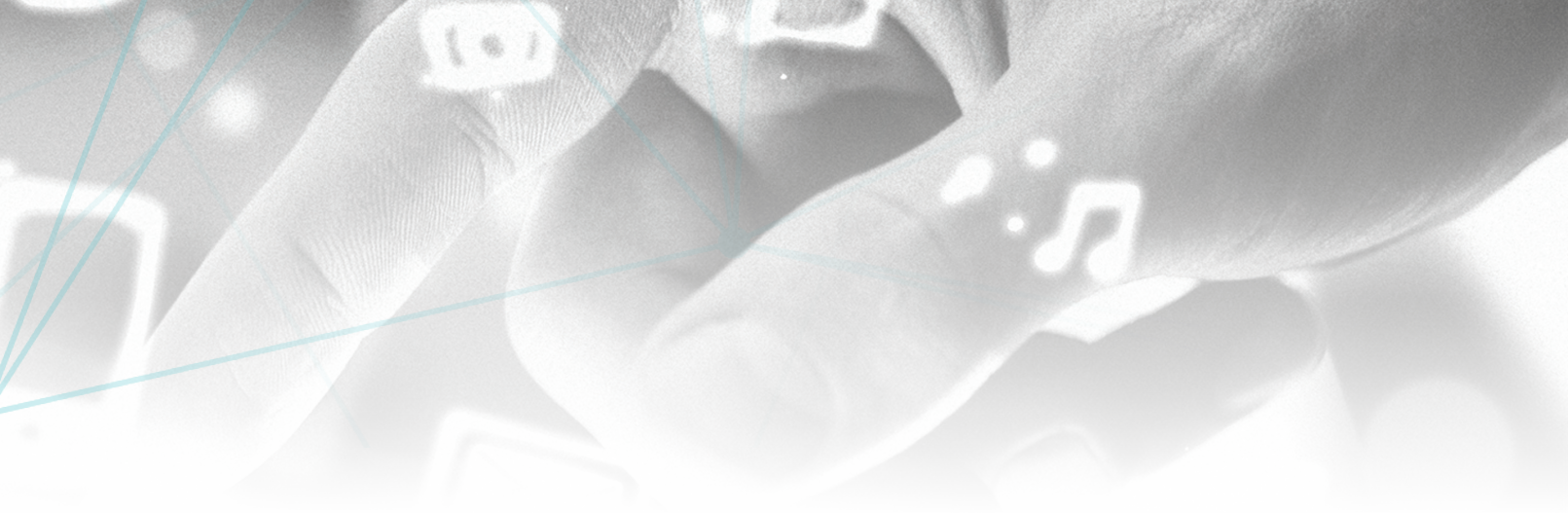


# Equal chances for all media in Montenegro

Podgorica, 2017





# **EQUAL CHANCES FOR** ALL MEDIA IN MONTENEGRO

**ANNUAL REPORT 2016**

Podgorica, 2017

# **EQUAL CHANCES FOR ALL MEDIA IN MONTENEGRO** *annual report for 2016*

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# Introduction

Project "***Equal chances for all media***" aims to contribute to promotion of media freedom and media pluralism in Montenegro, in accordance with regulations of European Union and best international practices and standards.

More precisely, the project aims to mitigate the process of creation of clear mechanisms for allocation and control over financing of media from public funds and allocation of state aid to media in Montenegro, in order to harmonise this system with international standards and best practices which encourage development of media freedoms. Project is also focused on improvement of awareness of interested public in regards to responsible money expenditure from the Budget of Montenegro, indicating on relation of public sector in Montenegro toward media, through financial allocations on various grounds. Public sector, as subject of research, according to Law on Budget of Montenegro, includes state organs, municipalities (local self-government units), independent regulatory organs, public institutions and companies wherein state or municipalities have majority ownership share, judiciary (courts and prosecutions), Protector of Human Rights and Freedoms and others.


Centre for Civic Education (CCE) first introduced this issue in Montenegro, and has been monitoring it closely for five years now. In this regard, CCE has produced five national and one international report<sup>1</sup> that are relevant sources for numerous domestic and international addresses, though they still remain insufficiently used by Montenegrin institutions.

Research for 2016 was conducted in this framework, within which there was information collected on media, informative agencies, public relations agencies, production houses, and etc. that were allocated financial resources from public sector organs on the basis of agreements on provision of services, specialised services, or other grounds. Analysis was produced that provides an updated and comprehensive overview of allocation of public funds on national and local level during 2016 to abovementioned subjects. Considering that certain trends are already being identified, cross section of total allocations for 2013 – 2016 is also provided.

In addition, this publication contains review on media normative and institutional framework, as well as analysis of efficiency of implementation of Law on Free Access to Information and Law on Public Procurement (in the part of obligation of public sector organs to publish all tender documentation timely on the portal of public procurement of Public Procurement Administration of Montenegro). Finally, in relation to underlying themes, publication offers conclusions and recommendations

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<sup>1</sup> <http://cgo-cce.org/en/izdavastvo/demokratija-izdavastvo/#.WdMQ-ROCzOQ>



for improving existing state, including proposals for amendments of appropriate legislative framework, which CCE has been advocating for quite some time now, so that this area would be harmonised with international standards in the area of freedom of expression and media independence, competition, state aid allocation and public procurement.

Findings from previous five national reports and an international one have indicated existence of numerous irregularities and understatements when it comes to financing of media and related subjects from the Budget of Montenegro, as well as the need to regulate this area adequately. As it was observed, public sector organs have a tendency to maintain their influence through selective and non-transparent financing, thereby directly violating market conditions and competition, and exerting indirect pressure on editorial policy. Insufficient transparency of this process and the (non)existence of precise and binding criteria for allocation of funds, along with underderived legal framework, additionally affects the ever-deteriorating state in Montenegrin media.

Considering that the **estimated advertising market in Montenegro amounts to EUR 9.5 – 10 million<sup>2</sup>** on annual level, amounts that are being allocated from public funds to media and related subjects lead to conclusion that state remains individually one of the key factors able to shape this market to detriment, or for the benefit of certain media, thereby their sustainability.

According to available data of CCE, mostly relating to information that have been acquired from 66% or 67% of public sector organs, around **2.5 million Euros are being invested in media and related subjects from public funds on annual level**, not including the additional 30% of organs that refuse to submit their information. This means that **this is a realistic minimum figure**, reasonably assumed to be significantly, if not twice, higher. In addition, this does not include allocations for public broadcaster RTCG, nor for local public broadcasters, with the addition of which a sum of at least 17 million Euros per year would be reached.

Continued insistence on unclear mechanisms for allocation of budget funds to media will lead to further deviations on media market and it will jeopardise the functioning of some, or improve the operation of other media on discriminatory basis and contrary to competition policy of EU. Citizens, as tax payers, have the right to be informed on manner and criteria of spending of public funds, as well as whether the manner of allocation of those funds affects impartial reporting of media on state organs and decision-makers, i.e. to which extent that allocation (does not) support the pluralism of media and whether it helps or hinders development of timely, objective and impartial reporting.

An important consequence of disorganisation in this area is the ever-present *soft censorship*, which accelerates the erosion of media independence in Montenegro. Furthermore, self-censorship is being strengthened as well as the already conspicuous polarisation of media, but also a poor quality of journalism which – as

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<sup>2</sup> <https://www.irex.org/sites/default/files/pdf/media-sustainability-index-europe-eurasia-2017-full.pdf>



such – cannot adequately contribute to public debate when it comes to important matters of democratisation and Europeanisation of Montenegrin society, since it often neglects the code of journalists and professional standards.

Causes should be sought in the fact that media were, and still remain, critical actors of clarification of numerous misuses by the government. There is not small number of cases in Montenegro when media, via investigative journalism, launched issues from various spheres, on which the public otherwise would not be informed. Those cases are drawing large attention of not just domestic, but of international public as well, thereby demonstrating the importance of media in the fight against corruption, abuse of political power, as well as against all forms of violation of human rights.

However, in order for media to execute their monitoring role, they must be **politically and financially independent in their work**, operate under precisely regulated legal norms and free of inappropriate external political influences. **Without clear mechanism and criteria of allocation of tax payers' money**, a dangerous space for interventions of government on media market is being opened.

This report indicates paths which can be used to exert control and pressure on media and provides recommendations that would put an end to such poor practice, which deprives the citizens of Montenegro of their right to free and independent media, which accurately and impartially report on activities of government, political parties and other institutions, as well as on other subjects of public interest.



# Methodological remarks

Research "*Equal chances for all media in Montenegro*" was conducted during the period from January to end of May 2017.

Data was gathered on the basis of the *Law on Free Access to Information*, relating to information of expenditure of public funds by public sector bodies for marketing and advertising services in media, on the basis of agreement on provision of services, specialised services or on other related basis. Additional check and confirmation of collected information was performed based on the insight in documentation published on the portal of public procurement of Administration for Public Procurement of Montenegro. *Law on Public Procurement* prescribes obligation to publish tender documentation on the portal of public procurement of every public sector organ. In this manner, researchers were able to check whether all requested documentation was submitted based on the request of CCE, as well as to partially collect documentation for those public sector organs that refused to submit the requested information, by passing a dismissing decision, or by not responding to submitted inquiry.

Furthermore, sources that were used to collect information relating to allocation of funds for financing work of public broadcasters were the adopted budgets, as well as final budget accounts of local self-governments for 2016, in cases where they were available. It should be noted that final budget accounts by majority of local self-governments were not publically available, even though it is prescribed that final budget accounts shall be adopted no later than 31 March of current year.

For the purpose of a broader view of context and position of media in Montenegrin society, overview of media legal and institutional framework is provided, as well as additional information contained in documents of official national regulatory bodies, reports of international and domestic NGOs and media archives. Furthermore, information from the annual report of allocated state aid in 2015, by the Commission for Control of State Aid, adopted in June 2016, is contained in this report, with partial referral to cases of state aid allocation to media in 2016. Finally, decisions of Governments that are focused on strengthening of media pluralism, through allocation of state aid were also included. Annual report for 2016 has still not been adopted, hence it was impossible to process that data.

Report contains also the information on financing of national public broadcaster RTCG, in the part of financing from state budget, as well as institutional-legal and financial framework of operation of local public broadcasters.

Such manner of processing of collected information provides insight to financing of media, both public and commercial ones, by the state, and maps the extent of general influence that public sector organs have on media and related market.

# Freedom of expression and freedom of media in Montenegro through prism of international reports

CCE's findings have been drawing the attention of relevant international actors for years, unlike relevant Montenegrin institutions which persistently ignore the issue of legally unregulated area of financing of media from public funds.

Latest report of **European Commission** for Montenegro, in the part related to freedom of expression, provides ever stronger and specific imperative recommendation, putting it into context of one of four priorities which must be met until the next reporting period, based on which progress in this area will be measured. Hence, the **Report on Montenegro for 2016**<sup>3</sup> states: "**Montenegro specifically needs to ensure the transparency and non-discrimination of media through adequate legal solutions in terms of state advertising**".

Also, it should be noted that EC's assessment from the report on Montenegro for 2016 was preceded by a number of far less severe findings, which Montenegrin institutions obviously refused to read, even much less were motivated by them in order to try and address this issue in a systematic and serious manner, which led to this request of EC. For instance, the report of European Commission for 2015 stated: "*There is concern in terms of transparency and non-discrimination of media in the area of advertising of state institutions. The precarious economic situation of journalists puts them under the risk of meddling in editorial policy and potential self-censorships. The fact that many media houses are not financially sustainable has an adverse impact on the quality of reporting and professionalism*"<sup>4</sup>. This followed up to previously presented assessment from the Report for 2013, which states: "*There is a concern related to allocation of state aid and financing of advertising in print media during 2012, which are not in line with rules on public procurement and could jeopardise competitiveness on media market*"<sup>5</sup>.

International NGO **Reporters without Borders** ranked Montenegro on 106<sup>th</sup> place out of 180 countries in its *Word Press Freedom Index for 2017*<sup>6</sup>. The same assessment was given in 2016, thus there was no progress in areas monitored by this report. The report takes into consideration several factors: level of misuse of media, level of pluralism, independence, self-censorship, legal framework, transparency and infrastructure.


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3 [http://ec.europa.eu/neighbourhoodenlargement/sites/near/files/pdf/key\\_documents/2016/20161109\\_report\\_montenegro.pdf](http://ec.europa.eu/neighbourhoodenlargement/sites/near/files/pdf/key_documents/2016/20161109_report_montenegro.pdf)

4 [http://ec.europa.eu/enlargement/pdf/key\\_documents/2015/20151110\\_report\\_montenegro.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_montenegro.pdf)

5 [http://ec.europa.eu/enlargement/pdf/key\\_documents/2013/package/mn\\_rapport\\_2013.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/mn_rapport_2013.pdf)

6 <https://rsf.org/en/montenegro>



The report of **Freedom House**, *Nations in Transit 2017*<sup>7</sup>, gave a mark of 4.50 to Montenegro in terms of independence of media, (on a scale of 1 to 7, whereby 7 is the lowest mark). The same mark is repeating year after year.

**USAID – IREX** in its *Media Sustainability Index*, which monitors and estimates sustainability of media on global level since 2001, gave Montenegro the average mark of 2.04 (on a scale from 0 to 4, whereby 4 is the lowest mark), which represents a decline compared to previously observed years.

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<sup>7</sup> <https://freedomhouse.org/report/nations-transit/2017/montenegro>


## What did Government of Montenegro undertake in 2016 in improving freedom of expression and ensuring transparent media financing from public funds?

Bearing in mind the most precise request of European Commission from the *Report on Montenegro for 2016*, one could have expected that Government of Montenegro would take swift and serious actions to ensure that underlined area is regulated and that European standards are applied. Still, despite clear positioning of this issue, as one of key priorities for progress in the area of freedom of expression, in the part of negotiating chapter 23 – Judiciary and Fundamental Rights, adequate reaction by relevant organs is lacking.

The only positive step in that direction was made by the chief of negotiating group for Chapter 23, Marijana Laković Drašković, who scheduled a thematic session of this WG, on the request of Ana Nenezić, member of working group on the behalf of CCE, in order to discuss freedom of expression and financing of media, as well as the media advertising of state organs, in the context of assessment and recommendations of EC from the Report on Montenegro for 2016. The session was held on 22 December 2016, with the presence of Chief Negotiator Aleksandar Andrija Pejović, Miodrag Radović, then acting secretary of Ministry of Foreign Affairs and European Integration, now the negotiator for chapters 23 and 24, Željko Rutović, Director General of Directorate for Media in the Ministry of Culture with associates, Mersad Mujević, Director of Public Procurement Administration of Montenegro with associates, Jadranka Vojvodić, Assistant Director of Agency for Electronic Media, representatives of Agency for Protection of Competition, as well as with representatives of NGO.

Aim of the meeting was to consider assessments and recommendations from the Report of European Commission related to freedom of expression, and review solutions in order to overcome identified flaws and improve the state in that area.

Representatives of Directorate for Media in the Ministry of Culture of Montenegro demonstrated unreasonably ignorant stance and refusal to open discussion on the manner and extent of financing of media from public funds, as well as potential effects thereof on freedom of media and their editorial policy. This significantly disregarded a good opportunity to open dialogue, ascertain evident problems, provide proposals for amendments of incomplete legal framework and offer potential solutions, with clear obligation of relevant Ministry to run this process.



Meeting ended with a conclusion to present challenges from this area to Government in the form of information, in order to specify measures and actions for further activities. However, this did not happen even six months since the date of meeting, and CCE was not able to acquire even the record from session of relevant Ministry of European Affairs until the day of conclusion of this publication.

Unfortunately, it is rather clear now that **there is no political will** to regulate this issue in an adequate manner. Thus, organisation of this meeting will serve as another administrative tick in some of the government's reports and a feigned example of cooperation and mutual cooperation of all sectors of society when it comes to matters of public importance, but without concrete results. We get the impression that any concrete activities will lack, at least a few months before the next European Commission report, which is expected for spring 2018.

Also, from monitoring report on implementation of activities from Action plan for chapter 23, more precisely the recommendation 3.4 which states: *"Ensure the protection of journalists from threats and violence, especially through efficient investigations of previous assaults and dissuasive sanctions. Re-examine and amend legal regulation and institutional framework for protection of freedom of media"*, it is clear that the follow-up activities which confirm the compliance with said recommendation do not contain activity which would indicate intention to examine and amend the legal regulation and institutional framework for protection of freedom of media.

Prime Minister Duško Marković has given some hope that a process of reform will be launched, with amendments of legal framework and equal relation toward all media in Montenegro, during presentation of his expose<sup>8</sup> in the Parliament of Montenegro on 28 November 2016, when he stated: "Media in every democratic society are important part of creative industries with special influence on democratic development and pluralism. **Today, media scene presents one of the open issues which significantly contribute to division of Montenegrin society.** I am not speaking about differences in editorial policies of certain media or programme priorities. It would be unnatural if those differences didn't exist. **New government will not have its own media, nor will it interfere in editorial policy of existing media.** However, what we will insist on is the respect of law in this sphere of social acting, equally as in other areas. **Therefore, I believe that it is important to adopt a comprehensive media strategy that would include legislative, media, social and cultural needs of Montenegrin society and encourage us to analysis and changes in the package of media laws.** I repeat, at political level, we do not want our media, but we also do not want the media assuming the role of government's decision-making policy instead of indicating on mistakes of government policy management".<sup>9</sup>

More than eight months have passed since this presentation of working programme of new Government and said priorities. Nothing was done in this area. There is

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<sup>8</sup> <http://www.predsjednik.gov.me/vijesti/167232/Ekspozee-mandatara-za-sastav-Vlade-CG-Duska-Markovica-na-sjednici-Skupstine-CG.html>

<sup>9</sup> Transcript of presentation exposé, archives of CCE



no publically available information, nor information that anything was done with regards to adoption of announced media strategy or amendments of set of media laws.

Indicatively or not, but the working programme of Government for 2017<sup>10</sup> does not envisage any activities in the area of improvement of freedom of expression and freedom and independence of media in Montenegro.

On the basis of insight into plans of relevant bodies and excerpts from all provided roof documents, we can assume that, beside declarative help, essentially there is no intention of Government to actually initiate process of reform in the area of freedom of expression and media, including the amendments of existing set of media laws, thereby to meet one of the priorities from report of European Commission related to definition and adoption of adequate legal solutions which would ensure transparency and non-discrimination of media in terms of advertising and other forms of investment of public funds in the media, on which CCE has been insisting for years in its reports.

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<sup>10</sup> [http://www.gsv.gov.me/spi/Program\\_rada\\_Vlade](http://www.gsv.gov.me/spi/Program_rada_Vlade)

# Media in Montenegro

## General review

Media scene in Montenegro is pluralistic, namely there is a great number of active media on a rather small market with 647,073 citizens. According to official information of Agency for Electronic Media from 2015, there are 23 TV channels registered in Montenegro (3 local public ones and 15 commercial TV broadcasters, of which 4 with national coverage), 55 radio stations (2 public national ones, 14 public local, 38 commercial and 2 non-profit radio broadcasters), and 18 portals, i.e. electronic publications. The only Montenegrin news agency is MINA, with four daily newspapers and two weekly newspapers being published.

The official register of media operating on Montenegrin market is not publicly available. Law on Media, in Article 9, prescribes obligation of a relevant authority, i.e. the Ministry of Culture, to keep records of media in Montenegro. It was not possible to find a public register of media operating on Montenegrin market by conducting an insight into all available documents, as well as the website of Ministry of Culture. Law on Publishing Activities, in Article 2, stipulates that publishing activity includes publishing, printing, distribution and dissemination of publications, further specifying in Article 3 that publications also include "periodical, newspaper, magazine", and in Article 20, that "the organ of state administration responsible for affairs of culture (hereinafter: the Ministry) keeps records of publishers, printers and distributors as a unique, electronic database". Believing that this legal obligation is fulfilled by relevant organ, we consider that it is important to make the existing registry public and give it to all interested entities for insight.

When it comes to portals, Council of Agency has adopted a **Rulebook on Electronic Publications** in January 2016<sup>11</sup>, in an attempt to regulate this area. As *Report on work of AEM for 2016* states, main goal of Rulebook is to secure a consistent implementation of Law on Electronic Media, Law on Media and professional standards in electronic publications and provide contribution to free, fair, complete, impartial and timely informing of public; respect and promotion of basic human rights and freedoms, democratic values and institutions and pluralism of ideas and improvement of culture of public dialogue. Rulebook prescribes the content, method of keeping and procedure of registration in the register of electronic publications, specifying rights and obligations of individuals and legal entities that provide services of electronic publications in accordance with Law on Media, Law on Electronic Media and other positive legal domestic and international documents. Special emphasis was put on general standards

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<sup>11</sup> [http://www.ardcg.org/index.php?option=com\\_docman&task=cat\\_view&gid=45&Itemid=26](http://www.ardcg.org/index.php?option=com_docman&task=cat_view&gid=45&Itemid=26)

(freedom and responsibility; prohibited programme content), special standards (protection of privacy, protection of minors and vulnerable persons and respect of court and secrecy of proceeding), right to correction and response and rules of commenting. Even though the Report states that 18 electronic publications were registered in 2016, insight into official website of AEM did not result in a database of registered electronic publications.

Legislative and institutional framework is encompassed and significantly harmonised with international recommendations, however, there is significant space for improvements. It guarantees the right to free expression, freedom and independence of media. Regardless of that, media and journalists are often exposed to serious restrictions of rights and freedoms and journalists themselves largely negatively estimate media freedom in the country.

After direct assaults, media and media employees are also exposed to other forms of pressure in recent years, whereby most of them were visible through financial pressures defined as concealed or "soft" censorship or control. CCE prepared and presented the international report on existence of elements of *soft censorship* of media in Montenegro titled "*Eroding freedoms – media and soft censorship in Montenegro*"<sup>12</sup> in cooperation with World Association of Newspapers and News Publishers (WAN – IFRA) and Centre for International Media Assistance. The report contains concrete data and information, collected based on the research, on how public institutions in Montenegro try to manipulate media and influence their editorial policy via selective and non-transparent financing, by exerting pressure and creating conditions for disloyal competition on media market.

## **Legal and institutional framework**

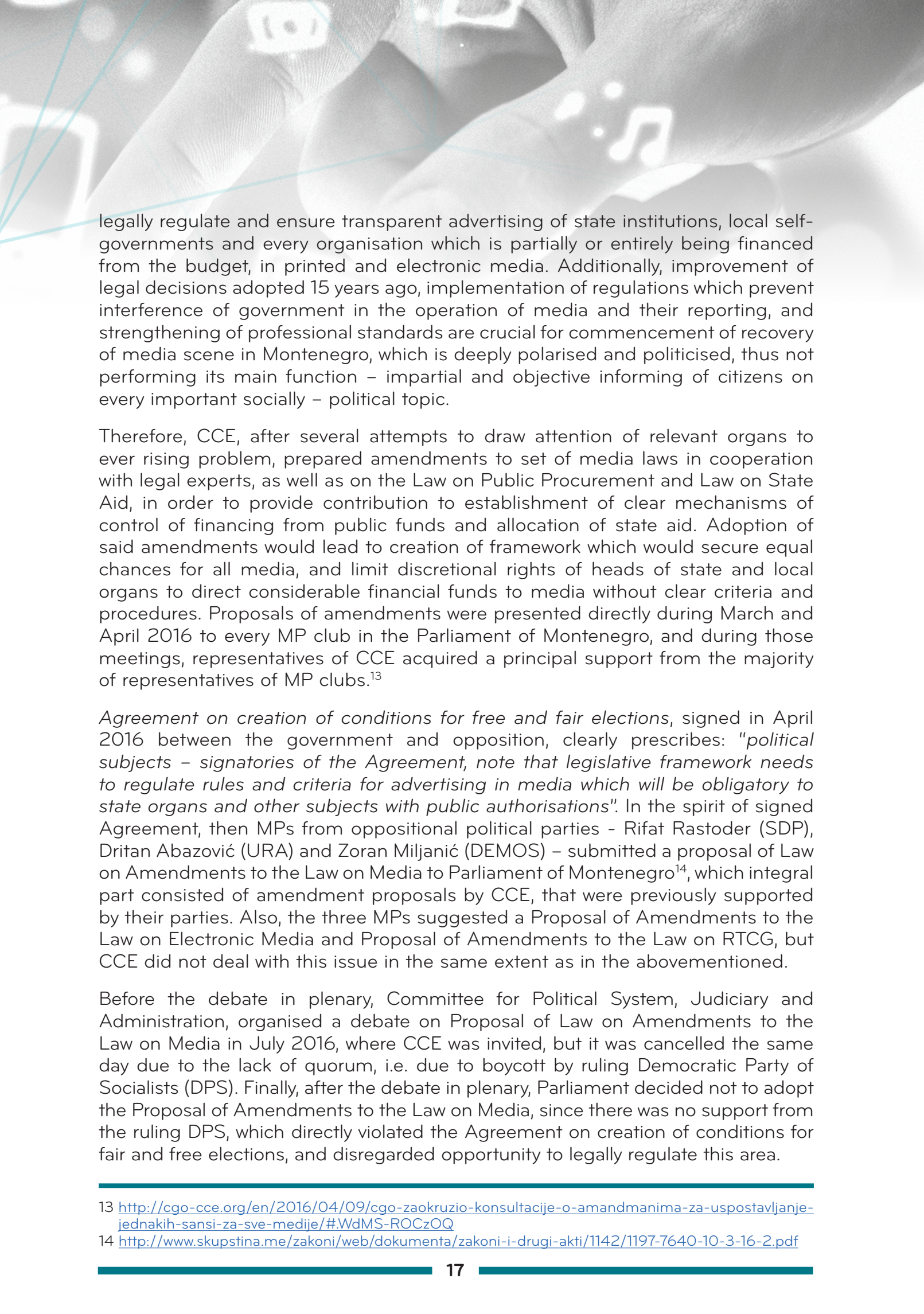
Nowadays, Montenegro has an entire range of legal and institutional guarantees of freedom of expression and media rights. Constitution, Law on Media and Law on Electronic Media guarantee freedom of expression, freedom to form a media house and editorial independence of broadcasters by the state. At the end of 2002, Parliament of Montenegro adopted a set of laws which regulate the area of media: Law on Media, Law on Broadcasting and Law on Public Broadcasting Services of Radio Montenegro and TV Montenegro. These three laws were prepared in cooperation with the Council of Europe and OSCE, and were harmonised with European standards. Thus was created a basis for media pluralism, process of transformation of state-owned media, as well as for establishment of independent regulatory agencies which additionally regulate this area. *Law on Media* has still not undergone significant changes, while *Law on Broadcasting* and *Law on Public Broadcasting Services* went through several amendments, out of which most recent are the ones from 2016.

CCE has been previously pointing out that **Law on Media** needs to be changed, since the practice has surpassed its provisions, and these amendments should

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<sup>12</sup> <http://media.cgo-cce.org/2015/11/cgo-cce-eroding-freedoms.pdf>





legally regulate and ensure transparent advertising of state institutions, local self-governments and every organisation which is partially or entirely being financed from the budget, in printed and electronic media. Additionally, improvement of legal decisions adopted 15 years ago, implementation of regulations which prevent interference of government in the operation of media and their reporting, and strengthening of professional standards are crucial for commencement of recovery of media scene in Montenegro, which is deeply polarised and politicised, thus not performing its main function – impartial and objective informing of citizens on every important socially – political topic.

Therefore, CCE, after several attempts to draw attention of relevant organs to ever rising problem, prepared amendments to set of media laws in cooperation with legal experts, as well as on the Law on Public Procurement and Law on State Aid, in order to provide contribution to establishment of clear mechanisms of control of financing from public funds and allocation of state aid. Adoption of said amendments would lead to creation of framework which would secure equal chances for all media, and limit discretionary rights of heads of state and local organs to direct considerable financial funds to media without clear criteria and procedures. Proposals of amendments were presented directly during March and April 2016 to every MP club in the Parliament of Montenegro, and during those meetings, representatives of CCE acquired a principal support from the majority of representatives of MP clubs.<sup>13</sup>

*Agreement on creation of conditions for free and fair elections*, signed in April 2016 between the government and opposition, clearly prescribes: "*political subjects – signatories of the Agreement, note that legislative framework needs to regulate rules and criteria for advertising in media which will be obligatory to state organs and other subjects with public authorisations*". In the spirit of signed Agreement, then MPs from oppositional political parties - Rifat Rastoder (SDP), Dritan Abazović (URA) and Zoran Miljanić (DEMOS) – submitted a proposal of Law on Amendments to the Law on Media to Parliament of Montenegro<sup>14</sup>, which integral part consisted of amendment proposals by CCE, that were previously supported by their parties. Also, the three MPs suggested a Proposal of Amendments to the Law on Electronic Media and Proposal of Amendments to the Law on RTCG, but CCE did not deal with this issue in the same extent as in the abovementioned.

Before the debate in plenary, Committee for Political System, Judiciary and Administration, organised a debate on Proposal of Law on Amendments to the Law on Media in July 2016, where CCE was invited, but it was cancelled the same day due to the lack of quorum, i.e. due to boycott by ruling Democratic Party of Socialists (DPS). Finally, after the debate in plenary, Parliament decided not to adopt the Proposal of Amendments to the Law on Media, since there was no support from the ruling DPS, which directly violated the Agreement on creation of conditions for fair and free elections, and disregarded opportunity to legally regulate this area.

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<sup>13</sup> <http://cgo-cce.org/en/2016/04/09/cgo-zaokruzio-konsultacije-o-amandmanima-za-uspostavljanje-jednakih-sansi-za-sve-medije/#.WdMS-ROczOQ>

<sup>14</sup> <http://www.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/1142/1197-7640-10-3-16-2.pdf>

All of this logically came back as a boomerang in the form of assessment contained in the report of European Commission for 2016, which marked this issue as one of the priorities. Even though CCE still does not recognise greater openness from relevant institutions, it will continue to conduct activities with the aim of advocating for necessary legal amendments and practical implementation of the same.

**Law on Electronic Media** was adopted in July 2010, and had its first amendments in 2011. In mid-2016, Parliament of Montenegro adopted the Law on Amendments to the Law on Electronic Media, which will be applied from 1 September 2017. For the most part, the amendments relate to rules on state aid in the work of public broadcasters, i.e. financing of public services, as well as their basic mission and task for the purpose of enabling exercise of rights and interests of citizens and other subjects in the area of informing.<sup>15</sup>

Generally speaking, this law regulates rights, obligations and responsibilities of individuals and legal entities, who are conducting production and provision of audio-visual media services (hereinafter referred to as: AVM services), services of electronic publications via electronic networks of communication, competences, status and sources of financing of Agency for Electronic Media, prevention of illegal media concentration, stimulation of media pluralism and other issues of importance for provision of AVM services, in line with international conventions and standards. Independent regulatory organ for the area of AVM is the Agency for Electronic Media. Organs of Agency are the Council and Director. Members of Council are elected by the Parliament of Montenegro, on the basis of proposal of representatives of broadcasters, Montenegrin PEN and NGOs, while director is elected on the basis of a public call, all of which should encompass the legal framework for independence of work of this regulatory body. However, there were some controversies in practice during election of certain members of Council of Agency and decision-making of Parliament which was contrary to the will of proposers from NGO sector.<sup>1617</sup>


Amendments from 2016, in regards to provision of public services, prescribe the obligation that scope and type of public services, as well as the amount of funds and sources of their financing, are being determined by a three-year contract between the Government and national public broadcaster, i.e. local self-government unit and local public broadcaster. Mutual rights and obligations related to use of all budget funds must be defined by this agreement, in a manner corresponding to real costs that are necessary for realisation of obligations of a public broadcaster, prescribed by the law and founding act. Prior to conclusion of agreement, public broadcaster is obliged to conduct a public debate on proposal of programme obligations for the contracting period, so that the public could declare on whether

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15 Report on the work of AEM for 2016

16 [http://www.monitor.co.me/index.php?option=com\\_content&view=article&id=5770:izbor-savjeta-agencije-za-elektronske-medije-vladajua-veina-kao-zakon-&catid=3996:broj-1268&Itemid=5280](http://www.monitor.co.me/index.php?option=com_content&view=article&id=5770:izbor-savjeta-agencije-za-elektronske-medije-vladajua-veina-kao-zakon-&catid=3996:broj-1268&Itemid=5280),  
<http://www.vijesti.me/vijesti/koljenovic-prosao-mimo-volje-nvo-sektora-892777>

17 <http://www.vijesti.me/vijesti/koljenovic-prosao-mimo-volje-nvo-sektora-892777> [http://www.monitor.co.me/index.php?option=com\\_content&view=article&id=5770:izbor-savjeta-agencije-za-elektronske-medije-vladajua-veina-kao-zakon-&catid=3996:broj-1268&Itemid=5280](http://www.monitor.co.me/index.php?option=com_content&view=article&id=5770:izbor-savjeta-agencije-za-elektronske-medije-vladajua-veina-kao-zakon-&catid=3996:broj-1268&Itemid=5280)



they meet the proposed programme obligations and criteria.

It is important to note that a model for encouraging of media pluralism has been changed too. Namely, commercial radio-broadcasters have been deprived of possibility to participate in public calls for allocation of funds from revenue of games on chance. This decision at the very least came late, demonstrating the uncoordinated acting, without previously determined strategy and harmonisation of law makers, especially considering that Government proposed, and Parliament passed the Law on Amendments to the Law on Games of Chance at the end of May 2017, which abolished the fund for games of chance, which renders this legal provision meaningless.

**Law on Public Broadcasting Services of Montenegro** regulates status of Radio and Television of Montenegro (RTCG), which was founded by the state of Montenegro. The Law defines rights and obligations of RTCG, as well as the programme independence in relation to founder. Article 13 of this Law prescribes that RTCG creates programme scheme independently, defines the concept of production and broadcast of programme, edits and broadcasts information on current events and organises the performance of activities independently. Financing of RTCG is defined in Article 15 of this Law and prescribes that funds are acquired from: the part of general revenue of budget of Montenegro, in the amount of 1.2% of current budget; by production and broadcast of advertising content; production and sale of audio-visual works; from sponsorship of advertising content; organisation of concerts and other manifestations; from the Budget of Montenegro; from other sources, in accordance with the Law. In practice, the said model proved to be dysfunctional, since it failed to ensure economic sustainability of public broadcaster. RTCG operates with losses and it is clear that previous allocations from state Budget were not sufficient to ensure the uninterrupted work of this media, so it required additional allocations in the form of financial assistance and state taking over debts of RTCG. Adoption of amendments to this Law in 2016, created legal conditions for increase of budget allocations for operation of RTCG, hence, with 12.600.00 EUR on annual level, one can expect that the public broadcaster will assure financial sustainability. On the other hand, respect of principle of independence and under-representation of pluralism of opinion on RTCG is often being questioned in the public, which should be provided by RTCG according to its mission.<sup>18</sup>

Finally, according to the **Statute of RTCG**, this public enterprise is obliged to post adopted financial plans, reports and annual final account on its site.

## **State aid to media in Montenegro**

State aid in Montenegro was first regulated under the Law on Control of State Support and Aid in 2007, while the existing Law on Control of State Aid was adopted in 2009, with the aim of harmonisation with rules of European Union on state aid. It was additionally harmonised by Law on Amendments to the Law on Control of State Aid in 2011. Beneficiary

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<sup>18</sup> CCE indicated on some of the aspects of selective representation of public opinion through the report „Through whose eyes does the RTCG represent the Montenegrin reality?“. More information can be found on: <http://media.cgo-cce.org/2016/08/cgo-cce-through-whose-eyes-does-the-rtcg-represent.pdf>

of state aid can be either a legal entity or individual person who uses state aid in the performance of activities of production, traffic of goods, or provision of services on market.

State aid is precisely defined by this law, wherein prescribing: "*State aid are expenditures, reduced revenues or reducing assets of the state, i.e. municipality, which infringes or may infringe free competition on market and which can affect trade between Montenegro and European Community or member state of Central European Free Trade Agreement (CEFTA), by inducing a more favorable position for certain economic subjects, products or services on the market*". It also precisely prescribes the allowed forms of state aid in Montenegro.

Previous reports of CCE state the annual amounts from 2013 to 2016 which Montenegro allocated on this ground to aid the media.

Compared to the period covered by this report, Government of Montenegro passed decision at the session from 2/3/2017 to approve assistance to every active broadcaster in the amount of **1.847.189.16 EUR**<sup>19</sup>, as per request of Broadcasting Centre. Assistance was approved in order to pay off arrears of media to the BC. Those funds represent an amount of 36 monthly invoices, of every active broadcaster (13 local radio broadcasters, 31 commercial radio broadcasters, 3 local and 6 commercial TV broadcasters) which acquire services from Broadcasting Centre.

Since the annual report on allocated state aid in Montenegro for 2016 prepared by Commission for Control of State Aid produces is still not publically available, it was impossible to have an insight and specify data on other forms of state aid to media from this period, unlike previous reporting periods.

In addition, even though previous reports of Commission for Control of State Aid note that Ministry of Culture, via public calls and publically announced conditions, propositions and criteria, annually co-finances projects aimed at achieving media pluralism and media diversity, i.e. programme content of media in the interest of public, it was impossible to obtain the information on whose projects were supported. Based on insight in the report for 2015, it was pointed out that 34 such projects were supported, related to printed media and local public broadcasting services. Although several individual media were stated, list of every supported project is not available and neither is the total amount of allocated money.

In addition to the aforementioned, Ministry of Culture also allocates funds, i.e. state aid to RTCG. Previous reporting periods note that the amount of 150.000,00 EUR was allocated to public broadcaster RTCG. Furthermore, in regards to work and operation of RTCG, the same Ministry allocated funds for payment to Broadcasting Centre, in the amount of 228.500,00 EUR in 2015, for the purpose of co-financing of costs of transfer and broadcast of RTCG's programme by terrestrial systems.

It is reasonable to assume that the situation was similar in 2016, however, precise information will be available upon the publication of report by Commission for Allocation of State Aid for 2016.

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19 [http://www.gov.me/sjednice\\_vlade\\_2016/15](http://www.gov.me/sjednice_vlade_2016/15)

## **Revenue of RTCG from the budget of Montenegro for 2016<sup>20</sup>**

Radio and Television of Montenegro has planned total revenue in the amount of **16.341,000 EUR** for 2016, out of which **11.211,000 EUR** were from the budget of Montenegro. Total expenses were projected in the amount of 16.341.000 EUR, out of which 3.000.000 EUR relates to digitalisation. Projected revenues were considerably higher compared to 2015, namely 1.553,500 EUR, when RTCG generated total revenues in the amount of 14.730.083 EUR. Projected revenue from the budget of Montenegro was reduced from 12.850.000 EUR in 2015, to 11.211,000 EUR in 2016.

Projected revenues do not contain revenue of 150.000 EUR which Ministry of Culture allocates each year to RTCG. These intended revenues were generated in every previous monitored year, on the basis of the Agreement between RTCG and Ministry of Culture, for the purpose of co-financing of programme contents important for development of science and education, development of culture, programmes in Albanian, informing of persons with special needs and etc.

Moreover, RTCG is planning revenues from advertising in the amount of 1.500.000 EUR.

Financial report of RTCG for 2016 is still not publically available, and cannot be found on the official webpage of RTCG, thus it is impossible to show relation between planned and realised revenues and expenditures, as it was the case in previous reports of CCE.

In terms of operation on media market, it can be concluded that RTCG is in a favourable position compared to other commercial media, especially in the part of allocation of public funds for advertising services and public sector organs' advertising. Research findings indicate that public sector organs allocate considerable funds to public broadcaster for these purposes, in addition to regular annual budget allocations which RTCG receives.

## **Local public broadcasters in Montenegro**

Law on Electronic Media prescribes the option for local self-governments to establish local public broadcasters, when they deem it necessary for the purpose of realisation of right to informing on topics of public interest on local level. According to Law on Electronic Media, establishment of local public broadcasters is not an obligation, but a legal possibility, while Article 32 of Law on Local Self-Government, and paragraph 18<sup>21</sup>, prescribe that local self-government unit "regulates and provides conditions for informing of local population."

In Montenegro, the state, i.e. the Government of Montenegro, has founded one national public broadcaster (RTCG), while local self-governments founded local public broadcasters in 14 municipalities<sup>22</sup>. When it comes to radio broadcasters, those are Andrijevica, Berane, Budva, Danilovgrad, Kotor, Pljevlja, Tivat, Bar, Bijelo Polje, Cetinje, Herceg Novi, Nikšić, Rožaje and Ulcinj, while local TV public broadcasters are the televisions in Nikšić, Budva, Cetinje and Pljevlja.

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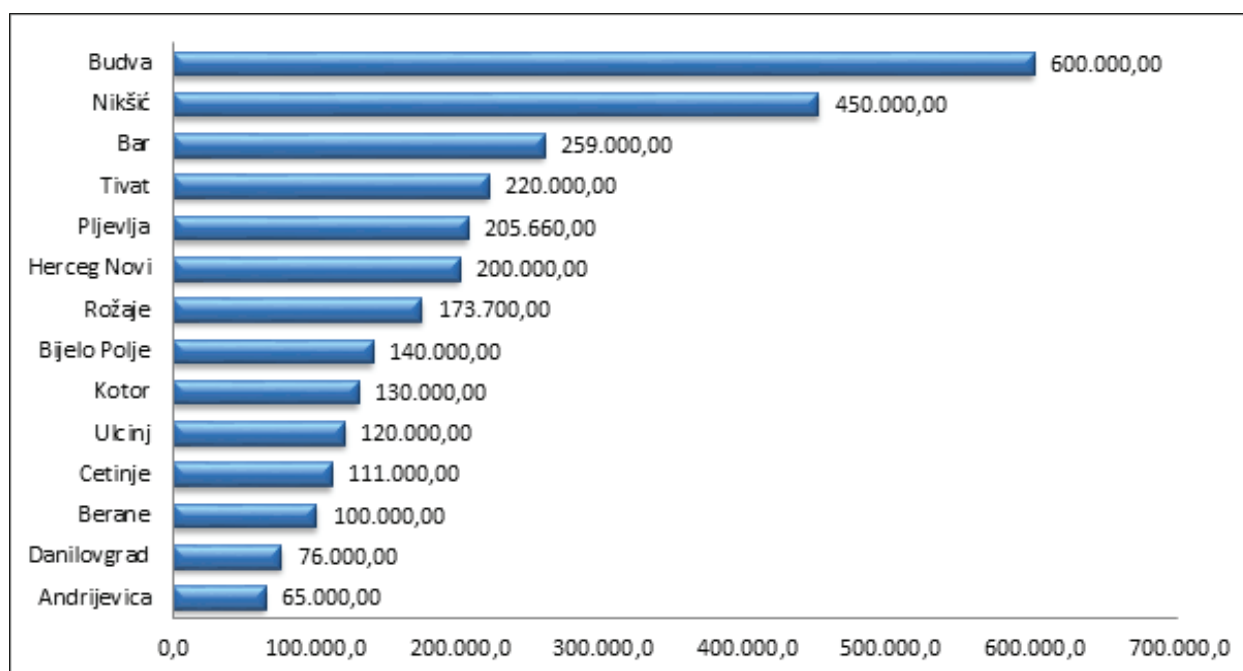
20 <http://www.rtcg.me/rtcg/poslovanje.html>

21 <http://www.uom.co.me/?p=374>

22 [http://www.ardcg.org/index.php?option=com\\_sobi2&catid=6&Itemid=84](http://www.ardcg.org/index.php?option=com_sobi2&catid=6&Itemid=84)

Total amount of money planned for financing of local public broadcasters by 14 local self-governments, on the basis of decisions on budget for 2016, was **2.850,360 EUR**. The said amount represents a certain reduction compared to previous monitored year, when local self-governments have allocated a total of **3.144,760 EUR**, or an increase, if we assess allocations in 2014, which amounted to **2.599,000 EUR**.

Difference in the amounts, compared to 2015, stems from significant reduction of budget for work of public broadcasters in Old Royal Capital Cetinje and in the municipality of Nikšić. Compared to 2015, and the structure of adopted budget for Old Royal Capital, one can clearly notice difference compared to 2014, in the part of total amount allocated for public broadcaster, as well as in the name of public broadcaster, which was suddenly changed to RTV Cetinje. Agency for Electronic Media did not record this change in its documentation, therefore it has no information on newly established television of Cetinje.



Graph 1:planned budgets for local public broadcasters for 2016

Unlike previous reports, wherein planned and spent funds for local public broadcasters could be clearly compared; researchers were unable to obtain final budget accounts based on the insight in final budget accounts of municipalities this year. The same could not have been found on official webpages of municipalities either. Exceptions are the Capital Podgorica and municipality of Pljevlja. Nevertheless, former experience and information contained in previous reports of CCE indicate that the level of execution of proposed budget in this segment is almost always above 90%, thus we assume that situation is similar for 2016.

Local public broadcasters generate revenue for work from several sources. In addition to funds which are annually allocated from the budgets of local self-governments, they have option to be further financed from commercial activities, namely to participate equally on media market with commercial broadcasters.

Though legally justified, these funds must be subject to control for the purpose of full transparency. Like RTCG, local public broadcasters are favoured compared to other commercial broadcasters on local level, since public sector organs allocate funds for them on various grounds, such as advertising, which presents additional revenue beside regular annual budget allocations.

It was impossible to obtain annual financial reports based on the analysis of official webpages of public broadcasters, except in the case of RTV Pljevlja. In contrary to numerous recommendations contained in every previous report of CCE, these reports still remain hidden from the public.

Financing from public funds, or on the basis of tax payers' money, for local public broadcasters must be subjected to strict rules of transparency and tangible criteria of expenditure of tax payers' money. The reach of influence of officials on editorial policy of these media on local level remains an open question.

### **Public spending in media sector in Montenegro for 2016**

According to the plan of internal organisation of public sector<sup>23</sup>, which stems from the Strategy of reform of public administration for period 2016 – 2020<sup>24</sup>, public sector includes:

|   |
|---|
| Ministries  |
| + Administration organs   |
| + Public institutions at state level  |
| + Other organs  |
| <b>= CENTRAL GOVERNMENT</b>   |
| Agencies exercising public authority<br>(regulators and independent organs)                   |
| + Local self-government units<br>(local self-government organs and PI in municipal ownership) |
| <b>= GENERAL GOVERNMENT</b>   |
| + Public enterprises (local and national)   |
| + Parliament of Montenegro  |
| + Judiciary (courts, prosecutions and organs for misdemeanour)                                |
| + SAI   |
| + Auditing body   |
| + Ombudsman   |
| + President of Montenegro   |
| + Public enterprises (local and national)   |
| <b>= PUBLIC SECTOR</b>  |

23 Plan of internal reorganisation of public sector, Ministry of Interior of Montenegro, Podgorica, 2013.

24 <http://media.mojauprava.me/2016/11/Strategija-reforme-javne-uprave-u-Crnoj-Gori-2016-2020.godine.pdf>

CCE covered the following 334<sup>25</sup> public sector bodies during the aforementioned period:

### 1. State organs<sup>26</sup>

- ✓ Secretariat General of Government and 16 ministries
- ✓ 39 administrative organs, out of which the majority – 23 are administrative organs in the composition of ministries
- ✓ 11 bureaus
- ✓ 18 agencies
- ✓ 7 funds

### 2. Municipalities (local self-government units)

- ✓ 23 municipalities and 2 city municipality - Tuzi and Golubovci

### 4. Public institutions and companies where state or municipalities have the majority ownership share

- ✓ 212 public institutions and companies where state or municipalities have the majority ownership share

### 5. Parliament of Montenegro

### 6. Central Bank of Montenegro

### 7. Judiciary (courts and prosecutions)

### 8. Ombudsman

### 9. President of Montenegro

**Commission for Allocation of Part of Revenues from Games of Chance** was also a subject of research, even though it is not a separate organ within the Ministry of Finances. Reason for this lies in the fact that Law on Electronic Media prescribes that allocation of funds is also made from this source for purposes of stimulation of media pluralism. Since this is money from the Budget of Montenegro, it was important to include the Commission for the purpose of having full information.

On the other hand, research mapped **99** subjects, individuals and legal entities, who received financial assets in 2016 based on the provision of services of advertising, marketing or other specialised services from this area. Those subjects are divided in following categories:

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<sup>25</sup> Detailed list is in Appendix 1

<sup>26</sup> <http://www.gov.me/organizacija>



- 
1. Printed media
  2. Television
  3. Radio
  4. Portals
  5. Informative agencies and services
  6. Marketing agencies and production houses
  7. Regional media

Total amount of funds which aforementioned public sector organs have spent in 2016, on the basis of collected information for which there is complete documentation of CCE, relating to media (printed, electronic and radio), portals, regional media, informative agencies and services, marketing agencies and production houses, companies for printing promotional material, public opinion research agencies, amounts to **2.249.941,74 EUR**.

This amount does not represent final costs, since it covers **76% of public sector bodies, i.e. those that submitted information**, thus it can be reasonably assumed that total amount would be significantly higher, because **24%** of information is not submitted, whereby the greatest number of unanswered requests relates to public companies and institutions, including the ones that were identified as important "investors" in media. For instance, *Capital Podgorica* remains persistent in hiding this information, while it is composed of 38 organs (4 professional services, 4 special services, 7 secretariats, 1 administration, 1 directorate and 20 public services). More precisely, CCE has not been able to obtain information from the Capital for 6 years, which is the duration of this research. During previous year, some information related to expenditure of Capital on grounds that are subject of this research appeared in media, and they hinted for the first time a rather significant amount of allocations by the Capital.

Unlike the Capital, all other municipalities in Montenegro have duly responded to request and timely submitted all requested information. The same applies to ministries, as well as to majority of public sector organs. We have to note that there is visible progress and greater level of openness of institutions of system compared to previous experiences, when the majority of public sector organs have refused to submit the information, or when our research team had to invest significant efforts and explore every legally available mechanism to gather the information.

This conclusion does not apply to public institutions and companies where state or municipalities have the majority ownership share, which make the highest number in the system and traditionally represent the sector of highest "consumers". The highest number, i.e. 50%, did not respond to duly submitted requests of researchers. In order to partially overcome this obstacle, information was gathered based on examination of portal of public procurement of Administration for Public Procurement.

Example of complete non-transparency is best reflected in company «*Plantations*», where state has the majority ownership, with 54%<sup>27</sup> of the share. They rejected the request by referring to protection of trade secret. This possibility is not prescribed by positive legal regulations, thus it is clear that this directly violates the Law on free Access to Information of Montenegro. Still, for the purpose of having a full information and presenting expenditure, researchers managed to obtain certain information by downloading contracts from the portal of public procurement of Administration for Public Procurement, which «*Plantations*» concluded in 2016, but it is not possible to claim that information is complete, considering that this portal is used to publish information on public procurement with an estimated value of 5.000 EUR, when implementing the procedure of direct agreement.

In addition, in order to verify the submitted documentation, researchers compared all incoming documents with documents available on the portal of public procurement. The same was done for information related to part of subjects covered by research, which were not contained in submitted documentation, with a clear source specification.

Despite of efforts of the research team, it was not able to obtain information from "Central Bank of Montenegro", "Railway Infrastructure of Montenegro", "Railway Transport", "Airports of Montenegro", "Council for Privatisation and Capital Projects", "Directorate for Development of Small and Medium Enterprises", "Directorate of Traffic", "Agency for Promotion of Foreign Investments", "Investment and Development Fund", "Regulatory Energy Agency", "Deposit Protection Fund", as well as from the largest number of municipal centres for social work and PUE.

It is symptomatic that precisely these organs were of special interest for researchers in previous periods, due to the content of submitted documentation. Public is familiar with examples which CCE previously published, like for instance, that Central Bank allocated humanitarian aid in 2015 to certain media, or that municipal centres for social work concluded contracts of cumulative value of 44.280,00 EUR<sup>28</sup> in 2014.

### **General findings per structure of service providers**

The amount of **2.249.941,74 EUR** was spent by allocating the amount of **402.812,35 EUR (17.9%)** to printed media, **315.396,9 EUR (14%)** to TV stations, **99.768,48 EUR (4,4%)** to radio stations, **88.889,52 EUR (4%)** to web portals, **210.376,91 EUR (9,3)** to informative agencies and services, while **1.088.726.72 EUR (48.4%)** was allocated to marketing agencies and production houses. The amount of **26.700,00 EUR (1,2%)** was allocated to international and regional media, and **17.270.86 EUR (0,7%)** to public opinion research agencies.

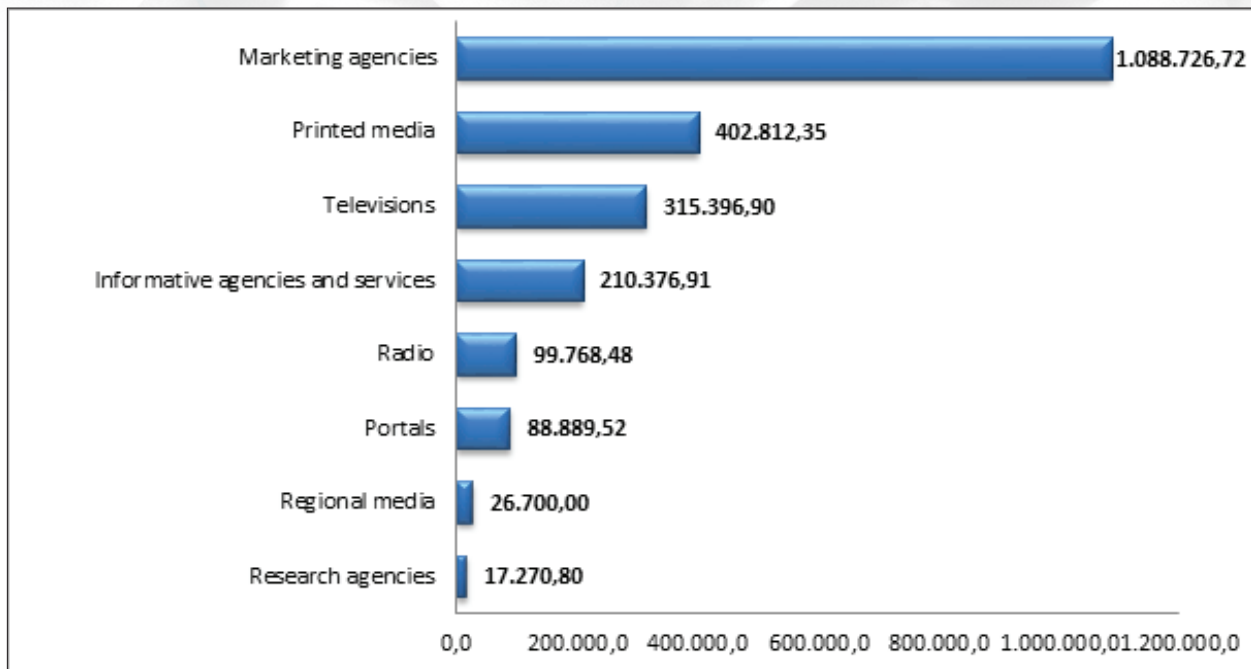
**Note:** Due to small percentage of participation in total amount, items that belong to international and regional media, i.e. public opinion research agencies were not

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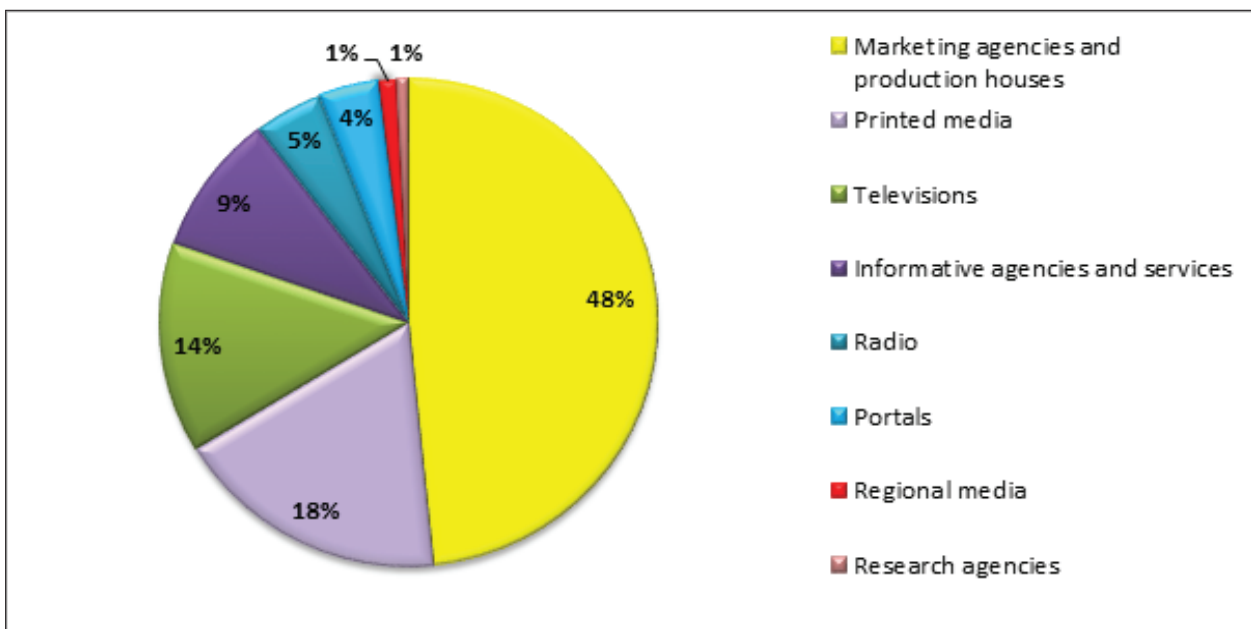
27 <http://www.mf.gov.me/files/1239015149.pdf>

28 <http://media.cgo-cce.org/2015/12/cgo-cce-jednake-sanse-za-sve-medije-u-cg.pdf> , page 21

included in graphic view of annual allocations:



Graph 2: cross-section of total investments per categories in EUR

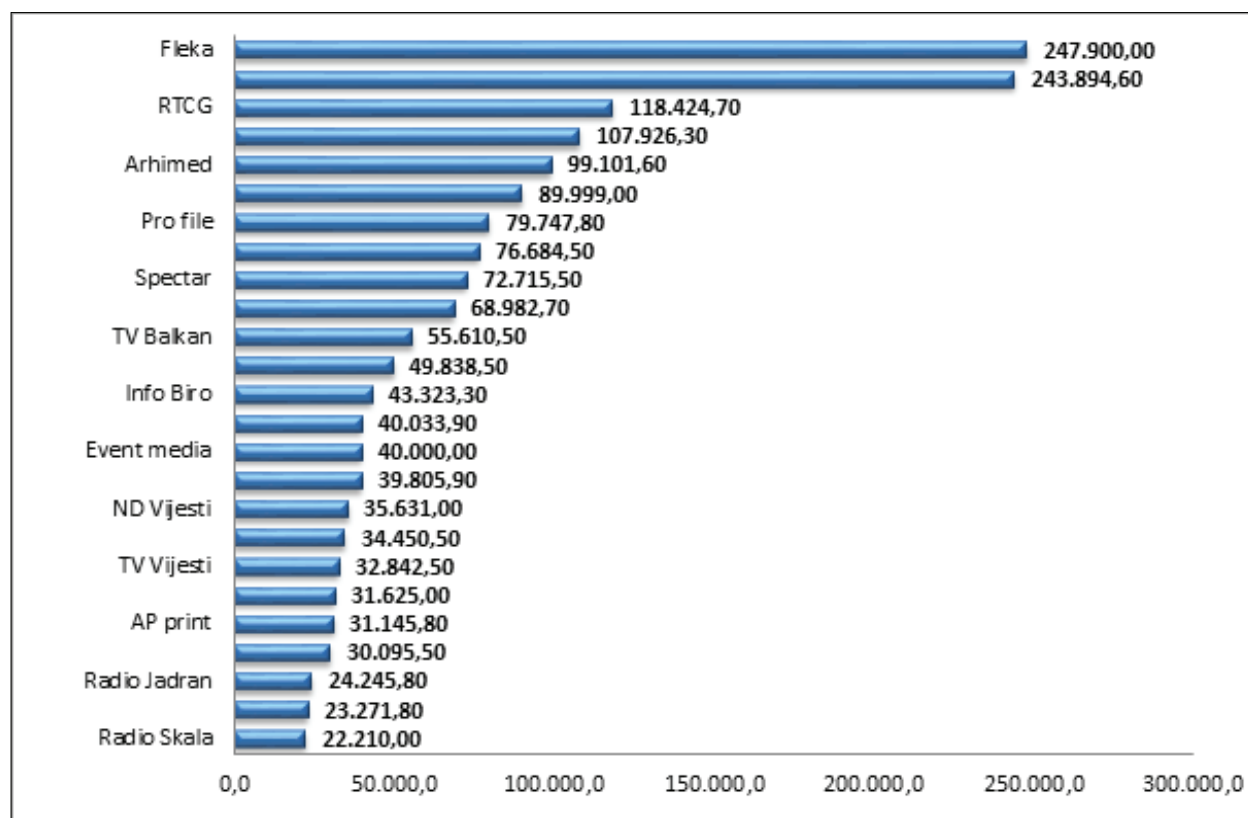


Graph 3: cross-section on total investments per categories in percentage

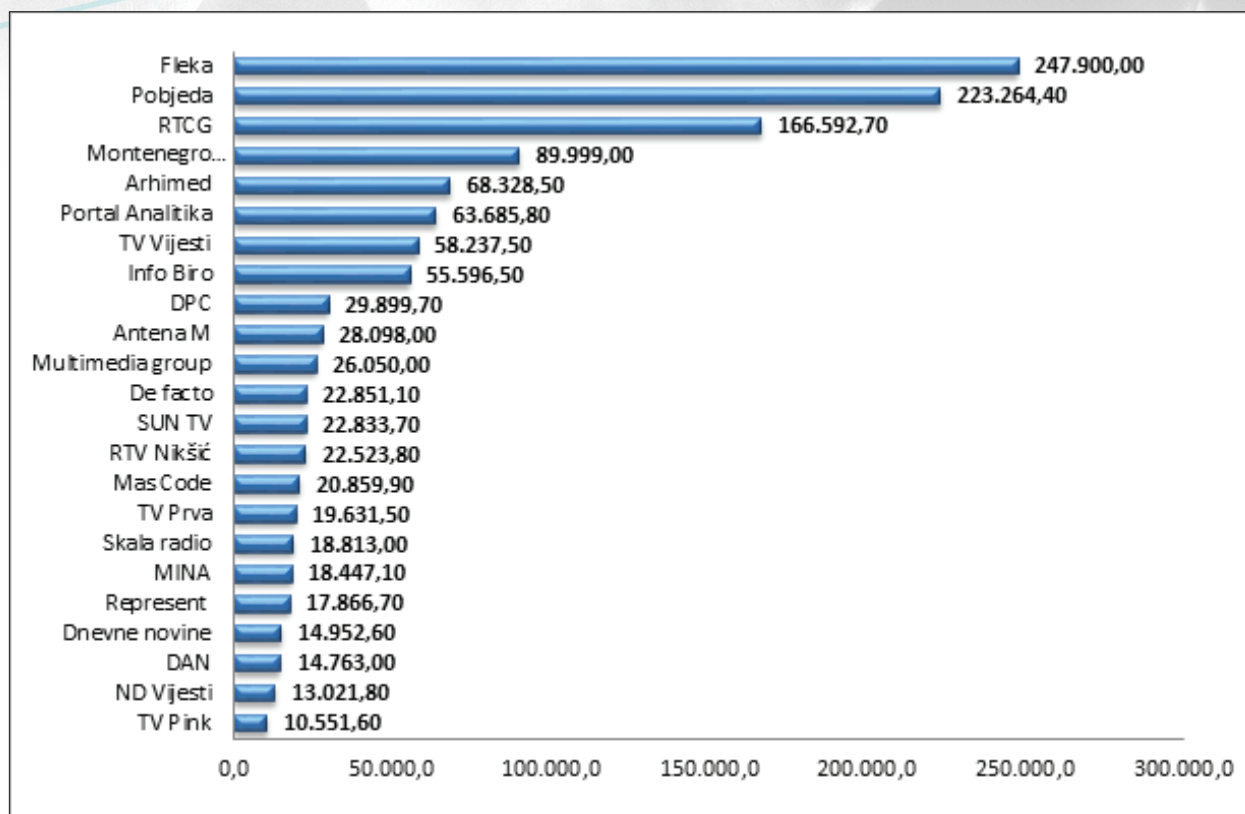
If presented data are compared to last year's allocations, and considering the increase of total amount for more than 500.000,00 EUR, we note an increased tendency of considerable redirection and increase of budget for item "Marketing agencies and production houses". Simultaneously, allocations for printed media have been doubled, while there was a decrease in segments related to allocations for web portals, and to somewhat lesser extent for televisions.

Additionally, considering all 99 subjects that were engaged in various forms and on various grounds in the provision of services to public sector organs, or that they received financial assets on other grounds, it is important to single out those who received largest part of funds in total amount of all public sector organs.

**Note:** Part of the subjects who received more than 20.000,00 EUR in 2016 is included.



Graph 4: cross-section per largest individual fund beneficiaries in EUR, during 2016



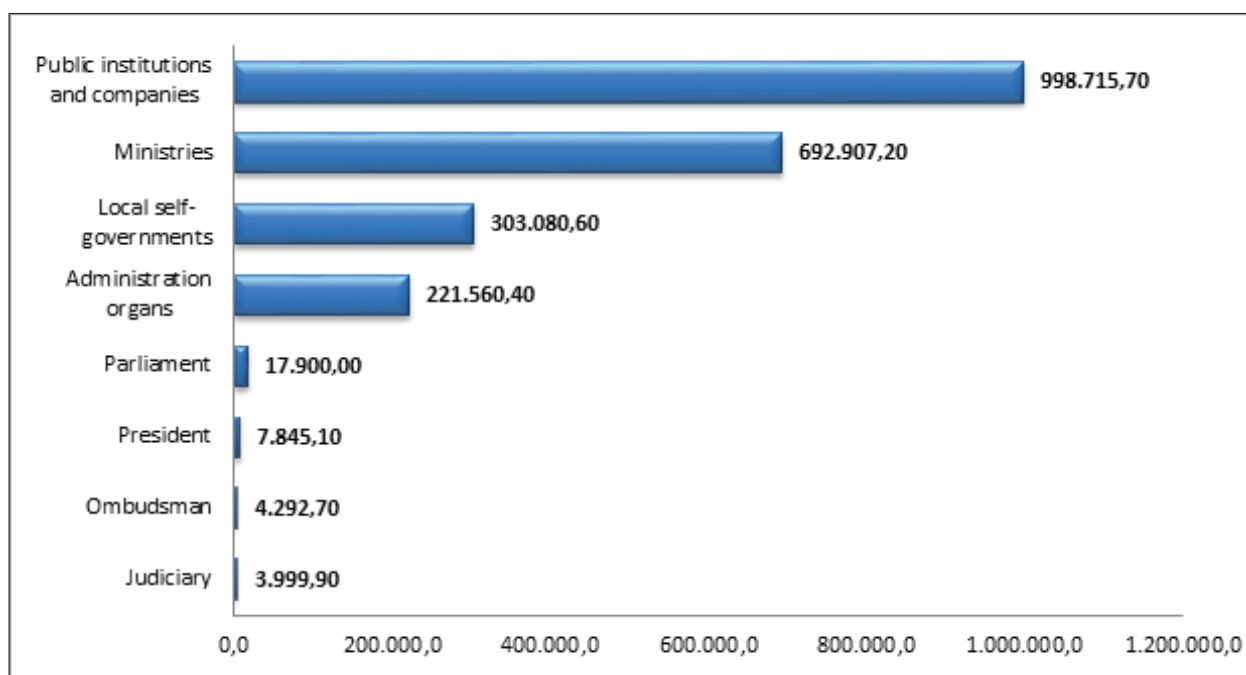
Graph 5: cross-section per largest individual fund beneficiaries in EUR, during 2015

For the purpose of comparison, in addition to graph which provides the cross-section per largest individual fund beneficiaries in 2016, we provided also a total graph for 2015. In this manner one can monitor dynamic of fund allocations, but also note trend of redirection of funds from media to marketing agencies and production houses, i.e. centralisation of budget allocations, which further prevents tracking of fund allocation to specific media. CCE warned of this occurrence in previous reports, conclusions and recommendations, indicating that the level of centralisation will increase more and more as interest of public increases for spending of funds by public sector organs for said purposes. This will prevent the interested part of the public to track flow of money, considering that private companies are not obliged to submit information on manner of spending, nor information related to further flow of these funds to media.

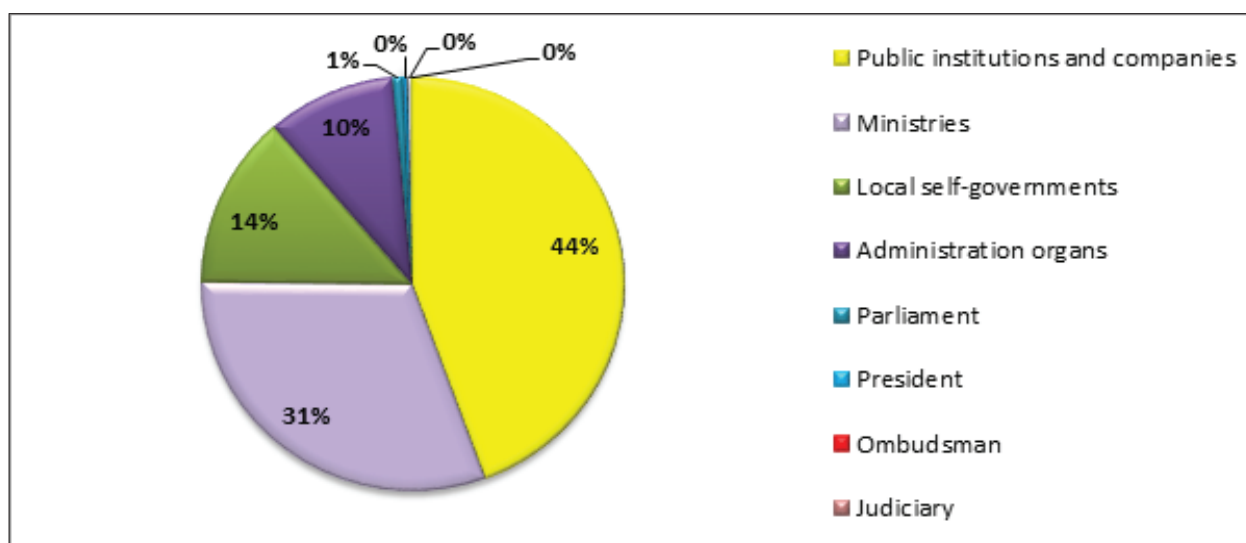
### General findings per structure of public sector organs

Compared to total amount of **2.249.941.64 EUR**, largest consumers are public institutions and companies wherein state or municipalities have the majority ownership share (hereinafter referred to as: public institutions and public companies) in the amount of **998.715.75 EUR or 44.3%**, followed by ministries with the amount of **692.907.17 EUR or 30,7%**, local self-governments with the amount of **303.080.60 EUR or 13,5%**, administration organs with **221.560.49 EUR or 9,9%**, while Parliament of Montenegro allocated the amount of **17.900.00**

**EUR or 0,8%.** President is at the bottom of the list with the amount of **7.845.10 EUR or 0,4%,** followed by Ombudsman with the amount of **4.292.70 EUR or 0,2%,** and judiciary (courts, prosecutions) with the amount of **3.999.90 EUR or 0,2%.**



Graph 6: Cross-section per largest consumers in EUR amounts



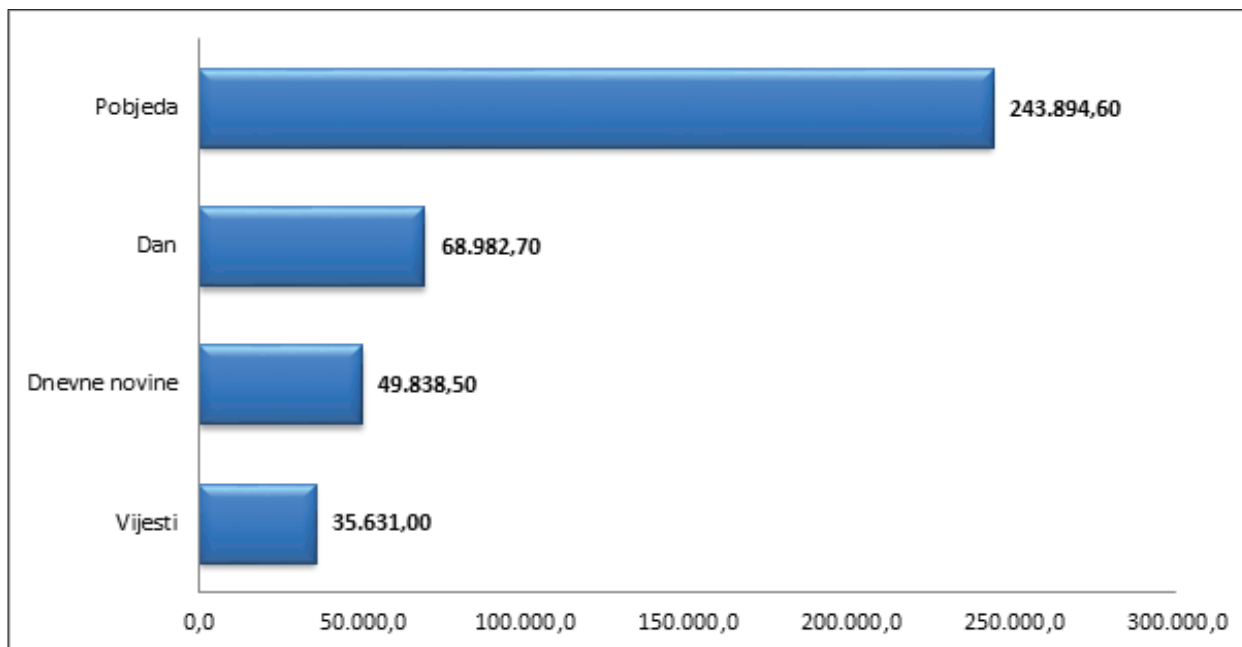
Graph 7: Cross-section per largest consumers in percentage

It is obvious that public institutions and companies are the greatest consumers in this sector, with **998.715.75 EUR**, which is not in line with public advocacy of decision-makers in terms of reduction of public spending.

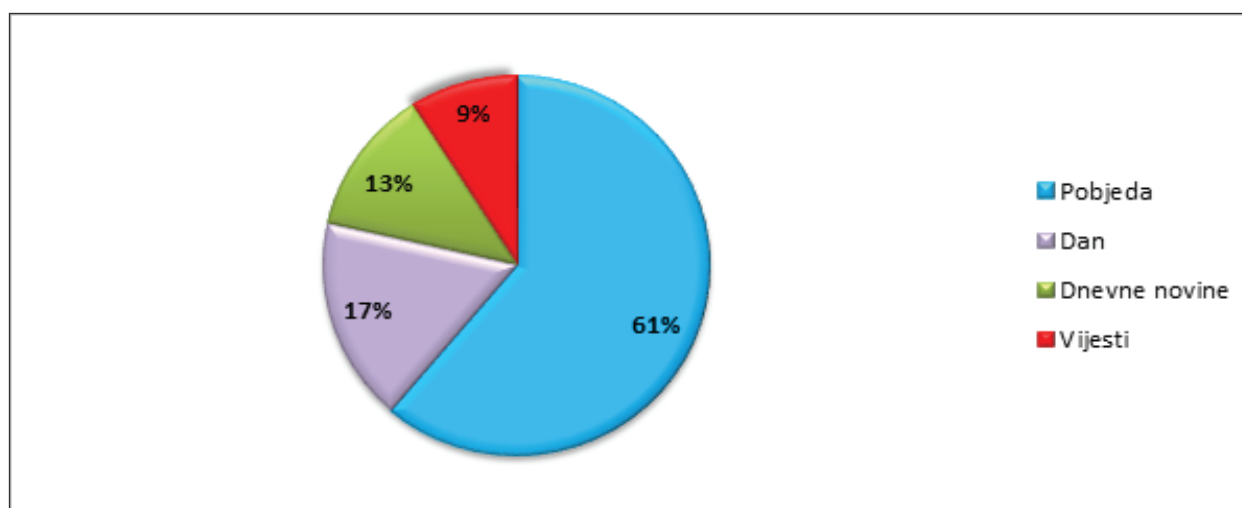
## Individual findings per structure of service providers

### Printed media

Total amount spent on printed media was **402.812,35 EUR**. Structure per subject is as follows<sup>29</sup>:



Graph 8: cross-section of payments to printed media in EUR amounts

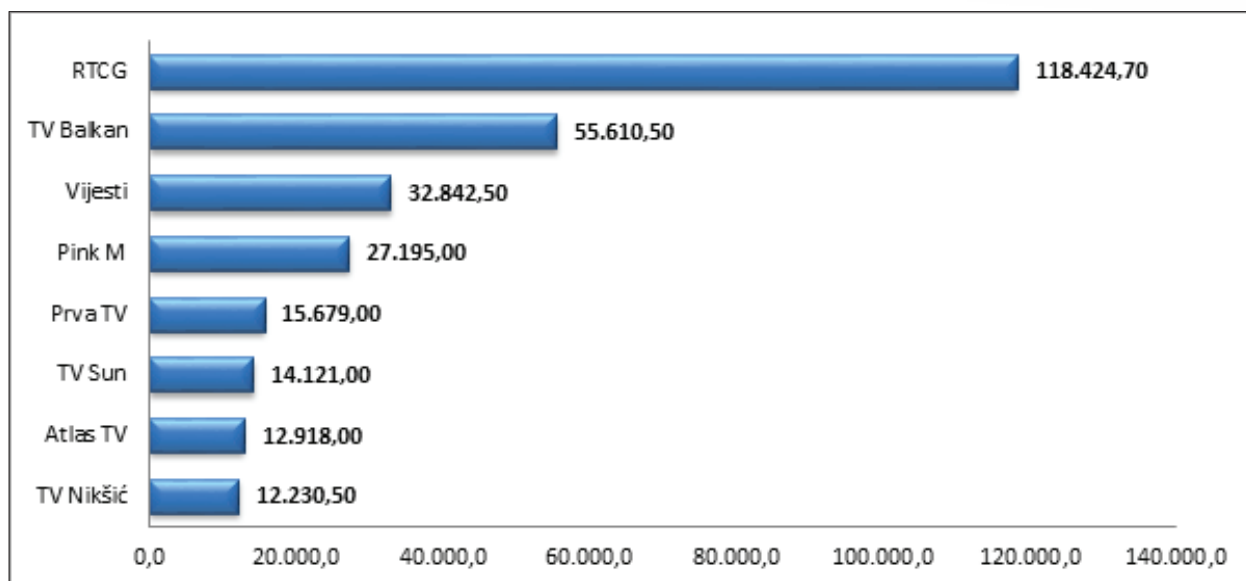


Graph 9: cross-section of payments to printed media in percentage amounts

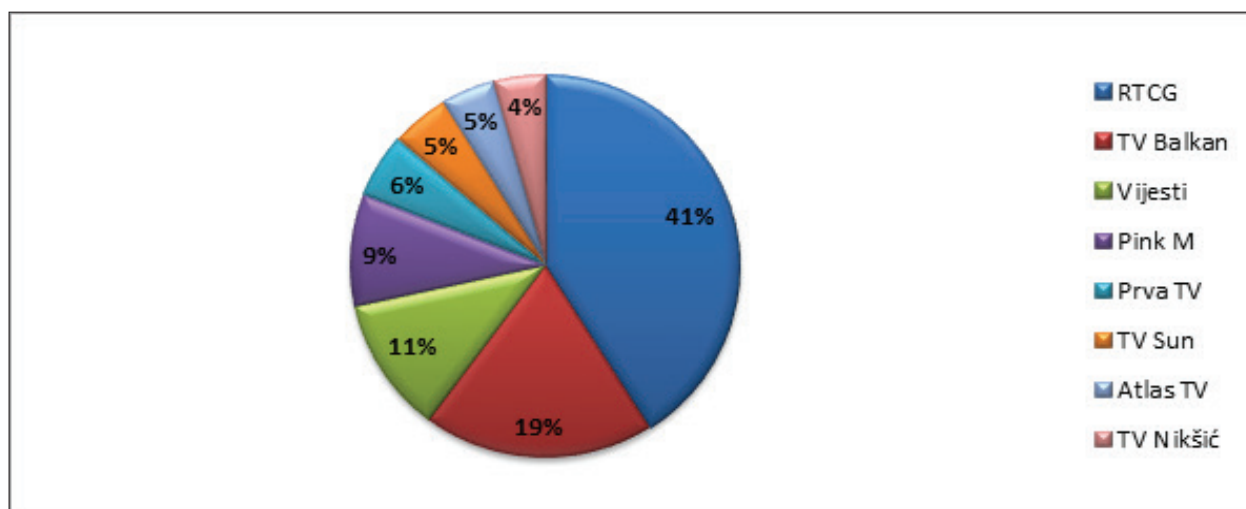
<sup>29</sup> Subject of analysis are only those printed media which received more than 5,000 Euros, on annual level.

## Televisions

Total amount spent on TV channels is **321.827,9 EUR**. Structure per subject is as follows:<sup>30</sup>



Graph 10: cross-section of payments to TV expressed in EUR



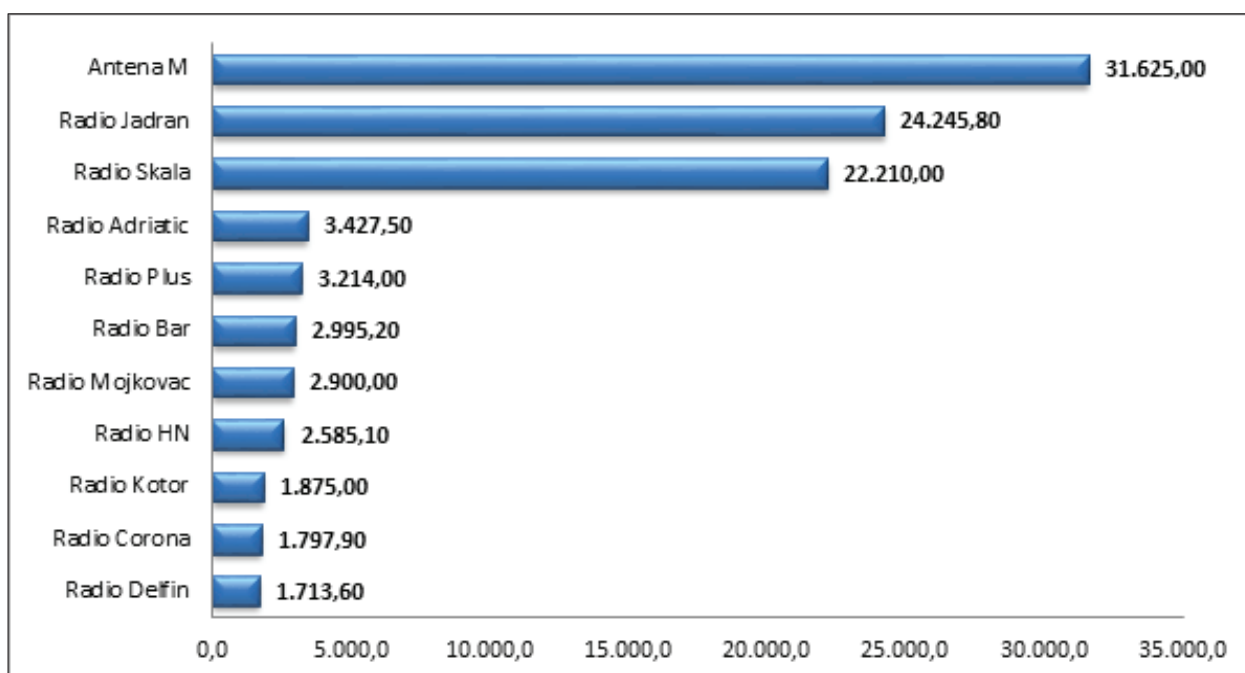
Graph 11: cross-section of payments to TV in percentage amounts

<sup>30</sup> Subject of analysis are only those televisions which received more than 10,000 Euros

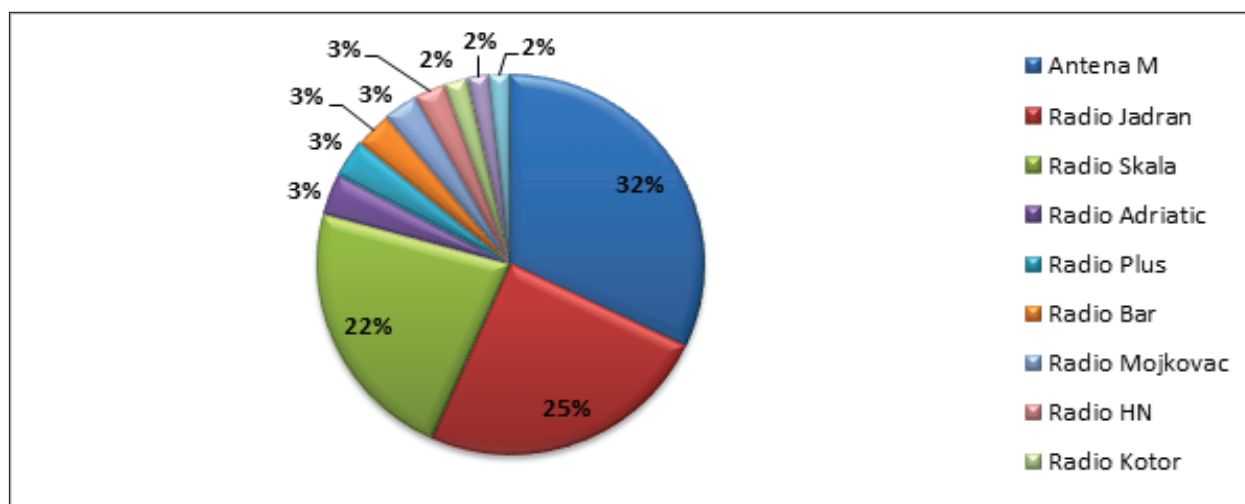


## Radio stations

Total amount spent on radio stations is **99.768,48 EUR**. Structure per subject is as follows<sup>31</sup>:



Graph 12: cross-section of payments to radio stations in EUR

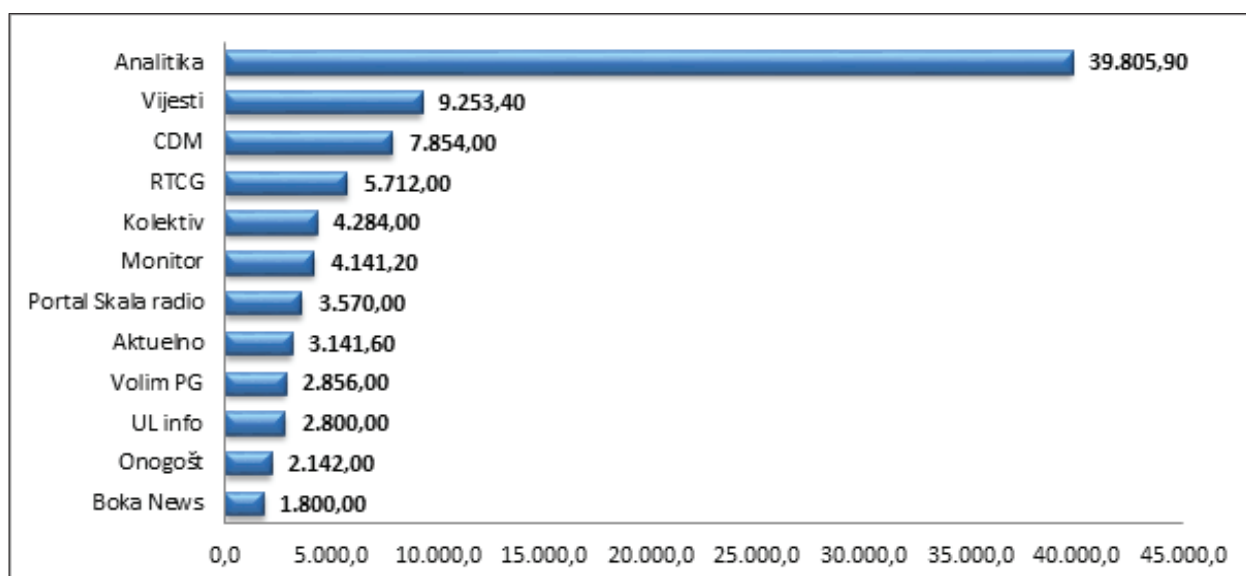


Graph 13: cross-section of payments to radio stations in percentage amounts

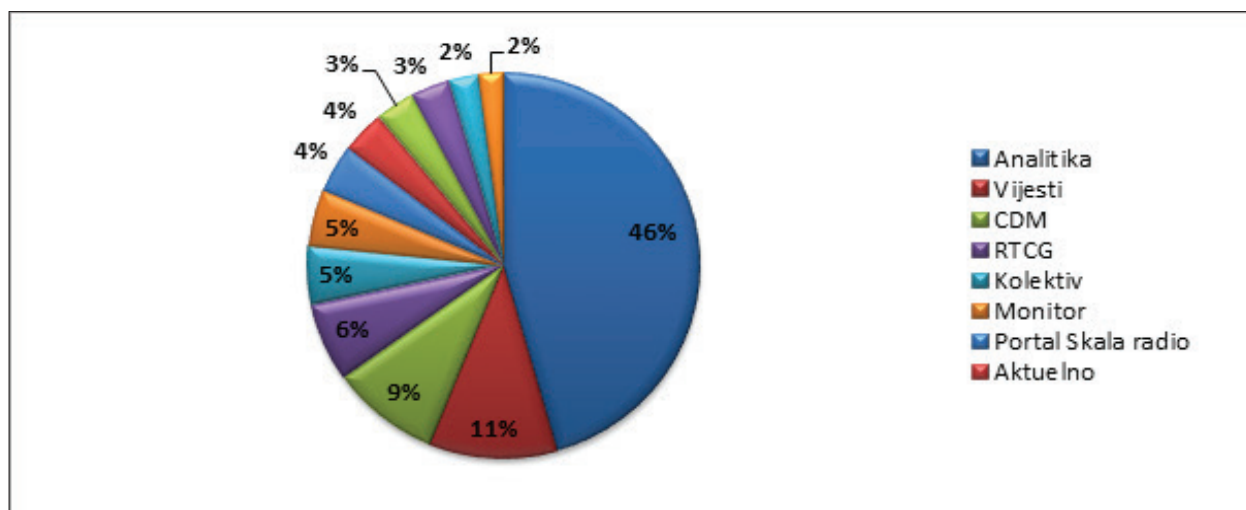
<sup>31</sup> Subject of analysis are only those radio stations which received more than 1.000 Euros

## Portals

Total amount spent on portals was **88.889,52 EUR**. Structure per subject is as follows<sup>32</sup>:



Graph 14: cross-section of payments to portals in EUR

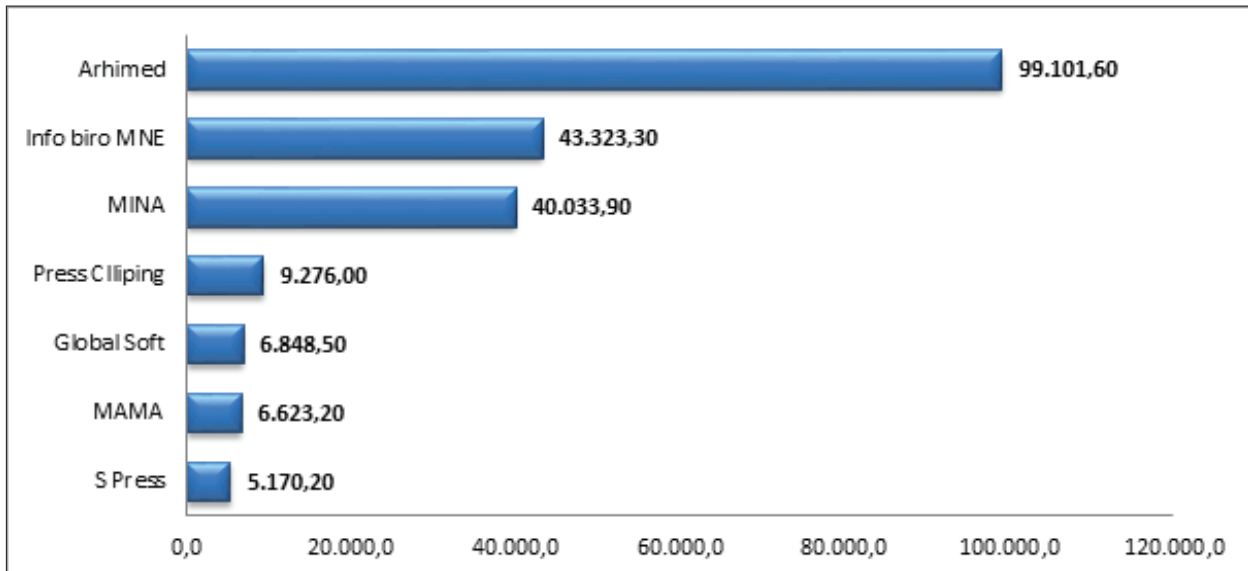


Graph 15: cross-section of payments to portals in percentage amounts

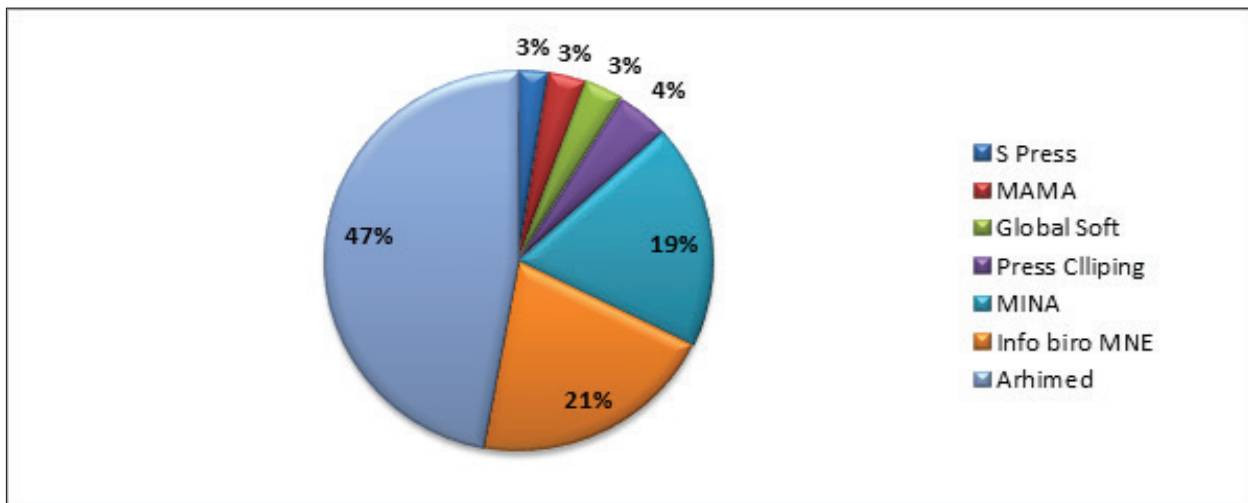
<sup>32</sup> Subject of analysis are only those portals and informative agencies which received more than 1.000 Euros

### Informative agencies and services

Total amount spent on informative agencies and services is **210.376,91 EUR**. Structure per subject is as follows:



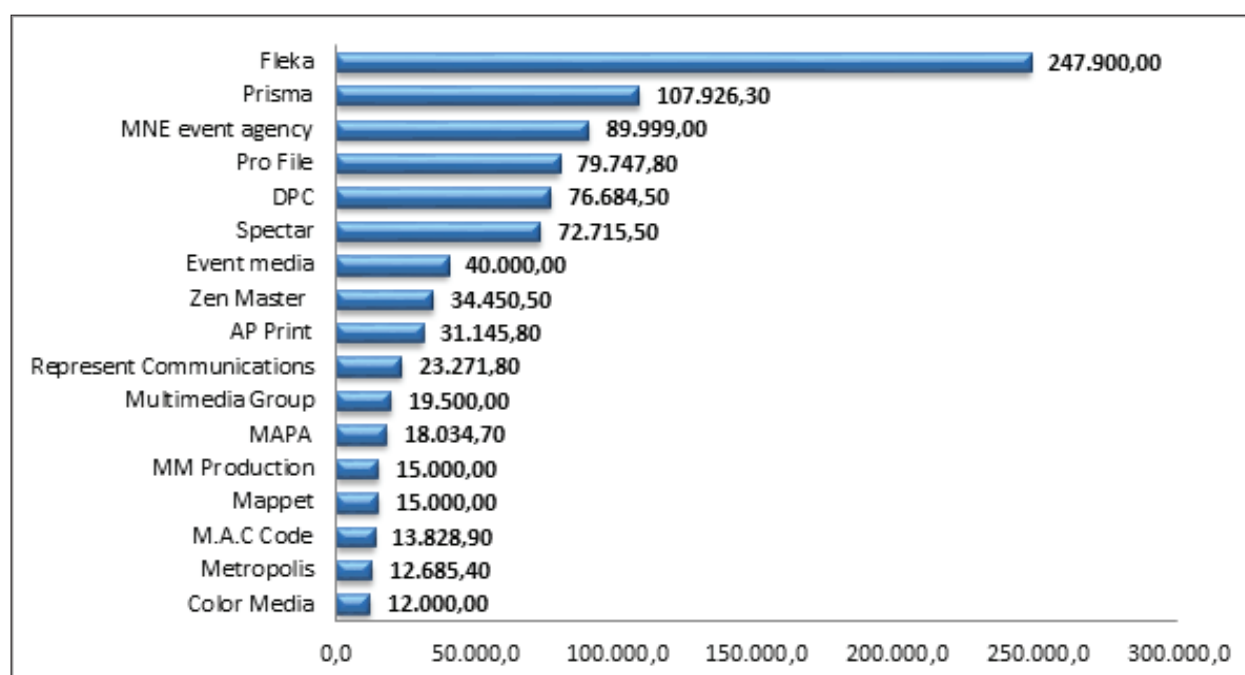
Graph 16: cross-section of payments to informative agencies and services in EUR



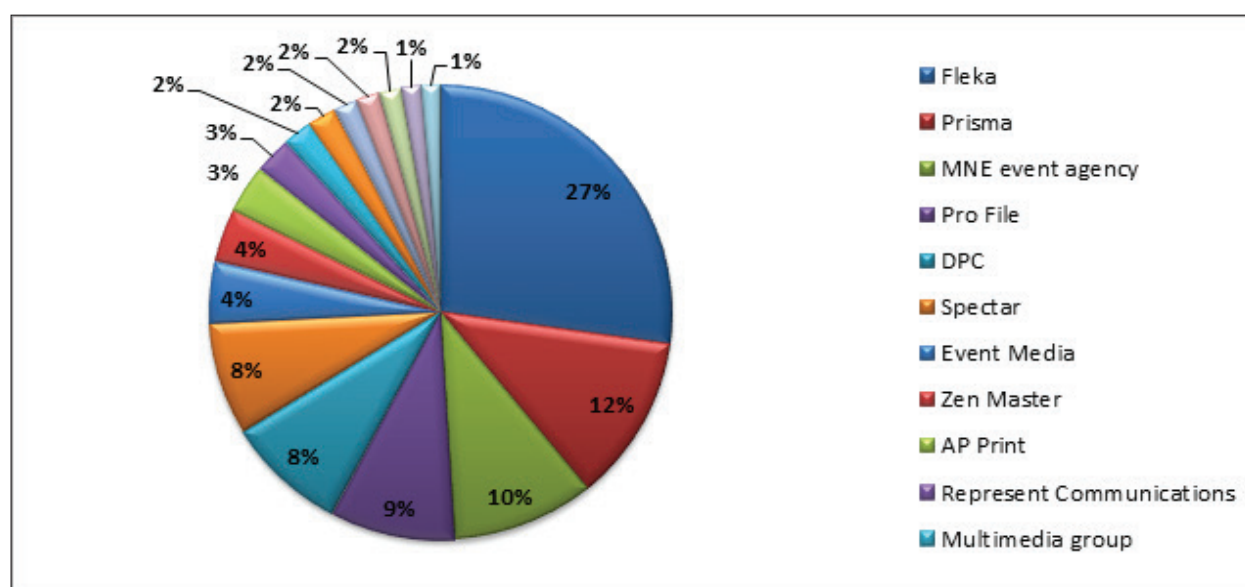
Graph 17: cross-section of payments to informative agencies and services in percentage amounts

### Marketing agencies and production houses

Total amount spent on marketing agencies and production houses is **1.088.726.72 EUR**. Structure per subject is as follows<sup>33</sup>:



Graph 18: cross-section of payments to marketing agencies and production houses in EUR



Graph 19: cross-section of payments to marketing agencies and production houses in percentage amounts

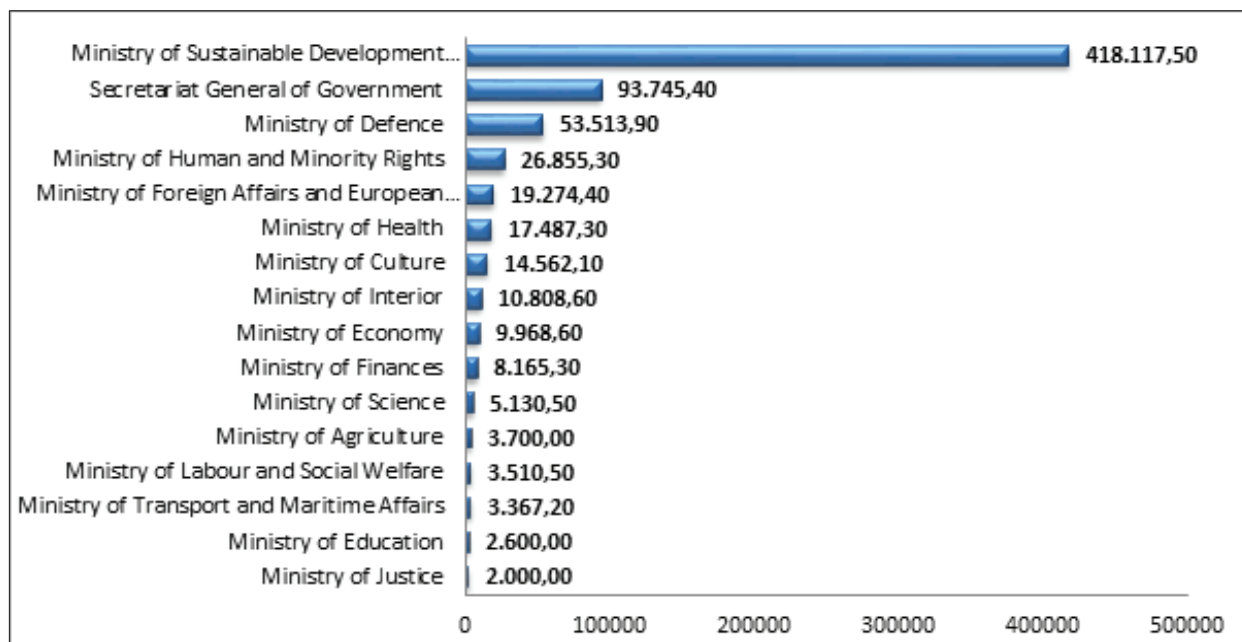
<sup>33</sup> Subject of analysis are only those marketing agencies and production houses which received more than 10.000 Euros

## Individual findings per structure of public sector organs

### Ministries

Subject of research were: Secretariat General of Government, Ministry of Justice, Ministry of Interior, Ministry of Defence, Ministry of Finance, Ministry of Foreign Affairs and European Integration, Ministry of Education, Ministry of Sport (which consolidated the earlier Youth Office in its composition), Ministry of Science, Ministry of Culture, Ministry of Economy, Ministry of Transport and Maritime Affairs, Ministry of Agriculture and Rural Development, Ministry of Sustainable Development and Tourism, Ministry of Health, Ministry of Human and Minority Rights, Ministry of Labour and Social Welfare and Minister without portfolio. All of the researched subjects submitted the requested information. In order to further verify the transparency of work and legal obligation to publish documentation on portal of public procurement, researchers have found that certain ministries did not submit all of the requested documentation, in other words, additional contracts were found on this portal. Additional materials will be the subject of analysis, with a clear indication of source.

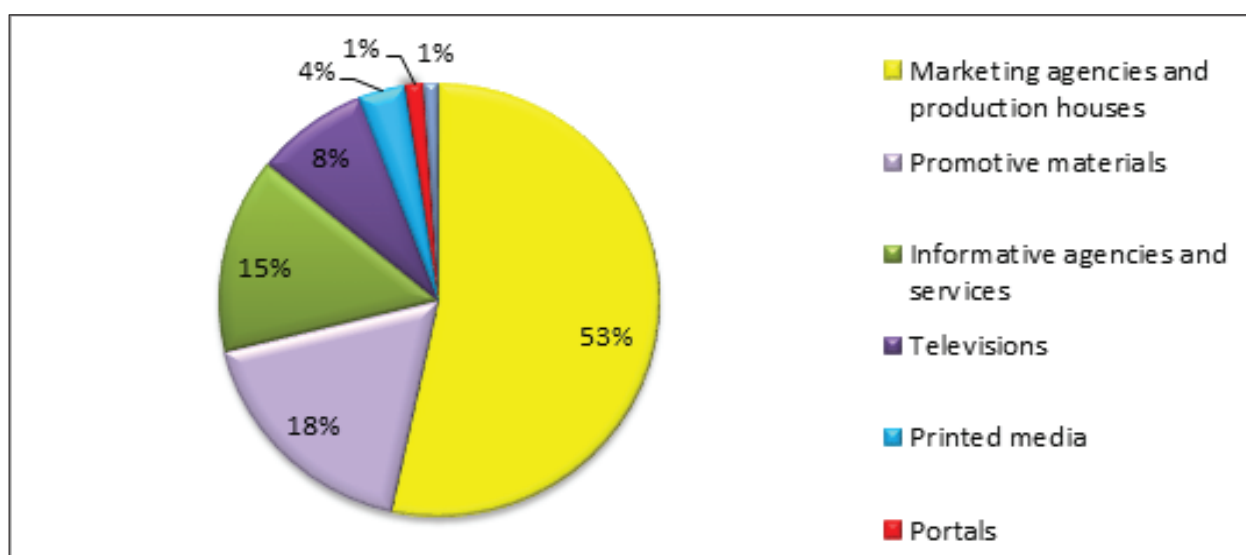
Traditionally, ministries are one of the greatest consumers, with the amount of **692.907,17 EUR** or **30.7%** of total amount in 2016. Compared to previous year, this is a considerable increase of nearly 200.000 EUR. All ministries had expenditure which is provided in a separate graph. Individually, like in previous years, largest amount of funds was spent by Ministry of Sustainable Development and Tourism, in the amount of 418.117,50 EUR.



Graph 20: display of individual expenditure by ministries in EUR

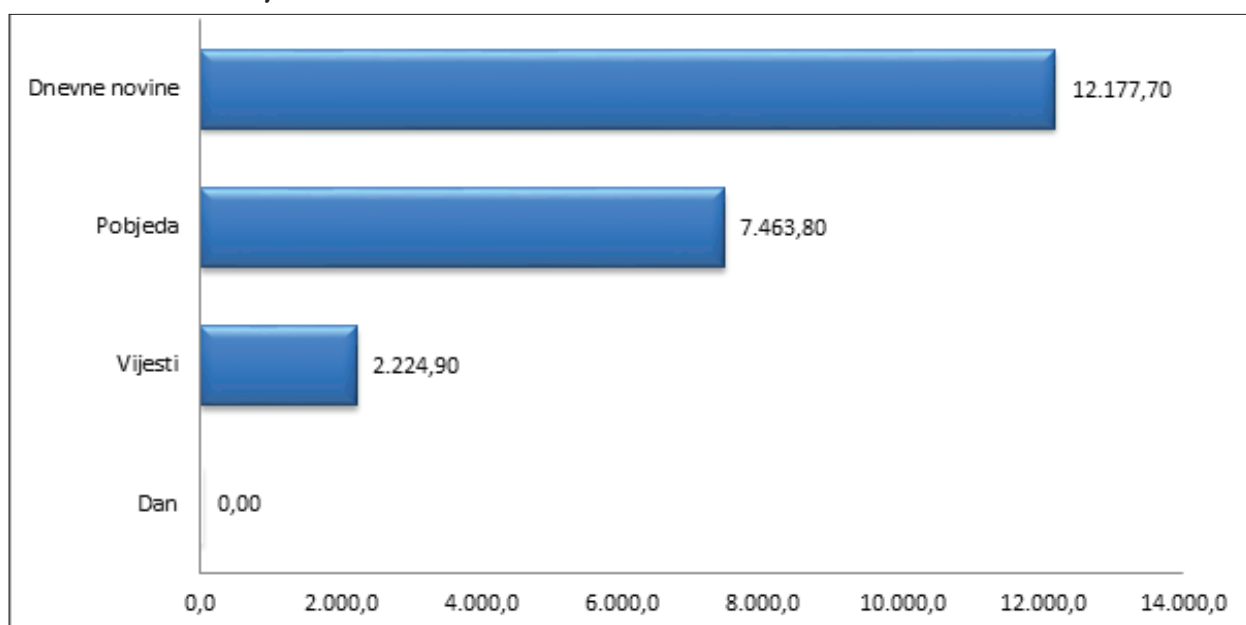
### Individual findings per structure of service providers

Out of the total amount of spent money, **23.385,44 EUR (3,4%)** were allocated for printed media, **57.277,3 EUR (8,3%)** for TVs, **7.300,00 EUR (1,05 %)** for radio stations, **8.938,00 EUR (1,3 %)** for portals, **99.631,19 EUR (14,4%)** for informative agencies and services, **121.122,69 EUR (17,5%)** for printing of promotional material, while **364.314,67 EUR (52,6%)** were allocated for marketing agencies and production houses. Difference compared to total amounts relates to funds that were allocated for regional media and public opinion research agencies, which were not the subject of analysis due to considerably lower amounts that they received.

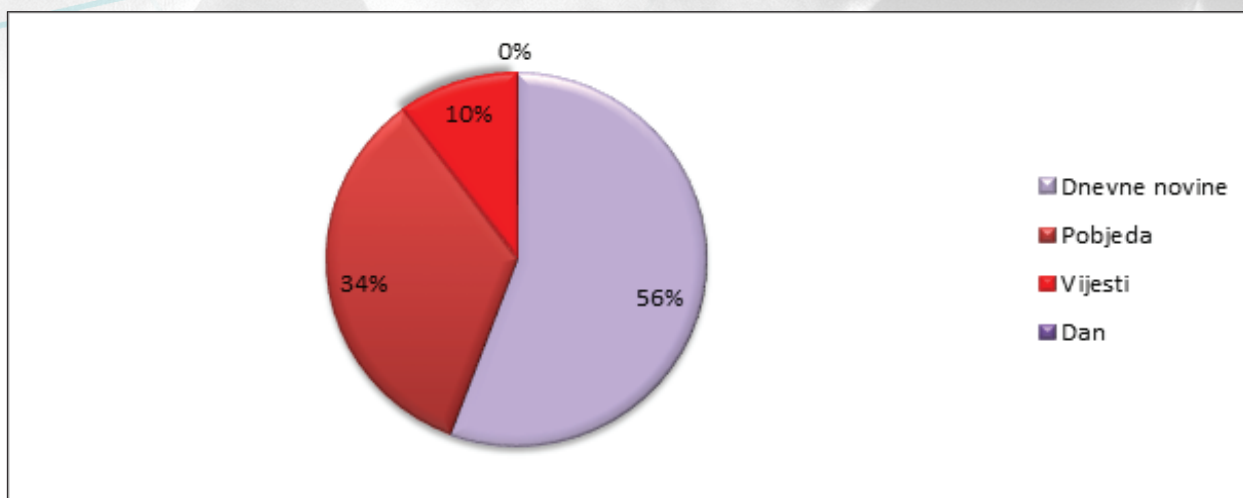


Graph 21: display of payments per category in percentage

Based on the structure of subjects which received funds, national printed media received **23.385,44 EUR**.



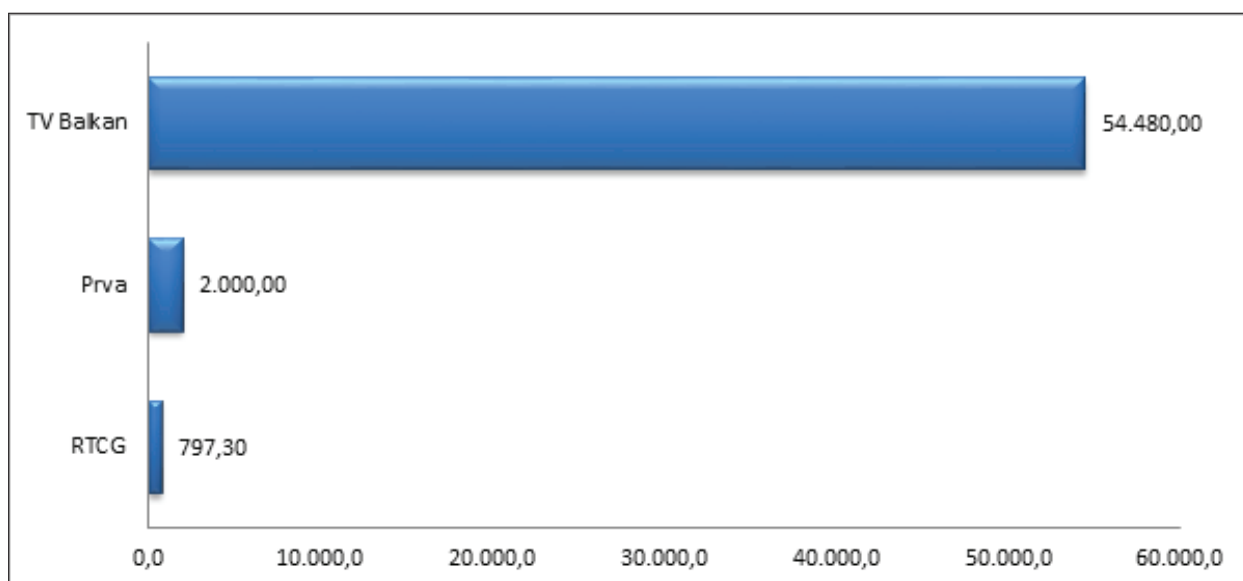
Graph 22: display of payments to printed media by ministries in EUR



Graph 23: display of payments to printed media by ministries in percentage amounts

Budget funds were mostly allocated to *Dnevne novine*, by several ministries: Ministry of Science, Ministry of Culture and Ministry of Health. It should be emphasised that Ministry of Health did not submit contract with *Dnevne novine* as part of documentation, upon the request of CCE, instead, the researchers found it on the portal of public procurement. Next is *Pobjeda*, which received funds from Ministry of Defence, Ministry of Science, Ministry of Culture, Ministry of Transport and Maritime Affairs, as well as from Ministry of Labour and Social Welfare. When it comes to other printed media, *Vijesti* received total amount of funds from Ministry of Interior, while *Dan* did not receive any payment in 2016.

National televisions received total of **57.277,3 EUR** from ministries.

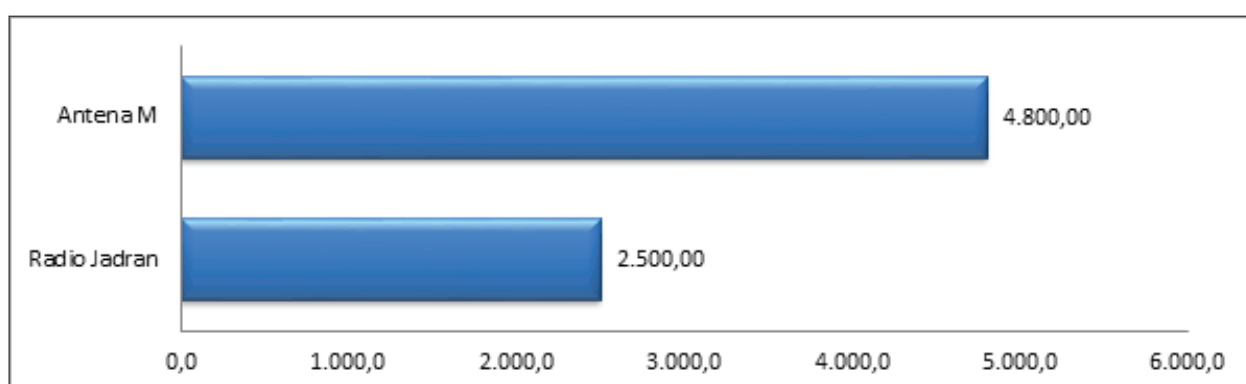


Graph 24: display of payments to TVs by ministries in EUR

Apart from *TV Prva* and *RTCG*, which received funds from Ministry of Science, there were no other payments to national televisions, according to available information. Unlike previous years, a decrease in the allocations for national televisions from the ministries is noticed.

Largest payment was made by Ministry of Sustainable Development and Tourism for *Balkan TV*.

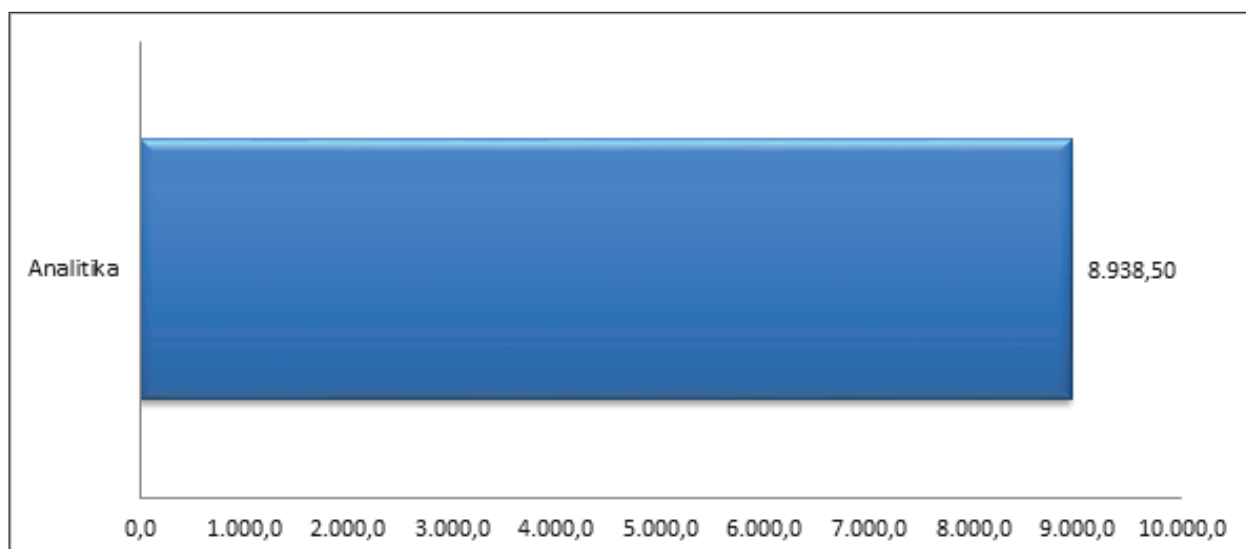
Total amount of funds allocated to radio stations is **7.300,00 EUR**.



Graph 25: display of payments to radio stations by the ministries in EUR amounts

*Antena M* received total amount from the Ministry of Sustainable Development and Tourism, while radio *Jadran* received money from Ministry of Agriculture and Rural Development. Amounts and sources of payments are nearly identical to those from previous years, indicating that there was certain decrease in the amount of direct payments to radio stations by ministries.

Portals received the amount of **8.938,50 EUR**.

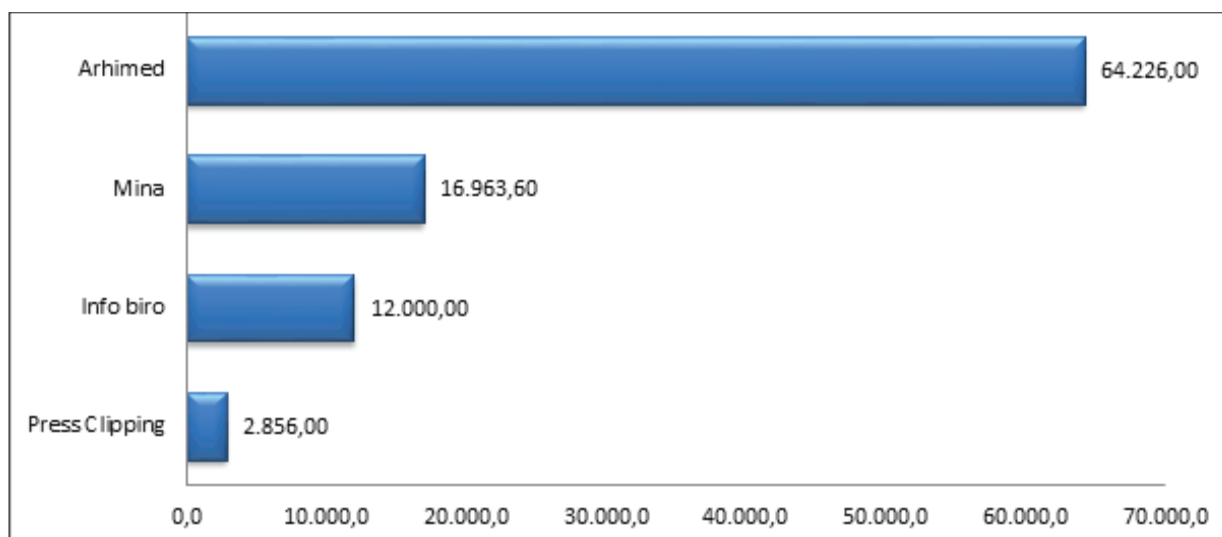


Graph 26: display of payments to portals by ministries in EUR amounts



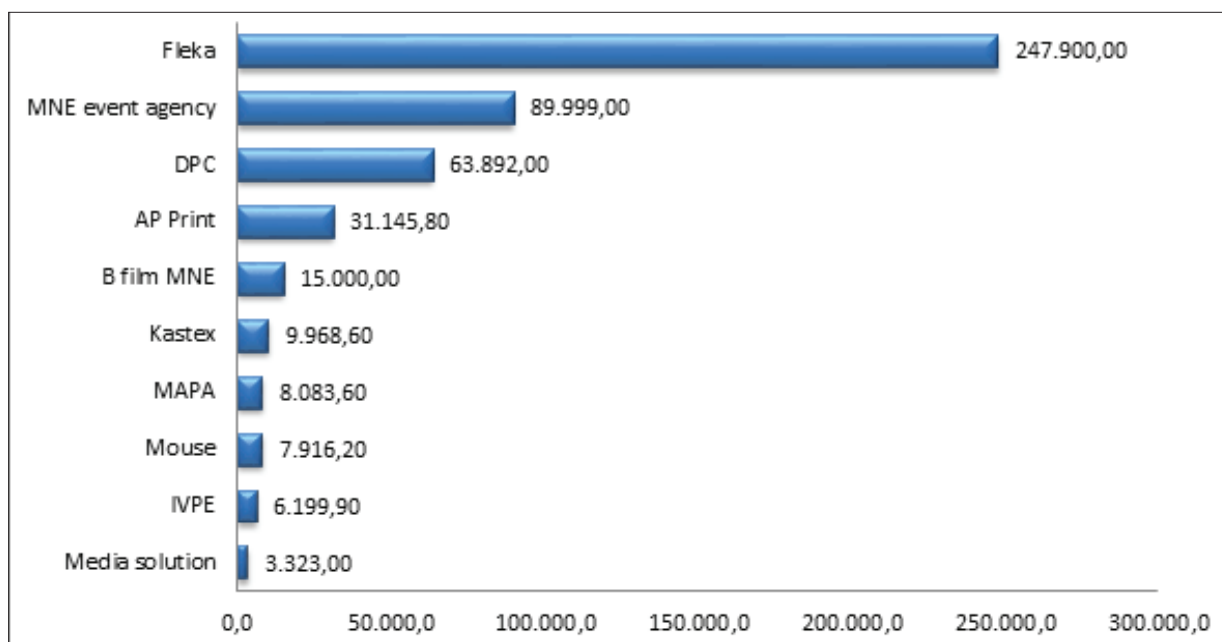
A total amount was allocated to portal *Analitika* by the Ministry of Sustainable Development and Tourism, which is something that has been repeating for years.

Informative agencies and services received the amount of **99.631.19 EUR** from ministries in 2016.<sup>34</sup>



Graph 27: display of payments to informative agencies and services by ministries in EUR

When it comes to marketing agencies and production houses, ministries transferred a total of **485.437,36 EUR**<sup>35</sup>.



Graph 28: display of payments to marketing agencies and production houses by ministries in EUR

34 Graphical presentation includes only those subjects that have earned more than 1,000 EUR

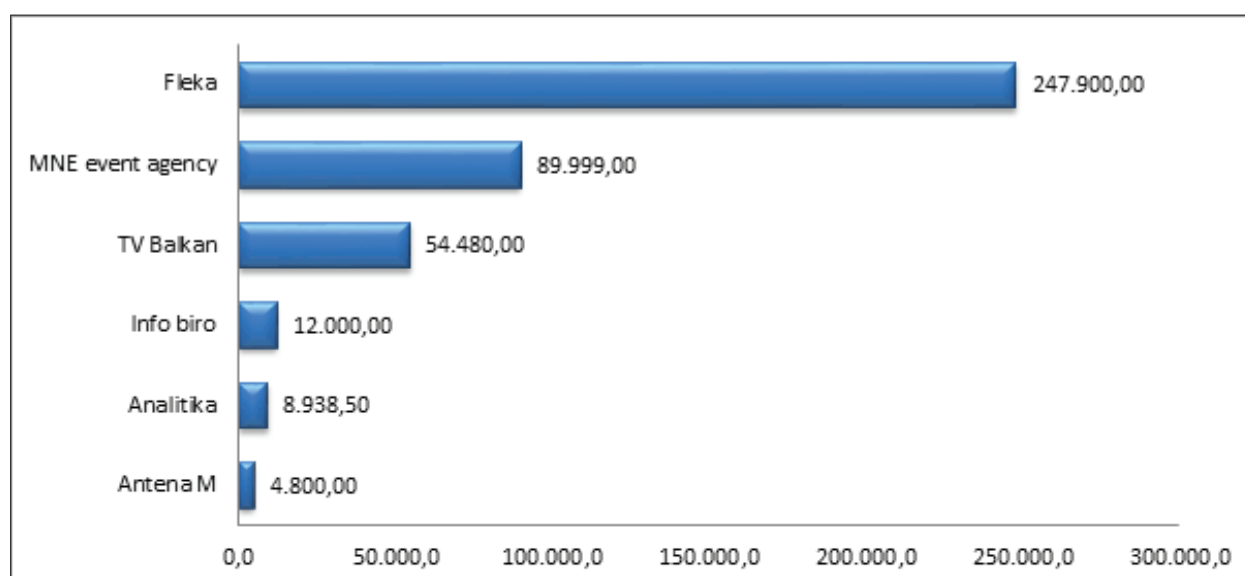
35 Subject of analysis are marketing agencies and production houses that received more than 1.000 EUR

Traditionally, complete amount for *Fleka* and *MNE Event Agency* was paid by Ministry of Sustainable Development and Tourism. *DPC* received payments from Secretariat General of Government and two ministries which did not submit information based on the request of CCE. Instead, researchers found the contracts on the portal of public procurements, and these are payments of Ministry of Foreign Affairs and European Integration and Ministry of Human and Minority Rights. The same ministry allocated said amount also to company *IVPE*, while *Studio Mouse* received its total amount from the Ministry of Health. These two contracts were also not submitted within original documentation to CCE. Situation is similar in the case of every other payment. More precisely, Ministry of Justice made the complete payment to company *IVAGO*, Ministry of Economy to *Kastex*, while the Ministry of Defence made the payment to *AP Print*.

It is concerning that all aforementioned ministries failed to submit these contracts, i.e. information on payments, although the examination of concluded contracts clearly states that printing service of propaganda and advertising material for campaigns of those ministries was provided to the same in 2016.

### Individual findings per ministry

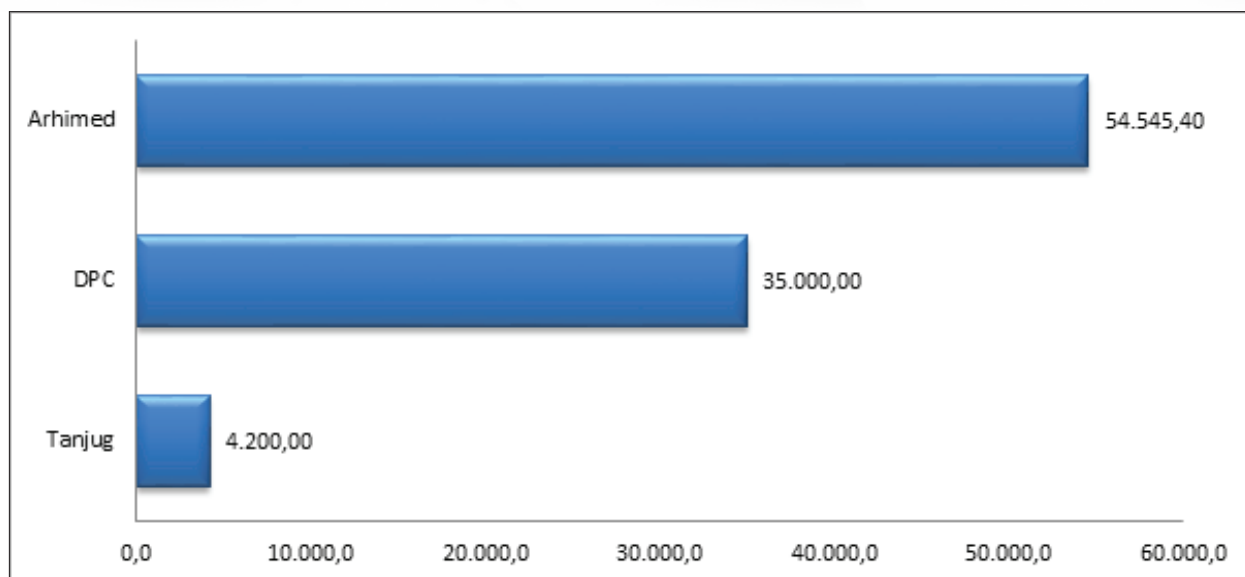
Considering the importance of Government and ministries as organs of executive power and creators of public policies, and in this specific research, one of the largest consumers in the system, total expenditure and cost structure of individual ministries will be closely examined and presented in table.<sup>36</sup> As in previous years, **Ministry of Sustainable Development and Tourism** has had the greatest expenditure on said basis, in total amount 418.117,50 EUR for 2016.



Graph 29: cost structure of Ministry of Sustainable Development and Tourism in EUR

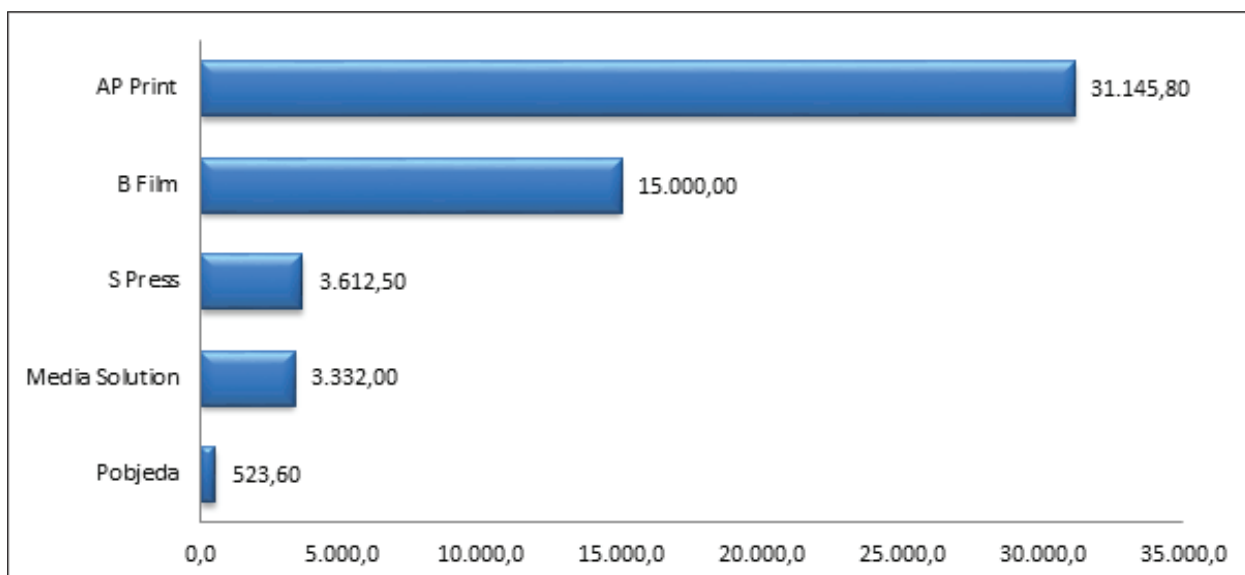
<sup>36</sup> Graphic presentation covered only those ministries that have spent more than € 5,000

**Secretariat General of Government of Montenegro** had a total expenditure of 93.745,40 EUR.



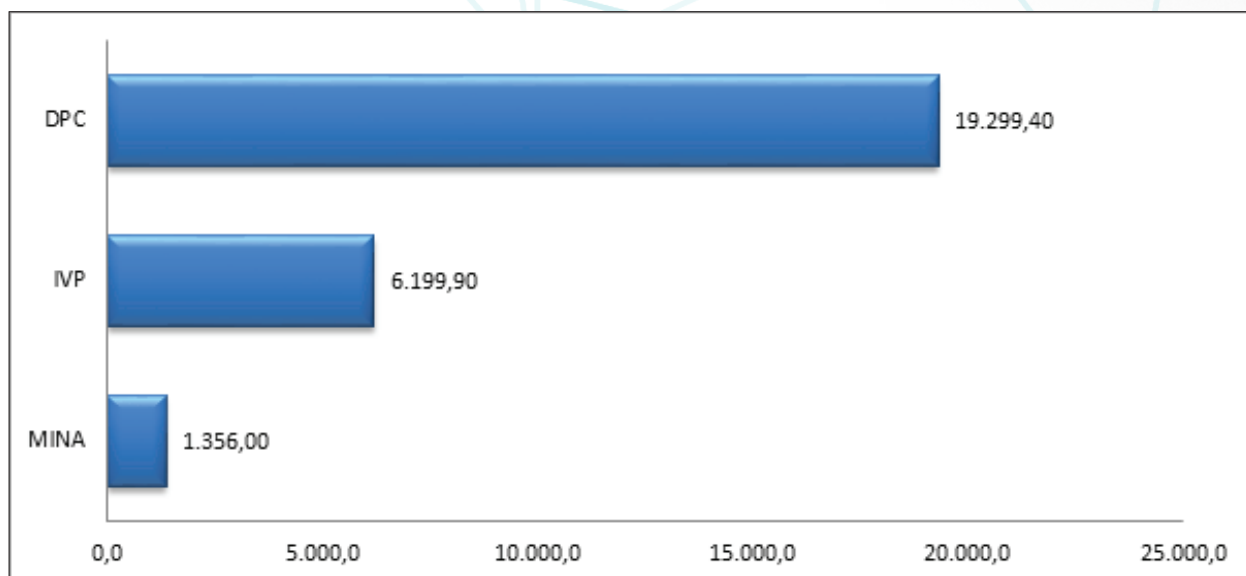
Graph 30: cost structure of Secretariat General of Government in EUR

Total expenditure of **Ministry of Defence** was 53.513,90 EUR.



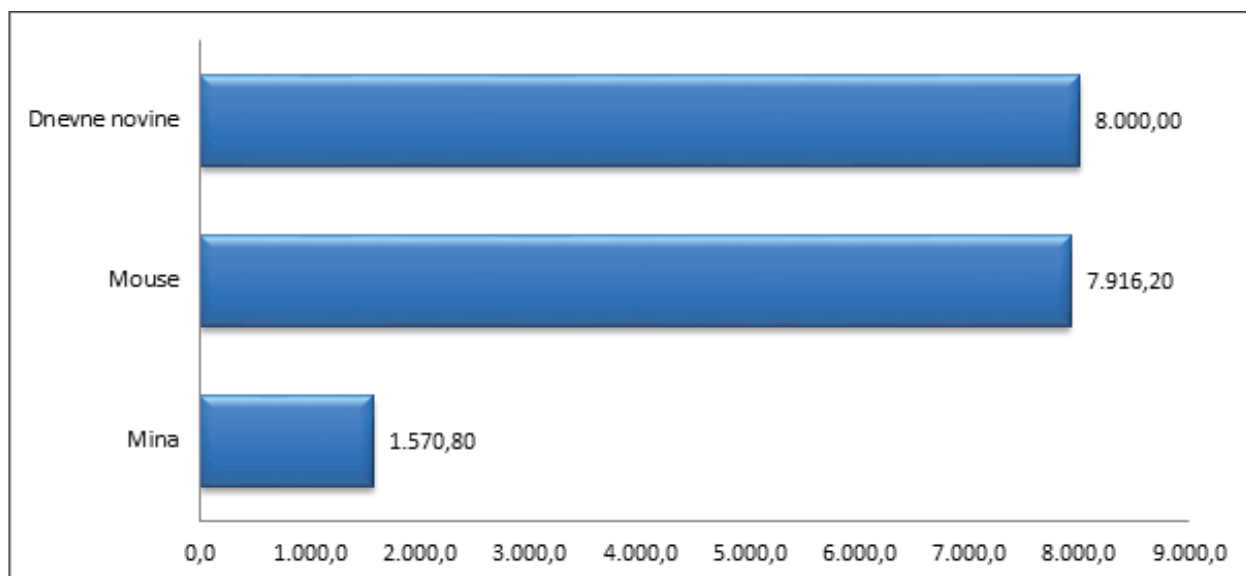
Graph 31: cost structure of Ministry of Defence in EUR

Total amount of **Ministry of Human and Minority Rights** was 26.855,30 EUR.



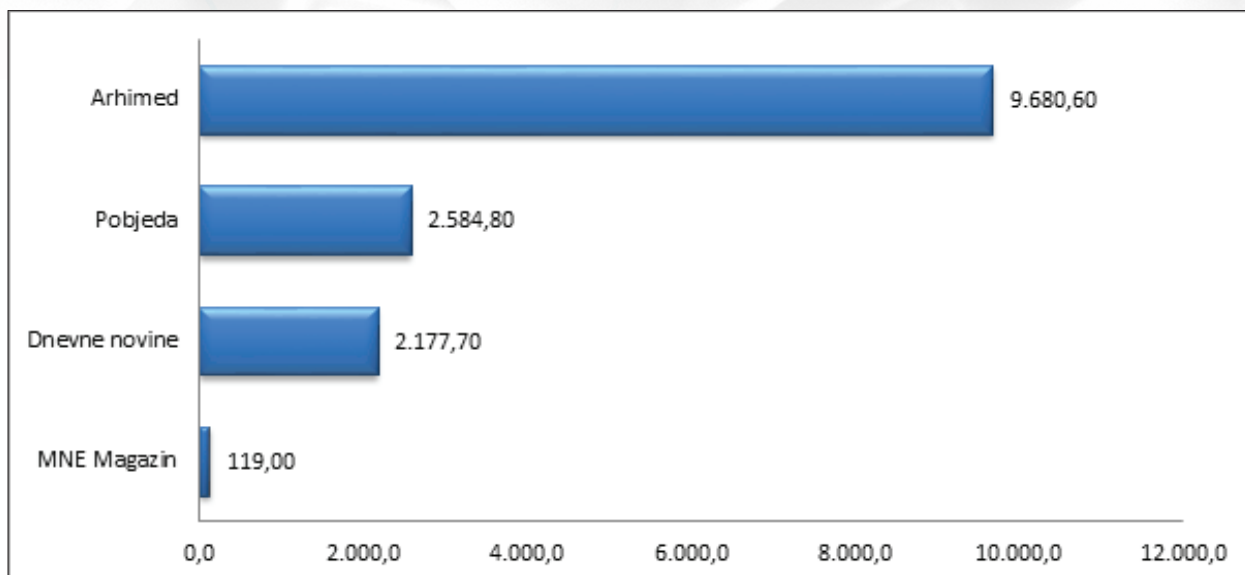
Graph 32: Cost structure of MHMR in EUR

Total amount allocated to media, informative agencies and services, marketing agencies and production houses by **Ministry of Health** was 17.487.30 EUR.



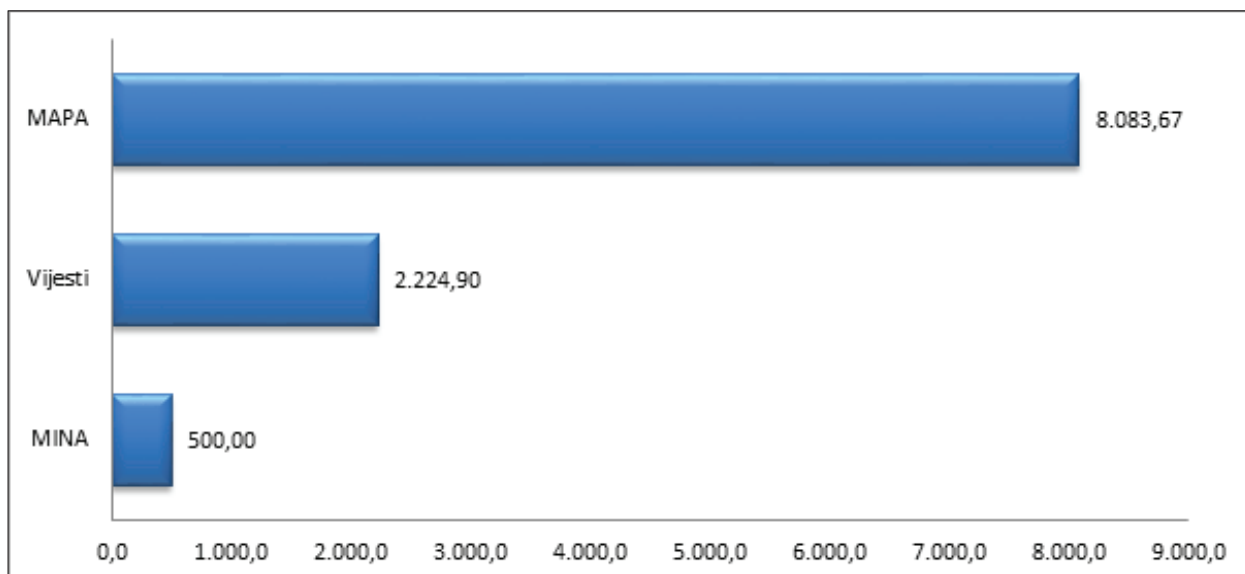
Graph 33: cost structure of Ministry of Health in EUR

**Ministry of Culture** spent the amount of 14.562,10 EUR.



Graph 34: cost structure of Ministry of Culture in EUR

Total expenditure of **Ministry of Interior** was 10.808,60 EUR.



Graph 35: cost structure of MI in EUR

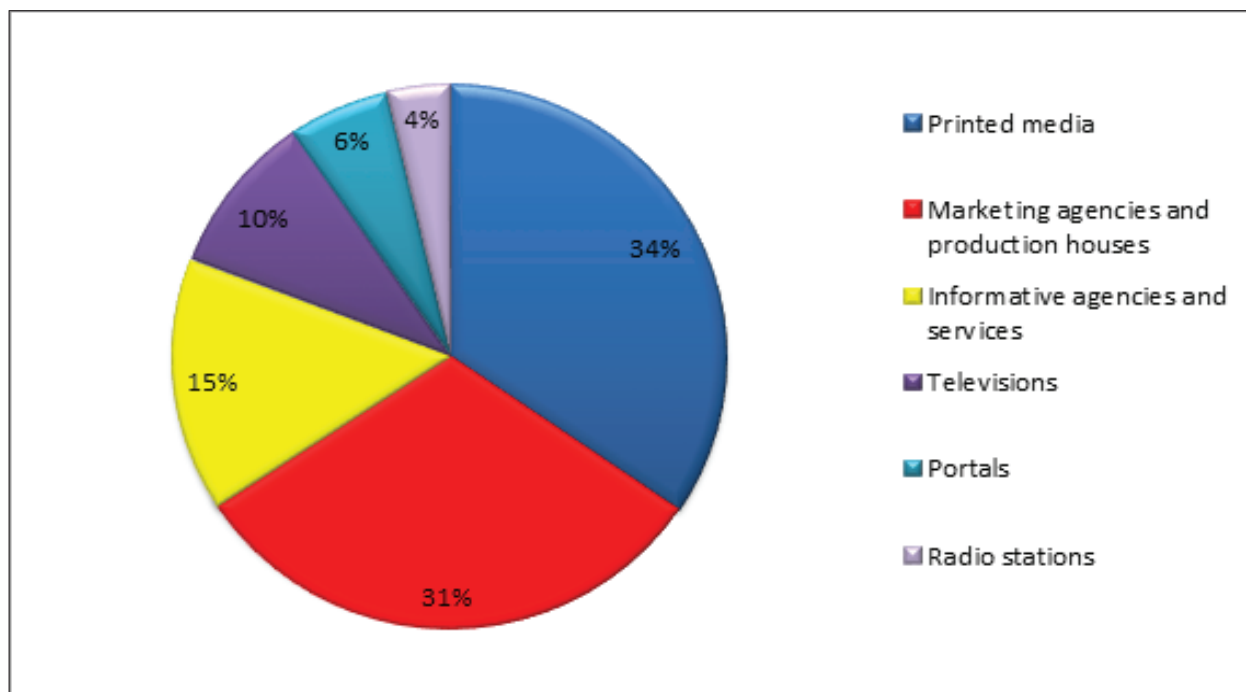
Other ministries have had expenditure in amounts lesser than 10.000 EUR on annual level, hence they were not the subject of special examination. Of those, Ministry of Transport and Maritime Affairs traditionally allocated the amount of 3.367,70 EUR to *Pobjeda*. Ministry of Science had several allocations to following subjects: *Dnevne novine* 2.000,00 EUR, *Pobjeda* 333.00 EUR, *RTCG* 797.30 EUR and *Prva TV* 2.000,00 EUR. Other allocations were considerably lower and allocated to great number of different subjects.

### Administration organs<sup>37</sup>

Research covered 68 administration organs (in the composition of ministries and independent administration organs), more precisely administrations, institutes, funds and agencies. Majority of them, i.e. 59, responded to submitted request within the legally prescribed deadline. Only 28 had costs, and judging by submitted information, other administration organs did not have expenditure on this basis.

Administration organs spent a total of **236.560,4 EUR** during 2016. Out of the said amount, Commission for Allocation of Part of Revenue from Games of Chance allocated **11.500 EUR** to media through project financing, and it will be a subject of separate analysis. Commission operates within the Ministry of Finances, but also allocates funds to media through project financing.

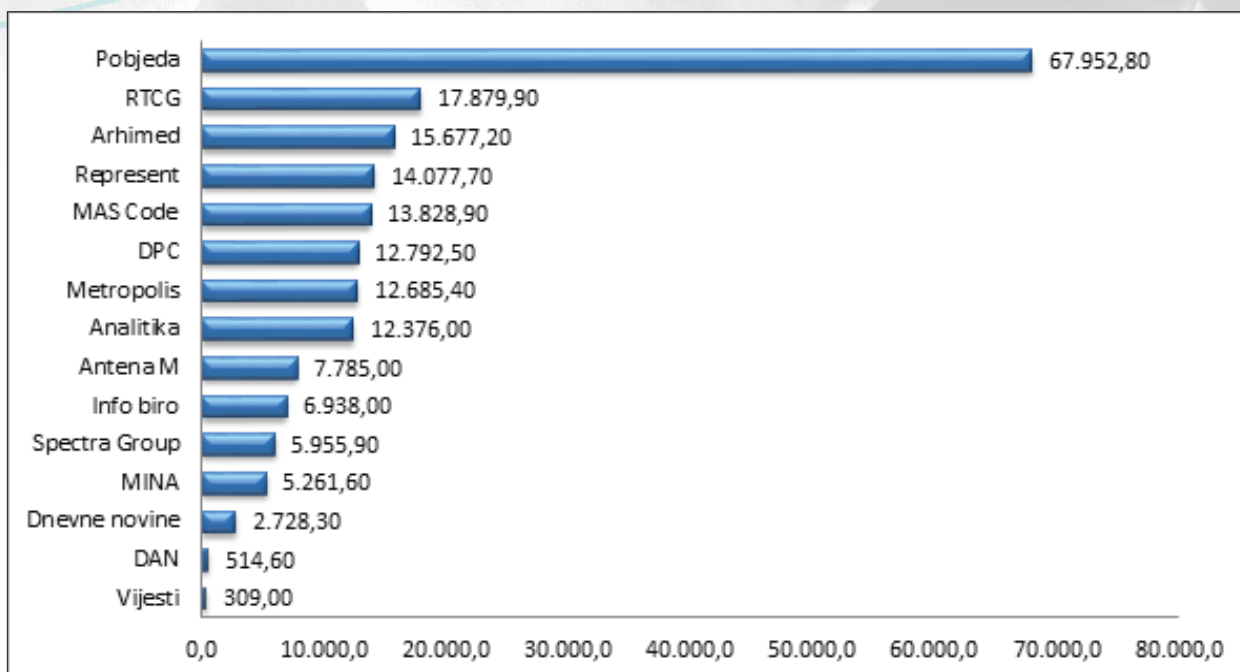
The remaining amount of **221.560,49 EUR** was spent by allocating **72.825,20 EUR (34%)** to printed media, **20.358,00 EUR (10%)** to TV, **7.785,00 EUR (4%)** to radio stations, **12.376,00 EUR (6%)** to portals, **31.884,01 EUR (15%)** to informative agencies and services, and **65.798,80 EUR (31%)** to marketing agencies and production houses.



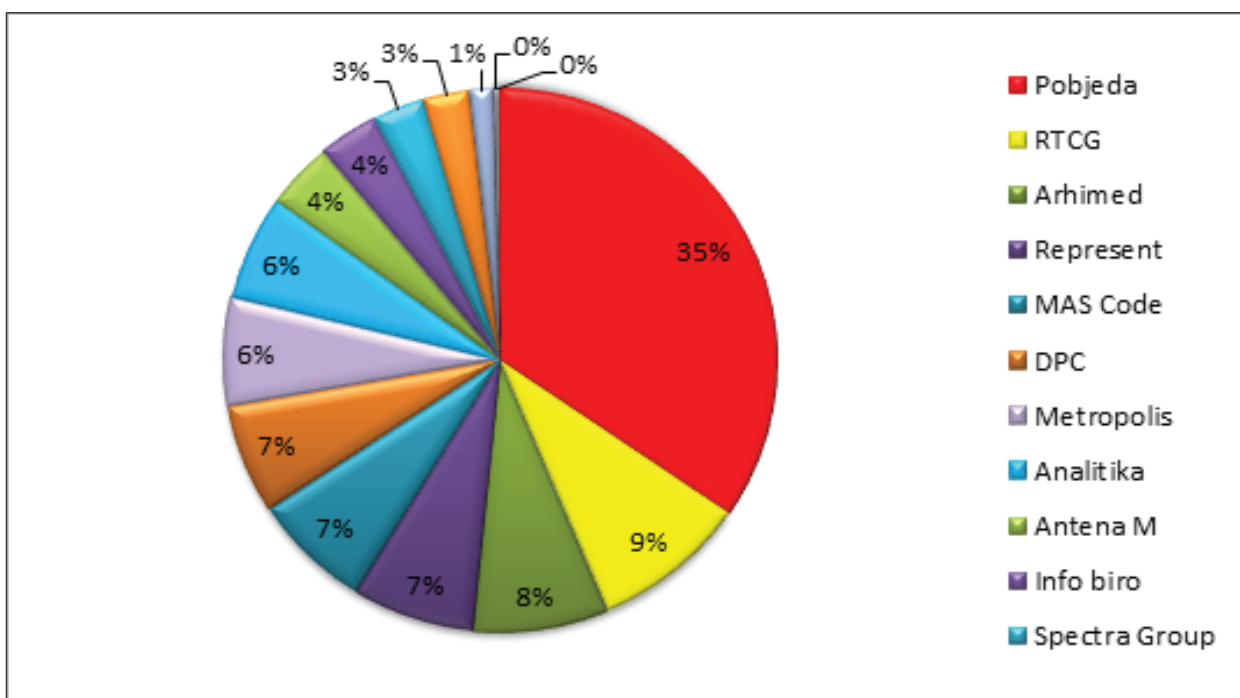
Graph 36: categories of subjects that received funds from administration organs in percentage amounts

Structure of subjects that received funds will be displayed cumulatively in one table, due to their lesser number, without the previous division per type of subject.

<sup>37</sup> For the purpose of comprehensibility of graphic data processing, administrative organs within the ministries and independent administrative organs were processed in the same place



Graph 37: structure of subjects that received funds from administration organs in EUR



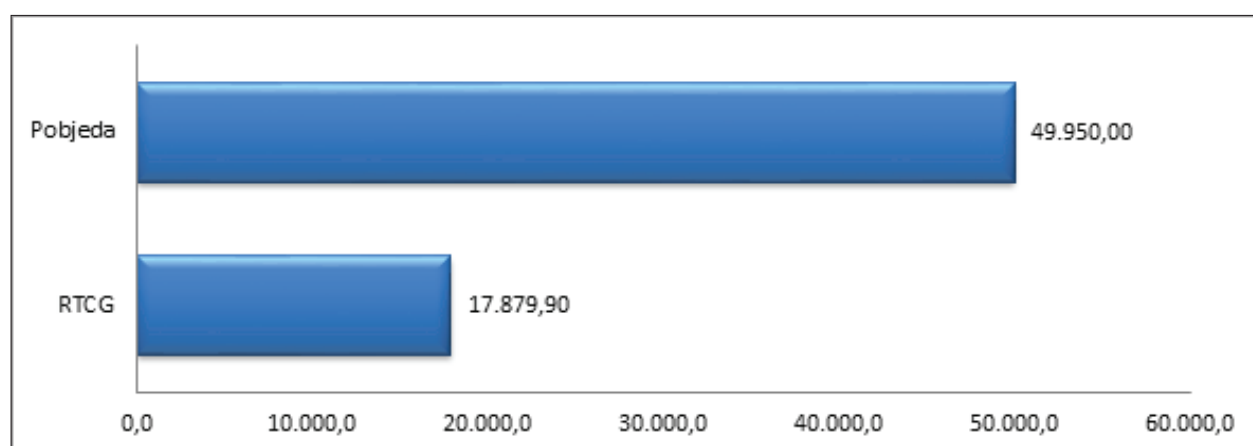
Graph 38: structure of subjects that received funds from administration organs in percentage amounts

### Individual findings per administration organ

Of 28 administration organs that submitted the requested information, nine spent more than 85% of total funds, more precisely 194.076,7 EUR. Those funds were allocated by the Employment Agency (67.829.90 EUR), Agency for Prevention

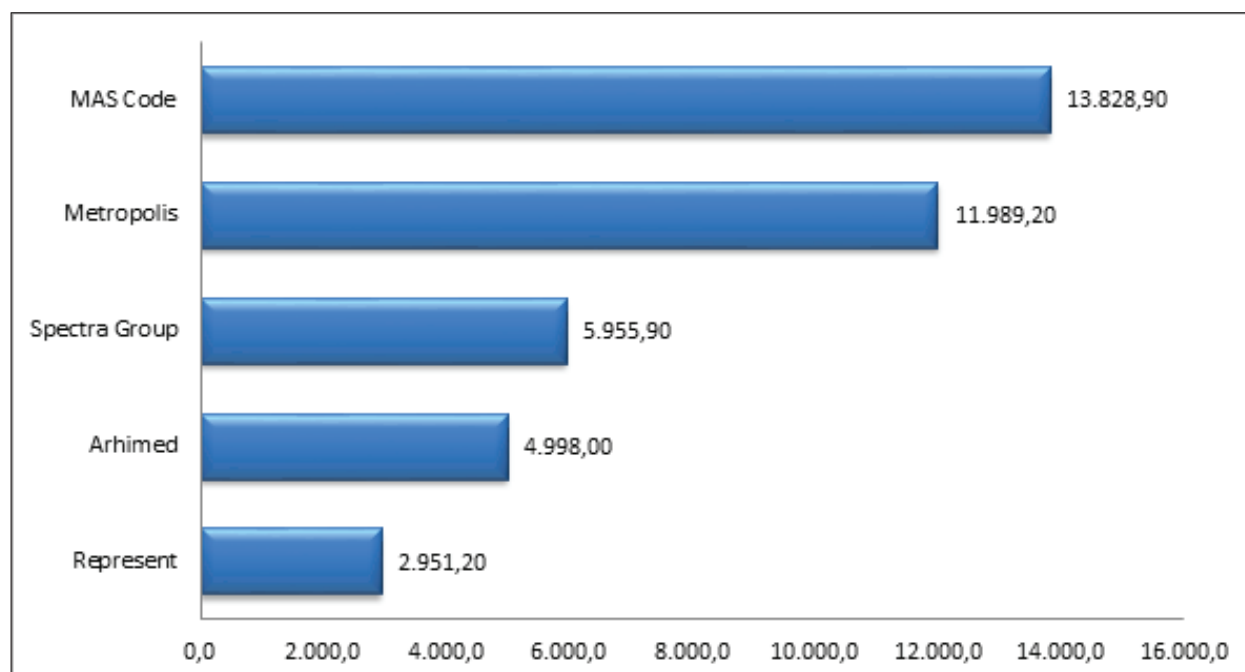
of Corruption (49.475.44 EUR), Agency for Electronic Communications and Postal Activity (26.149,60 EUR), Agency for Civil Aviation (12.393,17 EUR), Human Resources Management Authority (12.792,50 EUR), Tax Administration (7.638,87 EUR), followed by Protector for protection of property-legal relations (6.458,25 EUR) and Housing Agency (6.192,27 EUR), thus only these organs will be the subject of separate graphic examination.

### **Employment Agency of Montenegro**



*Graph 39: cost structure per subjects that received funds from the Employment Agency of Montenegro in EUR*

### **Agency for Prevention of Corruption**

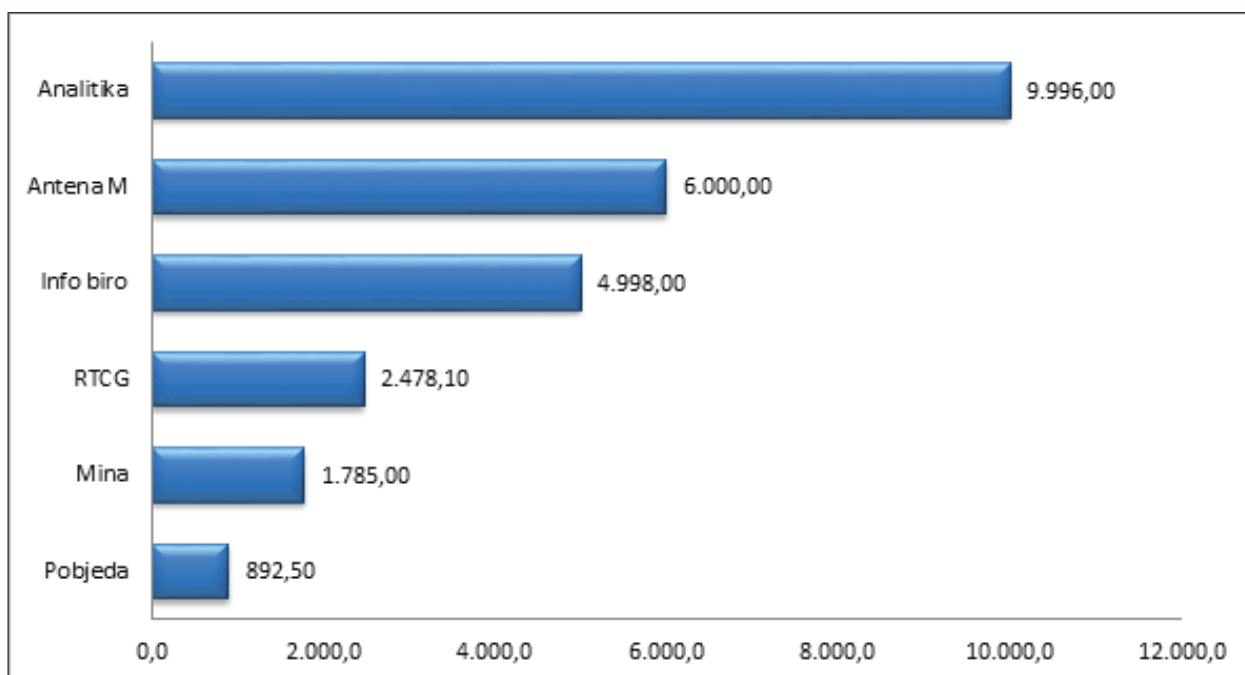


*Graph 40: cost structure of subjects that received funds from the Agency for Prevention of Corruption in EUR*



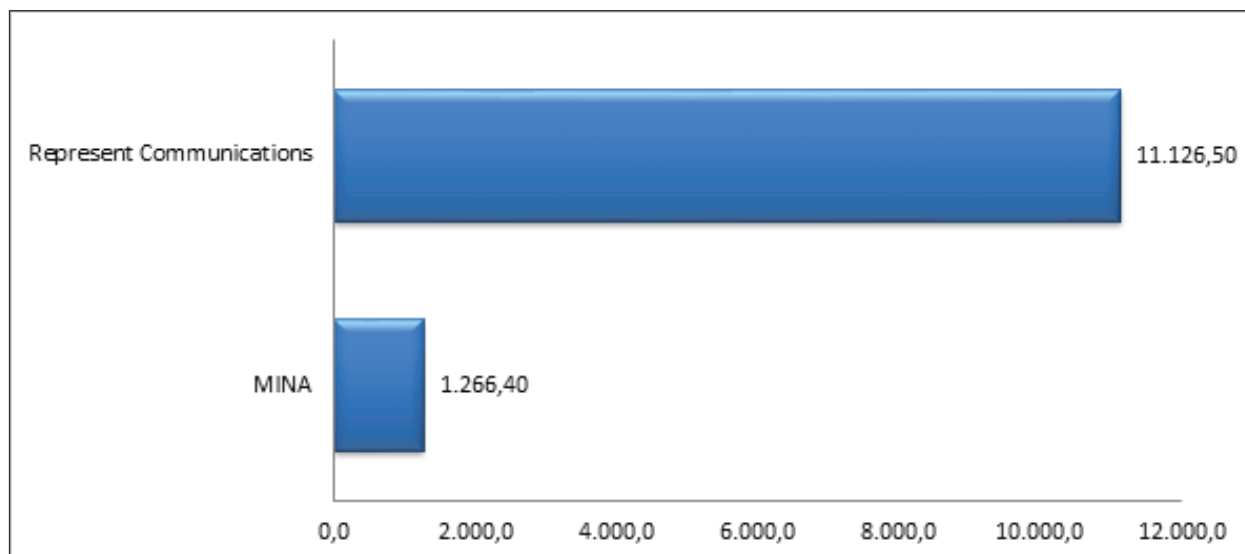
In addition to subjects displayed in table, funds were allocated for services of public opinion research agency. Hence, *De Facto* received 3.796,10 EUR.

### **Agency for Electronic Communications and Postal Activity**



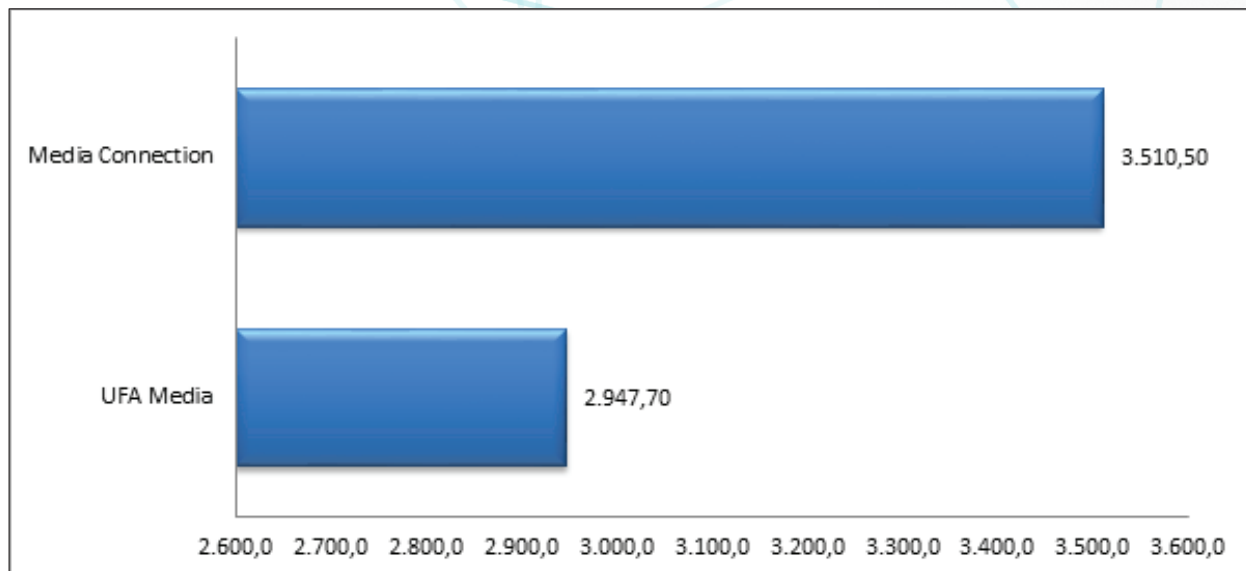
*Graph 41: cost structure of subjects that received funds from the Agency for Electronic Communications and Postal Activity in EUR*

### **Agency for Civil Aviation**



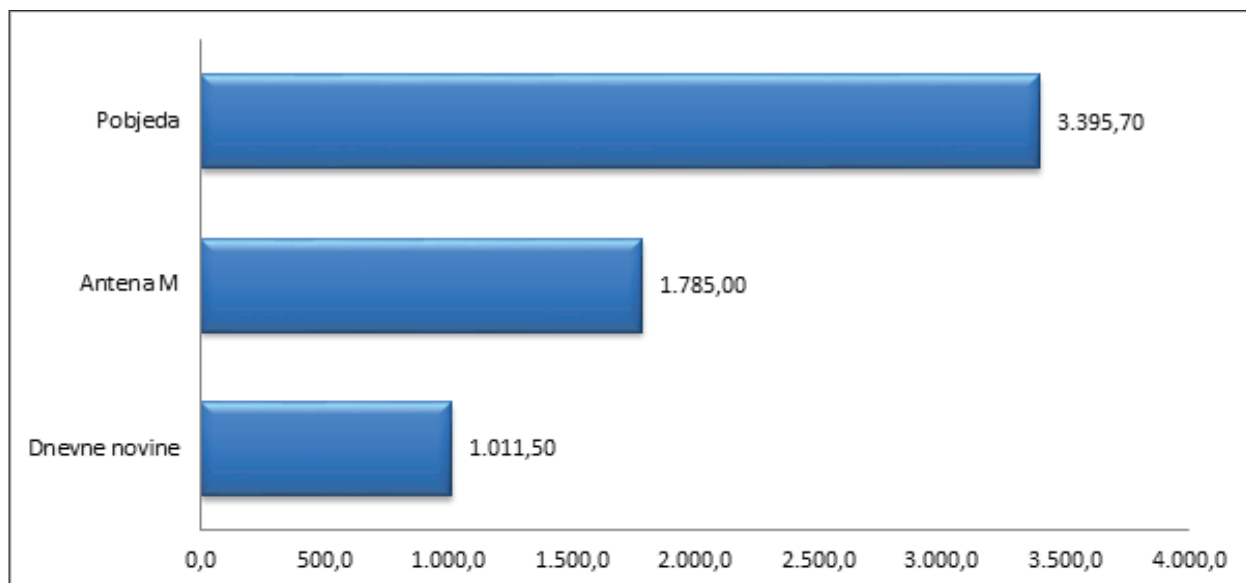
*Graph 42: cost structure of subjects that received funds from the Agency for Civil Aviation in EUR*

### Protector of Property-Legal Relations



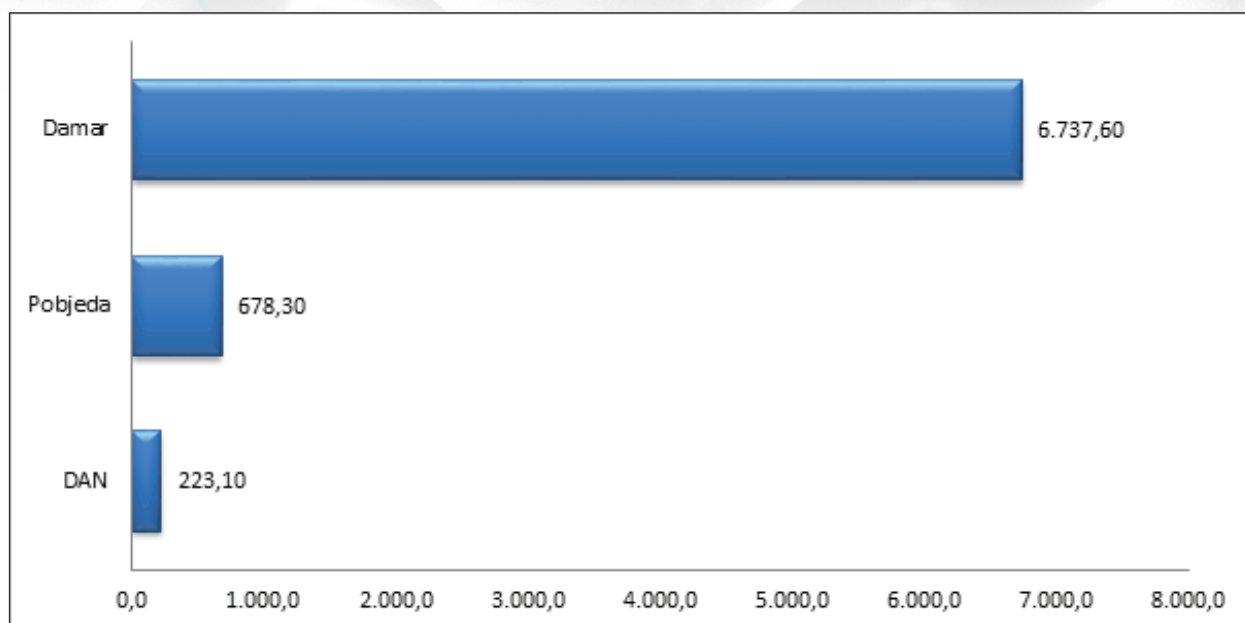
Graph 43: cost structure of subjects that received funds from the Protector of Property-Legal Relations in EUR

### Housing Agency



Graph 44: cost structure of subjects that received funds from the Housing Agency in EUR

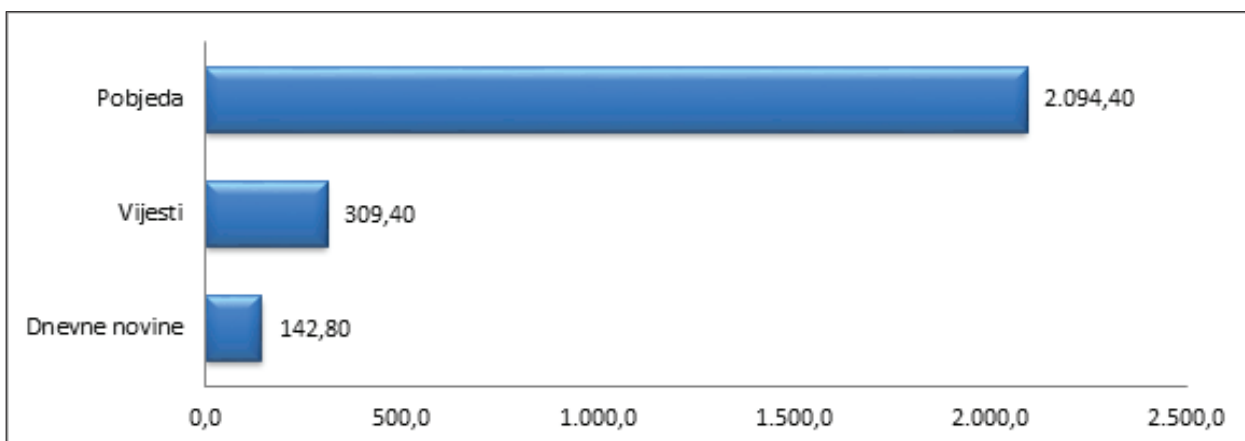
## Tax Administration



Graph 45: cost structure of subjects that received funds from the Tax Administration of Montenegro in EUR

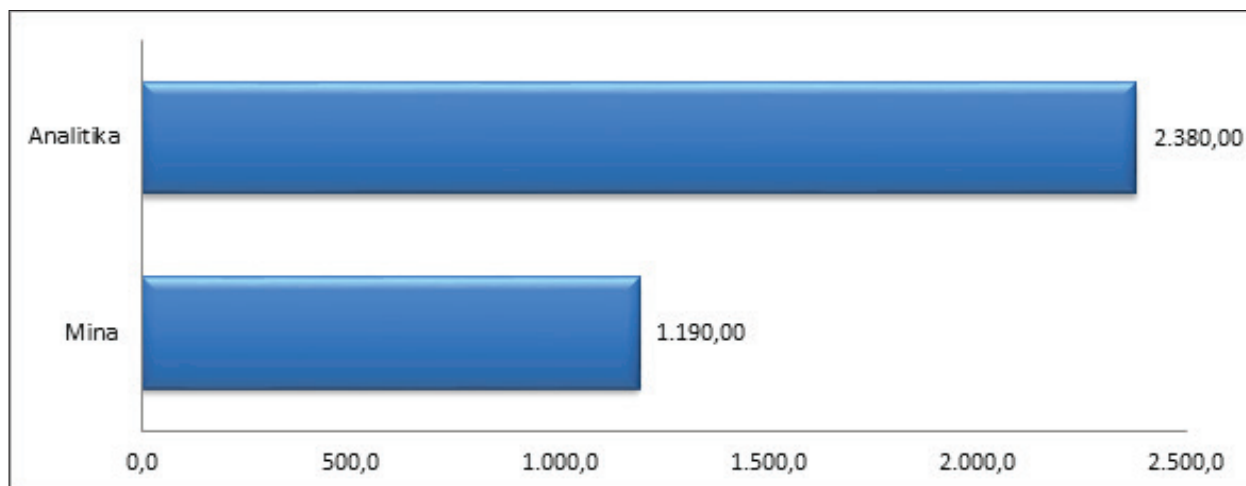
Apart from the said administration organs whose costs have been displayed graphically with regards to subjects that received finances, it is important to point out those who had lower allocations, in lesser amounts i.e. up to 5.000 EUR on annual level.

## Commission for Securities



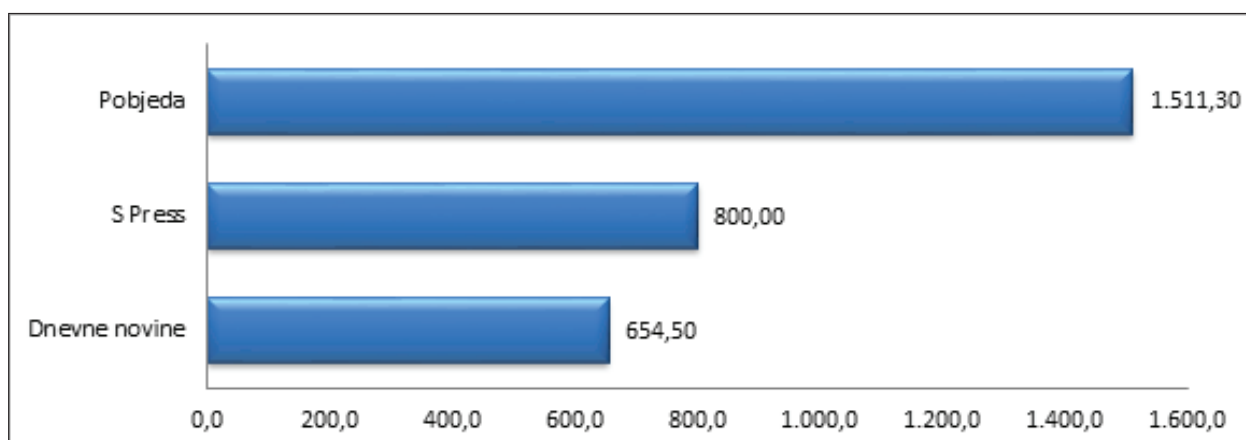
Graph 46: cost structure of subjects that received funds from the Commission for Securities in EUR

### Directorate for Inspection Affairs



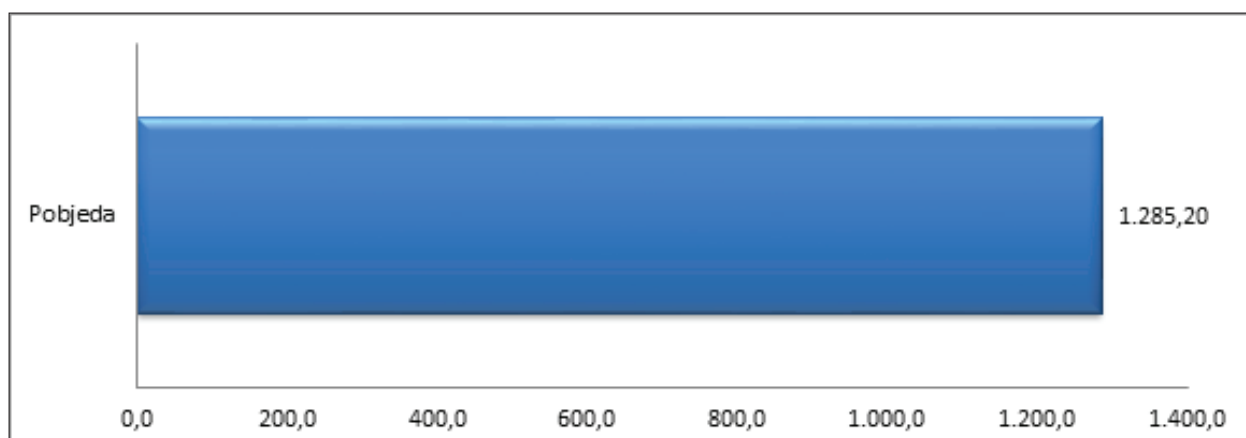
Graph 47: cost structure of subjects that received funds from the Directorate for Inspection Affairs in EUR

### Emergency Department



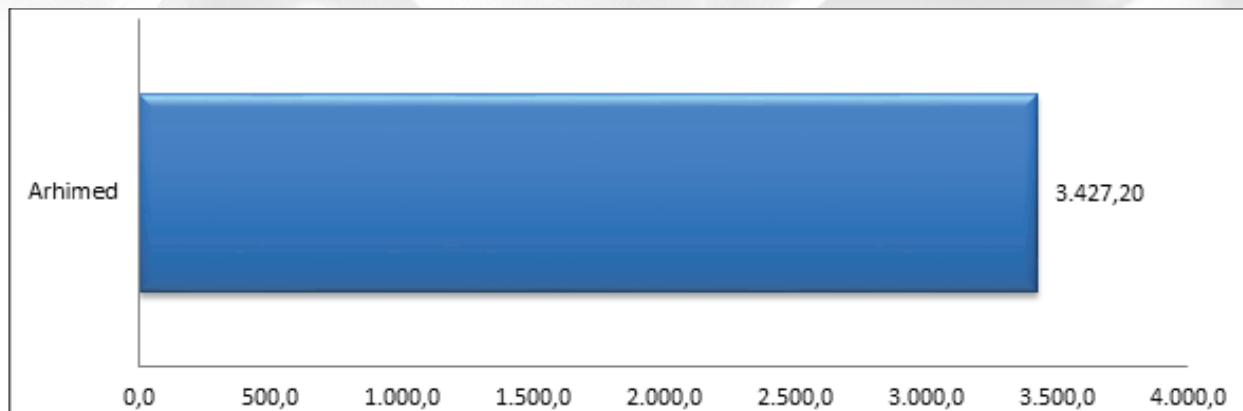
Graph 48: cost structure of subjects that received funds from the Emergency Department in EUR

### Institute of Metrology



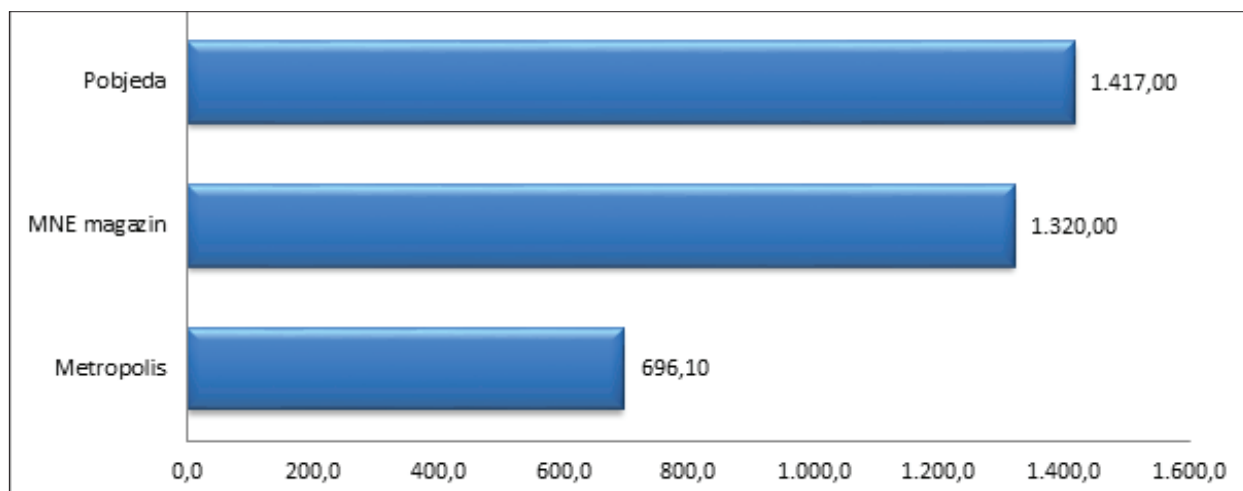
Graph 49: cost structure of subjects that received funds from the Institute of Metrology in EUR

### Administration for Prevention of Money Laundering and Terrorist Financing



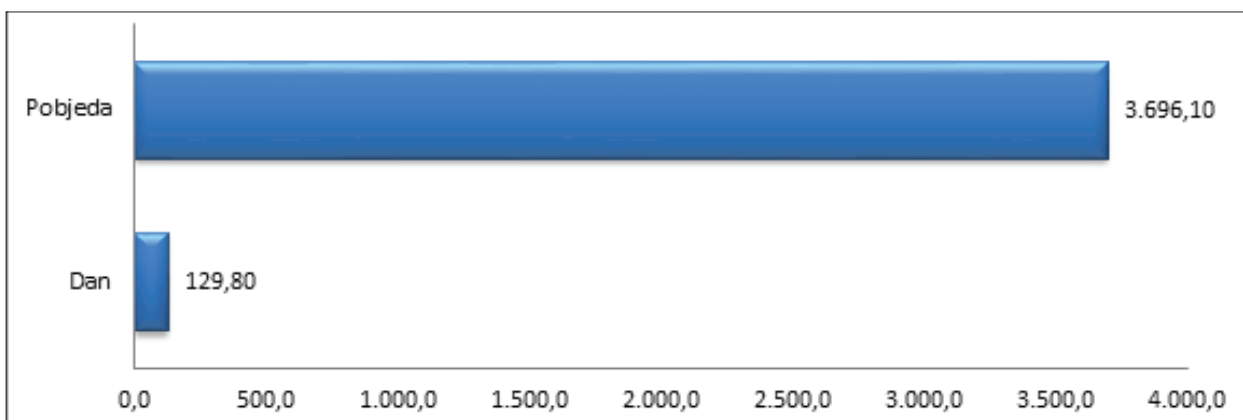
Graph 50: cost structure of subjects that received funds from the Administration for Prevention of Money Laundering and Terrorist Financing in EUR

### Institute for Textbooks and Teaching Aids



Graph 51: cost structure of subjects that received funds from the Institute for Textbooks and Teaching Aids in EUR

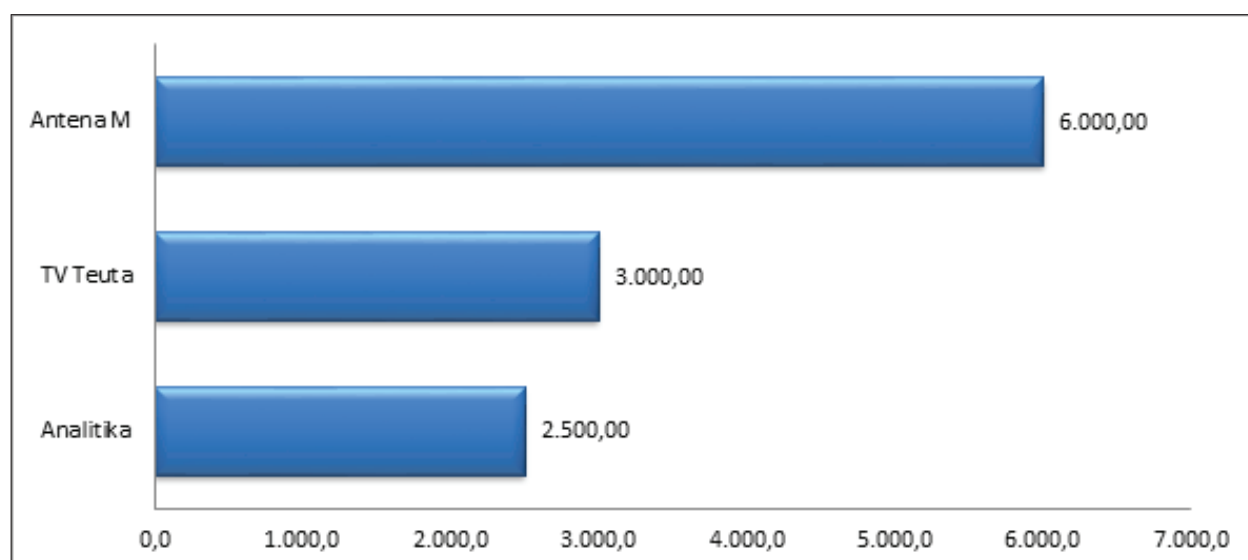
### Agency for Electronic Media



Graph 52: cost structure of subjects that received funds from the Agency for Electronic Media in EUR

### Commission for Allocation of Part of Revenue from Games of Chance

As already stated, subject of research was also the Commission for Allocation of Part of Revenues from Games of Chance, which is not a separate organ, but operates within the Ministry of Finance, and allocates funds through a project financing call. Total amount allocated by the Commission according to approved projects to media in 2016 was **11,500.00 EUR**.

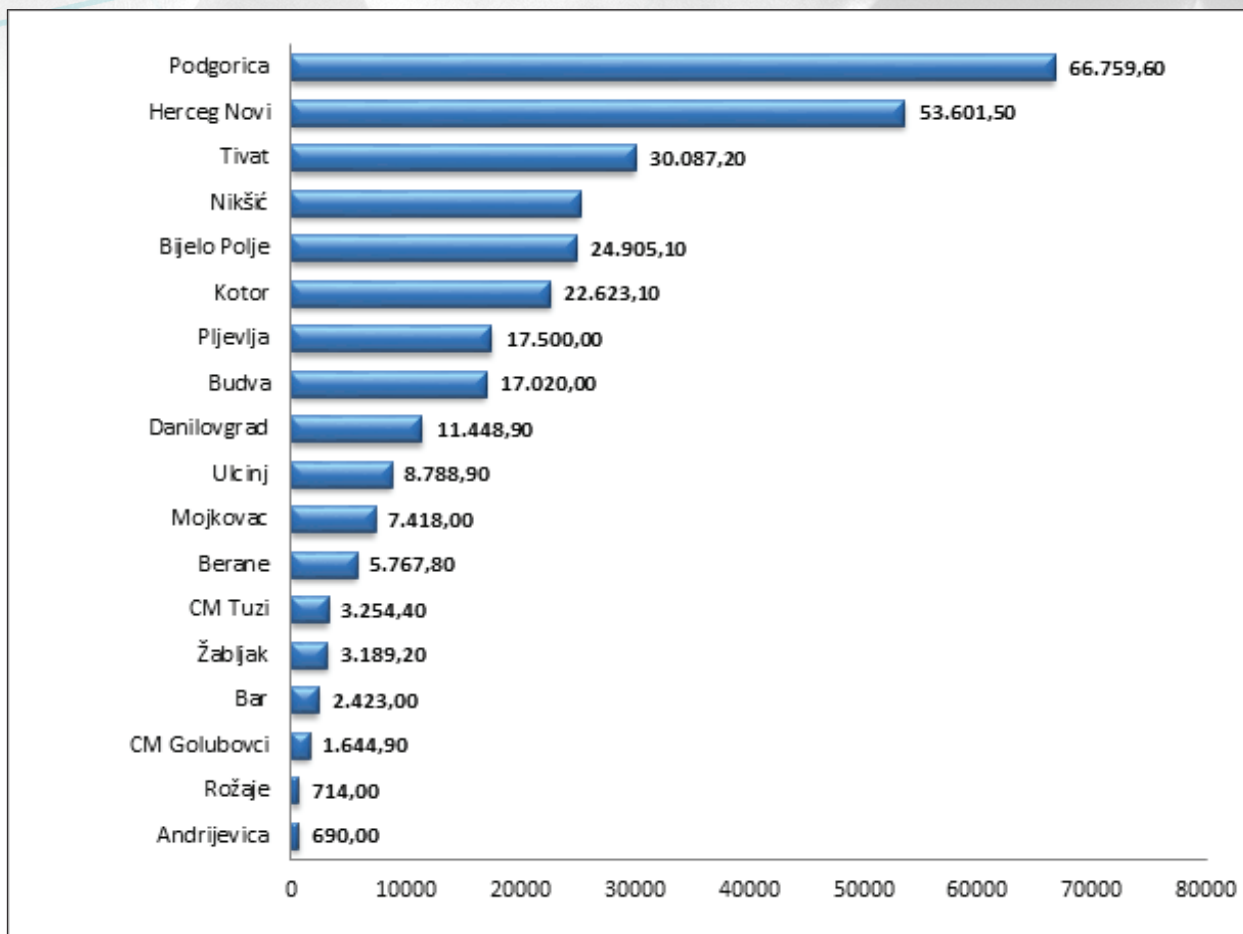


Graph 53: structure of media supported by Commission in EUR

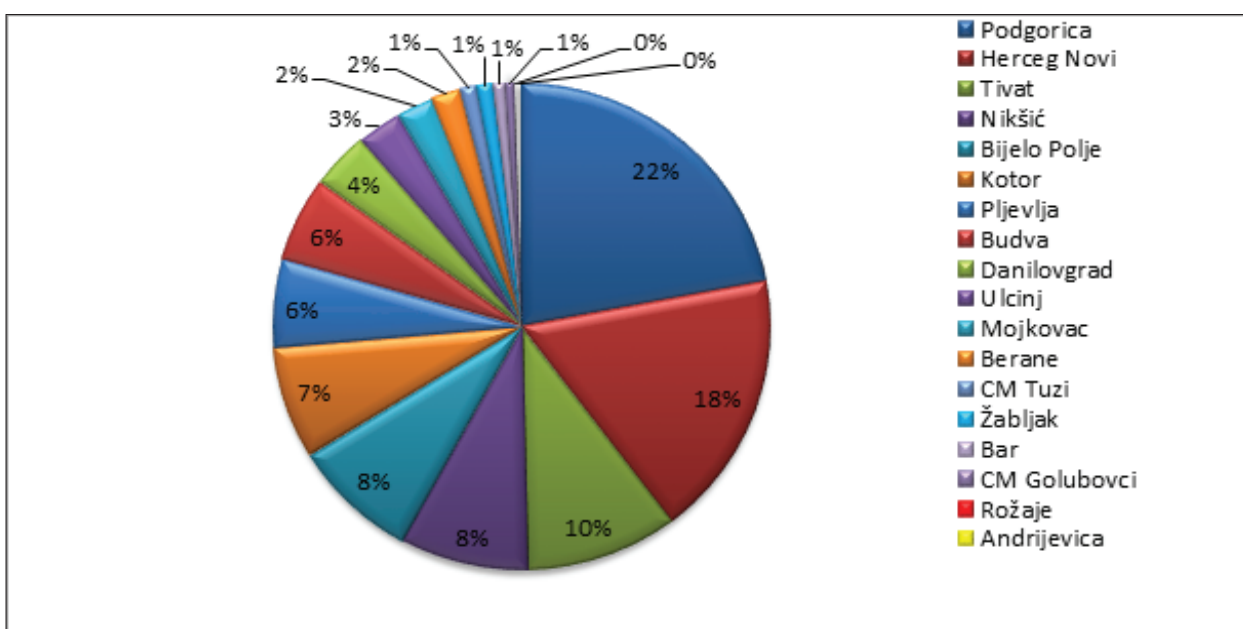
### Local self-governments

Considerable funds for advertising and related services in media were allocated from budgets of local self-governments, in the total amount of **303.080,60 EUR**. Of 23 municipalities in Montenegro, 22 positively responded to the request and submitted requested information. Submitted information varied in terms of structure, which indicates on different interpretation of Law on Free Access to Information by municipalities. **Capital Podgorica is the only municipality which did not submit the requested information.** Nevertheless, by examining the portal of public procurement, researchers downloaded a contract from 2016, which relates to printing of several forms of promotional material. As stated in the specification, printed materials included catalogues, posters, banners, roll-ups and other advertising materials. Other contracts which Capital made on these grounds during 2016 could not have been found. This information will be included in further analysis.

Municipalities which *did not* have costs on said grounds in 2016 were: Old Royal Capital Cetinje, Gusinje, Petnjica, Plužine, Plav, Kolašin and Šavnik. It should be noted that even on the basis of a single available contract, Capital is leading in costs.



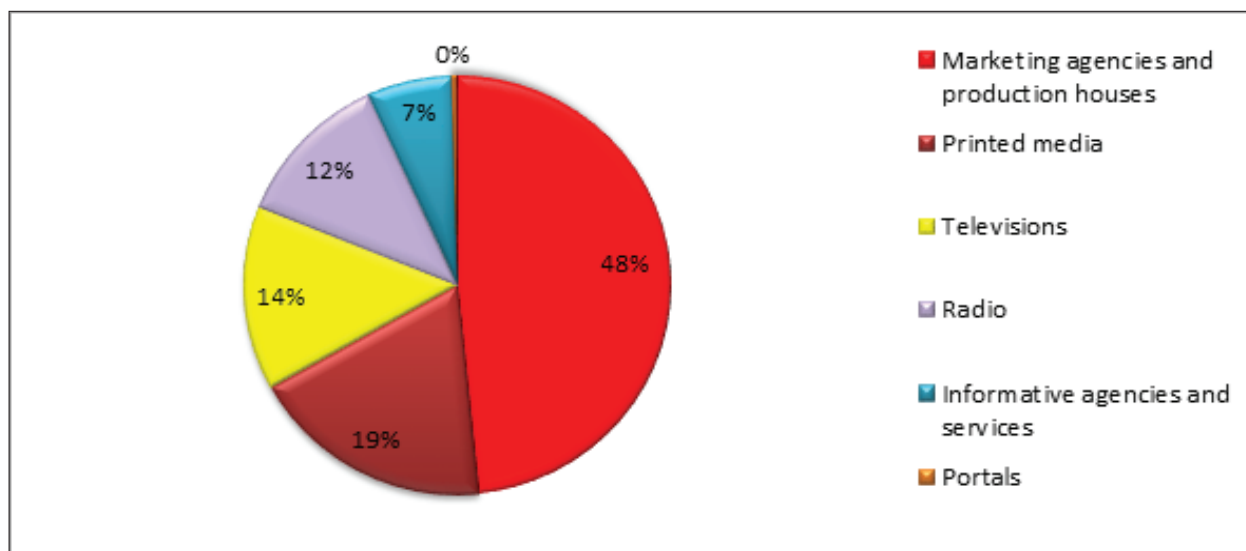
Graph 54: allocations per municipality which had costs in EUR



Graph 55: allocations per municipality which had costs in percentage amounts

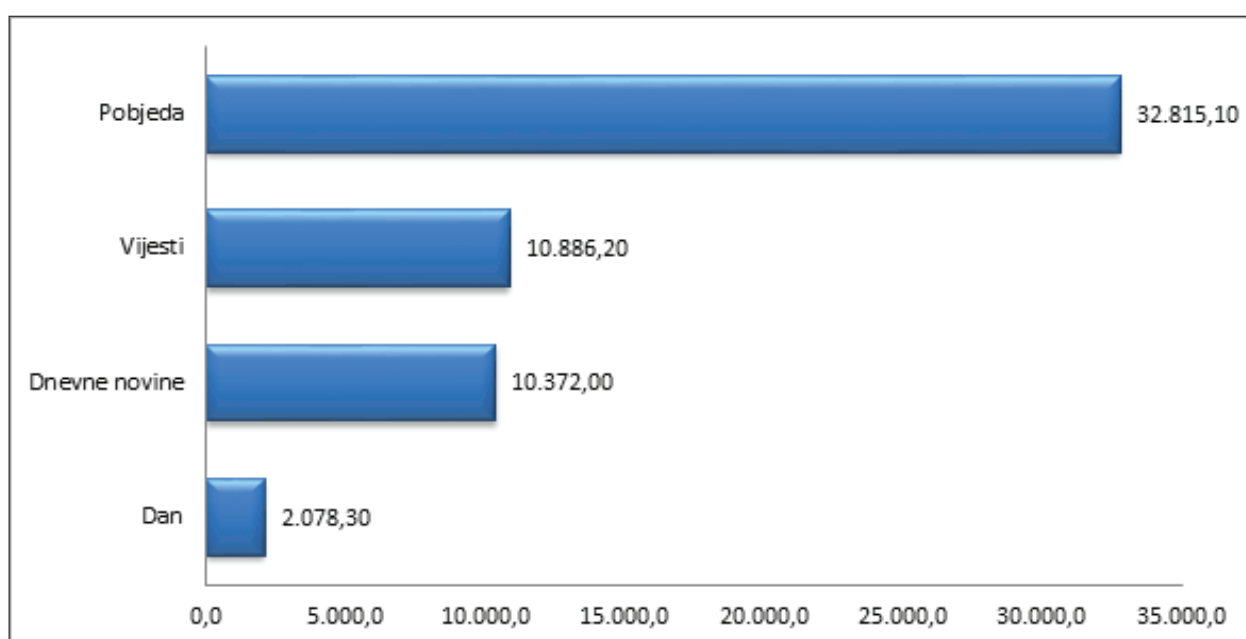
### Individual findings per structure of service providers

Of the total amount, **56.151.62 EUR (19%)** were allocated to printed media, **43.001.43 EUR (13,6%)** to TVs, **36.720,00 EUR (12 %)** to radio stations, **1.150 EUR (0,4%)** to portals, **19.430,00 EUR (7%)** to informative agencies and services, and **146.629.55 EUR (48%)** to marketing agencies and production houses.



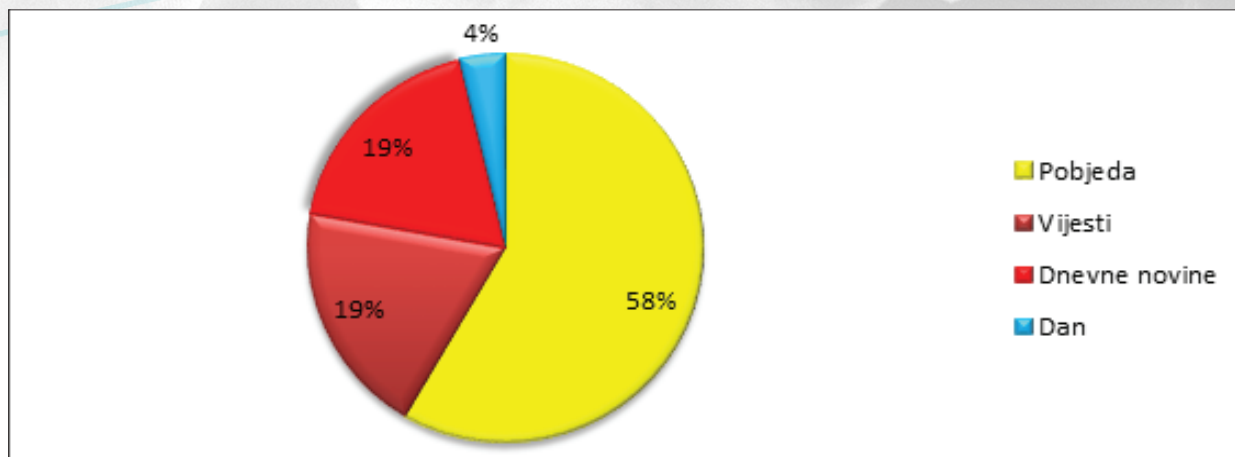
Graph 56: allocations of municipalities per categories in percentage amounts

As stated, printed media received a total amount of **56.151,62 EUR** from all examined local municipalities.



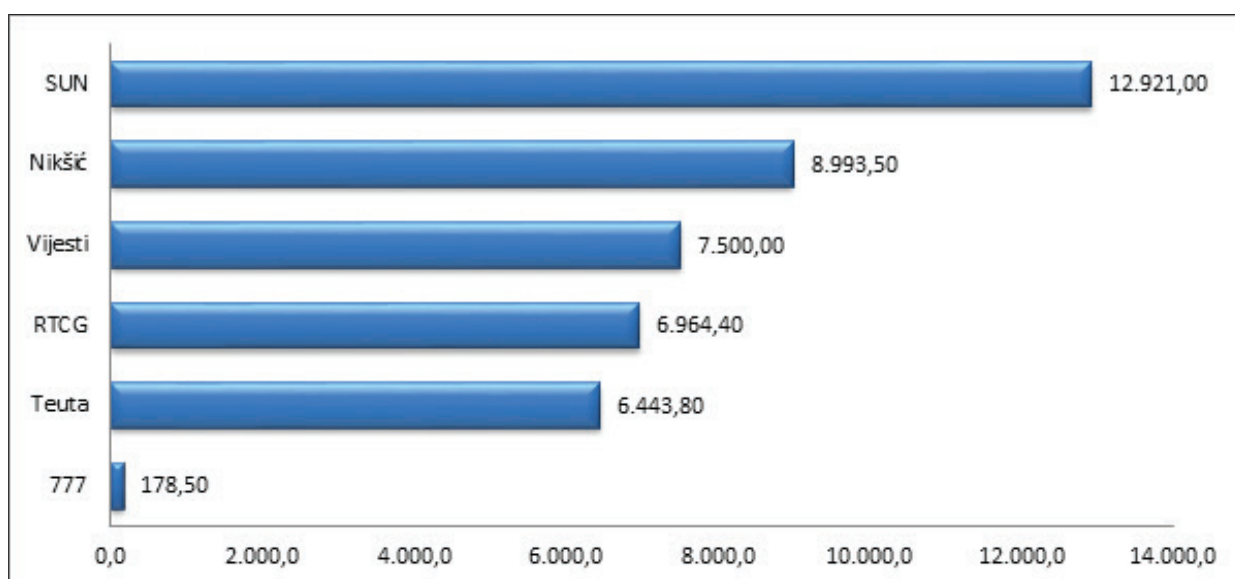
Graph 57: structure of printed media in which municipalities invested funds in EUR



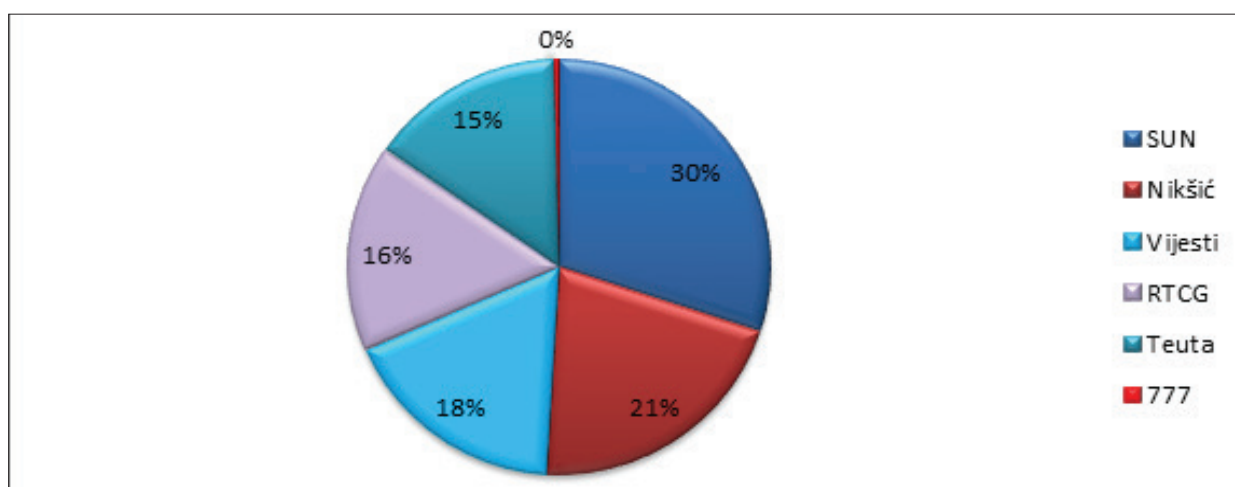


Graph 58: structure of printed media in which municipalities invested funds in percentage amounts

Local self-governments allocated a total of **43.001,43 EUR** for financing of television stations.



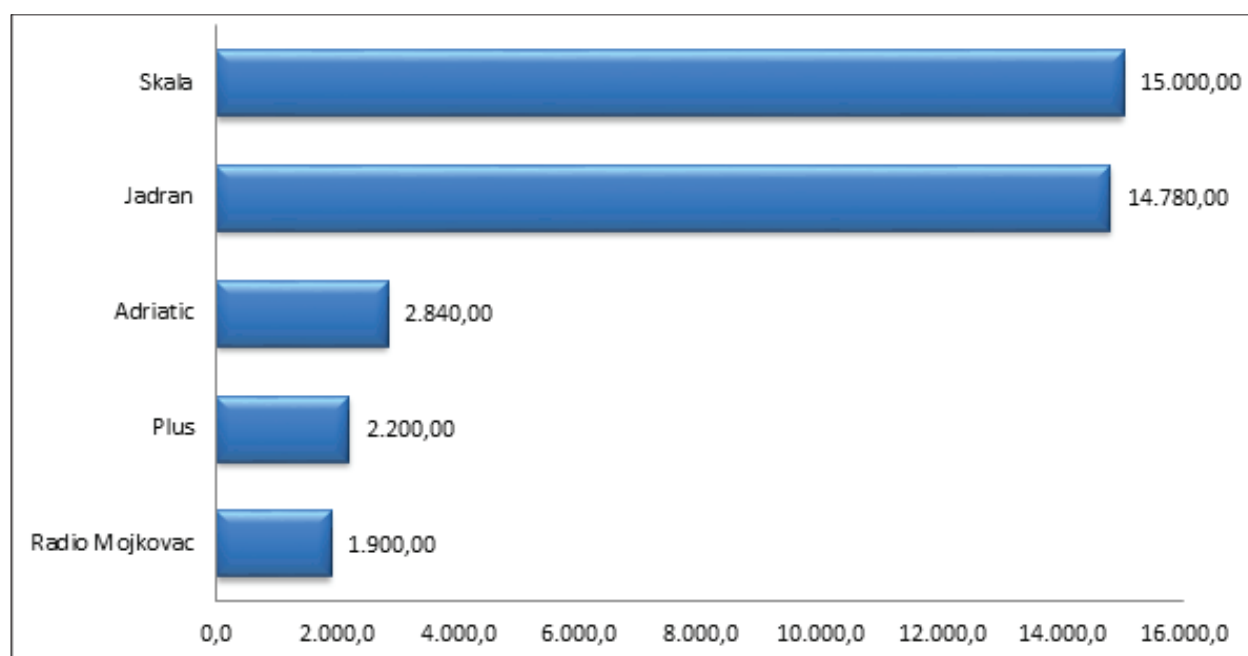
Graph 59: structure of TVs in which municipalities invested funds in EUR



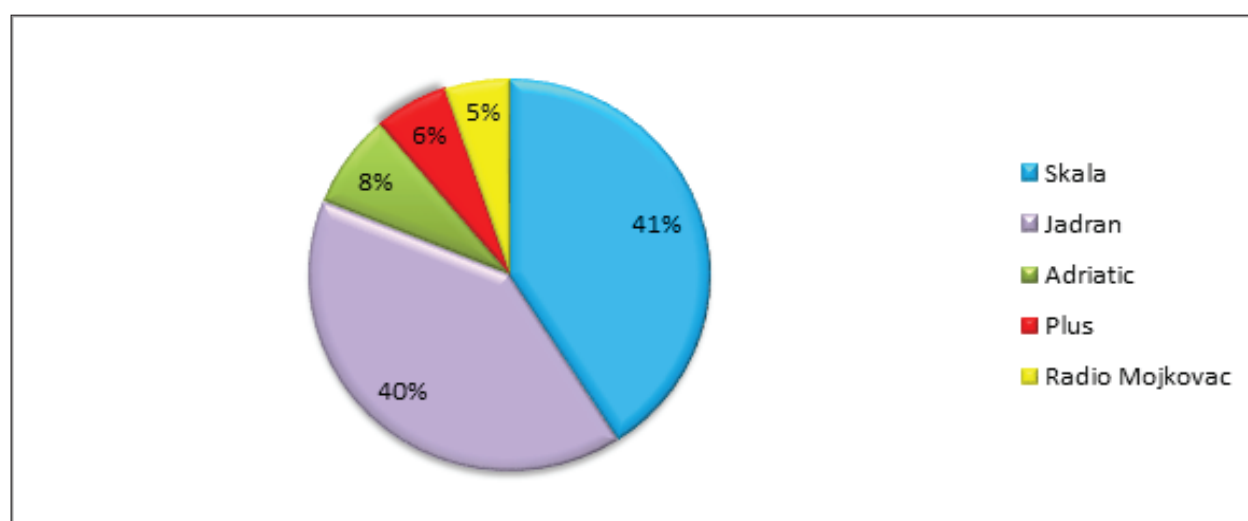
Graph 60: structure of TVs in which municipalities invested funds in percentage amounts

For the purpose of complete insight in every allocation per municipality, it should be noted that funds were mostly allocated to local TV stations, from the budget of that municipality on which territory programme is being broadcasted. Thus, *TV Sun* received total amount of funds from the budget of municipality Bijelo Polje, and *TV Nikšić* from the budget of municipality Nikšić. Amount allocated for *TV Vijesti* was completely allocated from the budget of municipality Budva, while the entire amount for RTCG was paid from the budget of municipalities Danilovgrad, Tivat, Mojkovac, Rožaje and city municipality of Tuzi.

Complete amount for radio stations, allocated from the budget of local self-governments, was **36.720,00 EUR**.



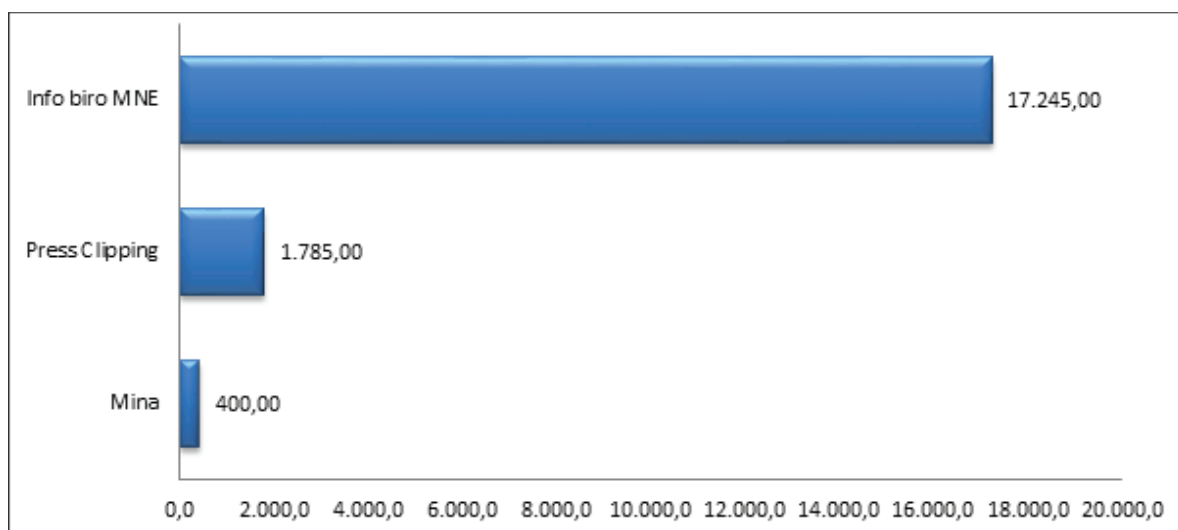
Graph 61: structure of radio stations in which municipalities invested funds in EUR



Graph 62: structure of radio stations in which municipalities invested funds in percentage amounts

Funds that were allocated for financing of local radio stations were paid by municipalities on which territory the frequency is broadcasted. Municipality of Kotor allocated funds to *Radio Skala*, municipality Herceg Novi to *Radio Jadran*, while *Radio Adriatic* and *Plus Radio* received their funds from municipality Bijelo Polje, and municipality Mojkovac allocated the displayed amount to *Radio Mojkovac*.

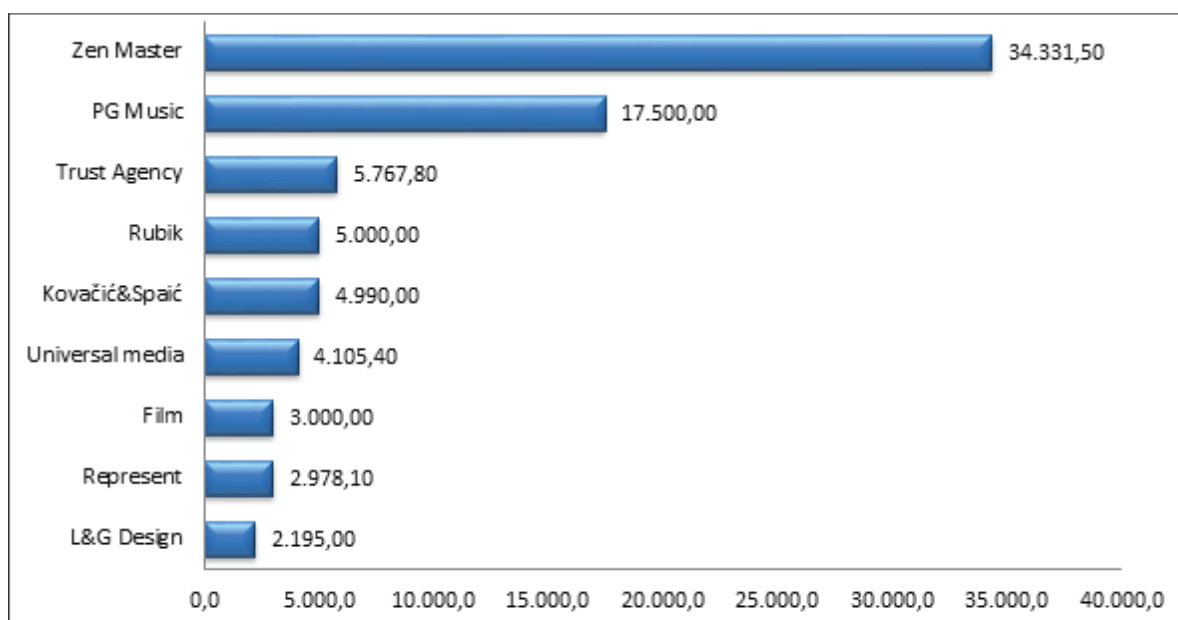
Total amount for informative agencies and services from budgets of local self-governments was **19.430,00 EUR**.



Graph 63: allocations of municipalities to informative agencies and services in EUR

Municipalities Budva, Tivat and Danilovgrad used the services of *Infobiro* and allocated funds to this service, while municipality Bar allocated total amount to *Mina Service* and *Press Clipping*.

Local self-governments allocated **146.627,55 EUR** for marketing agencies and production houses.



Graph 64: allocations of municipalities for marketing agencies and production houses

Money allocated in order to pay services of marketing agencies and production houses were paid by several Montenegrin municipalities. *Zen Master* traditionally received the entire amount from municipality Herceg Novi, which made additional payments to agency *Represent Communication*, as well as to agency *Kovačić&Spaić* from Belgrade. Municipality Plevlja allocated funds to company *PG Music* in a complete amount, municipality Berane to *Trust Agency*, municipality Nikšić to *Rubik*, municipality Bijelo Polje to *Film LLC* in a complete amount, municipality Ulcinj to *L&G Design*, while municipality Tivat allocated funds to *Represent* and *Universal Media Agency*. Capital Podgorica allocated the amount of 66.759,60 EUR to company *Spectar*. Information on stated cost was not received from the examined organs. Instead, it was obtained on the basis of downloaded tender documentation from the portal of public procurement of Administration for Public Procurement.

Local self-governments allocated the amount of **1150.00 EUR** for financing of portals. This is a significant reduction compared to previous monitored periods. Most of the amount, i.e. 1.000,00 EUR, was transferred to portal *Analitika* by municipality Danilograd, while 150 EUR was allocated by municipality Ulcinj to *UL Info*.

### **Public institutions and companies**

Public institutions and companies represent subjects where state or municipalities have the majority ownership share. CCE's research covered 212 of such subjects<sup>38</sup>. Of that number, 130 or 61% responded positively to request on the basis of the Law on Free Access to Information. On the other hand, 82 public institutions and companies did not respond despite all efforts of research team of CCE, which continually contacted all of these institutions and companies during months-long data collecting. Among them, it is important to note those companies and institutions that were labelled also in previous years as large "consumers", which did not submit the requested information. Municipal centres for social work are particularly distinguished, of which almost none provided positive response, as well as public utilities and local tourist organisations.

Subject of further analysis will be only those public institutions and companies which submitted the requested information, and had allocations to media, marketing agencies, PR agencies, public opinion research agencies and production houses, on the basis of contracting services, specialised services or any other grounds during 2016. There were **52** such institutions and companies, and total allocations per said grounds amounted to **998.715,75 EUR**.

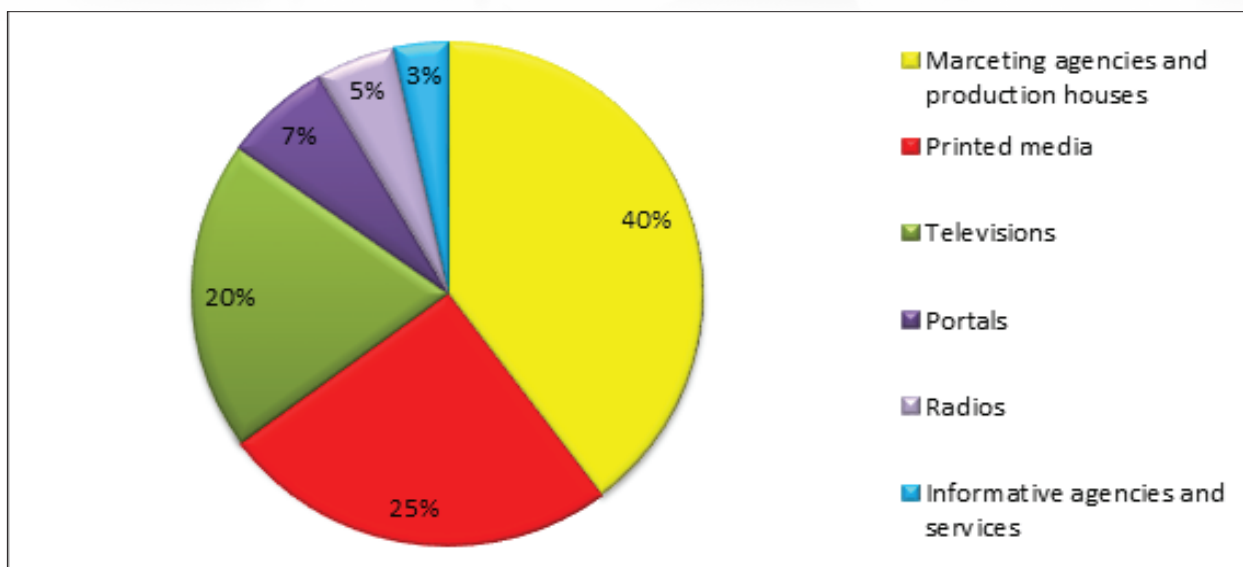
### ***Individual findings per structure of service providers***

Of the total amount of **998.715,75 EUR**, **245.605,63 EUR (25%)** was allocated to printed media, **194.760,17 EUR (20%)** to TVs, **47.963,48 EUR (5%)** to radio

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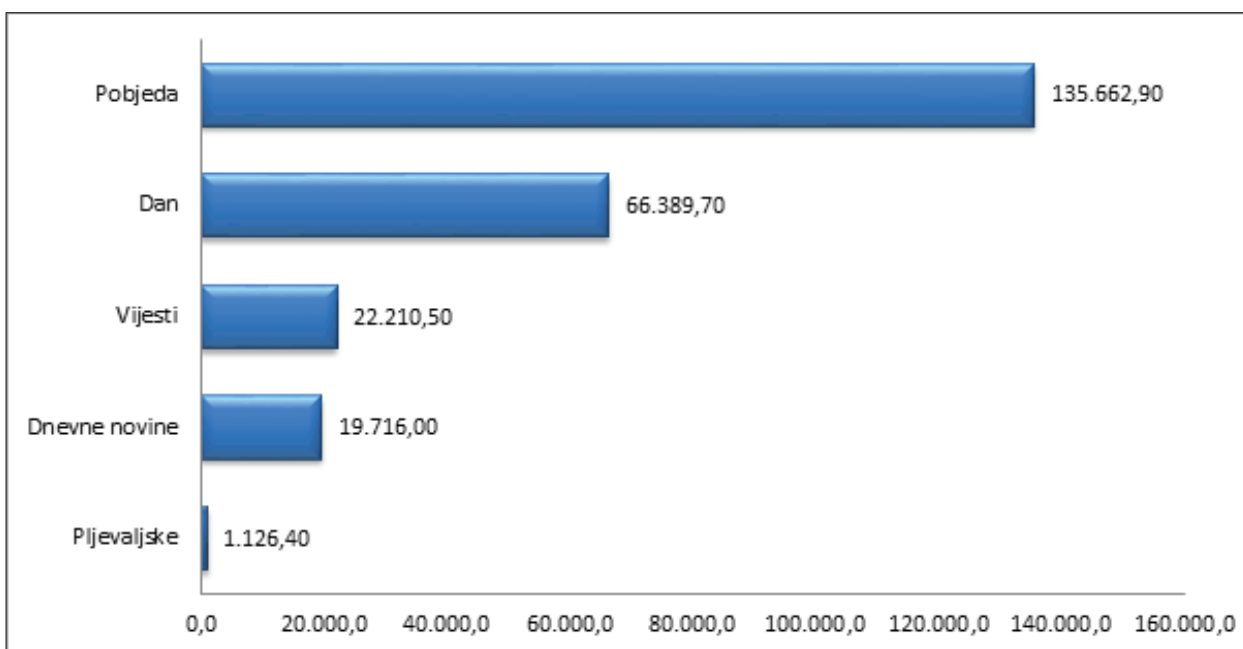
<sup>38</sup> List of all public institutions and companies that have been the subject of research, as well as a list of those who responded positively or negatively, can be found in the appendix.

stations, **66.425,02 EUR (7%)** to portals, **33.454,44 EUR (3%)** to informative agencies and services, and **388.007,1 EUR (40%)** to marketing agencies and production houses.

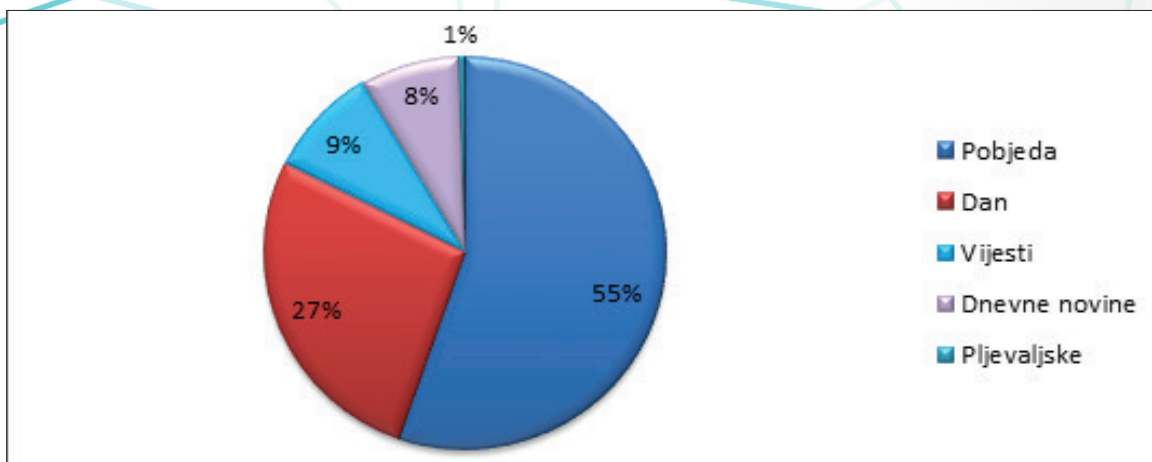


Graph 65: structure of allocations of analysed public institutions and companies

Total amount of funds that were allocated for printed media was **245.605,63 EUR**

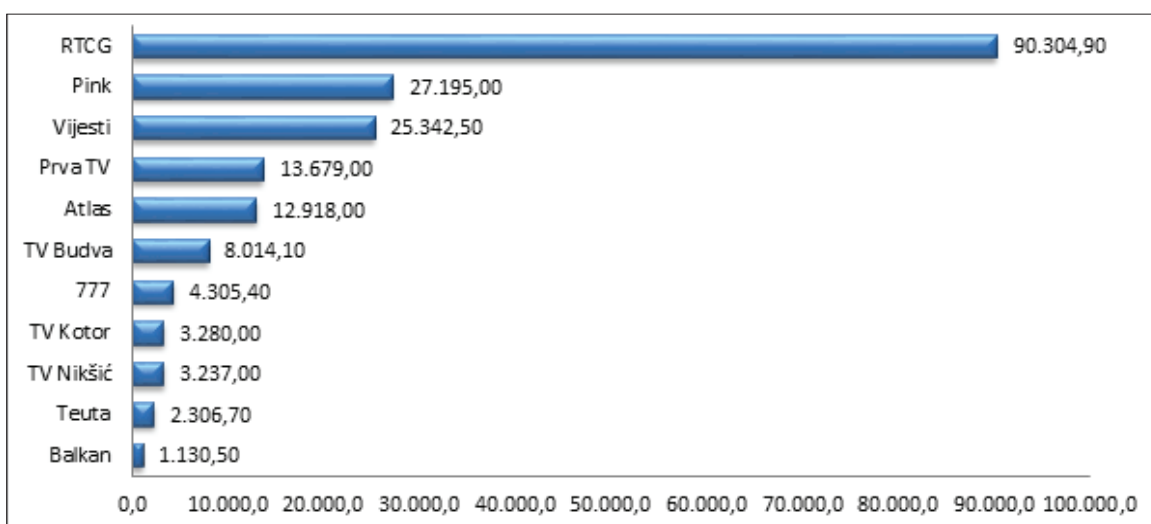


Graph 66: structure of printed media that received funds from analysed public institutions and companies in EUR

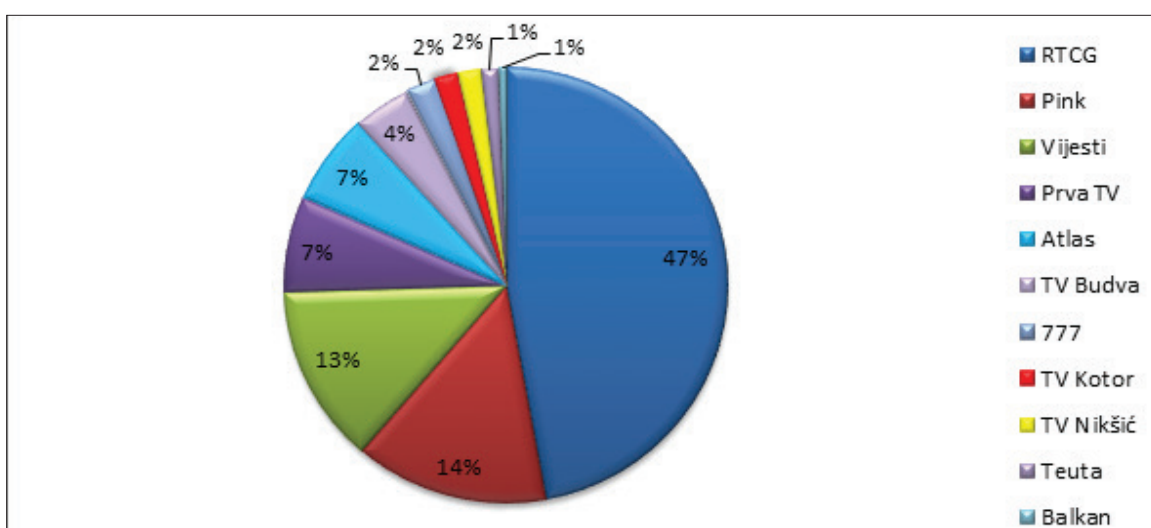


Graph 67: structure of printed media that received funds from analysed public institutions and companies in percentage amounts

When it comes to financing of television stations by public institutions and companies, total amount of paid funds was **194.760,17 EUR**



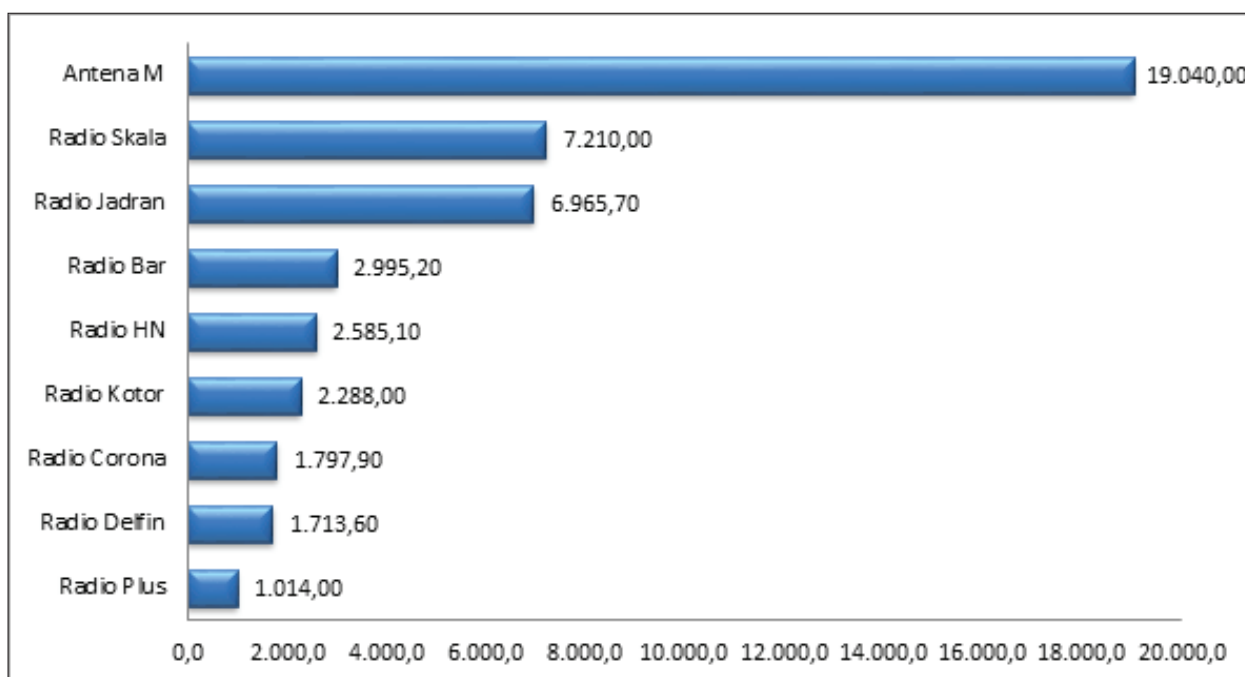
Graph 68: structure of TVs that received funds from analysed public institutions and companies in EUR



Graph 69: structure of TVs that received funds from analysed public institutions and companies in percentage amounts

Most of the amount allocated for TVs, more than 50%, was paid by Electro-Industry – a total of 108.062,61 EUR. Allocation of these finances was balanced compared to subjects, therefore every TV received certain amount of finances. Due to amount of allocated funds, those companies and public institutions that received more than 50.000 EUR will be displayed separately, in order to provide clear insight into the manner of their fund allocation.

Radio stations received a total of **47.963,48 EUR** from public institutions and companies.

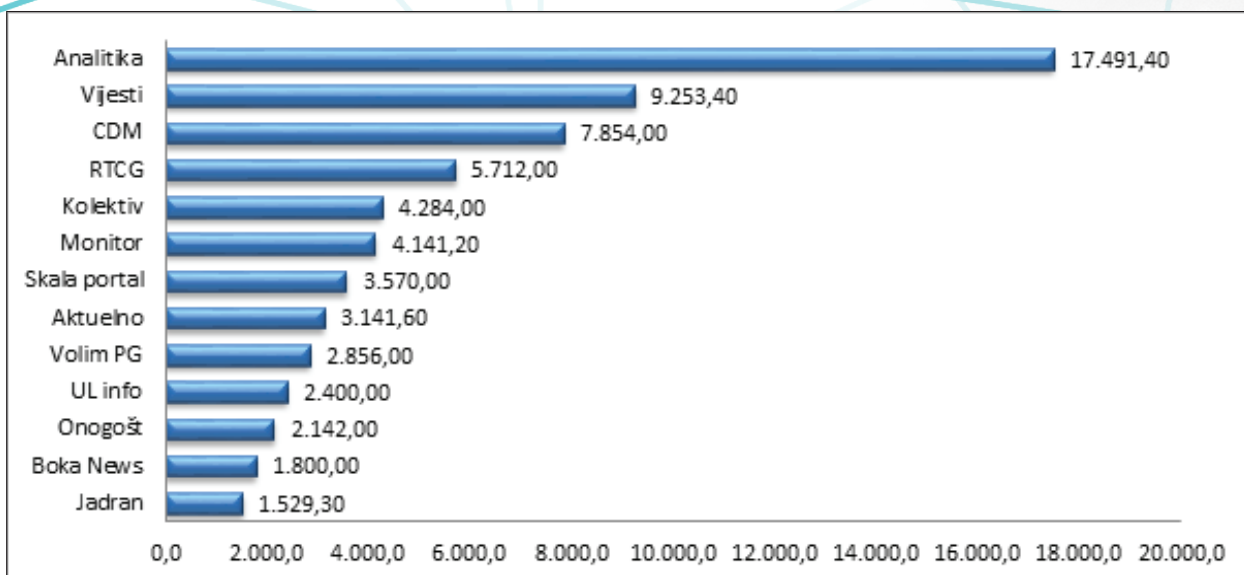


Graph 70: structure of radio stations which received funds from analysed public institutions and companies in EUR

Difference between total amount and sum in the table appears because it does not contain list of radio stations which received less than 1000 EUR.

Electro-Industry of Montenegro once again paid the majority of finances in the case of these media, i.e. 24.786,62 EUR.

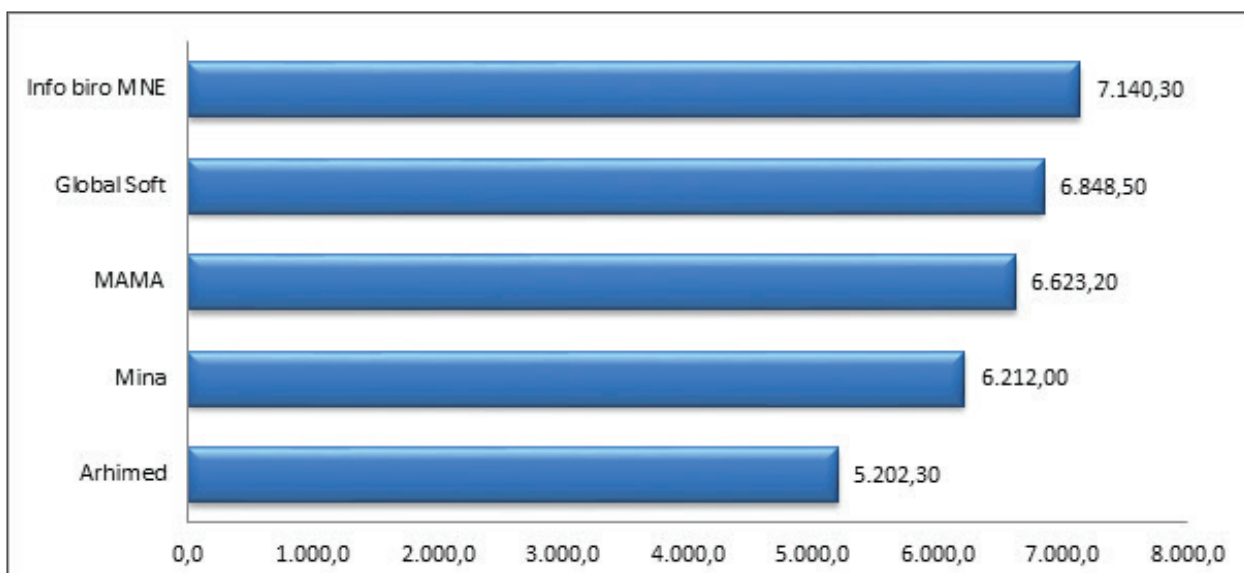
Total amount of funds allocated for portals was **66.425,02 EUR**.



Graph 71: structure of portals that received funds from analysed public institutions and companies in EUR

Electro-Industry allocated the largest part of total amount to portals, or more precisely 58.394,02 EUR. Apart from *portal Analitika*, which received funds from Post of Montenegro (4.641.00 EUR), TO Budva (1.950.00 EUR) and Ulcinj Rivijera (1.190.00 EUR), other portals received their total amount of funds from Electro-Industry.

Public institutions and companies allocated **33.454,44 EUR** to informative agencies and services in 2016.



Graph 72: structure of portals which received funds from analysed public institutions and companies in EUR<sup>39</sup>

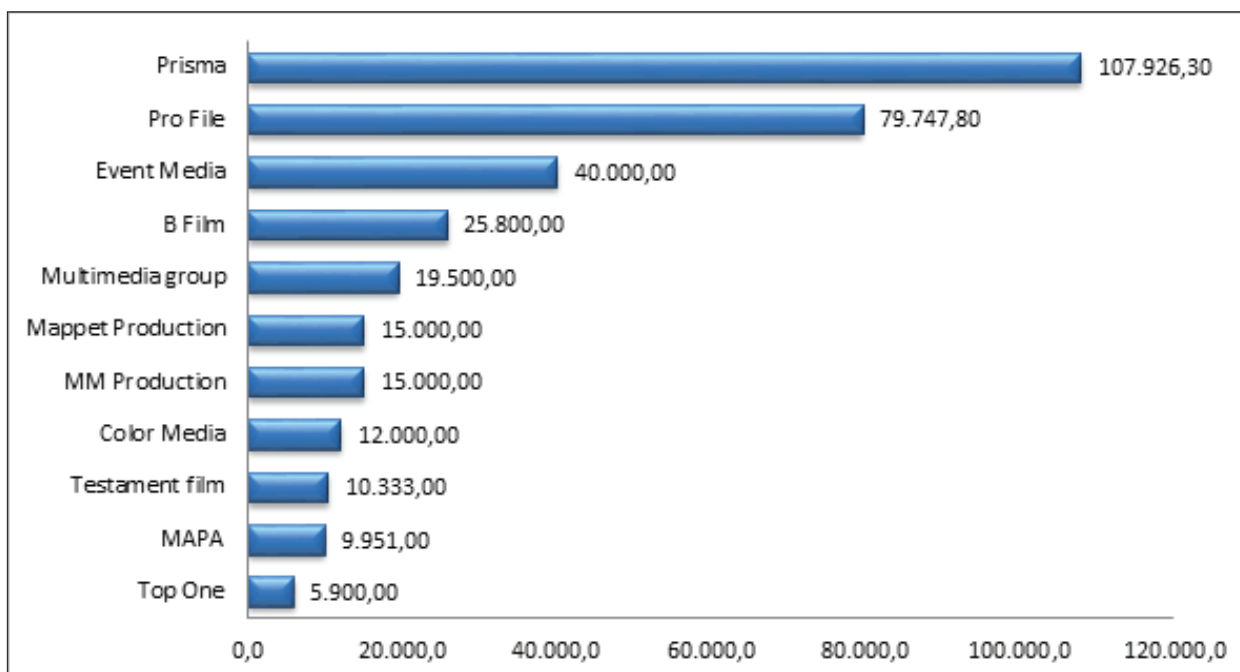
Since informative agencies and services received funds from greater number of companies and institutions, mostly in lesser amounts, individual list of subjects

39 Only those subjects that received more than 2000 EUR were analysed.

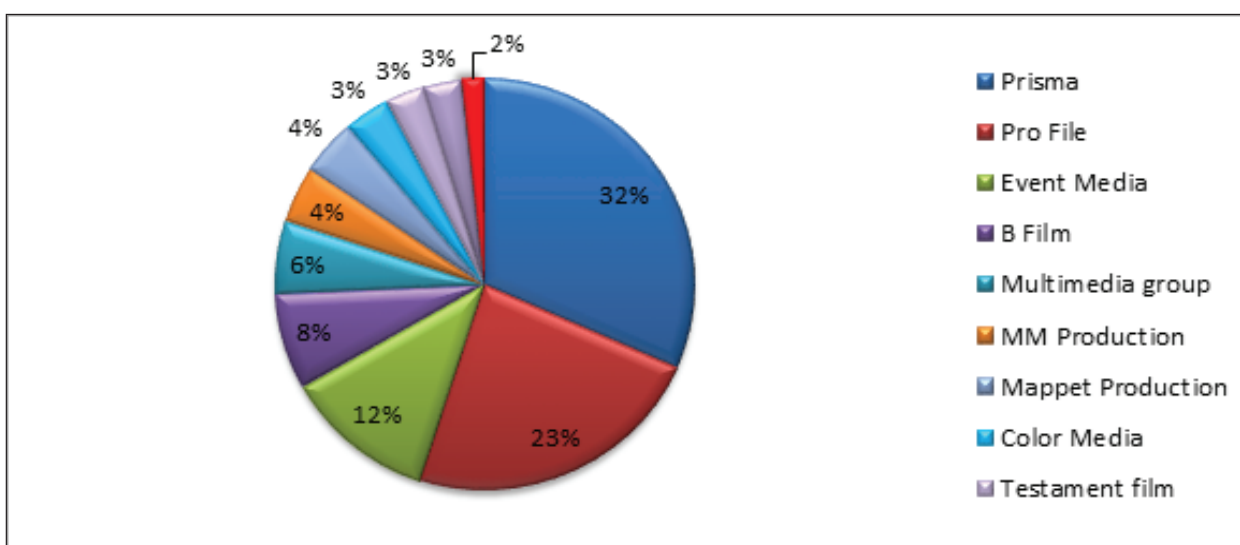


who made the payments is not given, nor the comparative display in relation to the agency or service.

Public institutions and companies allocated a total amount of **388.007,1 EUR** to marketing agencies and production houses in 2016. Below is the structure of costs, whereby the table covers only those subjects which received more than 5000 EUR.



Graph 73: structure of marketing agencies and production houses that received funds from analysed public institutions and companies in EUR amounts

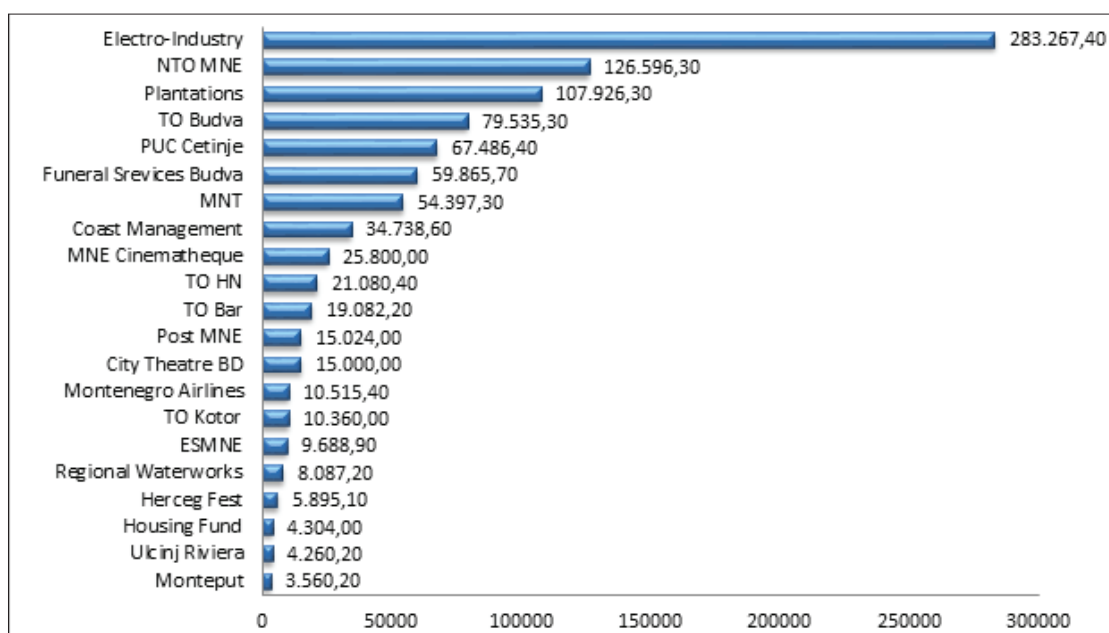


Graph 74: structure of marketing agencies and production houses that received funds from analysed public institutions and companies in percentage amounts

„Plantations“, National Tourist Organisation of Montenegro (NTO), PE Coast Management, Tourist Organisation of Budva and Herceg Novi were among the largest consumers who allocated parts of their budgets for marketing agencies and production houses.

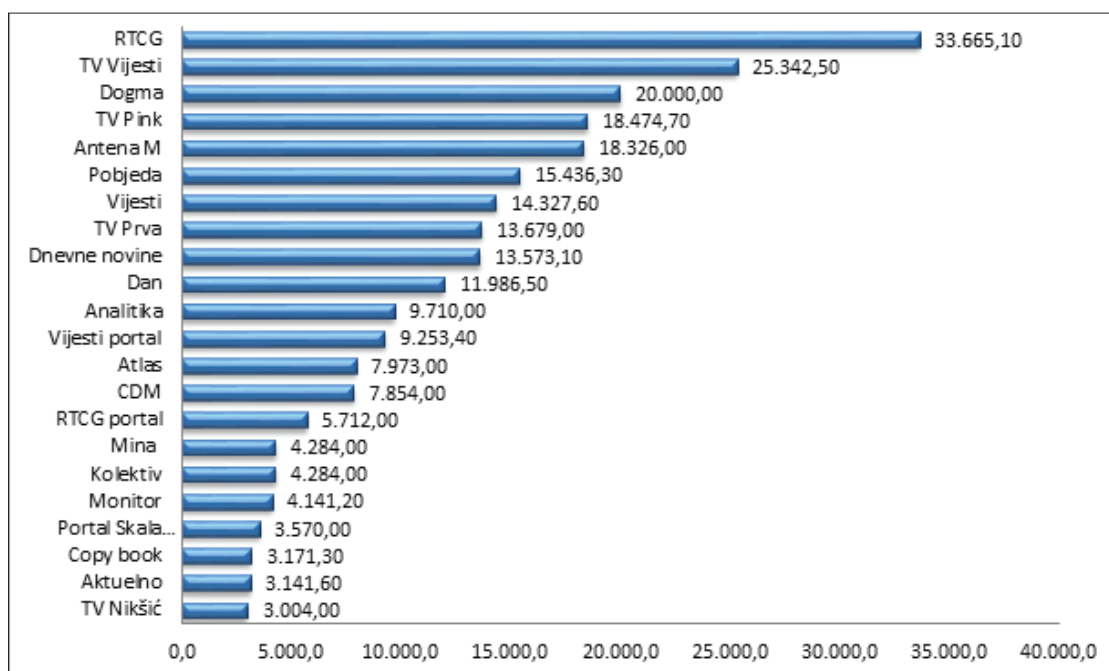
Due to amount of funds paid by largest consumers in this category, public institutions and companies which allocated the greatest amount of funds will be separately processed in graphs.

### Individual findings per structure of public institutions and companies



Graph 75: allocations of analysed public institutions and companies<sup>40</sup>

### Electro-Industry

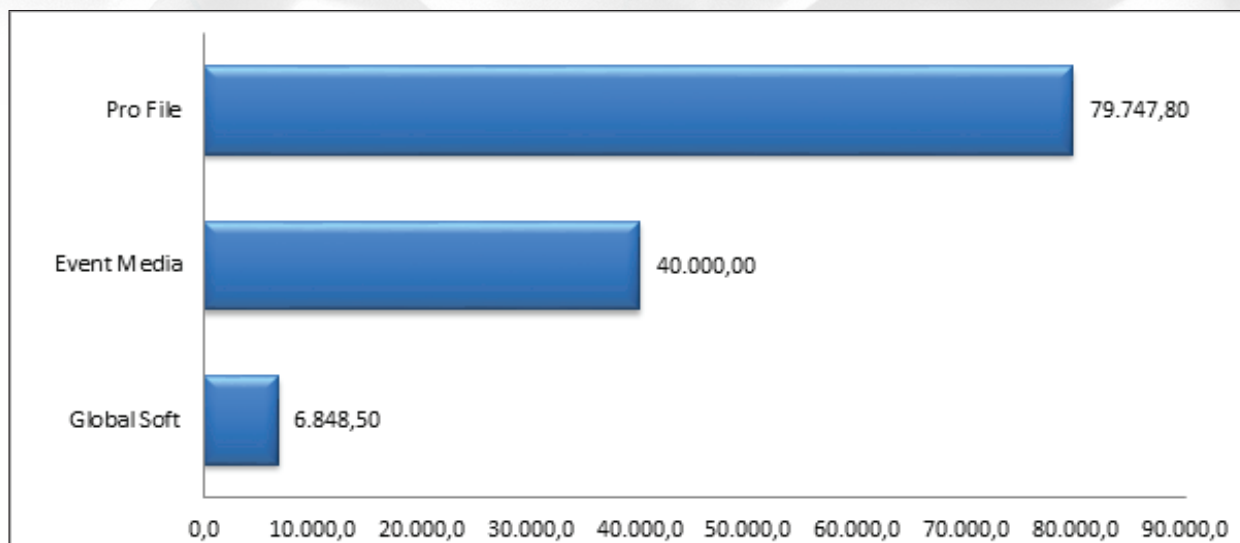


Graph 76: cost structure per subjects which received funds from Electro-Industry of Montenegro in EUR<sup>41</sup>

<sup>40</sup> Due to the extent, subject of graphic representation will include only those public institutions and companies which annual amount that were more than 3000 EUR

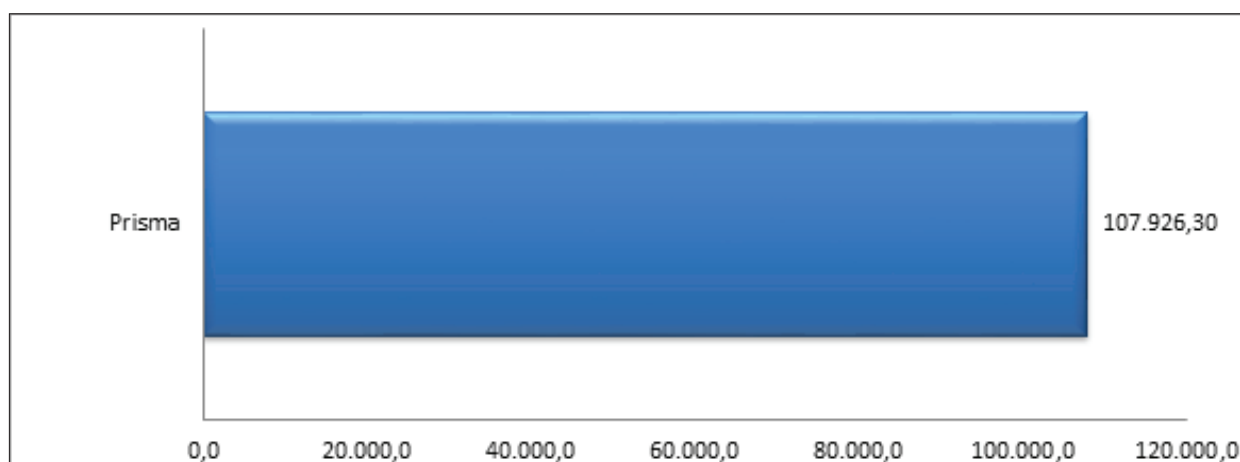
<sup>41</sup> Subjects that received the amount higher than 3.000 EUR

## National Tourist Organisation of Montenegro



Graph 77: cost structure per subjects which received funds from NTO of Montenegro in EUR

## Plantations<sup>42</sup>



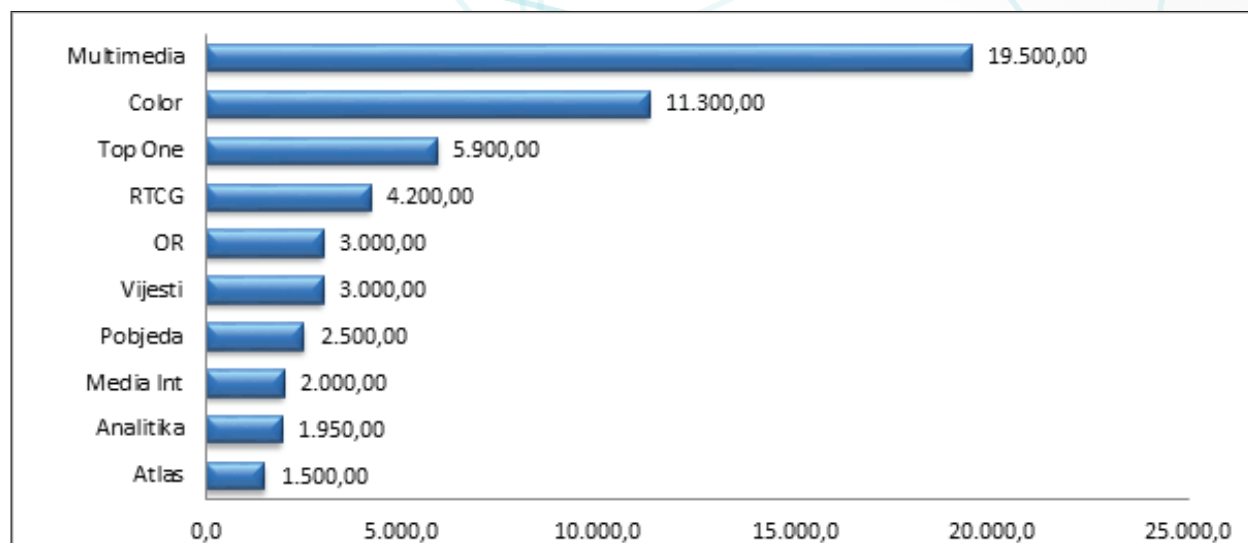
Graph 78: cost structure per subjects which received funds from company Plantations in EUR

Considering the annual costs of «Plantations» in areas covered by this research, as well as structure of previously acquired information, it can be reasonably assumed that costs of this state-owned company are far greater. However, as in previous year, this company refused to submit the requested information by referring to protection of trade secret, although it is not legally entitled to that right. During the use of other sources and verification of information, researchers still managed to find and download one contract which «Plantations» concluded during 2016, which is shown in the table.

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42 Source: portal of Administration for Public Procurement

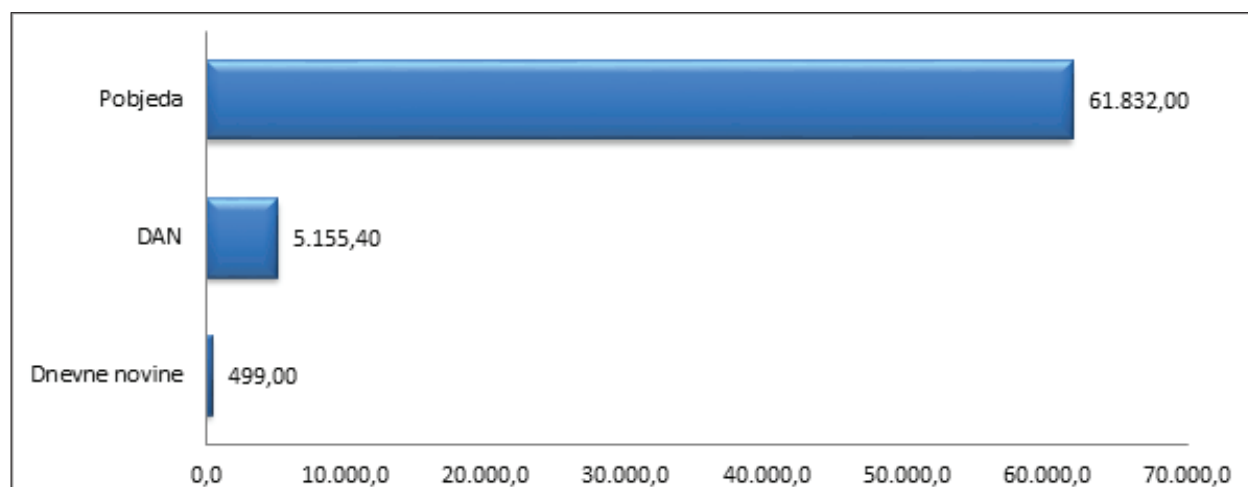
## Tourist Organisation of Budva



Graph 79: cost structure per subjects that received funds from TO Budva in EUR

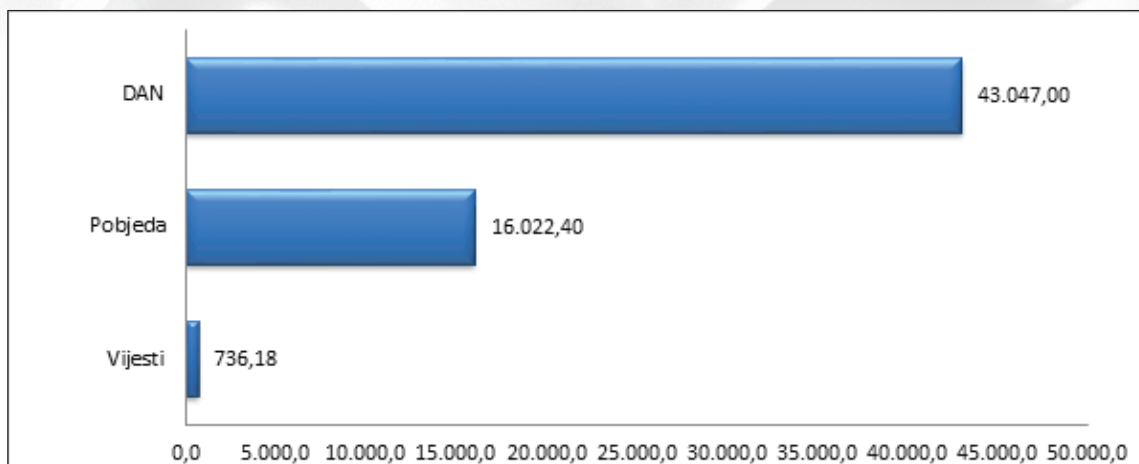
Difference compared to total amount relates to payments to regional media, more precisely to *TV Vojvodina* 12.500, 00 EUR and *Krstarica* 10.000,00 EUR.

## PUE Cetinje



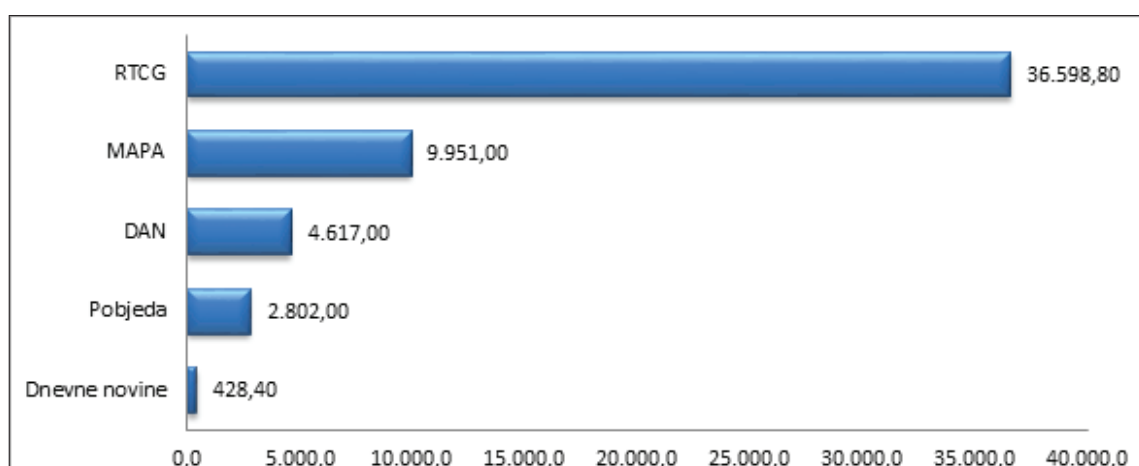
Graph 80: cost structure per subjects that received funds from PUE Cetinje in EUR

## PE Funeral Services Budva



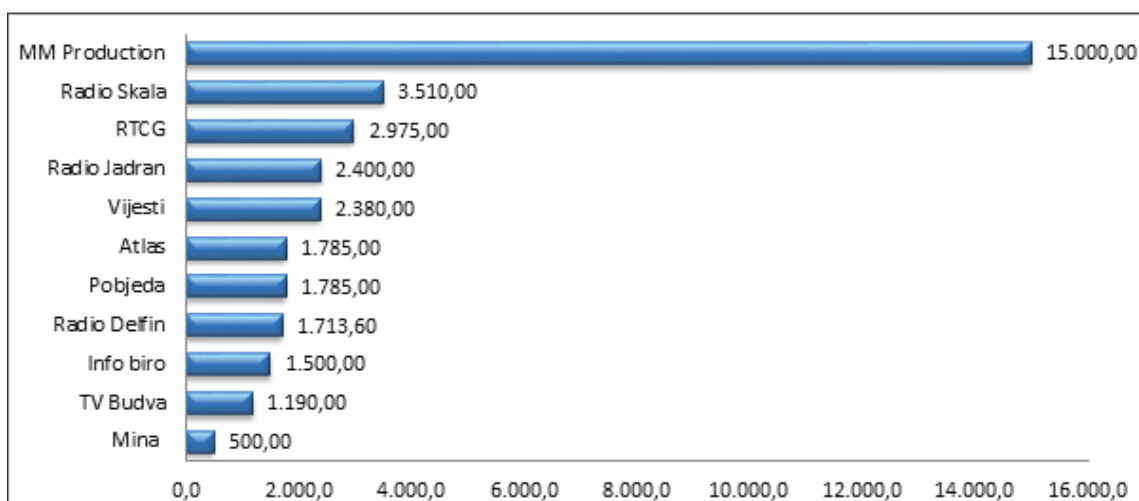
Graph 81: cost structure per subjects that received funds from PE Funeral Services Budva in EUR

## Montenegrin National Theatre



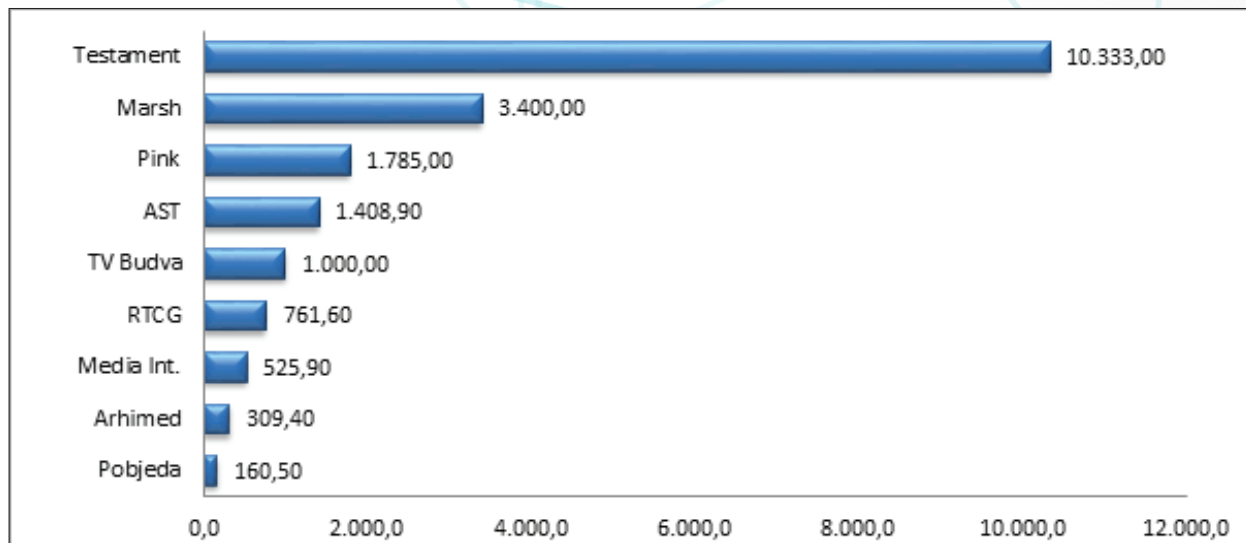
Graph 82: cost structure per subjects that received funds from MNT in EUR

## Coast Management



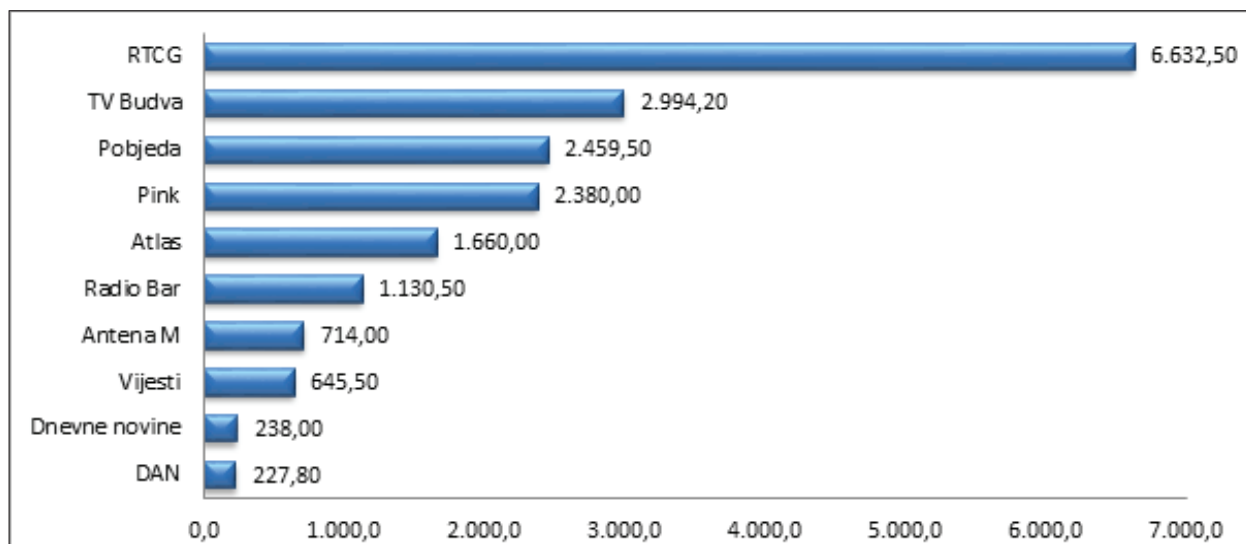
Graph 83: cost structure per subjects that received funds from Coast Management in EUR

### Tourist Organisation of Herceg Novi



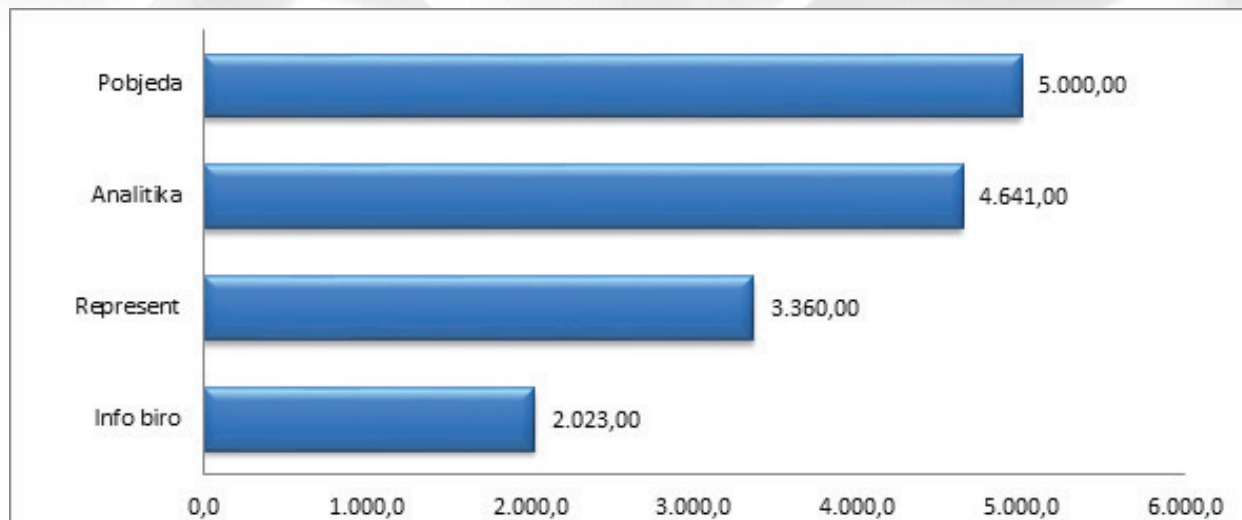
Graph 84: cost structure per subjects that received funds from TO HN in EUR

### Tourist Organisation of Bar



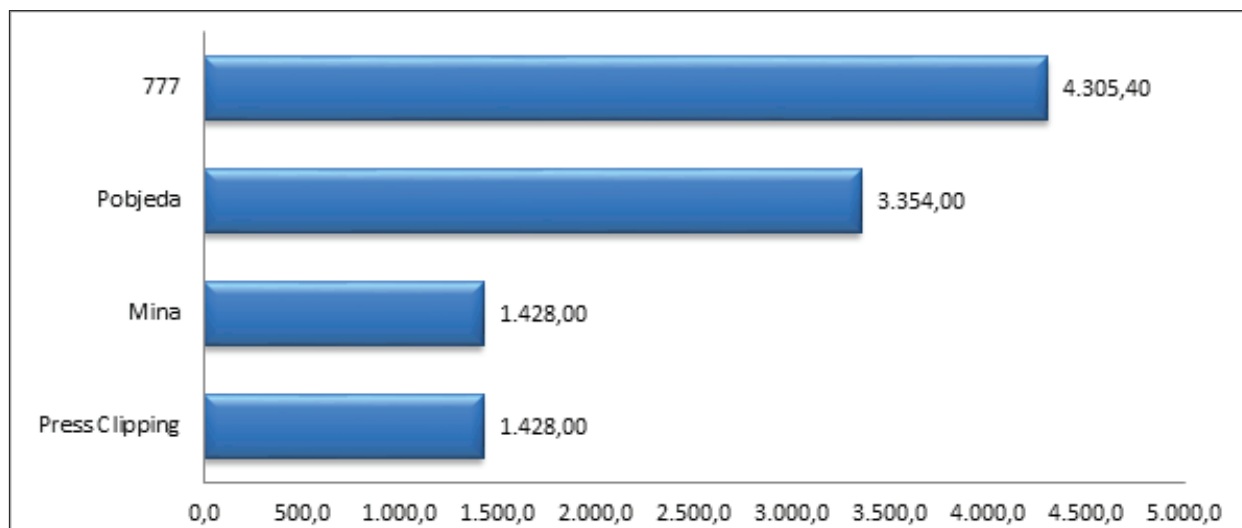
Graph 85: cost structure per subjects that received funds from TO Bar in EUR

## Post Service of Montenegro



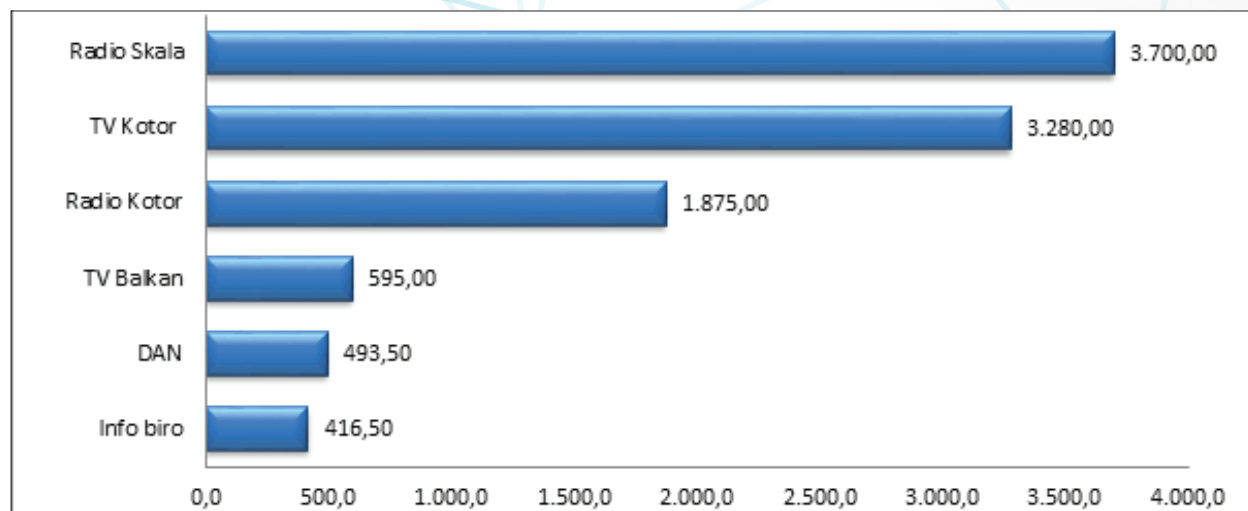
Graph 86: cost structure per subjects that received funds from Post Service of Montenegro in EUR

## Montenegro Airlines



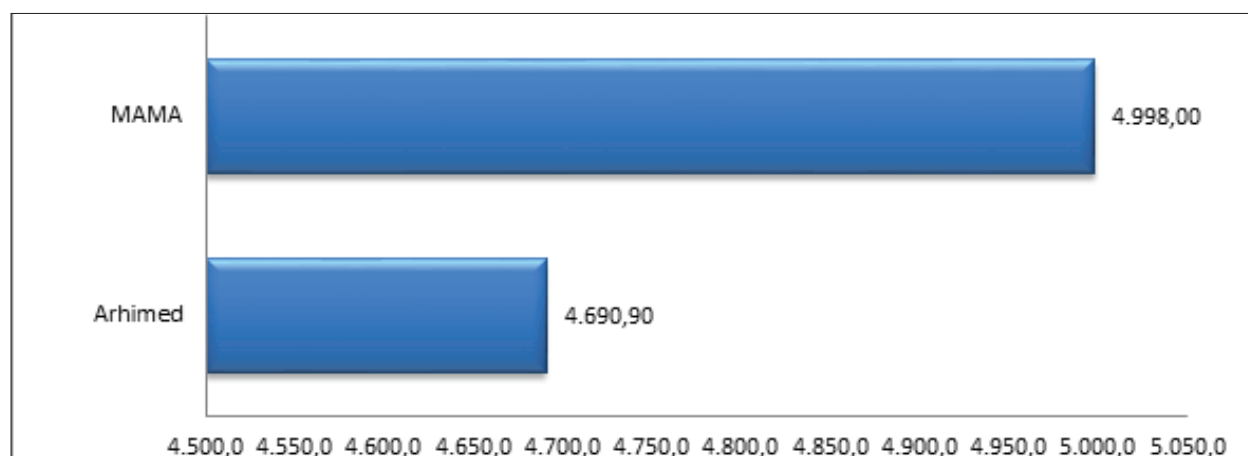
Graph 87: cost structure per subjects that received funds from MA in EUR

### Tourist Organisation of Kotor



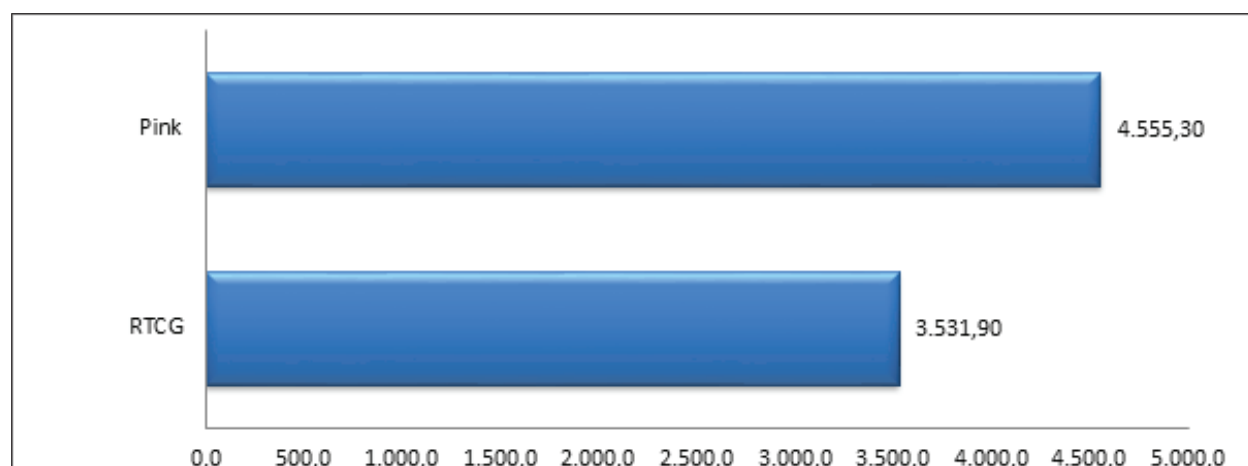
Graph 88: cost structure per subjects that received funds from TO Kotor in EUR

### Montenegrin Electricity Transmission System



Graph 89: cost structure per subjects that received funds from METS in EUR

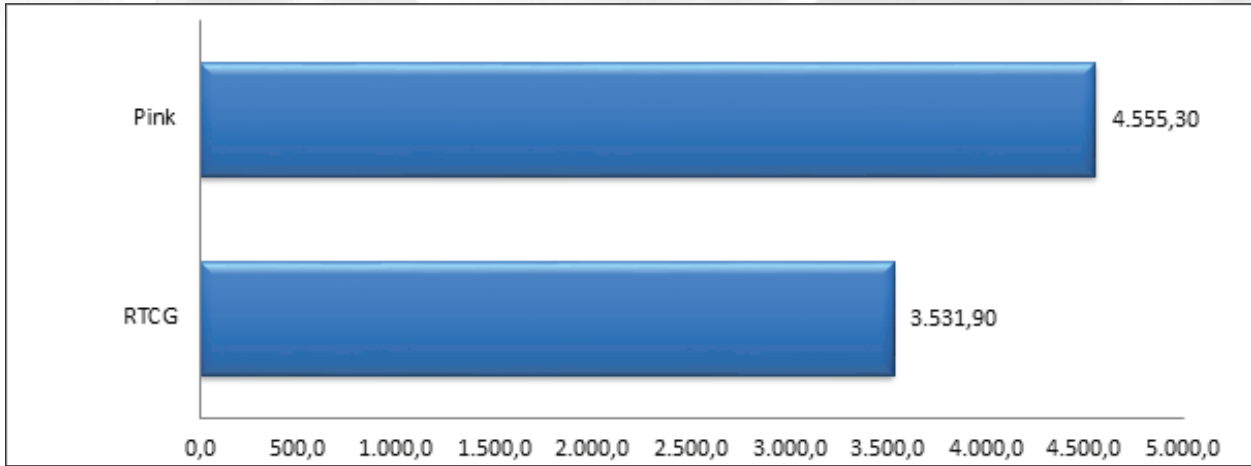
### PE Regional Waterworks Montenegrin Coast



Graph 90: cost structure per subjects that received funds from Regional Waterworks in EUR

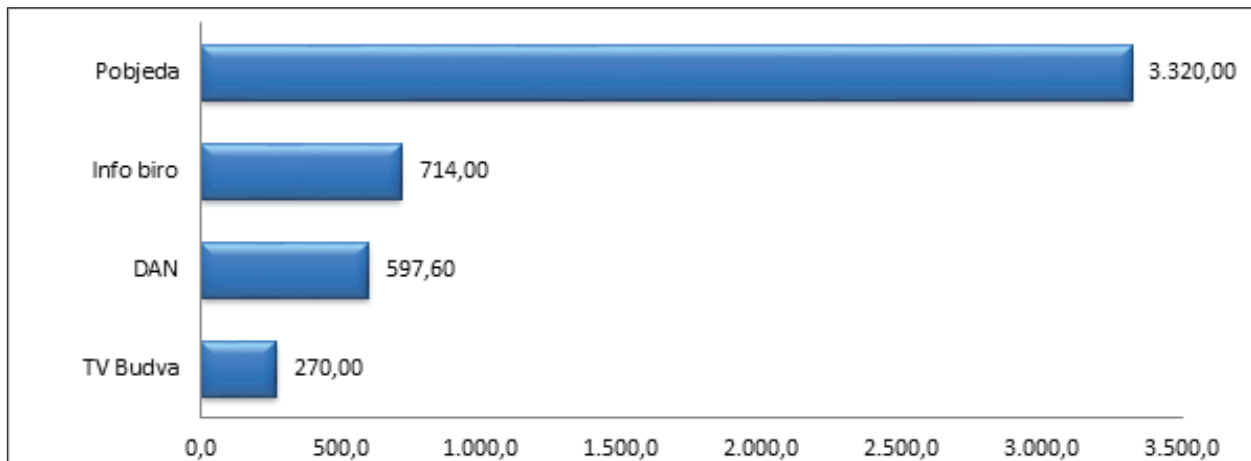


### **PIC Herceg Fest**



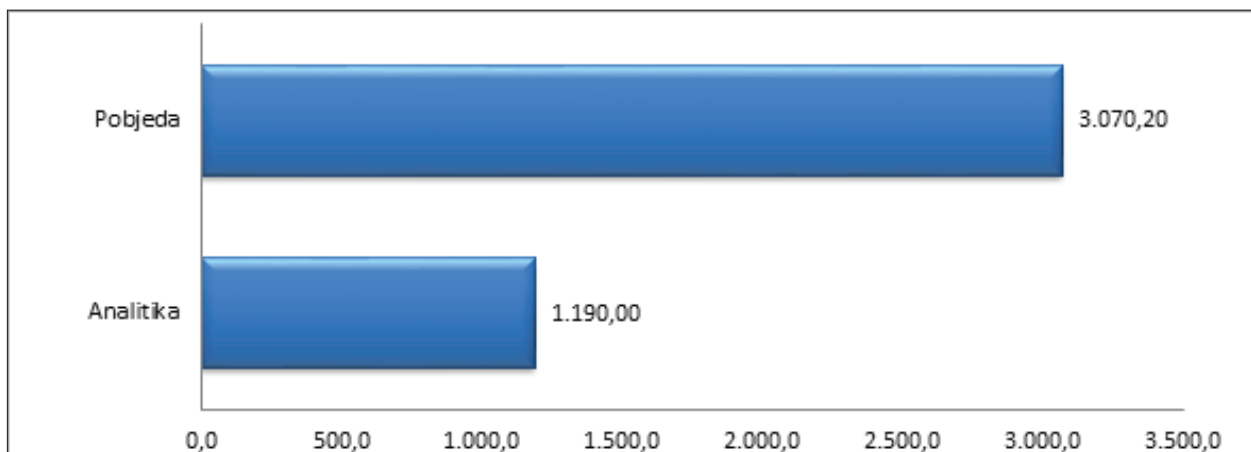
Graph 91: cost structure per subjects that received funds from Herceg Fest in EUR

### **Montenegrin Fund for Solidary Housing Construction**



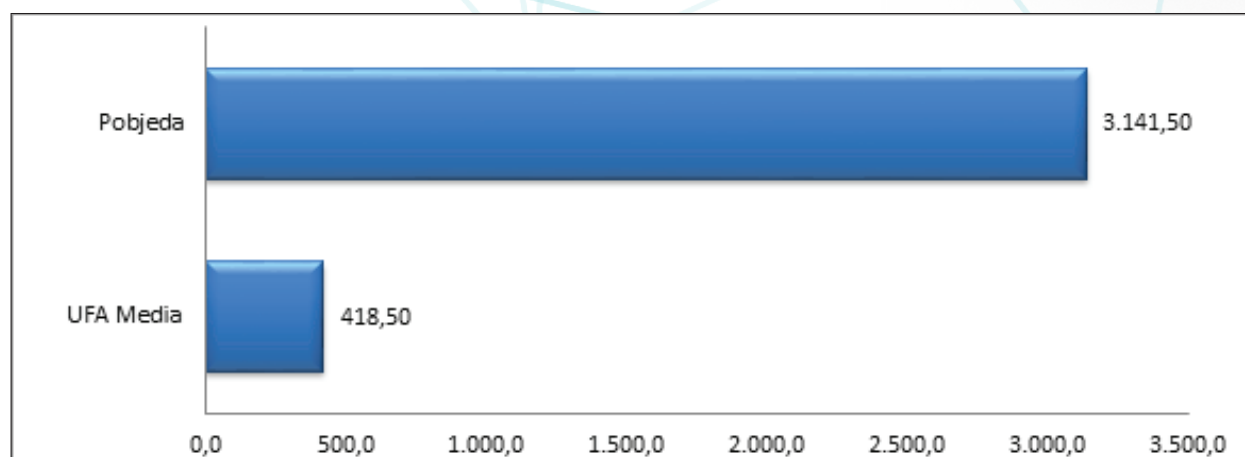
Graph 92: cost structure per subjects that received funds from MFSHC in EUR

### **Ulcinj Riviera**



Graph 93: cost structure per subjects that received funds from Ulcinj Riviera in EUR

## Monteput



Graph 94: cost structure per subjects that received funds from Monteput in EUR

## President of Montenegro

President of Montenegro submitted the requested information in a timely manner, stating his only cost in the amount of 7.845,10 EUR, which was allocated to service Mina.

## Parliament of Montenegro

Parliament of Montenegro had one of the lowest allocations in 2016 since 2011, i.e. since the CCE's is conducting the research. Simultaneously, it is noted, for the first time, a payment by the Parliament to a daily. Total amount of costs for this allocation was **17.900.66 EUR**. Of that amount, 4.166,16 EUR was allocated for services of *Dnevne novine*, 3.738,50 EUR for *informative agency Mina*, and 9.996,00 EUR for informative service *Arhimed*.

## Judiciary (courts and prosecutions)

Apart from Supreme State Prosecution which had an allocation in the amount of 3.999,97 EUR to *Arhimed*, other organs did not have any allocations in this area, and they responded to submitted requests within a legally prescribed deadline.

## Protector of Human Rights and Freedoms

Protector of Human Rights and Freedoms made an allocation in total amount of 4.292,7 EUR, to marketing agency *Represent Communication* in the amount of 2.856,60 EUR, 678,30 EUR to *Dnevne novine* and 757,7 EUR to *S Press*. Response was submitted within a legally prescribed deadline.

## Other public funds used to finance the media in Montenegro

### Fund of Agency for Electronic Media for assistance to commercial radio broadcasters

AEM established a separate fund with the aim of assistance to commercial radio broadcasters. In accordance with the Rulebook on allocation of funds from the Fund, the Agency Council conducted two public calls in June and September in 2016, and allocated a total of **250.000,00 EUR**.

Finances from Fund of Agency are allocated on two grounds: *annual grant for encouraging participation of one's own production in total programme structure* and *programme grants for increase of extent, structure and diversity of content of offer dedicated to thematic areas of public interest*.

100.000,00 EUR were allocated within the first call, namely, 29.949,00 EUR for annual grants, while the amount of 70.051,00 was allocated for programme grants. Within second call, 150.000,00 EUR was allocated, namely 75.000,00 EUR for both annual and programme grants.

Total number of supported commercial radio stations was 73, out of which 11 were supported through annual grants and 62 commercial radio stations that were supported through programme grants.

### Annual grants

| Name of media  | Amount of funds allocated in June 2016 | Amount of funds allocated in September 2016 | Amount of funds allocated in 2016 |
|----------------|--|---|-----------------------------------|
| Radio Titograd | 28.000,00                              |   | 28.000,00                         |
| Antena M       |  | 23.909,00                                   | 23.909,00                         |
| Radio Cool     |  | 12.638,00                                   | 12.638,00                         |
| Radio Teuta    |  | 11.166,00                                   | 11.166,00                         |
| Elmag Radio    |  | 10.471,00                                   | 10.471,00                         |
| Radio DRS      |  | 5.141,00                                    | 5.141,00                          |
| Radio Skala    |  | 4.377,00                                    | 4.377,00                          |
| Radio Jadran   |  | 3.691,00                                    | 3.691,00                          |
| Radio Petnjica |  | 1.986,00                                    | 1.986,00                          |
| Radio Adriatic | 1.949,00                               |   | 1.949,00                          |
| Radio Elita    |  | 1.621,00                                    | 1.621,00                          |

## Programme grants

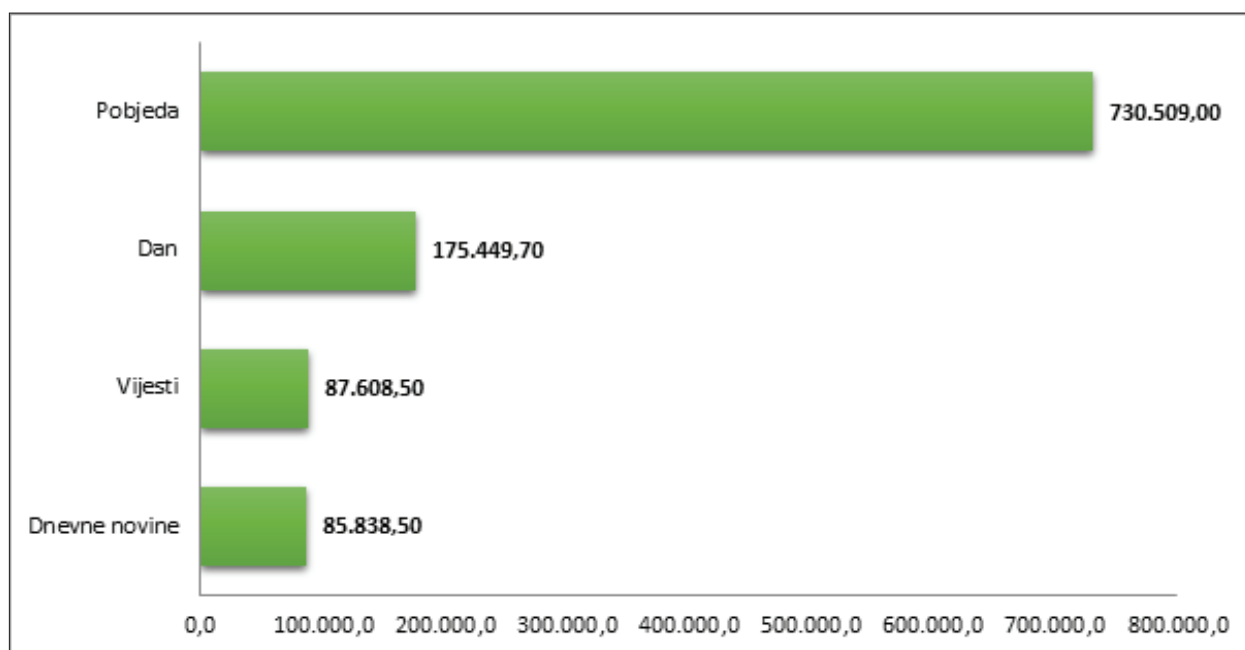
| Name of media   | Amount of funds allocated in June 2016 | Amount of funds allocated in September 2016 | Amount of funds allocated in 2016 |
|-----------------|--|---|-----------------------------------|
| Radio Antena M  | 16.357,00                              | 13.903,00                                   | 30.260,00                         |
| Radio Cool      | 16.852,00                              | 11.231,00                                   | 28.083,00                         |
| Elmag radio     |  | 15.014,00                                   | 15.014,00                         |
| Radio Zeta      | 5.066,00                               | 8.989,00                                    | 14.055,00                         |
| Radio DRS       | 10.604,00                              | 3.083,00                                    | 13.678,00                         |
| Radio Adriatic  | 6.469,00                               | 1.988,00                                    | 8.457,00                          |
| Radio Elita     | 3.468,00                               | 4.947,00                                    | 8.415,00                          |
| Radio Glas Plav | 3.810,00                               | 713   | 4.523,00                          |
| Radio Krš       | 2.855,00                               | 1.588,00                                    | 4.443,00                          |
| Radio Jadran    | 2.426,00                               | 929   | 3.118,00                          |
| Skadar Lake     | 2.189,00                               | 1.621,00                                    | 1.621,00                          |
| Radio Plus      |  | 1.948,00                                    | 1.948,00                          |
| Radio Petnjica  |  | 1.187,00                                    | 1.187,00                          |

Given that the Constitutional Court has abolished fee for radio broadcasters in December 2016, on the basis of initiative of Socialist People's Party (SPP), for the purpose of assessing constitutionality of disputed articles of Law on Security of Transport in the part of funds which citizens paid during registration of vehicles, these funds will not be allocated in the future. In this manner, commercial radio broadcasters remain without a significant portion of funds, and according to conclusion of AEM, their operation will be impeded on the existing market.

# Comparative data for 2013 - 2016

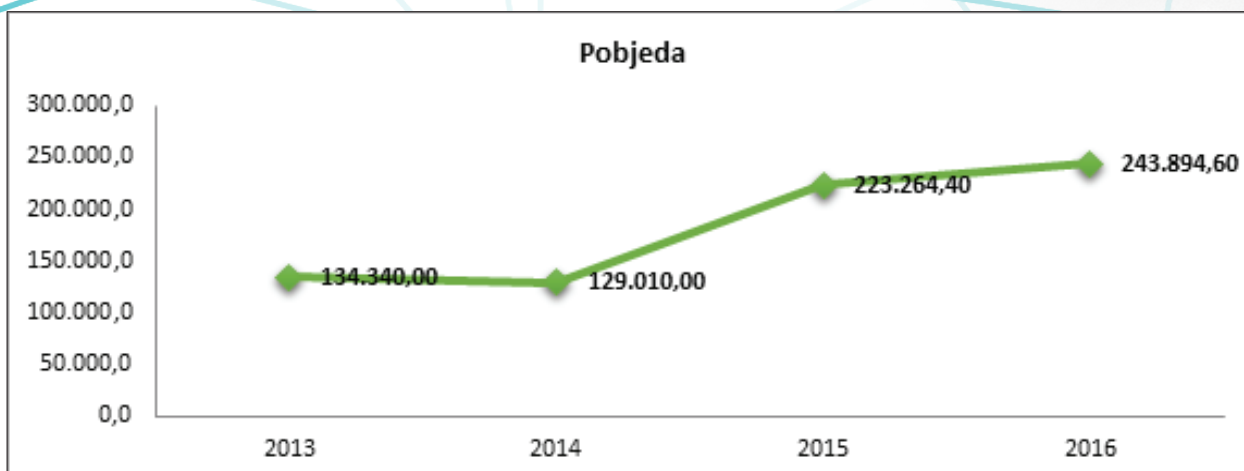
During past four years, according to information available to CCE which are lesser than real ones, a total of **8.348.151.90 EUR** was allocated for these purposes from public funds.

## Printed media

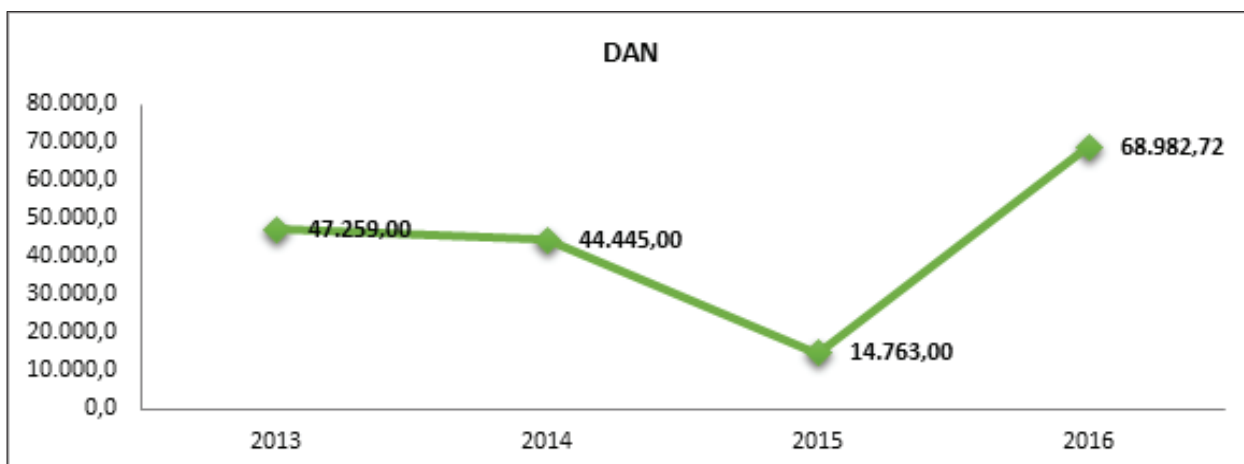


Graph 95: cross section per largest individual fund beneficiaries in EUR, a total for 2013, 2014, 2015 and 2016.<sup>43</sup>

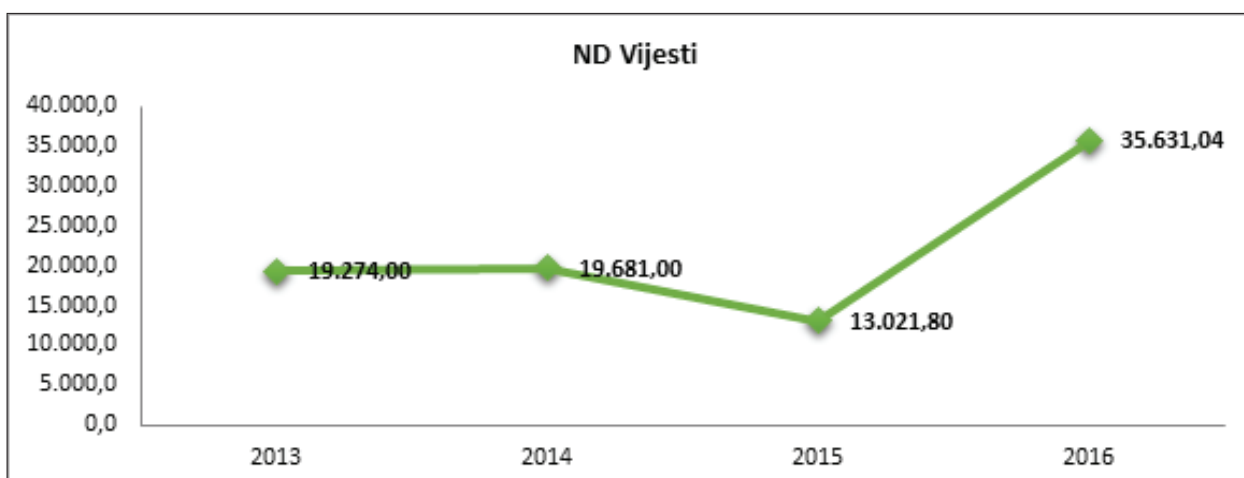
<sup>43</sup> Amount that Capital allocated to Pobjeda during 2015 is included, without amount of state aid which Pobjeda received until its privatization 14/10/2014



Graph 96: total amounts allocated to Pobjeda, by public sector organs, per year, in EUR<sup>44</sup>

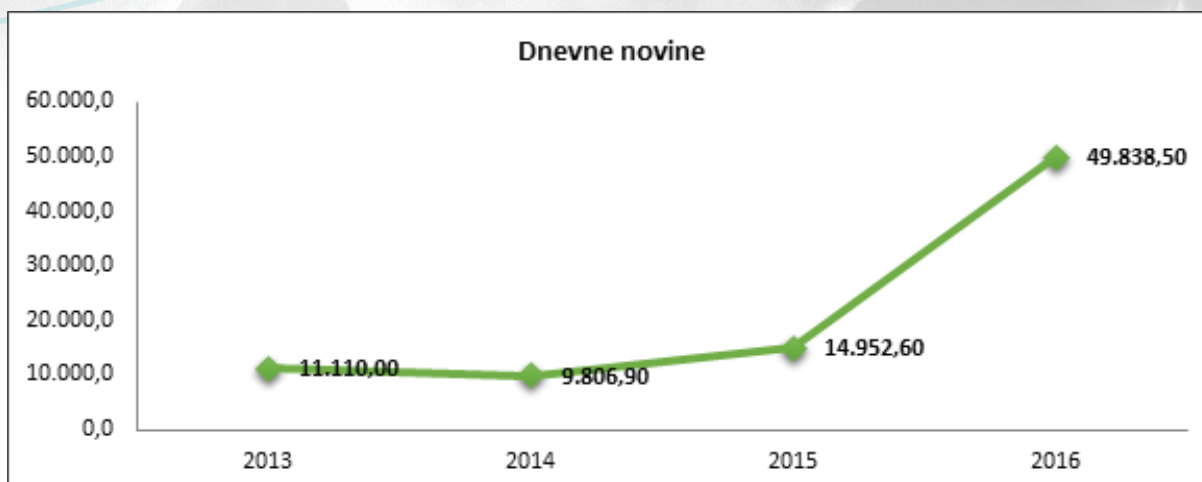


Graph 97: total amounts allocated to Dan, by public sector organs, per year, in EUR



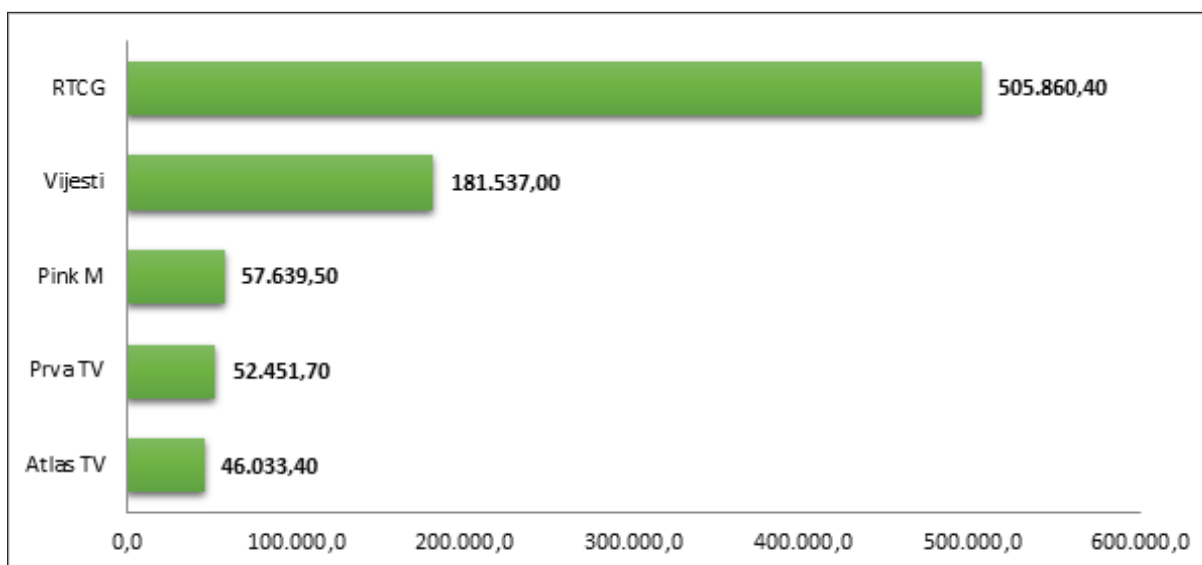
Graph 98: total amounts allocated to Vijesti, by public sector organs, per year, in EUR

44 Amount that Capital Podgorica paid to Pobjeda in 2015 is included.

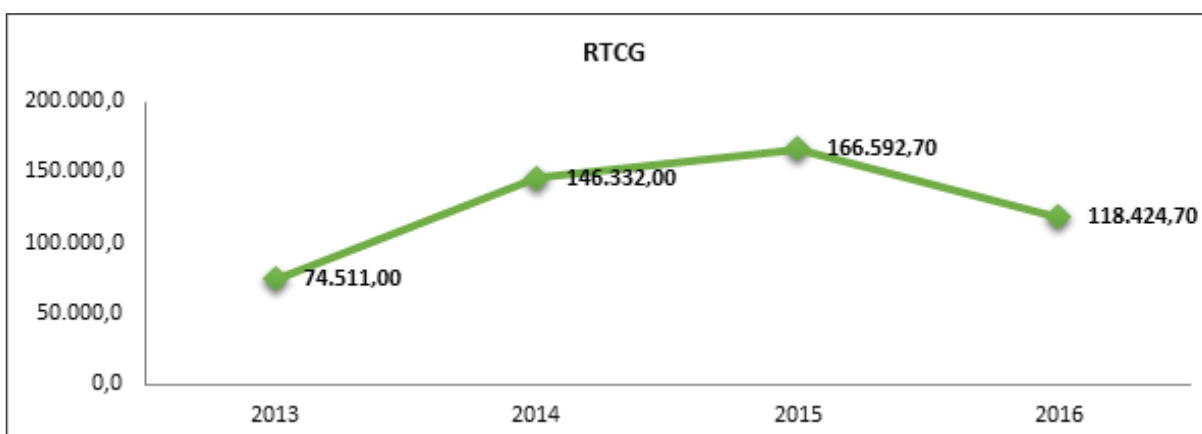


Graph 99: total amounts allocated to Dnevne novine, by public sector organs, per year, in EUR

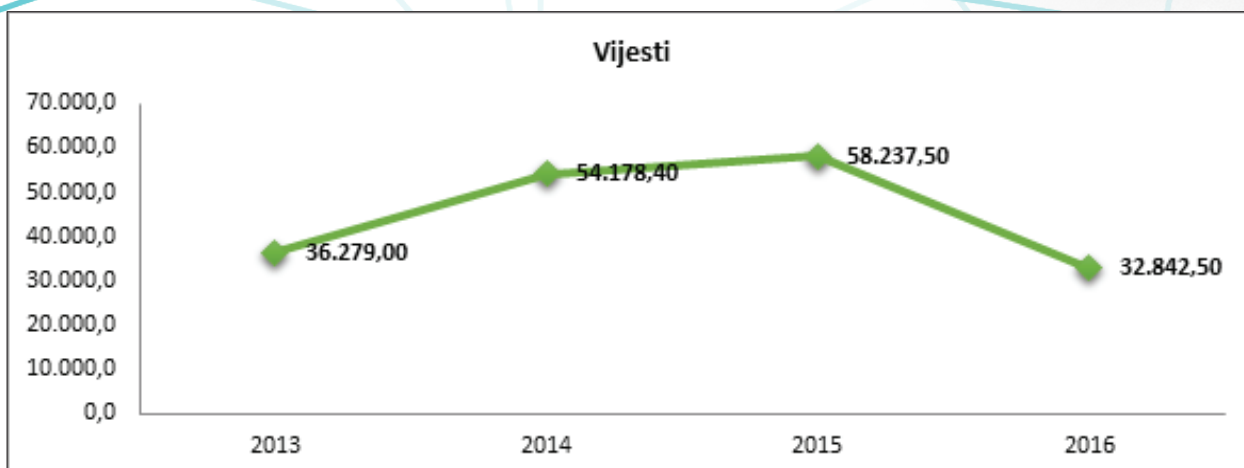
## Televisions



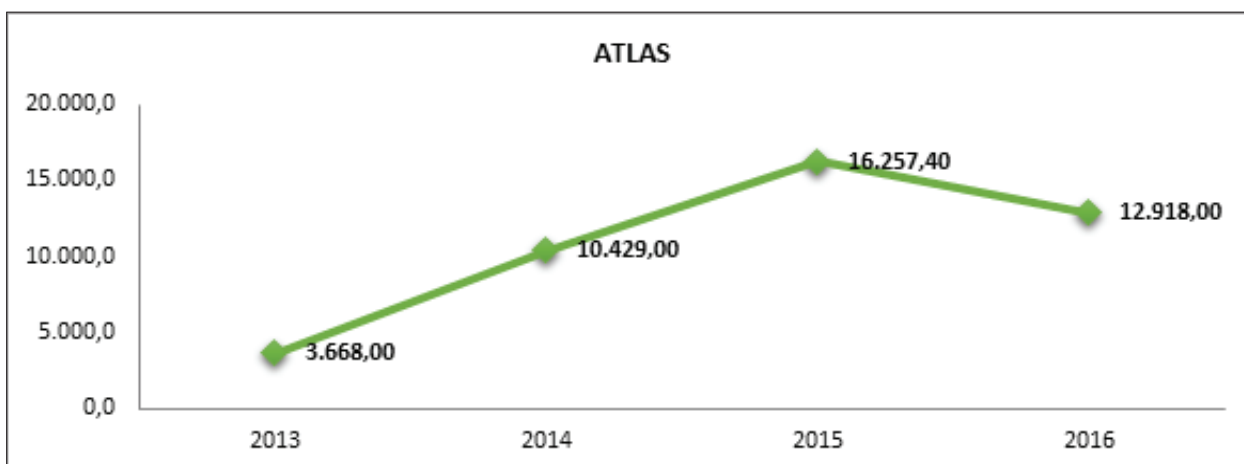
Graph 100: cross section per largest individual fund beneficiaries in EU, total for 2013, 2014, 2015 and 2016



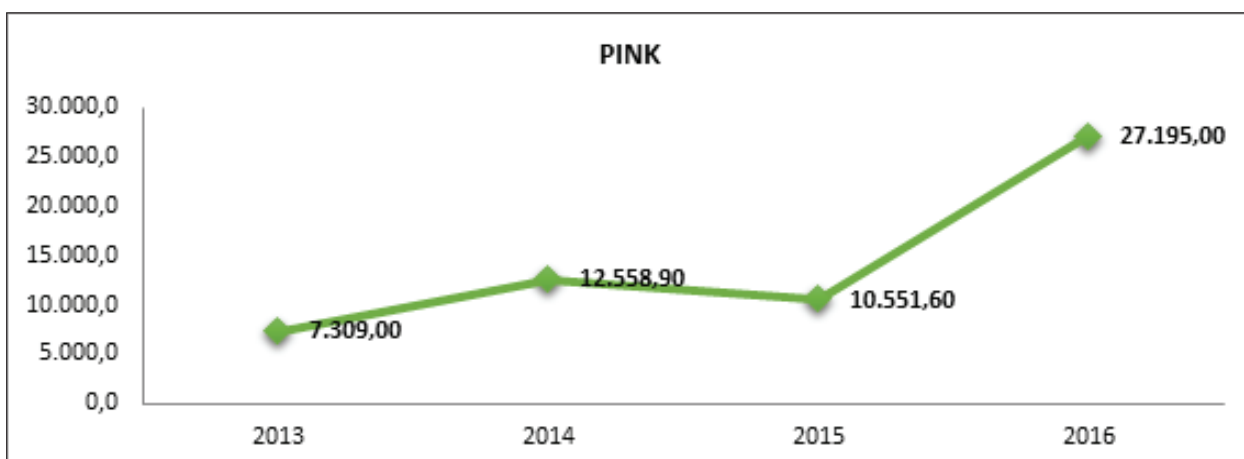
Graph 101: amounts allocated to RTCG, by public sector organs, per year, in EUR



Graph 102: amounts allocated to TV Vijesti, by public sector organs, per year, in EUR

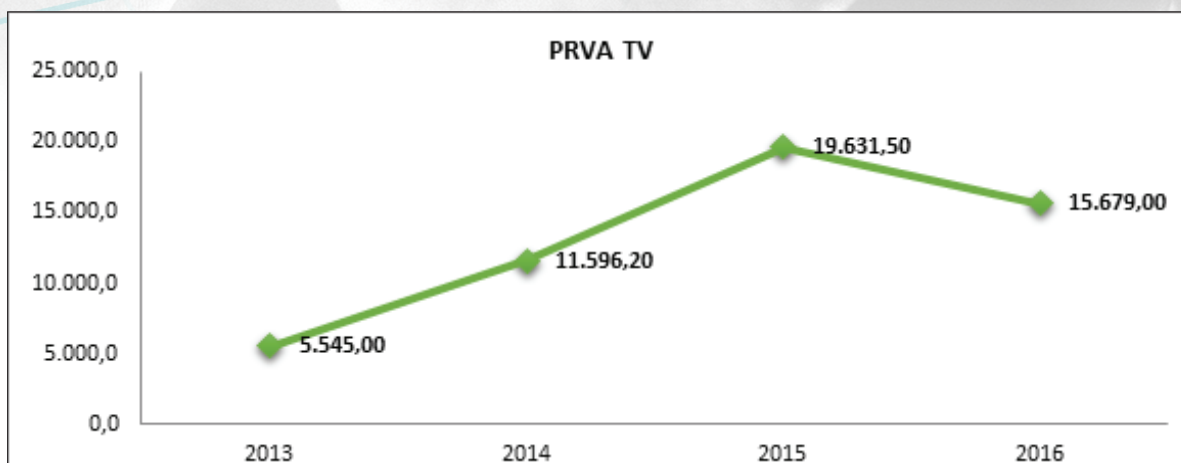


Graph 103: amounts allocated to TV Atlas, by public sector organs, per year, in EUR



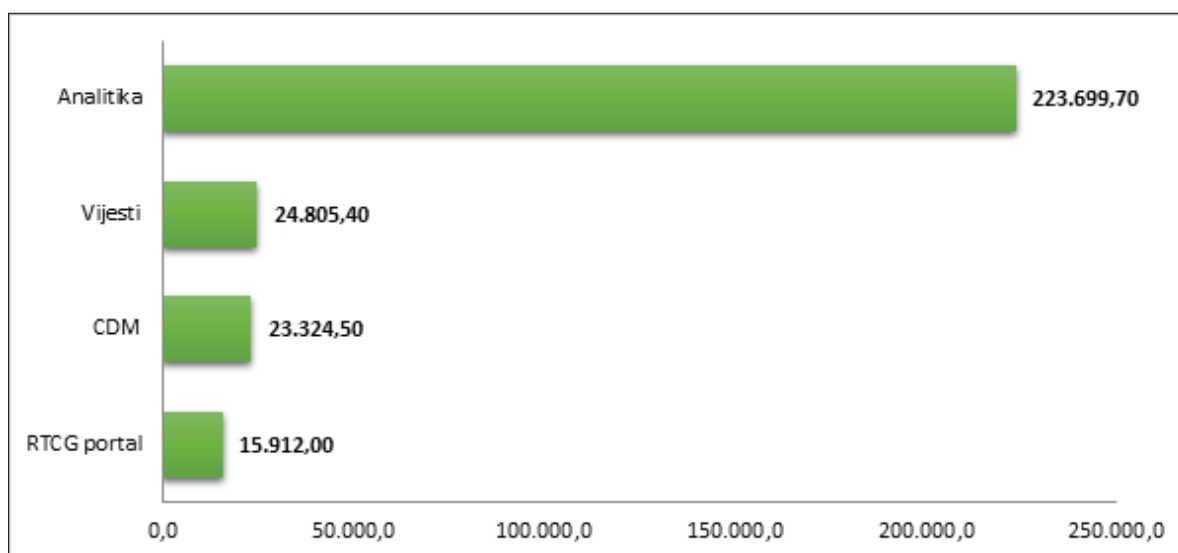
Graph 104: amounts allocated to TV Pink, by public sector organs, per year, in EUR



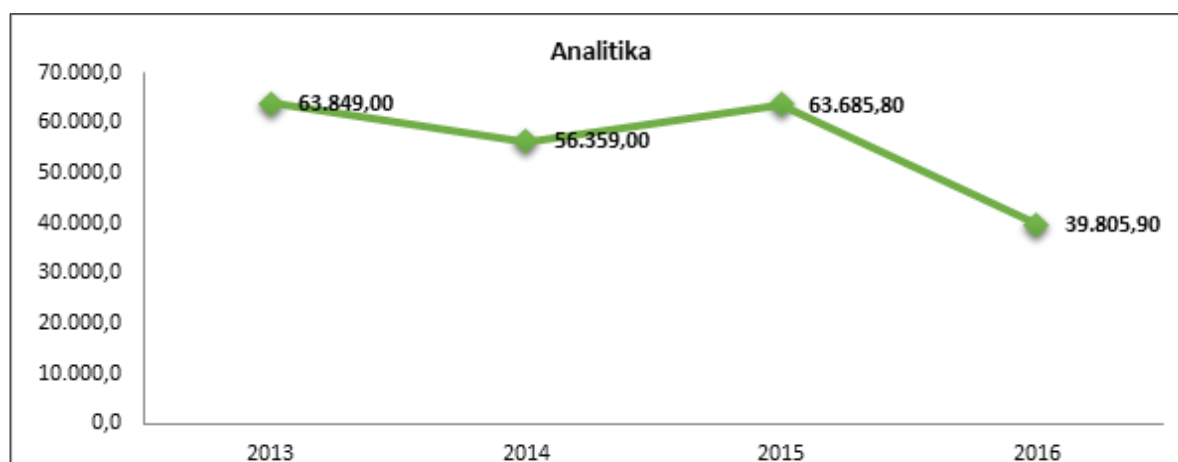


Graph 105: amounts allocated to PRVA TV, by public sector organs, per year, in EUR

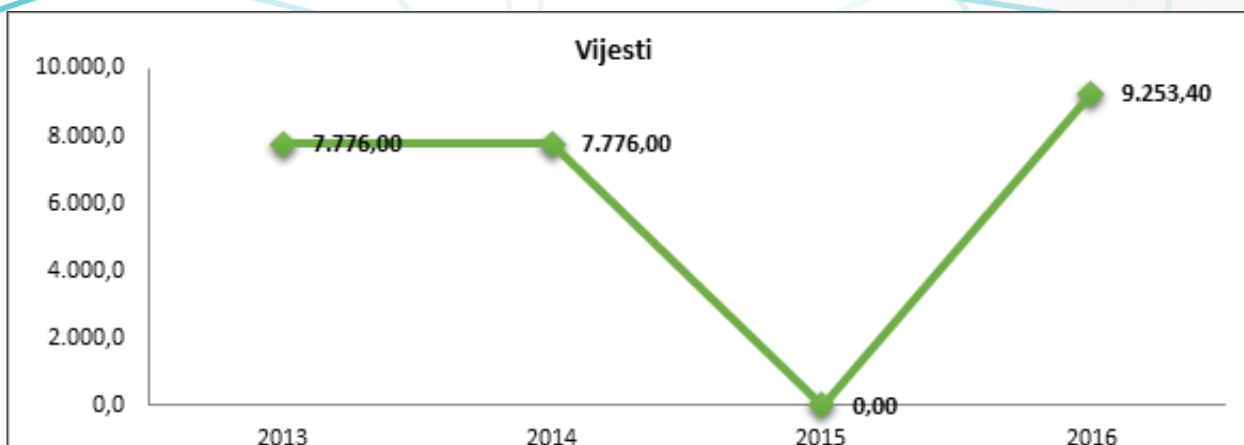
## Portals



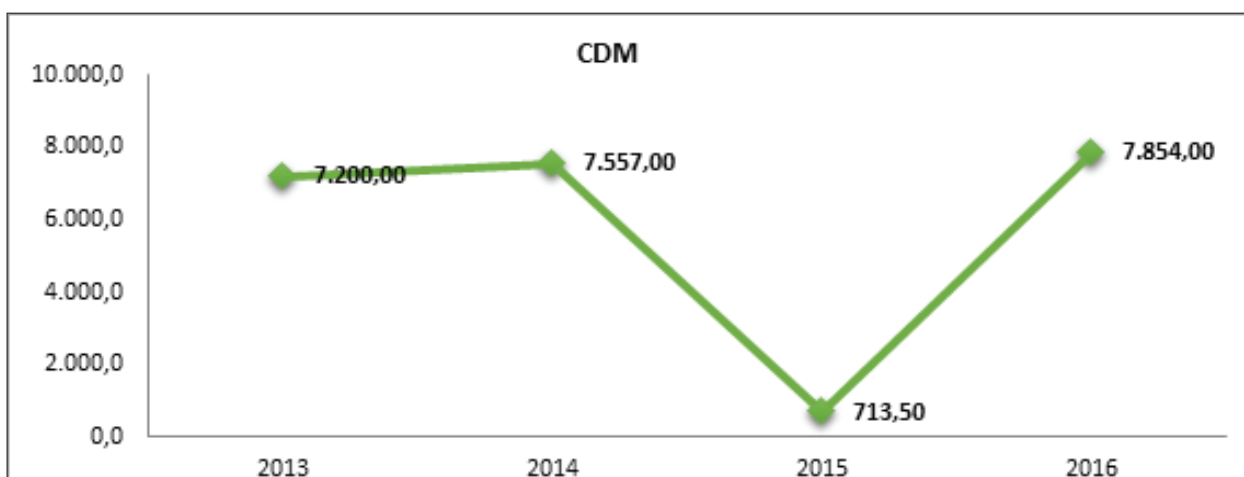
Graph 106: cross section per largest individual fund beneficiaries in EUR, total for 2013, 2014, 2015 and 2016



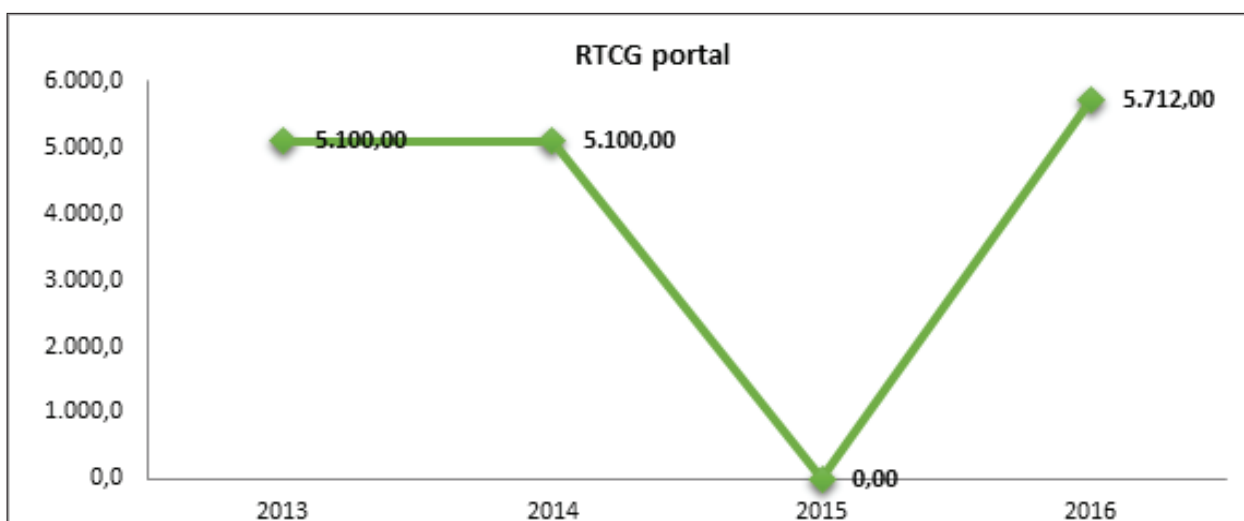
Graph 107: amounts allocated to portal Analitika, by public sector organs, per year, in EUR



Graph 108: amounts allocated to portal Vijesti, by public sector organs, per year, in EUR



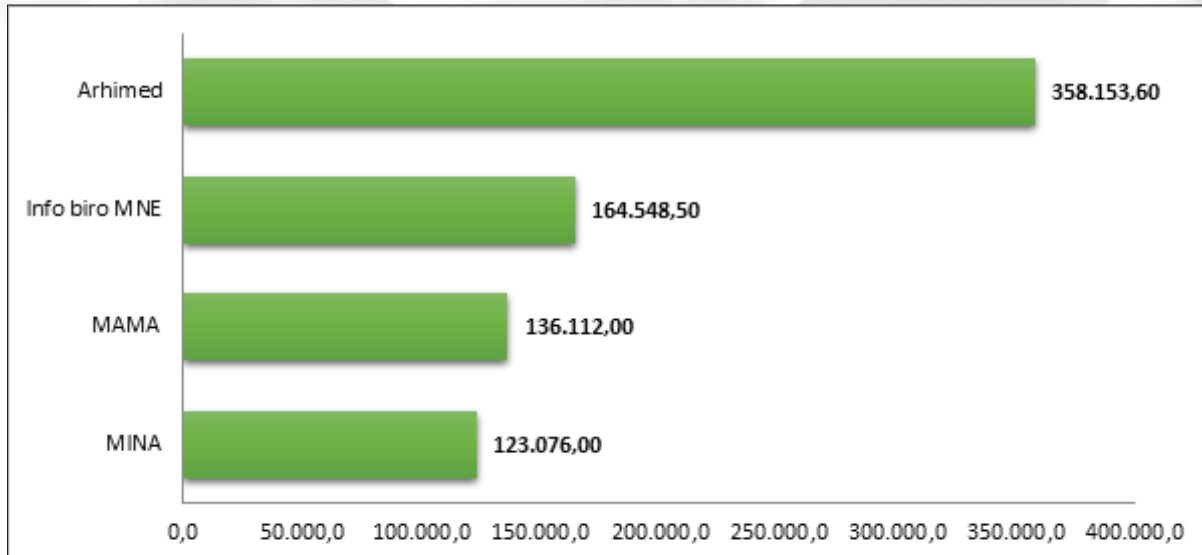
Graph 109: amounts allocated to portal CDM, by public sector organs, per year, in EUR



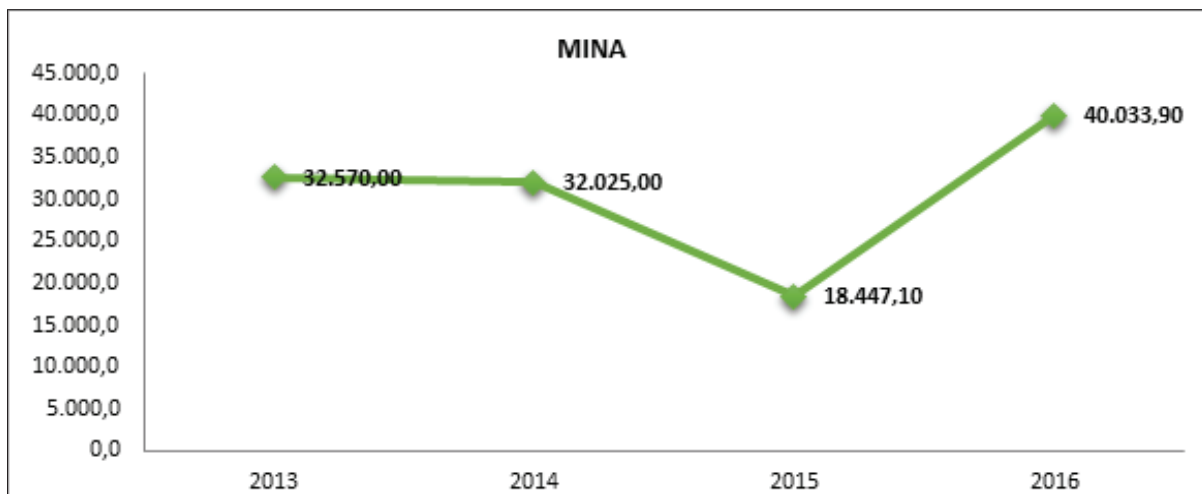
Graph 110: amounts allocated to portal RTCG, by public sector organs, per year, in EUR

Public sector organs do not recognise the importance of web forums in Montenegro, hence portals dominantly had funds from Electro-Industry of Montenegro.

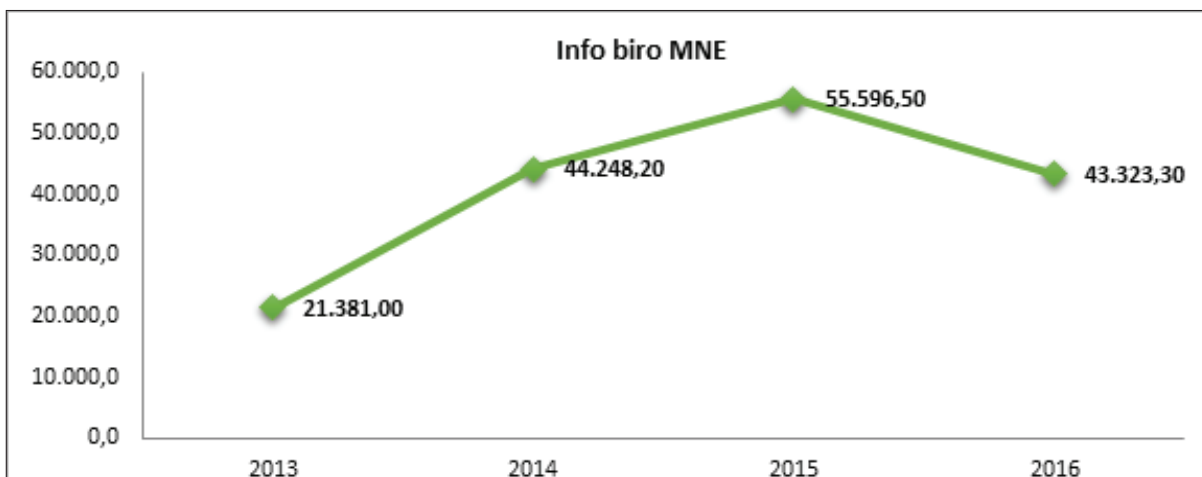
## Informative agencies and services



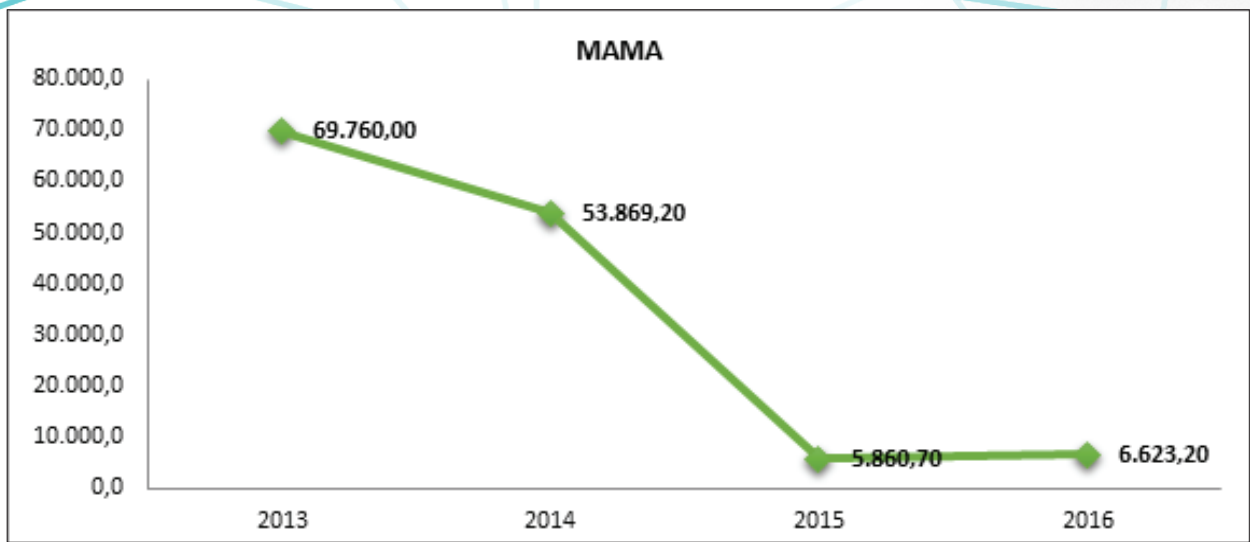
Graph 111: cross section per largest individual fund beneficiaries in EUR, total for 2013, 2014, 2015 and 2016



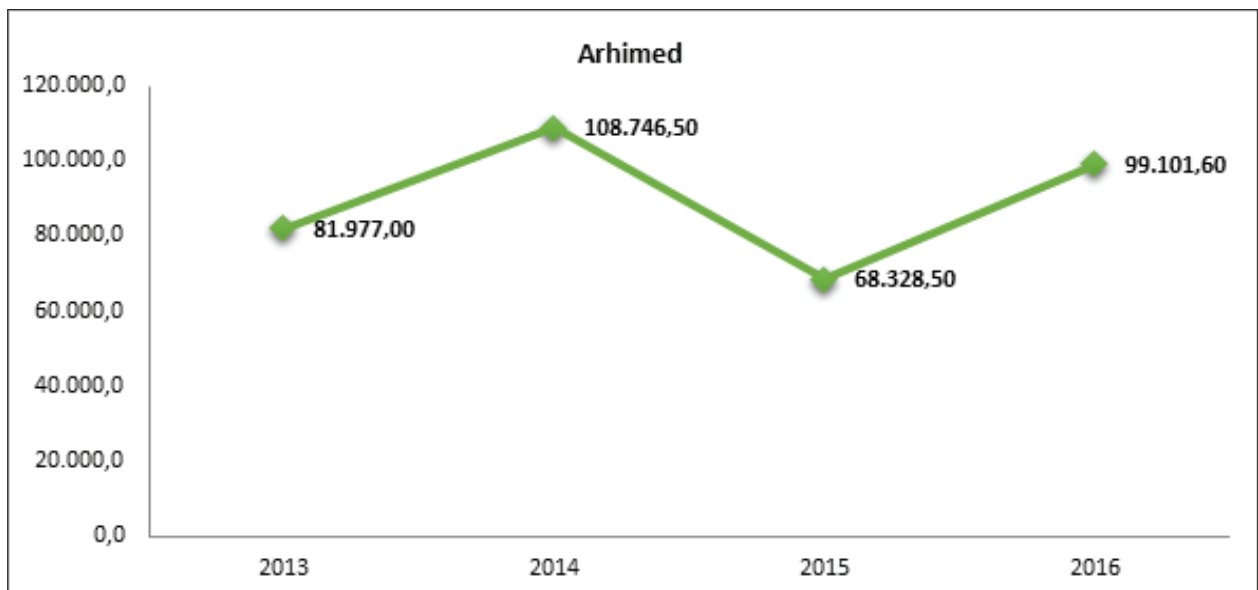
Graph 112: amounts allocated to MINA agency, by public sector organs, per year, in EUR



Graph 113: amounts allocated to Info Biro agency, by public sector organs, per year, in EUR



Graph 114: amounts allocated to MAMA agency, by public sector organs, per year, in EUR



Graph 115: amounts allocated to Arhimed, by public sector organs, per year, in EUR

# Implementation of Law on Free Access to Information and conduct of Agency for Protection of Personal Data and Free Access to Information

Research "Equal chances for all media in Montenegro" was being conducted from January to end of May 2017, on the basis of the *Law on Free Access to Information*. It covered 334 public sector organs of which 253 responded, while 81, i.e. 24.2% did not submit the requested information.

Those public sector organs which did not submit requested information, thereby directly violating provisions of Law on Free Access to Information, mostly opted for the principle of silence of administration, thus, even after months of efforts by research team of CCE through repeated requests, direct communication with relevant officials, heads of organs etc, the requested information was not obtained.

On the "**black list**" of **non-transparent organs**, which knowingly choose to violate legal norms, are: Capital Podgorica, Plantations, Airports of Montenegro, Central Bank of Montenegro, Railway Infrastructure of Montenegro, Railway Transport of Montenegro, Privatization and Capital Projects Council, Directorate for Development of Small and Medium Enterprises, Directorate for Transport, Agency for Promotion of Foreign Investments, Investment Development Fund, Energy Regulatory Agency, Deposit Protection Fund and many other public organs and institutions, which budgets are of lesser volume and which were not identified by research team as significant investors in Montenegrin media. Compared to previous years, it can be concluded that **Capital Podgorica and Plantations are the infamous leaders in non-transparency**, since they have not been responding to these questions for years, whereby Plantations continually refer to protection of trade secret, even though they are in majority state-ownership, and as such are subject to all legal regulations and are obliged to render their operation transparent and enable insight into all documents in accordance with the Law on Free Access to Information. *There is no justification for institutions that are financed by tax payers' money to refuse to give account of manner of spending of these funds, which certainly arouses suspicion in the manner in which these funds were allocated, as well as for what purposes.*

Considering the mild punitive provisions of Law on Free Access to Information, which prescribes a fine from 500 Euros to 20,000 Euros for a legal entity, the intention of organs that opt for administration silence is clear, estimating that it is greater interest not to disclose certain information to public. Paradoxical is also the fact that legal entities pay eventual fines from the budget of public sector organs, i.e. from the budget of Montenegro, namely from tax payers' money, who are being



deprived of this information!

Furthermore, it is important to note that aforementioned organs did not submit requested information evenly, nor that quality of submitted information was at the same level, which affected also duration of research and data processing.

Of 334 institutions that were requested to submit the information on the basis of the Law on Free Access to Information, **253 i.e. 76%** responded positively. This percentage presents considerable increase compared to previous researches, when between 66% and 72% public sector organs positively responded to submitted requests.



## Review from a journalist's angle Irregularity with its system

Study of European Parliament from 2014 drew attention to "non-transparent financial dependency of media" in Western Balkans, and "a large share of state aid and/or advertising of state in the financing of media, and its arbitrary allocation". Researches that Centre for Civic Education (CCE) conducts for years show that Montenegro presents an illustrative example of state in which financing of media from public funds is not regulated, and that this activity is non-transparent and unchecked.


CCE's researches have shown that this irregularity possesses a system, in which those media whose editorial policy is more prone to an approach in which it shelters actions of authorities, and protects the same from critical insight of public, instead of controlling it, acquire public funds more easily. They have shown also that certain media are contracting paid bogus journalist jobs with public services and local authorities, hiding it from citizens. They have also shown that, by rule, among media which are sponsored by state from tax payers' money are not those that are engaged in investigative journalism, whose stories have been awarded in recent years.

Mass media have three important duties in democratic societies – to provide timely and reliable communication within those societies, to offer space for debate on controversial matters in order for the society to be able to reach most acceptable solutions and to protect members of society, i.e. the society as a whole from potential misuse of holders of formal power. If someone – whether from inside or out – impedes realisation of these duties in any manner, that someone is undermining democratic foundations of society either knowingly or out of ignorance.

In order for media to fulfil the said duties, they must be independent, primarily from those on whom they report. *Tell me who pays you, and I'll consider how much to trust you, or to trust you at all.* Media that agree to covertly take money from those on whom they report for the sake of their survival or some other reason, knowingly renounce their duty to serve to public interest, replacing it with personal wellbeing and servitude to private, particular interest.

Obviously, there are no mass media that are able to function without money. Media enterprises, like any other, are forced to play by the rules of market. Manner in which they acquire their funds is not only a matter of their owners and managers, but of everyone in the society that requires media to fulfil those three important duties.

Market itself is not an ideal regulator, and even those who so fiercely swear in it

An abstract graphic consisting of several teal lines of varying thicknesses that intersect at a central point near the top left of the page. The lines radiate outwards, creating a network-like structure. Some lines are thicker and more prominent, while others are thinner and more subtle. The background is a light, slightly textured grey.

did not leave fate of common benefit to its whims, regardless of understanding of benefit. Media that skilfully pack interesting stories and news that are less important or completely irrelevant from perspective of those three important duties can be more successful on the market. Does this mean that society should stand by and watch idly the downfall of less successful media on such market? Of course NOT, but it should also say NO to this voluntary approach, with no clear principles or procedures, on the basis of which only certain less successful media on the market are assisted, while others are further pushed in perdition.

System of state aid to media must be based on necessity of media respecting three important duties – reporting on important topics, providing the space for discussion and controlling the holders of power. If they abide by this triad, media are working for the benefit of public interest, and as such deserve to be supported with public funds. Of course, it should be primarily defined what public interest represents, but also the transparent procedure of project financing of media in accordance to public interest. Such approach will contribute to stabilisation of media market and thwart any media promotion of political and economic circles and their influence on independence of editorial policies.

CCE repeatedly recommended establishment of clear mechanisms of control of state financing and allocation of state aid to media, however, unfortunately, those recommendations have still not received favourable response of those who are chosen to take care of the welfare of society as a whole. Other important recommendations of CCE that emerged from insight into ingrained problematic practice have also been ignored. The state continued as usual, pretending to be inapt, while initiatives from civil sector for correction of legislation in the area of media have been met with resistance and ignorance by the ruling majority. Current Montenegrin Prime Minister Duško Marković indicated the need of improvement of situation in the area of media in his programme speech, as well as creation of media strategy, but this was not followed by anything that would have made this indication more convincing.

*Dragoljub Duško Vuković*



# Conclusions and recommendations

## *Conclusions*

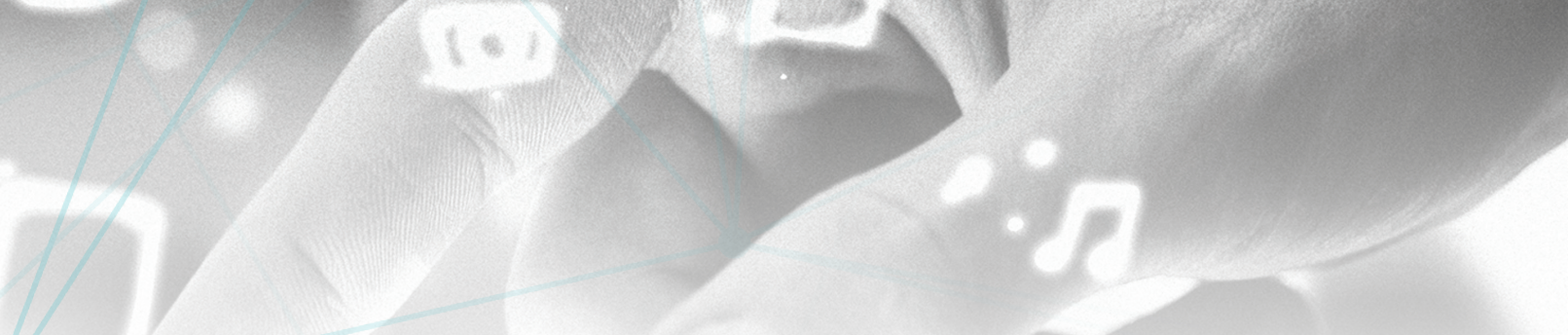
- During 2016, public sector organs have allocated at least 2.249.941.74 EUR to media, informative agencies, marketing agencies, production houses, companies for printing of promotional material and etc, for which Centre for Civic Education (CCE) has documented data, reminding that 26% public sector organs did not submit information on this form of spending of tax payers' money. In addition, there are direct budget investments in public broadcaster RTCG (in the amount of 11.211.000 EUR) and in local media (in the amount of 2.850.360 EUR) as well as state aid.
- Financing of media from public funds in Montenegro, despite perennial indication on this issue, remains unregulated, uncontrolled and non-transparent, which brings media in unfavourable market position, and undoubtedly presents a case of attempt to influence the editorial policy.
- Government of Montenegro persistently refuses to conduct necessary legal interventions in order to prevent or restrict illegitimate influence of money from public funds on freedom of media and their economic (in)stability, while, after warnings from national interested public, imperative recommendations came also via Progress Report on Montenegro of the European Commission for 2016.
- Institutions in Montenegro, both on local and national level still do not disclose information on total amount of state funds which they annually allocate for advertising, marketing or financing of media on other grounds, nor any institution controls the manner in which these budget funds are allocated and spent.
- There is an alarming practice of concluding contracts between institutions and certain media from which it can be seen that media are being paid to report in a certain manner on work of these institutions, which is not listed anywhere in their reports as paid marketing. In short, this is the case of deceitful marketing which must be sanctioned, because instead of the objective reporting, citizens are exposed to propaganda. CCE has copies of such contracts in its archive.
- So far, Law on Free Access to Information has not been the most efficient mechanism for provision of necessary information, and its recent amendments threaten to be support to non-transparent institutions. Of special concern is that companies in which state has its stake often directly violate this law under justification of protecting trade secret, and thus neglecting the fact that they

are obligatory to this Law precisely because of participation of state in their operation. Good example of openness and balanced financing of media, i.e. the exception from such poor practice is Electro-Industry.

- Centralisation of budget allocations for the purpose of advertising and marketing, on the basis of contracted services, specialised services and other grounds, and redirection from media to marketing houses that are engaged in lease of media space, hinders the principle of transparency, considering that one cannot follow the further flows and allocations of funds that are being paid in this manner.

### **Recommendations**

1. Montenegro is in the process of accession negotiations with the European Union, which implies the obligation of harmonisation with European standards and best practices. Considering that issue of media financing was not resolved upon previous initiative of CCE, this now becomes an obligation in the process of accession to the EU, therefore the Government of Montenegro should take more agile approach to this issue than before. Every other approach would indicate that interest of preserving control over media through financial allocations is above state interests.
2. Different approach by the Government includes serious media reforms and amendments to set of media and related laws. This should include broad consultations with all interested parties in order to identify and adopt the best solutions.
3. Amendments to the Law on Media should clearly regulate and ensure transparent financing of media from public funds, as well as funds of state institutions, local self-governments and all organisations which are financed partially or entirely from the budget.
4. Considering the level of penetration of party influence in companies where state has its share, it is particularly important to establish mechanisms of control over manner of financing of media and from these subjects which until now have dominantly curtailed that part of their operation, thus raising serious suspicions that procedures of allocation of that money were conducted neither in the best interest of that company, nor in the interest of public.
5. In order to achieve transparency, it is necessary to prescribe obligation of state organs to publish records of advertising in media for certain period, in the form prescribed by relevant ministry. Complete information on public fund allocation to media, on the basis of contracted services, specialised services or other basis, must be available to public and posted on the sites of public sector organs.
6. It is necessary to gather independent and reliable information on viewership/



readership/listenership of Montenegrin media which would serve as basis for fair and impartial allocation of funds for advertising of public sector organs. Otherwise, there is space for potential misuse by public officials and employees, in terms of influence on media through allocation of budget funds.

7. Financing from public funds of tax payers' money for local public broadcasters must be subjected to strict rules of transparency, openness and tangible criteria of spending of tax payers' money. Financial reports of local public broadcasters must be publically available and published on the official websites of local self-governments or local public broadcasters as beneficiaries of funds.

# Appendixes

## Appendix 1

*Proposals of CCE's amendments to set of media laws, Law on Public Procurement and Law on State Aid*

**Proposal of the amendment of Law on Media** ("Off. Gazette of Montenegro", no. 51/02 of 23/9/2002, 62/02 of 15/11/2002, and "Off. Gazette of Montenegro", no. 46/10 of 6/8/2010, 73/10 10/12 /2010, 40/11 of 8/8/2011)

### **Amendment 1**

A new paragraph 2 is added to Article 6, which states:

*In terms of this Law, media shall be deemed editorial-designed websites or portals containing electronic versions of printed media or information from media, in a publically available manner.*

Paragraphs 2 and 3 of Article 6 shall become paragraphs 3 and 4.

### **Explanation:**

Research "Equal opportunities for all media", which Centre for Civic Education (CCE) has been conducting from 2011, indicated that Montenegrin media legislation does not recognise thus consequently is lacking the normative definition of portals as forms of media.

This deficiency in media legislation must be overcome in order to protect the public interest and acknowledge the undisputed significance and popularity that portals have in media space of Montenegro, as well as the significant amount of financial resources that they acquire from public funds for advertising services, marketing services or on the basis of contracting services, specialised services or on other grounds.

## **Amendment 2**

After Article 49, new Article 49a is added, which states:

*Media defined by Article 6 of this Law, are obliged to keep records of every payment of public sector organs on all grounds, and especially segregate payments for advertising services, marketing and contracting services as well as specialised services.*

*Model of record keeping form, which provides a detailed and concise overview of structure of payments from public funds on all grounds, shall be determined by the Ministry of Culture within 30 days from the day the new Law comes into force.*

*Record keeping is done in two identical copies, whereby one is submitted to relevant Ministry, and the other remains with a record-keeping officer.*

*Relevant ministry shall publish all records on its internet page no later than 8 days after the submission of records.*

*Media must submit their records to relevant organ during January of the current year for previous year, and no later than 31 January of the current year.*

### **Explanation:**

Financing of media in Montenegro from public funds remains unregulated, uncontrolled and non-transparent, and in this regard authorities failed to invest effort to improve this area, even though this matter has been the subject of discussion for more than four years now, and presents a matter of growing concern of relevant international organisations.

Authorities exert inappropriate pressure on media market, through non-transparent and selective financial allocations of public funds allocated on various grounds to media. In addition to existing challenging economic situation and reduction of marketing budgets of companies operating on Montenegrin media market, accompanied by simultaneous increase of participation of public funds and their expenditure without clear criteria, soft censorship of media in Montenegro is exercised.

This article determines the obligation of media to keep records of deposited funds from public sources, as well as the basis of payment for all payments. Therefore, this shall contribute to transparency of media financing by public sector organs, and enable a continued insight of public into amounts, type and basis of these affairs.

## **Amendment 3**

After Article 49b, new Article 49c is added, which states:

*All state organs are obliged to publish records of advertising in media once a month, for the previous month, on a form prescribed by relevant ministry.*

*These records also include funds placed through marketing agencies, whereby advertising in individual media or other services paid to media are clearly distinguished.*

*Total cross section of advertising of public organs in media shall be conducted by relevant ministry, in the form of annual report.*

*Ministry is obliged to put the report on a public discussion no later than 31 March of current year for the previous reporting year.*

*Report is adopted in Government and published no later than 1 June of current year.*

### **Explanation:**

Necessity to achieve the full transparency and determine the expediency of advertising of state organs has been acknowledged, whereby the mechanism prescribed by this amendment provides broad insight of public into the advertising processes. This manner opens up space for the public to influence passing of assessment on expediency, and thus the character of future advertising of state organs, and other forms of investment in media.

Reason for introduction of money flow tracking that is placed through marketing agencies lies in the fact that CCE's researches indicated a tendency of centralisation of funds allocated for services of marketing and advertising in media, based on agreement on provision of services, specialised services or on other grounds. This aggravates tracking of further transfer to media or related subjects, thus leaving ample space for misuse, since public sector organs can non-transparently distribute funds to those media which they independently, without clearly determined procedures and criteria, deem most expedient. Currently, there is no legal possibility of further research in this case, nor the insight into information regarding further allocation of these funds to media, which is directly addressed in accordance of the said solution.

### **Amendment 4**

After Article 49c, new Article 49d is added, which states:

*All organs of a local self-government unit and companies founded by local self-governments are obliged to submit their records of advertising in media to Chief Administrator once a month, for the previous month.*

*Form in which every organ of local self-government unit and company founded by local self-government will keep records on advertising in media shall be prescribed by relevant ministry.*

*Chief Administrator will conduct the cross section of advertising of organs of local self-government unit, in the form of annual report. Local self-government unit is obliged to put the report on public discussion no later than 31 March of current year.*

*Report is adopted in the Parliament of a local self-government unit and published no later than 1 June of current year for previous reporting year.*

### **Explanation:**

Explanation of this amendment is identical to the previous one, since the provision has the same purpose, only this one is related to implementation at the level of local self-government.

Case amendment entirely respects the autonomy of local self-governments and principle of decentralisation.

### **Amendment 5**

After Article 49d, Article 49e is added, which states:

*State organs, public services, organs of a local self-government unit and companies with majority of state ownership shall pass the decision on media advertisement based on the criteria of readership, listenership, viewership and trust.*

*Exception is advertising related to local topics, ethnical communities and marginalised groups, wherein the basic decision-making criteria does not have to be implemented, or it can be modified with the accompanying explanation.*

*The rest of the criteria shall be regulated in detail with a bylaw act, proposed to Government by the relevant ministry within 60 days from the day new Law on amendments to the Law on Media comes into force.*

### **Explanation:**

It is necessary to determine criteria that would serve as a basis for decision-making as to which media will be used to advertise state organs, public services, organs of local self-government unit and companies with majority of state ownership.

Law shall regulate the basic criteria with the exception, and the basis must include readership, listenership, viewership and trust that the media enjoys.

Bylaw act shall further regulate the rest of the criteria that will contribute to introduction of clear rules on media market.

### **Amendment 6**

Article 45a is added, which states:

*A fine of 10,000 euros to 20,000 euros shall be imposed on media defined in Article 6 of this Law, if they fail to deliver records specified in Article 49a by 31 January of current year for the previous year, on a form prescribed by the Ministry of Culture.*

*Media that fail to submit this form ending with 31 January cannot receive funds*

during that year from public funds for services of advertising, marketing or on the basis of contracting services, specialised services or on other basis.

**Explanation:**

In order to secure the full respect of law, it is necessary to prescribe precise misdemeanour liability of subjects obliged under case law, and introduce the according punitive provisions.

In addition, those who do not respect provisions under which they have to render the information on expenditure of those funds available to tax payers, should be deprived of their further use.

**Proposal of amendments to the Law on Control of State Aid ("Off. Gazette of Montenegro", no. 74/09 from 13/11/2009, 57/11 of 30/11/2011)**

**Amendment 1**

After Article 17, Article 17a is added, which states:

*State aid allocated to media is submitted only as a state aid scheme.*

*Proposer of scheme of state aid is obliged to submit the draft, i.e. the act proposal, to the Commission, in order to assess the harmonisation with this law.*

*Commission is obliged to publish the act proposal on its website no later than 24 after it receives the act.*

*All media have the right to file request for re-evaluation of scheme within 15 days from the day of publication.*

*Commission is obliged to decide upon request within 8 days.*

*Proposer of scheme of state aid can remove the scheme from procedure, or accept the resulting changes, if the request is adopted.*

*Submitted state aid shall not be allocated until the Commission passes decision on harmonisation of state aid with this law.*

**Explanation:**

It is important and necessary to distinguish the media as separate category in Law on Control of State Aid.

Practice indicates unequal conditions on media market through various forms of emphasised discretion based decision-making on allocation of state aid to media.



In order to regulate this situation legally, and disable the dominant discretion based decision-making with deficit of transparency, it is necessary to intervene in this part of the case Law.

**Proposal of amendment to the Law on Public Procurement ("Off. Gazette of Montenegro", no. 42/11 of 15/8/2011, 57/14 of 26/12/2014, 28/15 of 3/6/2015)**

### **Amendment 1**

Article 3, paragraph 1, item 10, is amended and states:

*Advertising services, information on public procurement procedures in media, but they must be published in at least two printed media with largest circulation.*

### **Explanation:**

With regard to the fact that Law on Public Procurement does not prescribe obligation of publishing the announcement on public procurement procedures, and that this obligation of publishing exists solely for the portal of public procurement, it is necessary to intervene by amending Article 3, paragraph 1, item 10 of the Law.

Namely, there is no ban on publication of public procurement procedures, and the same is exempted from application of the case Law, hence it is necessary to regulate this in a manner in which all obligatory subjects to implementation of Law on Public Procurement will oblige themselves to conduct advertising in at least two printed media with largest circulation.

## Appendix 2

### *List of all public sector organs – subjects of CCE's research*

#### **Ministries**

Secretariat-General of the Government  
Ministry of Justice  
Ministry of Interior  
Ministry of Defence  
Ministry of Finances  
Commission for Allocation of Part of Revenue from Games of Chance  
Ministry of Foreign Affairs and European Integration  
Ministry of Education  
Ministry of Sports  
Ministry of Science  
Ministry of Culture  
Ministry of Economy  
Ministry of Transport and Maritime  
Ministry of Agriculture and Rural Development  
Ministry of Sustainable Development and Tourism  
Ministry of Health  
Ministry for Human and Minority Rights  
Ministry of Labour and Social Affairs  
Cabinet of minister without portfolio

#### **Administrative organs**

Institute for Enforcement of Criminal Sanctions  
Police Department  
Tax Administration  
Customs Administration  
Administration for Games of Chance  
Property Administration  
Real Property Management  
Directorate for Diaspora  
Department for Protection of Cultural Property  
Directorate for Development of Small and Medium-sized Enterprises  
Port Authority  
Maritime Safety Department  
Directorate of Traffic



Directorate for Railways  
Phytosanitary Administration  
Veterinary Administration  
Forest Administration  
Water Administration  
Directorate of Public Works  
Directorate for Refugees  
Human Resources Administration  
Directorate for Prevention of Money Laundering and Financing of Terrorism  
Public Procurement Administration  
Directorate for Inspection Affairs  
Directorate for Youth and Sports  
Secretariat for Legislation  
Secretariat for Development Projects  
Statistical Office MONSTAT  
Department of Hydrometeorology and Seismology  
Department of Education  
Office of Intellectual Property  
Department of Metrology  
Labour Fund of Montenegro  
Investment and Development Fund  
Pension Fund  
Fund for Protection and Realization of Minority Rights  
Deposit Protection Fund  
Health Insurance Fund  
State Archives  
Directorate for Protection of Classified Information  
Agency for Environmental Protection

## **Agencies**

Civil Aviation Agency  
Agency for Electronic Communications and Postal Services  
Agency for Electronic Media  
Agency for Protection of Competition  
Agency for Prevention of Corruption  
Real Estate Agency Bar  
Agency for Construction and Development Podgorica  
Agency for Medicines and Medical Devices CALIMS



Agency for National Security  
Insurance Supervision Agency  
Housing Agency  
Agency for Protection of Personal Data and Free Access to Information  
Centre for Eco-Toxicological Research  
Energy Regulatory Agency  
Central Depository Agency  
Tobacco Agency

### **Local self-governments**

Andrijevica  
Bar  
Berane  
Bijelo Polje  
Budva  
Danilovgrad  
Žabljak  
Kolašin  
Kotor  
Mojkovac  
Nikšić  
Petnjica  
Plav  
Plužine  
Pljevlja  
Podgorica  
City municipality Tuzi  
City municipality Golubovci  
Rožaje  
Tivat  
Ulcinj  
Herceg Novi  
Cetinje  
Šavnik

### **Parliament**

### **Judiciary**



Supreme State Prosecutor  
Supreme Court  
Constitutional Court  
Administrative Court  
Court Council

### **Ombudsman**

### **Central Bank of Montenegro**

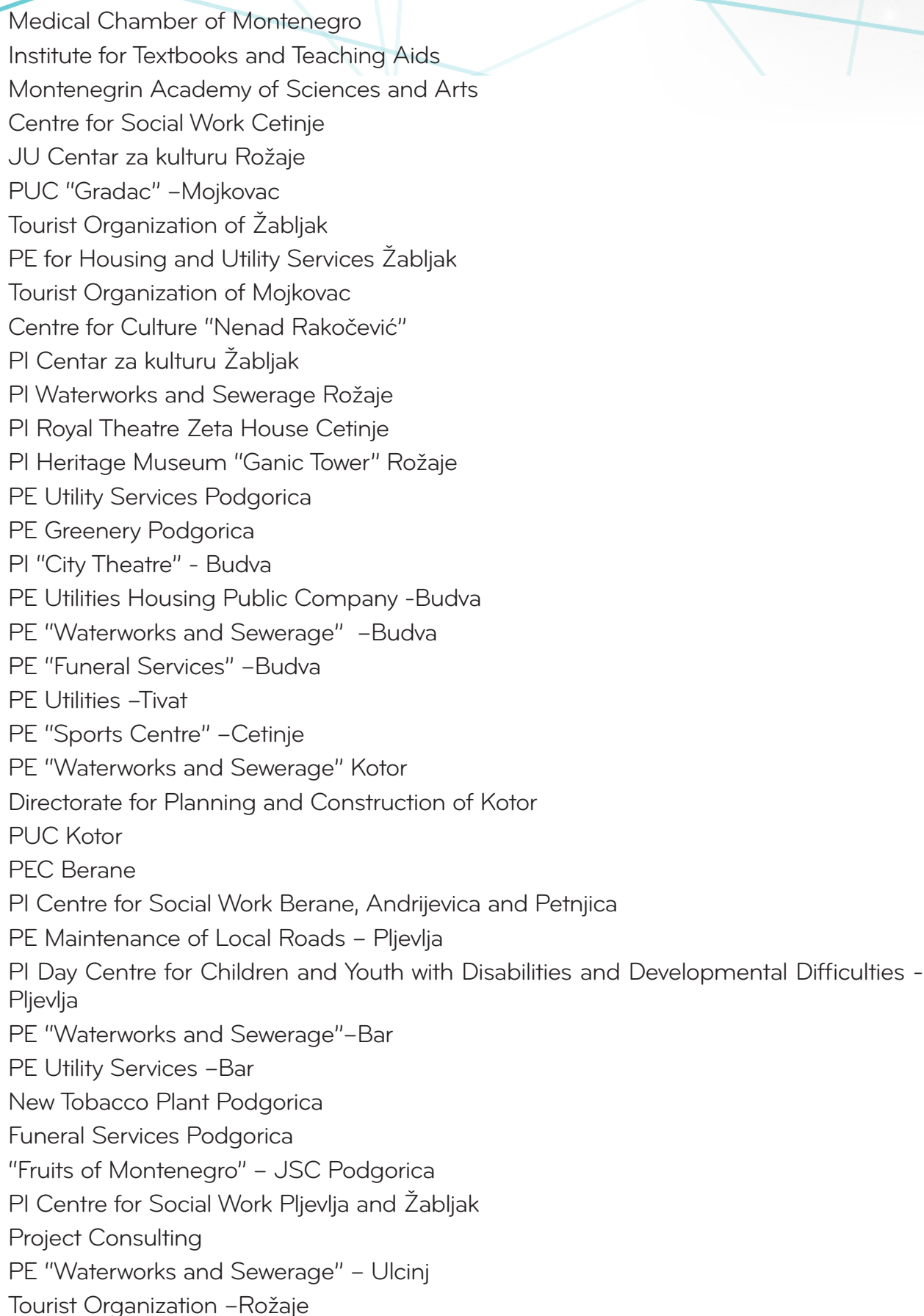
### **Public companies and institutions**

Pharmacy Institution of MNE Montefarm  
Institute for Standardization  
Montenegro Airlines  
Library for Visually Impaired of MNE  
Institute of Public Health  
Red Cross of Montenegro  
National Theatre of MNE  
Examination Centre of MNE  
Montenegrin Heritage  
Markets LLC  
PI Centre for Social Work Podgorica, Danilovgrad and Kolašin  
Centre for Preservation and Development of Minority Cultures of MNE  
PI Komanski most  
PI Ljubović  
PI Montenegrin Cinematheque  
National Museum of Montenegro  
National Library of Montenegro  
PI Resource Centre for Children and Youth Montenegro  
National Tourism Organisation of Montenegro  
Regional Diving Centre  
PI Student Dormitory Podgorica  
Roads LLC Podgorica  
Parking Service BP  
Parking Service  
Cleanliness LLC Podgorica  
Music Centre of Montenegro  
PE National Parks of Montenegro



PE Regional Waterworks Montenegrin Coast  
Airports of Montenegro  
PE Coast Management  
Centre for Mediation  
Contemporary Art Centre  
Plantations "13" July  
Electro-Industry of Montenegro  
Business Montenegro LLC  
Možura LLC  
Post Office of Montenegro  
Railway Infrastructure of Montenegro  
PI Centre for Culture – Berane  
Centre for Social Work Plav  
PI Centre for Social Work Rožaje  
PI Centre for Social Work Bijelo Polje and Mojkovac  
Utilities Lim LLC  
Municipal Red Cross Organisation  
Zeta Energy Danilovgrad  
PE Breeding and Protection and Hunting of Wild Animals Danilovgrad  
Kastel Montenegro Pljevlja  
Centre for Conservation and Archaeology  
Directorate of Traffic Danilovgrad  
PE "Utilities" - Danilovgrad  
PE Cleanliness Herceg Novi  
PE Parking Service Herceg Novi  
Public Utilities Herceg Novi  
Specialist Veterinary Laboratory Podgorica  
PI Daily Centre for Children with Disabilities and Developmental Difficulties Herceg Novi  
PI City Library and Reading Room Herceg Novi  
PI Culture Herceg fest Herceg Novi  
Agency for Protection and Development of Orjen - Herceg Novi  
Tourist Organization of Herceg Novi  
Water and Sewerage LLC Herceg Novi  
PE "Water and Sewerage" - Danilovgrad  
PE Waterworks "Bistrica" Bijelo Polje  
Institute of Seaside Biology Kotor  
PI Centre for Social Work in Herceg Novi  
PI Centre for Social Work Kotor, Tivat and Budva  
PI Centre for Culture Andrijevica

Radio Television of Montenegro  
PE Water Supply and Sewerage Cetinje  
PIC for Housing – Utilities Activities - Andrijevica  
Tourist Organization of Budva  
Coast Management Budva  
PE Utilities Ulcinj  
PI Day Care Centre Sirena  
Pension Fund LLC Ulcinj  
Agency for Construction and Development of Ulcinj  
Montenegrin Fund for Solidarity Housing Development LLC  
Montenegrin Operator of Electricity Market - LLC Podgorica  
Montenegrin Transmission System - JSC Podgorica  
PI Centre for Social Work Bar and Ulcinj  
Tourist Organization of Bar  
Ulcinj Riviera - JSC Ulcinj  
Tourist Organization of Cetinje  
Tourist organization of Bijelo Polje  
University of Montenegro  
Broadcasting Centre of Montenegro - LLC Podgorica  
Railway Transport of Montenegro  
Maintenance of Railway Vehicles - JSC Podgorica  
Montenegro Bonus – LLC Cetinje  
Montecargo – JSC Podgorica  
Monteput – LLC Podgorica  
Centre for Culture and Sports Mihailo Lalić –Andrijevica  
PE Utilities Berane  
Municipal Public Institution “Museums” - Kotor  
Tourist Organization of Kotor  
PE “Waterworks and Sewerage” – Kotor  
PI “Anderva” –Nikšić  
PI Centre for Culture – Kolašin  
PI Centre for Culture – Nikšić  
PI Centre for Culture –Plužine  
PI Centre for Culture – Plav  
PI Centre for Culture – Ulcinj  
PE “Waterworks and Sewerage” –Berane  
Institute of Marine Biology Kotor  
PE Waterworks and Sewerage – Nikšić  
PI Health Centre



Medical Chamber of Montenegro  
Institute for Textbooks and Teaching Aids  
Montenegrin Academy of Sciences and Arts  
Centre for Social Work Cetinje  
JU Centar za kulturu Rožaje  
PUC "Gradac" –Mojkovac  
Tourist Organization of Žabljak  
PE for Housing and Utility Services Žabljak  
Tourist Organization of Mojkovac  
Centre for Culture "Nenad Rakočević"  
PI Centar za kulturu Žabljak  
PI Waterworks and Sewerage Rožaje  
PI Royal Theatre Zeta House Cetinje  
PI Heritage Museum "Ganic Tower" Rožaje  
PE Utility Services Podgorica  
PE Greenery Podgorica  
PI "City Theatre" - Budva  
PE Utilities Housing Public Company -Budva  
PE "Waterworks and Sewerage" –Budva  
PE "Funeral Services" –Budva  
PE Utilities –Tivat  
PE "Sports Centre" –Cetinje  
PE "Waterworks and Sewerage" Kotor  
Directorate for Planning and Construction of Kotor  
PUC Kotor  
PEC Berane  
PI Centre for Social Work Berane, Andrijevica and Petnjica  
PE Maintenance of Local Roads – Pljevlja  
PI Day Centre for Children and Youth with Disabilities and Developmental Difficulties -  
Pljevlja  
PE "Waterworks and Sewerage" –Bar  
PE Utility Services –Bar  
New Tobacco Plant Podgorica  
Funeral Services Podgorica  
"Fruits of Montenegro" – JSC Podgorica  
PI Centre for Social Work Pljevlja and Žabljak  
Project Consulting  
PE "Waterworks and Sewerage" – Ulcinj  
Tourist Organization –Rožaje

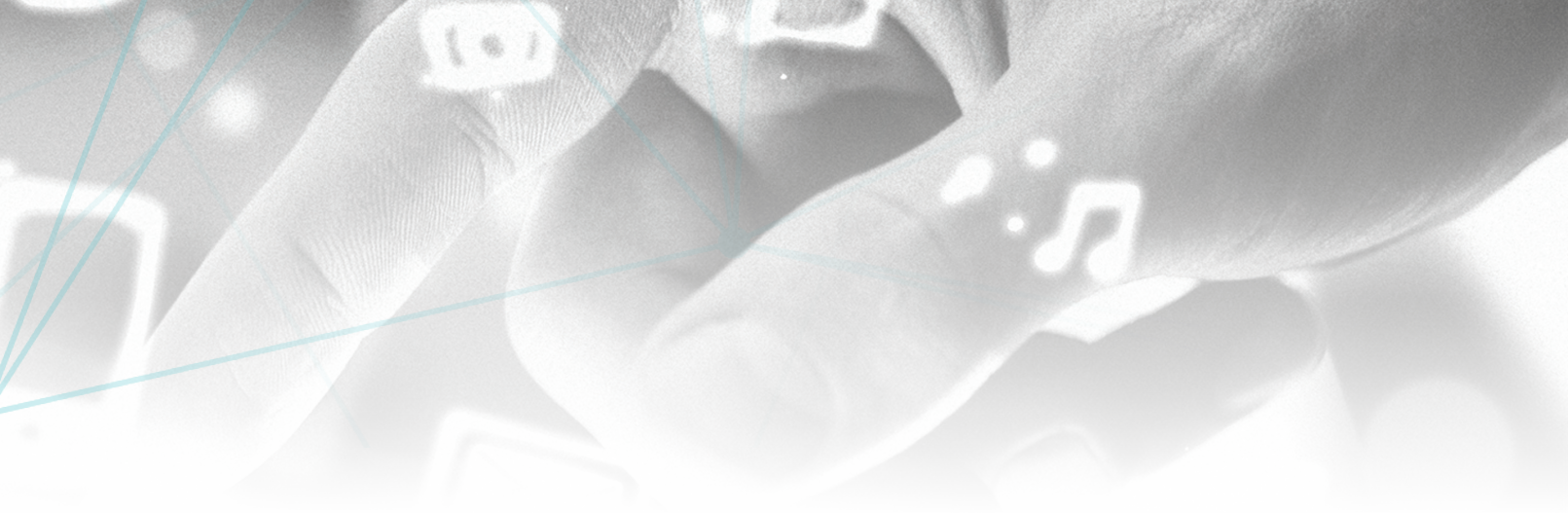


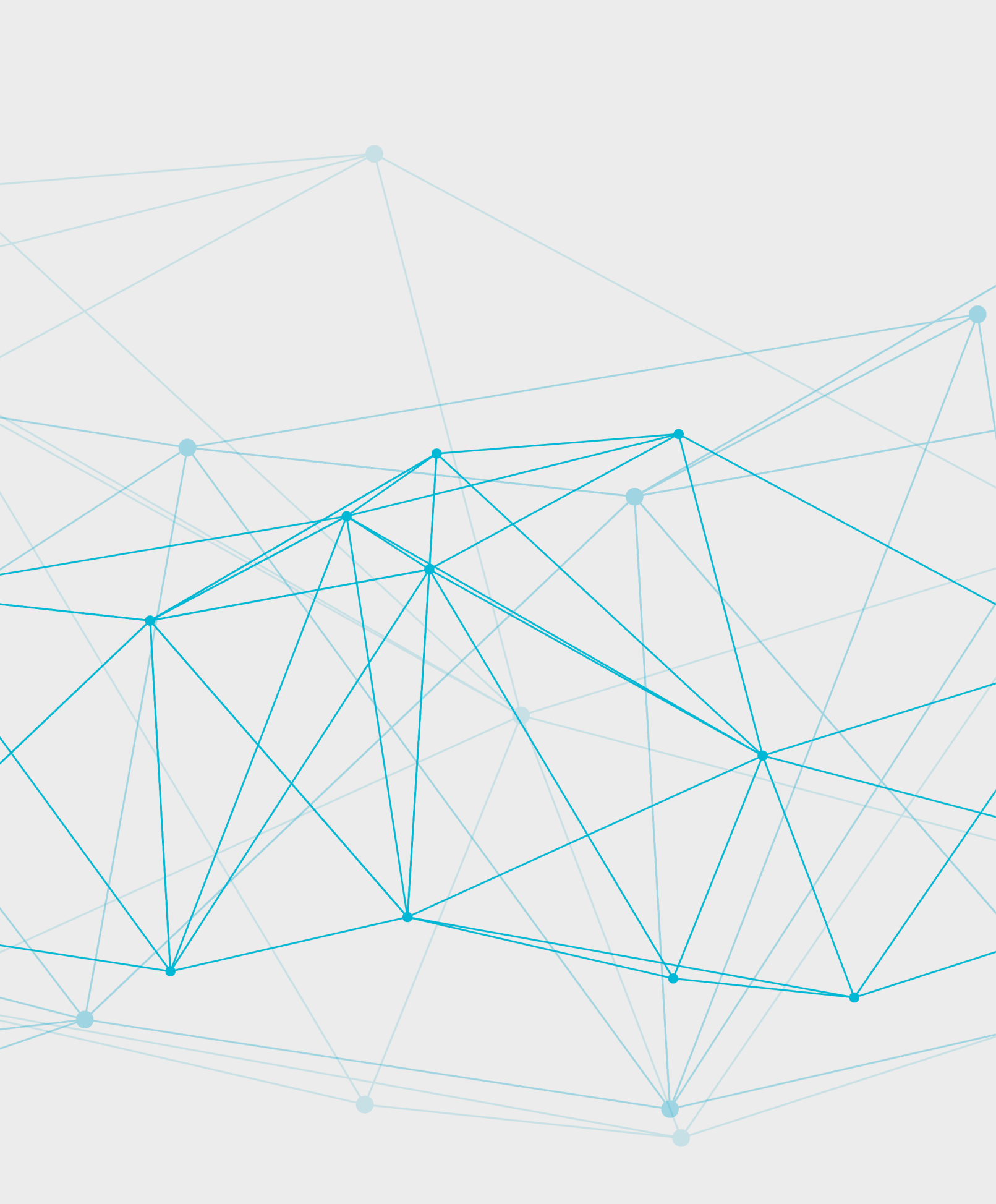


PE Cleanliness – Pljevlja  
Utilities Kotor LLC  
Innovation and Entrepreneurship Centre  
PE Sports Facilities Podgorica  
Maritime Museum of Montenegro  
Tourist Organization of Plav  
PE for Housing Activity Plav  
PE Sports and Recreation Centre Bar  
Technopolis Nikšić  
Tourist Organization of Plužine  
Agency for Housing and Commercial Fund Pljevlja  
PE “Waterworks and Sewerage” – Cetinje  
PE “Waterworks and Sewerage” – Tivat  
PI Centre for Culture –Tivat  
PE “Heating” -Pljevlja  
PI Centre for Culture –Bar  
LLC “Academy of Knowledge” – Budva  
PE “Mediterranean Advertisements” – Budva  
Sports Centre Igalo LLC  
Sports Centre NK  
PE Bus Station of Nikšić  
PI “Museums, Gallery, and Library” - Budva  
Parking Service Budva  
PE Utility Services – Šavnik  
Foundation “Kotor Festival of Children’s Theatre” – Kotor  
Memorial Home Red Commune  
PE Waterworks –Pljevlja  
PI Day Care Centre Pljevlja  
PI Centre for Vocational Education  
PUC Nikšić  
PUC Cetinje  
PI Centre for Education and Training “1 June” Podgorica  
PI Day Care Centre Lipa  
Diaspora Centre  
PE “Waterworks and Sewerage” Nikšić  
PI Centre for Social Work Plužine, Nikšić and Šavnik  
PE “Waterworks and Sewerage” Berane  
PI Nikšić theatre  
PI for Children Recreation Lovćen, Bečić and Cetinje



PI National Library and Reading Room "Njegoš" - Cetinje  
PI Natural History Museum of Montenegro  
LLC Eco Village "Štavna" -Andrijevića  
PE "Waterworks and Sewerage" Kolašin  
Tourist Organization of Kolašin  
Utilities Kolašin  
Chamber of Engineers of Montenegro  
Centre for Culture -Danilovgrad  
Utilities - Ulcinj  
Sports Centre -Rožaje  
PE Utilities - Rožaje  
Library of Budva  
PI Sports Hall Tivat  
University Library  
Tourist Organization of Podgorica  
Budva Holding  
PE Regional Waterworks, Coast - Budva  
Sports and Recreation Centre – Budva  
Sports and recreation centre Mediterranean – Budva  
Tourist Organization of Danilovgrad





*Centar za građansko obrazovanje*  
*Centre for Civic Education*

**HEINRICH BOELL STIFTUNG**  
**SERBIA, MONTENEGRO, KOSOVO**