



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 05-Feb-2020 | Report No: PIDISDSA28430



BASIC INFORMATION

A. Basic Project Data

Country Azerbaijan	Project ID P172787	Project Name Additional Financing for Judicial Services & Smart Infrastructure Project	Parent Project ID (if any) P144700
Parent Project Name Judicial Services and Smart Infrastructure Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 03-Feb-2020	Estimated Board Date 26-Mar-2020
Practice Area (Lead) Governance	Financing Instrument Investment Project Financing	Borrower(s) Cabinet of Ministers, Republic of Azerbaijan	Implementing Agency Ministry of Justice

Proposed Development Objective(s) Parent

The objective of the project is to improve the access, transparency and efficiency of delivery of selected justice services.

Components

- A. Judicial Service Delivery Improvements
- B. Strengthening Institutional Capacity and Efficiency
- C. Expansion and Modernization of Justice Infrastructure
- D. Project Management and Coordination
- Contingency
- E. Piloting of Disruptive Technology (DT) for Justice Sector Performance and Service Delivery Improvements

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	70.00
Total Financing	70.00
of which IBRD/IDA	50.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Bank for Reconstruction and Development (IBRD)	50.00
Non-World Bank Group Financing	
Counterpart Funding	20.00
Borrower/Recipient	20.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

Azerbaijan began to modernize its judiciary in 2000, and through concerted efforts has achieved a robust approach for efficient justice service delivery to citizens and businesses. The objectives of the first decade of reforms (i.e. the 2000s) were to modernize the legal framework for the justice system; strengthen judges’ professionalism and ensure a transparent and merit-based recruitment; improve courts’ physical and technological infrastructure and improve access to justice. A portion of this phase was supported by the Judicial Modernization Project (JMP – P099201, 2006-2014), financed by the World Bank. As reform progressed, the focus shifted to modernize the way justice is delivered to citizens and businesses during the following decade, with support from the existing parent project¹.

Over the last decade, the Government of Azerbaijan (GOA), has overhauled the way justice is delivered to citizens and businesses in the country. Major increase in efficiency, accessibility, and transparency of justice service delivery, have been achieved through installation of E-courts, combined with policy changes and other smart infrastructure investments. The gains and innovative solutions enabled policy makers respond to rapidly increased demand for judicial services while easing access pressures. The productivity of judges working in e-courts improved, they are handling three times more cases as those working in traditional courts, a savings in time per case of about 2 months. In addition, court operations recorded savings of about 30 percent in maintenance costs and about 45 percent in technical personnel for each court complex. Changes in commercial dispute enforcement system such as online generation of summons to parties and financial incentives for the use

¹ The parent project finances state-of-the-art ‘smart infrastructure’, the design and implementation of e-court services, and innovative approaches to facilitate access for those in need (legal aid, alternative dispute resolution, gender barriers, juvenile justice) at an estimated cost of US\$200 million (IBRD financing: US\$100 million, GOA financing: US\$100 million).



of mediation services, placed Azerbaijan in the Top-20 improvers of the Doing Business 2020. **Azerbaijan's accomplishments are now being widely recognized as best practice, locally and internationally.** The Council of Europe's (CoE) Commission for the Efficiency of Justice (CEPEJ) awarded Azerbaijan the Crystal Scales of Justice 2017: "Court Pulse – The Management Revolution" for innovations in monitoring and evaluation of court performance. The ECA Regional Conference "Building Effective, Accountable and Inclusive Institutions" in Ankara, Turkey in June 2019 showcased Azerbaijan's E-Courts as a success story.

Still, for equal access to justice and service delivery to vulnerable groups as well as to facilitate private sector growth, more targeted attention is needed in economically lagging regions. Azerbaijan has a population of 9.6 million, of which about half reside in urban areas. With the exception of Absheron and Baku, which are predominantly urban, the remainder of the country is mainly rural. Poverty rates range from 16 percent in Baku to 33 percent in Ganja-Gazakh economic region. Because of the large share of the population in Aran, Baku, and Ganja-Gazakh, over 60 percent of the poor reside in these areas. Furthermore, 57 percent of the population is highly vulnerable to falling back into poverty should they suffer a shock. Scaling up activities under the proposed AF such as extending e-court and legal aid services, would address the regions (jurisdictions) of Ganja and Shirvan, housing the economic regions of Aran and Ganja-Gazakh, thus aiming to target the poor and vulnerable segments of the population. Consultations with judges and user groups indicate that more needs to be done to expand the coverage of E-courts to bring efficient service delivery to all parts of Azerbaijan. Furthermore, as per the NGOs and consultations, pilot legal aid services for the vulnerable need to be increased, especially in small towns and rural areas, where vulnerable groups generally lack resources for travel to major cities to seek pro bono assistance from the bar association.

Sectoral and Institutional Context

Azerbaijan has made laudable progress in delivering efficient and accessible judicial services to citizens and businesses, which now needs to be expanded to all parts of the country. The parent project finances state-of-the-art 'smart infrastructure', the design and implementation of e-court services has moved Azerbaijan's judiciary into the 21st century enabling stakeholders to respond to exponentially increasing demand for judicial services, and innovative approaches to facilitate access for those in need. Also thanks to changes in commercial dispute enforcement system such as online generation of summons to parties and financial incentives for the use of mediation services Azerbaijan is now listed among the Top-20 improvers of the Doing Business 2020². At the institutional level, stakeholders observe speedier court processes and enforcement arrangements, more effective use of resources resulting in budget savings, rationalized workload of judges, dignified work spaces for judges and staff, and increased staff productivity. In addition, better availability of information to citizens, business is being recognized.

The proposed project (Additional Financing to the seeks to build on the successes achieved and innovations promoted with the parent project and advance the implementation of the Presidential Decrees on "Establishment of the Electronic Court Information System", dated February 13, 2014, and on "Deepening

² See Doing Business 2020: Sustaining the Pace of Reforms. World Bank, October 24, 2019. Last accessed on December 9, 2019 at: <https://www.doingbusiness.org/en/reforms/top-20-reformers-in-db2020>. [This improvement](#) follows a significant jump in ranking from 57th to 25th in the previous reporting period (Doing Business 2019) which listed Azerbaijan among the top 10 economies with the most notable improvement.



Reforms in the Judicial-Legal System”, dated April 3, 2019, as well as the State Program on the Development of Justice in Azerbaijan 2019-2023. The proposed AF will scale up successful activities under the parent project related to the E-courts and ICT modernization; and support new activities related to the deployment of disruptive technologies on a pilot basis, for enhanced justice service delivery to citizens. In turn, these activities are expected to enhance the achievement of the Project Development Objective (PDO) that is **“to improve the access, transparency and efficiency of delivery of selected justice services”** which remains the same as for the parent project. This goal is expected to be achieved by extending the efficiency and accessibility gains of the E-courts of the parent project to two additional regions, Ganja and Shirvan (See Figure 1 ahead), which are currently not covered by the parent project and will in turn ensure E-court services in all six regions of Azerbaijan.³ The AF will continue the support for the legal aid program for vulnerable groups such as women in small towns and rural areas. In addition, the AF will further upgrade the ICT infrastructure and human resource capabilities to keep pace with institutional transformation in the justice sector and develop the governance guidelines for and pilot the use of disruptive technologies like Artificial Intelligence (AI) and Business Intelligence (BI) tools for improved policy decision making and justice service delivery to citizens, with utmost attention to international data privacy standards.

The proposed AF, without changing the PDO, will introduce changes to the parent project to adjust the project implementation timeline and update the economic, financial and technical analysis and results framework to fully reflect the impact of the scaled-up and new activities. As noted above, the PDO remains the same. However, new activities have been added to expand the scope of the existing parent project components 1, 2 and 4 and a new component will be added. The Economic and Technical Analysis and Results Framework (RF) are being updated to reflect the proposed scaled-up and new activities to be financed by the AF. Implementation arrangements, including Financial Management (FM) and procurement arrangements, and Environmental and Social Safeguards will remain the same. As with the parent project, the AF will be implemented by the project team assigned by the Ministry of Justice (MOJ). The parent project’s closing date (IBRD Loan No 8407-AZ) will be extended from June 30, 2020 to June 30, 2021, to allow for full utilization of the remaining funds⁴ and operationalization of the court complex in Sumgayit and the Data Centers. During preparation of the AF the team will work with the counterparts to see whether this date can be brought forward to December 31, 2020.

C. Proposed Development Objective(s)

Original PDO

The objective of the project is to improve the access, transparency and efficiency of delivery of selected justice services.

Current PDO

No change is introduced in the PDO

Key Results

³ The parent project, under Phase I, supports E-Courts in Baku, Sumgayit, Sheki and Nakhchivan jurisdictions. While the AF, under Phase II, will make e-court services for equal access to justice available to all six regions of Azerbaijan.

⁴ The existing IBRD loan has disbursed 96 percent as of December 31, 2019.



Key results under the project include targets towards improving the access, transparency and efficiency of delivery of selected justice services: These will be measured by:

- Users expressing satisfaction with access, transparency and efficiency of selected justice services;
- Increased access to services by different groups of users across all six court jurisdictions;
- Increased transparency of sector budget and performance informational available on all six court jurisdictions;
- Increased efficiency of service delivery.

D. Project Description

The Project will consist of four components:

Component A: Judicial service delivery improvements;

Component B: Strengthening institutional capacity and efficiency;

Component C: Expansion and modernization of justice infrastructure;

Component D: Project management and coordination;

Component E: Piloting of disruptive technology (DT) for justice sector performance and service delivery improvements.

Component A: Judicial service delivery improvements. The component will (i) further expand the provision of electronic access to selected justice services by rolling out selected justice e-services (e-Courts) to two additional regions (see Figure 1 below), and (ii) support access to justice measures for equal access to women, small businesses and other vulnerable groups, through the provision of goods, consultants' services, and training and the carrying out of rehabilitation works.

Component B: Strengthening Institutional Capacity and Efficiency. This component will further strengthen information management and operational capacity of justice sector entities to support the provision of selected justice services and strengthen the professional capacity of judges and staff and other justice sector stakeholders and entities to promote reforms, all through the provision of goods, consultants' services and training, and the carrying out of minor rehabilitation works. This support would be informed by lessons learned under the parent project, to help consolidate ICT systems and promote new ones, and expand ongoing skills building efforts for justice sector officials and stakeholders.

Component D: Project management and coordination. The component funds the PIU, including local and international experts, for the completion of parent project tasks and implementation of the AF activities. This includes (a) support for capacity building for service delivery in justice agencies, courts, stakeholder entities and PIU: experts, trainings, technical visits, studies, and international conferences; (b) Incremental operating costs; (c) the Project Audit for the parent project and the AF; and (d) Preparation of the Implementation Completion and Results (ICR) report. It also supports project dissemination, user surveys and outreach to stakeholders, including the private sector, citizen groups, and justice sector entities.

Component E: Piloting of Disruptive Technology (DT) for Justice Sector Performance and Service Delivery Improvements. The component will pilot deployment of DT for improved performance management and justice service delivery to citizens, in line with best international practices of data privacy rules and standards, through the provision of goods, consultants' services and training. The AF will leverage the state-of-the-art data centers and other ICT capabilities of the justice sector that have been



supported under the parent project to promote AI and BI for quality policy decision making and efficient service provision.

The project has been assigned World Bank environmental category B, since it involves only moderate environmental impacts that can be managed during implementation of the project. This Environmental and Social Management Plan (ESMP) provides mitigation plans and monitoring plans to ensure appropriate attention to environmental and social safeguards issues and tracking progress or problems in their management.

E. Implementation

The project will be implemented by the Ministry of Justice Project Implementation Unit, whose record and capacity for environmental and social management have been assessed as Satisfactory. There is a dedicated environmental and social safeguard specialist in the PIU who has been responsible for the routine social and environmental management of the project. A qualified safeguards specialist will be maintained throughout the implementation of the AF.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented country-wide. Under the parent project construction and rehabilitation activities were conducted in Baku, Sumgayit, Sheki, Absheron, Massali, Gusar, Zardab, and Yevlakh. The Additional Financing intends to expand the project coverage to additional regions, tentatively selected as Gandja and Shirvan. The final list of locations will be confirmed during implementation. The Additional Financing does not intend to support new construction. Rehabilitation activities of existing court buildings will be undertaken. These are expected to be located in the center or outskirts of regional town centers.

G. Environmental and Social Safeguards Specialists on the Team

Gulana Enar Hajiyeva, Environmental Specialist
Sophia V. Georgieva, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	



Performance Standards for Private Sector Activities OP/BP 4.03	No
Natural Habitats OP/BP 4.04	No
Forests OP/BP 4.36	No
Pest Management OP 4.09	No
Physical Cultural Resources OP/BP 4.11	Yes
Indigenous Peoples OP/BP 4.10	No
Involuntary Resettlement OP/BP 4.12	Yes
Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The negative environmental impacts which might be caused by the project activities are not considered to be significant or irreversible, are of temporary nature and mainly associated with the construction and rehabilitation of courthouse facilities. The parent project has financed new construction in five locations, and rehabilitation of existing buildings. The Additional Financing will not involve new construction, but rehabilitation of existing justice buildings will be undertaken. Environmental impacts may include generation of excessive dust, solid waste and waste water as well as noise and vibration. If not properly managed, these impacts may cause contamination of soil and surface water, affect air quality and have an impact on human health. These anticipated impacts are expected to be small-scale and manageable given the proposed activities under the AF. They will be avoided, minimized or mitigated by the implementation of the preventive, restorative and mitigation measures envisaged by the project Environmental and Social Management Plan (ESMP). Those measures will be detailed in site-specific ESMP Checklists to be prepared for each project site at the design stage and included in the Bidding documents and respective construction contracts. The ESMP includes proactive measures to carry out preliminary surveys/assessments of relevant sites prior to beginning works, to determine if there are historically valuable assets or artifacts which require protection. The ESMP also incorporates the procedures to be followed by the contractor and client in case of chance finds at project sites. There are no cases involving renovation of known historical buildings.

The project triggers the World Bank’s Involuntary Resettlement Policy (OP 4.12) on a precautionary basis. None of the new construction or other activities under the parent project necessitated land acquisition or resettlement impacts. This risk is further minimized as the Additional Financing will not involve new construction. A Resettlement Policy Framework (RPF) was prepared for the parent project and updated to cover activities under the AF. It describes potential project impacts and sets out policies and procedures that will apply to the project. It provides compensation principles and eligibility criteria which are in line with World Bank social safeguards policies. A robust social screening



process will ensure identification of and attention to any project affected persons (PAPs) at project sites. In cases of identified impacts, a Resettlement Action Plan (RAP) will be prepared in line with the RPF provisions. The RAP will mitigate impacts and losses. Wherever land acquisition impacts are identified, a site-specific RAP will be developed in consultation with affected persons and the draft will be submitted to the World Bank for prior review. The RAP will provide a detailed inventory of project impacts, compensation and rehabilitation packages for eligible categories of PAPs and grievance redress mechanisms in line with the provisions of the RPF and OP 4.12. All actions and compensations specified in any RAP will be completed before commencement of any civil works.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The long-term environmental and social impacts are expected to be positive as the project sites will be generally improved and better managed in future. The indirect impacts are also expected to be positive as the buildings will be operated in an environmentally sustainable manner (efficient heating system, paper recycling etc.). The construction and rehabilitation of court and justice buildings are implemented with higher accessibility standards, such as inclusion of ramps, elevators, and are thus expected to improve the overall accessibility and inclusiveness of existing infrastructure.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. The project sites have been chosen based on the need for improved access to justice and improved provision of judicial services. Alternatives would have been considered if any environmental or social risks had been identified for certain sites. This was not the case. Detailed assessment of each site should be carried out at the design stage as part of the site-specific EMPs (Checklists) and social screening in accordance with the RPF.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The Environmental and Social Management Plan and Resettlement Policy Framework were prepared by the MoJ Project Implementation Unit (PIU) for the parent project. These have been updated to also cover activities under the AF, and have been re-disclosed in country on January 31, 2020 and sent for disclosure by the World Bank on February 1, 2020.

All the site-specific ESMPs to be prepared further during the project implementation, and any site-specific Resettlement Actions Plans (RAPs) deemed necessary following social screening, will undergo the similar disclosure process. The implementing agency has demonstrated its commitment and capacity to deal effectively with the environmental and social aspects under the on-going project. The PIU maintains a qualified safeguards specialist who carries out regular environmental and social monitoring and coordination of environmental and social matters with designers, technical experts and contractors, and for provides inputs to the regular (quarterly) reports to the world Bank. Similar arrangements will be maintained for the new project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The project stakeholders include the staff of the court houses to be constructed as well as the population which will enjoy better quality services at the new courts. Under the ongoing project there have not been persons affected by resettlement impacts; consultations have been held with the communities and neighboring population at each construction site. The project has also established a grievance mechanism which is publicized at each project site to address ongoing feedback. Additionally, the implementing agency has held discussions with judges, support staff and bailiffs in Baku and other regional locations, with community associations and NGOs. Site-specific ESMPs were duly disclosed at the project sites. Similar disclosure procedure are envisaged for all the other site-specific ESMPs, and any



necessary RAPs, to be prepared later in the course of project implementation. The project envisions a multi-stakeholder survey at mid-term and end stage; similar survey was already conducted twice under the parent project.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank

Date of submission for disclosure

For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors

"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank

Date of submission for disclosure

"In country" Disclosure

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)



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APPROVAL

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