



Montenegro  
Agency for Prevention of Corruption

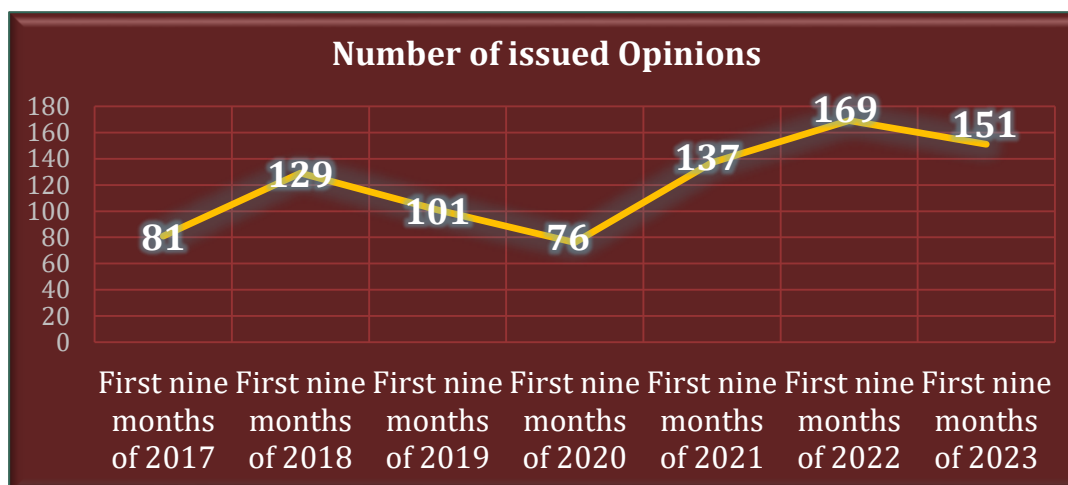
# **SUMMARY OF RESULTS OF THE APC WORK IN THE FIRST NINE MONTHS OF 2023**

# APC

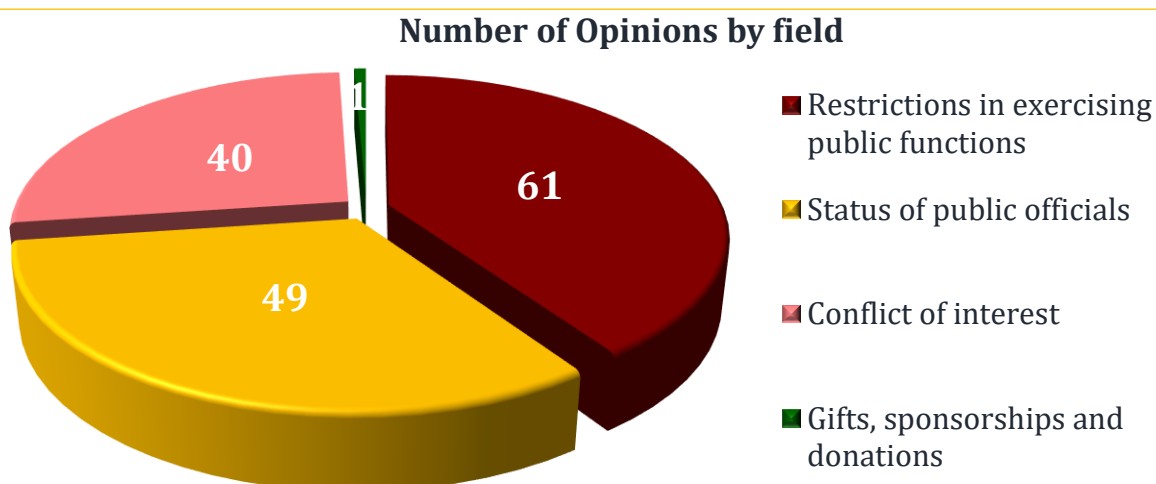
Podgorica, October 2023

## PREVENTING CONFLICTS OF INTEREST OF PUBLIC OFFICIALS AND RESTRICTIONS IN EXERCISING PUBLIC FUNCTIONS

In the first nine months of 2023, the Agency for Prevention of Corruption (APC), acting on all requests received, **issued 151 opinions** in the field of preventing conflicts of interest and restrictions in exercising public functions, thus maintaining the continuity of a large number of requests and given opinions in this area.



- Of the total number of opinions given in the first nine months of 2023, **35 of them were negative**, that is, it was stated in them that **there is a limiting factor** in relation to the statements in the request for giving an opinion;
- **54 Opinions are positive (there is no limiting factor in relation to the statements in the request);**
- **13 Opinions** refer to the membership of public officials in the management bodies and supervisory bodies of a public company, public institution or other legal entity, where it was stated that a public official can be a member of the said management bodies or supervisory bodies, but that on the basis of said membership they cannot have income or other remuneration;
- **49 Opinions** refer to the status of public officials according to Article 3 of the Law on Prevention of Corruption (LPC).



In the first nine months of 2023, the Agency **initiated 24 administrative procedures in this area** (11 in the area of restrictions on exercising public functions<sup>1</sup> and 13 in the area of preventing conflicts of interest). **Three procedures** (including cases from the previous period) **have been completed** and it was determined that there **were no violations of the Law**.

Based on the given Opinions of the Agency, **15 resignations of public officials were submitted** to positions or duties incompatible with public office, while, after the given opinions, **3 transfers of management rights in the company** were also noted, as well as **1 termination of the service contract due to a determined conflict of interest**.

Due to the violation of the provisions of the LPC relating to **restrictions in the exercise of public functions**, in the first nine months of 2023, the Agency submitted **7 requests to initiate misdemeanor proceedings to the competent misdemeanor courts, in three of which the court was requested to confiscate the property benefit acquired by committing the misdemeanor**. One case from the previous period, in which a fine of **€300** was imposed, was also closed.

## CONTROL OF RECEIVED GIFTS, DONATIONS AND CONCLUDED SPONSORSHIPS

In 2023:

- **25 authorities** reported to the Agency a total of **159 gifts** received during 2022, while a total of **136 authorities** at the state and local level submitted notifications that **they did not receive gifts** in 2022;
- **39 authorities** reported a total of **187 sponsorships** from 2022;
- **241 authorities** reported a total of **2,042 donations**;<sup>2</sup>
- **116 authorities** submitted notifications that **they did not receive donations and sponsorships** in 2022.

All submitted extracts from the records of gifts and reports on received sponsorships and donations have been administratively checked and published on the Agency's website.<sup>3</sup>

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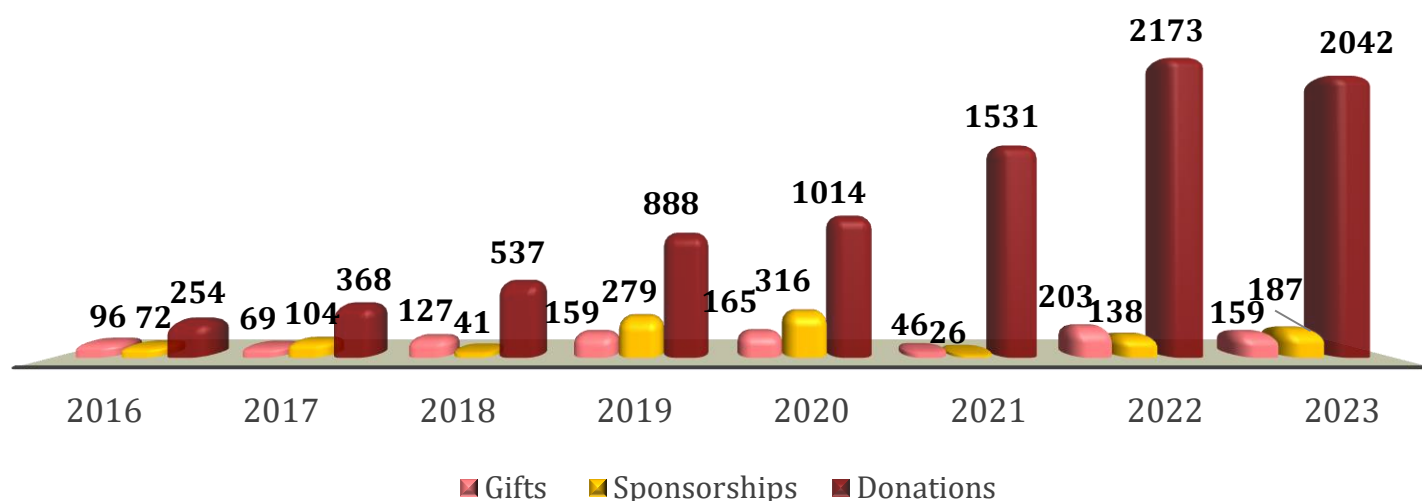
<sup>1</sup> Seven procedures related to restrictions in the exercise of public functions, and incorrect data in reports on income and assets.

<sup>2</sup> In the second quarter of 2023, three authorities reported a total of 18 donations to the Agency, one of which also reported two sponsorships. Gifts, as well as other donations and sponsorships, were reported to the Agency within the legal deadline until March 31.

<sup>3</sup> <https://portal.antikorupcija.me:9343/acamPublic/poklonSearch.htm>  
<https://portal.antikorupcija.me:9343/acamPublic/donacijaSearch.htm>

Acting preventively, in the first quarter of 2022, the Agency **sent letters and notifications to the authorities about their legal obligation** to submit excerpts from the records of gifts and reports on received sponsorships and donations with accompanying documentation, by the end of March for the previous year.

Number of reported gifts, sponsorships and donations by years

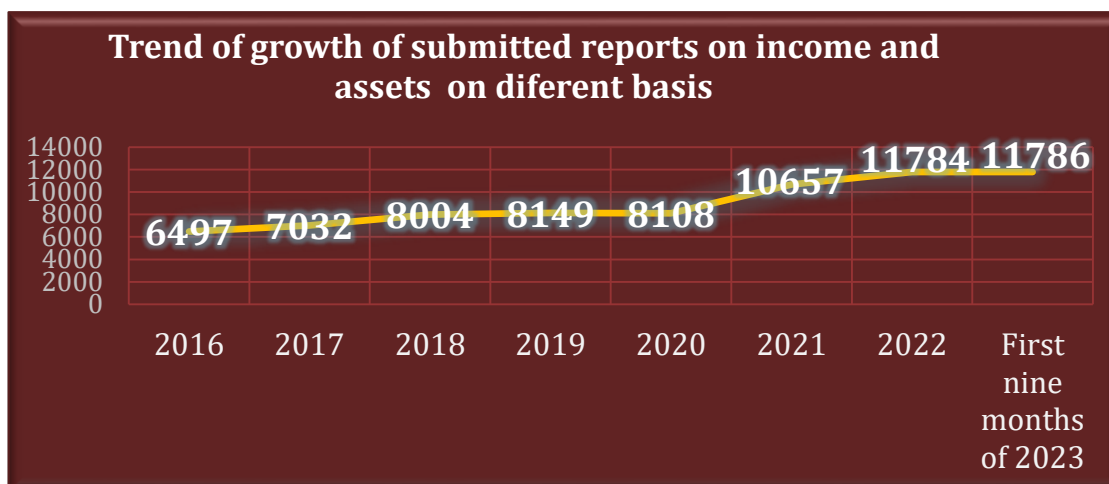


Due to the violation of the provisions of the LPC, which prescribes the obligation of authorities to, by the end of March of the current year for the previous year, submit a report to the Agency on received donations and sponsorships with a copy of the documentation, APC submitted **39 requests to initiate misdemeanor proceedings**.

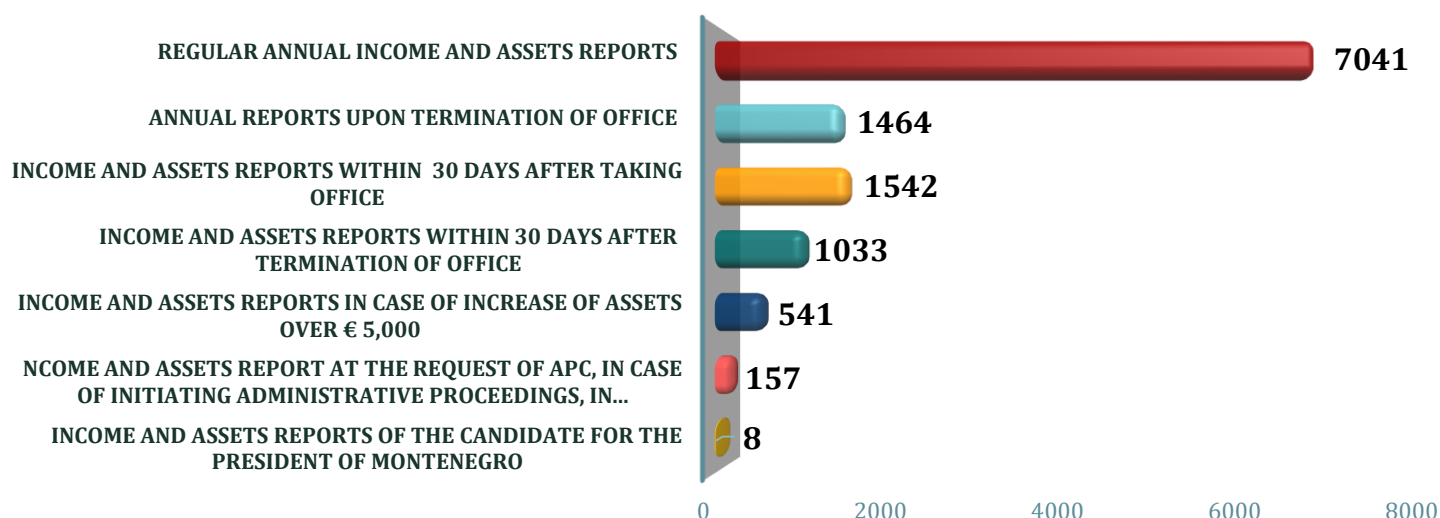
By the end of September 2023, **21 procedures** based on requests **were completed** (including cases from previous years), and **sanctions were imposed in 18 of them - 6 fines** in the total amount of **€3,900** and **12 warnings**.

## VERIFICATION OF INCOME AND ASSETS REPORTS

Already in the first nine months of 2023, **a total of 11,786 reports on income and assets were submitted** to the Agency on different basis of submission, which is **more than the annual levels of all previous years of the Agency's work**.



The growth in the number of submitted reports is a consequence of the increase in the number of newly appointed public officials, as well as a greater number of reports submitted by public officials upon termination of office. This further increased the scope of work of the competent Section, especially in the part of administrative and technical verification of reports.



All received reports were **administratively and technically processed**.

In accordance with the Annual Verification Plan for 2023, the control of income and asset reports in terms of **accuracy and completeness of data** began in the II quarter, and it will last until the end of the year. In the reporting period, **we started the verification of 760 reports on income and asset** (out of the planned 1,496), out of which the **verification of 734 reports was completed**.

**The number of verified reports in terms of accuracy and completeness is even higher**, bearing in mind that the competent Section checks reports **ex officio** as well as

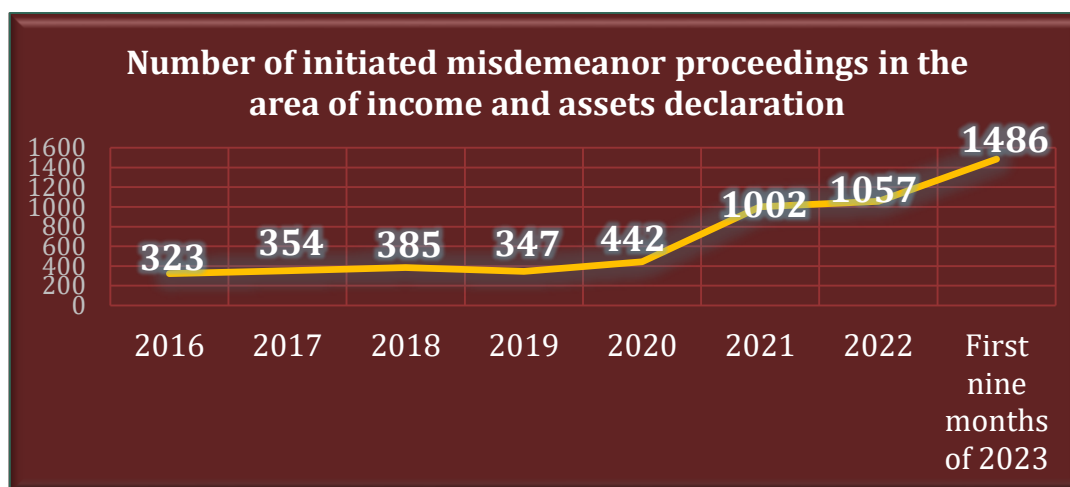
**upon request.** In this regard, in the first nine months of 2023, the competent Section started **verification of 89 reports on income and assets.** Of these, the **verification of 86 reports was completed, possible violations of the law were determined in 16 reports** and the cases were submitted to the competent Section for initiation of administrative and misdemeanor proceedings.

**Additional verification of reports,** as the most complex form of control of income and assets of public official (referring to **20 high-ranking public officials**, selected in accordance with the degree of vulnerability of the area or function to corruption), in accordance with the Annual Verification Plan for 2023, **began in the second quarter and will last until the end of the year.**

In connection with the additional verification that began in the third quarter of 2022, and first quarter of 2023, **control was initiated for 20 public officials. In all 20 cases in the control procedure, possible violations of the provisions of the LPC were determined.**

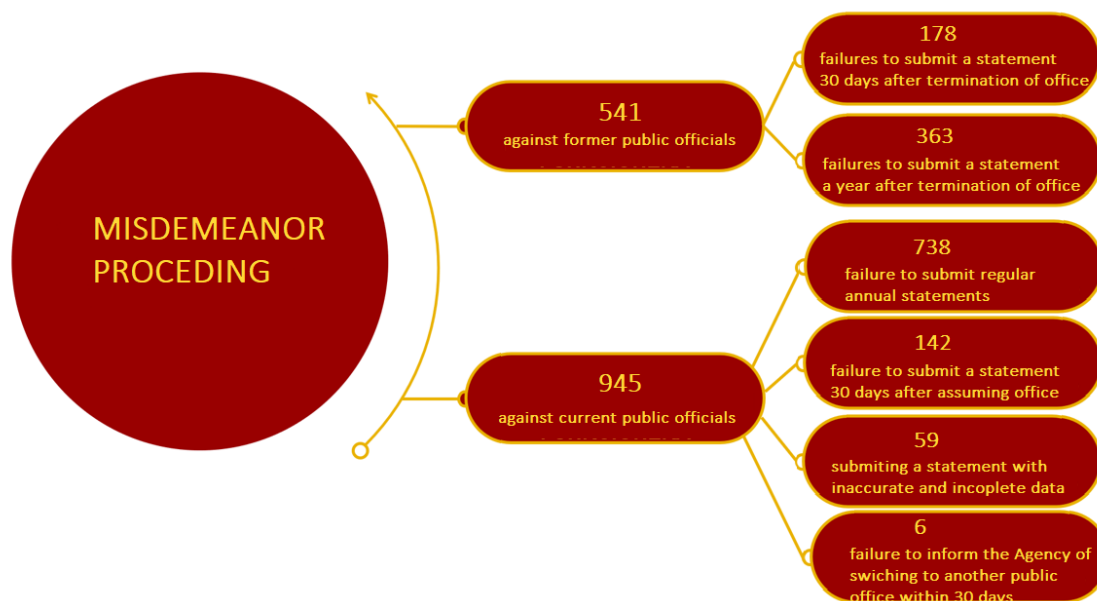
In the first nine months of 2023, the Agency **initiated 36 administrative procedures in the area of income and property declaration.<sup>4</sup> One procedure was concluded in which a violation of the law was established.**

**The number of initiated misdemeanor proceedings in the first nine months of 2023 in this area is higher than the annual level of the first six years of APC's work, which is primarily generated by the greater number of initiated misdemeanor proceedings related to failure to submit the regular annual report on income and assets within the legal deadline.**



**With a non-selective approach,** the Agency initiated **misdemeanor proceedings against both former and newly appointed public officials.**

<sup>4</sup> Seven related to incorrect data in reports on income and assets and to restrictions in exercising public functions.



During the first nine months of 2023, **a total of 882 misdemeanor proceedings were completed** (including those from previous years), of which **sanctions were imposed in 87.6%** (292 fines and 481 warnings). The total amount of fines is **€60,865**.

**At the end of 2020, monitoring of the so-called lifestyle of public officials** was started, with the aim of checking the increase in the assets of public officials, using publicly available data, as well as information from the media, and comparing them with databases to which the APC has access, while adhering to the legal framework prescribed in Articles 23 and 30 of the LPC.

In this sense, in the second quarter of 2023, the Agency **initiated a procedure to investigate the lifestyle of a civil servant who is required to submit a report on income and assets and submitted the case to the Special State Prosecutor's Office.**

## CONTROL OF FINANCING OF POLITICAL ENTITIES AND ELECTION CAMPAIGNS

In the area of **financing political entities and election campaigns**, the Agency continued to implement activities in a planned and systematic manner in order to consistently monitor the implementation of the Law on Financing of Political Entities and Election Campaigns (LFPEEC) and control the implementation and compliance with all prescribed prohibitions and restrictions during the election campaigns.

- By the decision of the President of Montenegro from December 28, 2022, **elections for councilors in the Tuzi Municipality Parliament** were announced, which were held on March 5, 2023;
- By the decision of the President of the Parliament of Montenegro from January 16, **elections for the President of Montenegro** were announced, which were held on March 19, 2023 (second round held on April 2);

## Summary of Results of the APC Work in the First Nine Months of 2023

- By the decision of the President of Montenegro from March 17, 2023, **early elections for members of the Parliament of Montenegro** were announced, which were held on June 11, 2023.

The fact that the obligations, prohibitions and restrictions prescribed by the Law were applied on the territory of the whole of Montenegro, once again caused **a significant part of the personnel capacities of APC to be directed to the monitoring and control of the campaign.**

According to all bases of the Agency's work in this area, in the first nine of 2023, the APC **conducted control of 47,623 reports submitted by subjects to the LFPEEC on regular work and during election campaigns.**

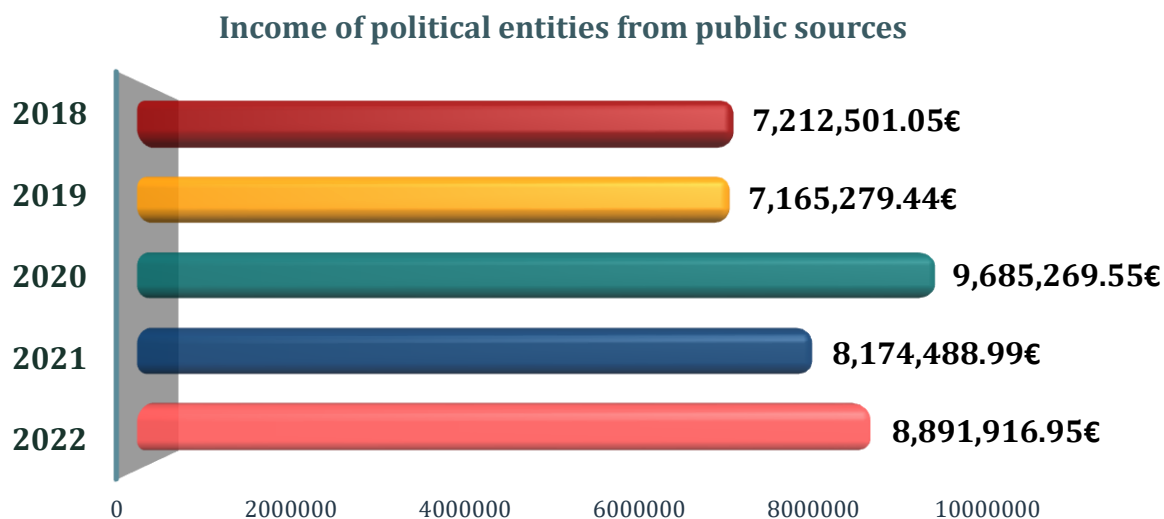
When it comes to the **regular work of subjects to the LFPEEC, a total of 174 reports/documents** were submitted, of which **104 were reports/notifications of political entities.**<sup>5</sup>

Categories of submitted reports/notifications		Number of submitted reports	Number of registered subjects to the Law	Percentage of compliance with the obligation
Consolidated Annual Report for 2022	Delivered within the deadline	48	67	71.6%
	Subsequently delivered	8		
Decisions on the amount of the membership fee for 2023	Delivered within the deadline	44		65.7%
	Subsequently delivered	4		

The analysis of the data from the submitted reports of political entities shows a further **increase in the income that entities receive from public sources**, which make up **94% of the total income that political entities** have achieved in 2022.

<sup>5</sup> The Agency, in accordance with its legal powers, supervises the implementation of the obligation of the Ministry of Finance and the bodies of 25 local governments responsible for finance to, by January 31 at the latest, make a Decision on the amount of budget funds for financing the regular work of political entities and then publish it on its website within seven days of its adoption. In this regard, a total of 35 decisions on financing regular work, 35 decisions on financing the work of women's organizations, including decisions made after the adoption of the budget in certain municipalities and after the elections.



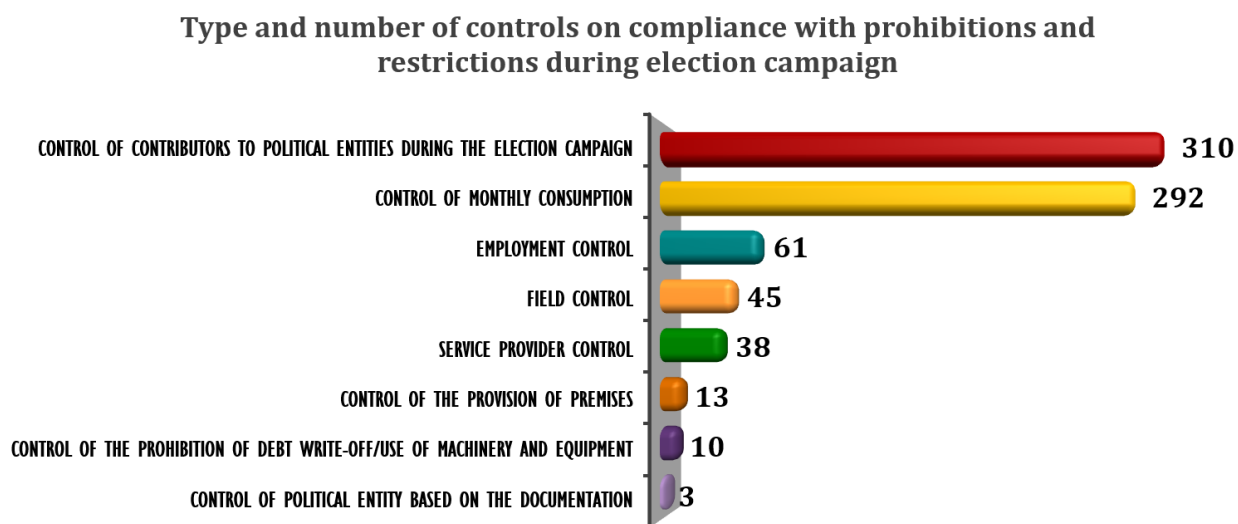


In the context of election campaigns, **the Agency controlled a total of 47,449 reports** and other supporting documentation:

- ✓ **166** by **political entities**/electoral lists;
- ✓ **46,976** by **authorities**;
- ✓ **307** by **media advertising service providers**.

Proactively, the Agency sent a total of **1,568 warnings** (1,426 to authorities and 142 to political entities) in order to submit reports within the deadline, as well as in the case of observed technical irregularities, to which all responded positively.

**A total of 772 controls on compliance with prohibitions and restrictions were also carried out during election campaigns.**



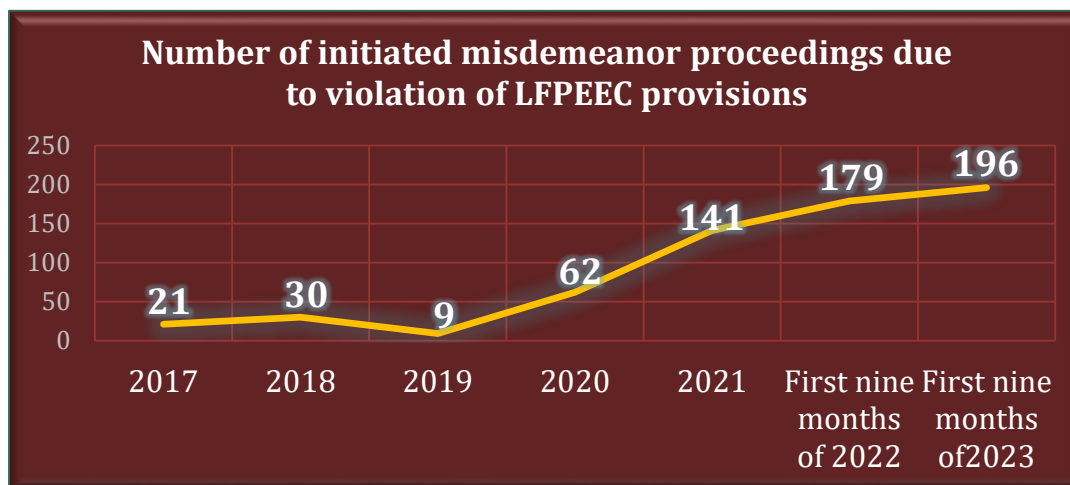
**The agency imposed ten measures on political entities, specifically:**

- ✓ 1 measure of loss of the right to transfer funds for financing regular work;
- ✓ 1 measure of loss of the right to transfer funds for financing the election campaign;
- ✓ 2 measures of partial loss of budget funds for the costs of financing the election campaign;
- ✓ 6 measures to suspend the transfer of budget funds for financing election campaign costs.

In accordance with the adopted control plans and methodologies, and bearing in mind the duration of the election campaigns in 2023, and despite the legal restrictions due to which the Agency could not initiate misdemeanor proceedings in all cases where irregularities were found, **in the first nine months of 2023 due to violations of the LFPEEC, a total of 196 misdemeanor proceedings were initiated - more compared to the same period in 2022 and significantly more compared to the annual levels from 2017 to 2021. The largest number of proceedings was initiated due to failure of authorities to submit employment decisions during the election campaign within the legal deadline.**

During the reporting period, **239 misdemeanor proceedings were completed** (including those from previous years), of which **sanctions were imposed in 89.1%** (84 fines and 129 warnings). The total amount of fines is **€23,015**.

In the first nine months of 2023, a total of **136 complaints** were submitted due to suspected violations of the LFPEEC (six refer to local elections held in 2022). The agency acted on all complaints:



- ✓ **in 53 cases, a decision was made not to proceed;**
- ✓ **in 25 cases, a decision was made that there were no violations of the law;**
- ✓ **other procedures are ongoing.**

The Agency also initiated **six procedures based on complaints filed in the earlier period** (procedures in progress). In addition, the Agency **concluded 15 complaints procedures from the previous period:**

- ✓ **in one case, a decision was made that the Law was violated;<sup>6</sup>**
- ✓ **in 14 cases, a decision was made that there were no violations of the law.**

In the period from January to mid-June 2023, in cooperation with the B-one company, intensive work was done on **the development of a new software solution for the implementation of measures to control the financing of political entities and election campaigns**. The developed software model will **significantly improve and automate the work** in the field of control of the financing of political entities and election campaigns.

<sup>6</sup> In the same matter, the Agency previously initiated a misdemeanor proceeding ex officio.

## ADOPTION AND IMPLEMENTATION OF INTEGRITY PLANS

In the reporting period of 2023, **3 authorities adopted a decision on the appointment of an integrity manager**, and **58 authorities** informed the Agency about changing integrity manager, that is, about the appointment of a new person as an integrity manager. Since the beginning of the year, **four authorities have adopted and submitted their first integrity plan to the Agency**.

**The total number of authorities that appointed an integrity manager and submitted an integrity plan to the Agency as of January 1, 2016 is 732** (98.9% of the total number of authorities), which is **the highest since the establishment of the Agency**.

In the first nine months of 2023, **35 revised integrity plans were submitted to the Agency**.

Since the beginning of the year, **706 reports on the implementation of the integrity plan for the previous year** have been submitted to the Agency, of which **678 were submitted within the deadline defined by law**.

In the first quarter, the APC Council adopted the **Report on the Adoption and Implementation of Integrity Plans in 2022**, which contains a **detailed analysis** of integrity plans and reports on their implementation, as well as **recommendations for improving integrity plans**, given within the ten systems in which authorities are classified. The report includes all integrity plans that were submitted to the Agency from 2016 to the end of 2022, as well as an **analysis of information from 704 reports on the implementation of the integrity plan** that were submitted to the Agency during 2022.

In the second quarter of 2023, the Agency **began evaluating the efficiency and effectiveness of the third generation of integrity plans**, based on 655 questionnaires filled out by the authorities and submitted to the Agency in 2021 and 2022. The report with conclusions and recommendations will be published in the IV quarter.

In November 2022, the Agency developed **the Methodology for assessing the application of anti-corruption measures in the justice system**, in cooperation with the United Nations Development Program (UNDP) in Montenegro, within the project of **“Zero tolerance to corruption: Strengthening integrity, transparency and accountability in public administration in Montenegro”**. The project aims to improve the content and effects of integrity plans of judicial bodies. The methodology includes the development of criteria and indicators based on integrity plans, on the basis of which the scoring and ranking of authorities in the aforementioned system will be performed.

In December 2022, a special IT application was developed for the implementation of the Methodology, and during December, all judicial authorities submitted to the Agency documentation proving the fulfillment of the indicators provided for in the Methodology, so **during the first nine months of 2023, an assessment of the application of anti-corruption measures was carried out in the judiciary and the prosecution**. The results of the application of the Methodology will be presented in the IV quarter of 2023.

The Agency originally developed the Methodology for assessing the application of anti-corruption measures in 2021, and applied that version of the Methodology to two systems: state administration and social and child protection.

In the coming period, it is planned to apply the Methodology to authorities from the other seven sectors: local self-government, education, health care, state-owned enterprises, enterprises owned by local self-government units, independent and regulatory bodies and culture, with the Methodology being adapted to the specifics of selected sectors.

Due to the violation of the provisions of the LPC related to the obligation to submit a report on the implementation of the integrity plan by April 15 of the current year for the previous year, **40 requests were submitted to initiate misdemeanor proceedings.**

In the first nine months of 2023, **15 cases were completed** upon requests (including procedures from the previous period) and **sanctions were imposed in all of them - 12 warnings and 3 fines** in the amount of €2,450.

## CONTROL OF LOBBYING ACTIVITIES

In the first nine months of 2023, **two invitations were published for candidates to take the lobbying exam and two exams were organized. Three certificates of passing the lobbying exam were issued.**

In the reporting period, **one natural person submitted a request for an authorization to carry out lobbying activities. The request was approved, so ten individuals and one legal entity are currently registered in the register of lobbyists.**

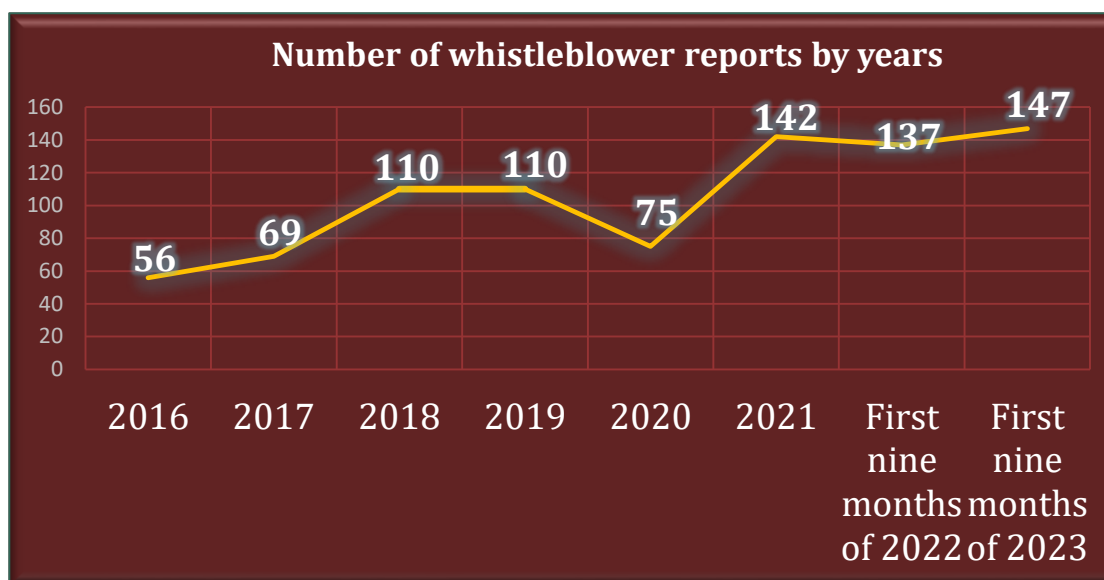
The Ministry of Justice, Human and Minority Rights formed a **Working Group for the drafting of the Draft Law on Lobbying** in September 2021, whose members are APC officials. The Agency and the law proposer were provided with expert assistance in finalizing the solutions for amending the regulatory framework in this area, within the Horizontal Facility for the Western Balkans and Turkey II. During the drafting of the draft, findings from the Peer Review mission on the functioning of APC held in April 2021 were taken into special consideration. A public debate on the Draft Law on Lobbying was conducted in 2021.

The Ministry of Justice submitted the Draft Law on Lobbying to the European Commission for an opinion in June 2022. The European Commission provided comments on the Draft Law and recommendations to the Ministry in January 2023. **Representatives of the Agency participated in three working group meetings in January 2023 to align the Draft Law with the recommendations of the European Commission.** The working group considered almost all recommendations, and after that the Ministry of Justice submitted a new version of the Draft to the European Commission.

Based on the new version of the Draft Law, **the European Commission sent recommendations to the Ministry of Justice for additional improvement of the Draft Law, so a meeting of the Working Group was organized in July 2023** with the aim of harmonizing the legal text with the recommendations. The APC representatives participated in the meeting, and **APC made additional suggestions and comments and submitted them to the Ministry of Justice** in order to harmonize the Draft Law with the given recommendations.

## ACTING ON WHISTLEBLOWERS REPORTS AND WHISTLEBLOWERS PROTECTION

In the first nine months of 2023, the Agency received 147 whistleblower reports, which is more compared to the same reporting period of the previous year and significantly more compared to the annual levels of the first six years of Agency's work, which continues the trend of increasing the number of applications.



Of the total number of whistleblower reports, **66 were submitted anonymously**.

**39 procedures based on whistleblower reports were completed, in two of which the existence of a threat to the public interest was determined** (in the judicial system and the local self-government body). The Agency made a total of **five recommendations** to the subject to the Law for improving transparency and eliminating corruption risks, which **were not implemented**, and in this sense **the Agency acted in accordance with the powers arising from the provision of Article 53 of the LPC.**<sup>7</sup>

The Agency **initiated one procedure ex officio**, which is ongoing.

During the reporting period, the Agency concluded **one procedure initiated ex officio from the previous period, which determined the existence of a threat to the public interest**. In relation to this procedure, the Agency provided **one recommendation** to the subject to the law to improve transparency and address corruption risks. The **given recommendation was not implemented**, so even in that case the **Agency acted in accordance with the powers arising from the provision of Article 53 of the LPC**.

Two recommendations from the previous period were implemented as well.

<sup>7</sup> If the authority, company, other legal entity or entrepreneur does not act on the recommendation within the deadline or does not inform the Agency, the Agency informs the authority which supervises their work, submits a special report to the Parliament and informs the public.

In the reporting period, the Agency **forwarded 12 whistleblower reports to the competent prosecutor's offices**. In relation to one report from an earlier period, feedback was provided that it was rejected.

The Agency **forwarded 15 reports to other competent institutions, for one of which feedback was received that irregularities were found, while for six they were not**.

In addition, in relation to **29 reports from the previous period**, feedback was provided by the competent authorities that **irregularities were found in eight procedures**, while in 21 they were not.

There are 12 more procedures pending before other competent authorities based on whistleblower reports from the previous period.

During the first nine months of 2023, **six requests for whistleblower protection** were submitted (procedures are ongoing).

The Agency **issued two Opinions in the procedure for whistleblower protection requests from 2022, in one of which it determined that damage had occurred**, that is, that there was a possibility of damage to the whistleblower and **gave one recommendation** to the employer on what should be done in order to remove the damage. **The recommendation has been implemented. In the second Opinion, the validity of the allegations from the request for protection was not established.**

Work continued on other procedures for the protection of whistleblowers.

In the first nine months of 2023, the Agency submitted **six requests to the competent misdemeanor courts for initiation of misdemeanor proceedings** for violation of the provisions of the LPC in this area. **Four procedures based on requests were completed** (including those from the previous year), in **one of which a sanction (warning) was issued**.

#### **ANALYSIS OF PROCEDURES IN THE FIELD OF PUBLIC PROCUREMENT FOR THE PERIOD FROM JANUARY 1, 2016 TO JANUARY 1, 2023**

Given that public procurement represents a significant percentage of the gross domestic product (in 2021, 4.47% of Montenegro's GDP), that a large portion of public spending is related to them, and that public funds are transferred to the private sector through them, this area has been recognized as highly susceptible to various forms of corruption. Acknowledging this fact, the Agency has prepared a detailed **Analysis of Procedures in the field of public procurement**, encompassing all procedures following whistleblower reports, including those initiated ex officio, from the beginning of its operations, that is, from January 1, 2016, to January 1, 2023, involving cases that compromised the public interest, indicating the existence of corruption in the field of public procurement within government bodies, local government units, particularly in public enterprises, public institutions, and other legal entities in which the state or municipalities are majority owners or founders. ([https://www.antikorupcija.me/media/documents/Analiza\\_postupaka\\_iz\\_oblasti\\_javnih\\_nabavki\\_za\\_period\\_01.01.2016 - 01.01.2023..pdf](https://www.antikorupcija.me/media/documents/Analiza_postupaka_iz_oblasti_javnih_nabavki_za_period_01.01.2016_-_01.01.2023..pdf)).



Montenegro, through the Agency as the national coordinator, **became a full member** of the Network of European Integrity and Whistleblowing Authorities (NEIWA) at the 8th plenary session held in March in Rome, where it held observer status until now.

Established in May 2019, the Network of European Integrity and Whistleblowing Authorities brings together 36 institutions from European Union countries and candidate states. Its purpose is to facilitate the exchange of knowledge and experiences in the field of integrity and whistleblowing.



### CORRUPTION PROOFING OF LEGISLATION

The Agency continued to demonstrate its commitment to public interest by promoting the **analysis of regulations as an important tool in the fight against corruption.**

In the first nine months of 2023, the Agency has prepared::

- **Opinion on provisions relevant to the appointment of state prosecutors to the Special State Prosecutor's Office.**
- **Opinion on relevant provisions across various regulations that govern the functioning of the General Assembly of the Supreme Court of Montenegro and the Judicial Council, specifically those related to the selection of candidates for the President of the Supreme Court of Montenegro.**
- **Opinion on the Draft Law on Public Broadcasting Services of Montenegro.**
- **Opinion on the Parliament's resolution to form a Working Group to prepare Draft Law on Amendments to the Law on Prevention of Corruption.**
- **Opinion on the Draft Law on Health Care.**
- **Opinion on the Draft Law on Amendments to the Law on Prevention of Corruption.**
- **Opinion on the Proposed Rulebook on Control of Assets, Income and Lifestyle of Police Officers.**
- **Initiative to enact regulations containing procedures, criteria, and guidelines to guide the Cadastre and State Property Administration in providing office space for the regular operation of parliamentary political entities.**

Additionally, the following are in the final stages:

- **Opinion on the Law on Salaries of Public Sector Employees.**
- **Opinion on the Law on Public Procurement**, particularly focusing on the amendments adopted by the Parliament of Montenegro on December 27, 2022.

- **Opinion on the Law on the State Prosecutor's Office**, specifically addressing Article 48 (termination of mandate) and Article 27 (prohibition of election to the prosecutorial function).
- **Opinion on the Proposal for Amendments to the Law on Electronic Communications.**
- **Initiative to the Parliament of Montenegro regarding the necessity to align the Law on Financing of Political Entities and Election Campaigns with the Law on Misdemeanors, the Labor Law, and the Law on Election of Councilors and Members of Parliament.**

During the reporting period, work commenced on five additional opinions:

- **Opinion on the Law on Minority Rights and Freedoms**, specifically focusing on the operations of the Fund for the Protection and Realization of Minority Rights, as well as the statute that further elaborates on the Fund's operations.
- **Opinion on the Law on Pension and Disability Insurance and the Statute of the Pension and Disability Insurance Fund of Montenegro**, particularly regarding the criteria and competencies of the Pension and Disability Insurance Fund's bodies (Administrative Board and Director).
- **Opinion on the Law on Mandatory Health Insurance and the Statute of the Health Insurance Fund of Montenegro**, specifically addressing the criteria and competencies of the Health Insurance Fund's bodies (Administrative Board and Director).
- **Opinion on the Law on Labor Fund and the Statute of the Labor Fund**, concerning provisions carrying corruptive risks, with a special focus on the administrative board and director.
- **Opinion regarding relevant regulations associated with the Public Institution Cultural Center "Husein Bašić" in Play;**

The Agency has been involved in the work of working groups for the drafting of:

- **Draft Law on Lobbying** (providing comments on the Draft Law on Lobbying in accordance with EC recommendations and commenting on amendments to the Law on Lobbying to the Ministry of Justice concerning legal violations).
- **Draft Law on International Restrictive Measures** (preparing a review of the latest version of the Draft Law on International Restrictive Measures).

In this way, the Agency had significantly more space to re-examine the essence of legal acts and to timely act and contribute to the elimination of corruptive risks from the legislation itself during the drafting phase.

## CONDUCTING ADMINISTRATIVE PROCEDURES WITHIN THE COMPETENCE OF THE APC

In terms of conducting administrative procedures, during the first nine months of 2023, **53 administrative procedures were initiated against public officials in the area of income and asset verification** and limitations in performing public functions/conflict of



interest. Additionally, the Agency addressed all **136 complaints** it received regarding suspected violations of the LFPEEC.

Following the completion of administrative procedures related to preventing conflicts of interest and restrictions in the exercise of public functions, as well as verifying income and assets, **authorities** submitted **40 responses** in the first six months of 2023:

- In **19 cases**, a disciplinary measure - a **warning** (17 related to income and assets; 2 related to income, assets, and conflict of interest) was issued.
- • 9 cases were forwarded to another body (8 related to income and assets, 1 related to conflict of interest).
- • **3 dismissals** (income and assets).
- • In 1 case, the disciplinary procedure is ongoing (income and assets).
- • In 8 cases, the proposal for imposing a disciplinary measure (income and assets) was rejected.

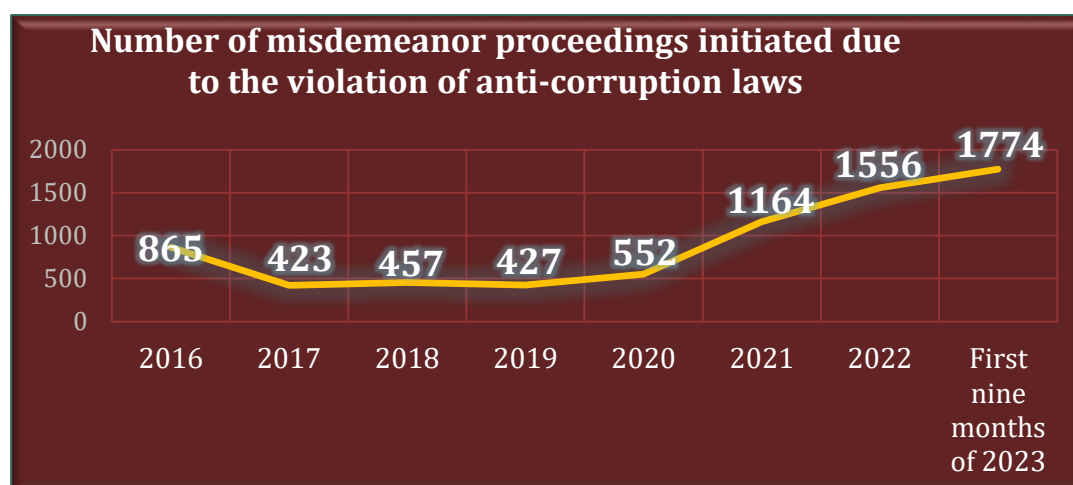
### INITIATION OF MISDEMEANOR PROCEEDINGS AND ISSUANCE OF MISDEMEANOR WARRANTS

During the first nine months of 2023, the Agency filed a total of **1,774 requests to initiate misdemeanor proceedings** against violations of anti-corruption laws to the competent misdemeanor courts:

- ✓ **1.578** for violating the LPC;
- ✓ **196** for violating the LFPEEC.

During that period, **a total of 1,162 proceedings were concluded** (including proceedings from previous years), with **sanctions imposed in 88% of cases** (386 fines and 635 warnings). The total amount of fines imposed reached **€90,530**.

Due to violations of anti-corruption laws within its jurisdiction, the **Agency initiated 14% more misdemeanor proceedings in the first nine months of 2023 compared to the annual level in 2022 and significantly higher compared to the annual levels since the Agency's establishment**. This increase is primarily driven by a **higher number of initiated misdemeanor proceedings in the verification of income and assets and the financing of political entities and election campaigns**.



## ANTI-CORRUPTION CAMPAIGNS, PUBLIC RELATIONS, RESEARCH, AND EDUCATION

Through conducting campaigns, educational activities, and collaborating with the media, the Agency contributes to enhancing the knowledge of the general public and entities subject to anti-corruption laws about the responsibilities and outcomes of this institution, as well as fostering citizens' trust in its work.

During the reporting period, on the Agency's website, as well as on the Agency's YouTube channel and accounts on social media platforms such as Facebook, X, and LinkedIn, **a video animation was posted to promote reporting of corruption** and inform the public about whistleblower protection. The video was prepared in 2022 as part of a project funded and implemented by UNDP in Montenegro.

**An annual training plan for the subjects to the laws under the jurisdiction of the APC was prepared and adopted for the year 2023.** Officials from the Section for Integrity and Lobbying conducted **two online training sessions** on the topic of developing and implementing integrity plans for integrity managers and other employees involved in this process. **Training sessions were organized for newly appointed public officials from Podgorica, Pljevlja, and Plav** on the topic of *'Application of anti-corruption regulations under the jurisdiction of the APC'*.



During the training, the Agency's team of lecturers presented the legal obligations of public officials regarding income and asset reporting, measures necessary to prevent conflicts of interest in performing public functions, legal obligations, restrictions, and prohibitions for government bodies during election campaigns, as well as procedures for handling whistleblower reports and whistleblower protection. Additionally, **a training session was held for participants in the 'Building Resilience Through Information' project** organized by the NGO Mladiinfo Montenegro and the Mladi Nikšića Portal, where participants were introduced to the role and responsibilities of the APC as the overarching preventive anti-corruption institution in Montenegro.

Additionally, **a training plan for employees at the APC was prepared and approved for 2023.** In collaboration with institutions in Montenegro, as well as international partners, **employees of the Agency participated in 26 training sessions during the reporting period.**

In the presence of diplomatic representatives, international partners, and the media, on February 27, the Agency hosted **its traditional working breakfast**. During the event, the director and the president of the Council presented the key results of the institution's work in 2022. They highlighted the Agency's contribution as a key institution in this field and as the implementer of important benchmarks in negotiating Chapter 23 – Judiciary and Fundamental Rights. This contribution aims at an efficient and effective fight against corruption and the promotion of the rule of



Transparency has been reinforced through increased openness towards the media, evidenced by the **continued trend of a favorable media portrayal of the Agency**. This is indicated by the ratio of positive to negative media coverage, crucial in shaping the positive image, with **twice as many positively-toned media posts** during the first nine months of 2023.

### COOPERATION WITH THE CIVIL SECTOR

Expressing institutional dedication to collaboration with the NGO sector, the Agency continued the practice of holding meetings with representatives of non-governmental organizations during election campaigns. During the reporting period, two such meetings took place. The first meeting was attended by representatives of the Center for Civil Liberties (CEGAS), the Center for Development of Non-Governmental Organizations (CRNVO), the Center for Civic Education (CGO), and the Center for Monitoring and Research (CeMI). The second meeting, in addition to CeMI representatives, also involved representatives from the Civic Alliance (GA). Both meetings focused on the activities undertaken by the Agency in monitoring and supervising the campaign for the presidential elections.



**The project PACT (Partnership against Corruptive Tendencies) initiated by the Center for Civic Education (CGO) with the support of the United States Embassy in Podgorica has commenced and will be implemented in collaboration with the Agency.** This project will focus on five areas: education, healthcare, local government, security, justice, and will last for 18 months. The emphasis is on strengthening institutional and alternative mechanisms for detecting and preventing corruption among public officials while concurrently raising awareness among citizens about various forms of corruption and the damages caused by inadequate addressing of corruption.



The Director of the Agency, along with collaborators, met with the President of the Network for Youth Activism in Montenegro (MOACG), David Vukićević. During the meeting, opinions were exchanged about the current social environment and the level of awareness among young people about corrupt practices, as well as ways in which young individuals can contribute to their prevention, especially within the educational system.

The Agency collaborates with NGOs through joint educational activities aimed at raising awareness about the importance of preventing corruption. An Agency representative conducted a training session for participants in the 'Building Resilience Through Information' project organized by the NGO Mladiinfo Montenegro and the Mladi Nikšića Portal.

Viewing the civil sector as a partner in affirming the rule of law, the Agency for Prevention of Corruption will continue to organize consultative meetings with non-governmental organizations.



## INTERNATIONAL COOPERATION

### **Direct collaboration has been established with the European Anti-Fraud Office (OLAF)**

In the spirit of continuing strong and ongoing collaboration with international partners of the Agency, Director **Jelena Perović**, along with her colleagues, met with a **high-level delegation from the European Anti-Fraud Office (OLAF)** led by **Ville Itälä**, the Director-General of this body, which operates independently within the European Commission. The meeting was held at the initiative of Mr. Itälä, who has been leading OLAF since August 2018.

The guests expressed their interest in the preventive anti-corruption legal framework in Montenegro, primarily focusing on the role and responsibilities of the Agency, with a specific interest in regulatory risk analysis for corruption. Director Perović presented the institution's activities in implementing this significant anti-corruption tool, contributing to the strengthening of public administration integrity. Additionally, she acquainted the OLAF delegation with the Agency's actions in other anti-corruption areas and elaborated on specific work processes, emphasizing the significance and impact of the APC within the rule of law system. **OLAF representatives highlighted their willingness to support the Agency through more concrete actions**, including establishing direct communication channels.



### **VISIT TO BRUSSELS**

The President of the APC Council, **Momčilo Radulović**, and the Director of the Agency, **Jelena Perović**, visited Brussels in July for an official working visit. The purpose of the visit was to present the Agency's achievements and strengthen international collaboration with relevant EU institutions. The meetings were attended by **Michael Miller**, Head of the Unit for Serbia and Montenegro in the Directorate-General for Neighborhood and Enlargement Negotiations of the European Commission; **Tonino Picula** and **Vladimir Bilčik**, Members of the European Parliament; **Clemens Krit**, Head of International Cooperation Team of the European Anti-Fraud Office (OLAF); **Aurel Laurentiu Plosceanu**, Vice President of the European Economic and Social Committee; and **Firuze Demir**, representative of the European External Action Service.

As part of Phase III of the **Project to Combat Corruption, Economic, and Organized Crime, the Horizontal Facility for the Western Balkans and Turkey**, the analysis of the Law on Prevention of Corruption was finalized. This analysis specifically covered the provisions of the law related to reporting and protecting whistleblowers, integrity plans, administrative, and misdemeanor procedures.

As a reminder, the comprehensive analysis of the LPC, which commenced last year, was conducted in three phases, with the first two completed during 2022. **The first phase, concerning the functional independence of the Agency**, concluded with the creation of the Technical Document "Analysis of parts of the Law on Prevention of Corruption regulating the establishment and functioning of the Agency for Prevention of Corruption." **The second phase, which involved an analysis of the sections of the law related to conflicts of interest and asset declarations**, resulted in the creation of the Technical Document "Analysis of parts of the LPC regulating conflicts of interest, limitations in performing public functions (incompatibility of functions), income and asset reports, gifts, donations, and sponsorships.

Furthermore, within the same project, the development of a **methodology for in-depth verification of assets and income of public officials has commenced**. The aim is to enhance the process of analyzing and verifying the lifestyles of public officials and civil servants who are required to submit reports on their income and assets. Representatives of the Agency held consultative meetings in June and September in an online format with Valts Kalnins, an expert from the Council of Europe. These discussions focused on the preventive and repressive response of institutions regarding the effective implementation of income and asset verification for public officials, understanding and defining the jurisdictions between the Agency and the Special State Prosecutor's Office, as well as reviewing all stages of this verification process.

The Director of the Agency met with associates and an expert from the Council of Europe to discuss assessing the needs related to the institutional framework for **developing and implementing a national Anti-Corruption Strategy**, preparing the outline of the Strategy and the matrix of the Action Plan for its implementation.

The Director participated in the **Global Anti-Corruption and Integrity Forum in Paris** organized by the OECD. Her **presence at the forum involved several important meetings**, including those with **Drago Kos**, President of the OECD Working Group on Bribery in International Business Transactions, and **Laura Stefan**, President of the Governing Board of the Regional Anti-Corruption Initiative (RAI).



## Summary of Results of the APC Work in the First Nine Months of 2023

In the spirit of a strong commitment to regional collaboration, which stands as one of the priorities in the Agency's activities, a **Memorandum of Understanding and Cooperation was signed between the APC and the Agency for Prevention of Corruption and Coordination of the Fight against Corruption of Bosnia and Herzegovina (APIK)**. The aim is to facilitate the exchange of information and share best practices in the field of anti-corruption. Moreover, **three working visits by delegations from anti-corruption institutions of Western Balkan countries were carried out, including Kosovo (twice) and North Macedonia.**



The Agency delegation undertook a study visit to the Republic of Croatia, where they met with the Minister of Justice and Administration, **Ivan Malenica**, the President of the Conflict of Interest Commission, **Nataša Novaković**, the Commission's Secretary, **Ivan Matić**, State Secretary **Juro Martinović**, and the Head of the Corruption Prevention Sector, **Mladen Bručić-Matić**. Additionally, the **Agency's Director held meetings with the Director of the Anti-Corruption Agency of Kosovo (APK)** in Pristina, and in Skopje, she met with **Slavica Grkovska**, the Deputy Prime Minister of North Macedonia responsible for good governance policies.



In the reporting period, the Agency's director, among other activities, **participated in the second meeting of the Southeast Europe Women Leaders' Good Governance and**

**Anti-Corruption Forum (SEE WGGALF) held in September in Skopje.** The theme of the meeting was "Empowering Women and Youth in the Fight Against Corruption and Instilling European Fundamental Rights and Values in the Region."

**The overall progress of the Agency** during the previous period has been recognized and supported by European partners.

In the latest non-paper for Chapters 23 and 24 for Montenegro, published in the second quarter of 2023, it was noted that **"results in the field of corruption prevention continue to improve quantitatively."** As mentioned, **the APC and its Council have shown increased proactivity in their work and field activities towards the public, media, and civil society.**

