



Montenegro
Agency for Prevention of Corruption

REPORT ON THE WORK OF THE AGENCY FOR PREVENTION OF CORRUPTION IN 2016

Podgorica, March 2017

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Introduction

Agency for Prevention of Corruption (hereinafter: the Agency) began its work on 1 January 1 2016, in accordance with the Law on Prevention of Corruption. Article 98 of this Law stipulates that the Council of the Agency (hereinafter: the Council) shall submit to the Parliament an annual Report on the work of the Agency no later than 31 March of the current year for the previous year.

In this regard, the annual Report on the work of the Agency provides data on all activities carried out by this body in 2016, and which were foreseen in the strategic objectives of the Agency's annual Work Plan, adopted by the Council at the 16th session held on 19 February 2016.

Methodologically, the Report follows the realization of the strategic goals from the Agency's Work Plan for 2016 by Sectors, Departments and Divisions within the Agency.

In accordance with Article 77 of the Law on Prevention of Corruption, an integral part of the annual Report on the work of the Agency is the Report on the implementation and adoption of Integrity Plans in the public authorities.

Internal organization of the Agency with the number of executors

The work of the Agency in 2016 was organized through the Sector for prevention of conflict of interest and control of financing of political entities and electoral campaigns, Sector for prevention of corruption, integrity, lobbying and application of international standards, Department for international cooperation and standards, Department of Information technology and Office of general affairs and finance.

In total, out of 55 systematized job positions, 49 positions were filled in 2016.

Budget of the Agency for 2016

The budget of the Agency for the Prevention of Corruption for 2016 was € 1,541,713.54. According to the Conclusion of the Government of Montenegro no. 02-01-1724 of 22 April 2016, funds in the amount of € 153,945.08 were redirected to the Property Directorate. The Agency's current budget after redirection amounted to € 1,387,768.46, while execution was € 1,166,573.41. The percentage of budget execution in relation to the plan is 84.06%.

The Agency envisaged by the Public Procurement Plan no. 01-207/2 of 29 January 2016, public procurement in the value of € 495.200,00 (for procurement of goods € 241.200,00 and € 254.000,00 for procurement of services). In the Public Procurement Plan it was planned 38 public procurement procedures, 13 procedures for procurement of goods, of which 12 were realized in 2016, and for procurement of services out of the 25 planned procedures 19 procedures were realized. The total value of the realized public procurement procedures is € 408.700,00 of which € 201.200,00 for the purchase of goods, and € 207.500,00 for the procurement of services, which is 82.53% of the planned public procurements for 2016.

Legal and institutional framework

The institutional anti-corruption framework in Montenegro has been developed gradually by the establishment of several authorities and bodies for preventive action against corruption. Given the fact that fight against corruption is one of the priority objectives of all three branches of government, efforts are made continuously to further strengthen the efficiency, coordination and capacity of anti-corruption bodies.

In order to increase efficiency and achieve measurable results of anti-corruption bodies, the Government of Montenegro, in the course of 2014, opted for a centralized preventive anti-corruption institutional framework, which replaced the former decentralized system in the direction of establishing a new, unique, efficient and effective preventive anti-corruption authority, based on the law. In this regard, on 1 January 2016, the Agency for the Prevention of Corruption (hereinafter: the Agency) started to operate as an independent state institution.

The work of the Agency is regulated by three laws: the Law on Prevention of Corruption, the Law on Financing of Political Entities and Electoral Campaigns and the Law on Lobbying. This set of anti-corruption laws was adopted in accordance with the Action Plan for Chapter 23, the National Action Plan for monitoring the Strategy for fight against corruption and with the assessments from the Report of the European Commission on the progress of Montenegro. In this way, a quality and comprehensive normative framework for preventive action in the fight against corruption has been provided.

The Law on Prevention of Corruption prescribes measures to prevent conflicts of interest and limitations in the performance of public functions, the protection of persons who report the threat to public interest, as well as other issues of relevance for the prevention and fight against corruption. The Agency acts as an independent body in the field of prevention of corruption, prevention of conflicts of interest in the exercise of public function and handling of reports and protection of whistleblowers, as well as other affairs in accordance with this Law. Thus, this Law establishes the Agency and ensures the centralization of preventive anti-corruption competencies in an independent body, in which are also concentrated the competencies of the Directorate for Anti-Corruption Initiative and the Commission for Prevention of Conflict of Interest, which have ceased to operate with the establishment of the Agency, as well as part of competencies of the State Election Commission which refers to control of the financing of political entities and election campaigns.

The Law is in line with the obligations and recommendations of international documents ratified by Montenegro: the UN Convention against Corruption, Resolution (97) 24 of the Committee of Ministers of the Council of Europe on the Twenty Principles for the Fight against Corruption, the Council of Europe Criminal Law Convention on Corruption, the Council of Europe Civil Law Convention on Corruption, the Standards of Anti-Corruption Bodies EPAC (European Partners for Combating Corruption - Montenegro is a member), the Ministerial Declaration on 10 common measures for combating corruption in South East Europe. Finally, the recommendations of the

Council of Europe Anti-Corruption Group (GRECO) have been respected, taking into account the provisions of the Council of Europe Code of Conduct for Public Officials, Council of Europe Recommendations (2003) 4 of the Committee of Ministers for Member States concerning the common rules against corruption during the financing of political parties, and other.

The Law on the Financing of Political Entities and Electoral Campaigns stipulates the obligations, restrictions and prohibitions for the authorities, political entities and the Agency during the election campaign, or month after the elections. This Law stipulates that the Agency shall control the financing of political entities and election campaigns, or monitor its implementation.

The Law regulates the way of obtaining and securing financial resources for regular work and election campaigns of political entities, prohibitions and restrictions on the disposal of state assets, funds and public authorizations in the course of campaign and control, supervision and audit of financing and financial operations of political entities in order to achieve legality and publicity of their operations.

This Law clearly establishes the powers of the institutions responsible for the implementation of the Law, as well as the possibility of access to relevant information necessary for their work, which is available to other authorities and political entities. Also, the Law consolidated previous legal solutions that regulated the financing of political parties and funding campaigns for the election of the President of Montenegro, and also the uncertainties that had arisen in the application of earlier laws in this field were removed.

The law extensively applies to both political entities and authorities, and during its development, special attention was paid, inter alia, to meeting the recommendations made by relevant international institutions to Montenegro.

The objective of the Agency is to contribute to the further strengthening of the integrity of the electoral process through the responsible use of public resources and the transparent financing of political entities by consistent implementation of this Law.

The Law on Lobbying regulates the conditions and manner of performing the activities of lobbying, rules of lobbying and other issues of importance for this activity. According to the provisions of the Law, lobbying is an activity that exerts influence on legislative and executive authorities at the state or local level, on state administration authorities, independent bodies, regulatory bodies, public institutions, public enterprises and other legal entities that exercise public authorizations, or activities of public interest, or are in majority state ownership, in the procedure of adoption of regulations and other general acts within the competence of these authorities, in order to gain the interest of lobbying entities in accordance with the Law.

Lobbying is a new institute in our legal system. This anti-corruption mechanism, especially in the countries of the common law system, has for a long time been a legitimate and desirable aspect of the influence on the decision-making process that is of interest to the community. The Law on Lobbying from 2011 for the first time legislatively regulated the activities of lobbying in

Montenegro, but the practical application was absent. The new law was adopted on 9 December 2014, primarily due to the structural harmonization of certain norms of the Law itself, but also the harmonization with other positive regulations. Here, first of all, is the Law on Prevention of Corruption and the establishment of the Agency for the Prevention of Corruption as an independent professional anti-corruption body, which, starting from 1 January 2016, has united the most important preventive anti-corruption activities.

The second reason was harmonization with the best international experiences and practices in order to find the best normative solutions for preventing unlawful influence in the procedures of adoption of regulations and other general acts and preventing potential corruption, which would improve the transparency of the work of institutions.

The comments of the European Commission on the text of the proposal for the Law on Lobbying have been incorporated into the text of the Law, and during the drafting of the Law the basic principles of the United Nations Convention against Corruption, other international instruments in that field, as well as the comparative legislative and practical solutions of European countries were taken into account. The recommendations of the Group of the Council of Europe Anti-Corruption Group (GRECO), as well as the recommendations of the Green Paper of the European Commission COM (2006) 194, were respected.

The bylaws necessary for the application of the laws within the competence of the Agency were adopted during 2015. These acts relate to the application of:

- *Law on Prevention of Corruption* (Rulebook on manner of disposing with gifts of public officials – Official Gazette of Montenegro no. 77/2015; Rulebook on content and manner of keeping a register of income and assets of public officials – Official Gazette of Montenegro no. 77/2015; Rulebook on the manner of keeping a register of sponsorships and donations and the contents of the report on received sponsorships and donations – Official Gazette of Montenegro no. 75/2015; Rulebook on the manner of keeping records of public officials who have violated the Law on Prevention of Corruption or special laws that determine the competencies of the Agency for Prevention of Corruption – Official Gazette of Montenegro no. 75/2015; Rules on verification of data from the statement on income and assets of the Director of the Agency for Prevention of Corruption – Official Gazette of Montenegro no. 75/2015; Rules on the work of the Agency in the field of prevention of conflict of interests of public officials – Official Gazette of Montenegro no. 04/2016; Rulebook on the manner of keeping records of whistleblowers reports and records of requests for protection of whistleblowers – Official Gazette of Montenegro no. 75/2015; Rulebook on detailed manner of handling the reports of whistleblowers on endangering of the public interest indicating corruption – Official Gazette of Montenegro no. 77/2015; Rulebook on form and content of official identification card of the Director and authorized officials of the Agency – Official Gazette of Montenegro no. 75/2015);

- *The Law on the Financing of Political Entities and Electoral Campaigns* (Rules on the method of calculation and reporting of non-cash contributions to political entities; Instructions on the form of

report on origin, amount and structure of collected and expended resources from public and private sources for election campaigns for election of parliament members and deputies; Instructions on the manner and procedure for reporting and resolving complaints filed during the election campaign; Rules on the manner of calculating and reporting on non-cash contributions to political entities; Rulebook on the manner of performing control of political entities and control and overview during election campaign; Instructions on the content of the reports on the contributions of legal entities and natural persons to political entities during the election campaign; Instructions on the form of report on origin, amount and structure of collected and expended resources from public and private sources for election campaign for the election of President of Montenegro);

- *the Law on Lobbying* (Rulebook on form and manner of keeping of register of lobbyists – Official Gazette of Montenegro no. 52/2015; Rulebook on form and content of the report on the work of lobbyists and legal entities registered for performing the activity of lobbying – Official Gazette of Montenegro no. 52/2015; Rulebook on form and content of the identification card of the lobbyist – Official Gazette of Montenegro no. 52/2015; Rulebook on form and content of the of the application for issuing approval for performance of lobbying activity – Official Gazette of Montenegro no. 52/2015; Rulebook on program and manner of passing the exam for performing the activity of lobbying – Official Gazette of Montenegro no. 60/2015);

In addition to this, the Agency, based on the Law on the system of internal financial control in the public sector (Official Gazette of Montenegro, No. 73/08, 20/11 and 30/12) and the Rulebook on the manner and procedure for the establishment and implementation of financial management and control (Official Gazette of Montenegro, No. 37/10) adopted 20 internal acts as follows:

Internal rule on the procedure of approving official travel; Internal Rule for Creating Internal Acts; Code of Dressing Employees in the Agency; Home rules; An internal rule for the education of a working group or other form of work in the Agency; Internal rule for development of internal acts; Dress code for employees of the Agency; Home rules; Internal rule for establishment of the working group or other form of work in the Agency; Rulebook on conditions and manner of transportation means usage in the Agency; Instructions on Reception of Citizens; Internal procedure on the manner of recording and paying incoming invoices; Internal procedure for calculation and payment of salaries to the employees in the Agency; Internal training program for trainees of the Agency; The internal rule on the treasury operations of the Agency; Internal rule on outstanding obligations of the Agency; Internal instructions for drafting the Agency's budget proposal; Internal Instruction for Public Procurement in the Agency; Rulebook on the manner of concluding a direct agreement as a public procurement procedure; Agency's Communication Strategy for 2016; Professional guidance for organizing anti-corruption campaigns and educational activities; Code of Ethics for Employees in the Agency; A Guide to access information in the possession of the Agency and the Rulebook on the archive and office operations of the Agency.

I. Department for prevention of conflict of interest and control of financing of political entities and election campaigns

Department for prevention of conflict of interest and control of financing of political entities and election campaigns in the first year of operation of the Agency has achieved concrete and measurable results in its work in accordance with all the strategic goals that fall within its competence.

Declarations on income and assets, which were submitted in 2016 on new forms and in accordance with special guidelines, are submitted in high degree, and the Annual plan of verification of declarations has been exceeded in a significant percentage.

After the Agency adopted the Decisions and gave Opinions on the prevention of conflict of interests of public officials, 75 public officials resigned from public office, while 26 public officials were dismissed by the authorities.

The Agency made maximum use of the powers granted to it by the Law on the Financing of Political Entities and Electoral Campaigns during the two election campaigns that were held in the first year of its work - for the October parliamentary elections, as well as the local elections that took place simultaneously in Andrijevica, Gusinje, Kotor and Budva, as well as local ones that were held in Tivat in April. Thanks to the activities and proactive approach of the Agency, the contribution to raising the transparency of the electoral process, as well as prevention of possible misuse of public resources for election purposes, has been given. For the first time, the interested public obtained a fairly high access to data on the use of state funds and the financing of campaigns by political entities in a single election process.

According to the Rulebook on Internal Organization and Systematization of the Agency for the Prevention of Corruption, three divisions operate within the Department for prevention of conflict of interest and control of financing of political entities and electoral campaigns, namely: Division for prevention of conflict of interest of public officials, Division for implementation of measures for controlling the financing of political entities and election campaigns, as well as the Division for initiating misdemeanour procedures and issuing misdemeanour warrants.

The activities of the Division for prevention of conflict of interests of public officials, covered by Strategic Objectives 1, 2 and 3 of the Work Plan of the Agency for the Prevention of Corruption for 2016, relate to the prevention of conflicts of public and private interest in the performance of public functions (objective 1), respect of restrictions in the exercise of public functions and control of received gifts, donations and concluded sponsorships (objective 2), and to efficient verification of declarations on assets and income of public officials (objective 3).

Since the Annual Work Plan did not contain a specific objective for this Division, and in order to sublimate the data under its jurisdiction, the activities of the Division for the initiation of

misdeemeanour procedures and the issuance of misdemeanour warrants will be processed in a separate segment of this report - OFFENCES.

1. Division for prevention of conflict of interest of public officials

Activities

The Law on Prevention of Corruption prescribes that a public official is obliged to take measures to resolve conflicts of interest or to respect the limitations in the exercise of public office, and to report to the Agency the suspicion of the existence of a conflict of interests and limitations, which gives an opinion on this matter.

As one of the three preventive anti-corruption laws, the Law on Prevention of Corruption prescribes new legal solutions and restrictions for all public officials, and for parliament members and deputies, as elected representatives, and additional restrictions, with the aim of responsible and impartial performance of public office.

When it comes to the performance of other public affairs (Article 9 of the Law), a decision has been kept that a public official, including a parliament member, deputy, member of the Government, judge, prosecutor, may be appointed or elected to permanent or temporary working bodies established by the government authority, and that in that case the stated membership is not considered to be performance of another public office, while the novelty is a limitation that in the same month a public official can make a remuneration through membership in only one working body.

Also, the novelty of the Law are also the limitations prescribed for parliament members or deputies, according to which, at the same time they cannot perform the function of a president or a member of the governing body and supervisory body of a public enterprise, public institution or other legal entity in one public company, public institution or other legal entity in which the state or municipality is the owner. The novelty, among other provisions of the Law (Article 12 paragraph 5), is also that, in the case of membership in the management bodies, management or supervision of a public enterprise, public institution or other legal entity, as well as scientific, humanitarian, sports and similar associations, a public official shall not generate income or other compensation. An additional limitation is that a public official performing tasks in the state administration and local government bodies shall not perform the function of parliament members and deputies.

The constraints followed as a result of the recommendations of the European Commission and GRECO and the poor practice that the membership of public officials in working bodies and commissions formed by the authority is the basis for obtaining additional revenues, in addition to the earnings of a public official, which, in comparative practice, is otherwise considered to be a

regular performance of work obligations and tasks of a public official. This recommendation also concerned the limitations in the acquiring of additional revenue in the management and control bodies.

Chapter 2 of the Law on Prevention of Corruption prescribes the procedure of giving opinions at the request of a public official in the event of a suspicion of conflict of interest in relation to the restrictions in the exercise of public functions. In accordance with the Rules of Procedure of the Agency in the area of prevention of conflicts of interest of public officials, the procedure of giving opinions in the event of a suspicion of conflict of interest is initiated at the request of a public official, a person to whom the public function has ceased and the authority competent for election, nomination or appointment.

The Plan of Work for 2016 envisages the objective of "**Preventing conflicts of public and private interest in the exercise of public functions**". The number of the Agency's Opinions as well as number of Agency's Decisions on the existence of a conflict of interest are recognized as the indicators of this objective.

Prevention of conflict of interest

In the area of *prevention of conflicts of interest*, covered by strategic objective 1, the Agency gave 185 Opinions that are binding on public officials, following requests from public officials and authorities. After the given Opinions and the conducted administrative procedures in which 224 decisions and conclusions were adopted, 75 resignations of public officials to public office were submitted. The opinions of the Agency concerned the potential suspicion of conflicts of interest between public officials and authorities in relation to: performing incompatible functions, receiving fees in management bodies, working bodies and commissions, by signing a contract. The action has been taken and answers have been provided in respect of 106 requests from parties and bodies, as well as other interested parties, concerning the rights and obligations of public officials.¹

Compliance with restrictions in the exercise of public functions and control of received gifts, donations and concluded sponsorships

In accordance with Article 32 of the Law on Prevention of Corruption, the procedure in which it is decided whether a public official violated the provisions of the Law relating to the prevention of conflict of interest in the exercise of public office, restrictions in the exercise of public functions, gifts, sponsorships and donations and declarations on incomes and assets of public officials are initiated by the Agency at the request of the authority in which the public official performs or has exercised a public function, the authority competent for the election, nomination or appointment of a public official, other state authority or municipal authority, other legal entity or a natural person.

¹ More detailed statistics in Annex 1 – Conflict of interest and Annex 2 – Incompatibility of functions

Regarding the ***compliance with limitations in the exercise of public functions and the control of received gifts, donations and concluded sponsorships***, covered by strategic objective 2, the number of Agency decisions related to restrictions in the exercise of public functions has been recognized as an indicator.

Out of a total of 263 requests for initiation of administrative proceedings before the Agency, which were sent from 1 January 2001 to 31 December 2016, 63 referred to the performance of incompatible functions and the non-transfer of management rights (seven upon reporting of other natural or legal persons, eight based on the given Agency's Opinion and 48 on the basis of the own request). After the conducted procedures, the Agency completed 224 cases and brought 224 decisions and conclusions, 58 of which referred to the non-transfer of management rights, membership in private management boards, in several boards of directors, 40 to accurate and complete data reported in the declaration, 45 on the basis of acquisition, while the rest related to the submission of declaration Declarations on income and assets within the deadlines prescribed by the Law.

In addition to public officials, all decisions were delivered also to the authorities so that they could get acquainted with the actions of a public official whom they nominated, appointed or agreed to his/her appointment, as well as with a relation to a public office, in order to take action and ultimately act in accordance with the Law. All decisions and conclusions were published on the Agency's website in accordance with Article 39 of the Law on Prevention of Corruption.

The Agency has submitted information to all authorities when it was established that a public official is in violation of the law – the requests for dismissal, suspension or pronouncement of disciplinary measures for public officials for which the final decision had found violation of the law were submitted. During 2016, the authorities issued 45 administrative sanctions, as follows: 26 public officials were dismissed, in 18 cases a warning was issued, and in one disciplinary measure with a fine. The Agency received 26 notifications from the authorities that the proceedings are underway. In the cases underway, the authorities are obliged, in accordance with the Law, to inform the Agency of the undertaken measures regarding the decision of the Agency, which found that a public official violated the provisions of the Law, which are related to the prevention of conflict of interest in the exercise of public office, gifts, sponsorships and donations and declarations on income and assets of public officials, as well as special laws that determine the competencies of the Agency, within 60 days from the date of receipt of the decision, with a written explanation. The Law on Prevention of Corruption prescribes that if a public official is dismissed from a public office, he/she cannot perform a public function, that is, the affairs of a civil servant, for a period of four years from the date of dismissal. A positive step forward in the application of new legal solutions is the large number of requests for verification of candidates sent to the Agency in 2016 by the authorities in charge of the selection, nomination or appointment. Prior to the adoption of the decision on the election, nomination or appointment of a public official, the requests are used to verify if the public official in the last four years before the candidacy has been, in this capacity, dismissed from the public office.

At the requests of the Agency, eight public officials submitted evidence that they do not earn revenues in the governing board, and this ban is prescribed as of 1 January 2016.²

- **Gifts, sponsorships and donations**

According to the Law on Prevention of Corruption, a public official, in relation to the performance of a public function, must not receive gifts, except for protocol and occasional gifts in the value of € 50 (fifty) and € 100 (hundred) per year, if received from the same person. This prohibition also applies to marital and extra-marital spouses and children of public officials if they live in a common household. In accordance with the indicator for Objective 2, referring to the number of government authority's reports on received gifts, sponsorships and donations, in 2016 the Agency was reported a total of 96 gifts by 19 authorities, of which 18 were occasional, 72 were protocol and six gifts which cannot be denied/returned.

In 2016 the Agency was reported total of 72 sponsorships, as well as 254 donations. We remind that the Law on Prevention of Corruption prescribes restrictions on the conclusion of a sponsorship contract by a public official in his own name, as well as when concluding a sponsorship contract and receiving donations by a public official on behalf of the authority in which he/she performs a public function, if they influence or could influence the legality, objectivity and impartiality of the work of the authorities.³

In addition, in cooperation with expert consultant Bećir Kečanović, the Division for prevention of Conflict of Interests, with the expert support, carried out the following activities: detailed elaboration of the Plan of activities of the control of the authorities on received donations and sponsorships; cases were noted in which the opinion on sponsorship to individuals (expert public) in the field of health was requested; data were collected regarding the services provided by natural persons to pharmaceutical companies.

In the next phase of realization of the said activities, after the expiration of the legal deadline (31 March 2017) for submission of written reports on received gifts, sponsorships and donations, as well as documentation related to these sponsorships and donations, working meetings with representatives of the Ministry of Health will be organized, and then with the representatives of the Pharmacy and Pharmaceutical Chamber of Montenegro on how to implement in practice the mentioned standards of transparency, ethics and integrity and responsible behaviour of the pharmaceutical industry in Montenegro for gifts, sponsorships and donations, i.e. transfer of funds and other values for the benefit of health institutions and healthcare personnel in the manner envisaged in the Operational document for the prevention of corruption in the areas of special risks - Health.

² More detailed statistics in Annex 2 – Incompatibility of functions

³ More detailed statistics in Annex 3 – Control of received gifts, donation and concluded sponsorships

Verification of declarations on assets and income of public officials

Verification of the declarations on assets and income of public officials is covered by strategic objective 3 from the Agency's Work Plan for 2016.

We remind that the Law on Prevention of Corruption stipulates the obligation of public officials to submit regular annual declarations on income and assets for the previous year not later than 31 March of the current year to the Agency for the Prevention of Corruption. The declarations were submitted this year for the first time by electronic means, in new forms and in accordance with special instructions available on the Agency's website (www.antikorupcija.me), as well as in printed form at the address of the Agency's address.

After the implementation of the software and administrative controls referred to in Articles 35 and 36 of the Rules of Procedure of the Agency in the area of prevention of conflict of interests of public officials, the procedure for checking the completeness and accuracy of the reported data in the submitted income and assets declarations is done in accordance with the order established in the Annual plan of declarations verification. The verification is performed by comparing the reported data from the declarations with the collected data on the assets and incomes of the public official from the authorities and legal entities that have these data.

- **Number of submitted declarations on incomes and assets**

As the first indicator of success for the third goal from the Agency's Work Plan for 2016, the number of public officials' declarations on revenues and assets has been recognized. In that sense, out of the total of 4,427 public officials registered (1,750 state and 2,677 municipal officials), **4,409** or 99.6% of them submitted the declarations on income and assets for 2015/2016.

In accordance with the deadlines prescribed by the Law, another **860** Declarations of public officials were submitted and processed, as follows: 331 Declaration on income and assets within 30 days after the termination of the function, 335 annual declarations upon cessation of office, as well as 194 declarations in case of increase of assets over 5.000 €.

Also, **1,228** declarations of civil servants were submitted and processed, i.e. officers of the Administration for Inspection Affairs, Police Directorate and Ministry of Internal Affairs, Tax Administration and Customs Administration, in accordance with the deadlines prescribed by the Law.

A total of 18 public officials who are currently performing public functions did not submit to the Agency the regular annual declaration on income and assets. These are public officials appointed after parliamentary elections in December 2016 and are obliged to submit declarations within 30 days from the date of appointment, that is, in January 2017.

All judges (343) and prosecutors (131) fulfilled their obligations within the legally prescribed deadline and submitted declarations on revenues and assets. All members of parliament (81), as well as all members of the Government of Montenegro (20) submitted the declarations within the legal deadline.

Total of 6,497 Declarations on income and assets have been processed and published on the Agency's website.

- **Number of verified declarations**

The Annual plan of verification referred to in Article 30 of the Law shall be implemented in cooperation with institutions that have information on assets and income of public officials and members of the common household: **Tax Administration** (data on realized tax revenues, as well as data from the Central Registry of Business Organizations), **Real Estate Administration** (data on holders of ownership rights over immovable property), **Ministry of Interior** (data on ownership of movable property which is registered: motor vehicles, weapons), **Ministry of Transport and Maritime Affairs** (data on ownership of movables - vessels: ships, yachts), **Securities Exchange Commission of Montenegro** (data on persons holding securities, that is, shares in companies and other legal entities).

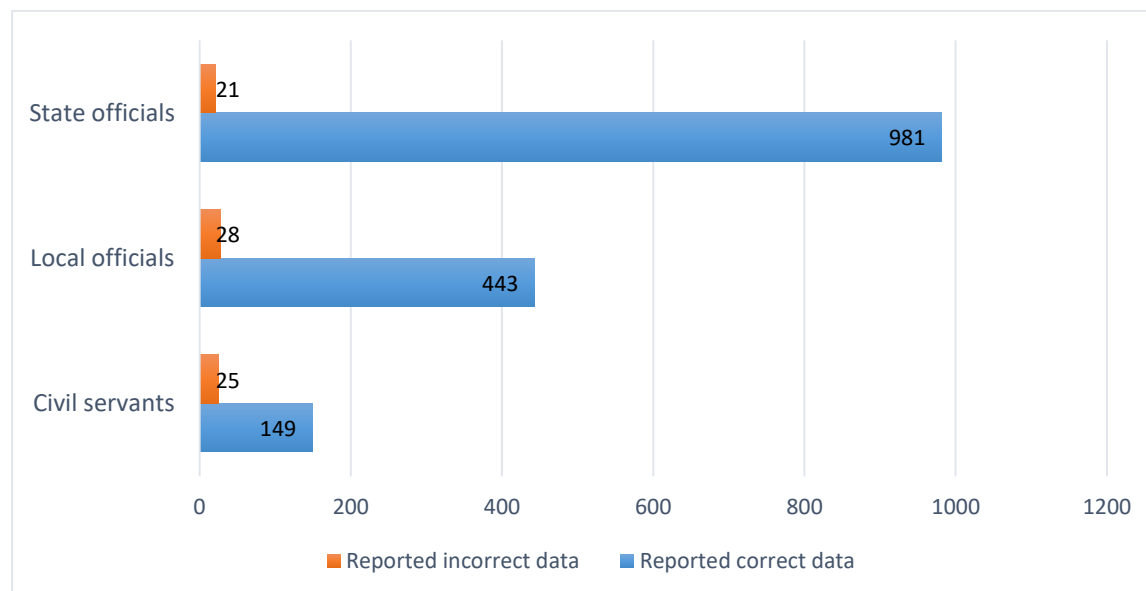
The Annual plan of verification for 2016 envisaged checking of 1440 public officials. Procedure for verification of data from income and assets declarations, which is performed in accordance with established Methodology of risk assessment, which prescribes the procedure of verification (Rules on the work of the Agency for Prevention of Corruption in the segment of prevention of conflict of interest of public officials - Official Gazette of Montenegro, No. 4/16), started in January. In accordance with indicator two, referring to the number of performed verifications of data from the Declarations of public officials on income and assets, by comparing data from declarations with data obtained from the bodies and legal entities that possess such data, the officials of the competent sector of the Agency, by the end of December, verified the total of **1473** declarations of public officials, whereby the Plan, if to this are added also 174 verified civil servants, is not only realized, but exceeded by 15 percent. 1002 state officials were verified, as well as 471 local officials. The initial verification determined irregularities in 49 public officials, due to reporting incorrect and incomplete data. Out of the **174** verified civil servants, 25 of them did not report accurate and complete data, ten cases were terminated by administrative procedures and decisions were made that the provisions of the Law were violated, while other procedures are ongoing.⁴

⁴ More detailed statistics in Annex 4 – Verification of assets

Table 1: Number of verified declarations on income and assets

DATA	STATE		LOCAL		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%
<i>CORRECT DATA:</i>	981	98.0%	443	93.4%	1424	96.7%
<i>INCORRECT DATA:</i>	21	2.0%	28	6.6%	49	3.3%
<i>TOTAL VERIFIED:</i>	1002		471		1473	
Plan of annual verification	1473/1440 PO + 174 /1223 CS = 1647					
The execution of the annual plan of verification	1440 - Annual plan of verification PO - verified 1473 1223 civil servants – verified 174					
	1473+174 = 1647 Verified number of public officials and civil servants					

Chart 1: Verification of data from declarations on income and assets



- **Verification of declarations by which an increase of income and assets higher than € 5,000 is declared**

The Law on Prevention of Corruption prescribes that if the Agency determines in the procedure of verification that the assets and revenues of public officials and persons related with a public official are higher than real incomes, a public official is obliged, at the request of the Agency, to deliver within 30 days detailed information on the basis of acquiring assets and income. The Rules

of Procedure of the Agency specify that the complete verification involves the processing, analysis, control and verification of all data on assets and income of public officials and members of the common household, as well as data on the manner of acquiring assets and sources of funds for which movable and immovable property was acquired. The complete verification implies the verification of all data specified in the submitted Declaration, by comparison with the obtained data on the incomes and assets of public officials, as well as the sources of funds for which the movable and immovable property is acquired, acquired after entering the public office.

Pursuant to the aforementioned legal provisions, in all cases when during the procedure of verification the Agency found that the property of a public official increased in relation to the previous period (over € 5,000), a request was made to public officials to clarify and provide evidence of the basis of acquiring new property. The legal deadline for submitting the documentation is 30 days from the date of receipt of the Agency's request. During 2016, the Agency sent 49 requests for verification of data, on the basis of which 45 procedures were completed by the conclusion (31 after the conducted administrative procedure and 14 by verification of bank accounts, in accordance with the Rules on processing and protection of data representing banking secrecy) and it was determined that public officials, in accordance with legal provisions, provided detailed information on the basis of acquisition and sources of funds for assets whose value exceeds the amount of € 5,000. The remaining four procedures were not completed by 31 December 2016. The procedure will continue in January 2017.

- **Administrative procedures**

With a view to preventing conflict of interests of public officials, provisions laying down the performance of other public affairs and restrictions in the exercise of public office were prescribed, in Articles 7 to 16 of the Law on Prevention of Corruption, while restrictions on gifts, sponsorships and donations are prescribed in Articles from 16 to 23 of the same Law.

Based on the knowledge (own or upon the request of a legal or natural person) that there is an action contrary to the Law, the Agency shall conduct a procedure against a public official in accordance with the bylaw Rules of Procedure of the Agency in the field of prevention of conflict of interest of public officials, namely:

1. Procedure in connection with the submission of declarations on incomes and assets, in accordance with the deadlines prescribed by the Law;
2. Procedure regarding the verification of the accuracy and completeness of the reported data from the declarations on income and assets of public officials and members of the common household;
3. Procedure regarding the verification of the basis of the acquisition of the assets of a public official and a member of the common household;
4. Procedure for the prevention of conflict of interest including the application of other regulations (as well as procedures for non-compliance with the provisions of the law on giving a declaration of existence of private interest);
5. Procedure for making compensation in several working bodies in the same month;

6. Procedure due to the non-transfer of management rights of a public official who is the owner/founder of a company, institution or other legal entity;
7. Procedure regarding the performance of managerial and other functions of public officials in a company (private companies - without the participation of state capital less than 33%);
8. Procedure regarding membership of a public official in the management bodies and supervisory bodies in which the municipality/state has an equity stake;
9. Procedure regarding the exercise of compensation by a public official based on membership in the management bodies and the supervisory bodies of a public company, public institution, association;
10. Procedures for performing incompatible functions;
11. Procedures for the conclusion of a Service Contract in accordance with the provisions of the law;
12. Restrictions on public officials if in the period of two years from the date of the termination of the public function they establish business cooperation with the authority in accordance with Article 15 of the Law;
13. Procedure concerning non-declaration of gifts on the form prescribed by the Law, unlawful receipt of gifts, failure to report to the authority on the illegal offer and manner of disposal of the gift;
14. Procedure regarding non-disclosure of sponsorships and donations in the form prescribed by the Law, unlawful receipt of sponsorships and donations.

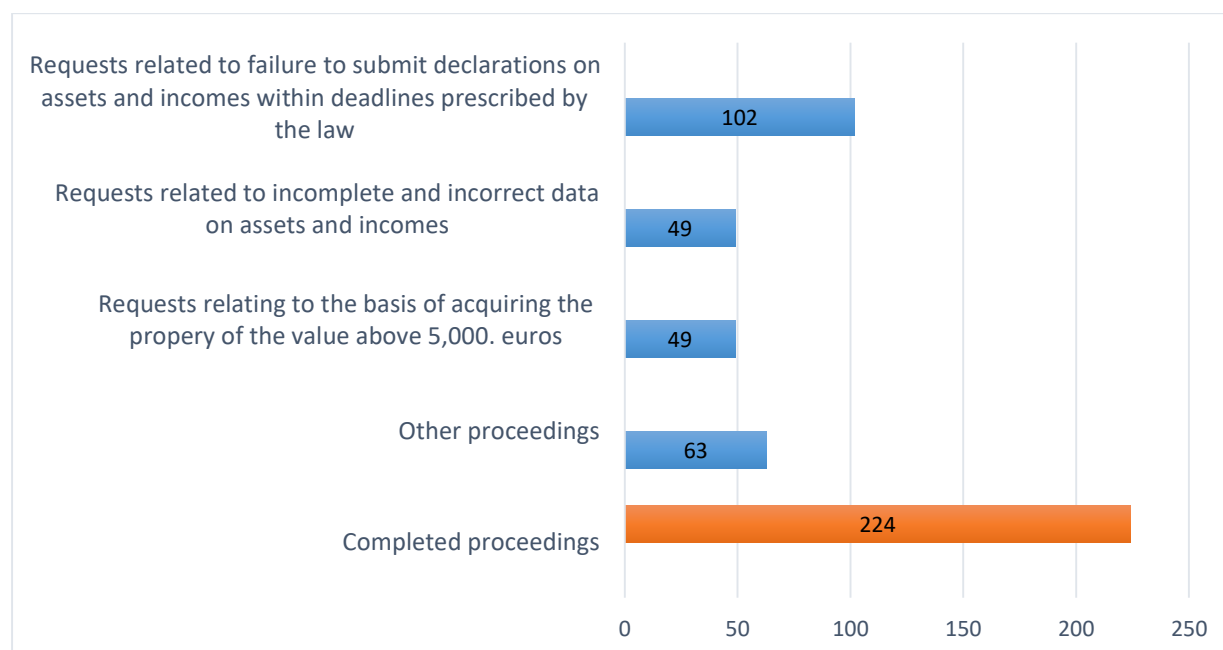
Article 12 of the Law explicitly lists public officials: President of Montenegro, Member of Parliament, Deputy, member of the Government of Montenegro, judge of the Constitutional Court of Montenegro, judge, head of state prosecution, state prosecutor, special prosecutor for combating organized crime, corruption, terrorism and war crimes and the Deputy Special Prosecutor who cannot perform the function of a president or member of the management body and supervisory body of a public enterprise, public institution or other legal entity in a public enterprise, public institution or other legal entity in which the state or municipality is the owner. The same article stipulates that a public official performing tasks in the state administration and local government bodies cannot perform the function of Member of the Parliament and Deputies.

When it comes to conducting the administrative procedure, the Agency sent **263** requests for initiation of the administrative procedure from 1 January to 31 December 2016. Out of that number, **102** cases referred to the non-submission of the Declaration within the legally prescribed deadlines, **49** to incorrect and incomplete data (incorrect data on assets and income), **49** requests were sent by the Agency to public officials for submitting the basis for acquiring assets of value of over € 5,000. Other procedures (**63** of the total of 263, were processed within the specific objective of this report (Objective 2 - page 11).

After the conducted procedures, the Agency **completed 224** cases and issued 224 decisions and conclusions, of which: **80** due to non-reporting, **41** administrative procedure due to failure to provide accurate and complete data (33 public officials were found to violate the law, while in eight cases the conclusions terminated administrative procedures, since the provisions of the law were not violated), **45** related to the verification of the basis for acquisition and the source of

assets of value of over € 5,000 (out of total of 49 initiated), 31 after the conducted administrative procedure and 14 by verifying bank accounts, while for four cases is still underway (**58** out of a total of 224 cases were processed within the specific objective of this report (Objective 2 - page 11). The remaining 39 procedures are ongoing and will be completed in the first quarter of 2017.

Chart 2: Requests to initiate administrative procedures before the Agency for Prevention of Corruption



- **Approval for access to accounts of banking institutions**

An important novelty in relation to the previously applied law is that, in order to verify the data from the declaration, a public official can give consent to the Agency for access to data on all accounts of banking and other financial institutions, which is used solely for the purpose of verification of data from the declaration. The consent refers to the time when the duties of a public official and civil servant are carried out, in accordance with the Law, and the data are taken only for the time period of performing the function. The Agency makes a written request from 14 commercial banks in Montenegro access to all bank accounts, i.e. cash and credit indebtedness, inflows/outflows of cash on the current/foreign currency accounts held by these persons with banks.

When it comes to access to accounts with commercial banks and other financial institutions, in 2016, a total of 3250 (73%) public officials gave approval for access to accounts, while 1177 (27%) of public officials did not give their consent.

Approval for access to banking data was signed by 938 (76%) of state officials, while 290 (24%) did not give consent.

In order to comply with the provisions of the Law on Personal Data Protection, statistical data on the conducted verification procedures in 14 commercial banks operating in Montenegro were published on the Agency's website www.antikorupcija.me, in accordance with Article 101 of the Law on the Prevention of Corruption, which stipulates that the Agency is obliged to provide protection of classified information and personal data when it is working and informing the public, in accordance with Article 39, which stipulates that decisions are announced only if a public official has violated the provisions of this Law.

A total of 45 procedures in the cases of property verification were completed with the Conclusions that determined that public officials, in accordance with the legal provisions, provided detailed information on the basis of acquisition and sources of funds for assets whose value exceeds the amount of € 5,000.

Table 2: Conducted procedures for public officials who perform function at the state and local level

No	Number of the Agency's act	Date of the adoption of the act	Category of public officials
Conducted procedures for public officials who perform a function at the state level			
1.	01-02-4-2822/4	8 July 2016	Prosecutor
2.	01-02-4-571/4	6 September 2016	Prosecutor
3.	01-02-4-4457/8	25 October 2016	Prosecutor
4.	01-02-4-4060/7	15 December 2016	Deputy Prosecutor
5.	01-02-4-445/5	10 November 2016	Judge
6.	01-02-4-1917/6	6 December 2016	Former judge and person who performs the function in the local self-government Danilovgrad
7.	01-02-4-1697/6	16 November 2016	Protector of Property Legal Relations
8.	01-02-4-4124/6	2 November 2016	Deputy Protector of Property and Legal Relations
9.	01-02-4- 2192/5	14 November 2016	Deputy Protector of Property and Legal Relations
10.	01-02-4-2459/4	11 July 2016	Person performing the function at the University of Montenegro
11.	01-02-4-422/7	5 September 2016	Person performing the function in an independent administrative body
12.	01-02-4-1341/4	8 September 2016	Assistant to the head of state administration

13.	01-02-4-1814/5	3 October 2016	A person who performs a function in an institution founded by the state
14.	01-02-4-3227/4	10 October 2016	A person who performs a function in a public company founded by the state
15.	01-02-4- 2093/5	20 October 2016	Secretary of state administration authority
16.	01-02-4- 4244/6	21 October 2016	Secretary of state administration authority
17.	01-02-4-4538/5	6 October 2016	Person performing the function at the University of Montenegro
18.	01-02-4-4152/6	4 November 2016	Assistant to the head of state administration
19.	01-02-4-1026/8	9 November 2016	A person who performs a function in an institution founded by the state
20.	01-02-4-5725/7	21 December 2016	The head of a public institution founded by the state
Procedures carried out for public officials performing a function in local government/self-government			
21.	01-02-4-1607/5	11 July 2016	The head of the local authority of Tivat
22.	01-02-4-3765/6	25 July 2016	Person performing the function in the local self-government of Ulcinj
23.	01-02-4-5567/4	5 September 2016	Person performing the function in the local self-government of Ulcinj
24.	01-02-4-2281/4	8 September 2016	Person performing the function in the local self-government of Bijelo Polje
25.	01-02-4-1933/5	8 September 2016	Person performing the function in the local self-government of Kotor
26.	01-02-4- 2143/4	10 October 2016	Person performing the function in the local self-government of Berane
27.	01-02-4- 3451/4	26 October 2016	The head of the local authority of Kotor
28.	01-02-4- 449/4	28 October 2016	Assistant to the head of a public company founded by the Municipality of Podgorica
29.	01-02-4- 2254/6	7 November 2016	Advisor to the head of the local government body Nikšić
30.	01-02-4-3758/4	9 November 2016	Person performing the function in the local self-government of Tivat
31.	01-02-4-4148/	19 December 2016	Assistant to the head of a public company founded by the Municipality of Podgorica

Table 3: Verification procedures through commercial banks

No.	Number of the Agency's act	Date of the adoption of the act	Category of public officials
1.	01-02-4-905/16-2	24 October 2016	Prosecutor
2.	01-02-4- 5667/16-2	28 October 2016	Judge
3.	01-02-4-4060/16-2	20 December 2016	Judge
4.	01-02-4-838/16-2	28 November 2016	Member of Parliament
5.	01-02-4-4697/16-3	24 October 2016	Assistant to the head of state administration
6.	01-02-4-812/16-2	24 October 2016	Head of a public company founded by the state
7.	01-02-4-1257/16-2	25 October 2016	Assistant to the head of state administration
8.	01-02-4-5670/16-2	23 November 2016	Head of the Fund, whose founder is the state
9.	01-02-4-1516/16-2	1 December 2016	Head of a public company founded by the state
10.	01-02-4- 5667/16-2	25 October 2016	The head of the public service body founded by the Municipality of Cetinje
11.	01-02-4- 349/16-2	25 October 2016	The head of the local authority of Herceg Novi
12.	01-02-4-326/16-2	22 November 2016	A person who performs a function in a public company founded by the state
13.	01-02-4-1177/16-2	24 November 2016	The head of the local authority of Budva
14.	01-02-4-882/16-2	1 December 2016	Person performing the function in the local self-government of Rožaje

Assessment of the situation

Bearing in mind the new legislative provisions, which prescribe more restrictions, the obligation of the authorities to deal with administrative sanctions and the tightening of sanctions in case of violations of the provisions of the Law on Prevention of Corruption, the Agency contributed with its overall efforts to a more responsible and transparent performance of public functions in 2016, both at the state and at the local level. For the first time in 2016, an exceptionally high percentage of submitted declarations on income and assets, as well as a decrease in the number of irregularities in the submitted reports and in respect of limitations, which indicates that the Agency has fulfilled its mission since the beginning of the work, through the implementation of all activities, fulfilled its mission of preventive action in order to reduce the potential conflict of interest of public officials, in line with the recommendations of the European Commission, as noted in the Progress Report for 2016. Through the information system of the Agency, it is possible to submit declarations on income and assets electronically.

Challenges

With the beginning of the implementation of the new Law, starting from 1 January 2016, a large number of requests for Opinions have been submitted to the Agency, which include the obligations stipulated by the LPC, as well as other regulations regulating conflict of interest, which indicates that public officials from the beginning of the implementation of the Law, they showed interest to legally perform the public function. The Agency has submitted all submitted requests in accordance with the deadlines prescribed by the Law, thereby contributing to the increase of compliance with the provisions of the Law.

The information system developed in parallel with the flow of deadlines for submission of declarations, but the Agency overcame this challenge and processed all the received declarations in a short time.

Recommendations

In the forthcoming period, accompanied by IT support and introduction of a uniform code for public officials, the Agency will continue all activities in line with the recommendations of the EC Progress Report for Montenegro for 2016, in the effective implementation of legal provisions related to prevention of conflicts of interest; with the aim of complete implementation of the Law.

2. Division for implementation of measures of control of financing of political entities and election campaigns

Activities

Division for implementation of measures of control of financing of political entities and election campaigns controls the method of obtaining and providing financial resources for regular work and electoral campaigns of political entities, prohibitions and restrictions on the disposal of state assets, funds and public authorizations during campaign and control, supervision and audit of financing and financial operations of political entities. Control is carried out through the control of the financing of regular work and electoral campaigns, especially respecting the prescribed prohibitions, restrictions and reporting on the election campaign.

The Division functions within the Sector for prevention of conflict of interest and control of financing of political entities and electoral campaigns, and its activities in the Agency's Work Plan for 2016, are covered by the strategic objective 6.

Number of reports of political entities on regular work

Within the framework of indicator 1 of strategic objective 6, which refers to the number of reports of political entities on regular work (49 political entities - MIA records), the Agency received 42 Decisions on the amount of membership of political entities, as well as 41 annual consolidated reports of political entities and four annual reports of a group of voters. For the eight reports that were found to be incomplete, an update was requested. Due to the non-submission of the Decision on the amount of membership fee, 11 misdemeanour procedures were initiated, while against six political entities misdemeanour proceedings were initiated due to the failure to submit the Report. The legal deadline for submitting the Decision on the amount of membership fee was 31 January, while the deadline for submitting the report was 31 March 2016.

Article 37 of the Law on Financing Political Entities and Election Campaigns prescribes obligation for political entities to submit Annual Consolidated Reports to the Agency, Tax Administration and the State Audit Institution. After the Reports were submitted by political entities, the Agency conducted a comparative analysis with the State Audit Institution and the Tax Administration and established a list of political entities that did not submit the Report to all three addresses (19 of them) and sent them a warning alert to correct the noted irregularities.

Number of political party reports during the election campaign

Pursuant to Article 42 of the Law, from the envisaged 24, a total of 23 fifteen-day reports of political entities on the contributions of legal and natural persons collected during the electoral campaign for the election of members of the Assembly of the Municipality of Tivat were submitted. A misdemeanour proceeding was initiated against a political subject that did not submit the said report.

Elections for MPs in the Parliament of Montenegro were announced on 11 July 2016, and elections for deputies in Budva and Kotor were announced on 22 July, in the Municipality of Andrijevica on 27 July and the extraordinary elections in Municipality of Gusinje on 10 August. In accordance with Article 42 of the Law on Financing of Political Entities and Election Campaigns, political entities submitted reports on the contributions of legal and natural persons collected during the election campaign for a total of seven reporting periods.

So on the reporting day, 27 July there were no reports submitted (entities did not open a special account and appointed a responsible person), 11 August - two reports were submitted, 26 August - seven reports; 12 September - 12 reports, 26 September - 37 reports; 10 October - 40 reports and 25 October 41 reports. A total of 26 misdemeanour proceedings were initiated against the entities for failing to report.

Pursuant to Article 39 of the Law, all 12 reports on the origin, amount and structure of collected and spent funds from public and private sources for the election campaign in the Municipality of Tivat were submitted within 30 days from the Election Day.

When it comes to the Elections for MPs in the Parliament of Montenegro, elections for deputies in municipalities Andrijevica, Budva, Gusinje and Kotor, 43 Reports were submitted. Six misdemeanour offence proceedings were initiated due to failure to submit the report within the prescribed deadline as well as three proceedings due to failure to submit the accompanying documentation.

All reports were processed and published at the Internet page of the Agency (public registers).

Number of reports of authorities and legal entities during the election campaign

Regarding the reports of the authorities and legal entities covered by indicator 3 of the objective 6 from the Agency's Work Plan for 2016, during the election campaign for election of deputies in the Municipal Assembly of Tivat, the Agency monitored the implementation of the obligation prescribed by Article 28, paragraph 3 of the Law, which refers to the seven-day reporting of the authorities, i.e. budget consumer units, i.e. publishing analytical cards and submitting them to the Interim Committee of the Parliament of Montenegro. In accordance with the Control and Supervision Plan, the prescribed obligation was related to 18 government authorities, namely: the President of the Municipality, President of the Municipal Assembly, Secretariat for Communal Housing Affairs and Transport, Secretariat for Information Systems and Common Affairs, Secretariat for Spatial Planning and Protection of Environment, Secretariat for Finance and Economic Development, Secretariat for Administration and Social Affairs, Communal Police, Internal Audit Service, Protection and Rescue Service, Property Directorate, Directorate for Investments and Development, PI "Centre for Culture", PI "Sports Hall", PI "Water Supply and Sewerage", PI "Communal", Radio Tivat and Tourist Organization. The deadlines for reporting were 23 and 29 February, 7, 14, 21 and 28 March and 4, 11 and 25 April, and 2, 9 and 16 May. The said authorities regularly reported to the Agency and published reports within the specified

period. A total of 184 reports, i.e. analytical cards, were submitted and published, thus the authorities completely fulfilled the stated legal obligation.

Seven-day reporting in accordance with Article 28 of the Law on Financing of Political Entities and Election Campaigns by the authorities and legal entities during the election campaign for the election of MPs in the Parliament of Montenegro and deputies in the municipalities of Kotor, Budva, Gusinje and Andrijevica included 447 authorities, or budget consumer units. In this period, a total of 2109 analytical cards were published. Due to non-publication and failure to submit to the Interim Committee, 10 misdemeanour proceedings were initiated against the responsible persons in the authorities.

Regarding Article 29 of the same Law, during the election campaign in the Municipality of Tivat, the Agency monitored the internet site of the Ministry of Labour and the Municipality of Tivat, on a fifteen-day basis. Deadlines for fulfilling this obligation were 1, 16 and 31 March and 15 April. During this period, all necessary reports were delivered and published (eight in total). When it comes to the Ministry of Labour and Social Welfare, the Agency keeps records of all social benefits from 1 January in accordance with the stated Article of the Law. On 28 April the Ministry submitted a report on the overall benefits for that month.

Upon the request, the Agency received a recapitulation of all forms of social benefits by the Ministry of Labour for the period from 1 December 2015 to 1 May 2016.

In the election campaign for elections held in October, in accordance with Article 29 of the Law, which stipulates the obligation to submit data on all forms of social and one-time assistance, 189 reports were submitted by the Ministry of Labour and municipalities in the territory of Montenegro in the reporting period. After the Agency warned, the capital of Podgorica and the Municipality of Bijelo Polje, whose reports lacked a type of social assistance, supplemented the name of the account in the analytical cards. Pursuant to the legal provisions, there is no possibility of initiating misdemeanour proceeding against the responsible person in the local self-government body - the Municipality.

Also, in accordance with Article 30 of the Law, which stipulates the obligation to publish excerpts from the local treasury and spending budgetary reserves, the Ministry of Finance and the local government authority for finance operations of the Municipality of Tivat have published on their website and submitted to the Agency, on the fifteen-day basis, excerpts from state or local treasury, as well as an analytical card on the consumption of funds from the budget reserve within the stipulated deadlines. In total, eight reports were delivered.

The municipalities of Herceg Novi, Petnjica, Žabljak, Podgorica, Berane and Šavnik acted proactively in accordance with the obligations set forth in Articles 29 and 30 of the Law and published and submitted the fifteen-day reports to the Agency.

In the election campaign for elections held in October, in accordance with Article 30 of the Law, the Ministry of Finance and the local government bodies for finance in the territory of

Montenegro published on their websites and submitted to the Agency, on a fifteen-day basis, extracts from the state or local treasury, as well as the analytical card on spending funds from the budget reserve within the stipulated deadlines. A total of 182 reports were submitted, while two procedures were initiated against the responsible persons in the Secretariat for Economy and Finance of the Municipality of Budva and the Secretariat for Budget and Finance of the Municipality of Ulcinj, because they did not submit and publish the mentioned data.

Pursuant to Article 28, paragraph 1 of the Law, which prescribes the prohibition on consumption that is higher than the average monthly consumption in the previous six months, the Agency was provided a total of 45 reports on the amount of consumption by the budget consumer units in the territory of the Municipality of Tivat.

Article 32 paragraph 3 of the Law prescribes the obligation to publish and submit all issued travel orders for the use of official vehicles on the seven-day basis during the election campaign. In the local elections in Tivat held in April, the taxpayers submitted to the Agency on a seven-day basis all of the issued travel warrants, i.e. notifications of their non-issuance. During this period, a total of 508 travel orders were delivered.

Seven-day reporting, in accordance with Article 32 of the Law, by the authorities and legal entities for the election of MPs in the Parliament of Montenegro and deputies in the municipalities of Kotor, Budva, Gusinje and Andrijevica included 997 authorities. During the reporting period, the Agency was provided and published 3,614 information on issued travel orders or information that there was no travel orders issued. 306 proceedings were initiated against the authorities that did not comply with the deadlines.

Pursuant to Article 33 of the Law, the persons who are obliged, in the territory of the Municipality of Tivat, submitted to the Agency decisions on all employment, with complete supporting documents, which regularly published them on its website. A total of 20 Employment Decisions were delivered.

During the election campaign held in October, the Agency received and published a total of 1,776 decisions on employment.

From the above it follows that the authorities completely fulfilled the legally prescribed obligations during the election campaign for the election of deputies in the Municipal Assembly of Tivat, while for the parliamentary elections they fulfilled this obligation to a great extent. On the occasion of these elections, the Agency adopted the Report on the conducted monitoring and control in the election campaign in Tivat, as well as the Report on the conducted monitoring and control in the campaign for elections held on October 16, which are available on the Agency's website.

Number of controls of submitted reports

In accordance with indicator 4 from objective 6 of the Work Plan for 2016, the Agency regularly monitored the submitted reports for the purpose of uniform and quality reporting.

Control of all 12 reports on the origin, amount and structure of collected and spent funds from public and private sources for the election campaign in Tivat was monitored, as well as control of all submitted reports on contributions during the campaign (a total of 23). Also, all seven-day and fifteen-day reports of the government authorities, i.e. budget spending units, were verified, as well as control of the submitted documentation related to employment during the election campaign.

With regard to parliamentary elections held in October, control of 43 reports on the origin, amount and structure of the collected and spent funds from public and private sources for the election campaign, as well as the control of 139 Report on the contributions during the campaign, were carried out.

During the election campaign for the election of MPs in the Parliament of Montenegro and deputies in the municipalities of Kotor, Budva, Gusinje and Andrijevica, a Plan of control on the field was developed, where during the course of September the control of authorities and political entities was carried out. During the control of political entities, the collected funds from all entities in the total amount of € 312,205, as well as costs in the amount of € 537,971.35, were checked.

Control of all employment decisions with accompanying documentation (total of 1766), including the control of the contracts/decisions on the employment, accompanying documentation, the completeness of the documentation that followed the procedure of the given employment, was carried out, as well as control if those positions were systematized by the act on Systematization of job positions. During the control, irregularities were detected regarding the completeness of the documentation in 272 cases, and, following the warning, the authorities reacted proactively to the documentation and eliminated the detected irregularities.

The Agency performed ex officio the control of compliance with the Law, i.e. control of all submitted reports.

Due to violations of the provisions of the Law, from the beginning of the announcement of the elections, a total of 405 requests for initiation of proceedings were filed.

Number of controls on respecting prohibitions and restrictions during the election campaign

Regarding the control of respecting the prohibitions and limitations prescribed by the Law during the election campaign, which is covered by the indicator 5 of strategic objective 6 from the annual Work Plan, the following activities were carried out:

When it comes to Article 28 paragraph 1 of the Law, which prohibits monthly spending exceeding the amount determined by the monthly consumption plan, the Agency, during the election campaign for elections in the Municipality of Tivat, requested and received a monthly consumption plan established by the local government authority at the beginning of the fiscal year. In this regard, the monthly spending for February, March and April 2016 was controlled.

During the parliamentary elections, the Agency also regularly collected information on the amount of average monthly government spending on the state and local level for the period July-September 2016. In total 78 requests for information was sent.

When it comes to Article 31 of the Law, during the elections in Tivat, PE "Vodovod i kanalizacija", PE "Komunalno" and Elektroprivreda Crne Gore have been delivered the statements that there was no debt relief in the period from 1 January 2016 and the month after the election.

The Agency continuously monitored the compliance with the prohibition laid down in Article 31 of the Law and during the elections held in October, which refers to the prohibition of debt write-offs by legal entities, to the citizens for consumed electricity, water, as well as accounts for all types of public services. The control was carried out ex officio, by way of an explanation, by direct insight into the documentation through field control, where it was established that there was no violation of this legal provision.

The data were requested from Elektroprivreda Crne Gore, as well as from Ltd "Vodovod" in seven municipalities, while control of the compliance with the restrictions in the municipalities of Ulcinj, Bar, Budva, Bijelo Polje and the capital of Podgorica was carried out on the field.

The control of compliance with Article 26 paragraph 1 of the Law (use of premises), Article 26, paragraph 2 of the Law (distribution of propaganda material) and Article 27 of the Law (paid advertising) was regularly carried out.

The Agency performed control over compliance with prescribed prohibitions ex officio, by means of the direct control on the ground and the by statement of authorized and responsible persons. Since 1 September, during the field control, by direct inspection of the premises of the subject of control and direct communication with the employees in 11 municipalities, five ministries and 21 institutions, enterprises or legal entities (total of 226 consumer units) the Agency found that there were no violations of the aforementioned legal provisions.

Number of submitted requests for initiation of proceedings

Due to violations of the provisions of the Law on Financing of Political Entities and Electoral Campaigns, the following requests for initiation of misdemeanour proceedings have been filed:

1) The following was initiated ex officio:

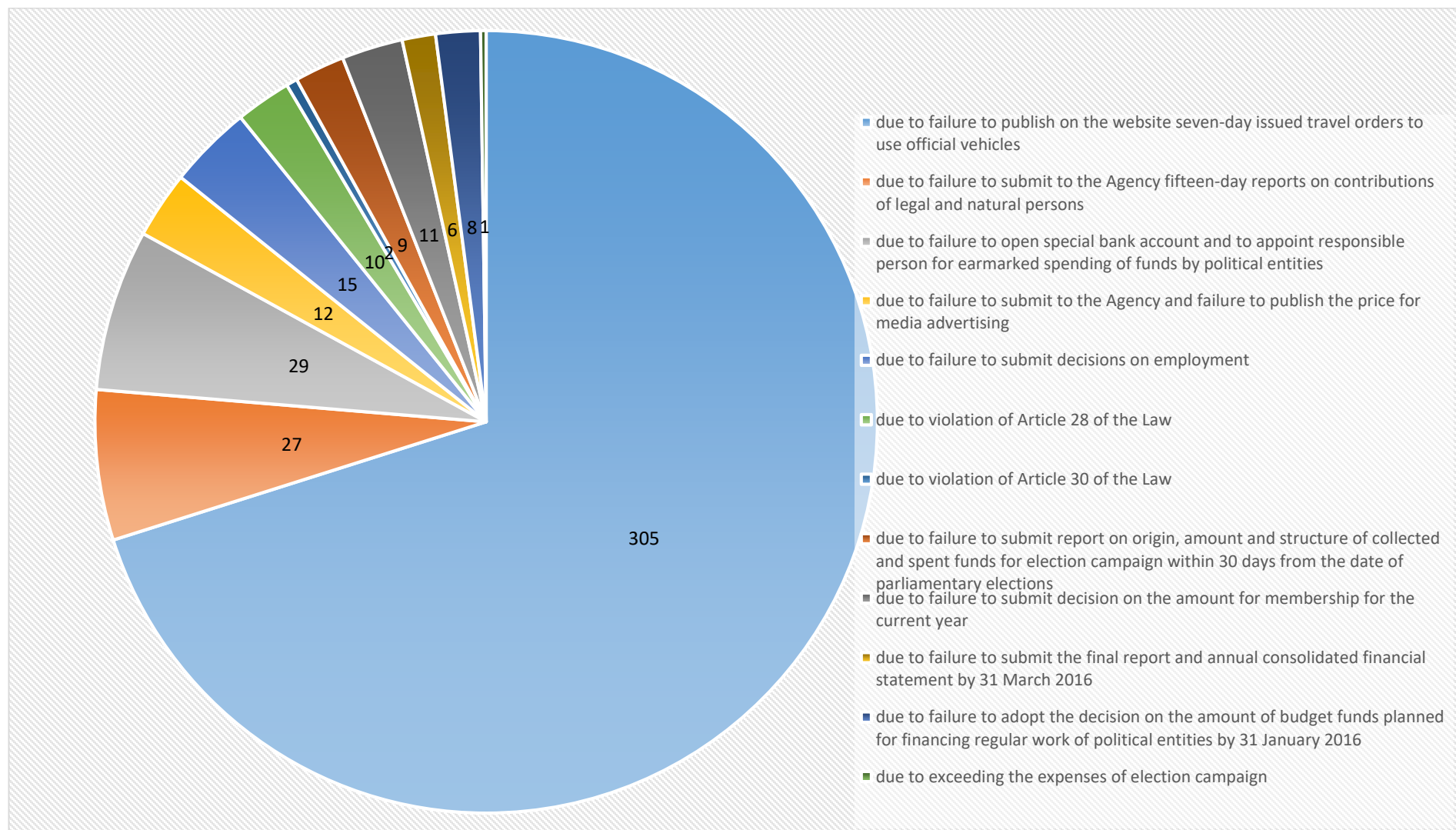
- 11 misdemeanour proceedings due to the non-adoption of the Decision on the amount of membership fee for the current year by 31 January of the current year;
- 8 misdemeanour proceedings due to failure to adopt the Decision on the amount of budget funds by 31 January of the current year;
- 6 misdemeanour proceedings due to non-submission of the final account and annual consolidated report by 31 March of the current year;
- 27 misdemeanour proceedings due to the failure to submit a fifteen-day Report on the contributions of legal and natural persons during the election campaign;

- 3 misdemeanour proceedings for non-payment of all funds intended for the financing of an election campaign to a special bank account opened for that purpose;
- 12 misdemeanour proceedings due to the lack of submission and publication of the amount of the price and the realized discount in the price for media advertising;
- 13 misdemeanour proceedings for failure to establish a special bank account and failure to notify the Agency;
- 13 misdemeanour proceedings due to non definition of the person responsible for the intended use and submission of the report;
- 1 misdemeanour proceedings against a political entity for exceeding the cost of the campaign;
- 2 misdemeanour proceedings due to the failure to submit and publish excerpts from the treasury (Article 30 of the Law);
- 305 misdemeanour proceedings for failure to comply with Article 32, paragraph 3 of the Law, i.e. failure to submit and publish issued travel orders for the use of official vehicles to the Agency at the seven-day basis;
- 10 misdemeanour proceedings due to failure to publish and submit to the Provisional Board the Analytic Cards at the seven-day basis;
- 15 misdemeanour proceedings due to failure to submit a decision on employment with accompanying documentation;
- 9 misdemeanour proceedings due to the failure to submit the Report on the collected and spent funds for the election campaign, or supporting documentation.

In summary, 435 proceedings have been initiated, 95 of which have been related to political entities, and others on the authorities.⁵

⁵ More detailed statistics in Annex 6 - misdemeanors

Chart 3: Requests for initiation of misdemeanour proceedings for violations of provisions of the Law on Financing of Political Entities and Election Campaigns



In addition to filed requests for initiation of misdemeanour proceedings for violation of the Law on Financing of Political Entities and Electoral Campaigns, the Agency also issued five Decisions on suspension of transfer of budget funds due to the failure to report on the collected and spent funds in the election campaign, or due to incomplete supporting documentation. Decisions are in effect until the termination of initiated misdemeanour proceedings on these grounds.

Number of cases ceded to the competent prosecutor's office

In accordance with indicator 7 for the sixth strategic objective of the Work Plan for 2016, the Agency, in October, ceded four cases to the competent prosecutor's office, which refer to the documentation collected from political entities in the course of controlling their regular operations.

Other activities

Since the beginning of the Agency's work, the Division for implementation of control measures of financing of political entities and electoral campaigns has undertaken the following activities in order to carry out effective control over the work of political entities and authorities:

- Six bylaws have been drafted, which have been improved and are largely in line with the representatives of the civil sector and the engaged expert;
- Drafts of internal procedures of the Division for control of financing and the necessary forms (opinions, decisions, minutes, etc.) have been developed;
- A Control and Supervision Plan was prepared during the election campaign for the election of deputies in the Municipal Assembly of Tivat and the Calendar of activities;
- Electronic forms and electronic system were developed for filling out and delivering - the fifteen-day report on the contributions of legal and natural persons collected during the election campaign and the Report on the collected and spent funds during the election campaign;
- Electronic archive and electronic case management are continuously being developed;
- The website of the Agency is continually being developed with the aim of making all the data that are in the possession of the Agency available in an efficient way through the search;
- For the purpose of regulating the obligations under Article 11 of the Law, a record of the debts of municipalities to political entities on the basis of regular work has been done, as well as a review of payments to political entities in 2016;
- Recording deficiencies regarding the register of political parties kept by MIA in order to regularly fulfil the prescribed obligations, control of spending and fundraising;
- A record of the recommendations of the State Audit Institution has been made for the purpose of their fulfilment, which are related to the activities of political entities in accordance with the Law on Financing of Political Entities and Election Campaigns;
- A record of the funds collected, including non-monetary donations, has been made;
- A plan of the activities of the Division related to plan training, visits to related institutions, as well as the preparation of the necessary documents and procedures for the purpose of

effective control and enforcement of the Law during the election campaign, and has been prepared. The plan is being implemented in cooperation with the EC, the Council of Europe, ODHIR and the British Embassy;

- In the period 12 January - 27 January 2016, seven letters were sent to those obliged by the Law;
- In April, the implementation of a project financed by the UK Embassy in Montenegro, which relates to strengthening the Agency's capacity to monitor and control the financing of political entities and election campaigns, was launched, through which an expert was engaged - Lisa Klein, former Director of the Election Commission in London;
- 75 meetings were held, as well as training for the employees of the Agency, i.e. training for law-enforcement officers. Also, six trainings were held for officers of the Division with an engaged expert (11-14 January, 7-10 March, 7-10 June, 11-12 July, 7-14 September and 14-16 November), as well as training for conducting the administrative procedure for the officers of the Division in exercising the competencies prescribed by the Law on Financing of Political Entities and Election Campaigns (11, 18 and 28 March and May 6 and 17);
- The Agency received a total of 47 complaints, of which 38 complaints were filed during the electoral campaign for the election of deputies in the Municipality of Tivat. The Agency acted upon all submitted complaints;
- The Agency received 2298 reporting during the election campaign for the October 2016 elections and acted upon all objections;
- On this basis, the Agency sent 1419 notifications to the non-governmental sector;
- 11 trainings were held for the representatives of municipal authorities in order to familiarize with the competencies of the Agency and the obligations of the local self-government authorities and the local administration of Tivat municipality - on 12 February; Municipality of Budva – 4 March; Municipality of Kotor – 28 March, Municipality of Herceg Novi – 29 March; The capital of Cetinje – 5 May; Municipality of Ulcinj – 19 May; Municipalities of Plav and Gusinje – 2 June, Bar Municipality – 3 June, Municipality of Pljevlja – 9 June, Mojkovac Municipality of Mojkovac – 14 June and Municipality of Niksic – 6 December);
- In cooperation with the CDT, a brochure entitled "Transparent Financing of Political Entities" was produced;
- An infographics on the work of the Agency was prepared by the CDT and published on the Agency's website;
- During the election campaign for the local elections in Tivat, 20 press releases were published; 21 requests for the submission of certain information were responded, 14 official opinions and interpretations were sent and over 633 legal and other advice or opinions were given;
- Division officials, at the invitation of ODHIR, participated in a study visit to the institutions in Warsaw and held a series of meetings with representatives of the Election Commission, the Central Anti-Corruption Bureau and the OSCE Office;
- During the study visit to the institutions of the Republic of Slovenia (in the period from 19 to 21 September), the Division Officer visited the State Council of the Republic of Slovenia, the Computer Court and the Commission for the Prevention of Corruption of the Republic of Slovenia;

- During the election campaign held in October, 33 press releases were published, and the Agency, at the request of the authorities, gave 141 opinions on the application of certain norms, held 87 meetings and gave 2442 opinions and advices;
- On 21 July 2016, the Plan for Control and Monitoring of the election campaign for the election of MPs in the Parliament of Montenegro was adopted.⁶

Assessment of the situation

In 2016, the Agency consistently and indiscriminately implemented all legal obligations related to the control of financing of political entities and election campaigns. Through the full realization of strategic goals, the Agency has significantly contributed to the prevention of conflicts of interest, fulfilment of legal obligations of public officials and authorities, as well as to strengthening the transparency of the electoral process and preventing possible misuse of public resources for pre-election purposes.

Challenges

In 2016, the Law on Financing of Political Entities and Election Campaigns was applied for the first time. The Agency had an intensive year with several electoral processes in which the Law and the Agency's capacities were tested. The legal text will be further improved and the capacities of the Agency will be strengthened with intensive trainings.

In the application of the Law on Financing of Political Entities and Election Campaigns, IT support is important, i.e. reporting and controlling the financing of political entities and election campaigns through the submission of electronic reports on campaign complaints, electronic fifteen-day reports on campaign attachments and electronic reports on expenditures in the election campaign.

In the Report on the conducted control and control of election in October 2016, the Agency presented a detailed account of the problems it encountered in the process of application of the Law.

Recommendations

The Agency for Prevention of Corruption noted in the Report on the conducted control and supervision of elections in October 2016 that part of the political entities did not adequately show certain costs of the election campaign and listed the nine most common irregularities in showing the revenues and expenditures of the parties and coalitions in the campaign. In accordance with the observed shortcomings in the monitoring of the obligations of political entities and authorities, in December the Agency published 13 recommendations in the Report indicating the shortcomings of the legislative framework regulating this area and envisaging activities aimed at better implementation of the Law.

⁶ More detailed statistical data are listed in Annex no. 5 – Control of financing of political entities and election campaigns

The Agency's report found that part of the expenses of political entities was not adequately presented and documented, so it is recommended to stipulate the deadline for opening a special account of political entities, as one of the main preconditions for transparency in financing election activities, and to regulate the ways and forms of reporting, financial records and running of the campaign.

This report proposes the amendment of misdemeanour provisions, the continuation of trainings for representatives of authorities and political entities and a number of other recommendations in order to improve the prevention of abuses in the electoral process.

3. Lawsuits on the acts of the Agency

In 2016, 144 lawsuits on the acts of the Agency were sent to the Administrative Court by dissatisfied parties.

Out of that number, 103 lawsuits were ended with judgments confirming the Acts of the Agency, and 41 cases are in the process before the Administrative Court.

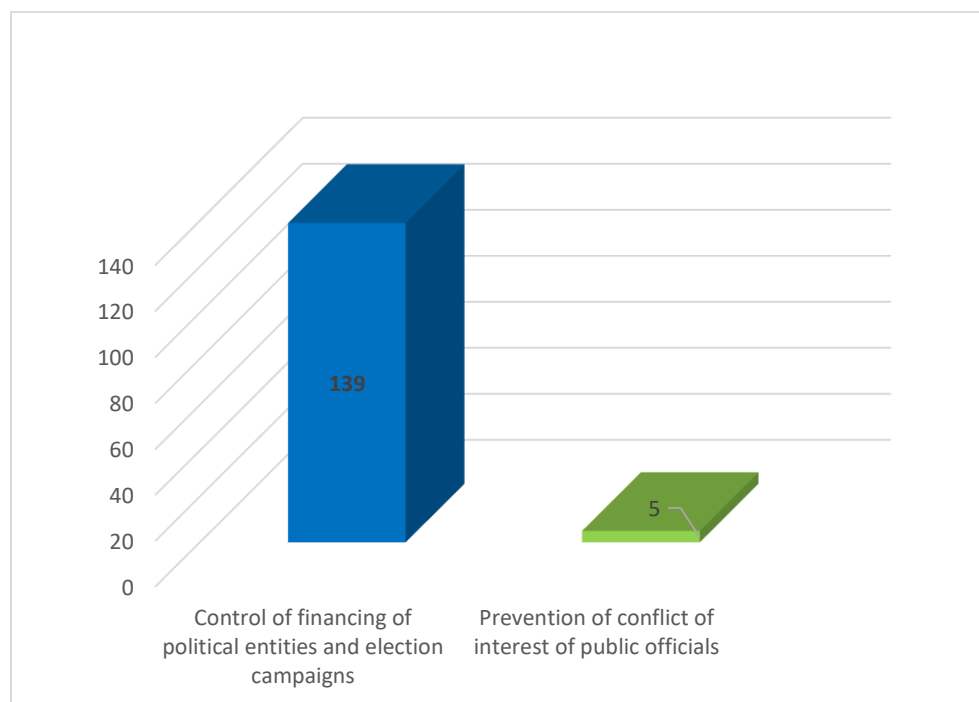
A total of 139 lawsuits related to the field of financing political subjects and election campaigns. Five lawsuits of public officials on the decisions of the Agency relate to the area of conflict of interest (submission of declarations, accuracy of data and restrictions in the exercise of public functions) and proceedings on those matters are underway.

Two requests for extraordinary review of the court decision were finalized and confirmed the decisions of the Administrative Court.

Table 4: Lawsuits on the acts of the Agency

AREA	Number of lawsuits	Total	Number of lawsuits ended with judgements confirming the acts of APC	Number of proceedings on lawsuits which are underway
Control of financing of political entities and election campaigns	139	144	103	41
Prevention of conflict interest of public officials	5			

Chart 4: Lawsuits on the acts of the Agency



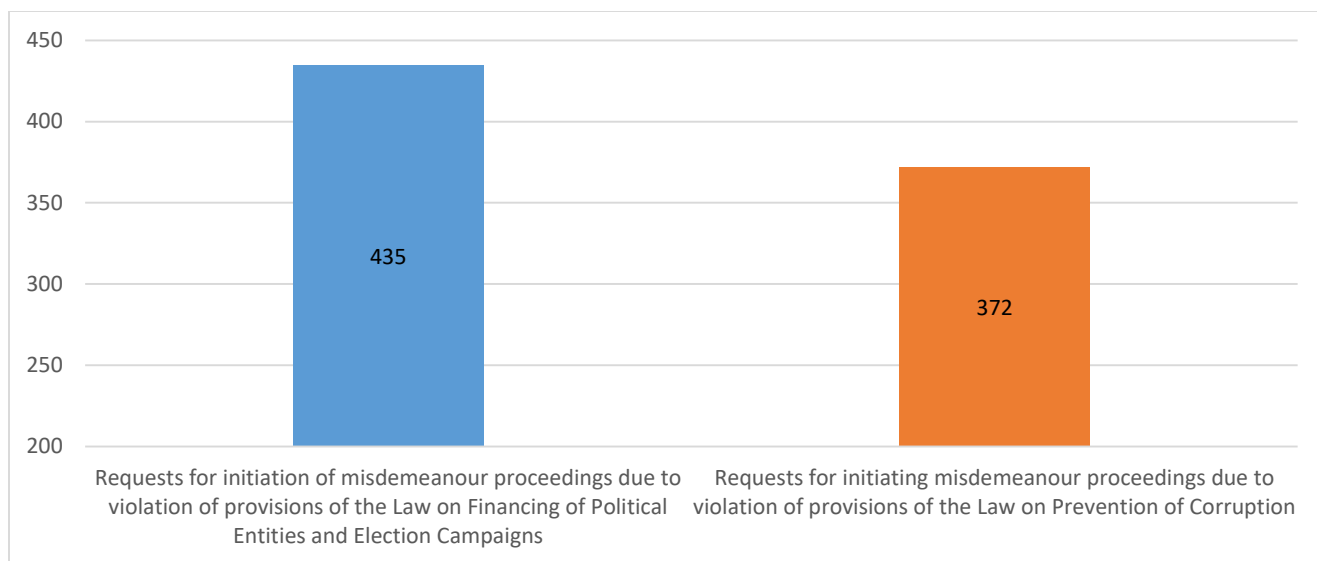
II. Misdemeanours

Division for initiating misdemeanour proceedings and issuing misdemeanour warrants operates within the Sector for Prevention of Conflict of Interest and Control of Financing of Political Entities and Electoral Campaigns.

During 2016 the Division submitted **807** requests for initiation of misdemeanour proceedings to the competent courts for misdemeanours, out of which **435** were requests for initiation of misdemeanour proceedings submitted due to violation of provisions of the Law on Financing of Political Entities and Election Campaigns, and **372** due to the violation of provisions of the Law on Prevention of Corruption.

In 2016, 696 cases were resolved in the area of conflict of interest and financing of political parties with imposed fines in the total amount of € 94,072. More specifically, in the area of conflict of interest, 626 cases (including cases in 2015) were solved and fines were imposed in the amount of € 82,837, while 70 cases were solved in the area of political party financing and fines were imposed in the amount of € 11,235.

Chart 5: Total number of requests for initiation of misdemeanour proceedings which the Division for initiating misdemeanour proceedings and issuing misdemeanour warrants delivered to the competent courts for misdemeanours



In accordance with Article 103 paragraph 1 item 24 of the *Law on Prevention of Corruption*, i.e. due to failure to submit the Regular Annual Declaration on Income and Assets for 2015, **272** requests for initiation of a misdemeanour proceeding (against state public officials 89 requests and 183 against local public officials) were submitted, of which 212 procedures were resolved and 141 fines imposed in the amount of € 38.270.

After the data was submitted by the Tax Administration and performed verification by the authorized officials, **49** requests for initiation of misdemeanour procedures were filed due to the membership of public officials in the management bodies in business organizations, out of which 34 were resolved, with 24 fines imposed in the amount of € 6,965.

Based on the verification of the submitted declarations on income and assets, performed in accordance with the methodology that prescribes the procedure for verification of the Declaration on income and assets of public officials and civil servants, **40** requests for initiation of misdemeanour procedures were filed for failure to declare accurate and complete data in the Declarations on income and assets, out of which 24 procedures were terminated with pronounced fines in the amount of € 2.570.

Also, based on the verification of declarations submitted by civil servants, **11** irregularities were identified, eight of which did not submit accurate and complete data, and three servants did not submit Declaration on income and assets in case of changes related to the increase of assets over € 5,000, and on basis of those misdemeanour proceedings were initiated.

435 requests for initiation of misdemeanour proceedings were filed for violation of the provisions of the *Law on Financing of Political Entities and Election Campaigns*.

In accordance with Article 32 paragraph 1 of the Law on Financing Political Entities and Election Campaigns, i.e. for failing to publish a seven-day issued travel orders for the use of official vehicles on the website of the state authorities, **305** requests for initiating misdemeanour proceedings were submitted.

Due to violation of Article 42, or for failure to submit to the Agency fifteen-day reports on the contributions of legal and natural persons, **27** requests for criminal proceedings were submitted.

Due to violation of Articles 18 and 19, i.e. because of failure to open a special bank account and to appoint the responsible person for earmarked spending of funds by political entities, the Agency filed **29** requests (three misdemeanour proceedings due to failure to pay the funds intended for financing the election campaign in a special bank account opened for this purpose; 13 misdemeanour proceedings because of failure to open a special bank account and failure to notify the Agency; 13 misdemeanour proceedings due to impose the person responsible for earmarked spending and submission of reports.

12 requests were filed against political entities that did not submit to the Agency nor published the price for media advertising, while **15** requests were filed against bodies and legal entities for lack of employment decisions (Article 33).

Due to violation of Article 28 of the Law on Financing Political Entities and Electoral Campaigns **10** requests for initiating misdemeanour proceedings were filed, while for violation of Art. 30 of the same Law, the competent courts were filed **2** requests for initiation of the misdemeanour proceedings.

Nine political entities did not submit to the Agency a report on the origin, amount and structure of the collected and spent funds for the election campaign (Article 39) within 30 days from the day of the parliamentary elections and against them misdemeanour proceedings were initiated.

Due to the failure to submit decision on the amount of membership fees for the current year (Article 12), 11 misdemeanour proceedings were initiated by the political entities, due to failure to submit the final accounts and the annual consolidated financial statement by 31 March 2016 **six** misdemeanour proceedings were initiated, while for **eight** responsible persons in the local administration a misdemeanour procedure was initiated due to failure to issue a decision on the amount of budget funds intended for financing the regular work of political entities by 31 January 2016 (Article 12, paragraphs 1 and 5).

One misdemeanour procedure was launched against a political subject for exceeding the cost of the campaign.

26 complaints were filed against the decision of the Misdemeanour Courts, 10 of which were adopted by the High Court for minor offenses, while the other procedures are in progress.

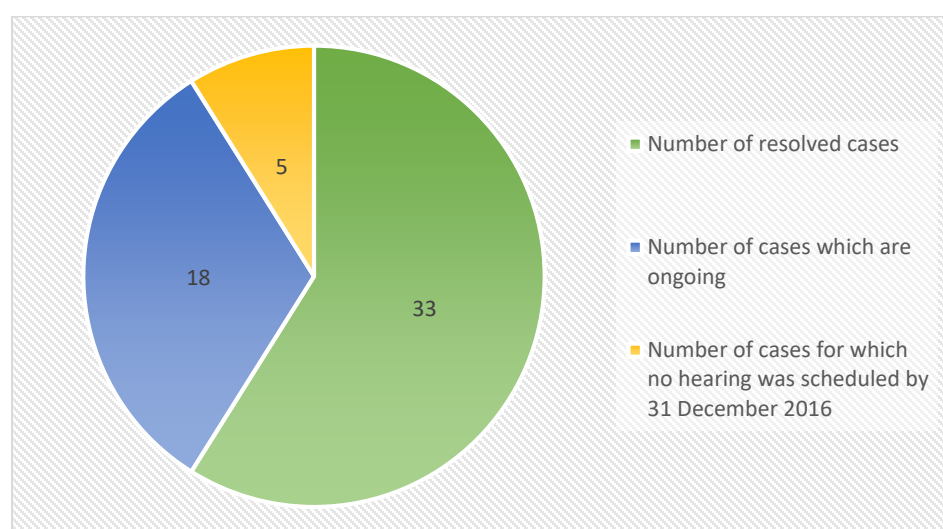
Representatives of the Agency from the Division for the initiation of misdemeanour procedures and issuing misdemeanour warrants, representing cases in the field of conflict of interest and financing of political parties, during 2016, joined 452 hearings before both the Misdemeanour Court Podgorica and the Misdemeanour Courts in Budva and Bijelo Polje, as well as before departments of these

courts in Danilovgrad, Nikšić, Cetinje, Ulcinj, Bar, Kotor, Herceg Novi, Pljevlja, Kolašin, Berane and Rožaje.⁷

Other:

Also, the Agency used legal possibility of filing a request for the initiation of a misdemeanour procedure against the authorities that have not adopted the **Integrity Plan** within the deadline. 56 requests were submitted and 53 hearings were held, where fines were imposed in the total amount of € 11,280, as well as warnings for 14 authorities.⁸ (more on page 42)

Chart 6: Requests for initiating of misdemeanour proceedings due to failure to adopt integrity plan and their status on 31 December 2016.

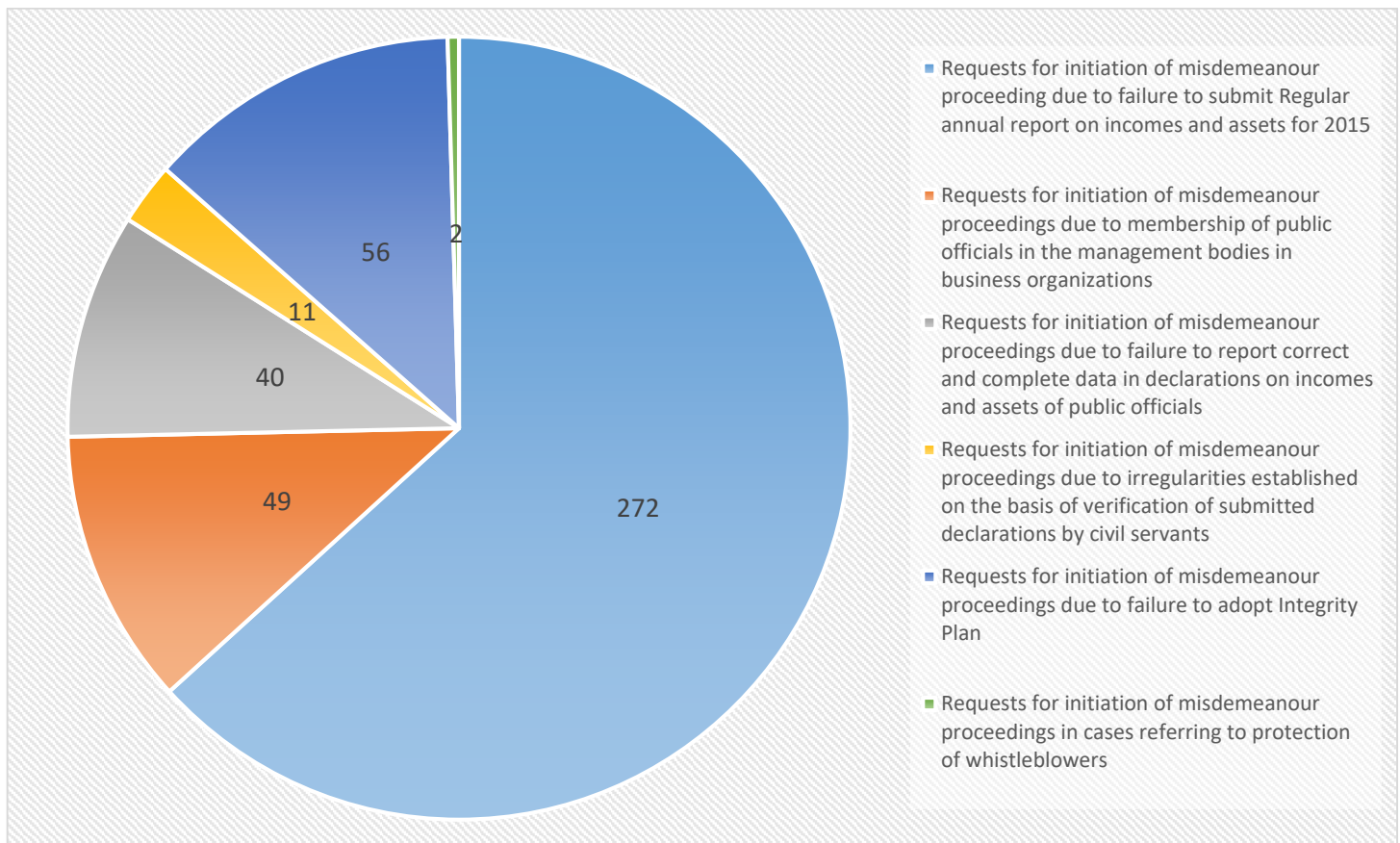


⁷ More detailed statistics in Annex no. 6 - Misdemeanours

⁸ Detailed statistics in Annex no. 7 - Integrity

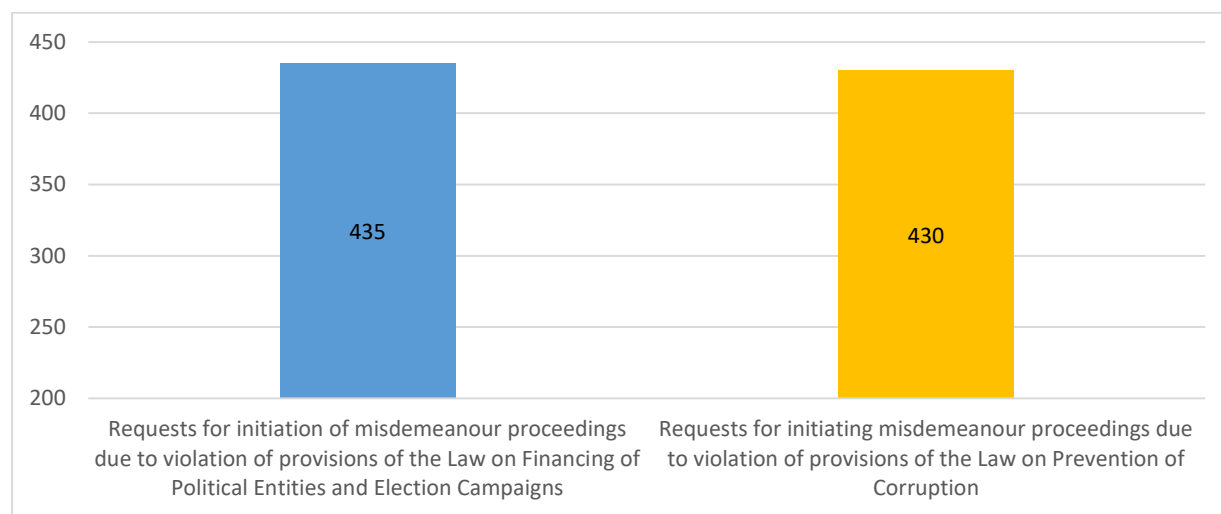
In the area of **whistleblowers**, the Agency has filed two requests to the competent courts for initiation of misdemeanour proceedings against the authorities pursuant to Article 102, paragraph 7 and the same paragraph, paragraph 16. The court proceedings are in the process.⁹

Chart 7: Requests for initiating misdemeanour proceedings due to violation of provisions of the Law on Prevention of Corruption



⁹ Detailed statistics in Annex no. 9 – Acting upon requests for protection of persons who submit a reporting (whistleblowers)

Chart 8: Total number of requests for initiation of misdemeanour proceeding which the Agency submitted to the competent misdemeanour courts



III. Division for prevention of corruption, integrity, lobbying and application of international standards

The Department for the prevention of corruption, integrity, lobbying and the application of international standards has successfully responded to the great challenges posed to the Agency in the application of new anti-corruption laws in the first year of work. A large number of submitted integrity plans and the number of whistleblowers' reporting indicate that APC in 2016 actively and professionally approached the fulfilment of obligations related to these new institutes in our legal system, but they are also an indicator of citizens' trust in the work of the Agency. In addition, in the field of whistleblowers, good co-operation has been established with the competent prosecutor's offices and other bodies responsible for certain actions.

The Rulebook on Internal Organization and Systematization of the Agency for the Prevention of Corruption has established the Department for prevention of corruption, integrity, lobbying and application of international standards with three organizational units: Division for dealing whistleblowers' reports and protection of whistleblowers; Division for integrity and lobbying and Division for prevention of corruption, monitoring of legislation and opinions on anti-corruption regulations, monitoring of regulations and giving opinion on regulations in the area of anti-corruption.

The Agency's work plan for 2016 sets out the objectives, indicators and activities to be implemented in the first year of work, which, inter alia, relate to activities within the aforementioned Division.

Activities and results of the Department will be presented through annual reports on the work Divisions working within the Department.

1. Division for integrity and lobbying

Integrity

As a strategic goal within the Work Plan for 2016, the goal of "Strengthening Integrity in the Public Sector by adopting integrity plans by the authorities and reporting on their implementation" is defined. Division for integrity and lobbying is responsible for the realization of this strategic goal.

Appointing Integrity Managers

The first of the performance indicators in the annual work plan is the number of bodies which had appointed the Integrity Managers. In this regard, during 2016, the Division for Integrity and Lobbying regularly updated the list of responsible persons for the preparation and implementation of the integrity plan (integrity managers). According to the Agency's records, 669 authorities appointed Integrity Managers in 2016.

A certain number of authorities have informed the Agency that due to the current lack of personnel capacities, they are unable to fulfil the provisions of the Rules for drafting and implementing the integrity plan related to determining integrity managers and established a working group, and these authorities have only a director or an employee. For that reason those entities will fulfil this obligation, after providing necessary conditions for smooth operation and filling of job positions to fulfil this statutory obligation.

Number of Integrity Plans

In 2016 the Agency received 665 plans, which included 674 bodies, because nine bodies are covered by integrity plans of other authorities. The authorities are obliged to submit the report on implementation of integrity plan by 15 April 2017.

Chart 9: Number of authorities which fulfilled the statutory obligation to adopt the integrity plan

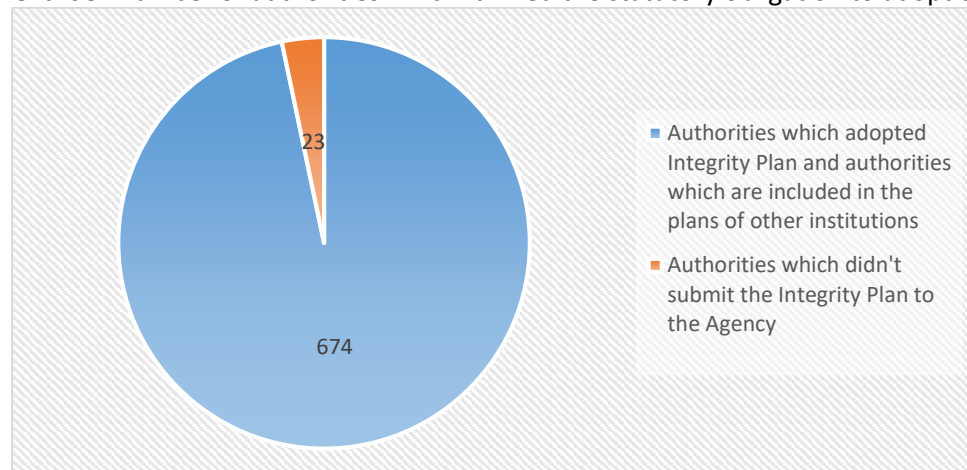


Chart 10: Integrity plans according the systems / areas

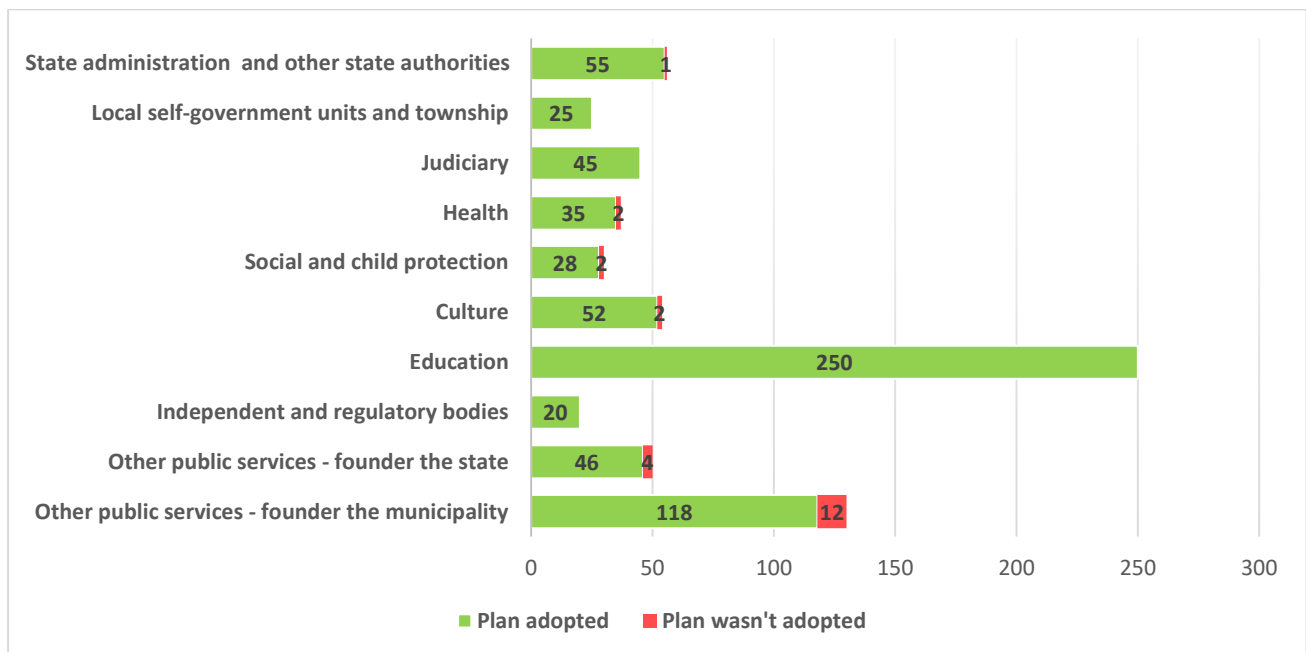
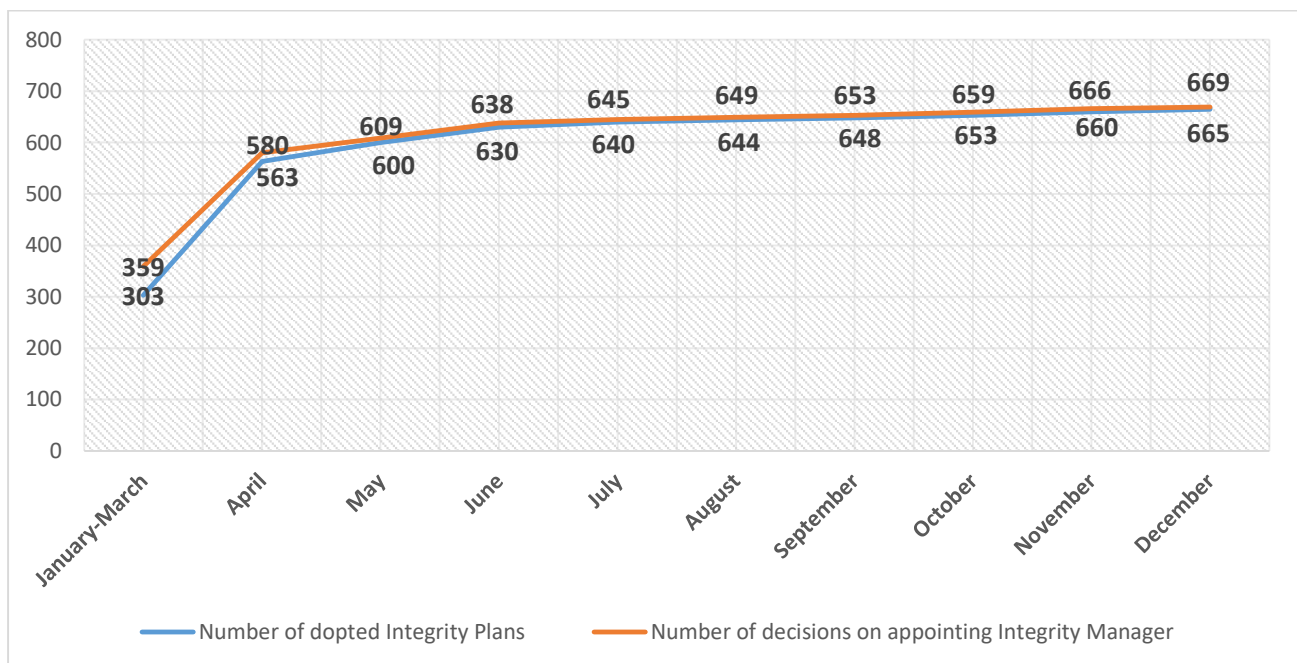


Chart 11: Number of adopted integrity plans and decisions on Integrity Manager in 2016, by months



Recommendations

Regarding the indicator referring to the number of recommendations of the Agency for improvement of Integrity Plans, the officers of the Division for integrity and lobbying gave a total

of 64 recommendations on the drafts integrity plans submitted in the course of 2016 in order to improve them.

Also, the Report on the adoption of integrity plans is an integral part of the annual report on the work of the Agency and contains an analysis of integrity plans carried out by groups and subgroups of authorities. The analysis provides recommendations for further improvement of integrity plans at group and subgroup level.

In addition to the activities related to the strategic objectives, the Division has carried out other activities:

Misdemeanours

The Agency submitted to the competent courts 56 requests for initiating misdemeanour proceedings, against the authorities that did not fulfil the statutory obligation to adopt the integrity plan. The Agency was delivered decisions on the release of two legal entities and four responsible persons, as well as rulings on imposed sanctions - admonitions and fines for 31 legal entities and 29 responsible persons (warnings for 14 legal entities and 14 responsible persons, fines for 17 legal entities and 15 responsible persons). The total amount of fines for this period is € 11,280 (€ 7,910 for legal entities, € 2,450 for responsible persons and € 920 for the costs of the proceeding).

Other activities of the Division

Officers of the Division for integrity and lobbying have prepared a Report on the adoption of integrity plans in the authorities in 2016, which contains an analysis of integrity plans by groups and subgroups of authorities. The report on the adoption of integrity plans is an integral part of this report and includes all integrity plans submitted to the Agency during 2016.

Officers of the Division for integrity and lobbying in 2016 performed 510 consultations with authorities regarding development of integrity plans, as well as interpretations of the Rules for the preparation and implementation of the integrity plan and of the provisions of the Law on Prevention of Corruption related to the obligation to draft and adopt an integrity plan.

Also, officers of the Division for integrity and lobbying held total of 26 meetings with representatives of the authorities, striving for more efficient implementation of the legal obligation of adoption of integrity plans.

During 2016, 11 trainings were held on the topic "Competencies of the Agency for Prevention of Corruption and Obligations of Authorities in the Implementation of Anti-Corruption Laws" (in the municipalities of Tivat, Budva, Kotor, Herceg Novi, Cetinje, Ulcinj, Plav (attended by representatives of the Municipality of Gusinje), Bar, Pljevlja, Mojkovac and Nikšić), within which the officer of the Division for integrity and lobbying held a lecture on integrity. Also, five trainings were held on the topic "Development of Integrity Plans - Preparation, Adoption, Implementation"

organized by the Human Resources Directorate in cooperation with the Agency (Podgorica, Bar and Bijelo Polje).

The officer of the Division for integrity and lobbying held a presentation at the Regional Conference "Strengthening Local Self-Government in the Region of Southeast Europe", which was held on 15-16 December 2016 in Podgorica. The officer spoke, among other things, about the importance of integrity plans, the drafting and implementation of the integrity plan, and presented the preliminary results of the analysis of the integrity plans of local self-government units.

The process of development of the web application, which will be designed as an application software system for entering, registering, reporting and monitoring the implementation of integrity plans, is underway. At the end of February 2016, the Division for integrity and lobbying drafted the "Guidelines for defining key functionalities for the efficient operation of the web application for entering and reporting on the implementation of integrity plans" (project documentation). After intensive communication with the contractors, the Agency "Prozone" Agency from Novi Sad, and the finishing of the documentation, the project documentation was accepted and the first version of the application was made. In May, the Division for integrity and lobbying tested the demo version of the software system and submitted comments to the Agency "Prozone".

The Web application will have two groups of users - users from the authorities and administrators (officers of the Division for integrity and lobbying in the Agency for the Prevention of Corruption). The instruction defines the structure of the functionality of the administrator and user module. The Instruction was prepared in accordance with the Rules for the Preparation and Implementation of Integrity Plans (Official Gazette of Montenegro No. 78/2015) and the accompanying form of the integrity plan - the register of risk and measures for risk management.

The application will provide users the possibility of electronic entry of integrity plans and continuous updating and monitoring of entered data, while administrators will be enabled to monitor the adopted plans, statistical data processing as well as qualitative and quantitative evaluation of the implementation of risk management measures.

In order to better access the relevant legislation and supporting documents (forms, questionnaires, etc.), as well as more efficient fulfilment of the legal obligation, the Agency's website is continuously improving in the part of the section Integrity.¹⁰

Assessment of the situation

This goal can be considered fully fulfilled, as over 96% of government authorities have fulfilled the legal obligation to adopt an integrity plan by the end of the year, especially considering that for a

¹⁰ More detailed statistics in Annex 7 - Integrity

major part of the authorities it is a completely new obligation. Throughout the year, the Agency worked intensively and proactively to provide support to the authorities in developing the integrity plan, through a large number of opinions, consultations and recommendations, as well as through the provision of necessary information, models and other documents, at the request of the authorities or through the initiative of the Agency. The Agency used the legal possibility of filing a request for the initiation of a misdemeanour procedure against the bodies that have not adopted the integrity plan within the deadline. 56 requests were submitted, and by the end of the year, 53 hearings were held, which imposed fines in the total amount of € 11,280 and warnings for 14 government authorities.

Challenges

Given that this was a new obligation for the authorities, and that the deadline for the adoption of the integrity plan was relatively short, it was necessary to conduct extensive and continuous communication with the authorities, in particular with integrity managers and working groups, in order to develop integrity plans by these authorities. Challenges in this regard were: a large number of those obliged to adopt an integrity plan, channels of communication between the Agency and authorities, as well as insufficient experience and training of integrity managers and members of the working group to develop and implement an integrity plan.

Recommendations

In the coming period, special emphasis should be placed on improving the adopted integrity plans, implementing measures from integrity plans and reporting on them, as well as on further training of integrity managers on the importance of their role in raising the level of integrity in the body, techniques for improving the integrity plan, but also the use of applications for entering and reporting on the integrity plans.

Lobbying

As a strategic goal within the Work Plan for 2016, the goal of "Effective implementation and supervision of the implementation of the Law on Lobbying" is defined. Division for integrity and lobbying is responsible for the realization of this strategic goal.

Public calls for exams for performing lobbying

During 2016, the Agency for the Prevention of Corruption issued four public calls for candidates to take exams for performing lobbying activities. Calls were announced on 11 July, 17 August, 23 September and 15 November. Calls are published on the website of the Agency, where all the necessary forms for applying for the candidate are available (application form for the examination and the form of the statement of non-existence of the restriction referred to in Article 14, paragraphs 1 and 2 of the Law on Lobbying).

Nevertheless, there were no candidates in 2016 who took the examination for performing lobbying activities, so there was no requirement for the Agency to issue permits for performing this activity. One candidate applied on the call for applications of candidates announced on 15 November, who in the meantime dropped out.

Campaign on lobbying

In order to promote the lobbying institute, in November, 20,000 copies of lobbying flyers were designed and printed on conditions for performing lobbying activities, as well as on the exam organized by the Agency for the Prevention of Corruption. 5,500 copies of flyers were inserted in daily newspapers, while around 2,000 copies were distributed in training for senior officials in Nikšić on the topic "Competencies of APC and obligations of authorities in the implementation of anti-corruption laws", while a certain number of flyers were also delivered to the non-governmental sector.

Flyer "Lobbying"

LOBIRANJE

ASK
Agencija za sprječavanje korupcije

ŠTA JE LOBIRANJE?
Lobiranje je djelatnost kojom se vrši uticaj na organe zakonodavne i izvršne vlasti na državnom, odnosno lokalnom nivou, organe državne uprave, nezavisna tijela, regulatorna tijela, javne ustanove, javna preduzeća i druga pravna lica koja vrše javna ovlaštenja, odnosno djelatnosti od javnog interesa ili su u većinskom državnom vlasništvu u postupku donošenja propisa i drugih opštih akata, iz nadležnosti tih organa vlasti, radi ostvarivanja interesa naručioaca lobiranja, u skladu sa zakonom.

KO MOŽE BITI LOBISTA?
Djelatnost lobiranja može da obavlja fizičko lice koje ima odobrenje za obavljanje djelatnosti lobiranja izdato u skladu sa Zakonom o lobiranju i privredno društvo, odnosno nevladina organizacija koji ispunjavaju uslove propisane Zakonom o lobiranju.

KAKO POSTATI LOBISTA?
Odobrenje za obavljanje djelatnosti lobiranja Agencija za sprječavanje korupcije izdaje fizičkom licu koje posjeduje sertifikat o položenom ispitu za obavljanje poslova lobiranja.

Ispit organizuje Agencija za sprječavanje korupcije, a pozivi za polaganje se objavljuju na internet stranici:

www.antikorupcija.me

Dodatne informacije mogu se dobiti u Odsjeku za integritet i lobiranje:

☎ 020 44 77 21
✉ integritet@antikorupcija.me

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During the year, the Agency for Prevention of Corruption held eleven trainings on the topic "Competences of the Agency and obligations of the authorities in the implementation of anti-corruption laws" (in the municipalities of Tivat, Budva, Kotor, Herceg Novi, Cetinje, Ulcinj, Plav, Bar, Pljevlja, Mojkovac and Nikšić) and five trainings on the topic "Development of Integrity Plans - Preparation, Adoption, Implementation", organized by HRA in cooperation with APC (Podgorica, Bar and Bijelo Polje), where a special emphasis was placed on the Law on Lobbying and presented the lobbying institute, conditions for performing lobbying activities by natural and legal persons, obligations of lobbied persons in the authorities, and in particular reporting obligations regarding allowed and unauthorized lobbying, in accordance with the provisions of that Law.

Also, in November, the Agency sent letters to the Chamber of Commerce and the Union of Employers of Montenegro, asking them to notify their members about the current call for applications for exams, and to inform them about the Law on Lobbying and the Agency's competencies in this area. Both institutions received 1,000 examples of propaganda flyers for further distribution.

The website of the Agency, in the section on lobbying, has been improved by adding relevant literature for exams for performing lobbying activities (Constitution of Montenegro, Law on State Administration, Decree on Organization and Manner of Work of State Administration, Law on Local Self-Government, Law on Lobbying, Law On Prevention of Corruption and the Criminal Code of Montenegro, special part - chapters 23, 30 and 34). The Law on Lobbying with accompanying by-laws (Rulebook on the form and contents of the report on the work of lobbyists and legal entities registered for performing lobbying activities, Rulebook on the form and manner of keeping a register of lobbyists, Rulebook on the program and the manner of passing the exam for the performance of lobbying activities, the Rulebook on the form and content of the lobbyist's identification card, and the Rulebook on the form and content of the application for issuance of licenses for performing the activity of lobbying), as well as the Request for issuance/extension of the authorization for performing the activity of lobbying, which is in the section "Forms" are available for downloading at the Agency's website.

On February 11, the Director of the Agency issued a decision on establishment of the Commission for passing exams for performing lobbying activities. The Commission consists of representatives of the Agency for Prevention of Corruption, the Ministry of Internal Affairs and the Ministry of Justice. Also, the Director of the Agency has also issued a Decision on the amount of costs of exams for performing lobbying activities.

Assessment of the situation

The Agency has fulfilled its legal powers by passing a decision on the education of the Commission for passing exams for performing lobbying activities and publishing four public calls for applying for candidates for exams for performing lobbying activities (11 July, 17 August, 23 September and 15 November). Within the framework of campaigns, trainings and other informative activities (5,500 flyers on the subject of lobbying, through daily newspapers), the Agency informed the public about the lobbying institute, conditions for performing lobbying activities and exam organized by the Agency.

Challenges

Despite the activities of the Agency, by the end of the year there were no requests for issuance of licenses for conducting lobbying activities, i.e. for the registration of lobbyists and legal entities performing lobbying activities.

Recommendations

It is necessary to continue raising public awareness of the lobbying institute and informing the general and professional public on normative solutions, the role and obligations of lobbyists, as well as lobbied persons in government bodies. The plan is to analyze the implementation of the Law on Lobbying through the IPA Twinning Project "Support to Implementation of Integrity Measures in Montenegro", which should define potential shortcomings in the normative framework and point to the possible need for improvement of the said law.

2. Division for acting upon reporting of whistleblowers and protection of whistleblowers

The plan of work for 2016 envisages the goal: "Acting on a reporting on the endangering of the public interest that leads to corruption and the protection of the persons submitting the said reporting (whistleblowers)". Division for acting upon reporting of whistleblowers and protection of whistleblowers is responsible for the accomplishment of this goal.

Number of reporting and requests for protection of whistleblowers

Regarding the number of reporting, in 2016, 56 reporting on the endangering of public interest indicating the corruption and nine requests for the protection of whistleblowers were submitted to the Agency, and out of the total number of reporting in 23 cases, the person who filed it wanted to remain anonymous.

In the process of reviewing allegations from the filled reporting and requests for protection of whistleblowers, the Agency sent 127 letters to the authorities, business and legal entities (to those who are obliged by the law to whom reporting and protection requests apply) requesting statements with accompanying documentation and performance of inspection control.

In order to verify the allegations from the reporting and the requests for protection, as well as to determine the facts and determine the evidences, 22 official visits were made to the institutions to which the reporting/protection request relates. The Agency submitted two requests for initiating misdemeanour proceedings against the authorities to the competent courts, and these court proceedings are ongoing.

Chart 12: Number of reporting on endangering of public interest indicating the corruption and number of requests for protection of whistleblowers

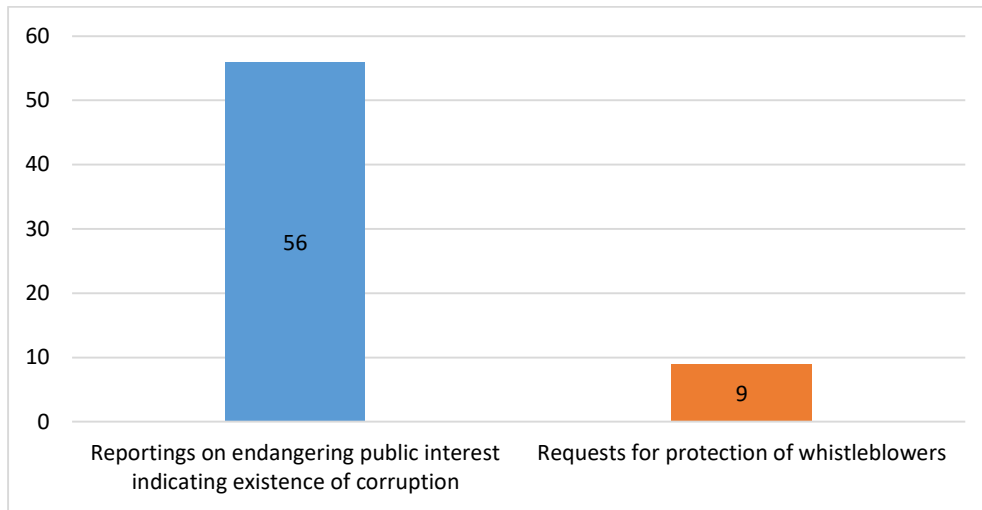


Chart 13: Number of anonymous reporting related to total number of reporting

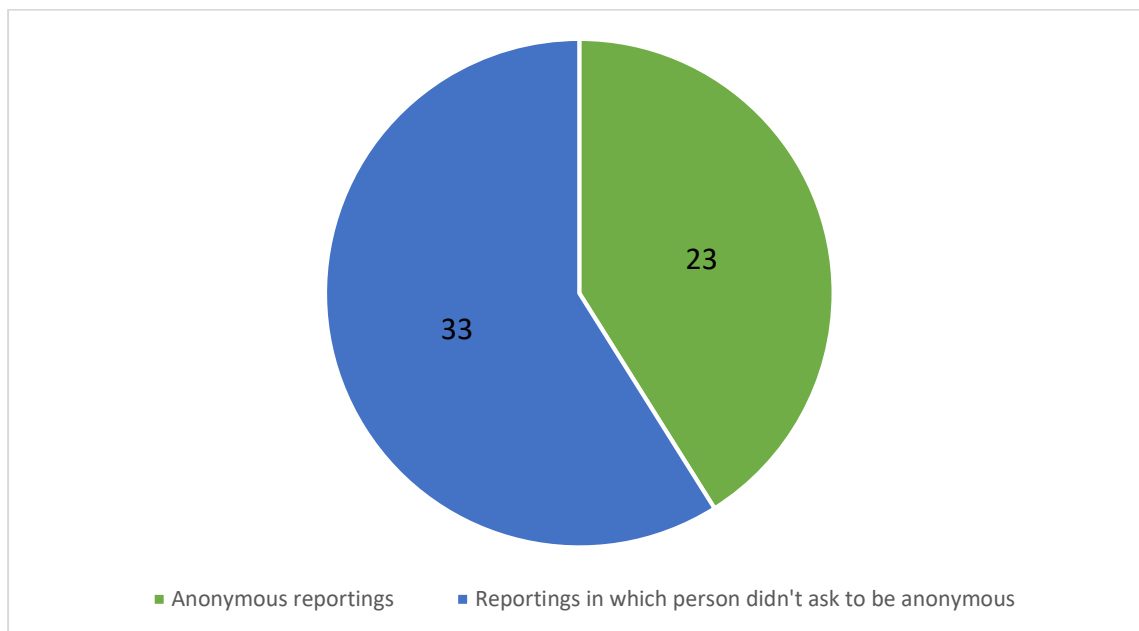


Chart 14: Competent bodies for acting upon reporting filed to the Agency

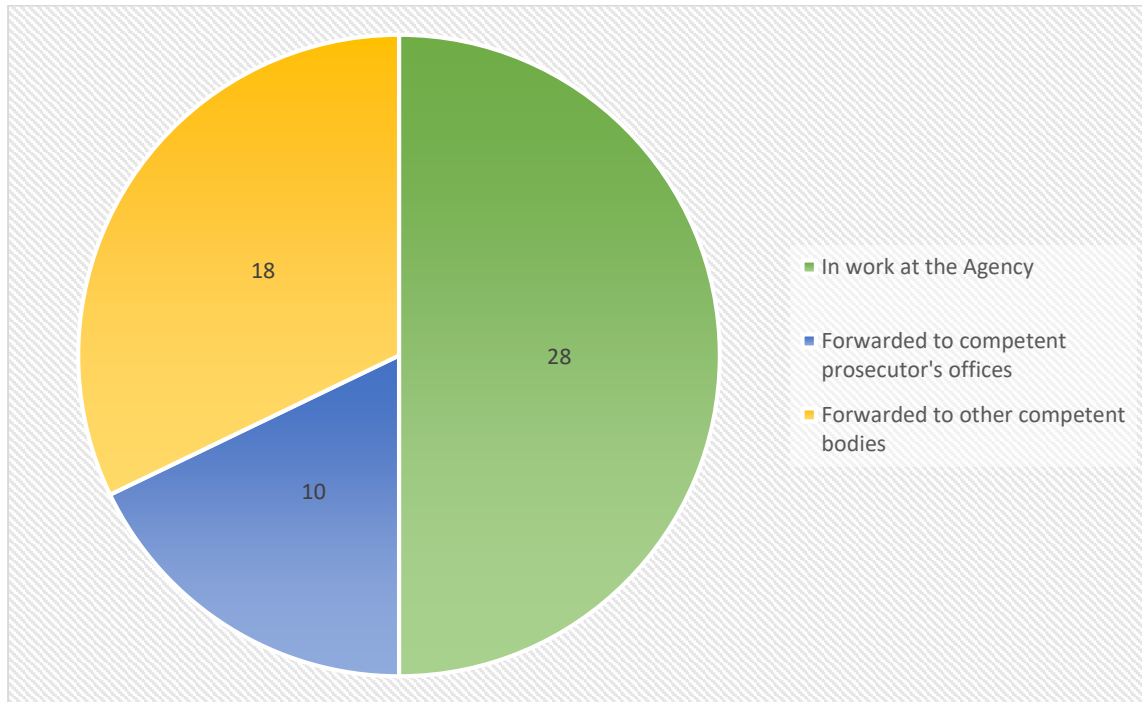
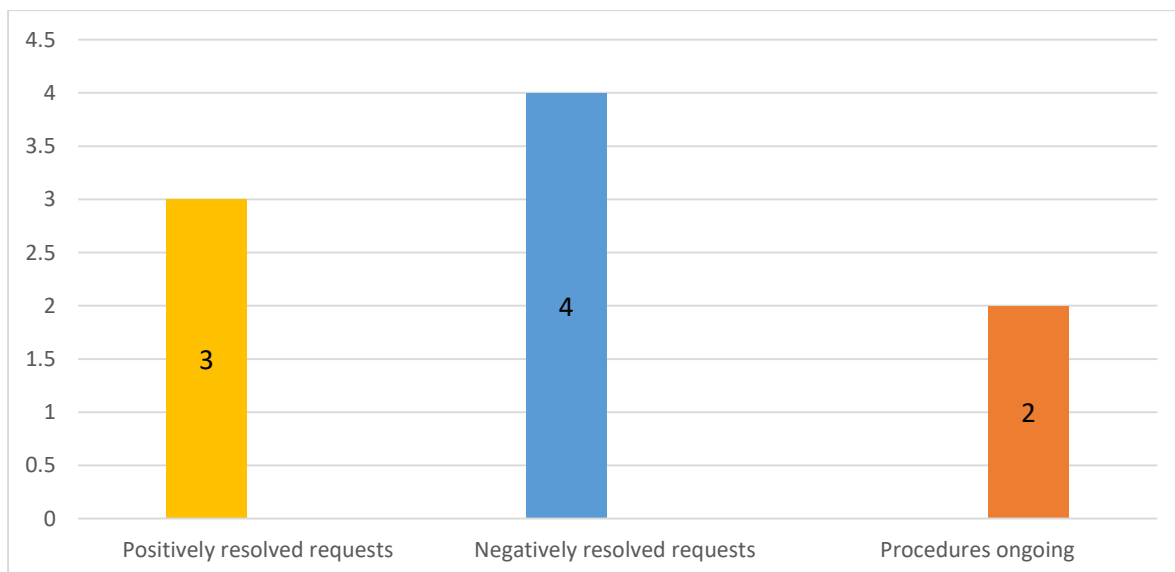


Chart 15: Requests for protection of whistleblowers



Opinions and recommendations

In 2016, 14 procedures were completed and six Opinions on the existence of endangering public interest indicating the existence of corruption were concluded, while the eight procedures for reporting ended with an official note because they did not contain the legal elements of the reporting or were anonymously submitted without sufficient data required for initiation of the proceeding. All other proceedings are ongoing.

In 2016, 14 proceedings were completed and six Opinions on the existence of endangering of public interest indicating the existence of corruption were given, while the eight procedures upon reporting were ended with an official note because they did not contain the legal elements of the reporting or were anonymously submitted without sufficient data required for initiation of the proceeding. All other procedures are ongoing.

The Agency gave a total of six recommendations in the proceedings upon reporting, where the existence of a threat to the public interest has been established in one institution. Institutions to which the recommendations referred submitted the Report to the Agency within the deadline.

Based on the suspicion of the existence of a criminal offense prosecuted *ex officio*, the Agency, in accordance with Article 57 of the Law on Prevention of Corruption, forwarded ten reporting to the competent prosecutor's offices, with a note on the legal duty to deliver feedback to the Agency on the outcome of the proceedings. Out of the total number of forwarded reporting, in one case the reporting was rejected while in the second an indictment was filed. For the remaining eight, feedback is expected.

In 2016, the Agency ceded 18 reporting to other bodies for further jurisdiction. 16 replies were received from the competent authorities on the outcome of the concluded proceedings in relation to the reporting where in 14 cases the existence of irregularities was not determined, in two cases irregularities were identified, while the remaining two are awaiting reply.¹¹

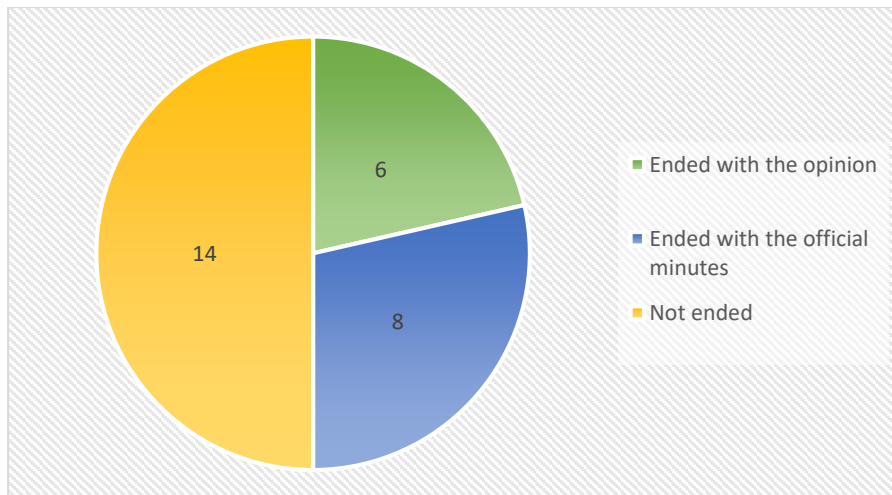
The Agency, in relation to a total of nine requests for protection, issued seven Opinions with an appraisal of existence, that is, the possibility of damage to the whistleblower due to the filing of the reporting, of which three were positive and four were negative for the whistleblower. The preliminary check of the allegations from the remaining two protection requirements is ongoing.

The Agency made a total of ten recommendations based on three requests for protection of whistleblowers to the authorities - with the obligation to submit the Report within 30 days from the date of receiving the Opinion. Out of the total number of given recommendations, in relation to five recommendations related to two cases of protection of whistleblowers, two reports were submitted within the deadline, while the Report for the remaining five recommendations was not submitted and therefore the misdemeanour proceeding was initiated.¹²

¹¹ More detailed statistics in Annex 8 – Acting upon reporting of endangering of public interest indicating corruption

¹² More detailed statistics in Annex 9 – Acting upon requests for persons who file a reporting (whistleblowers)

Chart 16: Status of 28 reporting in the competence of the Agency



Other activities

During 2016 officers of the Division conducted more than 500 consultations with the authorities in respect of statutory obligation to appoint the person for acting upon reporting.

On the website of the Agency, a call was published to the authorities – reminding for companies, other legal entities and entrepreneurs - legal obligors, of the legal obligation under Article 49 of the Law on Prevention of Corruption, which refers to the appointment of the persons who will be in charge of receiving and acting upon reporting the whistleblower (developed and a model solution), while in December over 600 letters were sent to government authorities, which also listed this legal obligation.

610 persons were appointed by the authorities to act upon the whistleblower's reporting, which was notified to the Agency in the form of the Decision on appointment of the person.

A working meeting was held on 18 August 2016 with representatives of the Delegation of the European Commission, at which the officer from the Division presented the work and the results achieved in the first half of 2016. The procedure that preceded the issuing of the Opinion in the case on the request for protection in one of the cases was also explained. A detailed explanation was prepared for the Opinion of the Agency in the case of the request for protection submitted to representatives of the EC delegation.

In order to establish inter-institutional cooperation in the part referring to reporting of the whistleblowers, a meeting of the Agency Director with the Supreme State Prosecutor and the Chief Special Prosecutor was held in December.

Officers of the Division for acting upon reporting of whistleblowers and protection of whistleblowers were provided a six-month expert support by Slovenian consultant Bećir Kećanović.

Also, three trainings were held by the contracted lecturers from the Complaints Commission of Montenegro regarding the application of the Law on Administrative Procedure in the context of the LPC.

Officers of the Division for acting upon reporting of whistleblowers and protection of whistleblowers participated in several conferences in this area, which were held in March in Podgorica on topics "Protecting whistleblowers in the region" and "Integrated investigations and new trends in organized crime and corruption cases." Representatives of the Agency also took part in the conference "Openness of the Prosecution: between the confidentiality of the proceedings and the public's right to know", which was held in April in Budva.

Representatives of the Division actively participated in a seminar on ethics, integrity, prevention of corruption and protection of whistleblowers, held in April for officers of the Ministry of Defence and Army of Montenegro.

During April the representatives of the Agency actively participated in the seminar within the Twinning Project - Support to the adoption of the Schengen acquis in Montenegro, the activity: Implementation of an action plan for the prevention and suppression of corruption at border crossings, with a special emphasis on the work of internal controls. The seminar was held for internal control officers and border police.

At the conference in Rakitje (Zagreb), held in May on the topic of protection of the whistleblowers, representatives of the Agency presented the results and competencies of the Agency, with a special emphasis on the procedure upon reporting and the request for protection of whistleblowers.

In November 2016 representatives of the Agency participated at the training on the topic "Investigation and prosecution of corruption in the public sector", held in Prague.

During December, representatives of the Agency participated in the training organized by the Human Resources Administration of Montenegro on the topic: "Free access to information". In the same month, officer from the Division, in addition to representatives of the NGO sector and representatives of local self-government, participated at a public hearing organized in Cetinje on the topic: "Protection of Whistleblowers in Montenegro".

Study visits to the institutions of **Romania** (Ministry of Justice, National Integrity Agency) and institutions of the **Republic of Slovenia** (State Council, Computer Court, Commission for the Prevention of Corruption) were organized through the TAIEX mission.

With the aim of establishing inter-institutional cooperation and the most efficient implementation of legal obligations in the area of acting upon reporting and protection of whistleblowers, working

meetings were held with representatives of the Ministry of Labour and Social Welfare, the Protector of Human Rights and Freedoms, Directorate for the Protection of Classified Information, Administration for Inspection Affairs, as well as with the representative of the Municipality of Herceg Novi.

Software application

A software system for the electronic entry and registration of acts from the competence of the Division in the procedure upon reporting and requests for protection of the persons submitting the reporting, with the connection with the archive, has been developed.

The Division has developed a model for the efficient operation of the system, and in the periods from 20 to 24 June 2016 and from 24 to 28 October 2016 working meetings were held in Novi Sad with representatives of "Prozone". An electronic application for filing a reporting has also been developed, which will be in place from January 2017.

Note:

In the Division, the vacant position of Independent Adviser II for acting upon requests for protection of whistleblowers was not filled during 2016.

Assessment of the situation

Bearing in mind that the whistleblower's protection and the acting upon whistleblowers' reporting are new institutes in our legal system, it can be considered that the Agency has achieved significant results in the procedures upon filed reporting and requests for protection of whistleblowers. The Agency has acted on all received reporting of corruption, as well as on requests for protection of whistleblowers. Also, good co-operation with the competent prosecutors' offices and other bodies competent for certain procedures has been established.

Challenges

In view of the new legal obligations in the part of the protection of whistleblowers and acting upon reporting, the challenge was to monitor compliance with the recommendations given to the institutions, which concerned the elimination or prevention of irregularities established in the cases of reporting and requests for protection of whistleblowers.

Recommendations

In the following period, the emphasis will be on organizing trainings for the purpose of educating persons who, in terms of Article 49 of the Law on Prevention of Corruption, are appointed in the authorities, companies, other legal entities and entrepreneurs for acting upon whistleblowers' reporting.

3. Division for prevention of corruption, monitoring of the regulations and giving opinions on regulations in the field of anti-corruption

Within the Department for prevention of corruption, integrity, lobbying and application of international standards, three divisions are organized within which are performed different tasks under the competence of the Agency. One of them is the Division for prevention of corruption, monitoring of regulations and giving opinions on regulations in the field of anti-corruption.

The very important competence of the Agency for Prevention of Corruption is giving initiative for amendments to laws, other regulations and general acts in order to eliminate possible risks for the occurrence of corruption and their alignment with international standards. Normative compliance with international standards in the field of fight against corruption is a prerequisite for establishing a system that will give results in practice. On the other hand, the implementation of applicable laws will provide information on their possible non-compliance with anti-corruption standards and enable the initiation of their change. Within this goal, cooperation with the Department for International Cooperation and Standards is crucial, as well as cooperation with international organizations and experts in order to provide best practice and normative solutions.

Within the performance indicator 1 of strategic objective 8, which refers to the number of initiatives for amending the laws, there were no realized activities. Also, there were no adopted initiatives to amend the laws, which are covered by the indicator 2. As for the number of opinions on draft laws and other regulations for the purpose of compliance with the anti-corruption international standards covered by indicator 3, one initiative for assessing anticorruption risks in respect of legal text on force was submitted. Within the indicator 4, which refers to the number of adopted opinions, an opinion was made on the assessment of anticorruption risks to the legal text and the practice of forming electoral lists for elections for deputies and MPs based on the initiative of the citizens group "Civil Action" from Budva.

Note: In the Division for prevention of corruption, monitoring of regulations and giving opinions on regulations in the field of anti-corruption, for the competence of submitting initiatives for amendments to the law and giving opinions on draft laws and other regulations for alignment with international anticorruption standards the vacancy of Independent Adviser II was not filled during 2016. As the Head of this Division in 2016 temporarily performed the duties of the Chief of General Affairs and Finance, it was not possible to have more intense activities in this strategic goal.

Challenges: As it regards the competence of the Agency, which will be fully implemented from 2017, through the RAI Regional Program, the Agency has committed itself to participating in the component regarding verification of laws for the risks of corruption (Corruption Proofing). To this end, expert support for the said component will be provided during March 2017 in order to develop the Methodology of evaluation of laws on the risks of corruption. The drafting of opinions on a national law as well as the organization of a regional workshop to exchange experiences with similar institutions that already exercise this competence are also planned with the expert.

IV. Raising the level of public awareness about the harmfulness of corruption, the mechanisms of reporting and protection

In the framework of realization of the objective **"Raising the level of public awareness about the harmfulness of the corruption, the mechanisms of reporting and protection"**, the Agency realized an information campaign on the competencies of this body in 2016 and continued the information campaign "Not one cent for bribery."

Within the information campaign, the following activities were realized:

Promotional videos

In the first half of 2016, the three-minute promotional video in which all the competencies of the Agency were presented was broadcast six times at five television stations before the central evening news programs.

A telop was prepared and broadcasted at two televisions with national coverage with activities and contacts of the Agency, where all information regarding the obligations from the Law on Financing of Political Entities and Election Campaigns can be obtained. Telop contains also contacts at which corruption can be reported, as well as information on the methods of reporting on the incomes and assets of public officials.

A TV report was prepared on the activities and results of the Agency in the field of controlling the financing of political entities and election campaigns. The report was broadcast in September on a television with national coverage before the central evening news.

A telop of 30 seconds on income and asset reporting was prepared in December. Telop is posted on the Agency's website in the section "Prevention of Conflict of Interest of Public Officials."

Flyers

In January, 17,500 flyers were inserted in the daily press, which contained information on all the Agency's competencies. 5,000 anti-corruption flyers were delivered to the Office for Fight against Corruption in the municipality of Budva for distribution in that Municipality.

In October, in cooperation with the Public Procurement Directorate, 20,000 copies of the flyer on the topic "Prevention of Corruption in Public Procurement" were prepared and printed. The flyer is published in the electronic form on the website of the Public Procurement Directorate.

In November, 20,000 copies of flyers were designed and printed on the topic of "lobbying". 5,500 copies of flyers were inserted in the daily press.

Brochures and newsletters

The "Anti-Corruption Laws" brochure has been designed and printed (200 pieces), which contains: Law on Prevention of Corruption, Law on Control of Financing of Political Entities and Election Campaigns and Law on Lobbying. The following were designed and printed: UN Convention against Corruption - UNCAC (150 pieces), Civil Law Convention (100 pieces) and Criminal Law Convention (100 pieces). In cooperation with the NGO Centre for Democratic Transition (CDT), a brochure titled "Transparent Financing of Political Entities" was created and an infographics about the Agency's competencies in that area.

Three bulletins "Anticorruption" were prepared in January, July and December. In the first bulletin, which was printed in Montenegrin (800) and English language (250), all the competencies of the Agency were presented. It was delivered to state bodies, foreign embassies and international organizations based in Montenegro, as well as to the non-governmental sector. The bulletin was distributed by mail and electronically. In the second and third bulletin, all activities of the Agency were presented in the first and the second half of 2016. The bulletins were posted on the Agency's website.

Within the Anti-Corruption Campaign "Not a Cent for Bribery", the following activities were realized:

Promotional videos

The anti-corruption promotional video from the campaign "Not a Cent for Bribery", which lasts 30 seconds was broadcasted in 2016 in total of 74 times on five televisions with national coverage, before the central evening news programs. Broadcasting of the promotional video in August (14 broadcasts) was financially supported by the US Embassy in Podgorica, through the Bureau for International Narcotics and Law Enforcement Affairs (INL). The promotional video is published on the website of APC, as well as on the Facebook page of the campaign.

New anti-corruption TV promotional video has been prepared, duration of 30 seconds, which will be broadcasted during 2017. Anti-corruption promotional radio recording has also been prepared, duration of 10 seconds, which will be broadcasted during 2017.

Billboards

In 40 locations across Montenegro, billboards (6x3m and 4x3m) were installed in July with the contacts of the Agency at which suspicions of the existence of corruption can be reported. In cooperation with the Office for Combating Corruption of the Municipality of Budva, billboards

containing the contacts of the Agency and the Office to which corruption can be reported were installed on several locations in that city in July.



Citylight posters

Citylight posters were designed and mounted in November in 50 locations across Montenegro, with contacts of the Agency, the Supreme State Prosecutor's Office and the Police Directorate, on which suspicions of the existence of corruption can be reported. In cooperation with the Office for Combating Corruption of the Municipality of Budva, in July, Citylight posters were prepared and mounted in several locations in the city.



Flyers and posters

In co-operation with the Supreme State Prosecutor's Office and the Police Directorate, leaflets (20,000 pieces) were prepared with contacts of all three institutions at which corruption can be reported, as well as the Agency's responsibilities in the area of protection of whistleblowers. This material was distributed in regional units of the Ministry of Interior and the Police Administration, at border crossings, higher and basic prosecutor's offices in Montenegro, where citizens can take over flyers.

In cooperation with the Supreme State Prosecutor's Office and Police Directorate, posters (100) were prepared with contacts of all three institutions to which corruption can be reported.



Brochures

A brochure "Not a Cent for Bribery - five years of campaign" was prepared and printed in 200 copies.

Social networks

Facebook page of the campaign "Not a Cent for Bribery".



Trainings

In 2016, the Agency realized 11 trainings on the topic "Competencies of the APC and obligations of the authorities in the implementation of anti-corruption laws." The trainings were intended for the heads of local government bodies, local self-governments, public companies and public institutions from the municipalities in which the trainings were organized. The trainings were held in the municipalities of Herceg Novi, Tivat, Kotor, Budva, Bar, Ulcinj, Cetinje, Plav (attended by representatives of the Municipality of Gusinje), Pljevlja, Mojkovac and Nikšić. At the training in Nikšić, besides the Agency's officers, the lecturer was also a representative of the NGO CDT. 340 persons attended the training.



At five seminars of the Human Resources Management on the topic "Development of Integrity Plans" the lecturers were representatives of the Agency. Out of that number, three trainings were for local government officials, and two for civil servants. Approximately 120 participants from state authorities and local self-governments attended the trainings.

At three seminars held at the PIHVS "Police Academy" in Danilovgrad, one of the lecturers was the Head of the Department for Integrity and Lobbying at the Agency. The seminars were organized by the MoI - Police Directorate and the Police Academy, and within the realization of obligations from the Joint plan of measures for prevention and repression of corruption at border crossings. Seminars were attended by 61 participants from the Police Administration, Customs Administration and Administration for Inspection Affairs.

The Agency also organized three trainings on the topic "Designing and Implementing Anti-Corruption Campaigns", which are intended for officials of institutions that are obliged to carry out anti-corruption campaigns in accordance with the measures from AP 23 and other bodies that implement anti-corruption campaigns, as well as for the representatives of health institutions and Non-governmental organizations. The Agency organized one of the trainings in cooperation with the Office for Anti-Corruption from Budva. Approximately 40 participants attended the training.

Cooperation with the media

During 2016, the Agency regularly informed the public about its activities through press releases, responses to questions of journalists, participation in thematic programs and organization of press conferences.

In the printed media in 2016, a total of 811 information on the Agency was published. In the online media there were 1060 information about the Agency (*data were obtained from the web application mediatoolkit.com and press clipping of Represent Communications*).

From August until the end of 2016 there were 118 announcements on the TV stations (*the data from press clipping of Represent Communications*). The Agency has a precise number of information published on the work of this body in electronic media in the second half of 2016. Namely, the selected provider of service of the press clipping wasn't performing the contracted services in the first half of the year, so the contract was terminated, and the new provider of that service was selected in August.

Public opinion research

In December 2016 a public opinion survey entitled "Public attitudes on corruption and familiarity with the work of the APC" was conducted and published. For the needs of APC, the research was conducted by the *De Facto* agency.

Results of the research:

- More than 70% of citizens heard about the Agency, and 86.1% of those who heard about the Agency claim to know what this body is doing;
- Almost two thirds of citizens (65.4%) claim to have confidence in the work of the Agency;
- Nearly 70% of citizens estimate that the Agency has contributed to the overall fight against corruption in Montenegro;
- More than 70% of respondents believe that the campaign *Not a Cent for Bribery* encourages citizens to oppose the corruption;
- The agency is in the first place when it comes to institutions to which citizens would report the corruption.

Assessment of the situation

The Agency conducted an information campaign on the competencies of the Agency and continued the anti-corruption campaign "Not a Cent for Bribery". The campaign has yielded positive results, as public opinion polls show that 2/3 of the respondents believe that such campaigns encourage citizens to fight corruption.

Challenges

Part of the campaigns related to the promotion of lobbying did not give the expected results because there were no candidates on the exams for carrying out lobbying activities that the Agency announced in 2016.

Recommendations

It is necessary to continue intensive anti-corruption campaigns in order to raise the level of public awareness of corruption and conduct the public opinion survey on the work of the Agency in 2017. The campaign needs to be intensified in the part of representing the Agency's competence, with a special focus on lobbying.

In addition, in order to further increase the level of transparency of the work of the Agency, as well as to better inform the obligors of the anti-corruption laws in its jurisdiction, as well as the general public, about the anticorruption activities of this body, it is planned to establish a new Department for Education, Campaigns, Research and Analytics.

V. Agreements on co operations

Agreements on cooperation with state institutions

The Agency for Prevention of Corruption signed agreements on cooperation with the Tax Administration and Real Estate Directorate.



The Agency and the Tax Administration agreed to cooperate in order to establish procedures for communication, coordination, cooperation and exchange of data necessary for the prevention of conflict of interests, determination of tax obligations of public officials and monitoring the fulfilment of other obligations prescribed by the Law on Prevention of Corruption, as well as the obligations prescribed by the Law on Financing Political Entities and Election Campaigns.

By signing an agreement with the Real Estate Directorate, mutual cooperation is established in the exchange of information and data in the process of determining the conflict of interests of public officials and monitoring of the property of public officials, as well as other tasks within the competence of the Agency.

Agreements on cooperation with NGOs

In the first half of December, the Director of the Agency signed memoranda of cooperation with representatives of non-governmental organizations, and those are: Centre for Development of Non-Governmental Organizations (CRNVO), Centre for Monitoring and Research (CEMI) and Centre for Democratic Transition (CDT). These agreements formalize the cooperation of the Agency and the non-governmental sector on the principles of partnership, transparency, accountability and mutual information.

The Memorandums envisage joint activities to raise the level of public ethics, integrity, transparency and control over the exercise of public functions and powers, protection of whistleblowers and proactive work to promote an ethical and healthy working environment in the public and private sectors, the implementation of effective public control over the operation and financing of political entities and election campaigns, and other areas of the prevention of corruption.

Memorandums, among other things, stipulate concrete modalities for strengthening mutual cooperation in the design, planning and implementation of projects and activities of mutual interest.



Requests for free access to information

In 2016, the Agency for the Prevention of Corruption received 253 requests for free access to information. Out of that number, the Agency responded to 226. The action on the remaining requests is ongoing and will continue in the first quarter of 2017.

VI. Department for international cooperation and standards

Activities of the Department for International Cooperation and Standards are covered by the strategic objective 9 from the Work Plan of the Agency for the Prevention of Corruption for 2016. As one of the indicators of success in the implementation of this objective, the number of realized activities and results of the activities envisaged by the projects whose APC is beneficiary has been recognized.

In this regard, the activities of the Department during the first year of the Agency's work were focused on providing conditions for strengthening the Agency's capacity to fulfil its key competencies. In this sense, the Agency enjoys significant support from regional and international partners, with whom it cooperates on the implementation of projects for capacity building of the Agency.

In the period from April to September 2016, the Agency implemented a ***Project of Expert Support to the work of the APC, in cooperation with the US Embassy in Montenegro***. The project was implemented through the technical cooperation and expertise of the Slovenian expert for the areas within the competence of APC Bećir Kećanović. Through everyday practical work with the officials, he analyzed the success of implementation of legal provisions and ways for their more efficient application in all key competencies of the Agency, including: receiving reporting and protecting whistleblowers, strengthening integrity in public administration, preventing conflicts of interest, lobbying and controlling the financing of political parties and election campaigns.

In the framework of the ***Project for support in the field of control of political entities and election campaigns***, implemented in cooperation with the Embassy of Great Britain in Montenegro, throughout the year, British expert Liza Klein was working with officers of the Division for implementation of measures to control the financing of political entities and election campaigns, but also with other officers from the Agency who were engaged in these jobs, on the Agency's specific tasks in this area, including preparations for local elections in Tivat in April, parliamentary elections in October, as well as post-election analyzes and reports.

Besides, the Agency has created conditions for beginning of realization of **three new projects** which will be implemented, in the biggest part, during 2017 and 2018:

- ***IPA 2014 twinning project "Support to the implementation of integrity measures in Montenegro"***

A contract was made, including a detailed work plan and budget allocation, with the twinning partner, the National Anti-Corruption Agency of the Republic of Italy (ANAC). These documents were approved by the EU Delegation and the relevant EC bodies, and the contract will be signed in the first months of 2017. The project will be implemented for 18 months.

- ***Horizontal Facility for the Western Balkans and Turkey***

In the framework of joint initiative of the Council of Europe and EU, under the title ***Horizontal Facility for Western Balkans and Turkey***, in the second half of 2016 the activities were aligned, and the official beginning of the project was in November. The project will last until April 2019. The segment of the Action Against Economic Crimes in Montenegro, within which are also the activities for which the Agency will be responsible, foresees technical cooperation and expert support, among other things, in the area of transparency of financing of political parties, declarations of assets of public officials, inter-institutional cooperation, protection of whistleblowers, and other.

- **Regional program RAI**

At the end of December 2016, the Secretariat of the Regional Anti-Corruption Initiative for South-eastern Europe (RAI), whose member Montenegro is since the founding of RAI, and the Agency's management, agreed on the inclusion in the implementation of the **RAI Regional Program**, which aims to strengthen the institutional capacity for fight against corruption, with emphasis on risk assessments and the analysis of regulations in relation to corruption.

In accordance with indicator 2, which refers to *the number of conducted analyzes of international reports on fight against corruption in Montenegro*, during the course of 2016, several reports were analyzed regarding anti-corruption in Montenegro and beyond, including: OECD's "Report on Competitiveness in South-East Europe: Policy Review , 2016 "; OECD report "Commitment to more effective protection of whistleblowers"; ACN OECD report "Anticorruption Reforms in South East Europe and Central Asia: Progress and Challenges, 2013 - 2015"; Report of the Mission for Assessment of ODIHR Needs; Annual research "Balkans Barometer 2016"; Report of the US Government on the state of human rights in Montenegro in 2015 in the part dealing with the issue of corruption ("Corruption and lack of transparency in the Government"), and the EC Progress Report for Montenegro.

Indicator 4 refers to the *number of reports of international organizations with positive assessments of the compliance of Montenegrin anti-corruption regulations with international standards and recommendations*. In this regard, in the "Report on Competitiveness in South East Europe: Policy Review 2016", in the part relating to anti-corruption, Montenegro is, by all indicators, a leader in the region. The highest scores were given in relation to transparency of regulations and the institutional framework for the fight against corruption, where the establishment of the Agency for the Prevention of Corruption was noted as a good example. Regional and international cooperation were highly evaluated, and the weakest interagency cooperation and information exchange.

Indicator 7 relates to number of other activities in order to strengthen regional and international cooperation and the exchange of experiences and good practices (projects, events, training, initiatives, etc.). The Agency, in this regard, expressed a significant initiative in **bilateral cooperation** with related institutions and organizations abroad and again had strong support from both diplomatic missions and the European Commission (TAIEX). Representatives of the Agency realized **working visits to anti-corruption bodies of Poland** (National Election Commission, Central Anti-Corruption Bureau), **Romania** (Ministry of Justice, National Integrity Agency), **France** (Agency for Public Sector Transparency, Ministry of Justice), **Serbia** (Agency for Fight Against Corruption) and **Slovenia** (Commission for Prevention of Corruption, National Council of Parliament, Audit Court).

Activities and obligations towards regional and international organizations have been fulfilled to the extent and according to the dynamics with which they have been maturing. During the reporting period, the Agency actively participated in the activities of the **OECD's Anti-Corruption Network for Eastern Europe and Central Asia (ACN)**, **RAI**, **GRECO**, **RCC**. In the capacity of the national coordinator for activities within the ACN OECD, the officials of the Agency, in cooperation with the competent authorities and institutions of Montenegro, provided data on the practice in Montenegro for the studies of that organization, namely: "Anti-corruption reforms in South-eastern Europe and the Central Asia: Progress and Challenges, 2013 - 2015", a Thematic Study on International Legal Assistance in Corruption Cases (to be published), and the compilation of data for the Competitiveness Report - Policy Review for 2018 has also started. In the same capacity, the officials of the Agency provided support to representatives of SPO of Montenegro to participate in the meeting of the Law Enforcement Network within the ACN OECD, in December in Astana, Kazakhstan. The representatives of the Agency were also active in the regular meetings organized by these organizations: ACN OECD meeting (September), regular annual meetings of the RAI Steering Group (April, September, and December), GRECO sessions (October, December).

Representatives of the Agency were able to exchange experiences with related institutions and present anti-corruption practices in Montenegro also at several conferences of other international, governmental and non-governmental organizations: *Regional meeting of supervisory authorities for declaration of property and conflict of interests*, organized by RAI, and supported by Austrian Development Agency and Regional Cooperation Council (May: Tirana - Albania and October: Sofia - Bulgaria); *Regional Conference "Money in Politics"* (February: Tbilisi - Georgia) and *Regional Conference on Protection of Whistleblowers* (May: Rakitje - Croatia); The seminar on *Investigation and prosecution of corruption in the public sector* (November: Prague - Czech Republic).

VII. Trainings

The employees of the Agency have the right and the duty to continuously acquire the knowledge and experience necessary for the legal, professional and ethical performance of their tasks, in accordance with the authorizations and everyday needs of their work assignment.

Given that this was the first year of the Agency's work, it was necessary to improve its capacities for the implementation of numerous new competencies. During 2016, representatives of APC attended numerous study visits, conferences and seminars.

Officers of the Division for acting upon reporting of whistleblowers and protection of whistleblowers had a six-month expert support of the Slovenian consultant Bećir Kečanović.

Also, three trainings were held in Podgorica, by the contracted lecturers from the Complaints Commission of Montenegro, whose topic is the application of the Law.

Officers from the same Division participated in the conference "Protection of whistleblowers in the region" held in Podgorica, then training in the premises of the HRM on the topic "Protection of personal data", as well as at the conference "Integrated investigations and new trends in organized crime and corruption cases" in Budva and "Openness of the Prosecution: between the confidentiality of the proceedings and the public's right to know" in Podgorica.

Representatives of the Agency actively participated in a seminar on ethics, integrity, prevention of corruption and protection of whistleblowers, held for officers of the Ministry of Defence and Army of Montenegro in Podgorica.

APC representatives presented the results and competencies of the Agency on the subject of protection whistleblowers, with a special focus on the application procedure and the request for protection of whistleblowers, at a conference held in Rakitje.

Also, training on "Investigation and prosecution of corruption in the public sector" was licensed, in Prague - the Czech Republic.

Through the TAIEX mission in 2016, the following study visits were organized: the Romanian institutions - the Ministry of Justice and the Integrity Agency, the institutions of the Republic of Slovenia - the State Council, the Court of Audit, the Commission for the Prevention of Corruption, organized in accordance with the conclusion of the 24th Session of the Council of the Agency for Prevention of Corruption.

Representatives of the APC visited the Office of the OSCE for Democratic Institutions and Human Rights, the National Electoral Commission and the Central Anti-Corruption Bureau in Warsaw. The aim of the visit is to strengthen the cooperation between the APC and the ODIHR, in order to improve the capacities of the APC to carry out control of the financing of political entities and election campaigns, to exchange experiences and good practices, to present the efforts undertaken by Montenegro in this area, as well as its overall anti-corruption practices.

The Director of the Agency and members of the Council visited the Agency for Fight against Corruption of Serbia. During the visit, they familiarized themselves with the work of this related institution, exchanged experiences and presented anti-corruption regulations and practices in Montenegro.

The Assistant Directors of APC attended the second and third Regional Meetings of supervisory bodies for declaration of assets and conflict of interest, held in Tirana and Sofia, organized by RAI, with the support of the Austrian Development Agency and the Regional Cooperation Council (RCC).

APC officers attended the Regional Conference "Money in Politics", held in Georgia, regular meetings of GRECO 73 and 74 in Strasbourg, as well as the meeting of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) in Paris. Also, they were on a working visit to the National Anti-Corruption Agency of the Republic of Italy, the purpose of which is to determine the Work Plan, the Budget and the Operational Plan for the first six months of the implementation of the IPA 2014 Twinning Project "Support to the Implementation of Integrity Measures".

The Agency for Fight against Corruption and Coordination of Fight against Corruption from Bosnia and Herzegovina sent an invitation to the APC to train lecturers in the part relating to the verification of assets of public officials, conflict of interest, electronic submission of the declaration. APC officers responded to this invitation and achieved successful cooperation, which will continue in the coming period.

Officers of the IT Section in 2016 had study visits to the Republic of Romania on the topic "Whistleblowers and use of information technologies" and to the Central Bureau of Anti-Corruption of Poland, followed by working meetings in the Republic of Serbia on the topic of new modules in the information system (whistleblowers and lobbying). Also, the officers of this Section attended training "Server Administration 2012" (three specialized courses).

In the period from 15 to 16 December 2016, a delegation of representatives of the Prosecutor's Office of Montenegro made a study visit to the State Attorney's Office of the Republic of Croatia, and the topic of the study visit was "Transparency of the Prosecutor's Office and Public Relations/Media". Within the Montenegrin delegation there was one representative of the Agency for Prevention of Corruption and Centre for Judicial and Prosecuting Training, as well as representatives of the OSCE and the US Embassy in Montenegro, who are organizers of the visit.

The representative of the Agency participated in a study visit to California, USA, from 3 to 11 December 2016, organized and funded by the US Embassy in Podgorica as part of the project to support the work of the Agency for the Prevention of Corruption. The study visit was dedicated to the use of administrative law and integrated investigations in the fight against corruption and organized crime. The main goal of the visit is to encourage cooperation between preventive and prosecuting authorities in Montenegro in the fight against corruption and organized crime in such a way to put emphasis on administrative and inspection measures instead of exclusively focusing on prosecution.

VIII. Activities of the Agency in the EU integration process

Chapters 23 and 24

Regarding the monitoring of the implementation and fulfilment of the provisional interim benchmarks for Chapters 23 and 24, in part of the measures within the competence of the Agency, regular communication with the Head of the Working Group and the Chief Negotiator's Office is realized with a view to meeting the obligations of the working groups for these two chapters. This primarily relates to the occasional issues and interest of the representatives of the European Commission in relation to the measures from the two Action Plans, quarterly reporting in relation to the tables of the interim benchmarks and the track-record table, meetings of the working groups and preparation for the semi-annual reporting according to AP.

Within the Working Group for Chapter 23, when it comes to employees of the Agency for Prevention of Corruption, there are three coordinators for the area of Prevention of Corruption and one member of the Working Group. Coordinators and a member of the Working Group participate in the preparation of semi-annual AP reports for this chapter. Reporting is done through the e-portal of European integration. As co-ordinators in the chapter, three officers of the Agency report for a total of 11 measures and 10 sub-measures regarding the results of the Agency's work, while in the rest of the AP they follow the fulfilment and reporting for a total of 49 measures and two sub-measures.

Within the framework of the interim benchmarks tables, eight interim benchmarks are subject of reporting, out of which seven refer the results of the work of the Agency, and one benchmark the results of the work of other bodies and institutions.

As for the reporting on the results per track-record tables, three coordinators and a member of the WG for Chapter 23 from the Agency report on five tables.

Also, coordinators and a member of the WG from the Agency report during the preparation of the Non-Papers for the EC, contribution for the Progress Report for the Anti-Corruption Section and Program of Accession to the EU.

Coordinators participate in the development and monitoring of TAIEX map implementation on an annual basis and at the meetings of the WG for Chapter 23, meetings of the Subcommittee on Justice, Freedom and Security and Peer Review missions.

Operational document for the prevention of corruption in areas of special risk

An operational document for the prevention of corruption in areas of special risk was adopted at the session of the Government of Montenegro in July 2016. The Ministry of Foreign Affairs and European Integration, as the main coordinator of the process of Montenegro's accession to the European Union, was the proposer for the adoption of this document at the Government session, and the Ministry of Justice established the Working Group that developed the Operational Document. Representatives of the Agency (four officers) participated as members of the Working Group in the drafting of this strategic document.

The Operational Document for the Prevention of Corruption includes the following areas: public procurement, privatization, urban planning, education, health, local self-government and police, and presents the annex of AP for Chapter 23, so reporting on this document will also be carried out at a semi-annual level, as well as reporting for AP 23, by the Working Group for the preparation and conduct of negotiations on the accession of Montenegro to the European Union in the field of the *acquis communautaire* relating to Negotiating Chapter 23 - Judiciary and Fundamental Rights. In addition to taking part in the drafting of this multi-year document, the Agency is in charge of implementing nine measures from different areas, and to report on its implementation to the Working Group for Negotiations at the six-month level. These measures relate to the preparation and adoption of the Integrity Plan in educational institutions and at the University, the analysis of integrity plans, the organization of lectures and seminars in order to raise students' awareness of corruption and inform citizens about the possibilities of reporting corruption. In addition, the measures also relate to the preparation, adoption and analysis of integrity plans in municipalities, the establishment of a system for reception and acting upon the reporting of whistleblowers by local self-government units, the continuous promotion of that system and training in this respect, as well as the improvement of the form for reporting cases of corruption on the website of the Council for Privatization and Capital Projects.

Coordinators for the area of Prevention of Corruption report according to the measures contained in the Operational Document for the Prevention of Corruption in the areas of special risks, which are within the competence of APC, and the Coordinator for the Special Risk Areas coordinates all other obligors from the Operational Document. The operational document has 63 measures and fully follows the methodology and structure of the AP 23. In concrete terms, monitoring the implementation of the Operational Document is done through the coordinator of the area for the prevention of corruption. The coordinators directly cooperate with the contact persons from the bodies responsible for the realization of the planned activities and receive information from them on all issues important for the realization.

On the basis of the obtained data, which are entered directly into the e-portal of European integrations, the first semi-annual report on the implementation of the document was prepared, which was then approved by the Head of the Working Group and then submitted to the Ministry of Foreign Affairs and European Integration as the main coordinator of the process of accession of Montenegro to the European Union. Afterwards, the report was considered and adopted, on 19 January 2017, by the Government of Montenegro at the same time as the report on the implementation of the Action Plan for Chapter 23.

Regular semi-annual reports for the Action Plan for Chapter 23 are adopted in January and July when they are sent to the European Commission.

EC Progress Report

Coordinators and a member of the Working Group from the Agency report in the preparation of contributions for the EC Progress Report for the part *Prevention of Corruption*.

Regarding the preparation of the Contribution (twice a year), the coordinators in the field of prevention of corruption from the Agency for the Prevention of Corruption submitted in September the latest, updated Contribution to the Progress Report, which was published in November.

Stabilization and Association Agreement

In order to monitor the obligations under the Stabilization and Association Agreement and other obligations from the integration process, an expert mission (peer review missions) of the European Commission in the area of prevention of corruption in education was organized in October as one of the areas of special risk. On that occasion, the experts met with representatives of the Agency for Prevention of Corruption in order to identify the Agency's activities in this area. After the mission, experts prepared a report which contains recommendations for further improvement in the area of prevention of corruption in education.

TAIEX

Regarding the preparation of TAIEX applications and the organization of TAIEX events in order to implement the commitments from the action plans for negotiating Chapters 23 and 24, in accordance with the TAIEX map for 2015, through the TAIEX EU Instrument for Technical Assistance and Information Development, a study visit was organized with topics from the field: whistleblower institute and protection of whistleblowers, use of information technologies in anti-corruption and control of assets of officials and conflict of interest.

Through the TAIEX instrument, a study visit was organized in September to the institutions of the Republic of Slovenia: the State Council, the Court of Audit and the Commission for the Prevention of Corruption of the Republic of Slovenia. The visit was organized in accordance with the conclusion of the 24th session of the Council of the Agency for the Prevention of Corruption, which refers to the establishment of cooperation between the Council and other institutions, civil society and NGOs in order to improve the legal framework and other mechanisms for preventing corruption at all levels of society.

IX. Section for information technologies

The activities of the Section for information technologies are covered with the strategic objective 11 from the Work Plan of the Agency for Prevention of Corruption for 2016, under the title Establishment of the Agency's information system (external and internal system).

Hardware infrastructure

When it comes to the information system of the Agency for Prevention of Corruption, the necessary hardware and infrastructure and safety conditions for its work were established on 1 February 2016. The Agency owns its own hardware equipment on which a software application solution is installed, which is located in the server room of the Agency, managed by the IT Section.

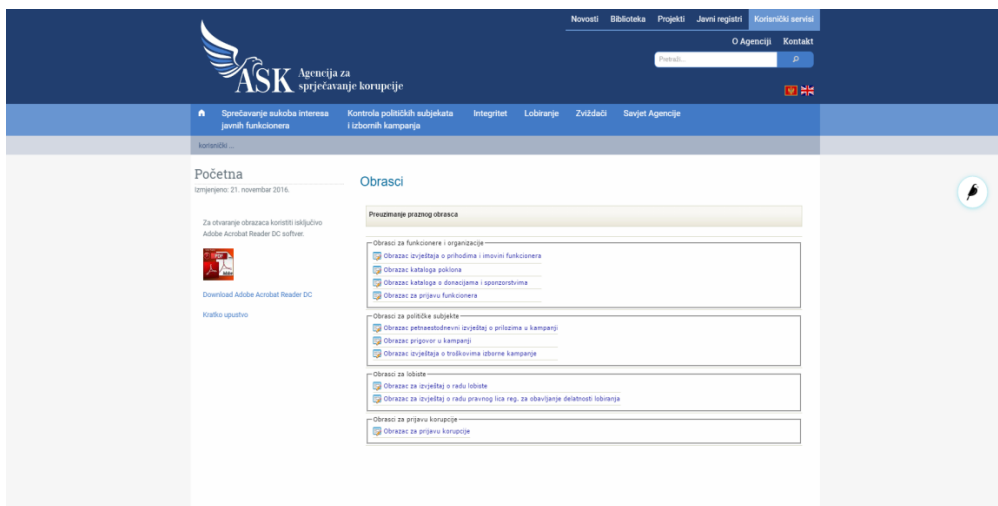
Application software and other IT tools

The Agency also has all the necessary IT tools - application software, mail system and web site.

The Agency's application software began operating in March 2016 and was networked with the MoI, Customs Administration, Securities Exchange Commission, Real Estate Directorate and the Tax Administration. For the first time in Montenegro, the Agency provided an automatic publication of data from the internal information system on its website www.antikorupcija.me, which contributes to one of its main strategic goals - increasing transparency and facilitating access to all data within the Agency's competence.

Modules for electronic submission of forms on assets and income of public officials are in place. Electronic archive modules are also in operation, which enables faster and more efficient work of the Agency's employees.

Electronic delivery of declarations



The Agency's information system enabled the submission of electronic data on compliance with restrictions in the exercise of public functions and the control of received gifts, donations and concluded sponsorships, as well as reporting and control of financing of political entities and election campaigns through the submission of electronic reports on campaign complaints, electronic fifteen-day reports on campaign contributions and electronic reports on expenses in the election campaign. The information provided by political parties through this module is available to the citizens and interested public on the Agency's website.

Registar prihoda i imovine

Lični podaci | Članovi porodice | Javna funkcija koju vrši javni funkcioner | Prihodi | **Imovina** | Ostalo

4.1 Nepokretna imovina u zemlji i inostranstvu

Opština	Katastarska opština	Broj (broj/podbroj)	Broj objekta (broj zgrade)	Broj posebnog dijela (PD)	Vrsta, Struktura, Površina	Adresa, Mjesto, Država	Prava, Vlasnički udeo	Osnov stic
Podgorica	Podgorica III				Stan,		Svojina, 100.00	stan, kret

4.2 Pokretna imovina za koje je potrebna registracija

Kategorija	Marka/Vrsta/Tip	Godina proizvodnje	Godina prve registracije	Osnov stic	Registarski broj
Motorna vozila	Opel Corsa	2012		Kupovina	

4.3 Ostala pokretna imovina čija vrijednost prelazi 5000 €

Vrsta stvari	Osnova stic	Ime i prezime vlasnika	Detaljni opis
Nije pronađen nijedan rezultat			

4.4 Gotovi novac u iznosu većem od 5000 €

Vrijednost	Iznos	Valuta	Ime i prezime vlasnika
Nije pronađen nijedan rezultat			

Registar prihoda i imovine

Lični podaci | Članovi porodice | Javna funkcija koju vrši javni funkcioner | Prihodi | **Imovina** | Ostalo

4.1 Nepokretna imovina u zemlji i inostranstvu

Opština	Katastarska opština	Broj (broj/podbroj)	Broj objekta (broj zgrade)	Broj posebnog dijela (PD)	Vrsta, Struktura, Površina	Adresa, Mjesto, Država	Prava, Vlasnički udeo	Osnov stic	Nosilac prava (vlasnik/zakupac)	Datum stic
Podgorica	Podgorica III				Stan,		Svojina, 100.00	stan, kret		

4.2 Pokretna imovina za koje je potrebna registracija

Kategorija	Vrsta/Marka/Tip	God. proiz./Prve/Posljednje reg.	Osnov stic	Registarski broj	Ime i prezime vlasnika/zakupca
Motorna vozila	PUTNIČKI AUTOMOBIL OPEL CORSA SDR ENJOY MTS	2012 / 24-02-2012 / 18-05-2016			

4.3 Ostala pokretna imovina čija vrijednost prelazi 5000 €

Vrsta stvari	Osnova stic	Ime i prezime vlasnika	Detaljni opis	Procijenjena tržišna vrijednost
Nije pronađen nijedan rezultat				

Development of new modules

Prijava zviždača

Redni broj

Id broj zviždača

Pravni osnov

Oblast na koje se odnosi prijava korupcije

Organ

Organizacija

Naziv i sjedište organa vlasti, privrednog društva, drugog pravnog lica, odnosno ime i prezime preduzentika na koga se prijava odnosi

Fizičko lice

Pravno lice

Način podnošenja prijave

Delovodni broj

Broj mišljenja/zabeleške

Postoji ugrožavanje ☐ Ne ☐ Da

Status

Datum podnošenja prijave

Bez promene

Prikazati obrisane

Pretraga Unos Ponizavanje

Redni broj	Id broj zviždača	Pravni osnov	Oblast na koje se odnosi prijava korupcije	Organ	Naziv i sjedište organa vlasti, privrednog društva, drugog pravnog lica, odnosno ime i prezime preduzentika na koga se prijava odnosi	Delovodni broj	Status	Akcije
		Ugrožavanje javnog interesa - Povreda propisa					Prijava prosjeđena drugom organu	
		Ugrožavanje javnog interesa - Materijalna šteta po državu, ili pravno ili fizičko lice					Pokrenut postupak	
		Ugrožavanje javnog interesa - Društva					Dato	

Electronic modules for lobbying and electronic lobbyists register have been developed, which is available on the Agency's website.

The Agency's information system also enables electronic filing of reporting of endangering the public interest that indicates the existence of corruption. Citizens can download the form from the website and submit it to the Agency electronically. The module for whistleblowers enables the records of whistleblowers, records of reporting of whistleblowers, and tracks the whole process of whistleblowers' cases, request for protection of whistleblowers, and also contains report on reporting by authorities and areas, on a legal basis.

In 2016, the preparation of the application for Electronic Plans of Integrity began, which will enable electronic submission of the Plans.

Statistical reports

A system for the creation of electronic reports for corruption reporting by areas, authorities and legal basis has been established. The Plan for Development of the Information System and the Budget of the Agency for 2017 also envisaged funds for the development of a statistical module for the Integrity Plans.

The development of other statistical reports with an extract from the system database will be realized after the conducted analysis of data in the database and the definition of statistical reporting needs.

Within the project "Euro12", support for the development of the analytics module is foreseen. Representatives of the European Commission in Montenegro informed the Agency that the project will start in 2017.

Information system for control of the financing of political entities and election campaigns

Regarding regular monitoring of activities in respect of financing of political entities and election campaigns and publishing on the Agency's website in the customer service on the Agency's website, the delivery of following is enabled:

- 1) electronic Forms of a 15-day report on contributions in campaign;
- 2) electronic Forms of complaints in campaign;
- 3) electronic Forms of reports in the campaign.

In accordance with the obligations from the law, there is an opportunity for electronic submission of the mentioned reports in the campaign, which is realized in the user services through which the form can be downloaded and the information therein provided. After delivery, the data are published on the website, in the section "public registers".

For the purpose of parliamentary elections, the Agency has created a special page on its website - Parliamentary Elections 2016, in order to facilitate the search for visitors. The following are published on this page:

- 1) Calendar of activities;
- 2) Plan of control and supervision;
- 3) Press releases from the meetings of the Working team of APC for monitoring of the election campaign;
- 4) Decisions on complaints;
- 5) Decisions on employment with accompanying documentation;
- 6) Reports on the origin of collected and spent funds.

Within item 6, the Agency has published through the information system:

- 15 daily reports for Parliamentary elections - 56;
- 15 daily for local elections in Budva - 26;
- 15 daily for local elections in Gusinje - 19;
- 15 daily for local elections in Kotor - 27;
- 15 daily for local elections in Andrijevica - 18.

In the course of 2017, further improvement of the module for controlling the financing of political entities and election campaigns will be undertaken, based on the recommendations from the Analysis prepared by the Division for the control of financing of political entities and election campaigns with expert support.

The website of the Agency takes a special place in the agenda of monitoring the election campaign during regular parliamentary elections in 2016. All employees of the IT Section are members of the special team - the Working Group for Monitoring the Elections for the Members of the Parliament of Montenegro, formed by the Director of the Agency in order to effectively monitor and control the election campaign.

Agency's website

The website of the Agency was established at the very beginning of the Agency's work. On the website, continuously upgraded services are available to the citizens and interested public. Special attention is paid to enabling advanced search of all documents placed on the Agency's website by:

- text;
- field;
- type;
- event;
- author.

In this way, the Agency has fulfilled one of the requirements that emerged from the joint meetings of the Working Group for Control of Elections with representatives of the non-governmental sector.

On the website of the Agency, it is possible to publish data related to the control of political parties, such as:

- fifteen-day reports on campaign,
- reports on expenditures in the election campaign.

Visitors to the website can search this data in the section "public registers", by:

- political entities;
- year of elections;
- type of elections.

The site enables the publication of data related to property cards of public officials, as well as the search of these data in the section "public registers", by name and surname of the public official.

Also, after submitting data on gifts, sponsorships and donations from state bodies, these data will be synchronized and published on the Agency's website and their search will be enabled in order to achieve the maximum level of transparency as one of the Agency's most important strategic goals.

The Agency's website enables the submission of a report on the work of the lobbyist, as well as a report on the work of a legal entity registered for lobbying, and an electronic register of lobbyist is also available.

1333 materials were published on the APC website in 2016, which is an indicator of the Agency's commitment to transparency in all areas under its jurisdiction.

Structure of the published documents:

Type of the document published on the website	Number
Decision	26
Decision on the amount of	29

membership fee	
Decision on complaint	23
Opinions	1
Reports	27
Publications	7
Travel orders	38
Instructions	8
Analytical cards	37
Consolidated annual reports	45
15-day reports	32
Announcements	2
Memorandum	2
Documents in English	7
Rulebook	23
Conclusion	2
Minutes	23
Labour contracts	553
Contracts	36
Failure to submit	66
Restrictions	34
Incomplete data	39
Laws	4
News	196
Legislation	4
Incompatibility of the function	9
Publications	9
Other documents	25
Plan	5
Verification of basis of acquisition	2
Form	8
Public Procurement Plan	1
Exam	10
Total	1333

Security of the Agency's information system

Achieving an adequate degree of information security is one of the most important goals of the IT Section. In this sense, the Agency has already been equipped with numerous systems both in the physical, network and logical - software part.

In 2016 the following was realized:

- **Equipping Server Room Agencies with the necessary tools and systems:**
 - System of access control;
 - System of video surveillance;
 - Fire fighting system;
 - Fire detection system;
 - Equipping the Agency with the IP telephony system.
- **Establishing a software security system:**
 - Antivirus software;
 - Software for monitoring the database.
- **Establishment of hardware security solutions and devices for monitoring the operation of the computer network:**
 - Secure computer networks established;
 - Created a secure environment for the work of application software;
 - Established corporate mail system;
 - Established corporate domain.

With the procurement of infrastructure equipment the tools were also integrated into the Information System of the Agency. An advanced level of data protection has been established.

Education

IT Service employees attended Infofest - the largest conference on IT achievements in the region, held in Budva in September 2016.

Through the TAIEX mission, the officers of the Service participated in June 2016 in a study visit to partner institutions in Romania.

During November 2016, training was organized through the TAIEX instrument for all officers of the Service at the Central Bureau of Anti-Corruption of Poland (CBA) on the following topics:

- information security;
- exchange of data with other institutions;
- data analytics.

IT staff members have completed training for MCSA Windows Server courses to administer the server.

In coordination with the US Embassy, the officials presented the training requirements for cyber security courses, which will be realized in June 2017 in Germany.

ISMS - Information Security Management System training is planned for 2017, which are related to the information security management system within a particular organization.

The IT department prepared a Training Requirement Plan, the implementation of which is ongoing.

Cooperation and exchange of data with other state institutions

The precondition for the development of the APC information system is successful cooperation with other state bodies. When controlling the reports on the assets and income of public officials, officials who perform the control can access the data of other institutions, and in this respect have enabled access to databases of:

- Ministry of Interior;
- Tax Administration;
- Real Estate Directorate;
- Securities Exchange Commission;
- Ministry of Transport and Maritime Affairs.

Through the donation of the US Embassy, a data exchange platform with other institutions has been delivered to the Agency, which will enable the Agency to provide from its information system direct electronic access to their real-time databases. Full implementation is expected in 2017.

The Agency works on the subsystem for automatic access to the databases of the relevant institutions in order to make a high quality check of the assets reports. As the realization of this subsystem depends to a great extent on quality of inter-agency cooperation, the Agency has prepared and signed cooperation agreements with the Tax Administration, the Real Estate Directorate, while at the beginning of 2017 agreements with the Securities and Exchange Commission and the State Audit Institution will be signed. Agreements more closely define areas and ways of secure data exchange. Also an agreement with the Ministry of the Interior is in force, which was signed earlier with that institution by the former Commission for the Prevention of Conflict of Interest.

Additionally, in 2016, the APC defined with the Public Procurement Directorate the need for the exchange of data with that institution in accordance with its possibilities.

X. Internal organization of the Agency with the number of employees

The work of the Agency in 2016 was organized through the Department for prevention of conflict of interest and control of financing of political entities and election campaigns, Department for prevention of corruption, integrity, lobbying and application of international standards, Department for International Cooperation and Standards, Department of Information Technologies and Service for general affairs and finances.

When it comes to personnel capacities, in accordance with the Rulebook on Internal Organization and Systematization of the Agency for the Prevention of Corruption, out of 55 systematized jobs, 23 were filled by taking over the officers of the Directorate for Anti-Corruption Initiative and the Commission for the Prevention of Conflict of Interest. Out of the remaining 32 vacancies, 26 (Director, two posts of Assistant Directors by public announcement, eight positions with an internal advertisement between the authorities and 15 jobs with a public advertisement) were filled in. There are six vacancies left, out of which for two the selection process has been carried out and the final decision on the selection is pending, while four positions are vacant.

In total, out of 55 systematized job positions in 2016, 49 were filled.

Structure of the employees in 2016:

No.	Position tile	Systematized	Employed in 2016
1.	Director	1	1
2.	Assistant Director	2	2
3.	Head of Division	9	8
4.	Chief, Coordinator	2	1
5.	Independent Advisor I	11	11
6.	Independent Advisor II	12	9
7.	Independent Advisor III	6	6
8.	Advisor III	1	1
9.	Independent officer	6	5
10.	Officer	1	1
11.	Employee	1	1
12.	Senior employee	2	2
13.	Senior advisor II	1	1
Total:		55	49

XI. Report on execution of the Budget of the Agency for the Prevention of Corruption for 2016

The budget of the Agency for the Prevention of Corruption for 2016 was € 1,541,713.54.

According to the Conclusion of the Government of Montenegro no. 02-01-1724 of 22 April 2016, funds in the amount of € 153,945.08 were redirected to the Property Directorate.

By the Conclusion of the Government of Montenegro no. 08-909, of 8 May 2015 it was agreed that the business premises, located on the cadastral plot number 2839/1, 27 / V floor, 768 m², will be given to the Agency for the Prevention of Corruption. The aforementioned business premises were

previously used by the Real Estate Administration of Montenegro, and after their moving, the space had to be adapted for the needs of the Agency for the Prevention of Corruption.

Considering that the Agency for the Prevention of Corruption started operating on 1 January 2016, it was unable to carry out public procurement procedures, so the Property Directorate conducted a negotiated procedure without prior publication of a call for tender, no. 08-16683/1 dated 10 December 2015, for the adaptation of business premises, which will be used by the Agency for Prevention of Corruption, upon previously obtained consent of the competent body of the Public Procurement Directorate No. 01-7917/2 of 7 December 2015, by which it selected the most favourable contractor.

The Property Directorate contacted the Agency by request no. 0201-1423 of 23 March 2016, requesting to redirect funds from the Agency for Prevention of Corruption to the Management Program - Joint Operations to position 4416 (expenditures for investment maintenance).

The Agency's current budget after redirection amounted to € 1,387,768.46, while execution was € 1,166,573.41. The percentage of budget execution in relation to the plan is 84.06%.

Pursuant to Article 2 of the Rulebook on the manner of compiling and submitting financial reports of the Budget, state funds and local self-government units, the Agency for Prevention of Corruption is obliged to submit the annual financial report on Forms 3, 5, 8 and 9 referred to in Article 2 of the Rulebook by 28 February 2017.

Total expenditures of the Agency for 2016 amount to € 1,166,573.41, of which:

- current expenditures-----953,576.33€
- transfers to individuals-----2,300.00€
- capital expenditures-----205,586.17€
- payment of debts-court orders-----5,110.91€

Current budget and execution of the current budget for 2016

	2016.	Current budget	Execution of the current budget	Percentage of execution
4	EXPENDITURES	1,387,768.46	1,166,573.41	84.06%
41	CURRENT EXPENDITURES			
411	Gross salaries and contributions at the expense of the employer	659,134.53	654,764.28	99.33%
411-1	Net salaries	388,489.35	385,962.78	99.35%
411-2	Tax on income	57,294.55	57,267.90	99.95%

411-3	Contributions paid by the employee	141,265.50	139,967.52	99.08%
411-4	Contributions paid by the employer	63,293.95	62,975.76	99.50%
411-5	Municipal surge	8,791.18	8,590.32	97.72%
412	Other personal income	39,200.00	31,419.08	80.15%
412-5	Severance payments	5,000.00		
412-7	Other fees	34,200.00	31,419.08	91.87%
413	Expenditures for material	37,200.00	29,762.71	80.01%
413-1	Administrative material	26,600.00	24,489.19	92.06%
413-3	Materials for special purposes	3,000.00	2,120.40	70.68%
413-5	Expenditures for fuel	7,600.00	3,153.12	41.49%
414	Expenditures for services	206,500.00	113,954.68	55.18%
414-1	Official travel	26,500.00	19,023.57	71.79%
414-2	Representation	8,600.00	7,689.01	89.41%
414-3	Communication services	24,500.00	14,460.14	59.02%
414-4	Banking services and negative exchange differences	2,500.00	2,188.87	87.55%
414-5	Transportation services	2,000.00		
414-6	Legal, notary and legal services	5,000.00		
414-7	Consulting services, projects and studies	30,400.00	13,878.99	45.65%
414-8	Professional training services	11,000.00	3,782.16	34.38%
414-9	Other services	96,000.00	52,931.94	55.14%
415	Current maintenance costs	31,849.30	2,913.20	9.14%
415-3	Current maintenance of equipment	31,849.30	2,913.20	9.14%
419	Other expenditures	167,400.00	120,762.38	72.14%
419-1	Expenditures arising from the payment of a consultancy work contract	30,000.00	23,735.96	79.12%
419-3	Creation and maintenance of software	91,000.00	69,916.44	76.83%
419-4	Insurance	6,000.00	3,109.98	51.83%
419-5	Membership fees in domestic and international organizations	40,400.00	24,000.00	59.41%
43	Transfers to institutions, individuals, NGOs and the public sector	4,800.00	2,300.00	47.91%
431	Transfers to institutions, individuals, NGOs and the public sector	4,800.00	2,300.00	47.91%
431-8	Other transfers to individuals	4,800.00	2,300.00	47.92%
44	Capital expenditures	241,683.63	205,586.17	85.06%

441	Capital expenditures	241,683.63	205,586.17	85.06%
441-5	Expenses for equipment	241,683.63	205,586.17	85.06%
46	Repayment of debts	1.00	5,110.91	
4630	Repayment of liabilities from previous years	1.00	5,110,91	

Explanation - budget items

Gross salaries and contributions paid by employers at the level of the Institution are planned in the amount of 659,134.53 €, while the execution amounted to 654,767.28 €. The percentage of execution in relation to the plan amounts to **99.33%** (paragraph 411 of the table).

In accordance with the Rulebook on Internal Organization and Systematization of the Agency for the Prevention of Corruption, it had been planned that all 55 jobs would be filled in 2016, but by the end of the year, 49 job positions were filled. These funds were spent in accordance with the Law on Salaries of Public Sector Employees and the Law on Prevention of Corruption. According to Article 96 of the Law on Prevention of Corruption, the employees of the Agency have a monthly salary addition of 30%.

Funds for other personal benefits are required for the payment of fees to members of the Agency Council. In accordance with the Law on Prevention of Corruption, the Council has five members. The President and member of the Council are entitled to a monthly fee in the amount of 50% of the average gross salary in Montenegro in the previous year according to the data of the administrative authority responsible for statistics. Also, the funds from this item are required for the payment of other employee benefits in the Agency, such as assistance in case of illness or death of a family member and assistance to the family in case of death of an employee, funds for payment of jubilee awards for employees who exercise this right under the BCC for the area of administration and judiciary, Article 19, or other remuneration.

Other personal benefits were planned in the amount of 39.200,00 €, while the execution amounted to 31.419,08 €. The percentage of execution in relation to the plan amounts to **80.15%** (item 412 from the table).

Expenses for other personal benefits relate to the payment of obligations for fees to the members of the Agency Council (€ 25,815.00), fees to the members of the Commission for negotiation chapter 23 ending on 16 March 2016 (€ 2,994.08). With the adoption of the Law on Salaries of Public Sector Employees, payments to members of the Commission for Negotiating Chapter 23 were suspended. In accordance with the Collective Agreement, 2,610.00 € was paid (deaths and financial assistance due to illness).

Material costs are planned in the amount of 37.200,00 €, while the execution amounted to 29.762,71 €. The percentage of execution in relation to the plan amounts to **80.01%** (item 413 of the table).

The funds from the stated position were spent for procurement:

- Administrative material – 24,489.19 € (office and supplies (9,481.38 €), small inventory and car tires (5,196.90 €) and other materials (9,810.91 €);
- Special Purpose Materials - 2,120.40 € (procurement of regular daily press, professional publications and scientific journals in the field of anti-corruption, as well as for catalogs of regulations;
- Expenditures for fuel – 3,153.12 €.

Expenses for services were planned in the amount of 206.500,00 €, while the execution amounted to 113.954,68 €. The percentage of execution in relation to the plan amounts to **55,18%** (item 414 of the table).

The funds from the stated position were spent for procurement:

- Official travel – 19,023.57 €;
- Representation – 7,689.01 €;
- Communication services – 14,460.14 €;
- Banking services – 2,188.87 €;
- Consulting services – 13,878.99 €;
- Services of professional training – 3,782.16 €;
- Other services – 52,931.94 € (printing services – 6,973.40 €, advertisements and media presentation – 26,882.50 €, other services – 19,076.04 € (services of parking service, hygiene maintenance, media advertising of political subjects, press clipping, etc.).

Current maintenance costs are planned in the amount of € 31,849.30, while the execution amounted to € 2,913.20. The percentage of execution in relation to the plan amounts to **9.14%** (items 415 of the table). Current maintenance costs relate to repair of official cars.

Other expenditures are planned in the amount of 167,400.00 €, while the execution amounted to 120,762.38 €. The percentage of execution in relation to the plan amounts to **72.14%** (item 419 of the table).

The funds from the stated position were spent:

- Expenses under consultancy work contracts - 23.735,96 €;
- Software development and maintenance - 69,916.44 € (maintenance of software - 19,740.00 €, security software, backup and monitoring - 7,675.50 €, maintenance of

infrastructure - 14,994.00 €, creation of new software modules for lobbying software and whistle blowers - 25,200,00 € and other);

- Insurance of employees and official cars - 3,109.98 €;
- Membership fees in domestic and international organizations - 24.000,00 € (RAI).

Transfers to institutions, individuals, NGOs and the public sector are planned in the amount of 4.800,00 €, while the execution amounted to 2.300,00 €. The percentage of execution in relation to the plan amounts to **47.91%** (item 431 of the table).

The mentioned expense refers to the payment for 8 March to women employed in the Agency.

Capital expenditures were planned in the amount of 241,683.63 €, while the execution amounted to 205,586.17 €. The percentage of execution in relation to the plan amounts to **85.06%** (item 441 of the table).

The mentioned expenditures refer to procurement:

- Office furniture – 38,025.62 €;
- Computer equipment – 63,865.37 €;
- Telecommunication equipment - € 3,644.00;
- Procurement of official vehicles - € 51,060.00;
- Conference and translation system - € 34,883.34;
- Metal detection system - € 9,872.84;
- Other equipment - € 3,407.95.

Repayment of liabilities from previous years is planned in the amount of 1,00 €, while the execution amounted to 5,110.91 € (item 463 from the table).

The mentioned expenditures refer to court execution, for which the requests for payment and provisions were made directly by the Ministry of Finance.

XII. Report on Public Procurement for 2016

The Agency for the Prevention of Corruption, by the Public Procurement Plan no. 01-207/2 of 29 January 2016, envisaged public procurement in the value of 495.200,00 € (for procurement of goods 241.200,00 € and 254.000,00 € for procurement of services).

In the Public Procurement Plan, 38 (thirty) public procurement procedures are planned for procurement of goods 13 (thirteen) procedures, of which 12 (twelve) planned public procurement procedures were implemented by the end of 2016, and for the procurement of services from the planned 25) procedures 19 (nineteen) were carried out.

The total value of the implemented public procurement procedures is 408.700,00 €, of which 201.200,00 € for the purchase of goods, and 207.500,00 € for the procurement of services, which is 82.53% of the planned public procurements for 2016.

Out of the planned public procurement procedures for procurement of goods, the procedure for procurement of office furniture in the amount of € 40,000 was not realized.

Out of the planned procurement procedures for the procurement of services, it was not realized for the following:

- technical inspection and testing service (registration) in the amount of 2.000,00 € (due to the urgency of the procurement carried out by direct agreement);
- maintenance of telephone exchange and telephone network in the amount of 1.000,00 €, round tables and public hearings worth 15,000.00 €, radio services worth 3.500,00 € (the procedure is running twice, but there were no bids received)
- consultancy services related to the information system in the amount of 5.000,00 € (the procedure was initiated, the tender did not meet the requirements foreseen by the Law on Public Procurement "Official Gazette of Montenegro", No. 42/11, 57/14 and 28/15);
- Translation services in the amount of 20,000.00 € (the procedure was initiated on 1 June 2016, but an appeal was made to the Decision on the selection of the most favourable bid. The State Commission for the Control of Public Procurement Procedures issued the Decision on rejecting the appeal on 27 January 2017, and accordingly, this public procurement remained unrealized in 2016).

Purchases made by direct agreement amount to 51.927,21 €.

XIII. Supervisory role of the Council of the Agency for the Prevention of Corruption¹³

1. Introduction

The Law on Prevention of Corruption stipulates that the bodies of the Agency for the Prevention of Corruption are the Council and the Director. The competencies of the Agency Council are in the function of controlling and improving the work of the Agency, through systematic control over the work of the Agency, as a key carrier of preventive action in the fight against corruption.

The very nature of the Council is determined by the legislator's intention that an independent selection of members of the Agency Council is within the competence of the Parliament of

¹³ Bearing in mind that the relevant Report relates to the first year of the APC, it also contains the activities of the Council since the establishment of this body (June 2015). Since the activities of the Council were aimed at creating the preconditions for the start of the APC's work, on January 1, 2016, the activities that preceded it were indispensable in relation to the APC results in 2016.

Montenegro, in a procedure that, subject to clearly defined conditions, is carried out on the basis of proposal by authorized proposers, including non-governmental organizations.

The status and competencies of the Council also indicate that the Council is a collective decision-making body when passing the Statute and other general acts of the Agency. In relation to the Director, the Council of the Agency has a control function which is primarily reflected in the competencies of announcing the competition, selection and dismissal of the Director of the Agency, the adoption of by-laws on the proposal of the Director, in accordance with Article 88 of the Law on Prevention of Corruption. In accordance with the legal authorizations and on the proposal of the Director, the Agency Council decides on other important issues of managing and managing the Agency. In this sense, the Council also has an obligation to submit to the Parliament, based on Article 97 of the Law on Prevention of Corruption, the Annual Report on the work of the Agency.

Article 82 of the Law on Prevention of Corruption stipulates that the Council has five members who are elected for a period of four years and can be elected at most twice. Members of the Council are elected by the Parliament of Montenegro on the proposal of the working body responsible for anti-corruption activities.

At the fifth session of the first regular (spring) session in 2015, on 26 June 2015, the Parliament of Montenegro, elected Vanja Čalović, Ristan Stijepović, Radul Žurić, Goranka Vučinić and Bojan Obrenović as members of the Council of the Agency for the Prevention of Corruption.

2. Work of the Council

The Council works and decides at sessions which, as a rule, are held twice a month. The Council meeting may be held if more than half of the members of the Council are present, and the decisions are made by the majority of votes of the total number of members of the Council. The decision on the election and dismissal of the Director of the Agency is adopted by the Council by a majority of at least four votes. The work of the Council is coordinated by the President, elected by members of the Council among them for a period of one year, in accordance with the Rules of Procedure of the Council.

Normative activities

From the beginning of the work, and in accordance with the obligation from the Law on Prevention of Corruption, the Council adopted the following: Statute of the Agency, Rules of Procedure of the Council, Rulebook on internal organization and job classification in the Agency, Form for reports on incomes and assets of public officials, Rules for drafting and implementation Integrity Plans, Budget of the Agency for 2016, Logo and Memorandum of the Agency.

During 2016, the Council adopted the Rules of Procedure in the field of prevention of conflict of interests of public officials, the Code of Ethics of the employees in the Agency, the Rules on the

verification of data from the Report on revenues and assets of the Director of the Agency for Prevention of Corruption, the Work Plan of the Agency for the Prevention of Corruption for 2016.

In addition, in 2016, the Council considered and participated in the drafting of secondary legislation adopted by the Director of the Agency, especially in the field of financing of political subjects and election campaigns.

Decisions of the Council of the Agency

In accordance with its competencies prescribed by Article 88 of the Law on Prevention of Corruption, the Statute of the Agency, the Rules of Procedure of the Council and the Rules on verification of data from the Report on incomes and assets of the Director of the Agency for the Prevention of Corruption, the Council of the Agency has adopted: the Decision on the election of the President of the Council of the Agency for the Prevention of Corruption; Decision on the election of the Director of the Agency for Prevention of Corruption; Decision on the visual appearance, form and content of the Logo of the Agency for the Prevention of Corruption; Decision on the date and place of the meetings of the Council of the Agency for the Prevention of Corruption; Decision on amendments to the Rules of Procedure of the Council of the Agency for the Prevention of Corruption; Decision on the completed verification of the data from the Report on incomes and assets of the Director of the Agency.

Sessions of the Council

From the beginning of its work (since June 2015), the Council held a total of 36 sessions, of which 21 during 2016, which included, among other things, activities aimed at establishing the Agency and creating preconditions for starting its work.

The first 13 sessions of the Council, which were held in the building of the Parliament of Montenegro, were open to the presence of representatives of media and non-governmental organizations, as the parliamentary rules on accreditation were applied. After that, since the beginning of the Agency's work, on 1 January 2016, the sessions were not open to the public because at that moment no accreditation rules were adopted, as prescribed by the Rules of Procedure. Having in mind numerous criticisms of the non-governmental sector regarding the closedness of sessions, the Council at its 21st session adopted the Decision on Amendments to the Rules of Procedure of the Council of the Agency for the Prevention of Corruption, which enabled media monitoring of the sessions, except in cases when the law was excluded from the public. Thus, from that moment 11 sessions were opened for media representatives, while the other four were closed to journalists, in accordance with Article 2 of the Rules of Procedure of the Council of the APC. When it comes to non-governmental organizations, the Decision specifies the conditions under which the NGO sector can attend meetings, that is that the presence is conditioned by participation in their work.

During 2016, the Council considered and supported, among other things, three quarterly reports on the work of the Agency, with a financial report, along with recommendations for improving reporting. In addition, the thematic sessions were held, the level of implementation of the

conclusions reached by the Council was considered, and the Work Plan of the Council for 2017 was adopted.

Thematic sessions of the Council

At the 22nd session of the Council, the members of the Council made a decision to hold the thematic sessions in order to get detailed information about the work and results of all organizational units in the Agency. Four thematic sessions were held, which were dedicated to the Agency's information system; Integrity plans and lobbying; Financing of political subjects and electoral campaigns; and the procedure for verifying data from the reports on the incomes and assets of public officials. The Council has positively evaluated the results achieved by the Agency in these areas and supported the proposals of the Head of the Department to improve their work. The Council paid special attention to monitoring the activities of the Agency during the elections for deputies in the Municipality of Tivat and elections for MPs in the Parliament of Montenegro. At the aforementioned sessions the control and surveillance plans, the activity calendars, as well as the concrete activities that the Agency conducted on the ground during the election process, along with recommendations for improving both control plans and fieldwork were discussed.

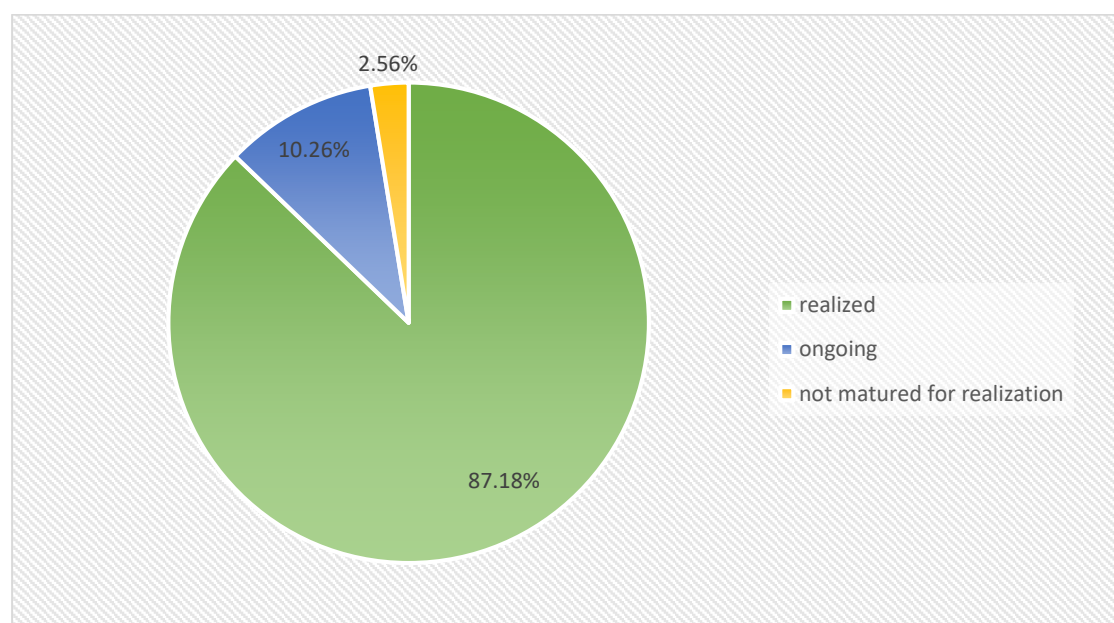
Council's Conclusions/Initiatives

In addition to the adopted bylaws and decisions, the Council has adopted 39 conclusions/initiatives for the improvement of the work of the Agency in the past period, for which the Director of the Agency is responsible. The status of implementation was considered at the three sessions of the Council.

Statistically, in 2016, the level of implementation of the conclusions/initiatives is as follows:

- realized: 34 or 87,18%;
- in progress: 4 or 10,26%;
- not due for realization: 1 or 2,56%

Chart 17: Realization of conclusions / initiatives of the sessions of the Council



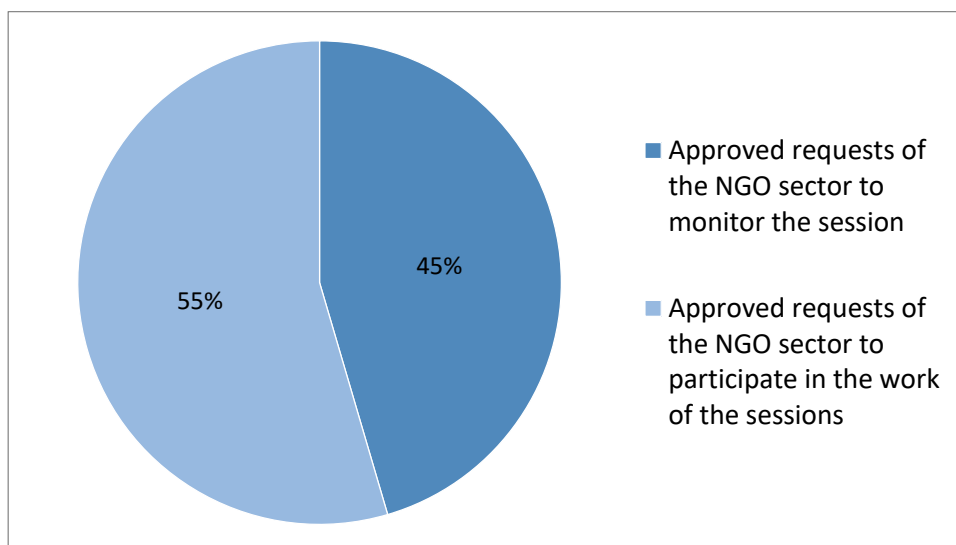
Presence of the NGO sector at the sessions of the Council

Non-governmental organizations in Montenegro submitted requests for attendance and/or participation in the work of the Council's sessions. The members of the Council voted on each request individually, in accordance with the Rules of Procedure of the Council and the Decision on Amendments to the Rules of Procedure.

Out of 36 meetings held, NGOs attended and/ or participated in the work of 12 sessions. A total of 31 requests were submitted, out of which 22 requests were approved (10 for monitoring and 12 for participation in the session), while a total of nine applications were rejected (two for monitoring and seven for participation in the session).

In percentage terms, 70.9% of requests were approved (45.4% for monitoring and 54.5% for participation in the work), while 29.03% of requests from the NGO sector were denied (22.2% for monitoring and 77.7% for participation in the work of sessions).

Chart 18: Approved requests of the NGO sector for attending and/or participating at the sessions of the Council



Cases that were in the focus of public attention

- **Case “Ramada”**

After the MP in the Parliament of Montenegro Mladen Bojanić addressed to the Council of the Agency in June 2016 regarding the alleged misuse of state resources for party purposes and the request for protection of Patricija Pobrić, the Council devoted two sessions to the said case.

After reviewing the facts presented and the procedure conducted by the Agency in the specific case, the Council concluded that the procedure was conducted in accordance with the Law on Prevention of Corruption and other laws regulating the procedure in the case of the existence of grounds for suspicion that the criminal offense prosecuted ex officio. In this regard, the Agency, upon the request of the deputy Bojanić, transferred the case to the competent prosecutor's office, in accordance with Article 57 of the Law.

The Council also noted that the Agency, acting on the request for the protection of Patricija Pobrić, had properly conducted the proceedings and issued the Opinion in accordance with Article 57 paragraph 1 of the Law.

The Council concluded that in this case the Agency did not approach formally, but provided the applicant with the assignment of the case to the competent prosecutor, a higher level of protection in criminal proceedings in the manner prescribed by international legal standards, in particular the Criminal Law Convention of the Council of Europe (witness protection and cooperation with National authorities) and the United Nations Convention against Corruption (protection of the person filing the application).

When making conclusions in the above case, the Council took into account that the case is currently in the hands of competent state prosecutors, whose competencies the Agency and the Council cannot discuss.

- **Case “Democratic Front”**

After addressing the representative of the political entity "Democratic Front – We or He", related to the Decision on temporary suspension of the transfer of budgetary funds to that political entity, the President of the Council informed the person who filed the request that the Council is not the second instance agency of the Agency, and consequently, it does not have the possibility to review decisions made by the Director of the Agency, but that the Administrative Court is competent for the possible review of the Decision.

It was noted that the Council will insist on the responsibility of the decision-maker if it is proved before the court that the allegations of alleged unlawful conduct in the said case have been established.

3. Litigation and issue of legality in respect of election of members of the Council of APC

The last year of the work of the Council was marked by a court dispute of a member of the APC Council before the Administrative Court of Montenegro in relation to the legality of the election to that office.

Namely, the former Commission for the Prevention of Conflict of Interests (CPCI) adopted in December 2015 the Decision that Radule Žurić violated the Law on Prevention of Conflict of Interest, because as a state auditor he also acts as a member of the Council of the APC. According to Žurić's complaint, the Administrative Court issued a decision in December 2016 which annulled the CPCI Decision.

The Director of the Agency for the Prevention of Corruption in several Council sessions expressed doubts about the legitimacy of the election of the Council member Vanja Čalović-Marković to that position. As a reason he stated that at the time of the election, allegedly, she did not have ten years of service with a high professional qualification, which is one of the three cumulative conditions for the election to that position. Given the fact that the Agency did not initiate the procedure for determining the truthfulness of the Director's allegations, the NGO Network for Affirmation of the Non-Governmental Sector has submitted to the Agency an initiative for establishing a violation of the provisions of the Law on Prevention of Corruption in the specific case.

4. International cooperation

Conference of the UN Member States Convention against Corruption

Council members Goranka Vučinić, Ristan Stijepović and Radule Žurić participated at the sixth session of the Conference of the States Parties to the Convention against Corruption (UNCAC), which was held from 2 to 6 November 2015 in St. Petersburg. The topic of the sixth session was the implementation of the Convention and topics such as property restitution and the prevention of corruption.

In particular, the implementation of Article 63, paragraph 4 (c) of the Convention, on cooperation with relevant international, regional and non-governmental organizations was discussed. At the session, among other things, were adopted the following resolutions "Promoting Information and Communication Technologies in the Implementation of the United Nations Convention against Corruption", "Continuation of the Marrakesh Declaration on the Prevention of Corruption", and "Facilitating international cooperation in the field of property restitution and the proceeds of restitution of property acquired through crime (to the original legal owners)".

Study visit to the Agency for Fight against Corruption of the Republic of Serbia

The visit to the Agency for Fight against Corruption of the Republic of Serbia took place on 22 and 23 June 2016, with the aim of introducing representatives of the Montenegrin Agency to the competences of the Agency for the Fight against Corruption of Serbia, the experience in the implementation of laws, cooperation of Board of the Agency and directors, as well as on specific topics related to the joint or similar competencies of the two institutions.

Representatives of the Agency for the Prevention of Corruption had discussions with the Director of the Agency for Fight against Corruption of Serbia, members of the Board of the Agency, as well as the employees of the Agency's expert service.

During the first day of the visit, thematic discussions were held with the officials of the Agency on the control of financing of political activities, international cooperation, cooperation with the media, scientific institutions and civil society organizations.

The second day was dedicated to getting acquainted with the keeping of registers and special records, controlling property and income of officials, and handling complaints and protection of persons reporting corruption in the Agency for Prevention of Corruption of Serbia. The study stay was completed by getting acquainted with the responsibilities of the Office of the Agency's Board.

Visit to Belgrade was an opportunity for representatives of the Montenegrin Agency for the Prevention of Corruption to present to colleagues from Serbia the organizational structure, competencies and experiences in its work.

Members of the delegation from Montenegro were the President of the Agency Council Goranka Vučinić, member of the Council Radule Žurić, Director of the Agency Sreten Radonjić, Assistant Director for prevention of conflict of interest and control of financing of political entities and election campaigns Savo Milašinović and Secretary of the Council Aleksandra Vojinović.

Study visit to the institutions of the Republic of Slovenia

A study visit to the institutions of the Republic of Slovenia was organized in accordance with the conclusion of the 24th session of the Council of the Agency for the Prevention of Corruption, which refers to the establishment of cooperation between the Council and other institutions, civil society and NGOs in order to improve the legal framework and other mechanisms for preventing corruption at all levels of the society.

The visit included a seminar at the State Council of the Republic of Slovenia on the topic "Elections, Democracy and Rule of Law" and exchange of experience and good practice with the Commission for the Prevention of Corruption of the Republic of Slovenia. During the visit to the CPC, the topics were as follows: familiarization with the competencies, organization and manner of work of the Commission and the Senate, its experience in the application of the law, as well as specific topics related to strengthening integrity, determination and elimination of corruption risk, methodology and use of IT support with planning and conducting financial investigations for the protection of whistleblowers, document and information management, and protection and free access to data in the area of prevention of corruption and protection of whistleblowers.

Delegation of the Agency consisted of the President of the Council Goranka Vučinić, members of the Council Ristan Stijepović, Radule Žurić and Bojan Obrenović, Secretary of the Council Aleksandra Vojinović, Head of the Division for protection of whistleblowers Kristina Braletić and Independent Advisor in the Division for control of financing of political entities and election campaigns Marija Madžgalj.

5. Assessment of the situation

In the first year of the Agency's work, the Council implemented legal competencies related to the adoption of by-laws and other acts, as well as activities on creating organizational and technical preconditions for the Agency's start-up, and strengthening public confidence in its work.

Since the beginning of work, the Council held a total of 36 sessions, and 21 during 2016, at which it adopted 10 general acts of the Agency, six decisions and 39 conclusions and initiatives for improving the work of the Agency. In addition, the Council was intensively involved in the development of internal acts, which were adopted under the authority of the Director.

The Council was actively engaged in establishing international cooperation in the area of anti-corruption. In the part of educational activities aimed at acquiring organizational knowledge, the Council contributed to the planning and implementation of trainings, not only the employees of the Agency, but also legal obligors, the general public, the non-governmental sector and the media. With its participation in the preparation of these activities, the Council also supported the establishment of a knowledge platform, which will serve as a basis for developing further cooperation with competent authorities, higher education institutions, scientific organizations and other entities with the aim of improving the legal framework and other mechanisms for preventing corruption by empowering public Ethics and integrity.

6. Challenges

The past year of the work of the Council was marked by harsh criticism of the public, especially the non-governmental sector and certain media, due to the alleged closure of the Council towards the non-governmental sector in terms of their involvement in policy-making in the key competencies of the Agency, especially in the area of protection of whistleblowers and financing of political entities and election campaigns.

Although the manner of cooperation between the Agency and the civil sector has been defined in the meantime through cooperation agreements, and by the amendments to the Rules of Procedure, the conditions for participation of the NGO sector in the work of the sessions are defined, the Council will, in the period that follows, organize expert meetings, seminars and meetings with relevant actors dealing with the issue of anti-corruption, work further on improving the work of the Agency, but also on properly informing the public about the activities of the Agency in the fight against corruption at all levels of the society.

Criticisms of legal obligations were also related to certain legal solutions, in the sense of clearer definition of certain provisions, especially those related to the competencies of the two bodies of the Agency, the Council and the Director.

By determining the need and adopting the Conclusion to establish, in accordance with its legal authority, in the beginning of 2017, a working body with a task to draw up a framework analysis of the overall normative and institutional anti-corruption framework, the Agency Council has already designated one of the most important strategic goals of its work in the following period. In this way, and based on the fundamental principles of the rule of law in Montenegro, and binding international treaties and tasks in the process of accession to the European Union, the Council emphasizes the need to especially engage in its activities in the coming period in improving the legal framework in the area of preventing corruption at all levels of the society.

Conclusion

Based on the Agency's Annual Work Plan for 2016 and realization of the identified priorities, the Agency has achieved concrete and measurable results for all strategically defined goals, especially in the part of defined priorities such as control of financing of political entities and election campaigns, prevention of conflicts of interest, protection of whistleblowers, strengthening public sector integrity, raising public awareness of the problem of corruption, strengthening administrative and technical capacities, educating staff. In all of these areas, a non-selective approach has been applied in the implementation of measures within the Agency's jurisdiction.

The report on the work of the Agency for 2016 contains aggregated data on the realized results and activities of the Agency according to the defined goals from the beginning of its work, i.e. from 1 January 2016. The realization of the activities fully monitors the dynamics of the established goals and indicators of success in the annual Work Plan, the legal deadlines, as well as the strategically defined priorities of the Agency for 2016.

From the beginning of the Agency's work, on 1 January 2016, organizational, technical and personnel preconditions for the successful work of this body were created in all areas. The Agency has largely completed the personnel capacities by selecting the professional staff and completing 49 of the 55 positions stipulated by the Rulebook on Systematization and Internal Organization of Workplaces, while for two posts the selection procedure has been conducted and the final decision on the selection is pending.

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Having in mind the work in both Departments during 2016, the Agency assessed the need for reorganization of personnel and identified the needs for additional personnel capacities in order to fulfil its key competences as efficiently as possible. In this regard, the amendment to the Rulebook on the organization and job classification of the Agency is planned for the beginning of 2017. In addition, in order to further increase the level of transparency in the work of this body, as well as to better inform the obligors of the anti-corruption laws within the competence of the Agency and the general public on the anti-corruption activities of this body, it is planned to establish a new Department for Education, Campaigns, Research and Analytics.

When it comes to technical preconditions for the work of the Agency, the most significant result in this area is the development of the information system and the Agency's website, which contribute to the internal efficiency of the work of the employees, as well as to the transparency and accessibility of all documents within the Agency's competence. So far, 1,333 materials from the Agency's competence have been published on the website, which are thus accessible to the general and professional public, as well as other competent bodies that are jointly involved in the

field of corruption prevention. The information system enabled the electronic submission and automatic publication of property cards of public officials, reports on gifts, sponsorships and donations of public officials, electronic submission of reports by political entities, internal management of cases in the Agency, as well as the public register, i.e. review of property cards of public officials since 2005.

More than 90% of the functionality of the information system has been developed from the envisaged annual work plan of the Agency, when it comes to the development of all modules of the Agency's information system (conflict of interest, whistleblowers, integrity, lobbying and control of financing of political entities and election campaigns). Furthermore, further development of an advanced data exchange system in relation to the previous one is planned, with key institutions whose data the Agency uses to verify and implement controls when it comes to public officials.

Prevention of conflict of interest

In the area of prevention of conflicts of interest, in 2016, the Agency achieved concrete and measurable results in the work on all strategically defined goals that fall within this field of work.

In order to effectively prevent conflicts of public and private interest in the exercise of public functions, control of respecting restrictions during the performance of public office and checking of property cards of public officials, in 2016 the Agency carried out preventive and controlling responsibilities, the results of which are available to the public in the form of published Declarations on income and assets of public officials and the Decision determining that public officials violate the Law on Prevention of Corruption. There are 6,497 processed reports available on the Agency's website.

The proactive and preventive work of the Agency in this area relates to the introduction of public officials with a new, electronic way of reporting on assets and revenues, new legal obligations of public officials at the state and local level, responding to the requests of parties and authorities regarding the interpretation of the provisions of the Law (106 requests of parties and authorities).

Declarations on incomes and assets of public officials were submitted to the Agency in a high percentage, and the Annual Plan of verification of declarations was exceeded in a significant percentage. Declarations were submitted in 2016 on new forms and in accordance with special instructions. In 2016, the officials of the competent sector of the Agency checked a total of 1,473 reports of public officials.

After the Decisions and Opinions of the Agency regarding the prevention of conflict of interests of public officials, 75 public officials resigned from public office, while 26 public officials were dismissed by the authorities.

Control of the financing of political entities and election campaigns

The Agency used fully the powers granted to it by the Law on Financing Political Entities and Electoral Campaigns during the two election campaigns held in the first year of its work - for parliamentary elections held on 16 October, when the local elections in Andrijevica, Gusinje, Kotor and Budva were held, as well as the local ones held in April in Tivat.

Thanks to the activities and proactive approach of the Agency, the contribution to raising the transparency of the electoral process, as well as preventing possible misuse of public resources for election purposes, has been given. For the first time, the interested public obtained a high level of access to data on the use of state funds and the financing of campaigns by political entities in an election process.

In 2016, the Agency continued to pursue activities aimed at strengthening human, technical and organizational capacities and creating conditions for the effective implementation of all competencies in controlling the financing of political entities and election campaigns in accordance with the Law on Financing Political Entities and Election Campaigns.

The Agency also proactively acted through training, informing the authorities and political entities on legal obligations, and through a large number of opinions and consultations at the request of the authorities and political entities, it provided support to the authorities and political entities in order to prevent possible violations of the Law.

The proactive approach of the Agency resulted in the complete implementation of the Plan of Control and Supervision during the electoral campaign for the election of councillors in the Municipal Assembly of Tivat, as well as the Plan of Control and Supervision during the election campaign for parliamentary and local elections that were announced for October 2016, that is, almost 100% fulfilling the prescribed obligations when it comes to the obligation to deliver a seven-day and fifteen-day reporting and submitting a Decision on Employment during the election campaign. In this way, the purpose of respecting and applying the Law is fulfilled - transparency of financing of political entities and election campaigns, or responsible use of public resources.

During the process of control and supervision during the electoral process, the Agency regularly presented, at joint meetings with representatives of the NGO sector, the results of the conducted controls of the authorities and political entities, and also, with their support, identified the entities in need of control on the spot.

In spite of the preventive action and numerous efforts of the Agency to familiarize authorities and political entities with legal obligations, as well as the high level of fulfilment of certain legal provisions by the subjects of the implementation of the Law, the Agency initiated, in the course of 2016, in the control procedure 72 misdemeanour proceedings against political entities for parliamentary elections and elections at the local level, as well as 363 misdemeanour proceedings against the authorities.

The Agency prepared a Report on conducted supervision during the election campaign and conducted control of the financing of the election campaign of political entities and established an Action Plan for the upcoming elections scheduled for the first quarter of 2017.

Integrity and Integrity Plans

The Agency has significantly contributed to strengthening the integrity of the public sector. The goal defined in the Work Plan for 2016 as "Strengthening public sector integrity through the adoption of integrity plans by the authorities and reporting on their implementation" can be considered completely fulfilled. Namely, over 96% of authorities in 2016 fulfilled the legal obligation to adopt an integrity plan, which is particularly important given that for most of the authorities there was an entirely new obligation.

During 2016, the Agency worked intensively and proactively to provide support to the authorities in drafting the integrity plan, through a large number of opinions, consultations and recommendations, as well as by providing the necessary information, models and other documents, at the request of the authorities or through the initiative of the Agency.

The Agency also used the legal possibility of filing a request for the initiation of a misdemeanour procedure against authorities that have not adopted the integrity plan within the deadline. 56 requests were submitted, and by the end of the year, 53 hearings were held at which fines were imposed in the total amount of € 11,280 and warnings for 14 government authorities.

“Whistleblowers” and protection of whistleblowers

Bearing in mind that the protection of whistleblowers and the acting upon reporting of whistleblower are the new institutes in our legal system, it can be considered that the Agency has achieved significant results in procedures upon filed reporting and requests for protection of whistleblowers. The Agency has acted upon all received reports of corruption, as well as the requirements for protecting the whistleblower. Also, good cooperation has been established with the competent prosecutor's offices and other bodies that are competent for certain actions.

In 2016, the Agency was submitted 56 reporting of endangering of public interest indicating the corruption and nine requests for the protection of whistleblowers, and out of the total number of reporting in 23 cases, the person who submitted it wanted to remain anonymous. In 2016, 14 procedures were completed and six Opinions on the existence of endangering public interest indicating the existence of corruption were concluded, while the eight procedures upon reporting were ended with the official minutes because they did not contain the legal elements of the reporting or were anonymously submitted without sufficient data required for initiation of the proceeding. Other proceedings are in progress.

The Agency, in relation to a total of nine requests for protection, issued seven Opinions with an appraisal of the existence, that is, the possibility of damage to the whistleblower due to the filing of the reporting, of which three were positive and four were negative for the whistleblower. A preliminary check of the allegations from the remaining two protection reporting is underway.

During 2016, the Department officials conducted more than 500 consultations with the authorities regarding the legal obligation to appoint the person for the handling of reporting, which resulted in the fact that authorities appointed 610 persons for acting on whistleblowers' reporting, on which they informed the Agency.

Misdemeanour proceedings

An integral part of this report is the amount of imposed fines imposed by the courts for misdemeanours, as well as the number of administrative sanctions imposed by the authorities, which is an indication that the Agency successfully implemented the planned checks in the past period and performed a control role in all areas of work. The mentioned sanctions, with the preventive and educational activities of the Agency, contribute to greater commitment to respecting the provisions of all laws under its jurisdiction.

In 2016, the Agency filed **807** requests for initiating a misdemeanour procedure to the competent minor offense courts. Out of that number, **435** requests were filed for violation of the provisions of the Law on Financing of Political Entities and Election Campaigns, and **372** for violation of the provisions of the Law on Prevention of Corruption. 696 cases were resolved in the area of conflict of interest and financing of political parties with imposed fines in the total amount of € 94,072.

In addition, the Agency has filed 56 requests for initiating misdemeanour proceedings against the bodies that have not adopted the ***Integrity Plan*** within the deadline. 53 hearings were held, in which fines in the amount of 11,280 euros were imposed, as well as a warning to 14 authorities. In the area of ***whistleblowers***, the Agency submitted to the competent courts two requests for initiating misdemeanour proceedings against the authorities, and the court proceedings are ongoing.

International cooperation and activities of the Agency in the EU integration process

In 2016, the Agency implemented the *Project of expert support to the work of the APC*, in cooperation with the US Embassy in Montenegro, which was carried out through the technical cooperation and expertise of the Slovenian expert Bećir Kečanović for the areas within the competence of APC.

In the framework of the *Project for Support in the Field of Control of the Financing of Political Entities and Electoral Campaigns*, implemented in cooperation with the Embassy of Great Britain in Montenegro, throughout the year, British expert Lisa Klein worked with the officials of the competent Department and other Agency officials engaged in affairs in the field.

The Agency created the conditions for starting the implementation of three new projects: IPA 2014 twinning project "Support to implementation of integrity measures in Montenegro"; Horizontal Facility for the Western Balkans and Turkey (a joint initiative of the Council of Europe and the EU), as well as the inclusion in the RAI Regional Program.

A significant initiative was expressed in bilateral cooperation with related institutions and organizations abroad. Representatives of the Agency, in this regard, were on working visits to the anti-corruption bodies of Poland, Romania, France, Serbia and Slovenia.

Activities and obligations towards regional and international organizations have been fulfilled to the extent and according to the dynamics they have been maturing. During the reporting period, the Agency actively participated in the activities of ACN, OECD, RAI, GRECO, RCC. The representatives of the Agency were active in the regular meetings organized by these organizations, and they were able to exchange experiences with related institutions and present anti-corruption practices in Montenegro also at several conferences of other international, governmental and non-governmental organizations.

Regarding the monitoring of the implementation and fulfilment of the interim benchmarks for Chapters 23 and 24, part of the measures within the competence of the Agency, regular communication with the Head of the Working Group and the Chief Negotiator's Office is realized with a view to meeting the obligations of the working groups for these two chapters. There are three Coordinators for the area of Prevention of Corruption and one member of the Working Group from the employees of the Agency for Prevention of Corruption within the WG for Chapter 23. As coordinators in the chapter, three Agency officials report for a total of 11 measures and 10 sub-measures regarding the results of the Agency's work, while in the rest of the AP they follow the fulfilment and reporting for a total of 49 measures and two sub-measures.

Four members of the Agency participated as members of the Working Group in the development of an Operational document for the prevention of corruption in the areas of special risks. The Agency is also responsible for the implementation of nine measures from different areas, and to report on their implementation to the Working Group for Negotiations at the six-month level. The first semi-annual report on the implementation of the document was considered and adopted by the Government of Montenegro at the same time as the report on the implementation of the Action Plan for Chapter 23

Coordinators and a member of the Working Group from the Agency report on the preparation of contributions for the EC Progress Report for part *Prevention of Corruption*.

In order to monitor the obligations under the Stabilization and Association Agreement and other obligations from the integration process, an expert mission of the European Commission in the field of prevention of corruption in education was organized in October.

Regarding the preparation of TAIEX applications and organization of TAIEX events, a study visit was organized with topics from the field: whistleblower institute and protection of whistleblowers, the use of information technologies in anti-corruption and control of property of officials and conflict of interest.

Raising public awareness of corruption and public attitudes about the work of the Agency

In the course of 2016, the Agency conducted an information campaign on the competencies of the Agency, as well as an anti-corruption campaign "Not a Cent for Bribery". Within these campaigns, TV promotional videos were also broadcasted on televisions with national coverage before the central evening news programs. The billboards and citylight posters were installed throughout Montenegro, flyers, newsletters, brochures and other info material were distributed, while all material in electronic form was posted on the Agency's website, as well as on the Facebook page of the campaign.

Other state authorities, obligors of implementation of measures from the AP for Chapter 23 related to the campaigns, also were involved in the anti-corruption campaign of the Agency. Also, the Agency distributed part of information material in cooperation with non-governmental organizations.

In order to evaluate the results of its work and the public's views on the issue of corruption, the in December 2016 the Agency published a survey titled "Public Views on the Issue of Corruption and Awareness of the Work of the Agency." For the Agency's needs, the research was carried out by the *De Facto* agency.

According to the results of the survey, more than 70% of citizens heard about the Agency, and 86.1% of those who heard about the Agency claim that they know what this body is doing. Almost two thirds of citizens (65.4%) claim to have confidence in the work of the Agency, while almost 70% of citizens estimate that the Agency has contributed to the overall fight against corruption in Montenegro. More than 70% of respondents believe that the campaign "*Not a Cent for Bribery*" encourages citizens to oppose corruption, and the Agency is at the forefront of institutions for citizens reporting corruption.

Number: 00 - 949/5

Podgorica, 24 March 2017

PRESIDENT OF THE COUNCIL

Goranka Vučinić, m.p.

ANNEX 1 – CONFLICT OF INTEREST

Prevention of conflicts of public and private interests in the exercise of public functions / CONFLICT OF INTEREST							
	Requests for issuing Opinion	Opinions of the Agency	Decisions due to existence of conflict of interest upon initiative	Decisions due to existence of conflict of interest upon the request of the Agency	Decisions on Exemption Based on Opinion	Misdemeanour proceedings	Pronounced sanctions
January-March	33- requests of parties	33- answers of the Agency	/	/	/	/	/
April	26- requests of parties	26- answers of the Agency	/	/	/		
May	8- requests of parties	8- answers of the Agency	/	/	/		
June	5- requests of parties	5- answers of the Agency	/	/	/	/	/
Jul	10- requests of parties	10- answers of the Agency					
August	5- requests of parties	5- answers of the Agency					
September	8- requests of parties	8- answers of the Agency					
October	9- requests of parties	9- answers of the Agency					
November	6- requests of parties	6- answers of the Agency					

December	4- requests of parties	4- answers of the Agency					
TOTAL	106	106					

ANNEX 2 – INCOMPATIBILITY OF FUNCTIONS

Prevention of conflicts of public and private interests in the exercise of public functions / INCOMPATIBILITY OF FUNCTIONS							
	Requests for issuing Opinions	Opinions of the Agency	Decisions due to performing incompatible functions upon initiative	Decisions on performing incompatible functions at the request of the Agency	Resignations based on opinions	Misdemeanour proceedings	Pronounced sanctions
January- March	95	95	3	7	22	<i>Statistics in</i>	<i>Annex 6 -</i>
April	16	16	/	8	7		
May	25	19	/	23	18		
June	10	13	/	11	7		
July	8	10	/	3	5		
August	10	11	/	1	8		
September	6	6	/	2	2		
October	8	8	/	3	2		
November	3	3	/	/	2		
December	4	4	/	1	2		
TOTAL	185	185	3	58	75		

ANNEX 3 – CONTROL OF RECEIVED GIFTS, DONATIONS AND CONCLUDED SPONSORSHIPS

CONTROL OF RECEIVED GIFTS, DONATIONS AND CONCLUDED SPONSORSHIPS							
	Reported gifts	Reported sponsorships	Reported donations	Verified declarations	Established irregularities	Misdemeanour proceedings	Pronounced sanctions
January-March	75	9	130	/	/	/	/
April	21	61	124	/	/	/	/
May	0	2	0	/	/	/	/
June	0	0	0	/	/	/	/
July	0	0	0				
August	0	0	0				
September	0	0	0				
October	0	0	0				
November	0	0	0				
December	0	0	0				
TOTAL	96	72	254				

ANNEX 4 – VERIFICATION OF ASSETS

EFFECTIVE VERIFICATION OF DECLARATIONS ON ASSETS AND INCOME OF PUBLIC OFFICIALS								
	Declarations of public and local officials	Declarations of civil servants	Verified declarations	Established irregularities	Misdemeanour proceedings due to failure to submit the declaration	Misdemeanour proceedings – incorrect data	Pronounced sanctions	Cases ceded to the prosecution
January-March	/		137	6	<i>Statistics in Annex 6 – Misdemeanours</i>			/
April	/		151	/				/
May	4411	1064	263	4				/
June	4515	1223	281	2				/
July	4515	1223	150	15				/
August	4399	1219	150	13				/
September	4399	1219	188	8				/
October	4 427	1228	109	1				/
November	4 427	1228	158	/				/
December	4 427	1228	60	25 civil servants				/
TOTAL	4 427	1228	1647	49 public officials 25 civil servants				

ANNEX 5 – CONTROL OF FINANCING POLITICAL ENTITIES AND ELECTION CAMPAIGNS

CONTROL OF FINANCING POLITICAL ENTITIES AND ELECTION CAMPAIGNS								
	Number of reports of political entities on regular work	Number of reports of political entities during election campaign	Number of reports of authorities and legal entities during the election campaign	Number of controls of submitted reports	Number of controls on compliance with prohibitions and limitations prescribed by law	Misdemeanour proceedings	Pronounced sanctions <i>Note: Pronounced sanctions are in Annex 6</i>	Cases ceded to the prosecution
January-March	42	12	483	495	36	19		
April	45	11	254	310	18	6		
May		12	42	54	3	5		
June								
July			883	790		146		
August		9	2945	2104		139		
September		49	2761	2227	49	14		
October		81	961	1600	212	44		3

November		43	259	1258	43	55		1
December				54		7		
TOTAL	87	217	8588	8892	361	435		4

ANNEX 6 - MISDEMEANORS

Prevention of conflicts of public and private interests in the exercise of public functions / INCOMPATIBILITY OF FUNCTIONS							
	Requests for issuing Opinions	Opinions of the Agency	Decisions due to performing incompatible functions on the initiative	Decisions due to performing incompatible functions on the request of the Agency	Resignations based on opinions	Misdemeanour proceedings	Pronounced sanctions
January- March							
April						47	
May						1	
June							
July							
August							
September							
October							
November							

December						1	
TOTAL						49	Fines in the amount of: 6.965 €

EFFECTIVE VERIFICATION OF DECLARATIONS ON ASSETS AND INCOME OF PUBLIC OFFICIALS								
	Declarations of public and local officials	Declarations of civil servants	Verified declarations	Established irregularities	Misdemeanour proceedings due to failure to submit declaration	Misdemeanour proceedings – incorrect data	Pronounced sanctions	Cases ceded to the prosecution
January-March					/	3		/
April					/	3		/
May					272	2		/
June						7		/
July						14		
August								
September								
October						4		
November						5		

December						2		
TOTAL					272	40	Fines in the amount of: 40.840 €	

Control of financing of political entities and election campaigns								
	Number of reports of political entities on regular work	Number of reports of political entities during election campaign	Number of reports of authorities and legal entities during election campaign	Number of controls of submitted reports	Number of controls of respect for prohibitions and restrictions prescribed by the law	Misdemeanor proceedings	Pronounced sanctions	Cases ceded to Prosecution
January-March						19	Decided in 5 cases: - <u>Fines totalling:</u> 720€	
April						6	Decided in 1 case: - guilty,	

							500 euro political entity, 100 euro for responsible person <u>Fine in total of:</u> <u>600€</u>	
May						5	1 – acquittal	
June								
July						0	1	
August						81	2 (1 – warning measure for political entity and 150 euro for responsible person in the political entity) <u>Fine in total of:</u> <u>150€</u>	
September						224	6 (4 - acquittals, 2 – guilty – warning for responsible person in local authority of Rožaje)	

							Note: these are misdemeanours filed during the reporting period, but the decisions were received in October	
October						38	1 – acquittal	
November						55		
December						7	1	
TOTAL						435	Fines: <u>11.235 €</u>	

ANNEX 7 - INTEGRITY

Strengthening integrity in the public sector through the adoption of integrity plans by the authorities and reporting on their implementation							
	Number of authorities which appointed Integrity Managers	Adopted Integrity Plans	Reports on implementation of Integrity Plans	Number of recommendations for improving Integrity Plans	Misdemeanour proceedings	Pronounced sanctions	Held trainings and consultations
January-March	359	303	/	30	/	/	9 trainings, 16 work meetings, 200 consultations
April	221	260	/	23	/	/	4 work meetings, 150 consultations
May	29	37	/	7	/	/	2 trainings, 25 consultations
June	29	30	/	3	Submitted 56 requests (held 9 hearings and so far 5 first instance decision have been issued)	Warning to legal and responsible persons for 2 authorities and costs of the proceeding 2 * 30 = 60 euros. Fines for legal and responsible persons for 3 authorities (150 for responsible person	4 trainings, 28 consultations, 2 work meetings

						and 540 for legal) Total amount of fines for those three authorities is $690 \times 3 = 2070$ euro.	
July	7	10	/	/	Held 9 hearings and issued 3 first instance decisions	<p>Warning to legal and responsible persons for 2 authorities and costs of the proceeding $2 \times 20 = 40$ euros.</p> <p>Fines for legal and responsible persons for 1 authority (150 for responsible person and 540 for legal and costs of the proceeding 30€.</p> <p>Total amount of fines for those three authorities is $690 \times 1 = 690$ euros + $2 \times 20 = 40 + 1 \times 30 = 30$. Total 760 euros.</p>	9 consultations
August	4	4	/	/	Held 4 hearings and issued 4 first instance decisions	Fines for legal and responsible persons for four authorities (for three authorities fines in the amount of 250€ for legal entity and 50€ for responsible person and for one authority fine in the amount of	2 consultations and 1 work meeting

						500 € for legal person and 150 € for responsible person; costs of procedure 3 * 30+ 1*15€; total 1,655.00 euros)	
September	4	4	/	/	Held 6 hearings, issued 6 first instance decisions	Penalties for legal and responsible persons for six authorities (for responsible persons: for two authorities fines in the amount of 250€, two warnings and two acquittals; for legal entities: two warnings and one acquittals, 2*500 and 1*400€; costs of proceeding 6*30€; total of 2.080,00 euros)	7 consultations and 1 work meeting
October	6	5	/	/	Held 6 hearings, issued 3 first instance decisions	Fines and acquittals for legal and responsible persons for three authorities (for responsible persons: a fine of 300 € and two acquittals for one authority; for legal entities: one acquittal and fines 1 * 400 and 1*600€; costs of	25 consultations

						proceeding 2*30€; total 1.360,00 euros)	
November	7	7	/	1	Held 11 hearings, issued 2 first instance decisions	Penalties for legal and responsible persons for two authorities (for responsible persons: a fine of 300 € and one warning for a government authority for legal entities: 1 * 600 € and one warning, costs of the procedure 2 * 30 €, total 960,00 euros)	15 consultations, 2 work meetings
December	3	5	/	/	Held 8 hearings, issued 10 first instance decisions	Penalties for legal and responsible persons for ten authorities (for responsible persons: a fine of 150 € and seven remittances for three authorities: for legal persons: 3 * 500 € and seven costs of proceedings 9 * 30 + 1 * 25 €, a total of 2,245.00 euros)	1 training, 50 consultations
TOTAL	669	665	/	64	56 requests for initiation of misdemeanour proceeding	Warnings for 14 authorities, Fines in the total amount of 11,280.00€	Trainings: 16 Consultations: 510 Work meetings:

							26
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ANNEX 8 – ACTING UPON REPORTING ON ENDANGERING OF PUBLIC INTEREST INDICATING CORRUPTION

Acting upon reporting on endangering public interest indicating corruption										
	Number of submitted reporting	Number of actions ex officio	Opinions of the Agency/official minutes on finalization of the process	Recommendations	Actions upon recommendations of the Agency	Misdemeanor proceeding	Pronounced sanctions	Cases ceded to the prosecution	Cases ceded to other competent authorities	Number of authorities which appointed the person to handle the reportings
January-March	8								4	29
April	12		1 Opinion						2	21
May	8							1	4	12
June	6		2 Opinions					2	0	0
July	5							2	1	0
August	2							0	0	2

September	5		1 Opinion					1	4	1
October	4		4 official minutes					2 (1 part of reporting)	1	1
November	3		2 Opinions 1 off. minutes	6				0	1	0
December	3		3 off. minutes		6			2	1	544
TOTAL	56		14 in total (6 Opinions 8 off. minutes)	6	6			10	18	610

ANNEX 9 – ACTING UPON REQUESTS FOR PROTECTION OF PERSONS WHO FILE A REPORTING (WHISTLEBLOWERS)

Acting upon requests for protection of persons who file a reporting (whistleblowers)								
	Number of filed requests	Number of actions ex officio	Opinions of the Agency	Recommendations for removing, or preventing the occurrence of damage for whistleblower	Actions upon recommendations of the Agency	Misdemeanour proceedings	Pronounced sanctions	Cases in which expert assistance was provided to the whistleblower in the court protection procedure
January- March	1							
April	3		1					
May						1		
June								
July	1							

August	1		2	3				
September	1		1	2	3+2			
October			1	5				
November	1				0			
December	1		2			1		
TOTAL	9		7	10	5	2		

ANNEX 10 – OVERVIEW OF REALIZATION OF CONCLUSIONS FROM SESSIONS OF THE COUNCIL OF APC

Responsible person for realization of conclusions is Director of the ACP

17th session of the Council number 00 – 678 of 11 March 2016			
No.	Conclusion/ initiative	Status of realization	Explanation
1.	Initiate a meeting with SSP to establish cooperation in order to implement Art. 37 and 57 of the Law on Prevention of Corruption;	Realized	Meeting held on 21 December 2016, at which it was agreed upon modalities of further cooperation.
2.	Reporting to the Council on all cases in which CPCI or the Agency has made a decision that a public official has reported in the Declaration on income and assets of a public official, greater property than real income, and in this regard violates the law, and the transfer of cases to the competent prosecution.	Realized	So far three quarterly reports on the realization of the Plan of Work have been submitted.

3.	Prepare a training program of the Agency that will contain also the model of participation of the Council members in the realization of the training.	Ongoing	Training Program of the Agency is currently under preparation, which will include topics, type of training, models and manner of conducting training and target group. In the final phase of development of this document, we propose the consideration of the model of participation of Council members in the implementation of training.
4.	In the shortest possible time, propose to the Council the Rules of Procedure that have not been adopted in the previous period of the Council's work, pursuant to Article 88 of the Law on Prevention of Corruption.	Realized	Draft proposal of the internal instructions on the procedure of the Agency on the reportings for threats to the public interest that leads to the existence of corruption and on the request for protection of the whistleblowers was drafted. The rules on the information of public officials relating to banking secrecy have also been drafted and submitted to the Council.
5.	Establish a working group that will determine the Proposal Decision to regulate cooperation between the NGO sector and the APC. In the work of the working group, besides Agency officials would be Radule Žurić and Ristan Stijepović;	Realized	Memorandums of cooperation signed with three non-governmental organizations: Center for Monitoring and Research, Center for Democratic Transition and Center for Development of Non-Governmental Organizations.
6.	Submit to the Council of the Agency all general acts issued by the Director of the Agency, within an appropriate time limit, for the purpose of getting to know them.	Realized	At the 18th session, the Council was informed of the seven internal acts of the Agency, the remaining informing on the set of internal procedures that are in the process of being drafted. The following acts were adopted: <ul style="list-style-type: none"> - Internal rule on the procedure for approval of official travel

			<ul style="list-style-type: none"> - Internal rule for development of internal acts - Dress code for employees in the Agency for Prevention of Corruption - Home rules - Internal rule for the establishment of a working group or other form of work in the Agency for the Prevention of Corruption - Rulebook on conditions and manner of using means of transport in the Agency for the Prevention of Corruption - Instruction on receiving citizens - Internal procedure on the manner of recording and paying incoming invoices - Internal procedure for calculation and payment of salaries of employees of the Agency for Prevention of Corruption - Internal training program for trainees of the Agency for Prevention of Corruption - The internal rule on the cash operations of the Agency for the Prevention of Corruption - Internal Rule on the Obligations of the Agency for the Prevention of Corruption - Internal guidelines for drafting the budget of the Agency for the Prevention of Corruption - Internal Public Procurement Guidelines at the Agency for the Prevention of Corruption - Rulebook on the manner of concluding a direct agreement as a public procurement procedure - Communication Strategy of the Agency for the Prevention of Corruption for 2016 - Expert instructions for organizing anti-corruption campaigns and educational activities - Code of Ethics for Employees in the Agency for
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			<p>the Prevention of Corruption</p> <ul style="list-style-type: none"> - Guide to Access to Information in possession of the Agency for Prevention of Corruption - Rulebook on the archive and office operations of the Agency for the Prevention of Corruption - Decision on the use of official vehicles of APC <p>The development of the Internal Rules for the processing and protection of personal data is in progress.</p>
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18. session of the Council number 00 – 918 of 25 March 2016			
No.	Conclusion / initiative	Status of realization	Explanation
7.	Make an update to the Calendar of activities in accordance with the Control and Supervision Plan during the electoral campaign for the election of councilors in the Municipal Assembly of Tivat.	Realized	APC officers performed the overall control of all 14 obligors of applying LFPEEC, both on-site and document control. This is stated in the Report on the conducted control for the mentioned elections.
8.	<p>The Agency's Council instructed the Director of the Agency to submit to the Council:</p> <ul style="list-style-type: none"> • A fifteen-day Report on the origin, amount and structure of collected and spent funds from public and private sources for the election campaign for election of councilors in the Municipality of Tivat. For the purpose of a more transparent report, the Council has developed a reporting 	Realized	Information on the activities of APC during election campaign were submitted to the Council and considered at the sessions of the Council.

	<p>matrix;</p> <ul style="list-style-type: none"> • Five-day field monitoring with the following data collected: <ul style="list-style-type: none"> - the names of legal entities that provided services to political entities during the election campaign; - record of all events in the election campaign (party conventions, meetings, etc.); - Records of debt write-offs to citizens (electricity, water, utilities, etc. accounts) and the control of the provider of these services; - about the undertaken actions and measures regarding the control of the media advertising; and - other data in the field of field monitoring. - electronic Form of fifteen-day reporting on campaign contributions is not adequately marked, so the fields in which the total amount of the cash contribution should be entered, the total amount of the non-cash contribution, the total value of the attachment, are not binding (because they are not marked with red lines). It is therefore necessary to arrange the form that these fields are binding. - Create an electronic form for a five-day reporting on expenses in the campaign 		
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	for the election of councilors in the Municipality of Tivat. This will facilitate the Agency's control of political subjects in the election campaign.		
9.	It is also necessary to provide the Council with the following information: whether there has been an initiative and/or a filing for initiation of a misdemeanor procedure due to violation of the Law on Financing of Political Parties and election campaigns in connection with local elections that take place on April 17 in the Municipality of Tivat; If so, how many misdemeanor proceedings the Agency initiated ex officio, and how much on initiative and/or registration of third parties.	Realized	Information on activities of APC during election campaign submitted to the Council and considered at the sessions of the Council

19 th session of the Council no. 00 – 1192 of 13 April 2016			
No.	Conclusion / initiative	Status of realization	Explanation
10.	The Council recommended more proactive work of the Agency in the realization of its competencies in the further course of the election campaign for the election of councilors in the Municipality of Tivat	Realized	Information on APC activities during the election campaign submitted to the Council and discussed at the Council sessions, where it was found that APC was proactive in the electoral process.
11.	The Council decided, in agreement with the Director of the Agency, that a number of	Realized	Authorized officers carried out field control and reported to Council members.

	members of the Council, together with Agency officials, attend the inspection of authorized officials of the Agency by certain authorities, where there is a possibility of misusing state resources, and for submitting initiatives to improve the work of the Agency (Article 88, paragraph 1, point 7 of the Law on the Prevention of Corruption);		
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20 session of the Council number 00 – 1593/9 of 22 April 2016			
No.	Conclusion / initiative	Status of realization	Explanation
12.	In accordance with the 17th Session of the APC Council, the following acts will be adopted as soon as possible: the Guide to Access to Information and the Rules on archival business;	Realized	Adopted Guide to Access to Information and the Rules on archival business.

22 nd session of the Council number 00 – 1714/2 of 13 May 2016			
No.	Conclusion / initiative	Status of realization	Explanation

13.	The Agency for the Prevention of Corruption systematizes a new post: "Internal Auditor".	Realized	The Agency addressed the Ministry of Finance with the request no. 01-2645 / 3 of 15 September 2016, that the internal audit in the Agency is carried out by the organizational unit of that Ministry, because in accordance with the Regulation on the Establishment of Internal Audit, it is not obliged to establish a separate organizational unit for internal audit. Because of the above, the Conclusion is assessed as realized.
14.	It is necessary to check whether the data from the Report on revenues and assets of public officials, published on the ASK website, correspond to the data contained in the reports that the public officials have submitted to the Agency in accordance with the law.	Realized	The level of complete data synchronization from reports posted on the website, with data from the APC database, has been reached.
15.	The Council instructed the Director of the Agency to take over the financial documentation of the Commission for the Prevention of Conflict of Interest;	Realized	Documentation taken over in May 2016.
16.	The Council decided that the Department for Prevention of Conflict of Interest and the Control of Financing of Political Entities and Electoral Campaigns should prepare a reply to the Constitutional Court in relation to the Initiative for initiating a procedure for reviewing the constitutionality and legality of the Rules of Procedure of the Agency for	Realized	The answer delivered in the prescribed deadline.

	Prevention of Corruption in the field of prevention of conflict of interest of public officials, submitted to the Constitutional Court by five deputies in the Parliament of Montenegro, no. U-II no. 19/16.		
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23 rd session of the Council number 00 – 2183/2 of 9 June 2016			
No.	Conclusion / initiative	Status of realization	Explanation
17.	Ensure implementation of all priority activities for the improvement and rounding up of the Agency's Information System, which presented the basic Information Technology Departments (purchase of computer equipment, maintenance of software, extension of licenses for security segments of the software, development of lobbying and whistleblowers).	Realized	<p>Purchased computer equipment, signed Software Maintenance Agreement and Contract for maintenance of infrastructure and Web site.</p> <p>The procedure for securing licenses for security segments has been completed.</p> <p>Preparation of lobbying and whistle modules is under way. During September, consultations were carried out with contractors from the Lobby Department and the Whistlebot Department. In the second half of October, working meetings will be held in Novi Sad, where the draft version of the module will be presented and where the representatives of the Agency will give final comments on the done.</p> <p>Subsequently, in accordance with the comments, the modules are to be finalized and implemented by mid-November, and training for module work will be organized by the Agency at the end of November 2016.</p>
18.	Organize employee training in the IT Department, by segments presented at the	Realized	- Visits to the Central Bureau of Anti-Corruption of Poland, training on the following topics: Administration

	session		of the software / hardware system and server infrastructure; ISMS - system for data security management; data processing; Network security - Department staff attend specialized training: MCSA Windows Server courses for server administration;
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24 th session of the Council number 00 – 2317/4 of 9 June 2016			
No.	Conclusion / initiative	Status of realization	Explanation
19.	Ensure the implementation of the priority activities of the Department of Integrity and Lobbying related to the education of officers in the country and abroad, and to provide additional resources for developing and improving the application for PI, through donor and expert support, bearing in mind the IT system platform developed through IPA 2010 project "Support to Implementation of the Anti-Corruption Strategy and Action Plan".	Ongoing	The training is planned as part of the IPA 2014 project "Support to Implementation of Integrity Measures", whose realization is expected in early 2017 In the final phase is the development of the basic application module for integrity plans, the application's operation is expected in the first quarter of 2017, the Integrity Department officials will be trained to work in the application. The realization of this conclusion will last through the entire Twining project/until the second half of 2018.
20.	The Council instructed the Director of the Agency to inform the Council of the outcome of the proceedings concerning the application of Mladen Bojanic, MP in the Parliament of Montenegro, on the alleged existence of evidence of abuses of state resources by the Social Democrats of Montenegro.	Realized	Director submitted letter at the request of the President of the Council, no. 01-2319/22, on 28 June 2017.

25 th session of the Council number 00 - 2368 of 24 June 2016			
No.	Conclusion / initiative	Status of realization	Explanation
21.	Submit to the Council for consideration the Rulebook on the processing and protection of data of public officials representing banking secrecy.	Realized	Rulebook adopted on 7. 12. 2016, registered under the number 01 – 3530.
22.	The Council supported the initiative to carry out, as soon as possible, complete verification of data from the assets and income declarations of the ASA Council members, including the control of bank accounts.	Realized	<p>Complete verification conducted on 1 July 2016, number of the case 0102 – 2429.</p> <p>It was noted that the members of the Council submitted their reports with complete and accurate information.</p>
23.	The Council has initiated the control of property cards of other public public officials in the shortest possible period, in accordance with the Annual plan for verification of the property status of public officials in 2016.	Realized	<p>This year, according to the Annual Plan of Check, 1440 public officials were fully checked.</p> <p>According to the Risk Assessment Methodology, the mandatory check includes a check for judges, prosecutors, deputies and ministers.</p> <p>Other public officials are checked on the basis of a random sample, i.e. every 10 officials, in alphabetical order.</p> <p>The plan has been fully completed (1440, as foreseen), with the verification being continued, as needed for certain persons.</p> <p>As for the compulsory verification team (judges, prosecutors, ministers and deputies), all have been verified through the Real Estate Directorate, the</p>

			Securities Commission, the Tax Administration and the Ministry of Interior. Through banks, the check is ongoing, because it cannot be accessed through the Database, but it is going individually, through the request. So far, about 150 people have been checked through commercial banks in Montenegro, among whom are mostly judges.
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<u>26th session of the Council number 00 - 2450 of 8 July 2016</u>			
No.	Conclusion/ initiative	Status of realization	Note
24.	The Council requires the Agency to consistently implement the Law on Prevention of Corruption and the Law on Financing of Political Entities in Electoral Campaigns, in the case of "Ramada", upon the reporting of Mladen Bojanic, MP in the Parliament of Montenegro.	Realized	<p>At its 30th session, held on September 13, 2016, the APC Council adopted the following conclusions:</p> <ol style="list-style-type: none"> 1. In the case of "Ramada", the Agency for Prevention of Corruption has acted in accordance with the Law on Prevention of Corruption and other laws regulating the procedure in case there is a basis for suspicion that the criminal act which is prosecuted ex officio. 2. In the case of the "Ramada", the Agency conducted a procedure in accordance with the provisions of the Law on Prevention of Corruption, and in this connection the case at the request of the MP Mladen Bojanic, was

			<p>transferred to the competent prosecutor's office, or delivered to the Special Police Department in accordance with Article 57 of the Law.</p> <p>3. Acting on the request for protection of Patricia Pobric, the Agency properly conducted the procedure and issued the Opinion in accordance with Article 52 paragraph 1 of the LAP.</p>
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<u>27th session of the Council number 00 - 2452 of 8 July 2016</u>			
No.	Conclusion/ initiative	Status of realization	Note
25.	In the shortest period of time, prepare the Instructions on publishing the contents of analytical cards, extracts from the local treasury, data on types, and analytical cards on the consumption of funds from the budget reserve, data on the types, amount and number of users of all forms of social assistance;	Realized	<p>At its 30th session, held on September 13, 2016, the Council adopted the following conclusions:</p> <p>Director of the Agency realized conclusions from 27th session of the Council of the Agency:</p> <ul style="list-style-type: none"> – through the proactive activity of the Agency, the direct communication of authorized officers with the obligors of the application of the Law, in the process of publishing the contents of analytical cards and travel orders on the Agency's website.
26.	In the shortest possible time, adopt a calendar of activities of the Agency in exercising supervision over the authorities in order to	Realized	At its 30th session, held on September 13, 2016, the Council adopted the following conclusion:

	fulfill the legal obligations and to prevent misuse of state resources during the elections for deputies in the Parliament of Montenegro, scheduled for 16 October 2016.		<p>Director of the Agency realized the conclusions from the 27th Session of the Agency Council:</p> <ul style="list-style-type: none"> - by adopting a Control and Monitoring Plan to monitor the implementation of the Law on Financing Political Entities and Electoral Campaigns during the election campaign for the election of deputies in the Parliament of Montenegro
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31th session of the Council number 00 - 3246 of 25 October 2016			
No.	Conclusion / initiative	Status of realization	Explanation
27.	The Council requests the Director of the Agency to publish, within a reasonable time, the complete documentation relating to the financing of all political entities during the election campaign for the elections held on 16 October 2016, which the Agency obtained in the process of control.	Realized	<p>Reports on the origin, structure and amount of collected and spent funds for the election campaign were published on the Agency's website, in accordance with Articles 39 and 40 of the Law on Financing Political Entities and Election Campaigns.</p> <p>Complete documentation collected during the control procedure cannot be published in accordance with Article 18 of the Law on the Protection of Unpublished Data, which reads: <i>"Courts and other competent authorities shall keep the confidentiality of unpublished data protected in accordance with this Law. The obligation to keep confidentiality also includes the exclusion of the public in the proceedings, the restriction</i></p>

			<p><i>of access to and the use of data, and the issuing of an order to all persons participating in the proceedings not to disclose such information to others without the prior permission of the court.”</i></p> <p>In addition, based on the analysis of its legal competences, the Agency for the Prevention of Corruption has no legal authority to publish complete documentation regarding the financing of all political entities during the election campaign for the elections held on 16 October 2016, which the Agency obtained in the control procedure, in accordance with the Law on Financing of Political Parties and Election Campaigns.</p> <p>Transparency of the procedure of financing and control is prescribed by the Law on Financing of Political Parties and Election Campaigns and the Agency cannot go beyond its legal powers.</p> <p>Unauthorized disclosure of the said data (contracts and invoices) is in line with the law, and may expose the Agency to the risk of filing a claim for damages caused by the illegal work of a state authority or, for the purpose of publishing data from the contract without the consent of the contracting parties.</p> <p>Finally, the Agency is not responsible for publishing documentation related to the financing of all political entities during the election campaign for the elections held on 16 October 2016, which the Agency obtained in the process of control.</p>
28.	The Council requests the Director of the	Ongoing	Procedure on the stated case is ongoing.

	Agency to inform the Council of the course of the proceedings after the conducted procedure, and on the decision made by the NGO "MANS" no. 00 -2955/2 of 15. 02.2016.		
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33 rd session of the Council number 00 - 3356 of 11 November 2016			
No.	Conclusion/ initiative	Status of realization	Explanation
29.	The council initiates that after the establishment of innovative software, the APC re-examines the need for supplementing the Rules of the Agency for the Prevention of Corruption in the area of conflict prevention of interest in internal procedures that include methods, techniques and forms (applications).	Conclusion has not matured for realization	

OVERVIEW OF GENERAL ACTS /DECISIONS ADOPTED BY THE COUNCIL OF APC

Title of the act	Number of the Official Gazette	Ordinal number and date of session
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Rules of Procedure of the Council of the Agency	66/15, of 26 November 2015	8 th session, of 13 November 2015
Statute of the Agency for Prevention of Corruption	66/15, of 26 November 2015	9 th session, of 20 November 2015
Budget proposal of the Agency for 2016		9 th session, of 20 November 2015
Rulebook on Internal Organization and Systematization of the Agency for the Prevention of Corruption	00-64-1/15-14	10 th session, of 3 December 2015
Form of property and income of a public official	77/15, of 30 December 2015	11 th session, of 11 December 2015
Rules on verification of property and income of the Director of the Agency for the Prevention of Corruption	75/15, of 25 December 2015	12 th session of 17 December 2015
Rules for drafting and implementing an integrity plan	78/15, of 31 December 2015	13 th session of 25 December 2015
Rules on the work of the Agency in the area of prevention of conflicts of interest of public officials	77/15, of 30 December 2015	14 th session of 13 January 2016
Work plan of APC for 2016	Number of the act: 00 – 515/2	16 th session, of 29 February 2016
Code of Ethics for Employees in APC	Number of the act: 00-1593/8	20 th session of 22 April 2016
Draft of APC budget for 2017		29 th session, of 6 September 2016