



Montenegro
Agency for Prevention of Corruption

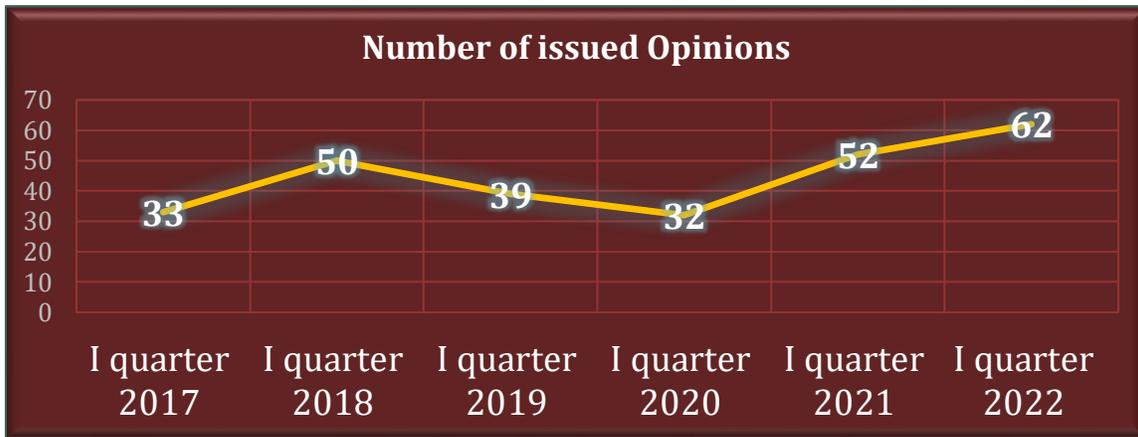
SUMMARY OF THE FIRST QUARTERLY REPORT ON THE WORK OF APC IN 2022

APC

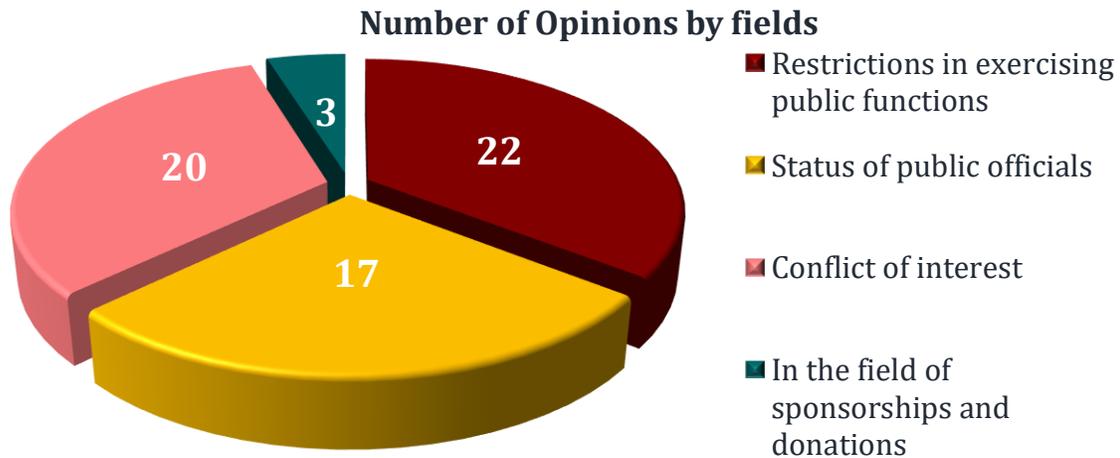
Podgorica, April 2022

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

In the first quarter of 2022, acting on all received requests, the Agency **issued 62 Opinions on the existence of conflicts of interest and restrictions in exercising public functions, 19.2% more than in the same period last year, and the most in relation to the same reporting periods of the past five years of work of APC.**



This is the result of an intensive campaign aimed at raising the awareness of public officials regarding compliance with the obligations prescribed by the Law on Prevention of Corruption (LPC), but also the growth of trust in APC, its importance and quality of work.



In the first quarter of 2022, the Agency initiated **10 administrative procedures** in this field (9 prevention of conflicts of interest and 1 restriction in exercising public functions). **12 procedures** (including cases from the previous period) **were completed** and **violations of the Law - 10 conflicts of interest and 2 restrictions in exercising public functions were found in every Decisions.**

After the administrative procedures were completed, the authorities **submitted 2 answers, one of which stated that a disciplinary measure (reprimand) had been imposed**, while the other stated that the public official had resigned.¹

Based on the issued Opinions and the adopted Decisions of the Agency, **3 resignations of public officials were submitted** (2 after the issued Opinions and 1 on the basis of the Decision), while **1 transfer of management rights in the company** was noted, as well as **1 decision on termination of employment in the state-owned company**.

Due to the violation of the provisions of the LPC relating to **restrictions in the exercise of public functions**, in the first quarter of 2022, the Agency submitted **1 request to initiate misdemeanor proceedings** to the competent misdemeanor courts.

CONTROL OF RECEIVED GIFTS, DONATIONS AND CONCLUDED SPONSORSHIPS

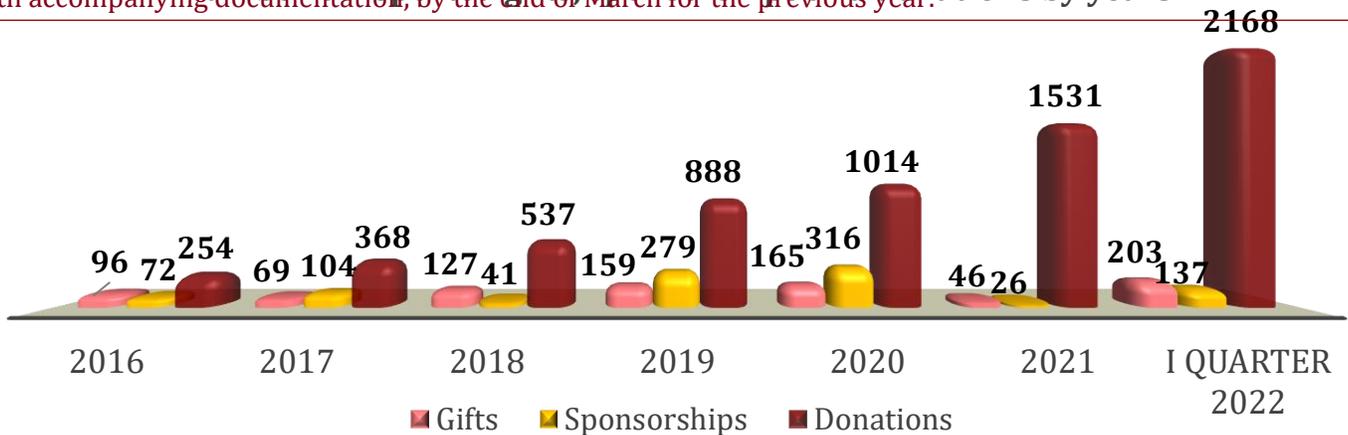
In the first quarter of 2022, a total of **203 gifts received during 2021** were reported to the Agency by **22 authorities**.

Also, a total of **137 sponsorships** were reported to the Agency by **30 authorities**, while a total of **2,168 donations from 2021** were reported by **229 authorities**.²

In the first quarter of 2022, the **trend of growth of reported donations continued (41.6% more than in the previous year)**, and the **growth of reported gifts was recorded (four and a half times more than in the previous year and the most since the establishment of APC)**, and the **number of reported sponsorships is higher (five times more than in the previous year)**.

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

Number of reported gifts, sponsorships and donations by years



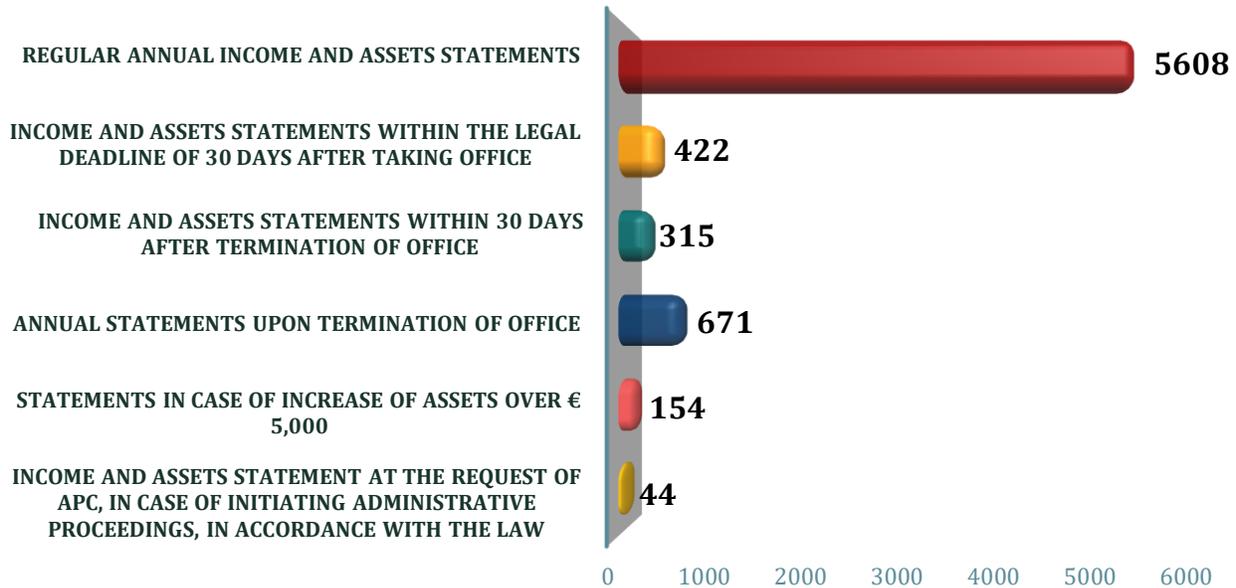
¹ Regarding restrictions on the exercise of public function, as well as income and assets

² The number of gifts, sponsorships and donations reported within the legal deadline may be higher, given the possibility that excerpts from the records of gifts and reports on received sponsorships and donations were sent within the legal deadline, and that the Agency receives them after March 31.

All submitted excerpts from the records of gifts and reports on received sponsorships and donations were administratively checked and published on the APC website, while the **determination of all possible irregularities in the excerpts / reports will be done during the second quarter of 2022.**

VERIFICATION OF INCOME AND ASSETS REPORTS

From January 1 to March 31, 2022, a **total of 7,214 income and assets Reports were submitted** to the *Department for the Verification of Income and Assets of Public Officials and Civil Servants who have the prescribed obligation to submit income and assets statement.*



By the end of the first quarter of 2022, **7,030 (97.4%)** of received reports **were administratively and technically processed**. During the administrative and technical verification of income and assets reports in the reporting period, **22 reports of public officials were recorded, which indicate irregularities in the field of restrictions in the exercise of public function.** The Agency initiated an ex officio control procedure against them.

By the end of the first quarter of 2022, a total of **5,608 submitted regular annual reports on income and assets** were recorded. Considering that the highest percentage of regular annual reports for 2021 was submitted to the Agency in the last days before the expiration of the legal deadline for submitting these reports, the final number of reports submitted to the Agency on March 31, as well as the percentage of such reports in relation to the number of subjects to the law, will be subsequently reported, and this information will be contained in the II quarterly work report of APC in 2022.

It is planned to increase **the volume of work** in this area, given that the Annual Verification Plan for 2022 envisages a **significantly higher number of verifications of the accuracy**

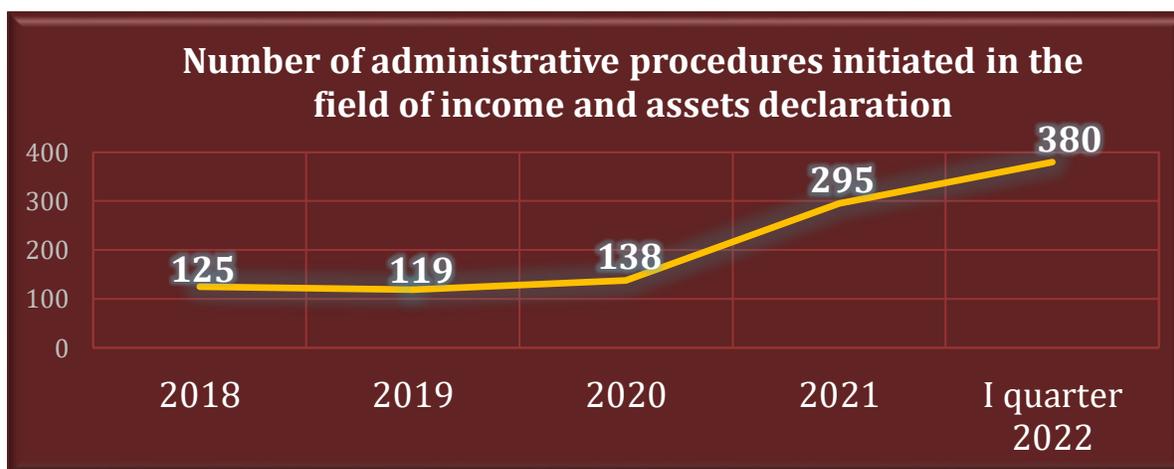
and completeness of data in income and assets statements, as many as **1,330**. This type of verification will begin in the second quarter.

The number of verified reports in terms of accuracy and completeness **will be even higher**, bearing in mind that the competent Department will verify the reports **ex officio**, as well as **on request**. In this regard, the competent Department has already in the first quarter, acting ex officio (at the request of other legal entities, government agencies, newspaper articles, etc.) started **the verification of 26 reports on income and assets**. Possible violations of the law were identified in 10 reports and the cases were submitted to the competent Department for Initiation of Administrative and Misdemeanor Proceedings.

Additional verification of the reports, in accordance with the Annual Verification Plan for 2022, **will begin in the second quarter and will last until the end of the year**.

In connection with the additional verification that began in the third quarter of 2021, by the end of March 2022, **proceedings were initiated against 20 public officials** who were the subject of that inspection and all of them are ongoing.

In the first three months of 2022 alone, the Agency **initiated 380 administrative procedures in the field of assets declaration, significantly more than the annual level of the previous four years of the Agency's work**.



A total of 63 proceedings were completed (including cases from the previous period) and **98.4% of Decisions (62) found violations of the Law**, which is **significantly more compared to the same reporting periods of the previous three years of APC**.

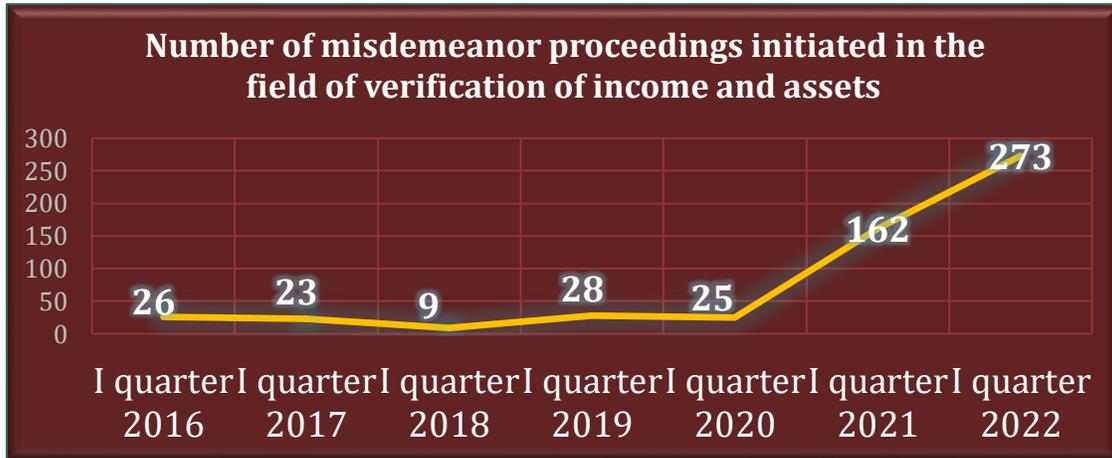
After the administrative procedures were completed, the authorities submitted 6 responses:

- ✓ **1 public official was dismissed;**
- ✓ **in 4 cases a disciplinary measure - reprimand was imposed³;**

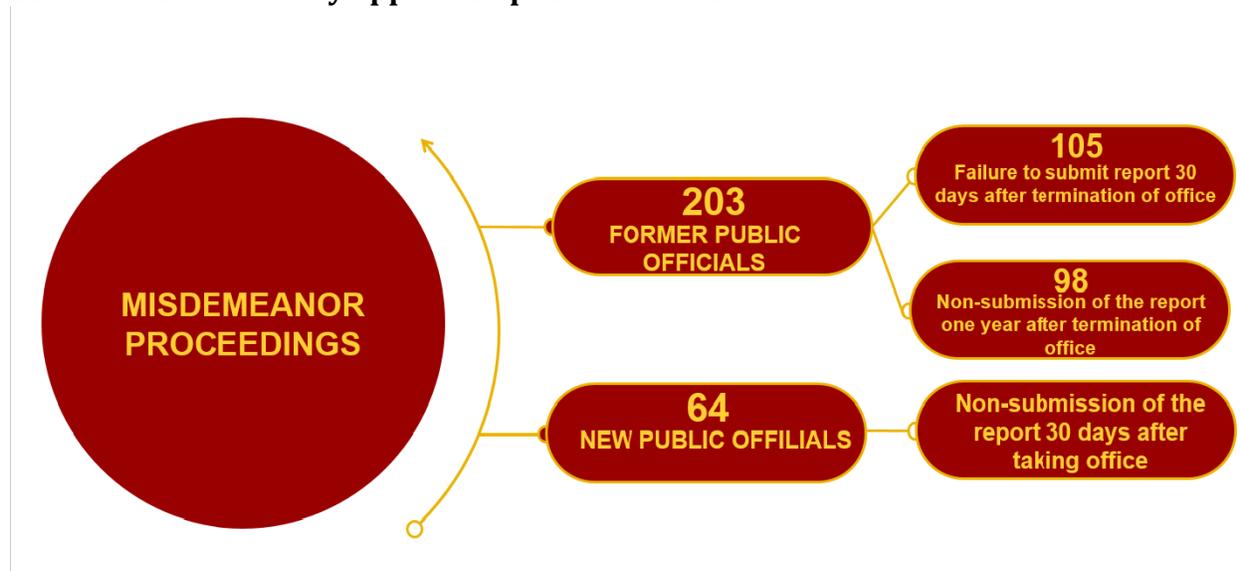
³ One of them referred to income and assets and restrictions in the exercise of public functions

✓ in one response it was stated that **the public official resigned**⁴.

Due to the violation of the LPC provisions related to the obligation to submit reports on income and assets, in the first quarter of 2022, the Agency submitted a total of **273 requests** to the competent misdemeanor courts **to initiate misdemeanor proceedings**, which is the **most since the beginning of the work of APC when observed at the level of the first three months of the year**. This is primarily generated by the intensive work and proactive approach of the Agency.



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



⁴ Regarding income and assets, as well as restrictions in the exercise of public office

In order to effectively implement the legal provisions related to income and assets reports, the Agency has intensified its activities in the field of providing support to subjects to the law, in order to become more familiar with legal obligations and remove potential ambiguities, especially in the context of the reporting process itself. In that sense, **the Agency prepared a manual for filling in the statement on income and assets in the first quarter**, and in the upcoming period, in cooperation with UNDP, a guide will be prepared in the form of a video presentation relating to the submission of income and assets reports.

In the first quarter, the Agency continued the implementation of educational activities aimed at raising awareness of public officials on integrity and ethical values in the public sector, and in that sense held **three trainings for newly appointed public officials** (Cetinje, Petnjica, Mojkovac) on **Income and assets statements and the prevention of conflicts of interest**, which presented the practice, procedures and results of the implementation of legal obligations related to the income and assets statements of public officials and the prevention of conflicts of interest in the exercise of public functions.

CONTROL OF FINANCING OF POLITICAL ENTITIES AND ELECTION CAMPAIGNS

In the area of **financing political entities and election campaigns**, the Agency continued to implement activities in a planned and systematic manner in order to consistently monitor the implementation of the Law on Financing of Political Entities and Election Campaigns (LFPEEC) and control the implementation and compliance with all prescribed prohibitions and restrictions during the election campaigns. Bearing in mind that the local elections in Berane and Ulcinj were held in the first quarter of 2022, and the election campaign for the local elections in Tivat began (June 5, 2022), the Agency's capacities are largely focused on performing tasks within this part of its responsibility. In this regard, special attention is paid to monitoring and controlling the activities of all political entities, checking reports on collected and spent funds, control and transparency of the use of public funds in the election campaign.

On all bases of the Agency's work in this area, in the first quarter of 2022, APC **controlled 2,909 reports submitted by LFPEEC subjects to the law on regular work and during election campaigns**.

When it comes to the regular work of LFPEEC subjects to the law, a total of **136 reports / documents** were submitted, of which **88 reports / notifications** of political entities.⁵

⁵ The Agency, in accordance with its legal powers, supervises the implementation of the obligation of the Ministry of Finance and Social Welfare and the bodies of 25 local governments responsible for finance to, by January 31 at the latest, make a Decision on the amount of budget funds for financing the regular work of political entities and then publish it on its website within seven days of its adoption. In this regard, a total of 23 decisions on financing regular work, 23 decisions on financing the work of women's organizations, as well as 2 notifications were made.

Summary of the First Quarterly Report on the Work of APC in 2022

Categories of submitted reports / notifications	Number of submitted reports	Number of registered taxpayers
Consolidated Annual Report for 2021	46	68
Decisions on the amount of membership fee for 2022	48 ⁶	63

In the context of **local elections** held / called in the first quarter of 2022, the Agency controlled a total of **2,713 reports** and other supporting documentation:

- ✓ **49** by **13 political entities** / electoral lists;
- ✓ **2,627** by **118 authorities**;
- ✓ **37** by **media advertising service providers**.

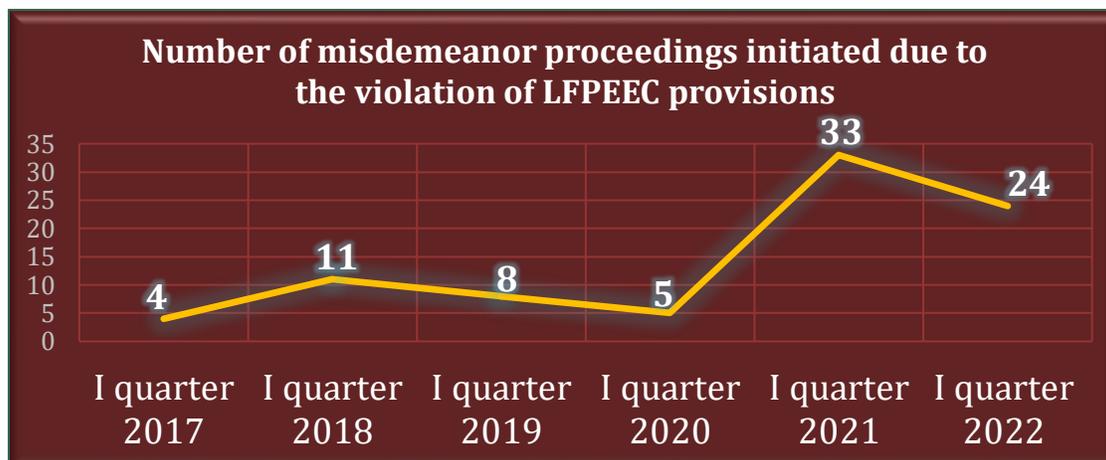
Proactively, the Agency sent a total of **107 warnings** (91 to authorities and 16 to political entities) in order to submit reports within the deadline, as well as in the case of observed technical irregularities, to which **all responded positively**.

In the first quarter of 2022, 51 analytical cards of budget spending units for the election campaign for the **local elections in Mojkovac, Petnjica and the Old Royal Capital of Cetinje**, held on December 5, 2021, were submitted to the Agency. Also, **9 reports on the origin, amount and structure of funds collected and spent** from public and private sources by political entities **for the election campaign in the three local self-governments** were submitted (given that the deadline for submitting this category of reports was January 5, 2022). Also, 12 such reports were submitted in December 2021. While performing substantial and in-depth control of activities, collected and spent funds of political entities in the campaign in the mentioned three local self-governments, the Agency sent 11 requests for statement and supplementation of documentation or due to inaccurate data in reports of political entities in which **46 irregularities** were found. The Agency did not initiate misdemeanor proceedings due to legal restrictions, as the LFPEEC does not prescribe misdemeanor liability in this area.

A total of **111 controls of compliance with prohibitions and restrictions** during election campaigns by taxpayers in the first quarter of 2022 were performed (108 controls of government bodies, 3 controls of political entities). In addition, the control of **19 persons - contributors** to political entities for the election campaign for the local elections in Mojkovac, Petnjica and the Old Royal Capital of Cetinje held in December 2021.

Despite the legal restrictions due to which it could not initiate misdemeanor proceedings in all cases of identified irregularities, the Agency initiated a total of **24 misdemeanor proceedings** in this area of work by the end of March 2022.

⁶ In 2021, six political entities submitted the Decision on the amount of membership fees for 2022.



During the first quarter of 2022, **no complaints were filed** due to suspicions of violating the law during the election campaign.

Continuing the dedicated work on educating the authorities on the importance of their role in corruption prevention and the normative framework governing this area, representatives of the Agency held **trainings in 6 Montenegrin municipalities** (Kolašin, Bijelo Polje, Bar, Tivat, Pljevlja and Žabljak) on the topic of **Control over the financing of political entities and the integrity of government bodies in the election campaign**. On that occasion, they introduced the representatives of the authorities with the most important items of the Law on Financing of Political Entities and Election Campaigns, with an emphasis on obligations, restrictions and prohibitions for the authorities.

ADOPTION AND IMPLEMENTATION OF INTEGRITY PLANS

In the first quarter of 2022, **5 authorities issued a decision on the appointment of an integrity manager for the first time**, and **57 authorities** informed the Agency about the appointment of a new person as an integrity manager. **The total number of authorities that have appointed an integrity manager as of January 1, 2016 is 715** (98.6% of the total number of authorities).

In the reporting period, **6 authorities adopted and submitted an integrity plan to the Agency for the first time**. **A total of 713 authorities submitted an integrity plan to the Agency as of January 1, 2016** (98.3% of the total number of authorities).

By March 31, 2022, the Agency **received 180 reports on the implementation of the integrity plan in 2021** (the deadline is April 15).

In the first quarter, the APC Council adopted the **Report on the Adoption and Implementation of Integrity Plans in 2021**, which contains a detailed analysis of integrity plans and reports on their implementation, as well as recommendations for improving integrity plans, given within ten systems in which the authorities are classified. The report includes all integrity plans submitted to the Agency from 2016 to the end of 2021, as well as

analysis of information from 692 reports on the implementation of the integrity plan submitted to the Agency during 2021.

Through the application, the authorities reported on the implementation of a total of 24,085 risk management measures.

Observed by the systems in which the authorities are classified, **the highest level of implementation of measures was achieved in the judiciary** (86% of implemented measures), **educational institutions** (81.6%), **independent and regulatory bodies** (79.4%), **state administration** (76%) and **companies whose founder and majority owner is the state** (74.8%).

METHODOLOGY FOR THE APPLICATION OF ANTI - CORRUPTION MEASURES

In 2021, the Agency developed a **Methodology for assessing the implementation of anti-corruption measures**, in cooperation with the United Nations Development Program (UNDP) in Montenegro, in order to improve the content and effects of integrity plans. The purpose of the Methodology is to assess whether the authorities are implementing anti-corruption measures and whether their implementation has positive effects, as well as to encourage the authorities to be more proactive in planning and implementing anti-corruption measures.

Two sectors were selected for the pilot phase of the project: **state administration and social and child protection**. After collecting data from institutions, in the first quarter of 2022, verification of the fulfillment of indicators followed, awarding points to bodies and **preparation of individual reports on the assessment of the implementation of anti-corruption measures** in the bodies that submitted documentation. In addition to reports for individual bodies, two sectoral reports were prepared, which contain key findings and recommendations at the level of state administration, i.e., social and child protection, as well as a list of all bodies in the sector, ranked by performance in the pilot phase of the project. In the following period, it is planned that the Methodology will be applied to authorities from the other eight sectors, such as: local self-government, education, judiciary, health, state-owned enterprises and others, with adapting the Methodology to the specifics of selected sectors.

CONTROL OF LOBBYING ACTIVITIES

In the first quarter, the Agency **formed a Commission for taking the exam for performing lobbying activities** and published a **call for applications for candidates to take the exam for performing lobbying activities**.

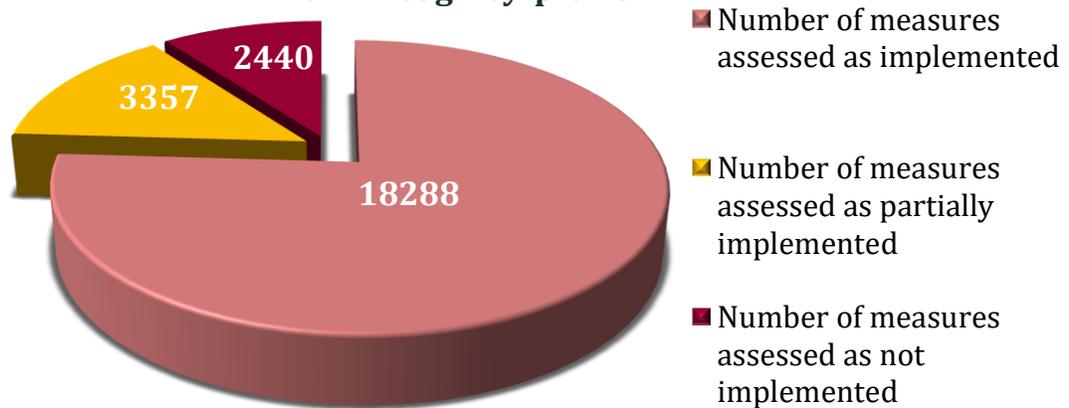
In September 2021, the Ministry of Justice, Human and Minority Rights formed a **Working Group to draft the Law on Lobbying**, whose members are APC officials. The Agency and the proposer of the law were provided with expert assistance in finalizing the solution for changes in the normative framework in this area, within the Horizontal Facility of the Council of Europe for the Western Balkans and Turkey II. Among other things, an Opinion on the Law on Lobbying was prepared, with recommendations for its improvement.

In the period October 29 - December 18, 2021, a public hearing on the Draft Law on Lobbying was held.

In the first quarter, the **Agency's Council** analyzed the Draft Law on Lobbying and defined recommendations for improving legal provisions in order to create preconditions for efficient detection, prosecution and sanctioning of violations of the Law. The Council adopted a conclusion which decided to send to the Ministry of Justice, Human and Minority Rights, as the proposer, proposals for amendments to the Draft Law on Amendments to the Law on Lobbying.

In the first quarter of 2022, **the technical harmonization of the Ministry of Justice, Human and Minority Rights with the Secretariat for Legislation was performed in connection with the Draft Law on Lobbying**. Also, in March 2022, another opinion was submitted to the Ministry - **Opinion on the Draft Law on Lobbying**, drafted within the

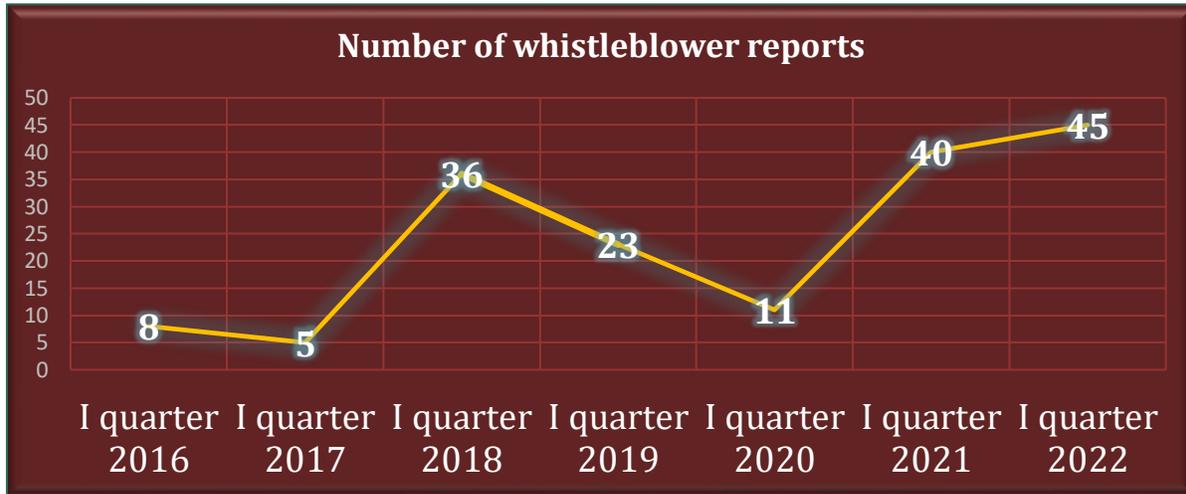
Level of implementation of risk reduction measures in all integrity plans



Horizontal Facility, with new recommendations for improving the Draft. Five natural persons and one legal entity are registered in the register of lobbyists.

PROCEDURE FOR WHISTLEBLOWER REPORTS AND PROTECTION OF WHISTLEBLOWERS

In the first quarter of 2022, there were **45 whistleblower reports**, which is the highest number since the beginning of the work of the APC at the level of the first three months of the year.



Of the total number of whistleblower reports in the first quarter of 2022, 22 were submitted anonymously.

In the first quarter of 2022, there were a total of **176 whistleblower reports** (including 131 reports from the previous period).

4 procedures on whistleblower reports were completed, **one of which identified the existence of endangering the public interest** and the Agency gave **2 recommendations** to legal entities to improve transparency and eliminate corruption risks (implementation deadline is due in the following period).

Also, in the first quarter, the APC initiated **4 ex officio proceedings** due to suspicion of endangering the public interest, which indicates the existence of corruption, and **continued work on four ex officio proceedings** from 2021. In the reporting period, **two proceedings (1 from 2022 and 1 from 2021) were completed and the existence of endangering the public interest was determined in both**. On that occasion, the Agency gave **2 recommendations** to the legal entity for improving transparency and eliminating corruption risks (one has been implemented, while the deadline for implementation of the other is due in the coming period).

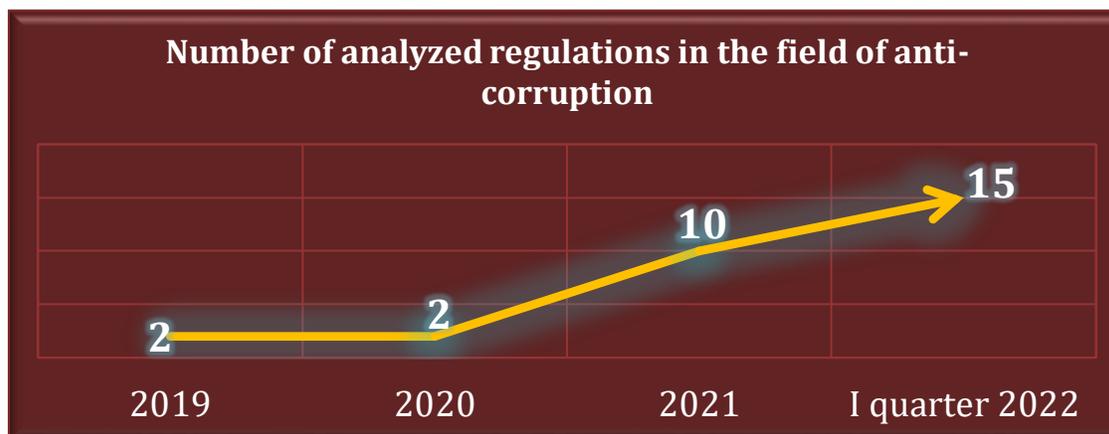
In the reporting period, the Agency referred to the **competent prosecutor's offices 1 ongoing procedure** from 2021, while no cases were forwarded to other competent authorities.

In the first quarter of 2022, **one request for the protection of whistleblowers** was submitted to the Agency, **and work continued on one procedure for the protection request from 2021** (both procedures are ongoing).

MONITORING LEGISLATION AND GIVING OPINIONS ON REGULATIONS IN THE FIELD OF ANTI-CORRUPTION

In the first quarter of 2022, the Section for Monitoring of Legislation and Giving Opinions on Anti-Corruption Regulations conducted an **Analysis of Regulations at the state administration level**⁷ in order to improve solutions for preventing conflicts of interest, as an obligation taken from the Dynamic Plan of Activities leading to the fulfillment of the provisional criteria in Chapter 23 - Judiciary and Fundamental Rights. The analysis includes **9 laws and 5 other regulations**⁸, and it resulted in guidelines, i.e. recommendations for upgrading the legal framework that regulates the policy of preventing conflicts of interest at the state administration level. Also, the Agency published an **Opinion on the Law on Health Care**.

Thus, in the first quarter of 2022, the Agency analyzed more pieces of legislation than in the previous three years of operation in total.



⁷https://www.antikorupcija.me/media/documents/Analiza_propisa_na_nivou_dr%C5%BEavne_uprave_u_cilju_unapre%C4%91enja_rje%C5%A1enja_spr.pdf

⁸ Labor Law, Law on Civil Servants and State Employees, Law on Public Procurement, Law on Internal Affairs, Law on Defense, Law on the Army of Montenegro, Customs Law, Law on Tax Administration, Law on Inspection Supervision, Code of Ethics of Civil Servants and State Employees, Rulebook on Records and Methodology of Risk Analysis in Performing Control over Public Procurement Procedures, Rulebook on Method of Conducting Simple Procurement, Code of Police Ethics, Decree on the List of Military Equipment and Products, Procedure and Manner of Conducting Public Procurement in the Field of Defense and Security

Through participation in working groups, APC gave its full contribution to the drafting of the Law on Amendments to the Law on Lobbying, International Restrictive Measures, as well as on Confiscation of Proceeds of Crime and Property of Illegal Origin.

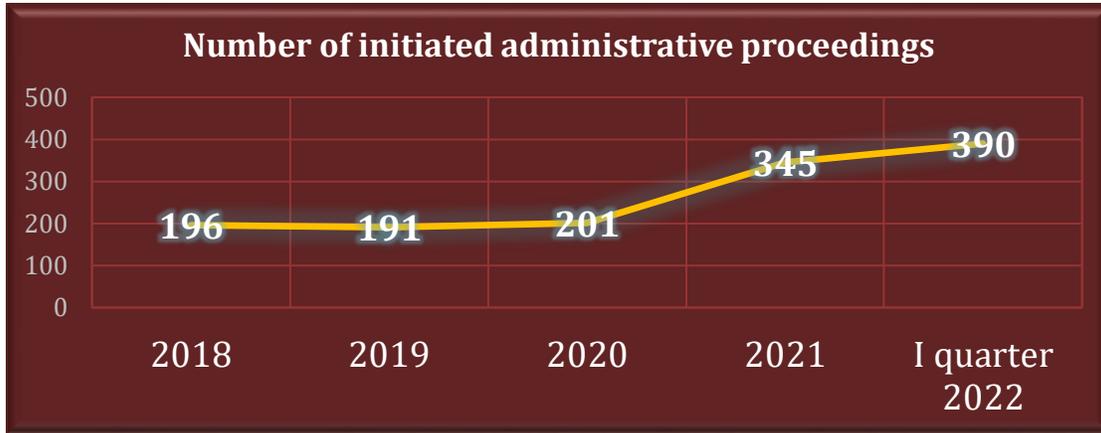
MANAGEMENT OF ADMINISTRATIVE PROCEDURES UNDER THE COMPETENCE OF APC

In the first quarter of 2022, the Agency continued its intensive work in the field of conducting administrative proceedings, **thus initiating 390 administrative proceedings against public officials** (10 in the field of preventing conflicts of interest and respecting restrictions in performing public functions and 380 in the field of income and assets verification).

METHODOLOGY FOR REGULATION ANALYSIS

In cooperation with the United Nations Development Program (UNDP) in Montenegro, intensive work has been done to improve the **Methodology for the analysis of legislation** in order to identify areas of risk for corruption, especially the part of the Methodology related to the list of risks, in order to more easily and objectively identify future regulations that would be the subject of the Agency's analysis. The aim of the project includes the preparation of a comparative analysis of the need to **introduce corruption risk assessment as a mandatory part of the legislative process, and the creation of a Checklist for preliminary control of corruption risks.**

Thus, only in the first quarter of 2022, the Agency initiated significantly more administrative procedures compared to the annual level of the previous four years of operation of the APC, which is primarily generated by a large number of initiated administrative proceedings in the field of verification of income and assets, relating to inaccurate and incomplete data in the reports.

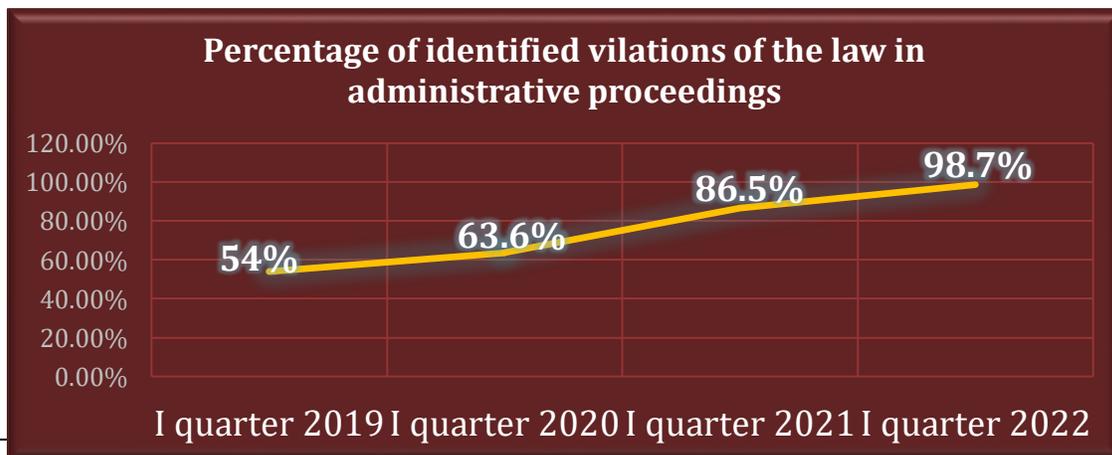


A total of 75 proceedings were completed⁹ (including cases from the previous period) and violations of the Law were found in 74 proceedings (98.7%). The percentage of identified violations of the law is significantly higher in the first quarter of 2022 compared to the same reporting periods of the previous three years of APC operation.

In all administrative proceedings in the area of conflict of interest and violation of restrictions on the performance of public functions completed in the first quarter, violations of the law were found, while in the area of verification of income and assets of public officials violations of the law were not found in only one case.

In the first quarter of 2022, the Administrative Court issued 20 judgments annulling 2 APC Decisions and returning them for retrial, while upholding 18 Decisions and dismissing the lawsuits as unfounded.

INITIATION OF MISDEMEANOR PROCEEDINGS AND ISSUANCE OF MISDEMEANOR WARRANTS

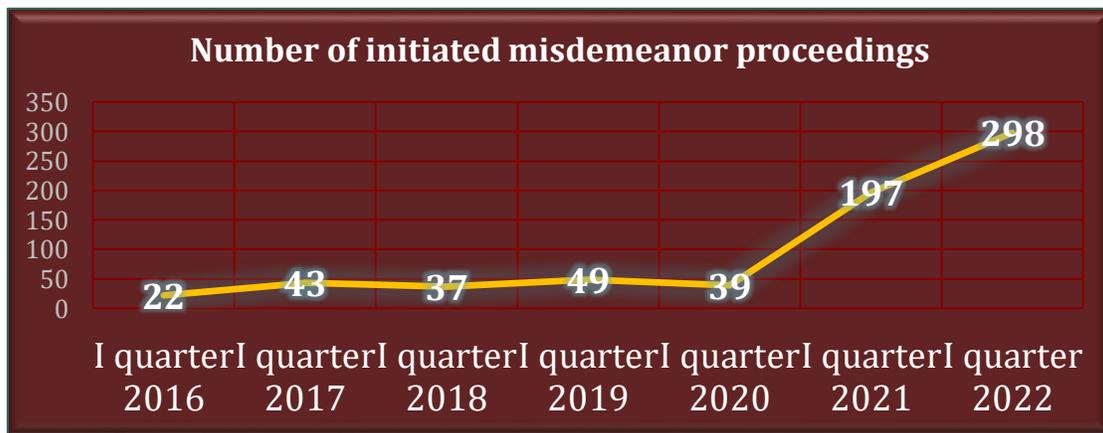


⁹ 250 administrative proceedings were initiated on March 31

In the first quarter of 2022, due to violations of anti-corruption laws, the Agency submitted a total of **298 requests to the competent misdemeanor courts to initiate misdemeanor proceedings** (274 for violating the Law on Prevention of Corruption (LPC), 24 for violating the Law on Financing of Political Entities and Election Campaigns (LFPEEC)).

During the reporting period, **a total of 233 proceedings were completed** (including proceedings on requests from previous years and misdemeanor warrants executed), of which **92% were sanctioned**. The total amount of fines is **€ 34,050**.

The number of initiated misdemeanor proceedings in the first quarter of 2022 is **significantly higher compared to the same reporting periods of previous years of the APC operation**, which is primarily **generated by a number of initiated proceedings in the field of verification of income and assets**, due to more intensive work and proactive approach of the Agency.



ANTI-CORRUPTION CAMPAIGNS, PUBLIC RELATIONS, RESEARCH AND EDUCATION

Through the implementation of campaigns, educational activities and cooperation with the media, the Agency contributes to strengthening the knowledge of the general public and those obliged to anti-corruption laws on the competencies and results of this institution, as well as the trust of citizens in its work.

In the first quarter of 2022, the Annual Training Plan for Subjects to the law was adopted. In the first three months of 2022, the **Agency organized as many as 11 trainings, which were attended by 181 participants**:

- ✓ **Trainings were held in three municipalities for newly appointed public officials who took office after the local elections**, on the topic "Reporting income and assets and preventing conflicts of interest",
- ✓ **in six municipalities where local elections are planned**, trainings were held on the topic "Control of financing of political entities and integrity of government bodies in the election campaign",
- ✓ **two trainings** on "Integrity in Public Administration and Implementation of the Integrity Plan" were organized in cooperation with the Human Resources Management Authority.



Transparency has been strengthened through greater openness to the media, as evidenced by the fact that the **media image of the APC has been extremely favorable**. This is evidenced by the ratio of positively and negatively intoned media publications, which is key to creating an image - **there were five times more positively intoned publications in the first quarter**. This further improved the trend from the previous year, in which there were twice as many positive publications as there were negative ones. The fact that the number of positively intoned publications in the first quarter of 2022 is higher than in the entire 2018 and almost at the level of 2019 also testifies to the significant improvement of the media image of the Agency.

INTERNATIONAL COOPERATION

The presented results of the work are also a consequence of the implementation of all methodologies, projects and expert knowledge that the Agency has continuously received from international partners.

Within the framework of international cooperation, the Agency continued with the **continuous strengthening of institutional capacities and improvement of work within its anti-corruption competencies, especially in the field of anti-corruption risks and giving opinions on regulations in the field of anti-corruption.**

In the first quarter, **the APC Strategic Plan for the period 2022-2025 and the accompanying Action Plan** were adopted, which were developed with the support of UNDP, and which defined the priorities in the work of the Agency in the period following.

In the reporting period, the Agency, as the national coordinator of obligations arising from the signing of the United Nations Convention against Corruption (UNCAC) by Montenegro, coordinated and organized **a visit of representatives of the Secretariat of the Office on Drugs and Crime (UNODC) and competent evaluators (representatives of Iraq and Estonia)** in a combined format.

The working visit was one in a series of steps to assess Montenegro in the implementation of UNCAC, the only legally binding universal anti-corruption instrument. In this second evaluation cycle, the application of Chapter II - Preventive Measures, and V - Asset Recovery was under evaluation. The next step will be the preparation of the final Report for Montenegro, which will show whether and to what extent our country with its legislation and practice meets the articles of the Convention in these chapters.

