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WORLD BANK GROUP
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CASE STUDY FROM THE GLOBAL REPORT

Automating Processing of Uncontested Civil Cases to Reduce Court Backlogs in Azerbaijan



CASE STUDY 14

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Overview

In 2016, courts in Azerbaijan were becoming clogged with relatively simple civil cases, such as claims against citizens that had failed to pay their phone bills. Judges had to spend inordinate amounts of time on these cases, and backlogs continued to build. The judiciary turned to Slovenia, which had faced a similar problem a few years earlier, for help. In June 2017, Azerbaijan's busiest court began piloting an automated system for dealing with the cases, partnering with several banks and a mobile phone operator. Citizens still had the right to contest cases, but fast-tracking uncontested cases through the automated system freed up judges' time to focus on litigating more complex and demanding cases.



AZERBAIJAN

POPULATION (July 2017 est.)¹

9.961 million

GDP PER CAPITA (current US\$)²

3,878.70

INCOME GROUP³

Upper middle income

GOVERNMENT EFFECTIVENESS⁴

49.0%

¹CIA World Factbook, ²World Bank (2016),
³World Bank (2016), ⁴World Bank (2016)

Introduction

Between 2012 and 2015, economic troubles in Azerbaijan saw many citizens failing to pay their bills. Creditors, such as utility companies, would often file dozens of cases against defaulting customers at a time, and judges then had to spend time manually processing these small and simple suits instead of working on litigate cases. The number of incoming “order proceeding cases” (uncontested civil cases such as claims filed by phone or utility companies against defaulting customers) increased rapidly from 20,964 in 2010 to 165,343 in 2015, making up about half of the total of all incoming cases.

The cases clogged Azerbaijan’s courts, causing delays across the whole judicial system. According to Khayyam Bayramov, IT project manager at the Ministry of Justice, it took three days or longer to process each order proceeding case, even though they were uncontested. Filing each case was also a time-consuming process for businesses; bulk filing of the cases was not possible given Azerbaijan’s legislative framework at the time.

As the cases kept flooding in, judges’ workloads increased dramatically. “From 2010 to 2016 the workloads of the judges increased by 12 times due to these types of cases,” Bayramov said. Judges struggled to cope with the unmanageable increase in their workload and began demanding that the judiciary take action to deal with the crisis.

Response

To address the situation, the judiciary had to cope with internal pressures from overworked judges, as well as external pressure from the companies filing the cases, while respecting citizens’ rights to fair and transparent hearings. The judiciary wanted to increase the speed and efficiency of dealing with order proceeding cases by enabling bulk electronic submission of claims by large commercial filers such as mobile phone operators, banks, and retailers; automating the processing and submission of cases to judges; generating electronically signed judicial orders the same day the petitions were filed; and enabling parties and citizens to track the process and interact with the court online.

While the crisis affected courts nationwide, the situation was particularly difficult in the country’s busiest court in Baku, Azerbaijan’s capital city. The judiciary chose that court, Baku Yasamal District Court, to pilot the reforms. Fortunately, the judiciary already had a strong Integrated Case Management System that served as a base for the new process.

Learning from peers

The judiciary in Azerbaijan turned to Slovenia, which had had success solving similar problems a few years earlier. “We did not want to waste any time, and because [the Slovenians] had already solved similar problems, we just customized their solution to our needs,” said Ramin Gurbanov, a judge on the Baku Yasamal District court who led the reform, which was dubbed the “Silk Way” project.

The World Bank, which is financing the Judicial Services and Smart Infrastructure Project in Azerbaijan, a project that aims to strengthen and modernize Azerbaijan’s judiciary, helped foster collaboration between the Slovenian and Azerbaijan judiciaries by bringing Rado Brezovar, senior advisor to the chief justice of Slovenia, to Azerbaijan. Brezovar was familiar with the situation in Azerbaijan owing to his work with the European Commission for the Efficiency of Justice, part of the Council of Europe, an international organization promoting human rights and the rule of law. Gurbanov is Vice President of that commission.

Amitabha Mukherjee, who led the World Bank project, said Slovenia was the logical country to learn from. “Both Azerbaijan and Slovenia were members of the Council of Europe, and they both had civil law systems,” he said. “Slovenia had long been recognized as one of the leaders in judicial automation, innovation, and efficiency in Europe.”

Slovenia had faced a similar crisis to Azerbaijan in 2007, and over several years had developed and adapted its system to solve the problems. “In Slovenia, we had started a similar initiative in 2007 to concentrate and centralize the process for these cases,” said Brezovar. “Now, instead of 44 courts across Slovenia processing these cases, all of the cases are concentrated in a dedicated department in one court... 99% of the cases are electronically filed, mostly in bulk.”²⁷

Gurbanov and his colleagues discussed with Brezovar the steps Azerbaijan could take to implement a solution. “We discussed the concept of how to concentrate the process... and also how to engage court staffers to take part in the process,” said Brezovar. “We discussed how to change legislation to implement such a concept, how to make changes in the case management system in order to enable electronic filing, either in bulk or individually, and how to reorganize the process to make it more efficient.”

Piloting the approach

To pilot the new system, the judiciary had to introduce a new system to electronically process the cases, and then convince the companies filing the claims to adopt the new system. Judges also had to work with the government to pass legislation allowing the pilot reform to proceed.

Gurbanov, Brezovar, and others held discussions with banks, utilities, mobile phone providers, and other companies to explain the new approach and encourage them to consider participating in the pilot project. The reformers targeted companies that were filing hundreds or thousands of cases each year, making them major contributors to the backlog of cases in the courts. “Some of the companies were very receptive, while others had higher priorities at the time,” said Brezovar. While the new process could present cost savings for the companies, for example, by not having to engage lawyers in the filing process, some of the companies were working on other projects at the time and did not have the manpower to adapt their systems to the proposed new processing.

After lengthy discussions, five companies signed on for the pilot project, including four banks: Rabita Bank, Kapital Bank, Unibank, and Bank of Baku, as well as AzerCell, a mobile communications company. The pilot provided significant benefits for the companies involved, including time and cost savings on submitting the cases, and allowing them to track the status of cases electronically.

The Baku Yasamal district court adapted its systems to accept cases in bulk and automatically process them. The system was designed to validate data submitted by the companies, electronically notify the creditor of

the case being processed, and automatically mail an electronically signed order to the debtor. Crucially, defendants’ rights remained protected: if the defendant objected to a summary order in favor of a commercial creditor, the debtor could file an electronic objection. In such cases, the system automatically designated the case a ‘contested case’ and listed it for a hearing as with any other civil case.

With the five pilot companies in place, and the Yasamal court set up to fast track incoming cases, the Silk Way project went live in June 2017. The project introduced standardized forms for cases, and the digitized process significantly reduced the time it took to process cases while also eliminating the possibility of human error. According to Bayramov, uncontested cases were processed in one day or less by the automated system. The time savings allowed judges to focus on cases that were more demanding of their skills.

Reflections

By the end of May 2018, more than 16,000 cases had been processed using the new system. In late 2017 two new companies, Pasha Bank and Azer-Turk Bank, joined the original pilot participants, and in early 2018 the International Bank of Azerbaijan signed on, meaning eight companies were participating in the Silk Way project by mid-2018. The fast-track system benefited the seven banks and Azercell, the mobile phone operator, because the companies could save time by filing cases electronically in bulk. The system’s automatic processing of uncontested cases helped relieve judges’ workloads. “With those cases taken care of, judges can now focus on litigating more complex and demanding cases,” said Gurbanov.

Brezovar said that, while judges in Slovenia had initially been hesitant to embrace a new way of doing things, judges in Azerbaijan had been extremely cooperative because they could see the benefits the new system would bring. “Judges really supported this, because they realized it would relieve their workload,” he said. “They then have much more time to focus on adjudication instead of simple cases.”

The pilot project indicated that in the future,

Azerbaijan could scale up the system to relieve judges across the country of working on minor uncontested civil cases, potentially reducing backlogs and delays and improving the efficiency of the judiciary as a whole. “The final goal of this reform is to implement the system countrywide by centralizing the jurisdiction for these types of cases,” said Gurbanov. “But to ensure the operation of a centralized approach

it is necessary to [first] roll out the e-court system in all courts of Azerbaijan.” After the country’s courts have eliminated paper and switched to electronic systems, and necessary legislative changes have been made, the country could eventually expand the pilot nationwide, increasing the speed and efficiency of judicial processes for judges, companies, and citizens alike.

Success Drivers

Azerbaijan’s “Silk Way” initiative to fast-track uncontested civil court cases reflects **three** of the five key dimensions for successful public sector innovation.

Political leadership from the judiciary ensured that the reform had the necessary support for its successful implementation. Facing pressure from overworked judges and businesses that wanted to streamline processes, leaders from the judiciary set up the pilot initiative, negotiated political support to get the legal backing to launch the pilot, and maintained commitment through its execution. Because of the time savings the initiative created, judges in Azerbaijan enthusiastically supported the process.

The judiciary in Azerbaijan built **institutional capacity** by learning from the Slovenian judiciary. This peer-to-peer learning, facilitated by the World Bank, helped the judiciary to quickly build the new automated system and train officials to use it.

Technology formed the basis for the new system, using automatic processing of uncontested cases. Since this was shown to be viable in the Baku Yasamal district court, courts across the country are working to replace paper procedures with electronic ones so that the pilot project can expand nationwide.