



*Centar za građansko obrazovanje  
Centre for civic education*

**How much is invested into  
the fight against corruption  
and organized crime  
in Montenegro and  
are there visible  
results in this respect?**

*Podgorica, February 2013*



## **Introduction**

The research “**How much is invested into the fight against corruption and organized crime and are there visible results in this respect?**” was established within the sub-programme of the Centre for Civic Education (CCE) *Accountability and Transparency of the Government* and it aims to raise awareness on the expenditures from the Budget of Montenegro and European Union funds. The specific objective of the project is to point out the investments in the fight against corruption and organized crime, as one of the key problems of Montenegro on its path towards the EU and the (in)visible results in this direction.

CCE has conducted research in the period from 17 January to 6 February 2013, taking into account the funds for project activities in the field of fight against corruption and organized crime invested in Montenegro from 2007 to 2012, through the financial support received through the Instrument for Pre-Accession Assistance, as well as direct allocations from the Budget of Montenegro into the key bodies responsible for combating corruption and organized crime.

Corruption and organized crime have been long lasting challenges in front of the Montenegrin way to the EU, along with an internal democratization of the country.

In the fight against corruption and organized crime, it is essential to establish strong, efficient and professional institutions that will conduct this work, so that citizens of Montenegro could have confidence in the entire legal system. Therefore, the building of these institutions includes also their adequate financing, which should be a priority not only of the European Union, which has been pointing out their weakness for years already and has also significantly invested in Montenegro for this purpose, but adequate financing should come also from the Budget of Montenegro, which is nothing but the financial expression of the declared political will. Of course, it is necessary from time to time to make an assessment regarding what these resources are, whom they are allocated to, whether they correspond to visible results and whether the declared political will is accompanied by track record.

## ***Corruption and organized crime in Montenegro through the prism of the EU institutions***

In one of the first papers reflecting on Montenegro - ***Report on the preparedness of Serbia and Montenegro to negotiate a Stabilisation and Association Agreement with the European Union*** (known also as Feasibility Study)<sup>1</sup> publicised on 12 April 2005, Commission assessed: “***In Montenegro, the rule of law needs to be further strengthened. Links continue to exist between organised crime and segments of the political and institutional system.***” The report further on stated that “*commitment to fight corruption has remained largely rhetorical*” and strongly underlined the need to achieve rapid improvements in this direction.

Since independence, through the tool of reports by the Commission to the European Council and European Parliament, the European Union closely followed the progress of Montenegro in this regard.

The ***2007 Progress Report on Montenegro*** was the second report issued by the European Commission since independence of Montenegro. It again raises concerns on the development of corruption and lack of adequate response: “*...corruption is widespread and is a very serious problem. Decision-makers at the highest level have highlighted the need to tackle corruption. However, enforcement remains a problem. Very few cases have been brought to justice (...)*”. Moreover, it states: “Overall, there have been a few results in this area. *The situation calls for urgent action in order to achieve relevant results on the ground, especially in the area of high-level corruption*”<sup>2</sup>. Regarding fight against organized crime, “*no particular progress can be reported in the fight against organised crime. Organised crime remains a source of serious concern in Montenegro*”<sup>3</sup>.

The situation described in the ***2008 Progress Report*** resembles the previous, as it reads: “Overall, there has been some progress in strengthening the strategic and administrative framework for combating corruption. However, *the declared commitment of the authorities to combat corruption has not been backed up by rigorous implementation with clear results, including higher conviction rates in*”

<sup>1</sup> Commission staff working paper - Annex to the Communication from the Commission on the preparedness of Serbia and Montenegro to negotiate a Stabilisation and Association Agreement with the European Union {COM(2005)476 final} /\* SEC/2005/0478 \*/ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SEC:2005:0478:FIN:EN:HTML>

<sup>2</sup> Commission of the European Communities, Montenegro 2007 Progress Report accompanying the Communication from the Commission to the European Parliament and the Council, pag. 12 [http://ec.europa.eu/enlargement/pdf/key\\_documents/2007/nov/montenegro\\_progress\\_reports\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/montenegro_progress_reports_en.pdf)

<sup>3</sup> Ivi. Pag.43



*corruption cases. Corruption continues to be widespread and inefficiently prosecuted, particularly in cases of high-level corruption". In the field of organized crime, "Overall, organised crime remains a matter of serious concern in Montenegro", thus showing no particular progress in the evaluation if compared to 2007.*

In **2009** the **conclusions of the Progress Report** state "there has been good progress in building the legal and administrative framework for the fight against corruption. Progress has been made on further enhancing preventive and investigative anti-corruption bodies. However, corruption remains prevalent in many areas and continues to be a particularly serious problem. There are concerns over the comprehensiveness and effective implementation of legislation in this area. While there is a positive trend, investigation capacities and co-ordination of law-enforcement agencies are weak, resulting in low numbers of convictions. There is insufficient supervision in the areas of financing of political parties and conflict of interests"<sup>4</sup>. Regarding the fight against organized crime, it assess that "its institutional, legal and administrative capacity has been strengthened. However, organised crime remains a matter of serious concern, which affects the rule of law and business environment. Investigation and prosecution capacities remain insufficient, resulting in rare final convictions in cases of organised crime. Enhancing human resources and strengthening inter-agency cooperation must be addressed as a priority"<sup>5</sup>.

In November **2010**, in its **Report on Montenegro's application for membership**, the European Commission defined fight against corruption and organised crime as two of the seven key priorities to be met in order for the European Council to open accession negotiations with Montenegro. The Report reads: "**KP4** -Improve the anti-corruption legal framework and implement the government's anticorruption strategy and action plan; establish a solid track record of proactive investigations, prosecutions and convictions in corruption cases at all levels. **KP5**-Strengthen the fight against organised crime based on threat assessment and proactive investigations, increased cooperation with regional and EU partners, efficient processing of criminal intelligence and enhanced law enforcement capacities and coordination. Develop a solid track-record in this area"<sup>6</sup>.

The following **Progress Report from 2011** states "Progress has been made in the implementation of the government's anti-corruption strategy and action plan, which

<sup>4</sup> Conclusions on Montenegro (extract from the Communication from the Commission to the Council and the European Parliament "Enlargement Strategy and Main Challenges 2009-2010", COM(2009)533 final), pagg.1-2 [http://ec.europa.eu/enlargement/pdf/key\\_documents/2009/conclusions\\_on\\_montenegro\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2009/conclusions_on_montenegro_en.pdf)

<sup>5</sup> Ibid. pag.6

<sup>6</sup> European Commission, Communication from the Commission to the European parliament and the Council. Commission Opinion on Montenegro's application for membership of the European Union, pag.11 [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/package/mn\\_opinion\\_2010\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/mn_opinion_2010_en.pdf)



*is part of the key priority set out in the Opinion (...). However, corruption remains a serious concern. Implementation of the new anti-corruption legislation is yet to start. Proper impact assessments need to be developed, including plans for the necessary human and financial resources and preparations for implementation. The full entry into force of the new provisions of the CPC and the Criminal Code has not been sufficiently prepared and will require additional training, in particular for judges. The independence of the judiciary remains a matter of concern affecting the determination to combat corruption. Despite a positive trend, the track record in combating corruption needs to be further developed. Final convictions remain limited, in particular for high-level corruption cases. The number of corruption cases in which seizure or confiscation of assets were ordered is still very low. Provisions of the CPC and the Criminal Code on extended confiscation of criminal assets have not yet been used. No progress can be reported as regards the work of the State agency responsible for the confiscation of criminal assets. Further efforts are needed to strengthen its institutional and administrative capacity. The capacity of prosecutors and police to conduct financial investigations, trace criminal assets and present related evidence before the courts remains to be improved. The level of inter-agency cooperation and information exchange between the different law enforcement agencies and the prosecutor's office remains to be enhanced. Cooperation and coordination between police and prosecutors in particular need to be improved. Prosecutors' lack of access to the national database of the police and their possibility to delegate investigation to the police only in exceptional circumstances considerably hamper implementation of the new CPC. Use of special investigative measures is impeded by the lack of adequate equipment and specialised human resources. Implementation of the new legislation on financing of political parties and election campaigns is yet to start (...) There continues to be a need for stronger monitoring of corruption and conflicts of interest in the judiciary. Corruption remains prevalent in many areas and continues to be a serious problem”<sup>7</sup>. Moreover, in the conclusions of chapter 23 (Justice and fundamental rights), it reads “overall, Montenegro has made some progress in this area, notably as a result of its efforts to address the relevant key priorities set out in the Commission Opinion. Further sustained efforts will be needed to align with the acquis in this chapter, in particular to implement and enforce it effectively in the medium term”<sup>8</sup>.*

The EU focus on fight against corruption and organised crime, when it comes to Montenegro, remained also in the light of the submission by the European

<sup>7</sup> European Commission, Commission Staff Working Paper Montenegro 2011 Progress Report Accompanying the document “Communication from the Commission to the European Parliament and the Council- Enlargement Strategy and Main Challenges 2011-2012, pagg.13-15  
[http://ec.europa.eu/enlargement/pdf/key\\_documents/2011/package/mn\\_rapport\\_2011\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/mn_rapport_2011_en.pdf)

<sup>8</sup> Ibid. pag.60



Commission to the Parliament and European Council of the **Report on Montenegro's progress in the implementation of reforms in May 2012**. In the report, which focused on the progress of the seven key priorities with the view of opening accession negotiation in June 2012, it is stated: "Montenegro has further developed its track record in combating corruption and organised crime (...). Montenegro will need to sustain its efforts, however, to further develop a track record in the area of rule of law, in particular with respect to high-level corruption and organised crime cases (...)". More in particular, under the part concerning fight against corruption, it recognizes progress done by Montenegro but calls for more action: "progress has been made in the area of anti-corruption. Implementation of recently adopted legislation in the key areas of political party financing, prevention of conflict of interest and public procurement has started. Their provisions on control mechanisms need to be further strengthened. Further steps have been taken to develop the track record in the fight against corruption, as shown by a number of new investigations of high-level corruption cases. Nonetheless, the number of final convictions and of corruption cases in which seizure or confiscation of assets were ordered remains low. Inter-agency cooperation, in particular between police and prosecutors, needs to be further enhanced and the leading role of the prosecution strengthened, in line with the new CPC (Criminal Procedure Code)". In particular, it is stated above that "track record in combating corruption needs to be systematically developed, in particular in terms of investigations and final convictions for high-level corruption cases. The fact that all high-level corruption cases have been initiated on the basis of evidence provided by a third party is a matter of concern". Referring to the fight against organized crime, it is assessing "further progress can be reported in the fight against organised crime (...). The legal framework has continued to be strengthened, but its implementation would require continued attention. The investigative capacities of the law enforcement bodies and of the prosecution need to be further strengthened, particularly in the field of financial investigations. Interagency cooperation needs to be enhanced."<sup>10</sup>

Still, the fight against organised crime and corruption remains top-priority and of highest concern for EU countries. The conclusions of the **2012 Progress Report on Montenegro** reiterate what previously stated in the Report from May 2012, i.e., concerning anti-corruption policy, "implementation of recently-adopted legislation in the key areas of political party financing, prevention

<sup>9</sup> Report from the Commission to the European Parliament and the Council on Montenegro's progress in the implementation of reforms, 22.05.2012, pag.8  
[http://ec.europa.eu/enlargement/pdf/key\\_documents/2012/montenegro\\_spring\\_report\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2012/montenegro_spring_report_en.pdf)

<sup>10</sup> Ibid. pag.9

of conflict of interest and public procurement has started. The capacity of the supervisory institutions, in particular the State Election Commission, the State Audit Institution and the Commission for the Prevention of Conflict of Interest, needs to be enhanced. Montenegro has further developed its track record of investigations, prosecutions and convictions in corruption cases, but their number remains low and there are still no seizure or confiscation of assets ordered for corruption offences. **Corruption remains widespread and continues to be a serious cause for concern, hindering law enforcement investigations of organised crime**. In the field of fight against organized crime, the Report acknowledges progress, but still the track record needs to advance further. “Tackling organised crime through all means of the legal system present particular challenges for the country”. In particular, this Report, which is the latest one issued, states that a National Criminal Intelligence System must be established as its lack affects the work of law enforcement bodies. “Prosecutor’s leading role in investigations still needs to be strengthened. Increased efforts are required in the fight against money laundering and trafficking in human beings, including to identify and reintegrate victims”.<sup>11</sup>

European Parliament has been expressing continuously the similar concerns, and it:

- *Encourages the government to implement in a consistent manner anti-corruption legislation as well as laws on the financing of political parties and election campaigns; invites the competent law enforcement agencies to comprehensively pursue anti-corruption efforts and more corruption cases leading to convictions, including high-level corruption cases; calls on the Montenegrin authorities to introduce more precise mechanisms for the sound implementation and monitoring of anti-corruption initiatives and projects as well as to enhance inter-agency cooperation and information exchange, particularly between the police and prosecutors; encourages the Montenegrin Parliament to strengthen its oversight of the anti-corruption authorities; calls on the authorities to shed more light on allegations of corruption, especially concerning cases of privatisation; invites the Commission to assess the impact and results achieved through the allocation of EU funds in the reform of the judiciary and the fight against corruption;*
- *Underlines the need to intensify the fight against organised crime, in particular with regard to the strengthening of the administrative and investigative capacities of police and prosecution authorities in order to improve the efficiency of these bodies; considers it important to step up efforts on the*

<sup>11</sup> Conclusions of 2012 Montenegro Progress Report. [http://ec.europa.eu/enlargement/pdf/key\\_documents/2012/package/mn\\_conclusions\\_2012\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2012/package/mn_conclusions_2012_en.pdf)



*efficient processing of criminal intelligence and to further extend international and regional cooperation in combating organised crime, above all money laundering and smuggling;*<sup>12</sup>

- *Regrets that corruption remains common; encourages the government to implement anticorruption measures, including the new Law on Political Party Financing, in a consistent manner, to build up a track record particularly in terms of investigations and convictions in high-level corruption cases, to further strengthen preventive tools and awareness-raising campaigns as well as to protect citizens reporting on corruption cases; stresses the need to reinforce related administrative capacities and inter-agency cooperation;*
- *Calls on the government to reinforce the legal framework and strengthen the capacities of law enforcement bodies in combating organised crime; calls for extending domestic, regional and international cooperation; commends the measures to prevent and combat human trafficking but calls for effective investigations and prosecution;*<sup>13</sup>

**Overall, from the Feasibility Study to the latest Progress Report European Commission seems to have kept strong focus on the issue of corruption and organized crime in Montenegro and its assessments are unfortunately not indicating effective track record.**

**The same refers to the European Parliament, as another important EU institutions, and which is more and more closely following up with the developments in Montenegro.**

<sup>12</sup> P7\_TA-PROV(2012)0117 Enlargement report for Montenegro- PE486.732 European Parliament resolution of 29 March 2012 on the 2011 progress report on Montenegro (2011/2890(RSP)), publication of the Centre for Civic Education “How does European Parliament assess Montenegro in the accession process to the EU”, 2012

<sup>13</sup> **MOTION FOR A RESOLUTION** to wind up the debate on the statement by the Commission pursuant to Rule 110(2) of the Rules of Procedure on the 2012 Progress Report on Montenegro (2012/0000(RSP)) Charles Tannock, 08.11.2012  
[http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/afet/re/917/917410/917410en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/afet/re/917/917410/917410en.pdf)



## ***Authorities responsible for the fight against corruption and organized crime in Montenegro***

Authorities who are directly responsible for the fight against corruption and organized crime in Montenegro, within their jurisdiction, which include the National Commission for the implementation of the strategy for the fight against corruption and organized crime, are as follows<sup>14</sup>:

- Ministry of Justice
- Ministry of the Interior
- Directorate for Anti-corruption Initiative
- Committee on Economy, Finance and Budget of the Parliament of Montenegro
- Committee on Political System, Judiciary and Administration of the Parliament of Montenegro
- Supreme Court of Montenegro
- Supreme State Prosecution
- Police Directorate
- Directorate for Prevention of Money Laundering and Financing of Terrorism
- Ministry of Finance<sup>15</sup>

Exactly these bodies, as well as the National Commission itself, have been in the centre of the CCE efforts to determine how much money from the EU funds and Montenegrin budget was spent through their work on fight against corruption and organized crime.

---

<sup>14</sup> Amendments to the Decision establishing the National Commission for the implementation of the strategy for the fight against corruption and organized crime (“Official Journal of Montenegro” No. 61/10).

<sup>15</sup> The order is based on the above amendments to the Decision.



## ***Investments in the fight against corruption and organized crime through the responsible authorities in Montenegro***

CCE has conducted the research ***How much is invested into the fights against corruption and organized crime in Montenegro and are there visible results in this respect?*** in the period from 17 January to 6 February 2013, taking into account the funds for project activities in the field of fight against corruption and organized crime invested in Montenegro from 2007 to 2012, *through the financial support received through the Instrument for Pre-Accession Assistance, as well as direct allocations from the budget of Montenegro* into the key institutions responsible for combating corruption and organized crime.

The research included ten bodies<sup>16</sup>, whose representatives participate in the work of the National Commission for the implementation of the strategy for the fight against corruption and organized crime, as well as the National Commission itself, and Ministry of Foreign Affairs and European Integration, to whom the CCE was directed during the research, as a body that has a preview of the allocation from EU funds.

Pursuant to the provisions of the Law on Free Access to Information, CCE has sent two sets of three questions to these bodies, which makes a total of 66 questions in 22 applications (for the Police Directorate these were sent to the authorized Ministry of the Interior).

The first set of questions was related to: the total number of programmes and projects, of all state institutions of Montenegro, which are related to the fight against corruption and organized crime, ***and which were financed from the budget of Montenegro*** from 2007 to 31 December 2012; full names of the programmes and projects holders, and then also the total amount of money allocated to public institutions of Montenegro, on the basis of these programmes and projects, as well as individual amounts for each one of them.

On the other hand, the second set of questions was related to: the total number of programmes and projects, of all state institutions of Montenegro, which are related to the fight against corruption and organized crime, which were financed

---

<sup>16</sup> Listed on the previous page.

from ***the EU funds*** in the period from 2007 to 31 December 2012; full names of the programmes and projects holders, and then also the total amount of money allocated to public institutions of Montenegro, on the basis of the programmes and projects, as well as individual amounts for each one of them.

In general, ***the institutions of the system which CCE addressed, regarding these issues, have proven to be efficient***, given that a good portion of them, strictly complied with the legal deadline of eight days, while other bodies pierced legal term, with different reasons enclosed, or delivered incomplete information referring to other institutions, which required additional effort of those employed in CCE, in the part of repeated requests and direct communication. Finally, the answers were collected from all bodies, analyzed and presented in this report.

There are examples where the information that CCE received from ministries and directorates for projects that were carried out in this area do not correspond. Namely, in the internal table that CCE got from the Ministry of Foreign Affairs and European Integration, there are projects and allocated amounts for certain ministries and directorates, which were not provided by the same ministries and directorates in their answers, therefore this was added to this report in the sections relating to these ministries and directorates data, with an adequate note by the CCE.

*It is important, also, to note that ***the figures quoted in this report do not show the complete investment outside the budget of Montenegro in the fight against organized crime and corruption***, through the authorized institutions. Namely, the CCE did not investigate how much the member states of the European Union and the United States of America, through various projects, have additionally invested, but CCE has the information that these projects do exist and that investments through these models are significant and continuous, so that ***the final figure presented on this basis in the report is rather to be considered as the smallest possible and by no means the final figure of financial assistance.****

***For all the data processed, the CCE has adequate documentation of the competent institutions, and eventual mistakes in calculation can occur only if the competent institutions have not provided the CCE with complete or accurate information, to which the law binds them.***



### **The National Commission for the implementation of the strategy for the fight against corruption and organized crime**

*The National Commission is assigned to:*

- manage, organize and coordinate activities of state administration, state institutions and other relevant institutions in the implementation of the Programme against corruption and organized crime;
- manage the overall resources allocated for the implementation of the Programme against corruption and organized crime;
- define priorities, timeframes and deadlines for implementation, and evaluate the results achieved in the implementation of the Programme against corruption and organized crime;
- submit to the Government of the Republic of Montenegro the report with the overview on the state of affairs, evaluation and proposal of measures at least twice a year.

Pursuant to these responsibilities, CCE has requested the information from the National Commission regarding financial resources invested in the fight against corruption and organized crime. In a response submitted to the CCE it is stated that according to the Decision of the National Commission for the implementation of the strategy for the fight against corruption and organized crime establishment, in the provision related to the jurisdiction of the National Commission, it is not envisaged that the National Commission maintains records of this type. Therefore, the National Commission forwarded the request to the Ministry of Finance, as the authorized institution, which is in the possession of the requested information.

***Provided that one of the tasks of the National Commission is to manage the total resources allocated for the implementation of anti-corruption and organized crime, CCE notes that it is unclear how the National Commission is performing this when it is in no possession of information about these resources.*** Also, the National Commission has not met for nearly a year, and the Decision on the Establishment states that it is in obligation of submitting a report to the Government of Montenegro with the overview on the state of affairs, evaluation and proposal of measures at least twice a year. *Given that this is the most representative institution in a political sense, which was formed as one of the responses in facing the challenges*

*of the fight against corruption and organized crime, these facts are a serious concern even in the part of the declared political will of governments to devote full attention to solving one of the key obstacles in the Montenegrin path towards the EU.*

### **Ministry of Justice**

*Ministry of Justice performs administration tasks related to: organization and operation of the courts and the state prosecution, institutions in charge of criminal sanctions enforcement, law offices, notaries, mediators and court experts; status issues of judicial function holders; criminal legislation; legislation that regulates obligations, family and hereditary relations, court proceedings, infringement procedure and legal assistance; analyses of the work of the judiciary; preparation and monitoring of the implementation of strategic documents and projects in the field of justice; giving opinions on draft laws and other provisions regulating court proceedings, infringement procedure and sanctions; control of the imprisonment and other criminal sanctions in cases provided by law; the bar exam; notary exam; international legal assistance in criminal and civil matters; extradition, cooperation in the field of international criminal justice and with international organizations in the field of justice and human rights; the preparation, drafting and implementation of international agreements in the field of international legal assistance; additional certification of documents for use in other countries; preparation and monitoring law on ratification of international agreements in the field of judicial system; cooperation with international organizations in the process of harmonizing justice system with international standards; administrative tasks for the appointment of a representative of Montenegro before the European Court of Human Rights and identification of candidates for election to the European Court of Human Rights; amnesty, release on licence and an agreement on compensation for arbitrary detention and suspension of imprisonment; permanent court interpreters; bankruptcy managers; prescribing training programme for mediators and the manner of its implementation; the appointment and dismissal of the mediators; maintenance of proper records; harmonization of national legislation within its jurisdiction with the legal system of the European Union; administrative supervision in the areas for which the Ministry has been established; as well as other activities within its jurisdiction.*

*The Ministry of Justice has, for the purpose of the implementation of programmes and projects related to the fight against corruption and organized crime, in the period*





from 2007 to the end of 2012, received from **the EU funds € 3,938,702.76 euros**, while **the Budget of Montenegro** for implementation of same projects **allocated € 45,000.00**, which amounts to a total of **3,983,702.76**. The amount of € 16,000,000.00 should be added to this, as it was funded by the EU in regional projects in which the Ministry of Justice is taking part, but since it was not clear what is the exact percentage concerning the Ministry of Justice of Montenegro, the same is not calculated in the total amount, but CCE only draws attention to these resources to some extent.

This applies to the following specific projects:

1. Twinning project “*Judicial Reform*” (IPA 2007) - implemented from 1 November 2008 to 1 March 2010, and financed by the EU funds with a total budget of € 1,499,987.70. The main beneficiary was the Ministry of Justice, with the Judicial and Prosecution Council, and it was implemented by the Federal Ministry of Justice of Austria.
2. “*Support to the implementation of the new Criminal Procedure Law*” (IPA 2009) - implemented from September 2010 to February 2012. The project’s total value is € 988,71.06. The partners in this project are the Ministry of Justice of Montenegro and the Ministry of Justice of France. **Note:** The previous information is submitted to the CCE by the Ministry of Justice, while in the response of the Ministry of Foreign Affairs and European Integration it is stated that total value of this same project is € 1,130,000.00 of which € 1,000,000.00 was provided by EU funds, while national co-financing was equal to € 130,000.00, which the Ministry of Justice also didn’t presented.
3. Framework Agreement “*Support for prison reform*” (IPA 2009) - implemented from January 2011 to January 2012. The value of the project was € 200,000.00, without national co-financing.
4. „*Support for the implementation of the strategy and action plan for the fight against corruption*” (IPA 2010) - officially started on 24 October 2012 with estimated duration of 18 months. The main beneficiary was the Directorate for Anti-Corruption Initiative, and the value is € 737,000.00 (wherein € 700,000.00 is from EU funds, and national co-financing € 37,000.00). Directorate for Anti-corruption Initiative is not an independent body, but is under the authority of the Ministry of Justice, and given that this information is provided to the CCE by the Directorate within its own response that was sent, the same amount is not included in investments calculated for the Ministry of Justice.
5. “*Justice for Children*” (IPA 2011) - officially started on 13 December of 2012,

with estimated duration of 18 months. The total value of the project amounts to € 550,000.00 (of which € 500,000.00 is grant of UNICEF which is conducting the project and € 50,000.00 of co-financing from UNICEF).

6. Twinning project “*Support to the reform of criminal sanctions system in Montenegro*” - officially started on 21 January 2013, the estimated duration is 18 months. Project partners are the Federal Republic of Germany and the Kingdom of the Netherlands. The total value of the project amounts to € 745,000.00 (namely € 700,000.00 from EU funds and € 45,000.00 of national co-financing).

Additionally, according to the data provided by the Ministry of Foreign Affairs and European Integration, from the multi-beneficiary IPA programme related to regional projects, the Ministry of Justice was supported in the following way:

7. “*Protection of witnesses in the fight against organized crime*” (MB IPA 2009) - the total value of the project supported by EU funds is € 4,000,000.00.
8. “*The fight against the strengthening of organized crime and corruption: strengthening the network of prosecutors*” (MB IPA 2012) - the total value of the project supported by EU funds is € 5,000,000.00.
9. “*The protection of witnesses in the fight against organized crime - Phase II*” (MB IPA 2009) - the total value of the project supported by EU funds is € 7,000,000.00.



### **Ministry of Interior (and Police Directorate)**

*Ministry of Interior performs administrative tasks related to:* analytical monitoring of state of affairs and strategic planning in the field of fight against crime, public order and peace, traffic safety, and other areas of police work and activities, instructional activity for the implementation of strategies and policies in these areas; supervision and internal control over the performance of police tasks and procedures, expertise, legitimacy and efficiency of the police work; proposing, monitoring and implementation of mechanisms for effective combat against human trafficking; citizenship, passports, immigration, asylum issuing, naturalization, identity cards, residence and in relation to this, maintenance of the prescribed registers; unique personal identification number; personal name; civil registers; records of vehicles and drivers; purchase of weapons and parts for weapons; protection of personal data; production, marketing and transportation of explosives; operation, transport and storage of flammable liquids and gases; transport of hazardous flammable liquids and gases, transport of explosives; transport of armaments, military equipment and dual-use goods by land and water; risk management, protection and rescue management in emergency situations and management of recovery from consequences of emergencies (earthquakes, fires and other natural, technical and technological disasters); civil protection services, as part of an integrated system of emergency management; field of public administration in the part of organization, modalities and methods of operation, management, accountability, relationships, cooperation, publicity and transparency of state administration institutions; area of civil service relations, office management, general administrative procedure and inspection supervision; inspection supervision within the jurisdiction and authority as prescribed by regulations of the system of state administration, labor relations in state administration institutions and local self-government and administrative handling; non-governmental organizations; political parties; religious groups' applications recordings; state authorities seals; organization and authority of local self-government; operation and implementation of the local government provisions within the jurisdiction of this ministry; the territorial organization of local self-governments; international cooperation of local self-government units with local self-government units of other countries; the implementation of international agreements within the competence of the Ministry; giving opinions on laws proposals and other regulations or general acts related to issues regarding state and local self-governments, as well as the law proposals that regulate the deviations from the general administrative procedure; border security; integrated border management, organization and financing of construction, reconstruction,

maintenance and modernization of border crossings; border-line within the jurisdiction of the ministry; drawing up medium-term programme strategy and annual plans for border crossings; leasing facilities or parts of facilities at border crossings; harmonization of national regulations within its jurisdiction with the legal system of the European Union; cooperation with international and regional organizations; maintenance of assigned records; administrative supervision in the areas for which the Ministry has been established; as well as other activities within its jurisdiction.

*The Police Directorate perform tasks related to:* the protection of citizens safety and the Constitutionally established rights and freedoms; protection of property; prevention and disclosure of crimes and offenses; detection and apprehension of the perpetrators of criminal acts and violations and their bringing before the competent authority; maintenance of law and order; ensurance of public meetings and other citizens gatherings; protection of certain persons and facilities; supervision and control of traffic safety and misdemeanor proceedings in the field of traffic safety for offenses prescribed with fines; surveillance and border security, and performance of border controls; control of foreigners movement and residence; providing conditions for the smooth operation of the courts; order maintenance, protection of persons and property; forensics and investigations, criminal and other records; international police cooperation; drafting analyzes, reports, studies and monitoring of certain security issues; as well as other activities within its jurisdiction.

According to the first official response of the Ministry of Interior (MoI), from which the information regarding the Police Directorate was sought as well, the CCE was given an explanation that the MoI does not have information for the Police Directorate, and that the request was forwarded to the same, as well as that it will be responded to the CCE when a feedback from Police Directorate is received. *Accordingly, the MoI later sent a letter stating that, for the purpose of the implementation of programmes and projects related to the fight against corruption and organized crime, in the period from 2007 to the end of 2012, it received € 5,298,838.00 from the EU funds, while the Montenegrin budget allocated € 11,958,864,57. In total amount of MoI, there are stated actually only investments into the Police Directorate* which was provided with a total amount of, according to this view, **€ 17,257,702.57**. However, after reviewing the documentation from the Ministry of Foreign Affairs and European Integration, CCE come to the figure of an additional **€ 8,650,000.00** invested in the Police Directorate for the area of fight against corruption and organized crime, of which **€ 6,800,000.00 from EU funds** and **€ 1,850,000.00 from the budget of Montenegro**, as well as additional **€ 3,300,000.00** invested



**through the Ministry of the Interior, of which € 2,450,000.00 was provided from the EU funds, and € 850,000.00 was a national co-financing. In total, this means that € 25,907,702.57 was invested in the Police Directorate, of which 12,098,838.00 from EU funds and € 13,808,864.57 from the budget of Montenegro. In the Ministry of Interior € 3,300,000.00 was invested, of which € 2 450,000.00 from EU funds and € 850,000.00 from the budget of Montenegro.**

*In this way we come to the amount of € 29,207,702.57 of investments in the Ministry of Interior and the Police Directorate, without additional € 13,800,000.00 which EU financed through the regional projects in which the Ministry of Internal Affairs of Montenegro and the Montenegrin Police Directorate are taking part, but since it is not clear exactly what is the percentage referred to the Ministry of Internal Affairs of Montenegro and the Montenegrin Police Directorate, the same was not included in total amount, but the CCE only draws attention to these resources to some extent.*

This applies to the following specific projects:

1. *“The fight against corruption and organized crime - improving the capacity of the Police Academy”* - implementation started in 2007. Financed from the EU funds by € 1,500,000.00.
2. *“Strengthening the capacity of the Police Directorate (Strengthening the administrative capacity of the Police Directorate in the fight against organized crime and corruption, as well as the implementation of the Integrated Border Management Strategy)”* - implementation during 2009. Financed from EU funds by € 1,998,838.00.
3. *“Strengthening the capacity of the Police Directorate in integrated border management, criminal-intelligence work and the fight against drugs”* - realization during 2010. Financed by EU funds with € 1,800,000.00.
4. *“The fight against corruption and organized crime”* - implemented during 2009. Funded with € 4,571,898.00 from the Budget of Montenegro.
5. *“The fight against corruption and organized crime”* - implemented during 2010. Funded with € 2,645,109.91 from the Budget of Montenegro.
6. *The fight against corruption and organized crime”* - implemented during 2011. Funded with € 2,558,356.84 from the Budget of Montenegro.
7. *The fight against corruption and organized crime”* - implemented during 2012. Funded with € 2,183,490.82 from the Budget of Montenegro.

Further, in response to the CCE received from the Ministry of Foreign Affairs and European Integration, it is stated that the Ministry of Interior and the Police Directorate have, for their projects in this area, received funding in the following categories (which are not mentioned in the letter of the MoI):

8. *“The fight against organized crime and corruption”* (IPA 2007) – in the total



value € 3,600,000.00, of which € 3,000,000.00 were from provided the EU funds, and € 600,000.00 from national co-financing. The beneficiaries are the Police Directorate, Directorate for Anti-Corruption Initiative and Directorate for prevention of money laundering and financing of terrorism.

9. *“Support for the development of an integrated border management”* (IPA 2008) – in the total value of € 3,300,000.00, of which € 2,450,000.00 was provided from the EU funds, and € 850,000.00 from national co-financing. The beneficiary is the Ministry of Interior.
10. *“Strengthening of the capacity of the police directorate”* (IPA 2009) - with a total value of € 2,400,000.00 , of which was € 2,000,000.00 was provided from the EU funds and € 400,000.00 from national co-financing. The beneficiary is the Police Directorate.
11. *“Strengthening the administrative, technical and infrastructural capacities of Police Directorate”* (IPA 2010) - with a total value of € 2,650,000.00, of which € 1,800,000.00 were provided from the EU funds and € 850,000.00 from national co-financing. The beneficiary is the Police Directorate.

Also, from the multi-beneficiary IPA programme, for the regional projects, it was approved:

12. *“The fight against organized financial crime and terrorism”* (MB IPA 2008) - in total of € 3,000,000.00. The beneficiary in Montenegro is the Ministry of Interior, namely the Police Directorate.
13. *“Support in capacity building for the Regional Centre SECI in the fight against organized crime”* (MB IPA 2008) - in total of € 1,500,000.00. The beneficiary in Montenegro is the Ministry of Interior, namely the Police Directorate.
14. *“Regional cooperation in the fight against “cyber crime”* (MB IPA 2010) - in total of € 2,500,000.00. The beneficiary in Montenegro is the Police Directorate.



### **Directorate for Anti-corruption Initiative**

*Directorate for Anti-corruption Initiative performs tasks related to: advertising and preventive actions, such as raising public awareness about the problem of corruption, and conducting research on the extent, forms, causes and mechanisms of corruption origination; cooperation with the competent authorities for the purpose of development and implementation of regulations and programme documents of importance to the prevention and combating of corruption; cooperation with non-governmental and private sector for the purpose of combatting corruption; cooperation with state authorities in the proceedings on charges of corruption that the government receives from citizens and other subjects; initiation of conclusion of international agreements and implementation of the European and other international anti-corruption standards and instruments; monitoring the implementation of recommendations of the Council of Europe's Group of States against Corruption (GRECO); coordination of activities resulting from the application of the United Nations Convention against Corruption; the collection of data on corruption reports from authorities who receive the application and processing of data collected for analytical purposes; performing other tasks arising from the membership in the Stability Pact for South Eastern Europe and other international organizations and institutions; as well as other tasks within its jurisdiction.*

*Directorate for Anti-Corruption Initiative has, for the purpose of the implementation of programmes and projects related to the fight against corruption and organized crime, in the period from 2007 to the end of 2012 received **from the European Union funds € 1,900,000.00**, while **the Montenegrin budget allocated € 37,000.00**. In total, Directorate for Anti-corruption Initiative has been provided with **€ 1,937,000.00** for activities from this area. However, it should be noted that CCE had no insight into the structure of the joint twinning project with the Police Directorate, and therefore this figure is lower, because the whole project is calculated in the framework of the Directorate for Anti-corruption Initiative.*

This applies to the following specific projects:

1. Twinning project “*The fight against organized crime and corruption*” - implemented during 2007. Beneficiaries of the project were the Police Directorate and the Directorate for Anti-Corruption Initiative, and the project was implemented by the Administration the United Kingdom of Great Britain and Northern Ireland. The total amount of allocated funds

was € 1,200,000.00, of which Component 3, for which the beneficiary was the Directorate for Anti-Corruption Initiative, € 277,380.00 were allocated. *This project is not listed in any report relating to the Police Directorate, and therefore the CCE processed this whole amount within the Directorate for Anti-corruption Initiative.*

2. *“Support for the implementation of anti-corruption strategy and action plan”*  
- the project was officially launched in October 2012 and will run for 18 months. The project beneficiaries are the Directorate for Anti-Corruption Initiative and Commission for Prevention of Conflicts of Interest, and it is conducted by the German partner - Federal Office for the administration of FR Germany. The total amount from EU funds is € 700,000.00 and national contribution is € 37,000.00.



### **Committee on Economy, Finance and Budget of the Parliament of Montenegro**

*Jurisdiction of the Committee on Economy, Finance and Budget is reviewing proposed legislation, other regulations and general legal acts as well as other issues related to: the development and strategy of economic development of Montenegro; conditions for the operation of market and market competition; economic activity, entrepreneurship and investments; natural resources, energy, mining, industry, marine, transportation and trade; the budget of Montenegro and the final report on budget of Montenegro; financial rights and obligations of Montenegro; taxes and other levies; customs; banks; securities; loans, public loans and borrowing of Montenegro; property and life insurance; gaming; property law, property and contractual relations.*

***At the request of free access to information on the financial support of the Committee's work in the fight against corruption and organized crime, CCE has received notification that the request is denied because the Parliament is not in possession of the requested information, which were sent to the Committee for Economy, Budget and Finance.***

### **Committee on Political System, Judiciary and Administration of the Parliament of Montenegro**

*Jurisdiction of the Committee on Political System, Judiciary and Administration is to review draft laws, other regulations and general acts and other issues relating to: the establishment, organization and competence of the authorities as well as the procedure before these authorities; the system of local self-government; state symbols; the use of national symbols; public holidays; Montenegrin citizenship; the electoral system; referendum; territorial organization of Montenegro; the organization and the position of Capital and Royal Capital; media and broadcasting system; criminal and other acts, liability and penalties; amnesty and legal assistance.*

***CCE has, in the letter of the Secretary-General, received a notification that the request is being denied because the Parliament is in no possession of the requested information.***

## **Supreme Court of Montenegro**

*Jurisdiction of the Supreme Court is to:* decide in the third degree when it is defined by law; decides on extraordinary legal remedies against the decisions of the courts in Montenegro; decides against decisions of its Council when it is defined by law; decides on the transfer of territorial jurisdiction when it is obvious that other relevant court will administer proceedings easier, or for other important reasons; determines the local competent court, if not excluded the jurisdiction of the courts in Montenegro, and when, under the rules of territorial jurisdiction, it is not possible to determine which court in a particular legal matter holds the territorial jurisdiction; solves conflicts of jurisdiction between the courts of different sorts in the territory of Montenegro, except when it is specified the jurisdiction of another court; performs other duties defined by law.

The CCE request for access to information, sent to the Supreme Court, which sought out the preview of financial investments in the Supreme Court for combating corruption and organized crime, was denied. Specifically, in acting upon the request it was determined that ***the Supreme Court had no programmes and projects that were financed from EU funds for the period from 2007 until 31/12/2012, while specific information on the amount of funds allocated from the Budget of Montenegro has not been delivered.***





### **Supreme State Prosecution**

*The jurisdiction of the Supreme State prosecution is to act before the Supreme Court of Montenegro, the Appellate Court of Montenegro, the Administrative Court of Montenegro, other courts and other state institutions in accordance with the law. Supreme State Prosecution shall, in accordance with the law, raise the request for protection of legality, and perform other tasks that are not defined as authority of higher and basic state prosecution; performs prosecuting perpetrators of crimes and other offenses that are prosecuted ex officio; places legal remedies within its jurisdiction and performs other duties specified by law; complies with its statutory and territorial jurisdiction, unless it is otherwise specified by law. In order to exercise the functions of prosecution of perpetrators of criminal and other punishable offenses as provided by law, The State Prosecution is, the relevant authorities, authorized to determine and take necessary measures to detect criminal and other legally defined offenses and their perpetrators.*

At the request of CCE to access the information that was sent to the Supreme State Prosecution, which is related to donations for support of specific programmes in the fight against corruption and organized crime, by the European Union and the Budget of Montenegro, Supreme State Prosecution has provided information that at the time it had no special programmes of this kind or any kind of direct support. However, in a letter from the Supreme State Prosecution it is emphasized that prosecutors and deputy prosecutors participated in several study visits, seminars and training that were organized by the Judicial Training Center, among which it is possible there were those that were funded by the European Commission or other European Union's institutions, and that they participated in a similar capacity on the projects of the Ministry of Justice and the Judicial Training Center funded from the Budget of Montenegro.

In addition, CCE has received notification that the Supreme State Prosecution organized a study visit of the Joint Investigation Team to the Directorate for Research on organized crime and terrorism in Bucharest in the period from 23 - 29 September 2012, and that the study visit participants were the Special Prosecutor, three deputy special prosecutors and advisor from the department. Funding for the study visit in the amount of € 4,293.60 (of which on airline tickets was spent € 2,223.60 and for hotel accommodation arrangements € 1,300.00) was provided from the budget of the Prosecutor's Office in 2012. ***This means that for this particular issue € 4,293.60 from the budget of Montenegro has been invested.***

## **Directorate for prevention of money laundering and financing of terrorism**

*The Directorate for prevention of money laundering and financing of terrorism undertakes tasks related to: collecting, analyzing and disseminating data to competent bodies, information and documentation necessary for detection of money laundering and financing of terrorism; establishing standards and methodologies for implementation and development of policies, procedures and praxis for detection of suspicious transactions; development of ad hoc programmes for prevention of money laundering and financing of terrorism with procedures, programmes control and training of employees to recognize suspicious transactions; checking transactions and individuals for whom there is reasonable ground to suspect of money laundering and financing of terrorism; temporary suspension of transactions; initiating amendments to regulations that relate or are linked with prevention and detection of money laundering and financing of terrorism; establishment of 22 international cooperations with competent bodies of other countries and with international organizations; taking part in the preparation and consolidation of a list of indicators to identify suspicious transactions; participation in trainings of employees and authorised persons in competent bodies; establishing of guidelines for risk analysis; publicising of statistical data in the area of prevention and detection of money laundering and financing of terrorism; supervising the implementation of the Law on prevention of money laundering and financing of terrorism under defined responsibilities; as well as other duties specified in the jurisdiction.*

The Directorate for prevention of money laundering and financing of terrorism, in the period from 2007 to the end of 2012, received **€ 1,450,000.00 solely from EU funding** for the implementation of programmes and projects for the fight against corruption and organized crime. However, to this amount one must add that the Directorate for prevention of money laundering and financing of terrorism cooperated in joint projects with the Police Directorate and the Directorate for Anti-corruption Initiative worth € 3,600,000.00. This amount was not included in this calculation as CCE is not having information of the amount of money at disposal of this Directorate and the overall amount is taken into considerations when referring to the Police directorate, as major beneficiary.

This refers to the following concrete projects::

1. Twinning projekt „*Fight against corruption and organised crime*“ (IPA



2007) – implementation of the project lasted from April 2009 to June 2010. Partners were the Administration of the United Kingdom of Great Britain and Northern Ireland and, along with the Directorate for prevention of money laundering and financing of terrorism, beneficiaries were the Police directorate and the Directorate for Anti-Corruption Initiative. Overall, the project amounted € 3,600,000.00, whereas EU contribution was € 3,000,000.00, and of the Budget of Montenegro € 600,000.00. *Taking into consideration that this project is already calculated in the data of the Ministry of Interior, in particular of the Police directorate, and that CCE doesn't have any detailed information on the internal allocation and division of funds, this is not calculated again in the analysis within the Directorate for prevention of money laundering and financing of terrorism.*

2. Twinning projekt „*Strengthening the regulatory and supervisory capacity of financial regulators*“ (IPA 2008) – project implementation lasted from November 2009 to April 2010, and partners were the Administration of the Republic of Bulgaria and the Administration of the Kingdom of Netherlands. The total value of the project was € 1,200,000.00. Along with the Directorate for prevention of money laundering and financing of terrorism, beneficiaries of the project were the Central Bank, the Commission for securities and the Insurance Supervision Agency and the **implementing agency of the project was the Ministry of Finance**. *CCE didn't receive information from the Ministry of Finance attesting it was the beneficiary of this project. Therefore, this project is calculated within the amount of the Directorate for prevention of money laundering and financing of terrorism.*
3. Twinning projekt „*Strengthening fight against money laundering*“ (IPA 2012) – project implementation started in September 2012 and lasts 6 months. Partner of the project is the Administration of the United Kingdom of Great Britain and Northern Ireland. The project value is € 250,000.00.

## **Ministry of Finance**

*Ministry of Finance carries out tasks related to:* preparation of proposals for current economic policy of Montenegro and monitoring of its implementation; preparation, planning, development and execution of the budget of Montenegro; fiscal impact; supervision of expected revenues and expenditures of the budget of Montenegro; proposing guidelines and medium-term macroeconomic framework for the preparation and planning of budget; execution, modification and evaluation of budget requests with the analysis of consumer units and extra-budgetary funds for budget allocations and proposing their amendments; public sector capital spending, assessment of basic economic proportions and balance; simulation, testing and evaluating the effects of economic and development measures and institutional changes; the banking system; securities; giving opinions in terms of improving the business environment to draft laws and regulations; make payments at the request of the consumer unit; general ledger treasury; management accounting system of the state receipts; preparation of final accounts budget; financial control through accounting system based on planned liabilities; monitoring of expenditures; preparation of regular financial reports for the Government of Montenegro (hereinafter: the Government); the management of available funds in the consolidated Treasury account; managing debt arising from securities that are issued by the state, whether in respect of guarantees and borrowings; management of domestic and external debt, foreign donations, grants and loans; monitoring the financial operations of extra-budgetary funds and local governments; preparing draft legislation on financial systems, games of chance, insurance, accounting, auditing, money laundering and terrorism financing, anti-corruption; coordinating activities, cooperation and fulfillment of obligations to the World Bank, the International Monetary Fund and other international financial institutions; public revenues (customs duties, taxes, contributions, fees, etc. .), finance public expenditures at the state and local government level; international agreements on avoidance of double taxation; the implementation of international agreements related to customs policy, system of local government finance; customs and tax policy; the development of the system of internal financial control in the public sector in line with international standards; preparation and implementation of regulations in the area of property rights, state property, land survey and real-estate register, land acquisition, liens on property restitution and compensation in respect of property rights; deciding in second instance administrative procedure in the area of property rights and restitution; take care of internal debt collection consisting of claims of the Government through regular and bankruptcy proceedings



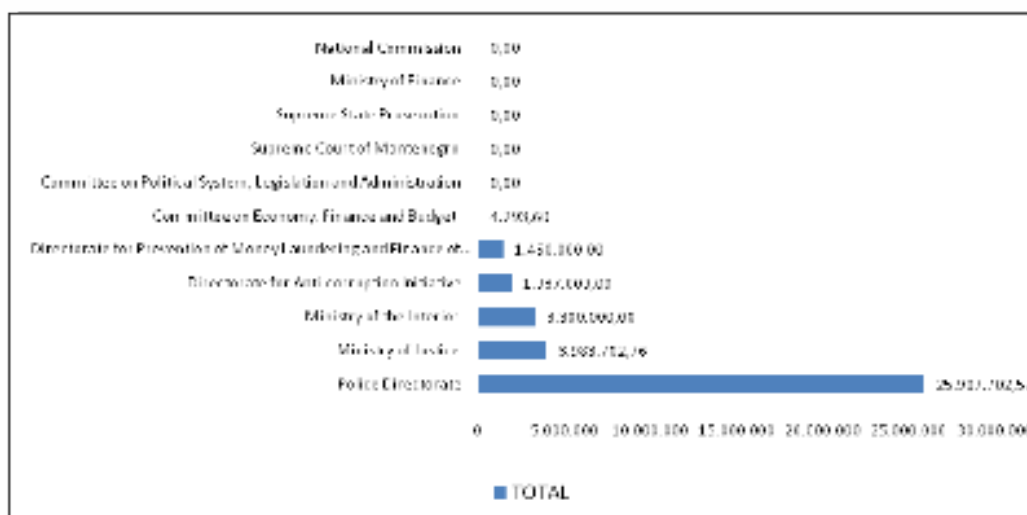
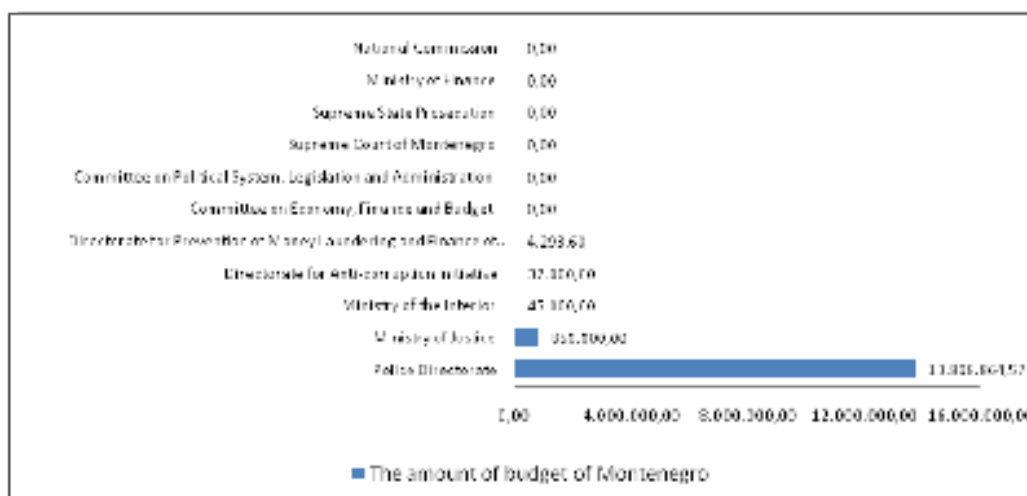
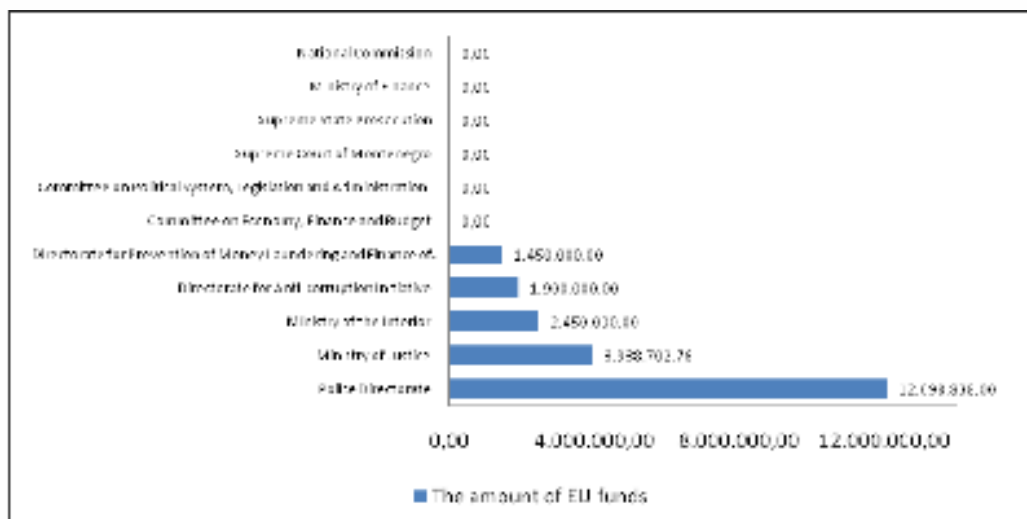
and activation of liens on such grounds, public procurement; to make proposals regarding the management and use of state property; the application of the ratification of the Framework Agreement between the Government of Montenegro and the Commission of the European Communities on the rules for cooperation concerning EC financial assistance to Montenegro under the Instrument for Pre-Accession Assistance (IPA); the adoption of regulations, rules and procedures for the establishment of decentralized management of EU projects in Montenegro; tender implementation, contracting, authorizing payments and financial reporting aspects of the procurement of services, supplies, works, grants and twinning, in terms of programmes funded by the European Union in Montenegro; ensuring the application of EU rules, regulations and procedures relating to the procurement of services, supplies, equipment, twinning and grants, proper system of reporting, control activities within the tender procedures, grants, contracts, financing, approval of payments; state assistance; international financial cooperation in areas of the Ministry has been established; the harmonization of domestic regulations within its jurisdiction the legal order of the European Union; administrative supervision in the areas for which the Ministry has been established, as well as other activities within its jurisdiction.

CCE has sent a request for access to information to the Ministry, since their representative is a member of the National Commission. Additionally, the CCE was directed to the Ministry by the National Commission for information. ***Department for European Integration of the Ministry of Finance stated that they do not possess this information, and informed CCE that information on the number and titles of the programmes and projects of all state institutions are in the possession of the Ministry of Foreign Affairs and European Integration, more precisely within the Office of the National IPA Coordinator (NIPAC) in the Ministry of Foreign Affairs and European integration.***

***The Ministry of Finance has never responded to the question of how much money was allocated from the Budget of Montenegro and EU funds in order to finance the activities of the Ministry in the fight against corruption and organized crime, and by examining the responses of other agencies CCE established that this Ministry was the implementing body of at least one project on which the CCE also did not receive direct information from the Ministry of Finance.***



## Graphic overview of investments





## **Conclusions and recommendations**

The European Commission has continuously, since 2005 and the Feasibility Study, through annual reports on the progress of Montenegro and other related documents until 2012, in all its findings **emphasized the inefficiency of the fight against corruption and organized crime**. This applies also to the European Parliament, which begins to observe Montenegro with a lot more attention as the integration process develops, but through a very similar, if not sometimes a sharper prism compared to one of the European Commission, **expressing concern over the lack of track-record in the fight against corruption and organized crime, also asking in which manner taxpayer money from the EU** invested in Montenegro for the fight against corruption and organized crime are being spend.

This especially applies to two negative facts: **the lack of political will and inadequate implementation of the necessary measures**, in most part due to a lack of administrative capacity of relevant institutions. In order to clarify what creates a lack of administrative capacity and to eliminate confusion about this, CCE notes that Montenegrin institutions continue to operate under strong political influence, that these are often misused and enable to resist supporting particular instead of public interest, as well as that they have a surplus of employees and a deficit of necessary professional staff with integrity, and that inter-agency communication remains at the low level, although it was improved in recent years. All these are the causes of lack of efficiency and effectiveness in the fight against corruption and organized crime in Montenegro.

The result of multiannual European institutions' conclusions, as well as the level of integration between Montenegro and the European Union, as a consequence has directing of several tens of millions of euros through assistance from the EU, for the purpose of improving capacities of institutions responsible for the fight against corruption and organized crime. **Bearing in mind these findings indicate the minimum rather than the maximum amount of financial aid allocated, it was expected that, after all investments in these institutions, these would reach a higher level and produce more concrete results in the fight against corruption and organised crime.** CCE has made efforts to introduce to the public what and how much

were the funds received from the EU funds, which authorities have used them and for what purposes, how much of the Budget of Montenegro was also allocated, so that all that could be compared with the (in) visible results within this area. This has not been easy. The highest institution that should demonstrate indisputable political will of Montenegro's truly commitment to the fight against corruption and organized crime – the National Commission for the implementation of the strategy for the fight against corruption and organized crime – is virtually non-functional, have not met for nearly a year although obliged to submit to the Government of Montenegro, at least twice a year the review of the situation overview, evaluations and proposed measures. National Commission has no such review, although one of its tasks is to manage the total resources allocated for the implementation of Programme against corruption and organized crime. Therefore, it remains unclear how the National Commission exercise this when it is not even in possession of information regarding these resources. ***This raises concerns in the part of proclaimed political will of governmental structures to devote full attention to solving one of the key obstacles at the Montenegrin path to the EU, and accordingly narrows the scope for optimism in the long-announced, on the Montenegrin side, and equally long-awaited, on the European side, measureable results in this area.***

Furthermore, it became clear, during the data collection, that even the authorities do not keep accurate records of these projects and investments, as it happened that through the analysis of internal tables of the National Coordinator for pre-accession assistance (NIPAC) in the Ministry of Foreign Affairs and European Integration it was determined that there are projects that ministries or directorates have not included in their reports, even if these amount to millions. In total amount, according to NIPAC's data, and within **component I of the national IPA, the European Union has, in the period from 2007 to 31/12/2012, in the area of fight against organized crime and corruption, given financial support for implementation of the six national projects in total amount of € 10,950,000.00. Contribution from the Budget of Montenegro** for the same projects amounted to **€ 2,867,000.00. In the total amount the value of the projects was € 13,817,000,00.** Additionally, according to the same data, the EU supported six regional projects, in the period from 2007 to 31/12/2012, the total value of € 23,250,000.00, and this amount of the common fund is used by all countries of the Western Balkans and Turkey. During the study, these information was, to the extent possible, integrated into the material acquired from the competent authority on the basis of which a total amount was obtained, whereas costs from regional funds were not included because the CCE does not have a detailed budget breakdown of these, but only the total amount is listed, with note that the CCE is not familiar with exactly how much resources from these funds the institutions of Montenegro are using.



***Apart from the lack of a clear and functional coordination, the effectiveness of many programmes and enquiry of who went through them, while many of the employees who are directly responsible for these issues within their respective departments and ministries have not had a chance to build their capacity over a multi-million euros valuable projects of its kind, also a question of track-records is being raised.*** From the EU institutions, primarily the European Commission and the European Parliament, it has been looked with great concern at the unacceptably small number of final judgments, as well as cases prosecuted for crimes of corruption and organized crime. On the other side, the few verdicts that do exist are being depreciated in Montenegrin reality. Based on information which the CCE received, in line with the Law on Free Access to Information, the President of state has, at the proposal of the Ministry of Justice, in the last four years, amnestied 328 convicts, amongst whom were six persons who have been convicted of crimes of corruption and organized crime. It is disturbing that the trend of amnestying of these people is increasing, so from not even one person who has committed this crime and was granted amnesty in 2008 we come to number of three in 2011 and two in 2012. **Precisely that disproportion between investment and tangible results is due to many factors, and especially the lack of political will. It is therefore an example of amnesty, by the state President, of anyway very limited number of people convicted of criminal offenses of corruption and organized crime, very negative message that contributes to discouraging efforts of professionals in the fight against corruption and organized crime.**

*The only example of a senior official who was dismissed because of the lack of results in this area is the Director of the Directorate for Prevention of Money Laundering and Financing of Terrorism, which should be taken as a positive fact, if this really was the cause, and not the part of the usual party turbulence.*

This Directorate hasn't been the only one criticized for its lack of efficiency in the reports of the European institutions, and there are plenty of arguments for reconsideration of many management positions in the anti-corruption institutions. Therefore, a measure of consistency in this area will be further framing and reforms in anti-corruption policies and practices in the coming period.

***Finally, the basic question is whether the citizens of Montenegro see that in the past five years at least € 36 582 698.93 was invested only in Montenegrin institutions authorized for fight against corruption and organized crime.*** Public opinion polls show that the number of people nowadays who believe that corruption is greater than in 2009 year (61:59), and that it is only 7% of those who believe

that there is no corruption in Montenegro<sup>17</sup>. Also, some of the key anti-corruption institutions are perceived by the public as highly corrupted, and in the same time there is high level of trust into media and NGOs as fighters against corruption and organized crime, which essentially have no legal presumption to perform these problems until the end. In this way, there is a vicious circle in which there is many stories of corruption and organized crime and few tangible results in this fight.

---

<sup>17</sup> The survey “Corruption in Montenegro”, was conducted by IPSOS, within the project EUROBLOC, implemented by the European Movement in Montenegro, CEMI, Institute Alternative and the Centre for Economic Development, with support of the EU Delegation to Montenegro, 2012.



*Centar za građansko obrazovanje  
Centre for civic education*

**Njegoseva 36/I**

**81 000 Podgorica**

**Crna Gora / Montenegro**

**Tel: + 382 20 665 112**

**Fax: + 382 20 665 327**

**Web site: [www.cgo-cce.org](http://www.cgo-cce.org)**

**E-mail: [info@cgo-cce.org](mailto:info@cgo-cce.org)**