



RECOVERY AND RESILIENCE SCOREBOARD

NEXT
GEN
EU

Thematic analysis

Rule of law

Judicial systems

April 2022



This paper is part of a series of thematic analyses undertaken by the European Commission to illustrate the impact of the Recovery and Resilience Facility (RRF). The RRF is the European Union's largest ever funding instrument and is intended to support European economies and societies to recover from the Covid-19 pandemic and build resilience against future shocks. EU Member States commit to implement ambitious reforms and investments and receive funds from the RRF when they achieve these commitments.

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Policy Overview

The rule of law is one of the European Union's founding values and is indispensable for a market economy. By ensuring the provision of security for persons, the protection of property against the arbitrary exercise of power, checks on government by independent institutions, and checks on corruption and private capture (a form of corruption in which authorities are co-opted to prioritise the interests of private financial actors over the interests of the general public), the rule of law also fosters economic performance. While this thematic analysis only considers measures which strengthen the rule of law by increasing the efficiency, quality or independence of the judicial system, other measures which have to do with the rule of law and are related to anti-corruption or checks on government, are covered throughout the recovery and resilience plans and addressed in other thematic analyses.

The rule of law is enshrined in the European Union's Treaties. Article 2 of the Treaty on European Union (TEU) states that the "Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights." The case-law of the Court of Justice of the European Union (CJEU) on the rule of law and judicial independence provides a clear set of legal requirements which Member States have to follow in their rule of law-related reforms. Respect for the rule of law entails compliance with EU law and the principle of primacy of EU law, which is the foundation of the EU. Article 7 TEU lays out the procedures to follow if a Member State fails to adhere to the principles of Article 2 TEU. The Commission has a number of further tools at its disposal to ensure the respect of the rule of law in all Member States. The Rule of Law Framework set out in 2014 aims to address systemic threats to the rule of law in Member States. Its objective is to prevent, through dialogue, emerging threats to the rule of law to escalate to the point where the Commission has to trigger the mechanisms of Article 7 TEU.

The enforcement of rules is necessary for the protection of companies and citizens' rights and for the efficient functioning of the market. Where judicial systems guarantee the enforcement of rights, creditors are more likely to lend, businesses are dissuaded from opportunistic behaviour, transaction costs are reduced and innovative businesses are more likely to invest.

Checks and balances are key for economic policymaking. Rule of law related deficiencies can impact the economy because effective judicial systems and robust anti-corruption frameworks are crucial for a well-functioning business environment and sound public finances. Well-performing public institutions contribute to higher growth and are a precondition for the successful delivery of other reforms. The lack of independence of economic institutions like central banks, courts of auditors, or independent fiscal authorities can lead to spurious policies with dire consequences or induce systemic risk (e.g. hindering the effective supervision of credit institutions).

Authorities must be accountable and take legally sound decisions. The independence of the judiciary and of the prosecution service is instrumental in preventing corruption, fraud and conflicts of interest. The rule of law is essential to preserve and put in place the incentives to work, invest, and innovate, which are required for an economy to thrive.

NextGenerationEU is a plan to stimulate the economy and support the recovery after the pandemic. The Recovery and Resilience Facility (RRF) is its centrepiece and offers EUR 724 billion in financial support to Member States. The rule of law is paramount to ensure that the funds are allocated according to objective criteria and used effectively and efficiently.

In 2019, the Commission put forward concrete actions to strengthen the Union's capacity to promote and uphold the rule of law by establishing the Rule of Law Mechanism, which provides a process for an annual dialogue with Member States. This mechanism is centred around the annual Rule of Law Report which monitors significant developments in the justice system, the anti-corruption framework, media pluralism and other

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institutional issues related to checks and balances. The Rule of Law Report is designed as a yearly cycle to promote the rule of law, to prevent problems from emerging or deepening, and to address them, looking at all Member States equally. It serves as basis for dialogue at both European and national level, and as a basis for bilateral engagement with Member States. As announced in the 2021 State of the Union address by President von der Leyen, as of 2022, the Rule of Law Reports will include concrete recommendations to Member States.

Since 2021, a general regime of conditionality protects the Union budget from breaches of the rule of law. Under Regulation 2020/2092, the Commission may propose to the Council to adopt measures if such breaches affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way. The RRF must also be implemented in accordance with the general regime of conditionality.

Rule of law in the recovery and resilience plans

Overview of the plans

13 RRP include 66 measures to strengthen the rule of law by increasing the efficiency, quality or independence of the judicial system for a total of EUR 3,3 billion.

A third of these measures and almost half of these measures' total expenditure are related to **the digital transformation** (BE, CY, CZ, EL, HR, IT, MT, RO, SK, SI, PT). Ten measures aim to enhance the **independence of justice systems** (CZ, MT, RO, SK). Ten measures relate to the **improvement of judicial infrastructure** (EL, CY, HR, RO, SK, IT). Five measures focus on **reducing the length of proceedings** (CY, IT, ES, PT). Another five measures allocate resources to **training**, three measures encourage more **hiring** in the judicial system (IT, MT), and three measures are committed to **reorganising the judicial map** by reorganizing the territorial location of courts (EL, ES, SK).

12 of the measures that fall under the scope of the rule of law are also related to anti-corruption and anti-money laundering and are therefore developed in the anti-corruption thematic analysis.

Investments under the RRP¹

The investments found in the RRP related to the rule of law are worth EUR 3,176 billion. EUR 2,310 billion of the total expenditure in this area is allocated to the hiring of human capital to strengthen judicial offices.

Improving judicial infrastructure. Investments to construct and renovate buildings that are part of the judicial system aim to modernise physical infrastructure and ensure adequate working conditions (CY, EL, HR, RO, SK, IT). In the Greek and Slovak plans, reforms to the judicial map, which aim to reorganise the territorial location of courts, explain the need for investments related to judicial infrastructure.

Training judicial system employees. Some plans include investments to train judges, court staff, prosecutors, assistant prosecutors or specialised investigators with a view to improving their qualifications (CY, LV).

Reforms under the RRP

30 reforms worth EUR 112.5 million aim to improve the rule of law and the effectiveness of judicial systems.

¹ Measures to improve the level of digitalisation in judicial systems are detailed in the thematic analysis on digital public services.

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Independence of judicial systems. Reforms aim to bolster the independence of judicial systems by separating the prosecution service from the investigative branch, encouraging the independence of magistrates, strengthening the legislative framework and transparency in the areas of courts, judges, prosecutors and bailiffs or strengthening judicial integrity and independence by making legislative changes (CZ, MT, RO, SK).

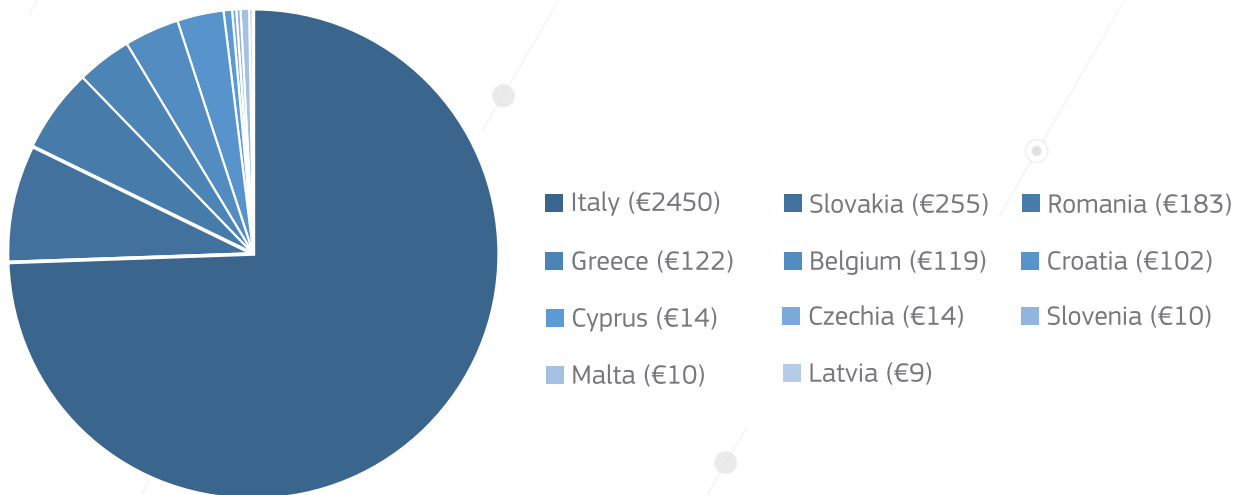
Reducing the length of proceedings. Some plans contain reforms to reduce the high backlog of cases pending before the courts to increase the overall efficiency and quality of the justice system (CY, HR, ES, IT, PT).

Reorganising the judicial map. Some plans contain reforms to reorganise the territorial location of courts to enhance the specialisation of judges, maximise judicial efficiency and avoid unnecessary effort and expenses or introduce more organisational efficiency of the justice system, to amend the organisation of the judicial map (SK, EL, ES).

Training civil servants. Reforms to train officials in the judicial system on insolvency proceedings, in the field of public procurement, on the general principles of court administration or to better fight fraud or corruption can be found in six plans (EL, IT, HR, MT, RO, SK, SI).

Rule of law

Expenditure in EUR millions per Member State



Note: This chart shows estimated expenditure based on the pillar tagging methodology for the Recovery and Resilience Scoreboard and corresponds to the measures allocated to the policy areas "Effectiveness of Judicial systems" and "Rule of Law Reforms" as primary or secondary policy areas.

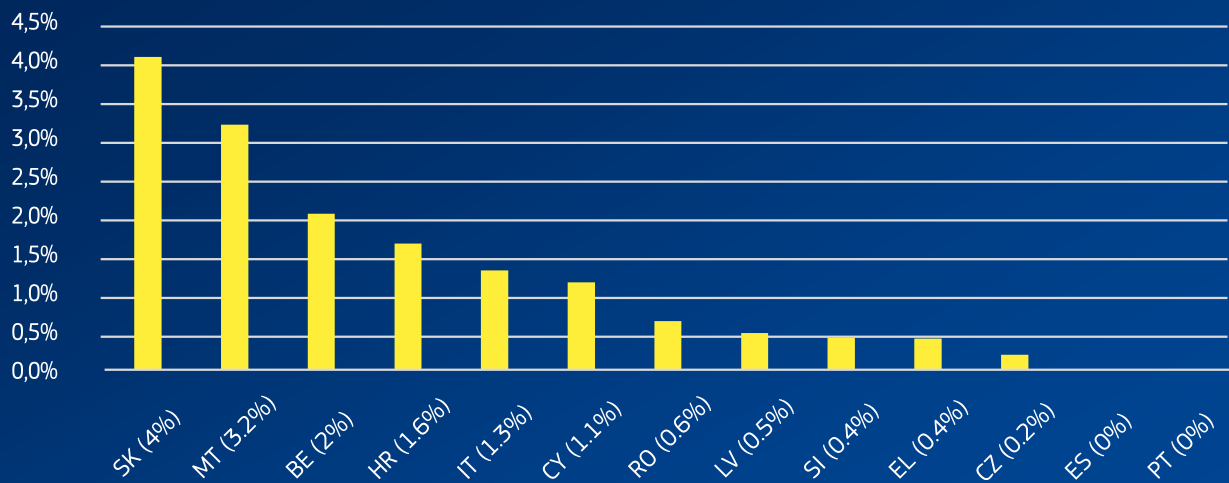
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Share of rule of law expenditure

% of total allocation per Member State



Examples of measures

Reorganising the judicial map



The Greek plan contains an investment to enhance the effectiveness and efficiency of the Greek justice system. This investment aims to do so by introducing a revision of the location of courts in the country. This will result in a rational reorganisation of judicial districts across Greece and the establishment, abolition or redistribution of judicial structures in these districts, based on objective criteria and on the extensive collection of data pertaining to all courts across the country.



The Spanish plan aims to modernise the justice system. To this end, the entry into force of a law on the organisational efficiency of the justice system will amend the organisation of the judicial map. This measure will replace the high number of unipersonal first-instance courts by 431 collegial bodies.



The Slovak plan will streamline the court system to promote the specialisation of judges. This will create scope for better and faster court decisions. A related investment will expand, upgrade, build or procure new suitable premises for key courts in the new judicial map. Additionally, the plan contains an investment in digital infrastructure for courts.

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Independence of judicial systems



Malta's plan contains measures to bolster the independence of the judicial system. Numerous reforms aim to combat weaknesses with respect to the independence of the judiciary, the lack of a separate prosecution service from the investigative branch and the challenges linked to the effective detection and prosecution of corruption. To name a few examples, the plan contains measures to reform the method of appointment and dismissal of the judiciary, create a separate prosecution service and reform the Permanent Commission Against Corruption (PCAC).



The Romanian plan envisages the entry into force of the Justice Laws as the main lever to improve the independence and effectiveness of the judicial system. The Justice Laws regulate the organisation of the judicial system and the role of the Supreme Council of the Judiciary, and the way judges and prosecutors operate. In particular, they provide for a meritocratic selection and admission of magistrates and prosecutors, as well as their career advancement.



The Slovak plan aims to bolster the independence of the judicial system. Indeed, the plan contains a reform which entails a package of legislative changes aimed at improving judicial integrity and independence and fighting corruption and money laundering more effectively.

Reducing the backlog of cases pending before the court



Croatia's plan contains a reform to establish a legal, organisational and technological framework that will contribute to reducing backlogs and shortening court proceedings. This framework will focus on encouraging the transparent and efficient administration of the justice system. This reform's goal is to increase citizens' trust in the justice system.



Italy's plan includes various measures to reduce the backlog of cases for Civil Ordinary Courts, Administrative Regional Courts and the Council of State. These measures, coupled with reforms of civil and criminal procedures, aim to make the judicial system more efficient by reducing the length of proceedings and bringing Italy closer to the EU median in terms of duration of proceedings.



Portugal's plan includes an investment aimed at developing and implementing digital platforms for the justice system to tackle case backlogs. This measure is coupled with a reform that aims at setting up a legal framework for promoting in and out-of-court settlements and reviewing the insolvency framework among other things. This will contribute to reduce the backlog of pending cases.

Improving the quality of judicial systems by training employees



The Cypriot plan includes an investment to train judges. These trainings will focus on various legal topics and judicial skills to address the low level of training and lifelong learning for judges.



The Latvian plan contains an investment to establish a single training centre. This centre will develop the qualifications of judges, court staff, prosecutors, assistant prosecutors and specialised investigators.

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The Croatian plan lays out a reform for the continuous provision of public procurement training. This reform will contribute to the enhanced prevention of corruption and the improvement of the capacity and efficiency of the Croatian public administration.

Country overview

The figures provided in the Country Overview are based on the pillar tagging methodology for the Recovery and Resilience Scoreboard and correspond to the measures allocated to the policy areas. “Effectiveness of Judicial systems” and “Rule of Law Reforms” as primary or secondary policy areas. 13 out of 22 recovery and resilience plans approved by the Council by March 2022 include measures in these policy areas. For all Member States, the listed relevant components are based on the Council Implementing Decision.



Belgium

Allocation: EUR 119 million. Relevant component 2.1, 2.2.

The Belgian plan is expected to strengthen the overall cyber resilience and cyber crisis preparedness of Belgian society. This will contribute to improving the quality of the justice system by reinforcing the judicial police’s interception capabilities of private communications in a 5G context for example. This plan also aims to increase the overall level of digitalisation of the Belgian judicial system and to respond to the technical and technological challenges faced by the Federal Judicial Police in increasingly complex operations.

implement energy efficiency measures, and finally, further update and consolidate existing applications to the State Cloud (Shared Service Centre) and further develop the information systems infrastructure in the judiciary.

The plan also introduces a reform for the continuous provision of public procurement training. This reform will contribute to the enhanced prevention of corruption and the improvement of the capacity and efficiency of the Croatian public administration.

Various measures in component 2.6, which aim to strengthen the framework for preventing and sanctioning corruption through measures, are detailed in the anti-corruption and anti-fraud thematic analysis.



Croatia

Allocation: EUR 102 million. Relevant components 2.5, 2.6.

One of the main strategic objectives outlined in the Croatian plan is to achieve an efficient and effective justice system that will contribute to the development of the economy and respond to citizens’ expectations of further strengthening the rule of law. The plan includes a reform to establish a legal, organisational and technological framework that will contribute to reducing backlogs and shortening court proceedings. Several investments aim to enhance the Court Case Management System, develop a toolkit for the public publication and search of court decisions, modernise the physical infrastructure of certain courts and



Cyprus

Allocation: EUR 14 million. Relevant component 3.4.

The Cypriot plan contains a reform to address the inefficiencies caused by the courts operating based on manual and paper-based systems by introducing e-justice and audio recording systems for court proceedings. Another reform aims to reduce the high backlog of cases pending before the courts and to increase the overall efficiency and quality of the justice system by implementing revised rules of procedures for the courts. Additionally, the Cypriot plan includes investments to remedy the low level of training and lifelong learning for judges and to address inefficiencies of the justice system caused by inadequate court buildings, both in terms of quantity and quality.

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Czechia

Allocation: EUR 14 million. Relevant components 1.1, 1.2, 4.3.

The plan includes a reform to establish a transparent and uniform system of recruitment and selection of judges and judicial office-holders based on precise, objective and uniform criteria. Two investments aim to create the conditions for digital justice. One investment focuses on increasing the transparency of the national justice system by creating an eJustice portal that meets cybersecurity requirements and provides online services and access to information to end-users. Another investment aims to modernise the working environment of the judicial system and enable the continuation of work in times of limited physical contacts, thereby increasing the resilience of the national justice system.

Greece

Allocation: EUR 122 million. Relevant component 4.3.

The Greek plan comprises a number of measures aimed at enhancing the effectiveness and efficiency of the Greek Justice system by introducing a revision of the judicial map of the country, addressing infrastructure needs, adopting measures to increase the digital capacities of the Justice system, modernising the function of courts and setting up a judicial police. The projected revision of the judicial map will result in a rational reorganisation of judicial districts across Greece and the establishment, abolition or redistribution of judicial structures in these districts, based on objective criteria and on the extensive collection of data pertaining to all courts across the country. The plan contains a targeted investment for the construction and renovation of buildings that are part of the judicial system, closely linked with the revision of the judicial map, to maximise judicial efficiency and avoid unnecessary effort and expenses. Finally, the digital transformation of the Greek justice system is set out in a reform to increase the judiciary's IT capabilities with regard to the digitisation of documents, the enhancement of the record-keeping system of the courts, the simplification, standardisation and acceleration of procedures through digitalisation, and the interoperability of IT systems of

the courts with those of the Ministry of Justice, as well as other national and international authorities and/or databases.

Italy

Allocation EUR 2.450 billion. Relevant component MIC1.

The Italian plan contains measures that aim to make the judicial system more efficient by reducing the length of proceedings and bringing Italy closer to the EU median. Furthermore, the digitisation of the justice system is also bolstered by investments to digitize the Ministry of Justice and the Council of State. An investment is also aimed establishing or strengthening support teams for magistrates (through temporary hiring), with the aim of reducing the backlog and the disposition time in Italy. This measure would also improve the quality of justice by supporting the magistrates in the normal activities of study, legal research, drafting of acts, organization of the files and thereby enabling the judges to focus on the more complex tasks. The investment also comprises training to support the digital transition in the justice system.

Latvia

Allocation EUR 9 million. Relevant component 6.

Latvia's plan contains a measure to increase the availability and capacity of law enforcement officials dealing with economic crime. Another measure to improve the qualifications of the human resources of the judicial system by creating a unified training centre for judges, court staff, prosecutors, assistant prosecutors and specialised investigators.

Malta

Allocation: EUR 10 million. Relevant component 6.

The Maltese RRP addresses a number of institutional and governance challenges in the area of justice. Reforms to improve the justice system include changes to the method of appointment and dismissal of the judiciary while also assessing and implementing the necessary remedial action to ensure the independence of specialised tribunals. Other reforms aim to create a

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separate prosecution service, while implementing a judicial review of decisions not to prosecute by the Attorney General. Malta's plan also includes an investment to further the digitalisation of the justice system.

Portugal

Allocation: EUR 0. Relevant component 18.

In the area of justice, Portugal's plan contains a reform to increase the efficiency of administrative and tax courts by (i) setting up a legal framework promoting in and out-of-court settlements, (ii) establishing the legal framework for voluntary administrative arbitration, (iii) creating specialised chambers in superior courts. The review of the insolvency framework also included in this reform will strengthen the role of insolvency practitioners, review the legal framework strengthening the rights of the lender and introduce compulsory partial apportionment in specific cases. Furthermore, this reform will provide the legal basis for the digitalisation of processes and procedures throughout the justice system, including in the area of forensic and criminal investigations. The Portuguese plan also contains an investment to ensure the digital transition and resilience of the Portuguese justice IT systems which will help reduce case backlogs among other things.

Romania

Allocation: EUR 183 million. Relevant components 7, 14.

Romania's plan contains measures to improve access to justice, increase the efficiency of the judiciary and strengthen its independence. For instance, one of the plan's investments supports the creation of a centralised electronic case management system, which will provide up-to-date information about criminal cases to all parties involved. Trainings will moreover be organised to broaden judicial staff's digital skills. Other investments will ensure the accessibility as well as environmental sustainability of judicial infrastructure. The plan moreover encourages the adoption of laws that have long been under debate in Romania and that are essential to organise the judiciary system so that it becomes more independent from undue external interference. The plan also has several ambitious measures that aim at preventing and fighting

corruption, as detailed further in the anti-corruption and anti-fraud thematic analysis.

Slovakia

Allocation: 255 million. Relevant component 15.

Slovakia's plan aims to improve the efficiency and quality of the judiciary by reorganising the judicial map. To this end, the system of courts will be reorganised, thereby allowing for a greater specialisation of judges in criminal, civil, commercial and family justice, paving the way for better and faster court decisions. This judicial map will comprise a new network of first instance administrative and ordinary courts (including municipal courts), appeal courts, and a Supreme Administrative Court.

The new judicial map brought will require some new buildings as well as the renovation or adaptation of some court buildings. To that effect, the plan introduces an investment to expand capacity, upgrade existing, build or procure new suitable premises for key courts. Additionally, the plan contains an investment to improve the use of digital technologies in the judicial system. This comprises ensuring digitally and centrally available court files and IT equipment in courts. This investment will further improve the effectiveness of the judiciary by providing the reformed network with equipment for digital case handling, and by setting up the necessary systems. To this end, an electronic business register and an electronic, centralised judicial management system will be set up.

Slovenia

Allocation: EUR 10 million. Relevant component 7.

Slovenia's plan contains an investment to improve the accessibility of justice for both businesses and citizens. The investment will expedite the further digitisation of services and the development of new IT solutions to ensure the comprehensive exchange of information and legal documentation and contribute to faster resolution of court litigations. Secure and quality audio-video equipment will improve access for citizens and companies. A system for distance training and digitalisation of exams will be developed for the Judicial Training Centre.

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Spain

Allocation: EUR 0. Relevant components 11, 27.

The plan includes a reform to boost the rule of law and the efficiency of the justice system by introducing a law on procedural efficiency to shorten the length of procedures in all jurisdictions, a reform of the code of criminal procedure, law on digital efficiency, promoting a data-driven architecture to manage information and a law on organisational efficiency of the justice system to amend the organisation of the judicial map. The plan also includes measures further detailed in the anti-corruption and anti-fraud thematic analysis to reduce tax evasion and fraud via revised legislation, improved digital assistance services to the taxpayers and enhanced cooperation with stakeholders such as prosecutors, judges and courts.