4.1.) analyzed</li> <li>• Cost benefit analysis of such connectivity and return of investment (ROI) prepared</li> <li>• Technical and functional specifications of the specific software solution for such connectivity prepared, with support to the defined bailiffs business process</li> </ul>	<p>Project reports</p> <p>Publications and statistics of MoJ</p> <p>Inventory list</p>	
<p><b>12. The Chamber of Bailiffs and the Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) equipped with necessary IT and Multimedia equipment<sup>3</sup></b></p>	<ul style="list-style-type: none"> <li>• IT and Multimedia equipment for establishment of central communication IT point for office automatization for the Chamber of bailiffs and IT and multimedia equipment for the MoJ purchased, installed and tested</li> </ul>		
<p><b>Activities</b></p>	<p><b>Means</b></p>	<p><b>Costs</b></p>	<p><b>Assumptions</b></p>
<p>1.1.1. Analyze the relevant legal framework 1.1.2. Analyze the role and responsibilities of the Department for <b>regulations for</b></p>	<p>Twinning covenant</p>	<p><b>Twinning: EUR 1 200 000 (5% co-financing):</b> IPA budget: EUR 1 140 000 National co-financing: EUR 60 000</p>	<p>Human resources for the project are assured  Commitment of the MoJ and the Directorate for</p>

<p><b>enforcement law</b> (within the Directorate for Civil, Commercial and Administrative Law) in relation to new Enforcement regulation</p> <p>1.1.3. Analyze the current organizational structure and working methods of the Department for <b>regulations for enforcement law</b></p> <p>1.1.4. Analyze the bylaws that are regulating the number of employees and scope of duty of the Department for <b>regulations for enforcement law</b> (within the Directorate for Civil, Commercial and Administrative Law)</p> <p>1.1.5. Analyze the workload of each employee of the Department for <b>regulations for enforcement law</b> (within the Directorate for Civil, Commercial and Administrative Law)</p> <p>1.1.6. Propose the possible amendments of the existing bylaws regulating the number of employees</p> <p>1.1.7. Prepare the TNA on new Enforcement system</p> <p>1.1.8. Develop training materials</p> <p>1.1.9. Organize 4 in service trainings about new Enforcement system</p> <p>1.1.10. Train at least 10 employees</p> <p>1.1.11. Organize one study visit (8 persons; max 5 days)</p> <p>1.2.1. Deliver the analysis of relevant legal framework in relation to monitoring system defined by relevant legislation</p> <p>1.2.2. Prepare comparative overview of monitoring systems</p> <p>1.2.3. Organize round table</p> <p>1.2.4. Propose possible improvements of bylaws that are or will regulate monitoring activities</p> <p>1.2.5. Define monitoring indicators and evaluation criteria</p> <p>1.2.6. Draft models of reports for monitoring activities</p>		<p><b>Technical assistance: EUR 300 000 (10% co-financing)</b>  IPA budget: EUR 270 000  National co-financing: EUR 30 000</p> <p><b>Supply: EUR 100 000 (15% co-financing)</b>  IPA budget: EUR 85 000  National co-financing: EUR 15 000</p>	<p>Civil, Commercial and Administrative Law to engage in the project</p>
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<p>1.2.7. Develop training activities</p> <p>1.2.8. Organize four in service trainings about new monitoring systems</p> <p>1.2.9. Train at least 10 employees</p> <p>2.1.1. Review legal and regulatory requirements for the Chamber of Bailiffs</p> <p>2.1.2. Determine roles and responsibilities of the Chamber of Bailiffs</p> <p>2.1.3. Analyze and recommend improvements for internal organisational set up of the Chamber of Bailiffs</p> <p>2.1.3. Draft annual work plan for the Chamber of Bailiffs</p> <p>2.2.1. Prepare comparative overview of Ethical Code for public Bailiffs</p> <p>2.2.2. Organize 2 round tables</p> <p>2.2.3. Prepare draft of Ethical Code</p> <p>2.3.1. Analyze relevant legal framework in relation to the roles and responsibilities of all the institutions in respect to the enforcement</p> <p>2.3.2. Prepare recommendations for coordination and communication mechanisms taken into account legal framework and monitoring responsibilities (result 1.2.)</p> <p>2.3.3. Prepare Training materials</p> <p>2.3.4. Organize at least 2 joint workshops for the employees of Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice</p> <p>2.3.5. Train at least 40 employees of the Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice (10 persons per institution)</p> <p>2.4.1. Prepare comparative overview of educational system of public bailiffs in EU member state</p> <p>2.4.2. Design comprehensive training strategy for Public Bailiffs</p> <p>2.4.3. Propose a possible structure of the</p>			
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<p>educational system</p> <p>2.4.4. Develop specific self sustainable training programme for continuous education (including training curricula)</p> <p>2.4.5. Develop training materials for ToT</p> <p>2.4.6. Organize 2 ToT workshops</p> <p>2.4.7. Train at least 10 trainers per workshop</p> <p>2.4.8. Draft annual training programme</p> <p>3.1.1. Analyze training needs of judges and public prosecutors</p> <p>3.1.2. Analyze training needs of court enforcement agents</p> <p>3.1.3. Prepare training curricula</p> <p>3.1.4. Prepare and organise at least 4 seminars</p> <p>3.1.5. Train at least 80 judges</p> <p>3.1.6. Train at least 80 public prosecutors</p> <p>3.1.7. Train at least 50 court enforcement agents</p> <p>4.1.1. Deliver analysis of business process and information necessary for sharing among the parties with recommendations of EU best practice</p> <p>4.1.2. Organize one round table</p> <p>4.1.3. Establish working group for drafting general information protocol (the business process)</p> <p>4.2.1. Conduct consultation with all relevant stakeholders</p> <p>4.2.2. Prepare at least 2 models for public awareness about the new system</p> <p>4.2.3. Design and print promotional leaflets about the new system for general public</p> <p>4.2.4. Organize at least 2 round tables with purpose to raise public awareness</p> <p>4.2.5. Design and print 500 booklets with main novelties of new enforcement system for general public</p> <p>4.3.1. Define materials for publishing on the</p>			
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<p>web page (English and Croatian)</p> <p>4.3.2. Define structure of the web page (Information and design)</p> <p>4.3.3. Implementation and testing of the delivered web page preformed</p> <p>4.3.4. Design monthly newsletters to be published on the web page</p> <p>4.3.5. Train 2 to 4 employees who will be responsible for administrating the web page</p> <p>5.1.1. Prepare comparative overview of at least two EU member states in relation to IT connectivity needed for efficient enforcement system (with recommendation of the best practice)</p> <p>5.1.2. Analyze IT interfacing of institutions (listed under result 4.1.) and propose the solution</p> <p>5.1.3. Prepare cost benefit analysis of such connectivity with data on return of investment (RoI)</p> <p>5.1.4. Prepare technical and functional specifications of specific software solution of such connectivity, with support to the defined bailiff business process</p> <p>6.1.1 Purchasing, installation and testing of necessary IT and Multimedia equipment</p>	<p>Technical Assistance</p> <p>Supply covenant</p>		
			<p><b>Preconditions:</b></p> <p>Successful continuation of the reform process</p> <p>Commitment of all involved (MoJ and the Directorate for Civil, Commercial and Administrative Law) to actively participate in the project</p> <p>Law on Public Bailiffs adopted in 4Q 2010</p> <p>New Enforcement Law adopted in 4Q 2010</p>

**ANNEX II: Amounts (in €) Contracted and disbursed by quarter for the project**

<b>Contracted</b>	2011		2012				2013				2014
	<b>III</b>	<b>IV</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>I</b>
Twining	1 200 000										
Technical Assistance		300 000									
Supply	100 000										
<b>Cumulated</b>	<b>1 300 000</b>	<b>1 600 000</b>									
<b>Disbursed</b>	2011		2012				2013				2014
	<b>III</b>	<b>IV</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>I</b>
Twining		480 000			300 000			300 000			120 000
Technical Assistance			120 000		150 000		30 000				
Supply		60 000		40 000							
<b>Cumulated</b>		<b>540 000</b>	<b>660 000</b>	<b>700 000</b>	<b>1 150 000</b>		<b>1 180 000</b>	<b>1 480 000</b>			<b>1 600 000</b>

### **ANNEX III: Institutional framework**

The project will be conducted by the **Directorate for Civil, Commercial and Administrative law, Ministry of Justice**. Other relevant stakeholders will be the Chamber of Bailiffs, Public Notaries Chamber and Bar Association.

It is expected that the project will be supported also by the Ministry of Finance - Tax Administration and other relevant Directorates of the Ministry of Finance, Croatian Chamber of Commerce, Ministry of Economy, Labour and Entrepreneurship, Ministry of Interior and FINA.

The enforcement procedure is initiated by the bailiff (exceptionally another body or a person in an official capacity or in the name of the bailiff) by submitting enforcement proposals. The proposal is submitted to the competent court or a public notary according bailiff choice, depending on the quality of the enforcement document.

The court determines the enforcement based on the enforcement document (which has been delivered in judicial or administrative proceedings with agreeing declaration of the parties to the public notary, or determined by law as a enforcement document), while the public bailiff determines the enforcement based on credible documents (receipts, cheques, bills of exchange, extracts from financial books etc).

The body which has produced the enforcement decision will deliver it to the parties. The bailiff and the enforcement debtor have the right to appeal on the enforcement decision within the law regulated period of eight days from the day of receipt. The appeal is submitted to the court which issued the enforcement decision. An appeal does not postpone the implementation of the enforcement decision.

Enforcement by notary publics was introduced in 2005 with aim to take off workload from the courts. That transfer of competence from the courts to the notary public has disburdened courts in cases whit the uncontested claims. Enforcement before the notary public is based on trustworthy documents (invoice, bill of exchange and check with a note of protestation, public document, copy and excerpt from business book, legally notarized private document and document which under special legal provision is equivalent to a public document) and it based on the fact that debtors do not dispute the claim. As previously stated, this means that introduction of notary public discharged courts from an important number of cases that did not in effect involve a dispute which means less civil cases. Above indicates that the conduct of notaries brought multiple benefits and that is reason to keep them in a new enforcement system.

Therefore, the role of notaries in the new enforcement system remains the same but with the small differences due to the necessary adjustments for the introduction of public bailiffs.

A substantiated complaint against the enforcement decision which has been issued by the public notary can be filed within eight days of receipt of the decision (concerning bill of exchange and cheque disputes the deadline is three days). The appeal is submitted to the public notary who has issued the enforcement decision. After the receipt of the appeal the public notary delivers the complete file to the competent court which will put the enforcement decision.

The complaint is submitted to a public notary who has made a decision on enforcement. After receiving complaints the public notary submits the entire document to the competent court which will put the decision on the enforcement, in the part in which the enforcement is determined, out of strength, and continue the process as the complaint (as in the complaint proceedings against the payment order) to resolve the merits of the dispute parties. If the enforcement debtor has not filed an appeal, a bailiff may seek involuntary realization out of courts or claim through the courts.

Subject of the enforcement are all of the debtor things and rights on which enforcement can be carried out. Subject of the enforcement can be any of the debtor's assets: wages, money in the accounts, real estate, movables, stocks, shares in companies, etc., except those assets that are legally exempt from enforcement. Bailiff may propose one or more items of enforcement immediately or later.

In the enforcement proceedings court costs are paid, the height of which is determined by the value of the claim that is forcibly realized. Costs of enforcement proceedings are previously carried by the bailiff, and finally they are settled by the enforcement debtor, together with the claims that are forcibly implemented in the enforcement proceedings.

The process of enforcement ends with a decision on the suspension or complete execution. If the enforcement debtor has no assets on which it could be implemented, the enforcement is suspended, and if the bailiff in enforcement proceedings fully realizes its claim, the enforcement is completed.

With the new Enforcement Law the enforcement system in the Republic of Croatia will be improved, and implementation of enforcement will be professionalized, sped up and simplified with the introduction of the new institute - public bailiff.

The enforcement process will be sped up and simplified, and interventions will be made in the institute of legal redress, delay of enforcement, complaints of third parties, enforcement of real estate property and movables, and the duty to provide data on the assets of the enforcement debtor.

Institute of Public bailiff includes free profession of experts with legal and subsequent specialist training and skills which act professionally and autonomously and will, in relation to the conduct of civil servants (court bailiff) in the judicial enforcement model, ensure faster and more efficient implementation of the enforcement.

#### **ANNEX IV: Reference to laws, regulations and strategic documents**

- Enforcement Law (OG 57/96)
- Law on Amendments to the Enforcement Act (OG 67/08)
- Law on Public Notaries (OG 78/93, 29/94, 16/07, 75/09)
- Civil Obligations Act (OG 35/05, 41/08)

#### Reference to Croatian strategic documents

- Judicial reform strategy and its action plan
- Strategic Study for enhancing Enforcement efficiency and creation of Public Enforcement Agents in 2009

#### Reference to AP/NPAA/EP/SAA

- Accession Partnership(2008/119/EC); under KEY PRIORITIES, Political Criteria, Democracy and the rule of law, judicial system
- National Programme for the Accession of the Republic of Croatia into the European Union (NPAAEU) – 2009, under I. Political criteria, 1.2. Democracy and the rule of law, 1.2.1. Judicial Reform, Key priorities
- Croatia 2009 Progress Report, under Chapter 23: Judiciary and fundamental rights

## **ANNEX V: Details per EU funded contract**

### *Twinning Contract*

#### **COMPONENT I – Strengthening of the existing Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) with respect to its legal and institutional set up, management, operational organisation and human resources**

Result 1.1. - Administrative capacities of the Department for **regulations for enforcement law** (within the Directorate for Civil Law) increased

Result 1.2. - Efficient monitoring system of the implementation of the Law on Enforcement determined

#### **COMPONENT II – Setting up of the Chamber of Bailiffs and increasing of its institutional and administrative capacities**

Result 2.1 – Legal and institutional set up of the Chamber of Bailiffs improved

Result 2.2 - Ethical codex for Public bailiffs prepared

Result 2.3. – Coordination and communication mechanisms between the Chamber of Bailiffs, Public Notaries Chamber, Bar Association and the Ministry of Justice determined

Result 2.4. – A specific self-sustainable training program for continuous education of public bailiffs prepared

#### **COMPONENT III – Training programmes for the judges in relation to the new Enforcement system developed and implemented**

Result 3.1. – Training of judges, public prosecutors and court enforcement agents in relation to new enforcement system developed and organized

#### **COMPONENT IV – Promotional visibility activities conducted and inter institutional cooperation strengthened**

Result 4.1. One general information flow protocol prepared - the protocol for exchange of the information set up between the Ministry of Justice, Ministry of Finance - Tax Administration, Chamber of Bailiffs, Chamber of Public notaries, Croatian chamber of commerce, Ministry of Economy, Labour and Entrepreneurship, other relevant Directorates of the Ministry of Finance, Ministry of Interior and FINA

Result 4.2. Promotional visibility activities conducted and visibility materials prepared and distributed

Result 4.3. Web page of the Chamber of Bailiffs set up

## **Profile of the Project Leader:**

### *Requirements:*

- University level education or equivalent professional experience of 15 years in Civil justice system
- 9 years of experience in the field of enforcement
- Working level of English language
- Computer literacy
- High – ranking official
- Proven contractual relation to public administration or mandated body, as defined under twinning manual 5.3.2.
- Experience in project management

### *Assets:*

- Experience in projects related to development of enforcement system

## **Tasks of the Project Leader:**

- Overall management and coordination of the project, in cooperation with RTA, RTA counterpart and BC PL
- Co-ordination of MS experts' work and availability
- Participation at the Steering Committee meetings
- Assuring compatibility with EU requirements
- Ensuring backstopping and financial management of the project in the MS
- Organization of study visits
- Project reporting

## **Profile of the Resident Twinning Adviser**

### *Requirements:*

- University level education or equivalent professional experience of 5 years in Civil justice system
- 8 years of experience in the field of enforcement
- Working level of English language
- Computer literacy
- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 5.3.2
- Experience in project management

### *Assets:*

- Experience in developing institutional and administrative capacities regarding enforcement system
- Experience in legislative and PR activities

## **Tasks of the Resident Twinning Adviser**

- Support and coordination of all activities in the BC
- Responsible for monitoring project implementation and proposing corrective management actions if required
- Provide technical advice and assist Croatian administration in the context of project work plan
- Responsible for organization of PIU and Steering Committee meetings,
- Networking with stakeholders of the project in Croatia and in MS
- Organization of visibility events (kick-off and final event)

Duration of RTA secondment will be 21 month.

### *Technical Assistance*

#### **Establishing IT functionalities of the Enforcement system**

##### **Result 5 - IT connectivity between relevant institutions of the new enforcement system determined and recommendations prepared**

###### **Team leader:**

- University degree;
- Excellent communication skills, with fluency in written and spoken English language, including excellent report-writing English language;
- Knowledge of Croatian language would be an advantage;
- Proven organisational and leadership/management skills, experience on this jobs has to be proven in the written form with the list of the jobs and projects in which he participated;
- Minimum of 5 years experience on project management;
- Computer literate.

### *Supply contract*

##### **Result 6: The Chamber of Bailiffs and the Department for regulations for enforcement law (within the Directorate for Civil, Commercial and Administrative Law) equipped with necessary IT and Multimedia equipment<sup>4</sup>**

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<sup>4</sup> The MoJ will remain the owner of the equipment and there will be an agreement with MoJ and Chamber of Bailiffs on the use of the equipment bought under IPA funds



## ANNEX VI

Indicative projection on needs for establishment of new enforcement system

<b>SERVER</b>	6.500 EUR	3	19.500 EUR
<b>DESKTOP PC (with monitor)</b>	850 EUR	8	6.800 EUR
<b>LASER PRINTER</b>	350 EUR	8	2.800 EUR
<b>COLOR LASER PRINTER</b>	600 EUR	2	1.200 EUR
<b>ALL IN ONE DEVICE (COPY, PRINT, SCAN)</b>	2.500 EUR	2	5.000 EUR
<b>PROJECTOR</b>	1.200 EUR	2	2.400 EUR
<b>PROJECTION SCREEN</b>	900 EUR	2	1.800 EUR
<b>SMART BOARD</b>	1.400 EUR	2	2.800 EUR
<b>MULTIFUNCIONAL FAX MACHINE</b>	290 EUR	2	580 EUR
<b>DESKTOP LICENSE WINDOWS 7 + OFFICE 2007</b>	600 EUR	5	3.000 EUR
<b>WINDOWS SERVER STANDARD 2008 (+5 CAL)</b>	800 EUR	3	2.400 EUR
<b>EXCHANGE SERVER STANDARD 2010 (+ 5 CAL)</b>	1.100 EUR	1	1.100 EUR
<b>ISA SERVER STANDARD 2010 (FrFrnt) 1Proc</b>	1.200 EUR	1	1.200 EUR
<b>RACK with components (UPS, 17" TFT, KVM console)</b>	6.000 EUR	1	6.000 EUR
<b>TOTAL</b>			<b>56.580 EUR</b>
			67.896,00 EUR