

Project Summary for Public Disclosure
(after approval of NDB financing)

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| Project Name | Judicial System Support Project |
| Country | The Russian Federation |
| Type | Sovereign |
| Area of Operation | Social Infrastructure |
| Concept Approval Date | 4 July 2017 |
| Financing Approval Date | 30 August 2017 |
| Total Project Cost | USD 601 million |
| Initial Limit of NDB Financing | USD 460 million |
| Current Limit of NDB Financing | USD 460 million |
| Borrower | The Russian Federation |
| Project Entity(ies) | Foundation for Enterprise Restructuring and Financial Institutions Development |
| Project Context | <p>Despite recent economic difficulties, Russia has improved its economic outlook and ranks the 43rd place in the World Economic Forum's Global Competitiveness Report in 2016-2017. The report however revealed that Russia's judicial system continues to face challenges. Courts are experiencing structural issues. Judicial system is an important factor that impacts the health of the country's business environment. An effective judicial system appeals more attractive to businesses and is the critical business enabling infrastructure for the country's sustainable development. To tackle the challenge, the Russian government has formulated a strategy for the development of the judicial system for 2013-2020. Creating a favorable investment climate with an effective judicial system that has proper protection of rights and interests of all parties becomes key to attract investment to the country and to drive economic growth. In this context, the Judicial System Support Project (the Project) is designed with the New Development Bank's (NDB) financing through a long-term loan, to support the essential infrastructure of the judicial system in order to improve efficiency, effectiveness and transparency of the Russian judicial system. The Project is in alignment with NDB's objective to support sustainable infrastructure development.</p> |
| Project Description | The loan will be used to upgrade physical infrastructure and integrating information and communication technology systems across various levels and sub sectors of the judiciary, with a key |

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| | <p>focus on institutional development and integration of digital justice services.</p> <p>The Project Beneficiaries are the Federal Bailiffs Service, the Moscow City Court, Moscow Administration of Judicial Department and the District Courts of Moscow. The NDB loan is used to finance the following components of the JSSP Project:</p> <p>Component 1. Development of Infrastructure of Moscow City Court and District Courts of Moscow</p> <p>Component 2. Development of the Infrastructure of the Federal Bailiffs Service</p> <p>Component 3. Project Management</p> <p>The Project is expected to have comprehensive, structural and long term effects on the country's social infrastructure, through improving the business enabling infrastructure. The main outputs of the Project are: fully functioning up to 10 (ten) court buildings of District courts of Moscow; new and upgraded ICT systems for the judiciary infrastructure installed.</p> |
| Project Objective | <p>The objective of the Project is to improve judicial protection of rights and legitimate interests of citizens and organizations through development of judicial infrastructure and implementation of modern Information and Communication Technologies. The NDB will provide financing to the Project through a long term sovereign project loan up to USD 460 million.</p> |
| Implementation Arrangements | <p>The Project is estimated to be implemented till the end of 2027. Suppliers for the Project will be selected through a competitive and transparent bidding process. The loan will be repayable in 20 semi-annual equal principal installment over 10 years.</p> |
| Environmental and Social Information | <p>The Project will have positive impacts on enhanced judicial efficiency including enforcement of judicial decisions and improved transparency and public access to judicial process and decisions. Reduction in average time of case processing and time of enforcement of judicial decisions are expected, after the successful implementation of the Project. The positive impacts also include reduction in pending and outstanding cases, improvements in the quality of judicial decisions, and ease of access of court operations data to the civil population with upgraded information and communication technology systems. The Project is assigned as Category "B" with limited adverse social and environmental impacts, according to the NDB Environment and Social Framework. No resettlement is envisaged. The site specific environmental impacts will be in the construction phase</p> |

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| | and will be mitigated using the requirements of the Russian country system for environmental and social management. | | |
| Financing | The total cost of the Project is estimated to be USD 601.2 million. The NDB will finance the Project with a long term loan of USD 460.0 million, accounting for 76.5% of the total cost. The two other sources of financing are federal funding of USD 54.5 million through the Federal Targeted Program on Development of the Judiciary System in Russia, and Moscow City funding of USD 86.7 million for project components of District Courts of Moscow. | | |
| | Source of Fund | | Amount (USD mil.) |
| | NDB | | 460 |
| | Federal Budget | | 54.5 |
| | Moscow City Budget | | 86.7 |
| Contacts | NDB | Borrower | Project Entity |
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