



Centar za građansko obrazovanje  
Centre for Civic Education



## THINK LOCALLY - ACT LOCALLY!

Results of local self-governments in application of mechanisms for prevention and fight against corruption at the local level in Montenegro

**- ANNUAL REPORT -**



Project "Think Locally – Act Locally! – Fight against corruption at the local level" is implemented by the Centre for Civic Education (CCE), in cooperation with NGO Bonum from Pljevlja, NGO Incubator – Space for Independent Cultural Initiatives from Kotor and NGO Centre for Investigative Journalism – CIN from Podgorica, and it is funded by the European Union



Kingdom of the Netherlands  
Project is co-financed by Kingdom of Netherlands





# **THINK LOCALLY - ACT LOCALLY!**

Results of local self-governments in application of mechanisms for prevention and fight against corruption at the local level in Montenegro

**- ANNUAL REPORT -**

**Podgorica, 2018**

## THINK LOCALLY - ACT LOCALLY!

Results of local self-governments in application of mechanisms for prevention and fight against corruption at the local level in Montenegro  
- annual report -

### Publisher:

Centre for Civic Education (CCE)



Centar za građansko obrazovanje  
Centre for Civic Education

### Editor:

Daliborka Uljarevic

### Authors:

Ana Nenezic, Centre for Civic Education (CCE)

Milka Tadic-Mijovic, Centre for Investigative Journalism (CIJ)

Zeljka Cetkovic, Centre for Civic Education (CCE)

Marko Sosic, Institute Alternative (IA)

### Research associate:

Bojana Knezevic, Centre for Civic Education (CCE)

### Design and production:

Centre for Civic Education (CCE)



Report is a part of the project '*Think Locally – Act Locally! – Fight against Corruption at the Local Level*' implemented by Centre for Civic Education (CCE), in cooperation with NGO Bonum from Pljevlja, NGO Incubator – Space for Independent Cultural Initiatives from Kotor and NGO Centre for Investigative Journalism (CIJ MNE) from Podgorica, and is financed by the European Union, with co-financing from Ministry of Foreign Affairs of Kingdom of Netherlands.

Content of this publication is a sole responsibility of CCE and in no manner could be interpreted as official stance neither of the European Union nor of the Kingdom of Netherlands.



This project is funded  
by the European Union



Kingdom of the Netherlands  
Project is co-financed  
by Kingdom of Netherlands

# CONTENT

|   |    |
|---|----|
| <b>1. INTRODUCTORY REMARKS</b> .....  | 6  |
| <b>2. HOW ARE LOCAL MUNICIPALITIES FIGHTING AGAINST CORRUPTION?</b> .....   | 8  |
| 2.1 Effects and key problems in implementation of anticorruption policies and mechanisms<br>at local level, from 2008 to 2017.....                      | 8  |
| 2.2 From strategy for fight against corruption and organised crime to action plan for<br>negotiation chapter 23 – judiciary and fundamental rights..... | 11 |
| 2.3 Local action plans for fight against corruption.....  | 15 |
| 2.4 Local integrity plans.....  | 18 |
| <b>3. FINANCES AT THE LOCAL LEVEL</b> .....   | 35 |
| <b>4. ATTITUDES OF CITIZENS OF MONTENEGRO TOWARDS CORRUPTION</b> .....  | 41 |
| <b>5. ROLE AND IMPORTANCE OF INVESTIGATIVE<br/>    JOURNALISM IN DISCOVERING CASES OF CORRUPTION</b> .....  | 50 |
| <b>6. CORRUPTION AT LOCAL LEVEL IN MONTENEGRO,<br/>    THROUGH PRISM OF INTERNATIONAL COMMUNITY</b> .....   | 53 |
| <b>7. CONCLUSIONS AND RECOMMENDATIONS</b> .....   | 56 |

# INTRODUCTORY REMARKS

Corruption is directly impeding rule of law, demolishing moral of society and shattering stability and economic progress of state. Not only it is in contrast with positive legal regulations, it represents also a deviation of fundamental social principles. Therefore, fight against corruption represents a precondition for development of democratic society.

Corruption is also one of key challenges that Montenegro is facing, and consequently adequately addressing corruption must be a key task of state administration, including also units of local self-government. According to researches, of both international and national organisations, fight against corruption in Montenegro remains at unsatisfactory level and additional efforts are needed in order to achieve sustainable results in this area.

Unlike at national, corruption at the local level has not been recognised for a long time as an issue that must be paid attention to. Precisely lack of efficiency and responsibility at the local level has resulted also in enormous debt of Montenegrin local self-governments, which has at the end of 2016 amounted to 143,09<sup>1</sup> million EUR, whereby system of responsibility does not exist in practice, and there are rare examples of effective processing of corruption cases at the local level by authorised organs.

High level of corruption, along with a rather small number of processed cases at the local level, results also in low level of trust in state institutions that are key for prevention, i.e. repression of corruption – Agency for Prevention of Corruption (APC) and Special State Prosecution (SSP).

If one has in mind that a precondition for successful fight against corruption is functional anti-corruption legal and institutional framework, as well as a continuous, consistent and content-full implementation of strategic documents, lack of results should be sought precisely in inefficiency of a set system. During process of long-term creation of framework for fight against corruption, Montenegro has passed all necessary laws, bylaws and strategic documents. Simultaneously, an institution was founded by which preventive activities on the plan of suppression of corruption were centralised – Agency for Prevention of Corruption (APC). However, practice shows that not even the most derived framework is not enough if there is no 'political will' for system to truly function.

---

<sup>1</sup> Ministry of Finance of Montenegro, Report on Public Debt of Montenegro on 31 December 2016  
<http://www.mf.gov.me/rubrike/drzavni-dug/171642/Izvjestaj-o-javnom-dugu-Crne-Gore-na-31-decembar-2016-godine.html>



As Montenegro moves on the path towards full membership in the European Union, the more will greater progress be sought, thus focus will no longer be on whether institutions formally fulfil their jurisdiction, but whether they produce concrete and measurable results.

This will be especially important for local self-governments, having in mind that the current system is not functioning and that local self-governments do not fulfil all prescribed duties. After 2014, majority of local self-governments has not produced and adopted local action plans for fight against corruption, namely, they have not been implementing measures and activities aimed at fight against corruption. A fact should be added to this that even in the earlier period, prior to 2015, a formalistic and inefficient approach in application of these plans has been ascertained, with a note that this issue has not be a priority in the work of local self-governments themselves.

Annual report on results of application of mechanisms for the purpose of prevention and fight against corruption at the local level gives an overview of effects and problems in implementation of anti-corruption policies and mechanisms at the local level, with proposal of recommendation for improvement.

Report covers a period of almost two years, i.e. the period of December 2015 – December 2017 and encompasses 23 local self-governments in Montenegro. In addition to analysis of legal framework, which has been developed in previous ten years, focus has been put on two key mechanisms and effects of their application, i.e. local action plan for fight against corruption at the local level and integrity plan. Additionally, overview of (non)realised measures for stated period is given, via analysis of reports submitted by local self-governments. In the second part, overview of most important results of public opinion research on perception of citizens in relation to efficiency of fight against corruption at the local level is given, which was conducted by agency for public opinion research Ipsos Strategic Marketing during realisation of the project. Ultimately, through analysis of the most important international reports which key excerpts were quoted, it was pointed out in which manner does international community perceive issue of corruption in Montenegro and whether it recognizes progress and results in the observed period.

As important segment, role of investigative journalism was emphasized as well as necessity of strengthening of cooperation with non-governmental organisations in order to contribute to reducing the overall level of corruption in Montenegro. In this regard, concrete cases of corruption at the local level were described which Centre for Investigative Journalism (CIJ MNE) has been processing during project *'Think Locally, Act Locally! – Fight against Corruption at the Local Level'*.

Finally, as concrete contribution to the improvement of system and reaching measurable results, concrete recommendation for improvement are provided which derive from previously defined conclusions of analysis of situation in all Montenegrin local self-governments.

# HOW DO LOCAL SELF-GOVERNMENTS FIGHT AGAINST CORRUPTION?

## Effects and key problems in implementation of anti-corruption policies and mechanisms at the local level, from 2008 to 2017.

Significant breakthroughs in regards to establishment of normatively-institutional framework for fight against corruption, both at national and local level have been made in Montenegro in last fifteen years.

First steps that Government of Montenegro has undertaken in regards to fight against corruption at national level were in 2005, when it adopted *Programme of Fight against Corruption and Organised Crime*<sup>2</sup>, as first national strategic document which defined objectives to be achieved in the fight against the most severe forms of crimes, especially corruption and organised crime.

For the purpose of application of determined priorities, *Action Plan for Implementation of Programme of Fight against Corruption and Organised Crime* was also passed. In order to operationalise the set framework, by Decision of Government from February 2007, National Commission for monitoring of implementation of Action Plan for Implementation of Programme of Fight against Corruption and Organised Crime was established. For reporting and production of a unique methodology of statistical indicators a Tripartite Commission, composed of representatives of judiciary, prosecution and police was also established.

However, even such a framework did not produce satisfying results, to which the European Commission has also been pointing out, thus Government of Montenegro passed a decision for a *Strategy for Fight Against Corruption and Organised Crime with Action Plan* for its implementation to be prepared for the period of 2010–2014. Guided by international experience and existing mechanisms, basic objectives of the Strategy were defined:

- Further harmonisation of national legislation with international standards in area of fight against corruption and organised crime;
- Creation of preconditions for prevention of corruption and organised crime at all levels;
- Rationalisation of administrative proceedings and elimination of business barriers;
- Increase of efficiency of work, strengthening of integrity, responsibility and transparency in public sector and thus related, strengthening trust of citizens in public sector;

---

2 Strategy for Fight Against Corruption and Organised Crime for the period of 2010-2014





- Strengthening of inter-institutional, inter-sectoral and international cooperation;
- Strengthening of external and internal control of work of all authorities, and particularly strengthening of supervisory function of the Parliament of Montenegro;
- Establishment of efficient and objective mechanism for monitoring of implementation of the Strategy;
- Development of a proactive approach to fight against corruption and organised crime;
- Increase of efficiency in the fight against corruption and organised crime by appropriate application of preventive and repressive action, especially by seizure of property acquired by execution of a criminal offense, as well as education;
- Raising the level of public awareness on harmfulness of corruption and affirmation of an approach of zero tolerance to corruption;
- Inclusion of citizens, NGO, media and private sector in fight against corruption and organised crime.

**Although these are clearly set objectives which should have been achieved in the defined framework of realisation, they were not accomplished and with minor terminological change they still exist even in currently valid documents.**

In the part of concrete activities in fight against corruption at the local level, first activities were initiated in 2008 when units of local self-government were obliged, in order to suppress corruption and organised crime at the local level, to apply *Strategy for Implementation of National Programme of Fight against Corruption and Organised Crime* from 2005. The aforementioned activities were realised within the then *Innovated Action Plan*. Somewhat later, a *Model of Programme for Fight against Corruption and Organised Crime in Local Self-Government* and *Action Plan for Prevention and Suppression of Corruption at the Local Level* were adopted. Production and adoption of local anti-corruption action plans which would be in jurisdiction of local self-governments was envisaged by this, which was not encompassed by *Programme for Fight against Corruption and Organised Crime* and *Action Plan* for its implementation. Thereafter, the Ministry of Interior (MI) has prepared, and the Government of Montenegro adopted in 2008, a *Model Programme for Fight against Corruption in the Local Self-Government* and *Model Action Plan*, which was produced as per methodology of the Council of Europe. On the basis of proposed *Model action plan*, municipalities have developed particular action plans for fight against corruption at the local level.

In order to enable control of application of the newly adopted model, the Government has obliged the MI to form a Commission for Monitoring of Realisation of Action Plans for Fight against Corruption in the Local Self-Government, which will, based on municipalities' reports prepare six-month reports on realisation of measures, and submit annual reports on realisation of activities to the Government and National Commission

for Fight against Corruption and Organised Crime.

Results of the set system were rather modest. Even after several years of application and synergy of all key institution and organisations it was not possible to ensure adoption of local action plans by all local self-governments. The level of realisation of measures in this document, by those local self-governments which adopted action plans was low.

As it was confirmed also by findings contained in the '*Analysis of Application of Measures from Strategic Anti-Corruption Plans for Areas of Particular Risk*' of a TAIEX expert Davor Dubravica from March 2015, numerous shortcomings were determined and it was stated that the existing mechanisms do not provide expected results. More precisely, the report states: «*Analysis of report of relevant organs on implementation of action plans has determined the following shortcomings: a) crude or unclear reports on the basis of which it is not possible to monitor application of a measure; b) overcrowding reports with bundles of data instead of focusing on the most important matters which would show the application of a measure; c) the set indicators of measure per which application is being assessed are being ignored in the text of reports; d) non-submission of numerical and statistical data although they are prescribed by indicators.*»

By analysing the application of local action plans, in addition to statement that only 18 of 23 local self-governments have adopted this document in the observed period, it is stated that measures contained in the local action plans are inefficient since there are too many of them, that they are mutually unrelated, unclear, with no clear deadlines of application. Furthermore, system of control on the other hand is assessed as chaotic, with a note that efficient central mechanism for monitoring of implementation of these action plans has not been established.

Furthermore, by experts' analysis, it was determined that report of the Commission contains a batch of unrelated data out of which successfulness and progress of fight against corruption at the local level cannot be deduced, as well as effectiveness of measures, trends, guidelines, and a question of very point of such report is being posed. '*It turns out, from the aforementioned, that adoption of Action Plan in the municipality is a purpose by itself, an objective is being accomplished by passing a plan and thus tables are being filled with batch of data with no analysis of genuine anti-corruption effect of those measures, nor of an impact that they achieve!*'

Although the stated report contained a set of precise measures which should have served for the existing strategic anti-corruption documents to be improved, analysis of the existing documents shows that it has not come far, thus the aforementioned assessments could practically be copied even two years later.



## From Strategy for Fight against Corruption and Organised Crime to Action Plan for Negotiation Chapter 23 (Judiciary and Fundamental Rights)

Montenegro has initiated the negotiation process with the European Union on 29 June 2012. Chapter 23 (Judiciary and Fundamental Rights) has been officially opened on 18 December of 2013. As a sole criterion for opening of the negotiations for Chapter 23, an obligation was set for Montenegro to pass the accompanying Action Plan, and within its Action Plan one of key chapters is related to fight against corruption, in the part of prevention and repression of corruption.

Unlike the Strategy and accompanying Action Plan by which priorities of Montenegro were operationalised in the area of fight against corruption and organised crime at national and international plan, the Action Plan for Chapter 23 was developed with clear recommendations from the Screening Report, as well as those that are given during the process of analytical overview of harmonisation of Montenegrin legal system with legal acquis of the European Union.

For the purpose of coordination and monitoring of implementation of reforms in this area, and due to certain overlap in regards to objectives and activities, i.e. measures, it was important to clarify connection between these two documents in order to avoid overlap and double reporting.

Solution was found in deciding that connection with AP for Chapter 23 will be ensured in the manner that parallel to reporting per AP for Chapter 23, reports on realisation of national AP for fight against corruption and organised crime (2013-2014) shall be submitted.

The AP for Chapter 23 states: *'Action Plan for Fight against Corruption and Organised Crime for period 2013-2014 is short-term document with expiry date of two years, with the aim of operationalising objectives defined by national Strategy for Fight against Corruption and Organised Crime, while the Action Plan for negotiation chapter 23 is a document which operationalises recommendations from the Report on Screening, which is of higher order and relates to period of minimum 5 or more years. Two APs are compatible and harmonised with national and international priorities of fight against corruption when it comes to Montenegro. In this regard, there are similar or even the same measures in these two APs, in the part where priorities from Strategy and Report on Screening are coinciding.'*

Even in addition to almost a dual obligation of organs to realise complementary measures with similar objectives, results in regards to improvement of system of prevention of corruption at the local level have not been improved.

In the beginning of 2015, Government of Montenegro has adopted a *Revised Action Plan for Chapter 23 – Judiciary and Fundamental Rights*, in which measures relating to prevention of corruption in local self-governments have remained the same. As an organ authorised for implementation, Union of Municipalities was

stated. Issue of legal basis for this decision is open, considering that Union of Municipalities is not a state organ but a national association of local communities for the territory of Montenegro.

From 2016, in the AP for Chapter 23, although document has not been formally again revised, local self-governments were stated as authorised organ, while Union of Municipalities still reports on fulfilment of indicators although Agency for Prevention of Corruption should be doing this.

Furthermore, upon expiration of validity of Strategy for Fight against Corruption and Organised Crime (2010-2014), as well as its accompanying action plans, it was clear that it is necessary to pass a document which will continue monitoring of activities in areas of particular risk of corruption which AP for 23 has not covered.

Therefore, *Operational Document for Prevention of Corruption in Areas of Particular Risk* was prepared and adopted in March 2016, which entirely follows methodology and structure of development of Action Plan for Chapter 23. Reporting as per this document is being exerted in the same interval as reporting as per AP for 23, and by the Working Group for preparation and conduct of negotiations on accession of Montenegro to the European Union for the area of legal acquis of the European Union relating to area Judiciary and Fundamental Rights.

Operational document contains measures labelled as non-realised or partially realised in the Action Plan for Monitoring the Strategy for Fight against Corruption and Organised Crime, but also new measures defined by representatives of relevant institutions. In addition to local self-government, this document encompasses also the following areas: public procurement, privatisation, urbanism, education, healthcare and police.

However, even analysis of objectives and measures from these documents, leads to a conclusion that even besides preparation of several documents and their mutual harmonisation, there was not much done in this area. For example, the largest number of measures, contained in action plans for implementation of Strategy for Fight against Corruption and Organised Crime (2010-2014), was copied and defined as objective/measure in the Innovated AP for Chapter 23 and Operational Document. It should be reminded that Strategy was adopted in 2010, while the Operational Document was adopted in January 2016.

Hence, for six years of application, in the area of prevention of corruption at the local level achievements are remaining modest. As in 2008, thus today as well, focus is on creation of preconditions which will contribute for system to function. The only novelty is introduction of new internal anti-corruption mechanism – integrity plan, through Operational Document.



| Strategy for Fight against Corruption and Organised Crime 2010-2014 <sup>3</sup>   | Innovated AP for Chapter 23 (Judiciary and Fundamental Rights)   | Operational Document   |
|--|--|--|
| objectives   | objectives/measures  | objectives/measures  |
| LOCAL SELF-GOVERNMENTS   | LOCAL SELF-GOVERNMENTS   | LOCAL SELF-GOVERNMENTS   |
| <ol style="list-style-type: none"> <li>1. Harmonise local action plans for suppression of corruption with sectoral local plans and Strategy for Fight against Corruption and Organised Crime 2010-2014.</li> <li>2. Establish more efficient system for monitoring of effects of implementation of local action plans;</li> <li>3. Improve and in its entirety apply legal framework which increases level of responsibility of local self-government's work;</li> <li>4. Strengthening of internal and external control of work of local self-governments' units (LSGU);</li> <li>5. Establishment of mechanisms guaranteeing impartial, objective and apolitical selection of staff and their advancement;</li> <li>6. Greater professionalism and transparency in the process of planning, passing acts and their implementation;</li> <li>7. Creation of conditions and encouragement of citizens, civil and private sector to get involved in the fight against corruption at local level.</li> </ol> | <ol style="list-style-type: none"> <li>1. Prepare and adopt AP for fight against corruption for each unit of local self-government on the basis of Model AP for fight against corruption in local self-government (2013-2014). Strategic objectives determined by Model on the basis of which measures are being further elaborated in AP at local level:               <ol style="list-style-type: none"> <li>a) Increased level of responsibility and professionalism of local self-government's work;</li> <li>b) Improved transparency in process of planning, passing acts and their implementation with respect to participatory principles;</li> <li>c) Monitor implementation of AP for fight against corruption for each local self-government unit.</li> </ol> </li> <li>2. Establish transparent procedures on public procurement in accordance with Law on Public Procurement.</li> <li>3. Conduct revision by SAI and independent audit institutions in all local self-government units.</li> </ol> | <ol style="list-style-type: none"> <li>1) Develop an integrity plan for units of local self-governments;</li> <li>2) Ensure transparency of employment process in organs of local self-governments;</li> <li>3) Improve transparency in the procedure of implementation of public procurement and monitoring of realisation of public procurement in municipalities.</li> <li>4) Improve cooperation of civil and private sector with LSGU for inclusion in the fight against corruption at local level, as well as establishment of channels for reporting corruption in local self-governments.</li> </ol> |

*Overview of objectives and measures relating to fight against corruption at local level through key documents from 2010 to 2016*

<sup>3</sup> Since Operational Document does not contain precisely defined objectives which should be achieved by realisation of prescribed measures, for the purpose of comparison with objectives contained in Strategy for Fight Against Corruption and Organised Crime 2010-2014, descriptive part was taken which precedes the stating of individual measures for each area and for which it can be logically concluded that they represent ultimate objectives of Operational Document for Prevention of Corruption, in areas of particular risk, for the area of local self-government.

Introduction of new mechanisms, with limited communication from national towards local level, with no prior consultations with local teams tasked with implementation of measures contained in local action plans, has brought various interpretations of prescribed obligations from local self-governments, and consequently also a different application, imprecisely defined obligations of relevant institutions, and ultimately rather limited results.

The key cause could be found in the fact that passing the Operational Document was not preceded by a serious analysis of the situation and analysis of effects of achieved results, but with expiration of one document, another was produced, of a similar content, under different title.

Unlike Strategy and accompanying AP wherein it was clear which organ is following the implementation of defined measures<sup>4</sup>, this is not clearly set in the re-defined framework. Agency for Prevention of Corruption, in the part of supervision over application of measures defined by AP 23 and Operational Document relies on information of Union of Municipalities, which again does not have a legal basis to report since it was not stated as authorised organ, nor it can be one, in the AP 23. In addition, practice has shown that information submitted to Working Group for preparation and conduct of negotiation which prepares report on realisation of measures from AP 23, is not precise and accurate.

Last such an example could be found in report on implementation of Action Plan for Chapter 23 for period July-December 2017, which was adopted by the Government of Montenegro. Namely, in the measure 2.1.7.12 the AP states a measure/activity: *Prepare and adopt AP for fight against corruption for each unit of local self-government as per Model AP for fight against corruption in local self-government (2013-2014)*. As indicator of results, number of adopted local action plans was stated, and it was highlighted that until December 2017, 21 of 23 municipalities in Montenegro have passed local action plan for fight against corruption, as well as that 21 Commission for monitoring and reporting on realisation of measures from AP was formed, which periodically submit report to President of Municipality, Parliament, Union of Municipalities and Agency for Prevention of Corruption. Contrary to that, data of Centre for Civic Education (CCE) which have been presented in this report, point out that only 6 local self-governments have adopted or have extended validity of document after 2014 by decision of the Parliament.

On the other hand, by adoption of Operational Document for Prevention of Corruption in Areas of Particular Risk in March 2016, new obligation of local self-governments was prescribed – to produce and adopt integrity plan, as internal anti-corruption document. Agency for Prevention of Corruption, has, according to Article 71 of the Law on Prevention of Corruption, passed rules of development and implementation of integrity plan, on the basis of which organs of authority at local level shall create this document, which contains

---

<sup>4</sup> Commission for monitoring of realisation of action plans for fight against corruption in local self-government, which on the basis of reports of municipalities have prepared six-month reports on realisation of measures, and submitted annual reports on realisation of activities to the Government and National Commission for Fight against Corruption and Organised Crime.



measures having an objective to prevent occurrence and development of corruption in local governments, as well as to raise the level of transparency in the work and respect for the code of ethics.

However, due to underived situation and lack of direct communication of then newly formed APC and local self-government, preparation and adoption of integrity plans was conducted in a manner that indicates that the objective was not to create an additional anti-corruption mechanism which will contribute to more quality results, but a sole fulfilment and crossing off of yet another additional obligation.

### Local action plans for fight against corruption

Strategic objectives, measures, activities, bearers of activities, deadlines and indicators of successfulness of realisation of measures for fight against corruption at the local level were determined by Action Plan for Chapter 23. As one of the measures, obligation of preparation and adoption of action plans (AP) for fight against corruption was prescribed, for each unit of local self-government in accordance with the Model AP for fight against corruption in local self-government (2013–2014). The earlier local anti-corruption documents, for period 2009–2012 were based on Model Programme of Fight against Corruption in Local Self-Government and Model Action Plan of Programme of Fight against Corruption (MAP), which was developed according to methodology of the Council of Europe.

Development of an action plan for fight against corruption was continuous, with the established system of supervisions of application of defined measures. However, this system did not give expected results, as it was stated in the TAIEX experts' report from 2015 as well.

By defining this obligation for local self-government, as part of Action Plan for Chapter 23, increase of responsibility in the procedure of preparation, adoption and application of measures contained in this document was expected, for the purpose of preventing corruption at local level. This expectation was directly linked to the importance that this negotiation chapter has for overall negotiation process of Montenegro with the EU, as well as with the fact that it is under continuous scrutiny of the European Commission.

However, during development of action plan and defining of this obligation, it was omitted to clearly define deadline, thus as deadline for a measure «December 2014 and continuous» is stated, which was confusing for local self-governments and teams tasked for implementation of action plans. As it was not clearly outlined what should be done in which deadline, local self-governments have approached this obligation carefree, thus the majority has not adopted any action plan after 2014.

**Nowadays, local action plans for fight against corruption at the local level are an almost forgotten mechanism,** although they still stand as obligation from the *Revised Action Plan for Chapter 23 – Judiciary and Fundamental Rights*.

Representatives of CCE have, in the period from 4 to 19 April 2016, visited all Montenegrin municipalities in order to present project *'Think Locally – Act Locally! – Fight against*

*Corruption at the Local Level'* and have directly informed themselves on results of work of local self-governments in the area of fight against corruption at the local level. A series of conversations has been conducted with high municipal officials, i.e. with presidents and vice-presidents of municipalities, chief administrators, secretaries of secretariats for general administration and social activities, for finances, integrity managers, representatives of working groups for development of local action plans for fight against corruption, etc. Primary conclusion of meetings was that municipalities have initiated work (and training) on integrity plans and that work on action plans for fight against corruption at the local level is not being planned. **Representatives of municipalities estimated that integrity plans were a continuation of action plans for fight against corruption at the local level and that local self-governments do not have obligation of implementing the plans for fight against corruption.**

It is evident that local self-governments have, after 2014, interpreted their obligations in different manner, and that interventions of central level of government in regards to establishment of institutionally-normative anti-corruption framework have not influenced the local level of government encouragingly almost at all, in the sense of formulation and implementation of adequate anti-corruption policies and mechanisms.

| Municipality | Action Plan for 2015-2016                                     | Last time adopted Action Plan (period) |
|--------------|---|--|
| Andrijevica  | Not adopted   | 2013-2014                              |
| Bar          | Not adopted   | 2013-2014                              |
| Berane       | Not adopted   | 2009-2012                              |
| Bijelo Polje | Not adopted   | 2013-2014                              |
| Budva        | Adopted – previous plan, extended by decision of PoM for 2015 | 2014                                   |
| Cetinje      | Not adopted   | 2013-2014                              |
| Danilovgrad  | Not adopted   | 2013-2014                              |
| Gusinje      | Not adopted   | Not adopted                            |
| Herceg Novi  | Not adopted   | 2013-2014                              |
| Kolasin      | Adopted   | 2015-2016                              |
| Kotor        | Adopted   | 2015-2016                              |
| Mojkovac     | Not adopted   | 2013-2014                              |
| Niksic       | Not adopted   | 2014                                   |
| Petnjica     | Not adopted   | Not adopted                            |
| Plav         | Not adopted   | 2009-2012                              |
| Pluzine      | Adopted for period 2014 -2016                                 | 2014-2016                              |
| Pljevlja     | Not adopted   | 2013-2014                              |
| Podgorica    | Not adopted   | 2013-2014                              |
| Rozaje       | Adopted   | 2015-2016                              |
| Savnik       | Not adopted   | 2013-2014                              |
| Tivat        | Not adopted   | 2017-2018                              |
| Ulcinj       | Adopted for period 2014-2015                                  | 2014-2015                              |
| Zabljak      | Not adopted   | 2014                                   |

Table overview of dynamics of adoption of local action plans for fight against corruption at the local level





Activities in the fight against corruption of the largest number of municipalities have been ended in 2014, in a manner that majority of municipalities have not adopted the Action Plan for Fight against Corruption at the Local Level for period 2015-2016, while AP for 2017 has been adopted by only one Montenegrin municipality – Tivat.

The best illustration of an insufficiently clearly defined obligation is example of newly founded municipalities of Petnjica and Gusinje. Although they have constituted government in November 2013, i.e. in February 2014, neither of these two municipalities had produced and adopted AP for fight against corruption by the end of 2017.

Unevenness of practice is also shown by efforts of certain municipalities to sustain this mechanism, thus municipality of Budva extended the Local Action Plan for period 2013-2014 by decision of Parliament of Municipality for 2015, while municipality of Pluzine adopted Local Action Plan for period 2014-2016, municipality of Ulcinj did for period 2014-2015, and municipalities of Kolasin, Kotor and Rozaje for period 2015-2016.

Different trend is noticeable in adoption of local action plans for fight against corruption, as well as different periods of implementation, and various interpretation of legal obligations themselves by local self-governments. Furthermore, a common feature of almost all of adopted local anti-corruption plans is avoidance of giving precise deadlines for implementation. This is a significant indicator to what extent have local self-governments been decisive in the moment of development of action plans to oblige themselves to an efficient implementation of these plans.

Unlike aforementioned municipalities, municipality of Tivat did not adopt Local Action Plan for Fight against Corruption for period 2015-2016, but has in the beginning of 2017 adopted a new Local Action Plan for period 2017-2018. Namely, municipality of Tivat informed the public that it has formed a team which will be working on preparation of this document emphasizing: *'This is internal anti-corruption document which will supplement the existing documents on the basis of which authorised organs are reporting, such as Operational Document for Prevention of Corruption in Areas of Particular Risk, measures and activities from Chapter 23 for area of local self-government. Measures that Operational Document contains and Chapter 23, will not be contained in Local Action Plan which is in developing stage so as not to duplicate the reporting.'*<sup>5</sup> It is clear from this explanation that there is no understanding of what this anti-corruption document implies and what is its objective, since local action plan **is not an internal** document, unlike integrity plan.

However, all of this represented no obstacle for rapporteurs of Working Group for Preparation and Conduct of Negotiation with the European Union in the Chapter 23 as per this issue to submit incorrect information in continuity, as it was already elaborated.

Despite all efforts, the CCE's team did not manage to acquire the report on realisation of measures contained in local action plans for fight against corruption. These report are not

---

<sup>5</sup> [http://opstinativat.com/index.php?option=com\\_content&view=article&id=3357:izrada-akcionog-plana-za-borbu-protiv-korupcije-u-opstini-tivat-za-period-2017-2018-godina&catid=90&Itemid=101&lang=me](http://opstinativat.com/index.php?option=com_content&view=article&id=3357:izrada-akcionog-plana-za-borbu-protiv-korupcije-u-opstini-tivat-za-period-2017-2018-godina&catid=90&Itemid=101&lang=me)

public, nor are available on internet pages of municipalities. Exception is municipality of Kotor which has, within description of undertaken activities and for the purpose of preparation and adoption of AP 2015-2016, thoroughly stated the realised measures, without emphasizing the effect of these measures but solely enumerating them.<sup>6</sup> Reports were not submitted either to the Agency for Prevention of Corruption, although it was stated in the report on implementation of Action Plan for Chapter 23, by authorised rapporteurs.

On the other hand, it is stated in the same report that Union of Municipalities of Montenegro has prepared an innovated Model Action Plan for Fight against Corruption in Local Self-Government for 2017-2018 in March 2017, as well as that this document has been submitted to municipalities with recommendation to prepare and pass their own APs, and that accordingly, local self-governments are in the stage of preparation and adoption of AP. Union of Municipalities has conducted also regional trainings of officials tasked with preparation of AP and reporting on implementation of activities in the area of fight against corruption in local self-government, with the purpose of their introduction with the Model AP and manner of reporting. However, until December 2017, not one Montenegrin municipality produced and adopted local action plan for fight against corruption as per innovated Model for period 2017-2018.

### Local integrity plans

Integrity plan is an internal anti-corruption document containing a set of measures, legal and practical in nature, which prevent and eliminate possibilities for occurrence and development of various forms of corruptive and unethical behaviour within organs of government as a whole, certain organisational units and certain workplaces, which arises as a result of self-assessment of exposure of organs of government to risks for occurrence and development of corruption, illegal lobbying and conflict of interest, as well as exposure to ethically and professionally unacceptable deeds<sup>7</sup>.

Legal obligation of adoption of integrity plan has for the first time in Montenegro been normed in the Law on Civil Servants and State Employees. In relation to the obligation of passing integrity plans in the previous period, according to the Article 68 of the Law, state organs were obliged to pass integrity plans, in accordance with Guidelines for development of integrity plans, which Ministry of Justice has passed on 31 January 2013. Organs have also been obliged to appoint persons who will be accountable for development and implementation of integrity plans (integrity managers). In conclusion with December 2015, of total of 102 institutions, there were integrity managers appointed in 92 organs, and individual integrity plans passed in 78 institutions.

By forming and operationalisation of Agency for Prevention of Corruption (APC), and in accordance with the Law on Prevention of Corruption, APC has taken over this obligation. By Article 3 of the Law on Prevention of Corruption, organs of government which are

---

<sup>6</sup> <http://kotor.me/me/program-borbe-protiv-korupcije>

<sup>7</sup> [http://antikorupcija.me/media/documents/lzvjestaj\\_o\\_donosenju\\_planova\\_integriteta.pdf](http://antikorupcija.me/media/documents/lzvjestaj_o_donosenju_planova_integriteta.pdf)



obliged to adopt integrity plans were defined, and they include all organs of local self-government and organs of local government. Also, Law on Local Self-Government, in the Article 91, is normatively stipulating obligation of adoption of integrity plan at the level of units of local self-government.

In accordance with the regulations, APC has on the basis of the Law on Prevention of Corruption, Article 71, passed rules of development and implementation of integrity plan, based on which the organs of government at the local level shall create integrity plan containing measures aimed at prevention of occurrence and development of corruption in local governments and self-governments, as well as raising the level of transparency in the work and respect of the code of ethics. The law has obliged organs of government in 23 municipalities in Montenegro and two city municipalities to, by the end of first quarter of 2016 (31 March 2016) adopt Integrity Plan and submit it to the Agency in the period of 15 days since the day of adoption of the Plan. Eight municipalities and one city municipality<sup>8</sup> have adopted the Integrity Plan in the deadline prescribed by the Law on Prevention of Corruption, while 15 municipalities and one city municipality have done so after the prescribed deadline, with the delay of even up to 70 days.

As the most frequent reason for delay in passing of this document, local self-governments have, in communication with representatives of CCE, stated short deadline which was given to them to conduct the procedure of preparation and adoption of integrity plan. Namely, according to the Law on Prevention of Corruption, organs of government were obliged to adopt the integrity plan until 31 March 2016 and submit it to the Agency in the period of 15 days since the adoption day. Since the Law on Prevention of Corruption, in penal provisions, in the Article 102, prescribes misdemeanour accountability, i.e. fines for misdemeanour of legal entity and accountable person in the legal entity or organ of local government and local self-government from 1 000 EUR to 20 000 EUR in the case when LSG does not pass the integrity plan (Article 71 Paragraph 1); does not appoint integrity manager (Article 74 Paragraph 1) and does not submit report on implementation of integrity plan until 15 April of the current year for the previous year (Article 77 Paragraph 1), accountable persons have found themselves in the situation to fulfil the prescribed obligation in accelerated procedure in order to formally fulfil the legally prescribed obligation. Such conduct went directly to the detriment of quality of document and understanding in which manner the integrity plan can contribute to prevention and elimination of possibilities for occurrence and development of various forms of corruptive and unethical behaviour within organs of government.

Rules for development and implementation of the integrity plan passed by Council of the Agency for Prevention of Corruption as per Article 88 of the Law on Prevention of Corruption clearly prescribe procedure of preparation of the integrity plan. This implies obligation of the head, i.e. the responsible person in the organ of government to appoint head and

---

<sup>8</sup> Andrijevića, Danilovgrad, CM Tuzi, Mojkovac, Nikšić, Pluzine, Rozaje, Savnik, Zabljak.

members of working group for development of the integrity plan, while simultaneously stating the following:

- Task and activities of the working group;
- Sources of necessary finances;
- Starting and completion time on the work on preparation and implementation of the integrity plan;
- Manner of cooperation with control subjects, especially with internal financial control or internal supervision per issue of risk of corruption, other illegal or unethical acts, as well as the manner of control over work and results of preparation and application of the integrity plan.

Further procedure implies that the working group will gather the necessary documentation (regulations, plans, reports of internal controls and audits, analysis of situation, records, organisational chart, systematisation of workplaces and other sources of knowledge as per areas, domains and work processes for preparation of the integrity plan) on the basis of which the programme will be developed containing main tasks and objectives of the integrity plan. In the following step, the working group exerts a comprehensive analysis of results of the initial assessment and passes conclusions which workplaces and which jobs are subject of detail analysis and risk assessment, since they are as per general assessment of internal and external factors susceptible to occurrence and development of corruption, other forms of illegal or unethical behaviour.

Working group, on the basis of knowledge of functioning of organs of government and results of initial assessment of situation, opts for the most efficient manner of identification of risks, whereby using one or more methods. Some of those are preparation of questionnaires, control lists and conducting survey among employees; direct conversations, working meetings with heads and employees in certain workplaces and jobs, joint analysis, with utilisation of open conversation method, analysis of reports and records of risks determined by work of internal controls and audits, and other methods, with the objective of clearly determining the risks.

On the basis of results of identification, assessment and ranking of risks, the working group conducts selection of suitable measures for integrity improvement.

In order to ease such complex tasks, the Council has in addition to Rules for development and implementation of the integrity plan adopted<sup>9</sup> also:

- Methodological instructions for filling up the integrity plan form;
- Methodology of risk intensity assessment;
- Documentation of integrity plan;
- Integrity plan form;
- Integrity plan example .

---

<sup>9</sup> <http://www.antikorupcija.me/me/integritet/integritetu/>



Despite all efforts to ease the process, and considering that an entirely new internal anti-corruption mechanism is being introduced, it is hard to understand that the entire procedure could be conducted in a week, which is the average period in which local self-governments managed to conduct the entire defined procedure, adopt the integrity plan and submit it to the APC.

For municipality of Rozaje, **four workdays** were sufficient for the entire previously described procedure. Decision on appointment of the integrity manager was passed on 23/3/2016, decision on appointment of members of working group for development of integrity plan was passed on the same day and start of development of integrity plan was specified. Procedure was ended on 29/3/2016 and the integrity plan was adopted on the same day.

During four workdays, the procedure was conducted in four stages. After appointment of the working group, all necessary documentation was gathered, as well as information from employees, and the integrity plan development programme prepared. More precisely, the working group has in record time managed to conduct indexing and analysis of all normative acts which are regulating the work of local government. This implied conducting analysis of the Law on Local Self-Government, Law on Civil Servants and State Employees, Law on Salaries of Civil Servants and State Employees, Statute of Municipality, Decision on Organisation and Manner of Work of Local Self-Government, Strategic plan of development of the municipality of Rozaje for period 2014-2020 and Action Plan for Fight against Corruption 2015-2016. Afterwards, the working group has, for the purpose of assessment of the existing situation and determination of initial risk factors, conducted a self-evaluation of employees on the basis of questionnaire, conducted joint workshops etc., after which the head has introduced employees with risks of breach of integrity, assessment of exposure and plan of measures for integrity improvement.

Considering the scope of the stipulated activities which were necessary to be conducted in the procedure of preparation and adoption of integrity plans, and the fact that this procedure was conducted in several workdays, it is hard to accept that result of this work and action is of quality and a document founded on genuine basis by which realisation of the set objective will be achieved.

The stated municipality is only one of more vivid examples of strictly formal approach in conducting of the law prescribed obligation, whose objective is not creation of an efficient system for prevention of corruption, but clear avoidance of misdemeanour accountability. Situation is the same in majority of other local self-governments, which have conducted the same procedure in record deadlines.

One of the consequences is a **large percentage of continuous measures**, with no precisely defined deadlines for implementation. This is a significant indicator as to what extent have local self-governments, in the moment of developing integrity plans, been decisive to commit themselves to efficient implementation of these plans.

THINK LOCALLY  
ACT LOCALLY!  
FIGHT AGAINST CORRUPTION  
AT THE LOCAL LEVEL

| Municipality                | Date of integrity plan adoption | Date of initiation of integrity plan development | Total number of measures | Number of continuous measures | Percentage of continuous measures |
|-----------------------------|---------------------------------|--|--------------------------|-------------------------------|-----------------------------------|
| Andrijevica                 | 31/3/2016                       | 21/3/2016  | 112                      | 75                            | 66.96%                            |
| Bar                         | 13/4/2016                       | 29/3/2016  | 64                       | 60                            | 93.75%                            |
| Berane                      | 15/4/2016                       | 11/3/2016  | 85                       | 73                            | 85.88%                            |
| Bijelo Polje                | 25/5/2016                       | 22/3/2016  | 80                       | 60                            | 75%                               |
| Budva                       | 28/4/2016                       | 8/3/2016   | 106                      | 98                            | 92.45%                            |
| Cetinje                     | 10/6/2016                       | 9/7/2013   | 81                       | 70                            | 86.42%                            |
| Danilovgrad                 | 31/3/2016                       | 10/3/2016  | 81                       | 75                            | 92.59%                            |
| City Municipality Golubovci | 26/4/2016                       | 15/4/2016  | 43                       | 43                            | 100%                              |
| City Municipality Tuzi      | 24/3/2016                       | 19/2/2016  | 34                       | 13                            | 38.23%                            |
| Gusinje                     | 31/5/2016                       | 19/4/2016  | 62                       | 49                            | 79.03%                            |
| Herceg Novi                 | 15/4/2016                       | 14/3/2016  | 76                       | 64                            | 84.21%                            |
| Kolasin                     | 28/4/2016                       | 20/4/2016  | 54                       | 36                            | 66.66%                            |
| Kotor                       | 12/4/2016                       | 24/9/2015  | 83                       | 72                            | 86.75%                            |
| Mojkovac                    | 31/3/2016                       | 15/3/2016  | 117                      | 108                           | 92.30%                            |
| Petnjica                    | 6/4/2016                        | 18/3/2016  | 56                       | 44                            | 78.57%                            |
| Plav                        | 24/5/2016                       | 10/5/2016  | 59                       | 49                            | 83.05%                            |
| Prijevlja                   | 15/4/2016                       | 29/3/2016  | 100                      | 65                            | 65%                               |
| Pluzine                     | 30/3/2016                       | 7/3/2016   | 133                      | 100                           | 75.19%                            |
| Podgorica                   | 28/4/2016                       | 16/3/2016  | 123                      | 95                            | 77.24%                            |
| Rozaje                      | 29/3/2016                       | 23/3/2016  | 84                       | 83                            | 98.80%                            |
| Savnik                      | 31/3/2016                       | 10/3/2016  | 100                      | 70                            | 70%                               |
| Tivat                       | 25/4/2016                       | 08.3.2016.                                       | 88                       | 75                            | 85.23%                            |
| Ulcinj                      | 10/6/2016                       | 24.5.2016.                                       | 79                       | 74                            | 93.67%                            |
| Zabljak                     | 30/3/2016                       | 26.02.2016                                       | 50                       | 27                            | 54%                               |
| Niksic                      | 29/3/2016                       | 10/3/2016  | 74                       | 61                            | 82.43%                            |
| <b>TOTAL</b>                |                                 |  | <b>2024</b>              | <b>1639</b>                   | <b>80.98%</b>                     |

Overview of dynamics of dates of initiation of work and adoption of integrity, with overall number of measures and those which are being continuously implemented

## Analysis of report on implementation of integrity plans – general findings

APC prescribes obligation of authorities to, at the latest by 15 April of the current year, submit a report on realisation of integrity plan for previous year. Five municipalities and one city municipality<sup>10</sup> have not complied with the deadline in 2017, while five municipalities<sup>11</sup> did not note date of submission of report, thus it is not possible to determine whether it was conducted in the prescribed deadline.

Considering the speed in the process of preparation and adoption of integrity plans, i.e. formality and whimsicality in the approach which is best reflected in the fact that majority of integrity plans of local self-governments are identical in content, it is hard to assess whether the existing measures for mastering the risks are efficient and purposeful, and whether risks in integrity plans are defined and assessed in adequate manner, i.e. whether they correspond to the genuine situation in these organs.

For that reason, researchers have directed the focus on percentage of fulfilment of defined measures, as well as on analysis of non-realised measures.

<sup>10</sup> Berane, Bijelo Polje, Budva, CM Golubovci, Petnjica, Plav

<sup>11</sup> Bar, Gusinje, Podgorica, Ulcinj, Zabljak



THINK LOCALLY  
ACT LOCALLY!  
FIGHT AGAINST CORRUPTION  
AT THE LOCAL LEVEL

| Municipality                | Compliance in percentages |        |    |        |    |        |
|-----------------------------|---------------------------|--------|----|--------|----|--------|
|                             | R                         | % R    | PR | % PR   | NR | % NR   |
| Andrijevica                 | 80                        | 71,42% | 26 | 23,21% | 6  | 5,36%  |
| Bar                         | 59                        | 92,18% | 1  | 1,56%  | 4  | 6,25%  |
| Berane                      | 24                        | 31,58% | 45 | 59,21% | 7  | 9,21%  |
| Bijelo Polje                | 69                        | 86,25% | 6  | 7,50%  | 5  | 6,25%  |
| Budva                       | 29                        | 27,36% | 37 | 34,90% | 40 | 37,74% |
| Cetinje                     | 66                        | 81,48% | 3  | 3,70%  | 12 | 14,82% |
| Danilovgrad                 | 66                        | 81,48% | 3  | 3,70%  | 12 | 14,82% |
| City Municipality Golubovci | 31                        | 72,28% | 5  | 11,36% | 7  | 15,90% |
| City Municipality Tuzi      | 15                        | 44,18% | 1  | 2,94%  | 18 | 52,94% |
| Gusinje                     | 10                        | 16,13% | 46 | 74,19% | 6  | 9,68%  |
| Herceg Novi                 | 45                        | 59,24% | 20 | 26,30% | 11 | 14,46% |
| Kolasin                     | 26                        | 48,15% | 22 | 40,74% | 6  | 11,11% |
| Kotor                       | 50                        | 60,24% | 15 | 18,07% | 18 | 21,69% |
| Mojkovac                    | 84                        | 71,79% | 17 | 14,53% | 16 | 13,68% |
| Niksic                      | 45                        | 60,81% | 21 | 28,37% | 8  | 10,81% |
| Petnjica                    | 38                        | 67,86% | 8  | 14,29% | 10 | 17,85% |
| Plav                        | 48                        | 81,36% | 5  | 8,47%  | 6  | 10,17% |
| Pljevlja                    | 54                        | 54%    | 26 | 26%    | 20 | 20%    |
| Pluzine                     | 107                       | 80,45% | 4  | 3%     | 22 | 16,55% |
| Podgorica                   | 77                        | 62,60% | 30 | 24,40% | 16 | 13,00% |
| Rozaje                      | 59                        | 70,24% | 9  | 10,71% | 16 | 19,05% |
| Savnik                      | 33                        | 33%    | 43 | 43%    | 24 | 24%    |
| Tivat                       | 49                        | 55,68% | 16 | 18,18% | 23 | 26,14% |
| Ulcinj                      | 35                        | 44,30% | 21 | 26,58% | 23 | 29,12% |
| Zabljak                     | 37                        | 74%    | 10 | 20%    | 3  | 6%     |

Projeat "Mali lokalno – djeli lokalno – borba protiv korupcije na lokalnom nivou" realizuje Centar za gradansko obrazovanje (CGO), u saradnji sa NVO "Forum" iz Pljevlja, NVO Inkubator – Prostor za nezavisne kulturne inicijative iz Kotora i NVO Centar za istraživačko-normativno – CINI iz Podgorice, a finansiraju Evropska unija.

Kingdom of the Netherlands  
Projeat ko-finansirana ambasada Kraljevine Holandije.

Centar za gradansko obrazovanje  
Centre for Civic Education

Forum

QCIN Centar za istraživačko-normativno obrazovanje

INCUBATOR

Overview of level of realisation of measures – R – realised, PR – partially realised, NR – not realised

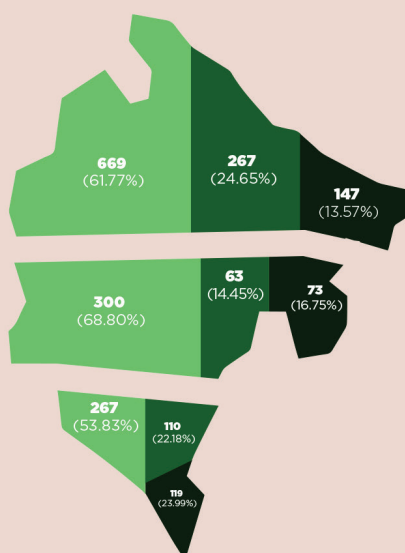
Percentage of realised measures is distinctively low in most local self-governments. However, if we consider that the largest percentage of defined measures should be implemented continuously, namely, that precise deadline for realisation is not defined, this represents no surprise.

Local self-governments have defined a total of 2.024 measures for reduction or removal of risks, of which 1091 local self-governments in the North of Montenegro, i.e. 50.93% of all measures; 496 in South of Montenegro i.e. 24.50%, and 362 in the central area, which is 17.89%.

On the basis of report which authorities have submitted to APC, in the North of Montenegro 669 measures were realised (61.77% in relation to the overall number of measures), 267 were partially realised (24.65%), and 147 were not realised (13.57%), while 300 measures were realised in the central area (68.80%), 63 were partially realised (14.45%), and 73 were not realised (16.75%). In the South of Montenegro, 267 measures were realised (53.83%), 110 were partially realised (22.18%), and 119 measures were not realised (23.99%).

## OVERVIEW OF INTEGRITY PLANS AND REPORTS

- Realised
- Partially realised
- Non-realised



THINK LOCALLY  
ACT LOCALLY!  
FIGHT AGAINST CORRUPTION  
AT THE LOCAL LEVEL

Projekat "Mali lokalno - djele lokalno" - Borba protiv korupcije na lokalnom nivou" realizuje Centar za gradansko obrazovanje (CGO), u saradnji sa NVO "Borbeni" iz Pljevlja, NVO Inkubator - Prostor za nezavisne lokalne inicijative iz Kotora i NVO Centar za istraživačko novinarstvo - CIN iz Podgorice, a finansira ga Evropska unija.

Kingdom of the Netherlands  
Projekat ko-finansira ambasada Kraljevine Holandije.

Centar za gradansko obrazovanje  
Centre for Civic Education

INCUBATOR

CIN Centar za istraživačko novinarstvo  
Crime Gate

BORBENI

### Regional overview of realisation of measures from integrity plans

The processed data indicate that the most successful in realisation was the central area, while the largest percentage of non-realised measures had the Southern region of Montenegro.

Integrity plan of each municipality and city municipality contained a measure on establishment of records and record keeping of donations, sponsorship and gifts, while only seven municipalities have actually realised it, which means that this measure was not realised in 72% of cases. Furthermore, the measure relating to passing Internal guidelines for keeping records of corruption reporting and conduct as per reports was not realised as well, nor was the measure relating to protection of identity of persons who have filed a report in even 11 municipalities, which means that there is no determined mechanism in order to protect whistle-blowers. Certain municipalities have not realised also the measure relating to appointment of persons who will act upon whistle-blowers' complaints, thus disabling adequate records and resolving of all reported cases.

Furthermore, one of the measures which is not realised, and in 13 municipalities, relates to trainings and vocational specialisation of employees. This implies also education of professional cadre in various areas, and is consequently creating a problem considering that they do not receive necessary knowledge on contemporary trends in areas which they are tasked with, thus reducing possibility of more quality performance of these jobs, especially when it comes to officials covering risky groups of jobs. Besides, some municipalities have not determined the plan on vocational specialisation of employees either.

Great number of municipalities does not possess filled cadre capacities, precisely ten of them, especially municipalities in the North of Montenegro, wherein Municipality of





Gusinje stands out, in which as much as seven services in local government do not have enough number of officials for adequate governance. Besides, five municipalities did not perform control of professional cadre in order to more efficiently perform tasks within the jurisdiction that they cover.

Likewise, seven municipalities did not manage to conduct introduction of IT system which would network all organs at the local level, and which would enable electronic base of data and documents, therefore also a simpler insight into all documents and more efficient work. A great problem represents also non-existence of stipulated procedures on establishing the level of secrecy of data in nine municipalities, thus bringing into question their protection and level of risk of corruption that they are exposed to.

Measures that ensure transparency of finances and budget have not been realised in several municipalities, and measures which would exert monitoring of implementation of contracts on public procurement have not been introduced either.

One of the measures, which also has not been realised in even nine municipalities is conducting internal audit. In addition to that, some of these municipalities have not established units for internal audit at all, although it was stipulated by integrity plans, and thus have not filled cadre capacities in these units, hence leaving the space for risk increase of corruption development in certain services, especially in the Service for Finances and Budget.

Furthermore, absence of ethical commissions is among non-realised measures, or, in the cases where such commission exists, analysis of work of the same has not been exerted. Certain municipalities have neither adopted the Code of Ethics, while City Municipality of Golubovci has not even initiated disciplinary procedure for minor breaches of work obligation.

Furthermore, nine municipalities have not realised measures concerning existence of conflict of interest of employees and tender commissions, or have not conducted check of employees' statements on non-existence of conflict of interest. This, as well, leaves space for nepotism in local governments and increases risk of corruption among employees. Non-realisation of this measure especially poses a great risk in services for finances and budget and control of public procurement, since these services are the ones most susceptible to corruption, considering that in certain municipalities decision-processes on allocation of budget are not transparent.

When all data on realisation of measures prescribed by integrity plan are analysed, it is noticeable that not only a large number of measures is being repeated in all municipalities, but also that **measures which have not been realised in the stipulated deadline are also being repeated**. All these non-realised measures are increasing risks of prevalence of private over public interest, i.e. lead to possibilities of creation of conditions for corruption or even corruptive acts, while one still gets no impression that this problem is being seriously approached to.

## Analysis of reports on implementation of integrity plans - findings per municipalities

Considering the scope of defined measures, an overview per individual municipalities is given, as per date of start of work on document, date of adoption, total number of measures and number/percentage of continuous measures.

## Integrity plans

| Municipality                | Date of integrity plan adoption | Date of initiation of integrity plan development | Total number of measures | Number of continuous measures | Percentage of continuous measures |
|-----------------------------|---------------------------------|--|--------------------------|-------------------------------|-----------------------------------|
| Andrijevica                 | 31/3/2016                       | 27/3/2016  | 112                      | 75                            | 66.96%                            |
| Bar                         | 13/4/2016                       | 29/3/2016  | 64                       | 60                            | 93.75%                            |
| Barane                      | 15/4/2016                       | 11/3/2016  | 65                       | 73                            | 112.00%                           |
| Bajice Polje                | 26/5/2016                       | 22/5/2016  | 80                       | 60                            | 75%                               |
| Budva                       | 28/4/2016                       | 8/3/2016   | 106                      | 98                            | 92.45%                            |
| Castinj                     | 10/6/2016                       | 9/7/2016   | 81                       | 70                            | 86.42%                            |
| Danilovgrad                 | 31/3/2016                       | 10/3/2016  | 81                       | 75                            | 92.59%                            |
| City Municipality Golubovci | 26/4/2016                       | 15/4/2016  | 43                       | 43                            | 100%                              |
| City Municipality Tuzi      | 24/3/2016                       | 19/2/2016  | 34                       | 13                            | 38.23%                            |
| Crvinje                     | 31/5/2016                       | 19/4/2016  | 62                       | 49                            | 79.03%                            |
| Herceg Novi                 | 15/4/2016                       | 14/3/2016  | 76                       | 64                            | 84.21%                            |
| Roban                       | 28/4/2016                       | 20/4/2016  | 54                       | 36                            | 66.66%                            |
| Kotor                       | 12/4/2016                       | 24/9/2015  | 83                       | 72                            | 86.75%                            |
| Mojstovci                   | 30/3/2016                       | 15/3/2016  | 117                      | 108                           | 92.30%                            |
| Patrova                     | 4/4/2016                        | 18/3/2016  | 56                       | 44                            | 78.57%                            |
| Plav                        | 24/5/2016                       | 10/5/2016  | 59                       | 49                            | 83.05%                            |
| Pjeveri                     | 15/4/2016                       | 29/3/2016  | 100                      | 65                            | 65%                               |
| Pluzine                     | 30/3/2016                       | 7/3/2016   | 133                      | 100                           | 75.19%                            |
| Podgorica                   | 28/4/2016                       | 16/3/2016  | 123                      | 95                            | 77.24%                            |
| Rozaje                      | 29/3/2016                       | 23/3/2016  | 34                       | 33                            | 96.80%                            |
| Savnik                      | 31/3/2016                       | 10/3/2016  | 100                      | 70                            | 70%                               |
| Tivat                       | 25/4/2016                       | 08.3.2016  | 68                       | 75                            | 110.29%                           |
| Ulcinj                      | 10/6/2016                       | 24.5.2016  | 79                       | 74                            | 93.67%                            |
| Zabljak                     | 30/3/2016                       | 26.02.2016                                       | 50                       | 27                            | 54%                               |
| Niksic                      | 29/3/2016                       | 10/3/2016  | 74                       | 61                            | 82.43%                            |

## Detailed overview as per municipality

## Analysis of reports /Andrijevica

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |        |    |       |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|--------|----|-------|
|              |                              |                       |                                 | R                          | % R    | PR | % PR   | NR | % NR  |
| Andrijevica  | 13/4/2017                    | January-December 2016 | YES                             | 80                         | 71.42% | 26 | 23.21% | 6  | 5.36% |

### Non-realised measures:

No instruction was passed on establishing the register of donations, sponsorships and gifts; Internal instruction for registering corruption reports and conduct upon reports and protection of identity of a person who submitted the report was not passed; protection of whistle-blowers was not provided; Internal instruction for control and register of existence of conflict of interest was not passed; conditions for physical security of property were not provided.



## Analysis of reports / Bar

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |       |    |       |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|-------|----|-------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR  | NR | % NR  |
| Bar          | n/a                          | April-December 2016 | n/a                             | 59                         | 92.18% | 1  | 1.56% | 4  | 6.25% |

### Non-realised measures:

Rulebook on establishing the register of donations, sponsorships and gifts was not passed; Internal instruction for registering corruption reports and conduct upon reports and protection of identity of a person who submitted the report was not passed; assessment of cadre for efficient conduct of tasks from jurisdiction of municipality was not performed.

## Analysis of reports / Berane

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |       |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|-------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR  |
| Berane       | 18/4/2017                    | April-December 2016 | NO                              | 24                         | 31.58% | 45 | 59.21% | 7  | 9.21% |

### Non-realised measures:

Rulebook on establishing the register of donations, sponsorships and gifts was not passed; Internal instruction for registering corruption reports and conduct upon reports and protection of identity of a person who submitted the report was not passed; assessment of cadre for efficient conduct of tasks from jurisdiction of municipality was not performed; Internal procedure for development of planning documents was not passed; employment of professional cadre in the Service for Parliament's Affairs was not performed.

## Analysis of reports / Bijelo Polje

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |       |    |       |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|-------|----|-------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR  | NR | % NR  |
| Bijelo Polje | 21/4/2017                    | April-December 2016 | NO                              | 69                         | 86.25% | 6  | 7.50% | 5  | 6.25% |

### Non-realised measures:

Decision stipulating level of secrecy of data in possession of local self-government's organs and organs of local government was not passed; nor was internal instruction for issuance of construction permissions; employees were not awarded in 2016.

## Analysis of reports / Budva

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                       |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Budva        | 05/6/2017                    | January-December 2016 | NO                              | 29                         | 27.36% | 37 | 34.90% | 40 | 37.74% |

### Non-realised measures:

Rulebook on establishing the register of donations, sponsorships and gifts was not passed, APC was not informed, and neither were employees; Ethical Commission was not established; Trainings, education and similar specialisation of employees prescribed by Integrity Plan were not conducted; Internal instruction on monitoring the corruption reports and conduct upon reports and protection of identity of persons who submitted the report was not passed; decisions on education, professional specialisation and material status of employees for the purpose of raising the level of transparency were not being published; Law on Protection of Personal Data was not passed; rules in relation to budget resources were not complied with, nor was reporting on budget been conducted; internal auditor was not employed, thus no IA has been conducted; control of statement on non-existence of conflict of interest of employees and tender commissions was not performed; implementation of contracts on public procurement was not monitored; IT system was not improved and there is no Rulebook on Secrecy and Protection of Data; cadre capacities have not been fulfilled in all services; Internal procedures on manners of processing of salaries and earnings and for public procurement procedure were not passed; there is no Rulebook on protection at work.

## Analysis of reports / Cetinje

| Municipality | Date of submission of report | Reporting period   | Was the deadline complied with? | Realisation in percentages |        |    |       |    |        |
|--------------|------------------------------|--------------------|---------------------------------|----------------------------|--------|----|-------|----|--------|
|              |                              |                    |                                 | R                          | % R    | PR | % PR  | NR | % NR   |
| Cetinje      | 12/4/2017                    | June-December 2016 | YES                             | 66                         | 81.48% | 3  | 3.70% | 12 | 14.82% |

### Non-realised measures:

Rulebook on registering donations, sponsorships and gifts was not passed, and employees were not introduced with the rules; education of management of function and work of IA was not performed; Internal procedure for conduct of audit was not passed; education of auditors was not conducted.

## Analysis of reports / Danilovgrad

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |       |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|-------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR  | NR | % NR   |
| Danilovgrad  | 01/3/2017                    | April-December 2016 | YES                             | 66                         | 81.48% | 3  | 3.70% | 12 | 14.82% |

### Non-realised measures:

Assessment of cadre for efficient conduct of tasks within jurisdiction of municipality was not conducted; actions for ensuring quality work of commission were not undertaken; internal procedure for protection of data was not passed, and neither was the one for development of planning documents. Measures concerning internal audit were not fulfilled (service for IA was established, but workplaces are not filled). Proper cadre in the Service for Development and Implementation of Projects within the Municipality was not employed.



## Analysis of reports / City Municipality Golubovci

| Municipality                | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|-----------------------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|                             |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| City Municipality Golubovci | 21/4/2017                    | April-December 2016 | NO                              | 31                         | 72.28% | 5  | 11.36% | 7  | 15.90% |

### Non-realised measures:

Disciplinary proceedings for minor violations of work duties were not initiated; work supervision over work processes from within the area of finances was not increased.

## Analysis of reports / Gusinje

| Municipality | Date of submission of report | Reporting period | Was the deadline complied with? | Realisation in percentages |        |    |        |    |       |
|--------------|------------------------------|------------------|---------------------------------|----------------------------|--------|----|--------|----|-------|
|              |                              |                  |                                 | R                          | % R    | PR | % PR   | NR | % NR  |
| Gusinje      | n/a                          | n/a              | n/a                             | 10                         | 16.13% | 46 | 74.19% | 6  | 9.68% |

### Non-realised measures:

Un-fulfilled cadre capacities in the Service for Public Procurement, Secretariat for Spatial Planning and Property, Secretariat for Economy, Development and Finances, Secretariat for Inspection Affairs, Office of the President, Service of the Chief Administrator, Service for Parliament's Affairs, and Service for Rescue and Protection was not formed.

## Analysis of reports / Herceg Novi

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Herceg Novi  | 14/4/2017                    | April-December 2016 | YES                             | 45                         | 59.24% | 20 | 26.30% | 11 | 14.46% |

### Non-realised measures:

Rulebook on registering sponsorships, donations and gifts was not passed, thus no reports were submitted to the APC; Internal instructions for registering reports of corruption and conduct upon reports, and protection of identity of persons who filed a report was not passed; principles of management of safety of information were not determined; educations, trainings and professional specialisation were not conducted for employees in Secretariat for Culture, Secretariat for Finances, Tourism and Economic Development, Administration of Local Public Incomes, Direction for Property and Conduct, Service for Parliament's Affairs, Agency for Development and Protection of Orjen with explanation that it was not envisaged by Plan and Programme for 2016.

## Analysis of reports / Kolasin

| Municipality | Date of submission of report | Reporting period | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                  |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Kolasin      | 14/4/2017.                   | n/a              | YES                             | 26                         | 48.15% | 22 | 40.74% | 6  | 11.11% |

### Non-realised measures:

Rulebook on registering sponsorships, donations and gifts was not passed; report on expenditure of budget resources was not submitted; internal acts regulating the process of execution of budgetary obligations were not introduced; internal procedure and establishment of IA was not passed.

## Analysis of reports / Kotor

| Municipality | Date of submission of report | Reporting period | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                  |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Kotor        | 12/4/2017                    | n/a              | YES                             | 50                         | 60.24% | 15 | 18.07% | 18 | 21.69% |

### Non-realised measures:

Passing of the Rulebook on registering sponsorships, donations and gifts was not realised; education of officials covering risk groups of jobs was not being performed; Internal instructions on registering reports of corruption within institution and conduct upon reports and about protection of a person who filed a report was not passed; internal plan of trainings and of vocational training programme was not created; adequate programme for electronic networking with all organs of local government was not provided; Internal procedure on management of debt and consolidated account of treasury was not passed; nor was Internal procedure for development of planning documents; Local programme of social housing was not passed; education of employees in Secretariat for Entrepreneurship and Traffic was not conducted; programme for keeping record of property was not established; training on work and function of IA was not performed; new decision on leasing business premises was not passed, Internal procedure on conduct of organs upon receipt of complaints was not passed.

## Analysis of reports / Mojkovac

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                       |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Mojkovac     | 13/4/2017                    | January-December 2016 | YES                             | 84                         | 71.79% | 17 | 14.53% | 16 | 13.68% |

### Non-realised measures:

Internal instructions for control and register of existence of conflict of interest was not passed; assessment of necessary cadre for efficient implementation of tasks from jurisdiction of Parliament and Service of Parliament was not performed; internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; act specifying the reporting and register of gifts was not passed; training of employees on ethics and integrity was not conducted; procedures for registering, collection and processing of data and documents in the Parliament of the Municipality and Service for Parliament's Affairs were not determined; and there were no conditions for introduction of database for keeping documents and data; AI was not done; instructions on reporting and registering gifts were not passed.



## Analysis of reports / Niksic

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Niksic       | 06/4/2017                    | April-December 2016 | YES                             | 45                         | 60.81% | 21 | 28.37% | 8  | 10.81% |

### Non-realised measures:

Internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; plan on professional specialisation was not adopted; education of employees on keeping and safety of data was not conducted; IT system of electronic keeping of data was not introduced; procedure of monitoring of expenditure of budget resources was not adopted; Internal procedure on management of debt and consolidated account of treasury was not passed, and neither was Internal procedure for development of planning documents.

## Analysis of reports / Petnjica

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Petnjica     | 18/5/2017                    | April-December 2016 | NO                              | 38                         | 67.86% | 8  | 14.29% | 10 | 17.85% |

### Non-realised measures:

Procedures on discretionary decision-making were not adopted; register on sponsorships, gifts and donations was not kept, nor were reports submitted to APC; Internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; plan on professional specialisation was not determined; conditions for physical safety of property were not provided; participation of more than one person on issuing construction permissions was not ensured; new officials in Communal Police and Service of Chief Administrator were not employed.

## Analysis of reports / Plav

| Municipality | Date of submission of report | Reporting period | Was the deadline complied with? | Realisation in percentages |        |    |       |    |        |
|--------------|------------------------------|------------------|---------------------------------|----------------------------|--------|----|-------|----|--------|
|              |                              |                  |                                 | R                          | % R    | PR | % PR  | NR | % NR   |
| Plav         | 02/6/2017                    | n/a              | NO                              | 48                         | 81.36% | 5  | 8.47% | 6  | 10.17% |

### Non-realised measures:

Rulebook on establishment of register of donations, sponsorships and gifts was not passed; plan of professional specialisation was not adopted; Internal procedure on management of debt and consolidated account of treasury was not passed.

## Analysis of reports / Pljevlja

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |     |    |      |    |      |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|-----|----|------|----|------|
|              |                              |                     |                                 | R                          | % R | PR | % PR | NR | % NR |
| Pljevlja     | 12/4/2017                    | April-December 2016 | YES                             | 54                         | 54% | 26 | 26%  | 20 | 20%  |

### Non-realised measures:

Rulebook on establishment of register of donations, sponsorships and gifts was not passed; Internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; education of officials covering risk groups of jobs was not conducted; plan of professional specialisation was not adopted; seminars and trainings for employees within areas of budget planning were not organised; conditions for physical safety of property were not provided; mechanism of control of respect of Code of Ethics was not elaborated; department for inspection supervision in Administration for Local Public Incomes was not formed, thus no measure of field control was realised; report on impact of forced payment; AI training in regards to application of Code of Ethics was not organised, especially in the area of confidentiality of data; cadre capacities in the Service for European Integration and Service of Chief Administrators were not fulfilled; Internal procedure on management of debt and consolidated account of treasury was not passed.

## Analysis of reports / Pluzine

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |      |    |        |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|------|----|--------|
|              |                              |                       |                                 | R                          | % R    | PR | % PR | NR | % NR   |
| Pluzine      | 12/4/2017                    | January-December 2016 | YES                             | 107                        | 80.45% | 4  | 3%   | 22 | 16.55% |

### Non-realised measures:

Procedures on discretionary decision-making were not adopted; assessment of cadre for efficient implementation of tasks within jurisdiction was not performed; plan of professional specialisation was not adopted; control of work of Ethical commissions was not performed nor was improved transparency of their work; proper cadre was not employed in AI; quarter reporting on realisation of contracts on public procurement was not realised (to be submitted once per year); IT system for electronic database was not introduced; decision on level of secrecy of data in possession of organs of local government and local self-government was not passed; obligatory signing of non-existence of conflict of interest was not prescribed; rules and criteria in the processes in which corruption could occur were not determined.

## Analysis of reports / Pluzine

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Podgorica    | n/a                          | April-December 2016 | n/a                             | 77                         | 62.60% | 30 | 24.40% | 16 | 13.00% |

### Non-realised measures:

Register on accepted gifts was not performed; education and training of employees from various areas were not performed; systematisation of workplace of Chief of Department for Personal Status was not performed; lists of land-lots of agricultural land in possession of municipality were not being publicly published and updated; controls of processes of forced payment were not being performed; Department for conduct upon complaints of taxpayers was not formed, thus cadre capacities were not fulfilled; conditions for relocation to new premises were not formed.





## Analysis of reports / Rozaje

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                       |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Rozaje       | 10/4/2017.                   | January-December 2016 | YES                             | 59                         | 70.24% | 9  | 10.71% | 16 | 19.05% |

### Non-realised measures:

Registering on sponsorships and donations was not performed, thus no report was submitted to APC; person for registering gifts of public officials was not appointed, nor was control of registers performed; Internal instructions for control and register of existence of conflict of interest was not passed; IT system for electronic keeping of data was not introduced; Action plan for improvement and development of sport was not created; web page was not regularly updated; rotation of officials and principle of "four eyes" in the Service for AI was not introduced.

## Analysis of reports / Savnik

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |     |    |      |    |      |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|-----|----|------|----|------|
|              |                              |                       |                                 | R                          | % R | PR | % PR | NR | % NR |
| Savnik       | 11/4/2017                    | January-December 2016 | YES                             | 33                         | 33% | 43 | 43%  | 24 | 24%  |

### Non-realised measures:

Internal instructions on keeping register of gifts of employees was not passed; education of officials who are covering risk groups of jobs was not conducted, nor was the education on mechanisms of reporting corruption and other illegal actions within institution; Internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; Internal instructions for control and registering of existence of conflict of interest was not passed; procedure on discretionary decision-making was not adopted; assessment of necessary cadre for efficient implementation of tasks within jurisdiction of municipality was not performed; not all cadre capacities were fulfilled; internal instructions on monitoring of implementation of contracts on public procurement was not passed; IT system for electronic keeping of data was not introduced; decisions designating the level of secrecy of data in possession of organs of local self-government and local government were not passed; awarding of officials was not been conducted; trainings of employees were not performed; Rulebook on protection at work was not developed; regular inspection controls of facilities under construction are not performed; rules and criteria in processes in which corruption may occur are not determined.

## Analysis of reports / Tivat

| Municipality | Date of submission of report | Reporting period    | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|---------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                     |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Tivat        | 06/4/2017                    | April-December 2016 | YES                             | 49                         | 55.68% | 16 | 18.18% | 23 | 26.14% |

### Non-realised measures:

Internal instructions for registering reports of corruption within institution and conduct upon reports and protection of a person who filed a report was not passed; plan of professional specialisation was not adopted; audit of utilisation of residential units, nor it was approached to resolving residential issues for persons using social compensations; procedures of monitoring of expenditures of budget resources has not been adopted; Internal procedure on consolidated account of treasury was not passed; AI system was not ensured; periodical obligation for prevention of corruption to be a topic of collegium, meetings and discussions was not introduced; programme for keeping records of property was not established.

## Analysis of reports / City Municipality Tuzi

| Municipality           | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |        |    |       |    |        |
|------------------------|------------------------------|-----------------------|---------------------------------|----------------------------|--------|----|-------|----|--------|
|                        |                              |                       |                                 | R                          | % R    | PR | % PR  | NR | % NR   |
| City Municipality Tuzi | 27/3/2017                    | January-December 2016 | YES                             | 15                         | 44.18% | 1  | 2.94% | 18 | 52.94% |

### Non-realised measures:

Procedures on discretionary decision-making were not adopted; records on sponsorship and donations were not being conducted, thus no report was submitted to APC; policy of development and management was not created, and neither was assessment on successfulness of organisation; internet page was not created which disables transparency and filing recommendations/critics to the CM Tuzi; notice for employees on reporting of gifts was not published, and no record was kept on received gifts; instruction on monitoring of implementation of contracts on public procurement was not passed, thus management was not being informed on realisation of contracts; position of an officer in the PR service was not fulfilled, thus number of information available to media and citizens was not increased, and considering no web page was developed (stipulated by integrity plan), the same information was not available on any type of platform; public opinion polls on quality of work of CM Tuzi were not conducted.

## Analysis of reports / Ulcinj

| Municipality | Date of submission of report | Reporting period   | Was the deadline complied with? | Realisation in percentages |        |    |        |    |        |
|--------------|------------------------------|--------------------|---------------------------------|----------------------------|--------|----|--------|----|--------|
|              |                              |                    |                                 | R                          | % R    | PR | % PR   | NR | % NR   |
| Ulcinj       | n/a                          | June-December 2016 | n/a                             | 35                         | 44.30% | 21 | 26.58% | 23 | 29.12% |

### Non-realised measures:

Rulebook on establishing register of donations, sponsorships and gifts was not passed, thus no report was submitted to the APC; Ethical Commission was not formed; plan of professional specialisation was not adopted; check of statements on non-existence of conflict of interest of officers for public procurement and members of tender commissions was not performed; transparency in the area of management of cadre was not ensured; decisions on one-time financial compensations have not been passed; control of residential units was not conducted; more quality protection of data was not ensured; AI has not performed control; Internal procedures on manner of calculation of salaries and other personal income were not passed, Internal procedure for manner of registering and payment of invoices, Internal procedure for compensation of expenses for business trips were not passed; transparency in the Secretariat for Finances and Budget was not increased; IT system was not improved.

## Analysis of reports / Zabljak

| Municipality | Date of submission of report | Reporting period      | Was the deadline complied with? | Realisation in percentages |     |    |      |    |      |
|--------------|------------------------------|-----------------------|---------------------------------|----------------------------|-----|----|------|----|------|
|              |                              |                       |                                 | R                          | % R | PR | % PR | NR | % NR |
| Zabljak      | n/a                          | January-December 2016 | n/a                             | 37                         | 74% | 10 | 20%  | 3  | 6%   |

### Non-realised measures:

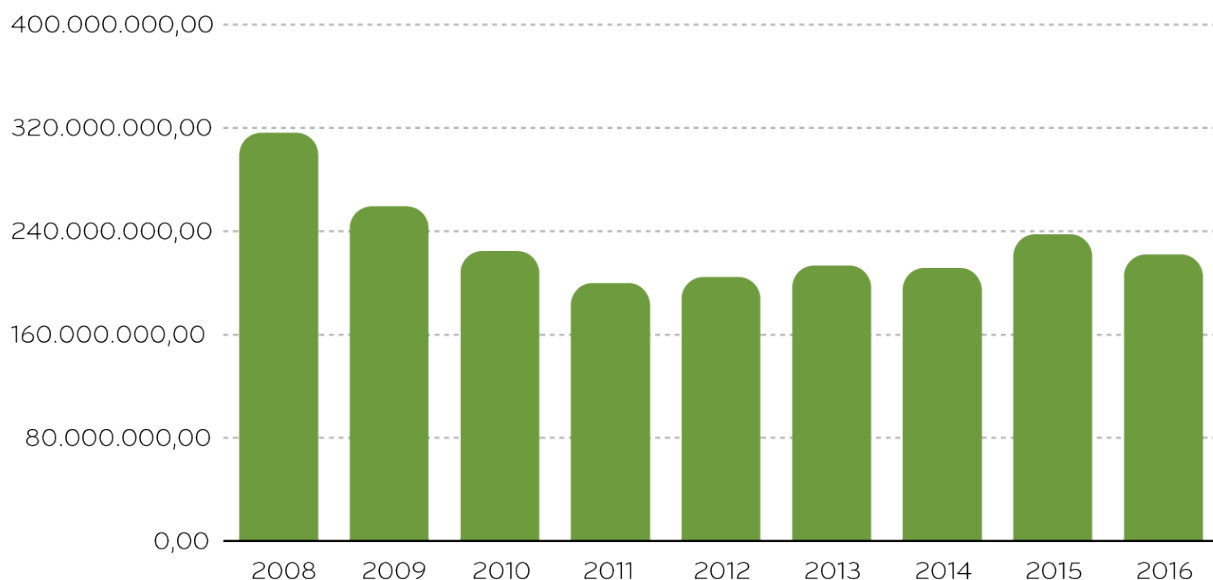
Notice on establishment and record of registry of donations was not passed; Internal instructions for control and register on existence of conflict of interest was not passed; decisions on level of secrecy of data in possession of organs of local self-government and organs of local government were not passed.



# FINANCES AT THE LOCAL LEVEL

## State of local finances – decline of incomes, debt, outstanding obligations

In the period of 2008, incomes of local self-government are in decline, which has stopped in 2012, but could not reach the starting point. Aside from financial and economic crisis, reduced level of direct foreign investments and significantly lower level of economic activity, the Union of Municipalities sees the main culprit for this trend in series of amendments to the law which have deprived municipalities or have significantly reduced certain own and the conceded revenues. Among others, these are abolishment of certain taxes, via amendments to the Law on Local Communal Taxes, abolishment of fee for utilisation of construction land, problems in application of the Law on Immovable Property Tax, inadequate amendments to the Law on Financing of Local Self-Governments, by which only 'certain revenues are symbolically increased'.<sup>12</sup>



Overview of total expenditure

At the same time, after 2008, dramatic growth of outstanding obligations and debts of local self-governments begins.

<sup>12</sup> Analysis of state in financing of local self-government, Union of Municipalities of Montenegro, 2013, available at: <http://uom.me/wp-content/uploads/2013/06/analiza-stanja-finansiranja-lokalnih-samouprava1.pdf>

|      | Incomes      | Expenses     | Debt         | Outstanding obligations |
|------|--------------|--------------|--------------|-------------------------|
| 2008 | 347848909,00 | 316273398,05 | 23590000,00  | 27970000,00             |
| 2009 | 280466951,00 | 259238928,37 | 90468896,16  | 77300000,00             |
| 2010 | 238010575,10 | 224558443,75 | 88318889,65  | 94968872,83             |
| 2011 | 209865542,23 | 199903017,77 | 116692790,00 | 98531202,50             |
| 2012 | 213704513,16 | 204496715,99 | 115360783,88 | 109807110,00            |
| 2013 | 227350223,58 | 213361721,39 | 170546655,98 | 116800223,60            |
| 2014 | 230256314,61 | 211658367,44 | 166940000,00 | 119186034,41            |
| 2015 | 267994660,57 | 237519311,63 | 177510000,00 | 96696004,31             |
| 2016 | 248133749,79 | 222123870,63 | 143090000,00 | 79261648,98             |

*Overview of total incomes, expenses, debt and outstanding obligations 2008-2016*

### Number of employees in constant increase

High level of public expenditure at the local level is a problem, which foremost reflects in irrational expenditure and inadequate employment policy in municipalities, which has resulted in surplus of employees that the fiscal capacity of local self-governments cannot withstand. Despite aggravated financial situation, many municipalities have in parallel to decline of incomes, increased the number of employees as well as level of salaries.

Although there are certain methodological restrictions due to which official data are unreliable (unclear range of local self-governments, institutions and enterprises of whose number of employees is being reported), official data on number of employees at the local level from 2012, 2014 and 2017 are showing significant increase.

According to data which municipalities themselves have submitted to the Ministry of Finances, the total number of employees in local self-governments at the end of 2014 amounted to 11,778. In the Strategy of Public Administration Reform, data is published that state of number of employees in municipalities, public services and enterprises founded by municipality on the day of 30 December 2015 is 11,66<sup>13</sup>. According to data of Ministry of Public Administration in 2017, Montenegrin local self-governments have had 12,174 employees. This amount includes governing organs, public institutions and enterprises founded and owned by municipality. Therefore, number of employees has increased for 396, and has increased the greatest in municipalities of Rozaje, Kotor, Tivat, Podgorica.

13 Strategy of Public Administration Reform in Montenegro 2016-2020, page 40



|                    | 2012   | 2014  | 2017   |
|--------------------|--|---|--|
| Podgorica          | 2244   | 2698  | 2836   |
| Niksic             | 743  | 1099  | 1083   |
| Budva              | 1058   | 1095  | 981  |
| Pljevlja           | 696  | 833   | 878  |
| Bar                | 852  | 822   | 756  |
| Bijelo Polje       | 658  | 643   | 640  |
| Herceg Novi        | 471  | 611   | 643  |
| Berane             | 475  | 609   | 656  |
| Ulcinj             | 615  | 576   | 543  |
| Cetinje            | 491  | 505   | 416  |
| Kotor              | 459  | 490   | 679  |
| Danilovgrad        | 280  | 301   | 276  |
| Tivat              | 271  | 266   | 426  |
| Plav               | 217  | 236   | 239  |
| Rozaje             | 220  | 235   | 424  |
| Kolasin            | 240  | 224   | 125  |
| Mojkovac           | 143  | 150   | 154  |
| Zabljak            | 116  | 116   | 61   |
| Andrijevica        | 108  | 103   | 110  |
| Pluzine            | 70   | 83  | 77   |
| Savnik             | 81   | 83  | 87   |
| Gusinje            | /  | /   | 33   |
| Petnjica           | /  | /   | 51   |
| <b>Total</b>       | <b>10508</b>   | <b>11778</b>  | <b>12174</b>                                     |
| <i>Data source</i> | <i>Plan of internal reorganisation of public sector, MI and MF</i> | <i>Information on state of public finances and number of employees at the local level, MF</i> | <i>Data of Ministry of Public Administration</i> |

Overview of number of employees as per municipalities

Simultaneously, in the entire expenditure at the local level, percentage of expenditure for gross salaries and other personal earnings has, after initial decline in 2009, been in constant increase, and is now at the level that overcomes the one from the period prior to start of financial crisis, although the entire incomes of local self-governments are still in 2016 for around 100 million lower than in 2008.

|      | Total expenditure for gross salaries at local level | Total expenditure for other personal earnings at local level | Total       | Percentage in total expenses |
|------|---|--|-------------|------------------------------|
| 2008 | 42092200,68   | 7324615,14   | 49416815,82 | 15,62                        |
| 2009 | 40532718,95   | 6026649,02   | 46559367,97 | 17,96                        |
| 2010 | 32760897,80   | 5724119,67   | 38485017,47 | 17,14                        |
| 2011 | 33685526,71   | 7347314,02   | 41032840,73 | 20,53                        |
| 2012 | 33099260,94   | 2935022,82   | 36034283,76 | 17,62                        |
| 2013 | 36042059,60   | 2484776,67   | 38526836,27 | 18,06                        |
| 2014 | 36789248,67   | 2306533,60   | 39095782,27 | 18,47                        |
| 2015 | 46614673,85   | 5051688,94   | 51666362,79 | 21,75                        |
| 2016 | 45098519,07   | 4422209,48   | 49520728,55 | 22,29                        |

*Overview of total expenditure for gross salaries and other personal earnings at the local level 2008-2016*

### **Increase of incomes through legal amendments**

During 2017, through two legal initiatives, the Government has strived to enable local self-governments more significant incomes.

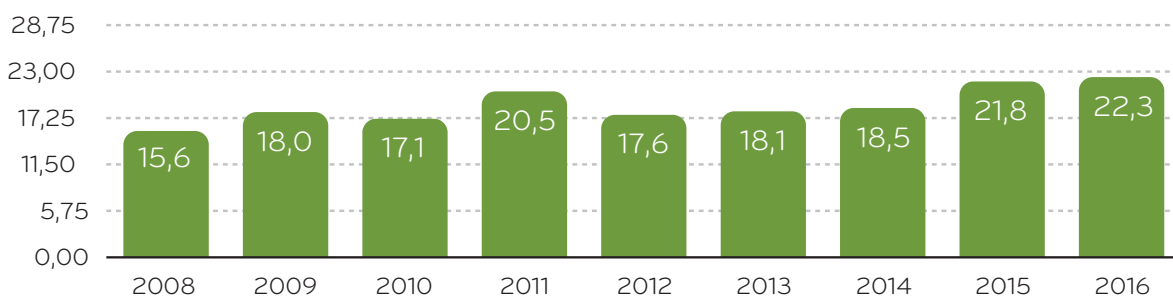
It is especially worrisome the case of the **Law on Royal Capital**,<sup>14</sup> which was adopted in the year of conducting of local elections in Cetinje. This law was proposed by Ministry of Public Administration, without working group and despite work programme of Government for 2017. Almost identical draft law was proposed by Democratic Party of Socialist (DPS) two times already, however, they did not manage to provide the necessary majority in the Parliament for its adoption.

By this law, Cetinje was provided with a new source of finances - the development fund which size will be 1% of projected value of the current budget of Montenegro for each fiscal year. If the year 2017 is taken as an example, the value of development fund would be 8,6 million

<sup>14</sup> Law on Royal Capital, <http://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/225/1508-9613-00-39-17-3-7.pdf>



Euros. Of the total amount, 60% will be used for development projects for Royal Capital, and the rest for financing of regular obligations of local self-government. In this manner, the Government and the Parliament have, by anti-systemic and unsustainable solutions, which are discriminatory towards other local self-governments in Montenegro, in the election year, obtained duplication of the annual budget for Cetinje. The total budget of the Royal Capital for 2016 was around 8,8 million Euros<sup>15</sup>, and in the financial sense, Cetinje was excluded from other local self-governments, according to the current legislation. For example, when it comes to tax on income of natural persons, 12% appertains to all municipalities, while 16% to the Royal Capital, which is a significant difference considering that it is a relatively easily chargeable income. Simultaneously, Cetinje is obliged to settle obligations towards contract on reprogramming of tax debt<sup>16</sup>, and the State Audit Institution has given a double negative opinion to the Royal Capital – both to accuracy of data in the financial report and the level of harmonisation of municipal work with legal regulations.<sup>17</sup>



*Percentage of gross salaries and other personal incomes in total expenses of local self-governments*

Ministry of Finance has during 2017 formed a working group and started preparation of amendments to the Law on Financing Local Self-Governments. According to work programme of the Government for 2017, the key objective is to specify certain budget procedures and improve criteria for allocation of resources of the Egalisation Fund. Local self-governments and the Union of Municipalities have, in the so far discussions about amendments to the Law of Financing Local Self-Governments, highlighted solely the necessity of increase of incomes, while expenses and their rationalisation are not being mentioned. Local self-governments have issued their requests on amendments to the Law on Financing Local Self-Governments through the Union of Municipalities. Among other, municipalities are instead of more accurate calculation of the coefficient for allocation, asking for more money in the Egalisation Fund, increase of incomes from taxes on salaries which belongs to them, from the current 12% to 50%.

<sup>15</sup> Details on budget of Cetinje during years are available at: <http://mojgrad.me/lokalna-samouprava-cetinje>

<sup>16</sup> Contract on reprogramming available at: <https://goo.gl/uu3SVK>

<sup>17</sup> Report on revision of Final Account of budget of Royal Capital Cetinje for 2013, available at: [dri.mojnovac.me/cetinje](http://dri.mojnovac.me/cetinje)

## Disrespect of obligations from contract on reprogramming of the debt

Ministry of Finances has signed contracts on reprogramming of tax debt with 16 municipalities - Andrijevica, Bar, Berane, Bijelo Polje, Budva, Danilovgrad, Kolasin, Mojkovac, Niksic, Plav, Pljevlja, Rozaje, Ulcinj, Cetinje, Savnik and Zabljak.

The total amount of tax debt on the basis of taxation and contributions to salaries of employees which is reprogrammed by this contracts amounts to 90,25 million Euros, and period of payment is in the most cases 20 years.

These contracts oblige municipalities, signatories of the contract on reprogramming, to determine dynamics of solving of surplus of employees in organs of local government, public services, institutions, enterprises and public companies founded by municipality, in accordance with the Plan of Internal Reorganisation of Public Sector, while during each new employment it is necessary to previously ensure approval of Ministry of Finances.

According to the information published by the Ministry of Finances<sup>18</sup>, local self-governments have massively violated contracts, mostly in the part relating to obligation of providing consent for new employments. Also, it was discovered by the Tax Administration that local self-governments, signatories to the contract on reprogramming, in addition to settling obligations from the re-programme at monthly level, simultaneously are not settling their regular, current tax obligations on personal earnings, in some cases for more than a year.<sup>19</sup> During 2017, Ministry of Finances has not been publishing information on realisation of obligations defined by contracts on reprogramming of tax debt of municipalities and contracts on regulating mutual relations of the State and municipalities on the basis of credit indebtedness with the state warranty.

---

18 Information on realisation of obligations defined by contracts on reprogramming tax debt of municipalities and regulation of mutual relations of the State and municipalities on the basis of credit indebtedness with the state warranty, Ministry of Finances, 2016, [http://www.gov.me/sjednice\\_vlade/167](http://www.gov.me/sjednice_vlade/167)

19 Interview of Director of Tax Administration for daily Dan, 18/9/2017 <http://www.dan.co.me/?nivo=3&rubrika=Ekonomija&clanak=615230&datum=2017-09-18>





# ATTITUDES OF CITIZENS OF MONTENEGRO TOWARDS CORRUPTION

In order to determine perception of citizens in relation to efficiency of fight against corruption at the local level, for the purposes of the project, agency Ipsos has conducted field research of public opinion, in the period of 7 to 12 November 2017. Sample framework was the entire adult population of Montenegro, and it encompassed 1044 respondents directly.

Research findings indicate that there is high level of recognition of various forms of corruptive behaviour among citizens of Montenegro.

## High level of recognition of various types of corruptive behavior is present among citizens of Montenegro.

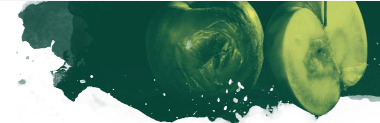
*In your opinion, what of the following pertains to corruption, and what does not?*



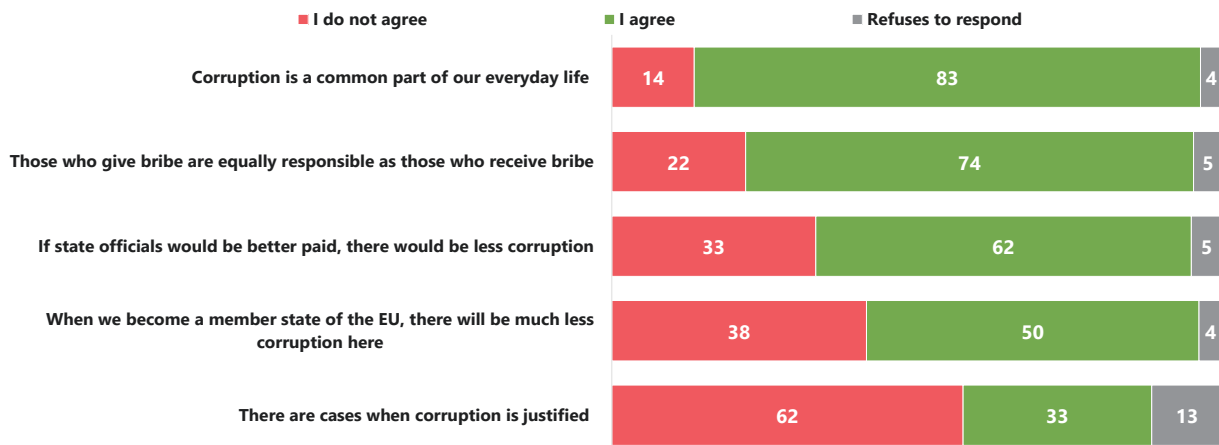
Base: Adult population of Montenegro, N=1044

Although, corruption is being perceived as integral part of everyday life, simultaneously, at least declaratively, significantly lower degree of citizens perceives it as justified means for reaching the certain goal.

Although corruption is perceived as integral part of everyday life of citizens of MNE, simultaneously, at least declaratively, significantly less level of citizens perceive it as a justified mean for achieving a certain goal.



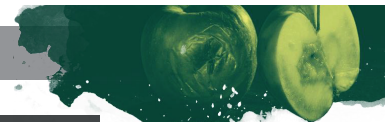
To what extent do you agree with stated claims?



Base: Adult population of Montenegro, N=1044

Negative perception of level of corruption inside state sector is predominant, both at the national, and at the local level.

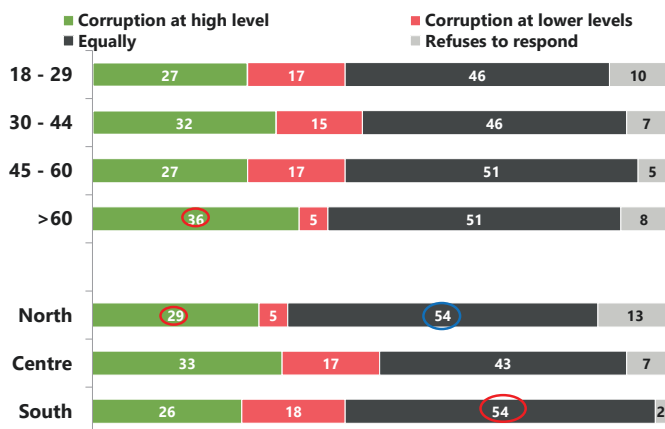
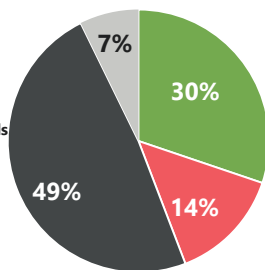
According with it, for almost a half of citizens of Montenegro, corruption that is occurring at high level is equally important as corruption occurring at lower level.



What is, according to your opinion, greater problem in Montenegro – corruption at high level, occurring in political and business top or corruption at lower levels, occurring in hospitals, schools, among police officers and other state officials?

Total population of MNE

- Corruption at high level
- Corruption at lower levels
- Equally
- Refuses to respond



○ Stat. significantly higher in relation to Total  
 ○ Stat. significantly lower in relation to Total

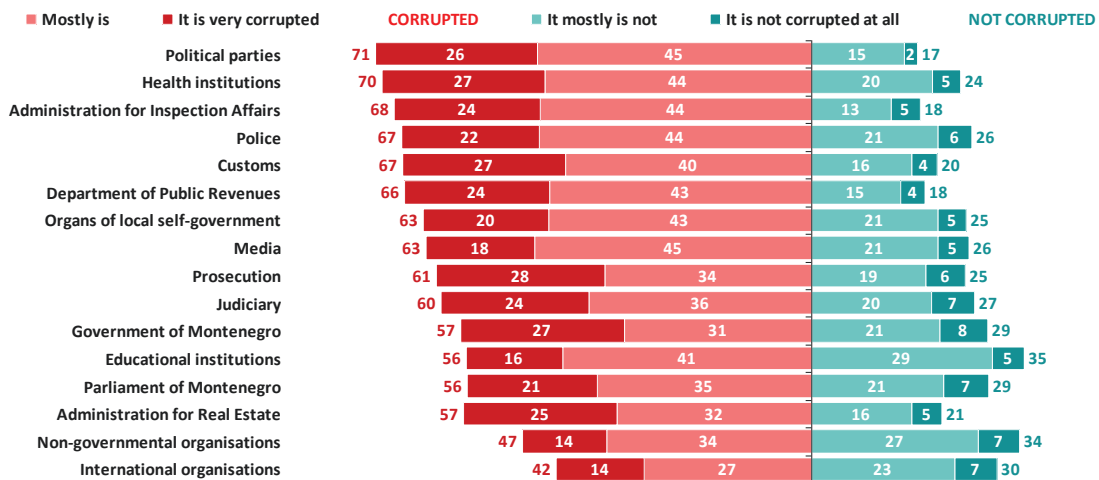
Base: Adult population of Montenegro, N=1044

In accordance with this, for almost half of citizens of Montenegro, corruption which is occurring on higher level is equally important as corruption occurring on lower level.



**Thus, negative perception of level of presence of corruption inside state sector is dominant, both at national and local level.**

*In your opinion, how much is corruption present among following institutions in Montenegro?*



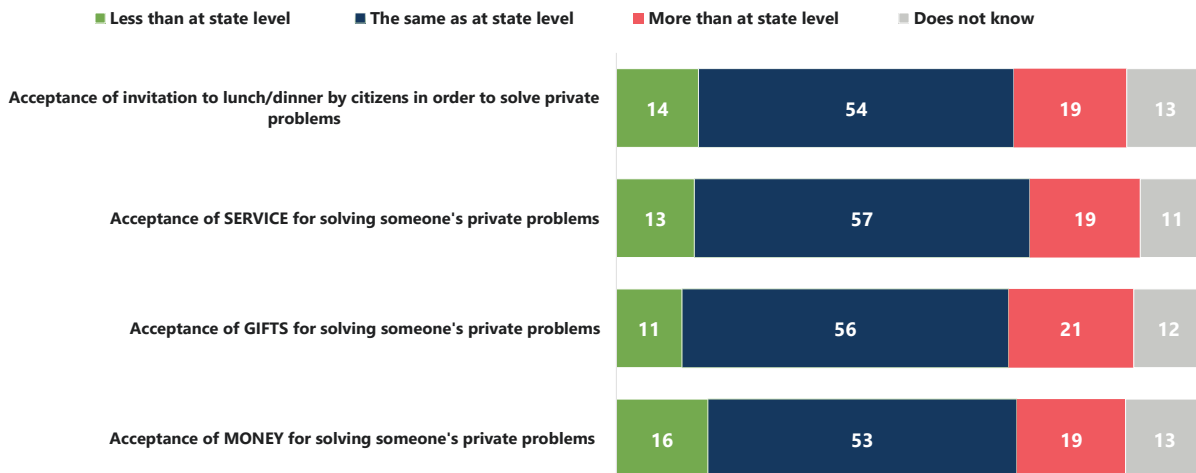
Base: Adult population of Montenegro, N=1044

Ipsos Public Affairs Ipsos

In the focus on local level, considering certain forms of corruptive behaviour, it is shown that all examined forms of corruption are either perceived as equally present, or as more frequent at the local than at the state level.

**Taking into account certain forms of corruptive behavior it is demonstrated that all examined types of corruption are being perceived either as equally present, or as more frequent at local level than at the state level.**

*To what extent do you estimate that the following acts are present at local level (e.g. in schools, hospitals, among police officers...) in relation to state level?*

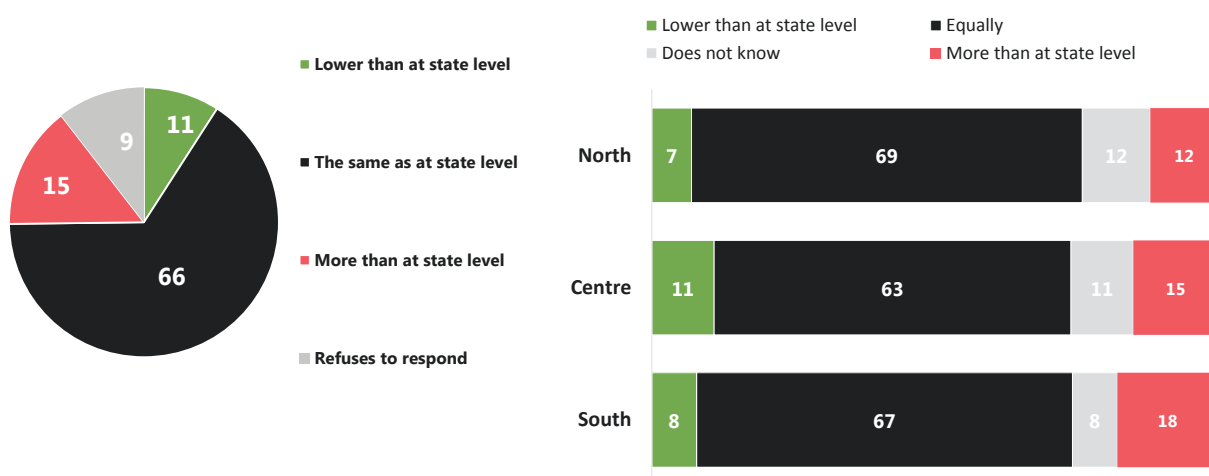


Base: Adult population of Montenegro, N=1044

Speaking on influence and utilisation of party connection during solving problems at the local level, two-thirds of citizens of Montenegro believe that utilisation of this connection is equally present as at the state level.

Speaking of using party connections in order to solve problem at local level, two-thirds of citizens of MNE believes that using this connection is equally present as at state level.

What would you say, is solving problems with the help of party connections in larger extent present at local level than at state level?



Base: Adult population of Montenegro, N=

Ipsos Public Affairs Ipsos

Additionally, averagely more than 40% of citizens has heard, in the place of their residence, for some of the following forms of corruptive behaviour: giving money to some official in order to solve a private problem, giving a gift to some official in order to solve a private problem, doing a favour to some official in order to solve a private problem. Thereby, as much as one-third has stated that these cases have occurred several times.

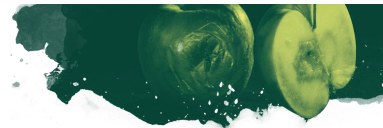
Significant differences per regions in the level of perception of corruption in relation to environment are being noticed – in general, citizens from the Northern region of Montenegro more frequently than the average are noting, for all forms of corruption, that they do not know of the stated forms of corruption in their environment, while recognition of corruption is more pronounced in Southern and central part.

When it comes to personal experiences, situation is different. Namely, citizens of Montenegro in significantly lower extent report on experiences with corruption. Thus, the fifth of respondents state that they have had an opportunity to offer a gift to an official in the public sector, while it is rarely being reported on other forms of corruption, i.e. over 70% notes that they did not have to offer money, gift or do some favour to an official in public sector.

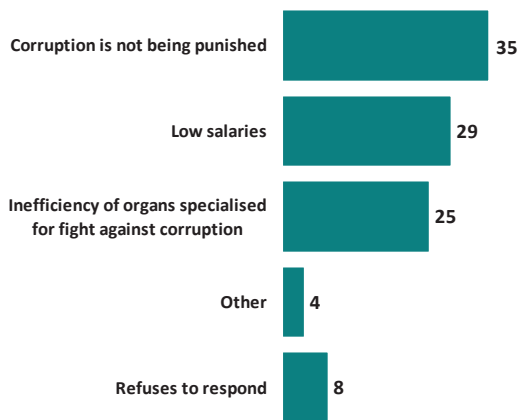
It is an especially concerning information that as a key reason for acceptance and offering of bribe in public sector, impunity of corruption is being emphasized, which indicates that citizens do not see results of relevant institutions in the fight against corruption. Of other factors, those which do not relate to direct accountability of individuals for participation in these acts are being stated.



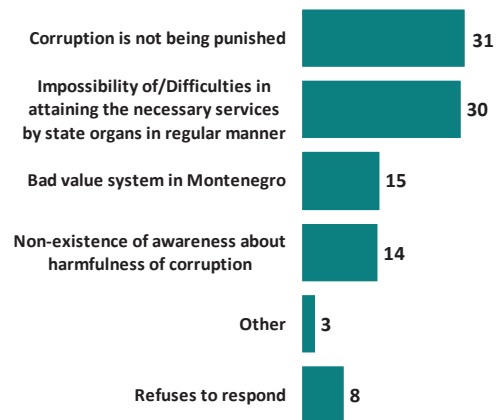
Citizens of Montenegro perceive same reasons both for receiving and giving bribe in environment they live in as – impunity of corruption. Of other factors for receiving and giving bribe, those which are not concerning the direct responsibility of an individual for involvement in these actions are being stated.



*What do you think, in your place, which is the main reason for RECEIVING bribe?*



*And which is the main reason for GIVING bribe in your place?*



Base: Adult population of Montenegro, N=1044

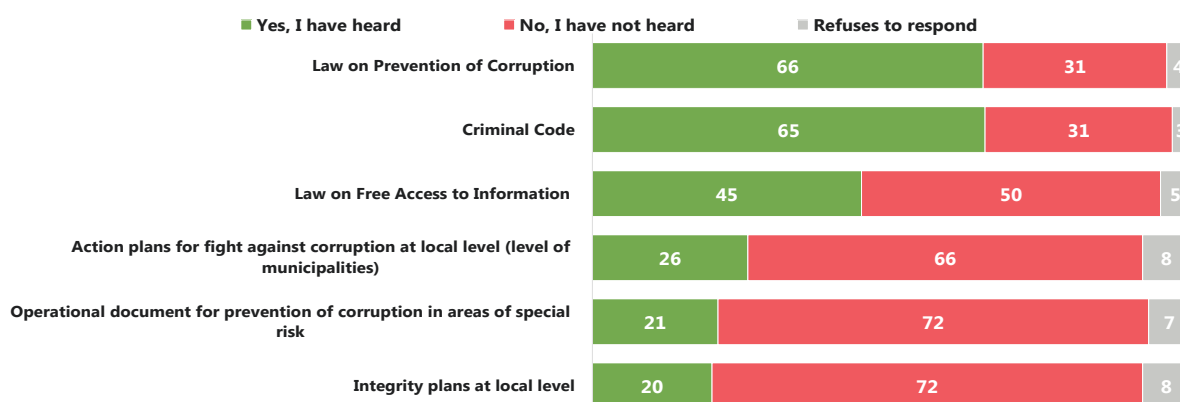
This conclusion is confirmed also by a finding that the greatest percentage of respondents, namely 80% of them, does not know of a corruption case which is reported and adjudicated for the benefit of the damaged person, whereby there is larger, more frequent than average, extent of awareness among citizens aged from 45 to 60 and those of higher education.

Efficiency in prevention and fight against corruption requires also knowledge of normative framework in this area by citizens. Information that over two-third has not heard for basic mechanisms, such as local action plans for fight against corruption and integrity plans indicates that these documents are not functional and that their application does not produce results, i.e. the authorised institutions are not working enough to increase the level of informing in local communities.

**In average, two-thirds of citizens is familiar with high officialy documents regarding fight against corruption. Significantly lower familiarity is registered for action and operational plans.**



Have you heard of following documents related to fight against corruption in Montenegro?



Base: Adult population of Montenegro, N=1044

Although almost three-quarters of respondents has some kind of knowledge on Agency for Prevention of Corruption (APC), even 43% of them openly notes that they do not know enough about this institution. Thereby, those with basic education, as well as citizens of South of Montenegro more frequently than average point out that they do not know of this institution.

Those citizens who state that they have previously heard of APC, show an adequate level of knowledge on activities of this institution, but there is also a mixture of jurisdiction of APC with other organs in the chain of fight against corruption, and every tenth respondent refuses to respond to this question.

Simultaneously, among those who know of APC, there is no positive opinion of this institution present. Namely, only 13% of citizens has positive opinion, while almost half has negative attitude (46%). Thereby, the oldest citizens and citizens from South of Montenegro have the most negative opinion on this institution.

Citizens of Montenegro generate similar attitude also towards Special State Prosecution, namely, almost half of them has negative attitude towards this institution (47%), and in average, somewhat lower than quarter of citizens give the lowest mark to this institution in the fight against corruption, and only 16% positively estimate their work in this area.

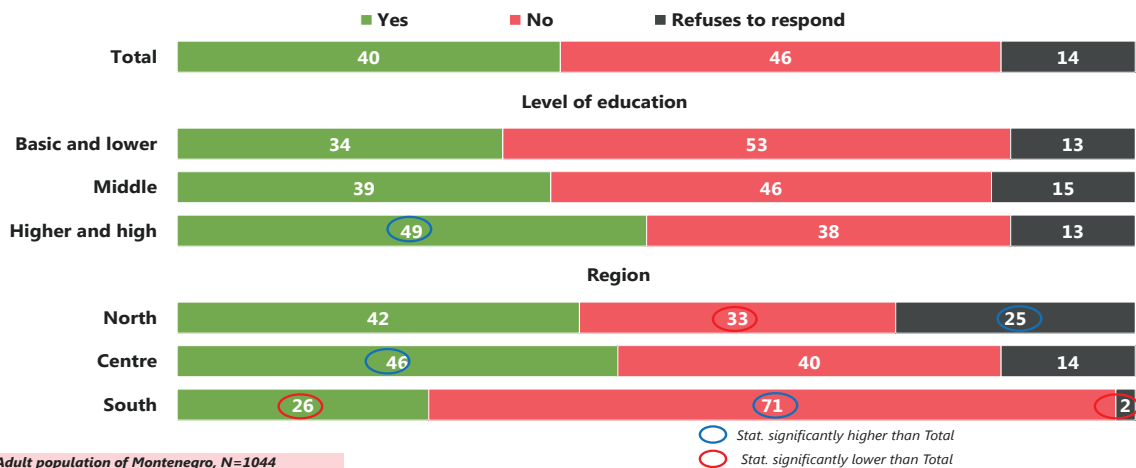
Consequently, considering findings that citizens mostly negatively assess work of key anti-corruption institutions, that they are not familiar with anti-corruption documents, and that they do not know of cases which are processed and resolved for the benefit of the damaged person and that simultaneously they see impunity of perpetrators as one of basic causes of corruption, percentage of those who would report corruption is low. Thus, readiness for reporting corruption lacks with almost half of citizens of Montenegro, and larger readiness than average is showed by those with higher education, as well as residents of central region of Montenegro.



However, readiness to report corruption lacks among almost half of citizens of Montenegro – greater readiness than average express citizens with high education, as well as citizens who live in central region of Montenegro.



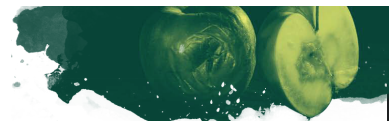
All in all, would you report a case of corruption?



Base: Adult population of Montenegro, N=1044

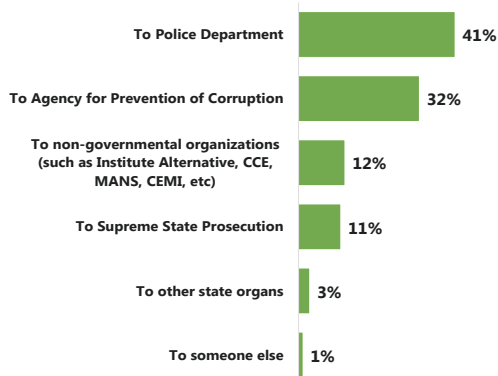
Among those who would rather report cases of corruption, the majority of them would address Police Directorate, followed by APC, non-governmental organisations, and in significantly lower percentage, the Prosecution.

For largest percentage of citizens, police represents the first institution they would address if they would know for a case of corruption. Agency for Prevention of Corruption is on second place, while NGO sector would be addressed in the first place in average by somewhat more than tenth of citizens.

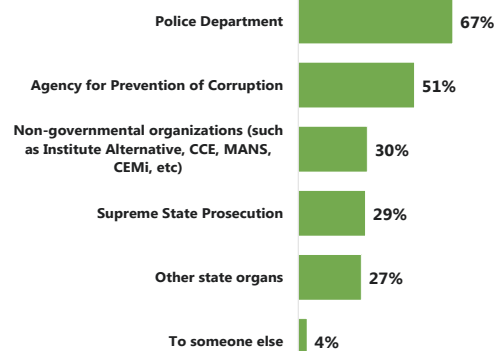


Which institutions concretely would you report a case of corruption to?

First response



All stated responses

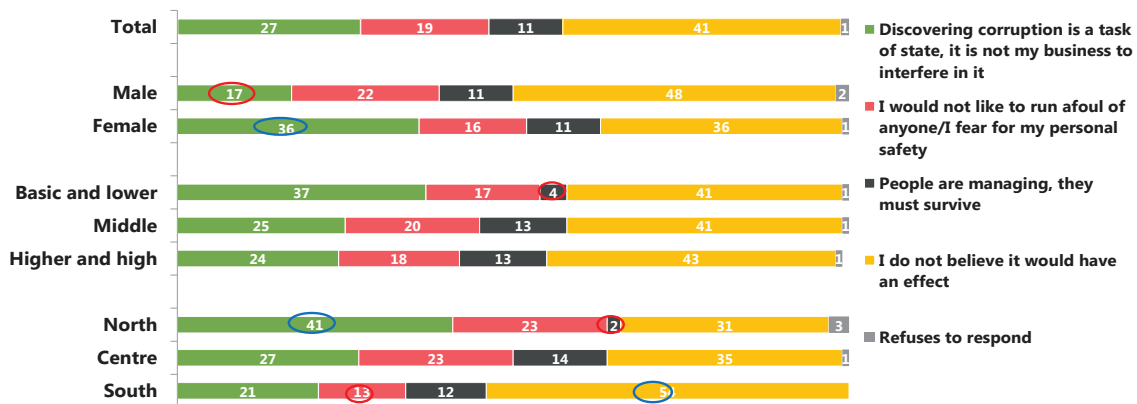


Base: those who would report case of corruption, N=418

Failure to realise personal accountability and distrust in outcome of reporting cases of corruption is significantly present among those citizens who note that they would not report a case of corruption. Justification of these occurrences is perceived by the smallest percentage of them.

Failure to realize personal responsibility and mistrust in outcome of reporting cases of corruption is significantly present among those citizens who state that they would not report a case of corruption. Among the smallest percentage of citizens, justification of these events is being realized.

Why would you personally not report a case of corruption?



Base: Adult population of Montenegro, that would not report a case of corruption, N=475

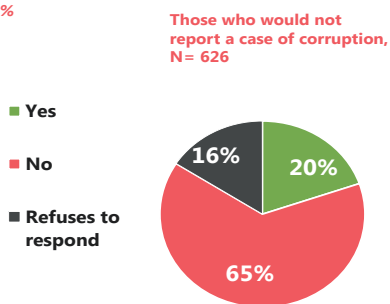
Stat. significantly higher than Total  
Stat. significantly lower than Total

The especially warning is information that even if they could do it anonymously, they would not report corruption to authorised organs, which indicates a significant level of distrust in institutions of system.

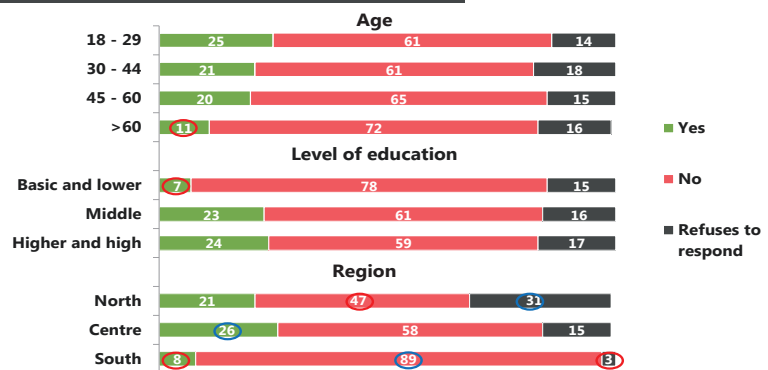
An impression is formed that anonymity of reporting is not an important factor during making decision whether corruption should be reported or not – anonymity would exclusively affect citizens from central region of Montenegro.

If you could anonymously report a case of corruption, namely, if during reporting you would not have to leave any personal data, would you then report a case of corruption?

In %



Those who would not report a case of corruption, N=626



Base: those who would not report a case of corruption or refused to respond, N=626

Stat. significantly higher than Total  
Stat. significantly lower than Total

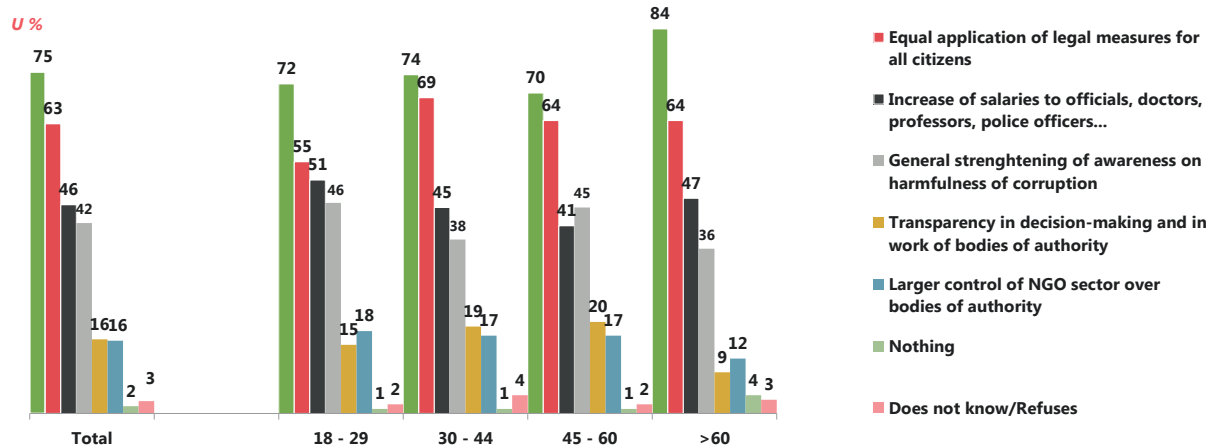
More severe and more just legal measures are perceived as the most important factors which would contribute to reduction of corruption. Significantly rarely are being stated steps which would relate to improvement of status of state officials, as well as those which would relate to a general strengthening of awareness on this problem. The role of non-governmental sector is not being observed as crucial in this moment.





More severe and more equitable legal measures are perceived as most important factor that would contribute to reduction of corruption. Significantly less are being stated steps that would affect improvement of status of state officials, as well as those which would affect general strenghtening of awareness on this problem. Role of NGO sector in this moment is not being perceived as decisive.

What would you say, which of the following activities would be most successful in solving corruption problem in place you live in? Please rank 3 most efficient manners from first to third.



Base: Adult population of Montenegro, N=1044

Observing differences towards socio-demographic features of citizens, it is perceived that respondents with basic education are more frequently stating factor of salaries increase, while simultaneously those who are from central and Southern parts of Montenegro, in comparison to average, larger significance give to non-governmental sector.

## ROLE AND IMPORTANCE OF INVESTIGATIVE JOURNALISM IN DISCOVERING CASES OF CORRUPTION

Centre for Investigative Journalism of Montenegro (CIJ-MNE) has published a series of in-depth analysis and researches, within the project '*Think Locally – Act Locally! Fight against Corruption at the Local Level*'. Researches encompassed several municipalities in Montenegro, precisely, Podgorica, Kolasin, Kotor, Budva, Cetinje, Bar and Ulcinj. Texts were developed according to particular methodology, which included in-depth researches and analysis, while topics were presented in a balanced and comprehensive manner, with mandatory context and consequences.

During research, over hundreds of different interlocutors were contacted, from structures of power in local governments, judiciary, political parties, civil society, expert groups, citizens. All sources and gathered data have been meticulously checked. In addition to texts which were published, a series of documents was presented, of which the interested public for the first time had opportunity to see large part of that material. Precisely these documents testify the best about abuses of power and corruption at the local level.

In addition to abuses which were related to finances from budget, CIJ-MNE has researched also privatisations which were not in accordance with the public interest, investment works, but also other decisions of local authorities which have, instead of bringing benefit, have caused damage to citizens.

CIJ-MNE has started a series of investigative stories with occurrences from Kolasin. In the series of four texts, data and documents were attained which testify of abuses of public funds in multiple manners. Long-lasting, now former Kolasin government, has used public finances in personal purposes, abused the employees and awarded the submissive ones. Solely by transactions with public land, which municipal authorities has privatised and sold under-priced in questionable tenders, this municipality has suffered a million damage, with local officials having enabled close individuals to profit with reselling of municipal land-lots. There was also non-transparent conduct with finances from the budget, as well as with the money that the municipality has received from the European Union for special-purposed projects.

Research findings from Kolasin point out that public funds in this municipality have been damaged for tens of millions, that certain structures have acquired enormous benefit, and that all of this, however, went with no punishment. Abuses which were investigated, have been a subject of numerous criminal complaints for years, while not even one of these complaints had an adequate court epilogue yet, and in some cases, in the meantime, came to obsolescence.



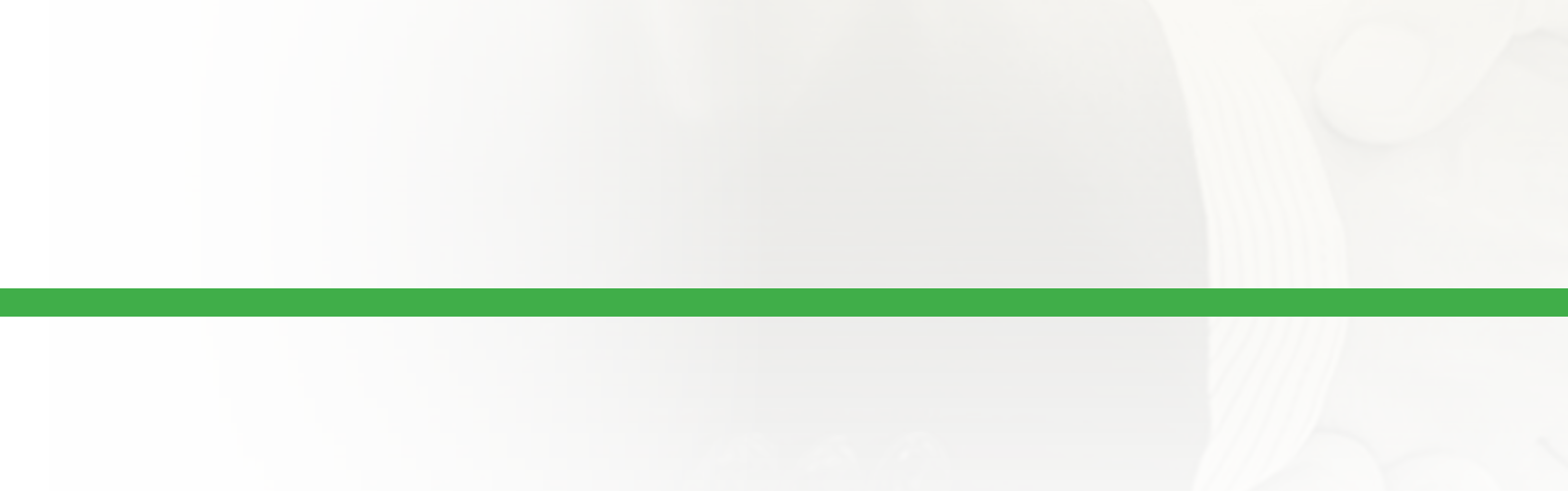

Persuasiveness of these stories corroborates also the fact that the CIJ-MNE received award of the European Commission in Montenegro for investigative journalism for series of stories from Kolasin, which were corroborated with abundance of evidences and documents presented to the public, but also for investigative procedure itself, within project of Institute for Media Montenegro.

There are examples from some other municipalities which were not less illustrative than this one. Through this project, privatisation of factory 'Kosuta' in Cetinje was investigated. During decades of downfall of this enterprise, local authorities have led a rather suspicious process of privatisation of once key factory which had employed thousands of workers and was one of motors of Cetinje's economy. The process of sale of factory itself was not done transparently. Later on, after privatisation, thousands of square metres of land, factory halls and buildings, have through bankruptcy proceedings gone into ownership of selected individuals and their private companies under market price. Criminal complaints in this case as well are still in the process of preliminary investigation of the Special State Prosecution (SSP), although the disputable transactions have been done many years ago.

It is also concerning the relation towards public finances in Municipality of Budva, not only in those cases familiar to the public from earlier, which were subject of investigation in the case of Marovic and others. Namely, million worth amounts have been spent in a suspicious manner during construction of promenade in Petrovac, which CIJ-MNE has also investigated through this project. It was determined that the promenade, after almost a decade, has not been completed, although budget in this case has been exceeded for couple of millions. SSP is dealing with this case as well, however, there is no information which stage the process of preliminary investigation is in.

Majority of criminal complaints, when it comes to corruption at the local level, have been lodged against former Mayor of Podgorica, Miomir Mugosa. CIJ-MNE has in the sequence of the Mugosa case investigated several suspicious affairs for which there is reasonable suspicion that they have damaged the budget of the Capital City and the state for tens of millions of Euros. Texts on cases of Bazar, Carine, Aluminium Plant of Podgorica, Tobacco Plant have been published. All researches and published documents point out that abuses during decade-long governing of Podgorica were obvious and that private interest was above public one. In the case of Mugosa, the SSP has not yet concluded all cases, but investigation is being conducted intensively and processing upon some criminal complaints is announced. However, there is still danger that some of the criminal acts could become obsolete.

CIJ-MNE has been dealing also with the phenomenon of corruption which demolishes life of local communities by jeopardising health of citizens. Residents of Botun, in the vicinity of Podgorica, have been warning of problems that they



have with environment for decades, due to disrespect for regulations by owner of Aluminium Plant Podgorica (APP). The conducted research on construction of a collector in this locality shows that circumstances could additionally deteriorate, and health of citizens could be brought into question even more.

These are merely some of topics which were processed during realisation of project. Multi-month research and findings that CIJ-MNE's investigative team have come to, confirm that corruption at the local level is widely spread, that bearers of corruptive acts are mostly officials of local self-government or persons connected with them. On the other hand, institutions are weak and usually powerless or not willing to face the problems. Judiciary often does not react in the proper manner, and the largest number of processed cases became obsolete or, are a subject of slow acts of investigative organs and prosecution for years. There are hardly any convictions.

However, it is not the problem only in institutions of system. One of the conclusions of the research is also that the free public, media and non-governmental organisations at the local level are significantly less developed. Thus in many of these environments, there are no pressures on holders of power by democratic institutes of civic society, or they are insufficiently articulated. This is one of the reasons due to which local communities, especially those in under-developed environments, in largest number of cases, are completely captured, and there are feeble voices against it. In many of these environments, local media, if they even exist, are not dealing with research related to corruption and illegal affairs of local powerful persons, but have some other less sensitive topics in their focus. It is similar also with civil society organisations.

Finally, the research findings show that problems relating to corruption at the local level are similar to those at the national level. Key challenges are as in the country – rule of law which is not yet functional.

In order to establish responsible government at the local level, in the service of citizens and not individual groups and ruling elites, it is necessary to strengthen other control mechanisms as well. In addition to independent judiciary, role of civil society organisations and media is of enormous importance in the fight against corruption at all levels, even at the local one.



## CORRUPTION AT THE LOCAL LEVEL IN MONTENEGRO THROUGH PRISM OF INTERNATIONAL REPORTS

Corruption in Montenegro is a subject of attention of also international community, thus assessments of this occurrence could be find in various international reports.

In the Report of *European Commission* for Montenegro for 2016, it is stated '*Despite some further steps taken, the track record both on successful investigations and convictions, in particular in high-level corruption cases, and on prevention of corruption remains limited!*' In the same report, EC has also noted that specific action plans which were passed for areas of particular risk for occurrence of corruption, among which are those for local level, had no appropriate effect. In regards to corruption at the local level, EC notes the final convictions for cases of high corruption in the case of former management of Budva, as well as cases of former presidents of municipalities of Niksic and Bar, which had significant attention also in Montenegrin public.

However, EC warns that the largest number of complaints on existence of corruption is still dominantly coming from non-governmental organisations, individuals and companies, and is in this regards problematizing the fact that organs which should be dealing with fight against corruption remain in minority when it comes to its identification and reporting.

In the chapter dedicated to local self-government, EC points out also to unsatisfying financial position of local self-government, the necessity of consolidating finances, increase of transparency, efficiency and responsibility of local self-governments, and this warning was only repeated in relation to same statements from the Report on Montenegro for 2015. The aforementioned is important because all sectors in which there is money-flow, and shortage of transparency and responsibility, are more susceptible to occurrence of corruption, especially considering hard economic situation in Montenegrin society, frequent unawareness of citizens of basic rights, and resources and power that local governments have.

Warnings of the EC are serious and must be treated as such for the purpose of improvement of functioning of local self-governments as a part of executive branch, but also as an often the first and most important citizen's service.

Global coalition against corruption – *Transparency International (IT)* publishes each year a report on perception of corruption within which it ranks states of the world on the scale ranging from very clean (1) to highly corrupt (176). In report from 2016, Montenegro is situated in 64 place with the score 45, with a note that within reporting period for 2015, Montenegro was at 61 place, which was better for 3 places. However, both positions indicate that the state has not yet made

significant breakthrough in the fight against corruption, as well that no progress is being noted.

Behind Montenegro, as per index of corruption, are Bosnia and Herzegovina and Albania at 83 place. Somewhat better than these countries is Serbia which is in 72 place, and Croatia which is the only country from the closer vicinity of Montenegro, now member state of the EU, which is in front of her as per findings and is situated in 55 place.

Furthermore, TI in the part of important markers for fight against corruption points out the power which, among other, must be characterised by responsibility, transparency, respect for the rule of law and limitation of possibility for corruption. This organisation warns, also, that 'corruption is a problem at all levels of government', and that its effect is largest on lives of citizens when it occurs at the local level considering that this is precisely the level on which they have the widest and most direct relation with the public sector.

TI calls upon countries to strengthen the integrity of local self-governments, while in regards to fight against corruption at the local level it states 'when transparency, responsibility and integrity are in the heart of the system of local government, risks of corruption are reduced'. It is added that citizens should participate and influence the shaping of public policies and its implementation, and that officials at the local level must be responsible for their decisions, all for the purpose of prevention of corruption via ensuring transparency, responsibility and integrity of local government.

Within the System of National Integrity from November 2016, TI has highlighted several priorities in the fight against corruption for countries of Western Balkans and Turkey, within which in the case of Montenegro, it is warned of duration of processing the corruption cases and unevenness in penal policy, as well as of the fact that cases of lower corruption are predominant, namely, prosecution of lower officials, which ultimately boosts statistics of Prosecution but substantially has no effect in improving the processing of cases of the so called high corruption.

International organisation dealing with protection of human rights and promotion of democratic changes, with the emphasis on political rights and civic freedoms, *Freedom House*, in its report *Nations in Transit* for 2016 and 2017 positions Montenegro as semi-consolidated democracy, and in the assessment of the freedom in the world status it characterises it as partly free. With the score of 3,89 within the scale of 1=most democratic to 7=least democratic, Montenegro shows that it is positioned on half way to reaching a functional democracy.

Furthermore, the report *Nations in Transit* measures also the level of corruption, as well as functionality of work of local self-government. Montenegro has had a mark of 5,00 in the area of corruption according to Freedom House findings in



2016 (scale 1-7, wherein 1 is the most preferable situation), while its position has somewhat improved in 2017 and amounted to 4,75, although this result is still rather bad.

When it comes to local government, Montenegro has had the same mark in 2016 and in 2017 – 3,50. Report further recognises the necessity of strengthening the transparency, efficiency and responsibility of local self-government units.

The *Council of Europe*, within report for Montenegro from 2010 on European Charter on Local Self-Government, points out the significant level of corruption at the local level. This report states *'One of consequences of party political configuration in combination with weakness of civil society and strong economic growth in some sectors and geographical areas (and poor development in others) is the identified level of corruption (of which the majority is politically induced) in Montenegrin society, although Montenegrin municipalities have committed themselves to fight against corruption at the local level.'*

One of the consequences of corruption at the local level, to which Council of Europe warns is its influence on employment in local self-governments, which CCE also recognised in its work as one of critical area with emphasized risk for corruption occurrence. Report states that employment at the local level is permeated with political influence and corruption which are, as it is stated a characteristic to the *'administrative culture of Montenegro'*. Conclusion for this area is that as long as employment at the local level is not being conducted by the system of merits and not party affiliation, progress in the fight against corruption in this area will not be significant.

Corruption represents a problem also for economic development of a country. *Portal GAN for anti-corruption in business sector* warns that corruption is a problem for investors and emphasizes that *'corruption is especially permeating the level of local self-government in the area of land-zoning, public procurement, privatisation, education and healthcare'*. GAN indicates that Montenegrin citizens have low level of trust in the judiciary and that perception of corruption and nepotism is high. While warning the future potential investors, GAN indicates that local government tasked with urbanism is especially suffering from the pervasive corruption, and that it is expected from more than a half of companies to give bribe in order to acquire construction permission.

This is extremely bad prognosis for economy of a country which is considerably relying on touristic standing and earnings from this branch of economy, especially for those who would, by opening of their branch offices thus become a part of Montenegrin economy, either by employing the domicile population or by paying taxes for doing business in the territory of Montenegro.

## CONCLUSIONS AND RECOMMENDATIONS:

- Activities of central level of authorities in regards to establishment of institutional-normative anti-corruption framework have had almost no supportive affect whatsoever on the local level, in the part of implementation of adequate anti-corruption policies and mechanisms at the local level.
- By expiration of Strategy for Fight against Corruption and Organised Crime (2010-2014) with accompanying Action Plan for its implementation, no functional mechanism was found which would add to measures and activities which were contained in this document. Preparation, adoption and application of local action plans for fight against corruption, although defined as obligation in the Action Plan for Chapter 23 (Judiciary and Fundamental Rights), did not contribute to continuity since the imprecise deadline '*December 2014 and continuous*' was set, which left space for various interpretations and caused the majority of local self-governments not to prepare and adopt LAP after 2014.
- In order to continue monitoring of activity in the areas of particular risk from corruption which encompass also local self-governments, which AP for Chapter 23 did not include, after expiration of validity of Strategy for Fight against Corruption and Organised Crime (2010-2014), as well as its accompanying action plans, the Operational Document for Prevention of Corruption in Areas of Particular Risk was passed, as Annex AP for Chapter 23. Contribution of measures contained in this document to the fight against corruption in local self-governments is rather limited and it is necessary to be revised and supplemented.
- By adoption of the Law on Prevention of Corruption and establishment of Agency for Prevention of Corruption (APC), preventive activities in regards to suppression of corruption have been centralised. However, the role of APC in relation to local self-governments is not clearly set. Introduction of obligation of preparation and adoption of integrity plans for local self-governments, in short deadlines, with no prior training and education on importance of this document, led to creation of uniform documents, with almost identical measures. Local self-governments have been preparing their integrity plans in extremely short deadline in order to formally fulfil the prescribed obligation and avoid the misdemeanour accountability, and not in order to create a sustainable mechanism for prevention of occurrence and development of corruptive behaviour within organs of local self-government. This is visible also through structure of documents which local self-governments have adopted, as well as through reports on realisation of defined measures.
- In order to avoid similar situation in the forthcoming period, it is necessary to conduct trainings for representatives of local self-government and leave longer





deadline for preparation of integrity plans. Additionally, in order to assess the level of efficiency of application of defined measures it is necessary to prepare analysis of reports on realisation of integrity plans of all local self-governments in Montenegro. In this manner, it could be estimated whether measures for overcoming the risks are efficient and purposeful, whether the risks are defined in adequate and genuine manner, i.e. whether they correspond to real situation in these organs.

- Citizens of Montenegro do not assess positively work of the APC and Special State Prosecution, as two key institutions in the area of prevention, i.e. suppression of corruption. Simultaneously they highlight that they are not familiar with key anti-corruption documents, that corruption is a part of their every-day lives, that they do not know of cases which are processed and solved for the benefit of damaged persons, while as one of basic conditions of corruption they see the impunity of perpetrators. Consequently, the percentage of those who would report corruption is low, namely, less than half of respondents. Considering these findings, it is necessary for authorised institutions, as well as civil society, to conduct informative and educational campaigns at the national and local level in continuous manner, so that citizens would be properly informed and encouraged to report cases of corruption to authorised organs, but also to establish an outline of track-records of results in this area.





