



Government of Montenegro

**National Commission for Monitoring of Realization of Action Plan for Implementation of Program of Fight against
Corruption and Organized Crime**

THE FIRST REPORT ON REALIZATION OF THE MEASURES DEFINED IN THE ACTION PLAN FOR IMPLEMENTATION OF THE STRATEGY FOR FIGHTING CORRUPTION AND ORGANIZED CRIME

Podgorica, March 2011

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I. INTRODUCTORY NOTE

With the view to ensuring continuity in an organized and permanent monitoring of the overall anti-corruption activities, the Government of Montenegro adopted in late July 2010 two new strategic documents: Strategy for Fight against Corruption and Organized Crime (2010-2014) and the Action Plan for Implementation of the Strategy for Fight against Corruption and Organized Crime for the period 2010-2012. This Report covers the implementation of the Action Plan in the period between the adoption of the Action Plan and the end of 2010, as well as the activities envisaged in the AP which had been completed before the AP was adopted¹. As provided for in the Action Plan, all subsequent reports will be made for six-month periods.

At the time of adoption of the above strategic documents Montenegro had already developed its anti-corruption legal and institutional framework to a large extent. That was the task of the first generation of strategic documents (2005-2009). Since effectiveness of legal and institutional framework is of particular importance for any successful fight against corruption and organized crime, the attention in developing the second generation of strategic documents was focused on the control of implementation of the adopted laws and regulations, their continuous improvements and efficient functioning of the institutions. The Action Plan regulates in more details the chapters, objectives, measures, competent bodies and time frame for implementation of the activities in the first two-year phase of the implementation of the Strategy. Institutes and standards that were not defined or were inadequately defined in the laws have been recognized through specific objectives and measures in the chapters of the Action Plan. National Commission for Monitoring of Realization of Action Plan for Implementation of Program of Fight against Corruption and Organized Crime² controls the implementation of the Strategy in the monitoring period (2010 – 2012).

The Strategy envisages that the reports submitted by the institutions according to the Action Plan are to be integrated and monitored by the Secretariat of the National Commission composed of the expert team working in the Directorate for Anti-Corruption Initiative (hereinafter referred to as: DACI). The statistics related to processing of the cases with elements of corruption will be prepared by the representatives of the Supreme State Prosecution, Supreme Court and Police Directorate (Tripartite Commission)³.

In December 2010, within the process of preparing The First Report on the Implementation of the Action Plan, representatives of the National Commission Secretariat made the required consultations with the reporting entities and in January and February 2011 they collected the individual reports of the institutions⁴. After that they started processing individual reports and translating them into the aggregate report. In preparing the First Report the Secretariat has benefited from the support provided within the project „Strengthening Administrative Capacities of the Directorate for Anti-Corruption Initiative“ financed by the Government of the Kingdom of Norway and implemented with the support of the UNDP Office in Podgorica. In parallel, the National Commission Secretariat has worked with the representatives of the Ministry for Information Society on developing the information system which will support the process of receiving and processing individual reports (93) and which will be used in the future for reporting according to the Action Plan. Establishing of this information system is envisaged for late

¹ In the meeting of the National Commission held on 22 November 2010, one of the conclusions was that, exceptionally, the First Report will cover the period from 29 July to 31 December 2010, as well as the activities envisaged in the Action Plan but completed before that period in 2010.

² National Commission was established by the Decision of the Government of Montenegro on Establishing the National Commission for the implementation of the Strategy for Fight against Corruption and Organized Crime ("Official Gazette of Montenegro", 61/10) and the Decision on Amendments to the Decision on Establishing the National Commission ("Official Gazette of Montenegro 4/11).

³ National Commission Secretariat is composed of five civil servants from the Directorate for Anti-Corruption Initiative. It was established in September 2010 and Tripartite Commission was established in March 2011.

⁴ Deadline for submitting individual reports was 21 January and it had to be extended to 25 of January since 10 reports were not submitted in time.

March 2011, since at that time the institutions that are obliged to submit their individual reports (hereinafter: reporting entities) will be trained to use the IS for reporting.

The First Report on Realization of the Measures Defined in the Action Plan for Implementation of the Strategy for Fighting Corruption and Organized Crime has been prepared on the basis of individual reports of the institutions that are obliged to submit their individual reports regarding 109 objectives and 264 measures⁵. We would like to underline that the number of reporting entities has been significantly increased in comparison to the previous AP (56) due to the larger scope of the Strategy but also due to the changes in some of the state administration organizational units.

Structure of The First Report is such that this Introductory note is followed by the presentation of statistics related to the completed measures that are envisaged in the Action Plan. The largest and the most significant part of the Report is the detailed overview of the implementation of the measures - first in a table format and then in the narrative part which contains recommendations for the implementation of the AP activities in future. The qualitative analysis of the inputs submitted by the reporting entities according to the AP provides assessment of the degree to which the measures have been implemented, as well as the appropriate recommendations. At the same time this analysis indicates to certain weak points we have identified in the Action Plan. Being aware of the importance of the recommendations contained in the EC Opinion, we have indicated in some of the chapters to the necessity of achieving as soon as possible the objectives and measures important for complying with the EC recommendations.

The last part of The First Report on the Implementation of the Action Plan is the Conclusion which contains a brief overview of the most significant results achieved in the implementations of the AP measures.

Since the First Report covers the activities undertaken by the competent bodies within the AP individual measures in 2010 the statistics refers to that reporting period.

The Annex I enclosed to the Report provides the report of the Tripartite Commission for the analysis of the cases in the field of organized crime and corruption, as well as the Report on and development of the unique methodology of the statistical indicators in the field of organized crime and corruption.

The public in the country and abroad will be informed about the implementation of the Strategy and the Action Plan in 2010 through the meeting of the National Commission organized for the purposes of discussing and adopting the Report. That meeting will, namely, be open to the public. The First Report and the individual reports will be available in the website of the Government of Montenegro and the Directorate for Anti-Corruption Initiative. Translation of the Report to English will be provided by DACI.

We would also like to note that during the process of preparing the First Report, the procedure for Innovating the Action Plan for the Implementation of the Strategy for Fighting Corruption and Organized Crime was started. The aim of that procedure is to harmonize this Action Plan with the Action Plan for the

⁵ Measures 264 and 265, due to their specific nature were not subject to statistical analysis.

implementation of the seven recommendations contained in the EC Opinion, as well as with the changed scope of competences of individual administrative bodies and amendments proposed by NGO sector⁶.

⁶In the process of innovating the AP, key holders of the activities are to be defined as well as the other entities involved in the implementation of individual measures. The list of competent bodies should be changed in order to reflect the changes in the structure and names of some of the state administration organizational units. Instead of 21 municipalities submitting their individual reports it will in the future be the Ministry of Interior who will be submitting to the NC Secretariat the collective report for all local governments.

II. STATISTICS

MEASURES COMPLETED IN 2010 (DUE MEASURES) - STATISTICS

DEGREE OF IMPLEMENTATION OF THE MEASURES AND SUBMEASURES DEFINED IN THE ACTION PLAN BY CHAPTERS AND OBJECTIVES	C		C / CONT		PC		PC/CONT		NC		C + C/CONT	
	Completed		Completed (continuous)		Partly Completed		Partly Completed (continuous)		Not Completed			
	Measure	%	Measure	%	Measure	%	Measure	%	Measure	%	Total	%
I PRIORITIES OF COMBATING CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL	2	4,7%	4	9,3%	2	4,7%	21	48,8%	14	32,6%	6	14,0%
PARLIAMENT'S CONTROL FUNCTION AND IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS	0	0,0%	0	0,0%	0	0,0%	2	50,0%	2	50,0%	0	0,0%
POLITICAL PARTY FUNDING AND ELECTION PROCESSES	0	0,0%	0	0,0%	0	0,0%	1	50,0%	1	50,0%	0	0,0%
PREVENTION OF THE CONFLICT OF INTERESTS	0	0,0%	1	100,0%	0	0,0%	0	0,0%	0	0,0%	1	100,0%
INTEGRITY	0	0,0%	0	0,0%	0	0,0%	2	50,0%	2	50,0%	0	0,0%
FREE ACCESS TO INFORMATION	0	0,0%	0	0,0%	0	0,0%	2	66,7%	1	33,3%	0	0,0%
PROTECTION OF PERSONS REPORTING CORRUPTION	0	0,0%	0	0,0%	1	12,5%	4	50,0%	3	37,5%	0	0,0%
PUBLIC FINANCES	1	11,1%	3	33,3%	0	0,0%	3	33,3%	2	22,2%	4	44,4%
STATE PROPERTY	1	25,0%	0	0,0%	0	0,0%	2	50,0%	1	25,0%	1	25,0%
CAPITAL MARKET	0	0,0%	0	0,0%	0	0,0%	2	50,0%	2	50,0%	0	0,0%
PRIVATE SECTOR	0	0,0%	0	0,0%	1	25,0%	3	75,0%	0	0,0%	0	0,0%
II AREAS OF PARTICULAR RISK	7	10,8%	8	12,3%	7	10,8%	26	40,0%	17	26,2%	15	23,1%

PRIVATIZATION PROCESS	1	14,3%	1	14,3%	0	0,0%	5	71,4%	0	0,0%	2	28,6%
PUBLIC PROCUREMENT	0	-	0	-	0	-	0	-	0	-	0	-
URBAN PLANNING	1	11,1%	3	33,3%	0	0,0%	2	22,2%	3	33,3%	4	44,4%
EDUCATION	3	16,7%	1	5,6%	4	22,2%	5	27,8%	5	27,8%	4	22,2%
HEALTH CARE	0	0,0%	2	18,2%	2	18,2%	4	36,4%	3	27,3%	2	18,2%
LOCAL GOVERNMENT	1	8,3%	0	0,0%	1	8,3%	7	58,3%	3	25,0%	1	8,3%
CIVIL SOCIETY, MEDIA AND SPORT	1	12,5%	1	12,5%	0	0,0%	3	37,5%	3	37,5%	2	25,0%
III PREVENTION OF CORRUPTION IN LAW ENFORCEMENT AGENCIES	1	3,2%	3	9,7%	14	45,2%	6	19,4%	7	22,6%	4	12,9%
PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN THE POLICE	1	10,0%	0	0,0%	5	50,0%	1	10,0%	3	30,0%	1	10,0%
PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN JUDICIAL AUTHORITIES	0	0,0%	2	22,2%	5	55,6%	2	22,2%	0	0,0%	2	22,2%
CRIMINAL PROSECUTION AND FORFEITURE OF ILLICIT GAINS	0	0,0%	0	0,0%	0	0,0%	2	50,0%	2	50,0%	0	0,0%
COORDINATION AND DATA EXCHANGE	0	0,0%	0	0,0%	3	60,0%	1	20,0%	1	20,0%	0	0,0%
INTERNATIONAL COOPERATION	0	0,0%	1	33,3%	1	33,3%	0	0,0%	1	33,3%	1	33,3%
IV ORGANIZED CRIME	5	12,8%	1	2,6%	17	43,6%	0	0,0%	16	41,0%	6	15,4%
SITUATION ANALYSIS	0	0,0%	0	0,0%	2	50,0%	0	0,0%	2	50,0%	0	0,0%
PREDOMINANT FORMS	1	8,3%	0	0,0%	6	50,0%	0	0,0%	5	41,7%	1	8,3%
PREVENTION	1	11,1%	0	0,0%	4	44,4%	0	0,0%	4	44,4%	1	11,1%
COOPERATION BETWEEN PUBLIC AUTHORITIES	0	0,0%	0	0,0%	1	50,0%	0	0,0%	1	50,0%	0	0,0%
REGIONAL AND INTERNATIONAL COOPERATION	3	33,3%	0	0,0%	3	33,3%	0	0,0%	3	33,3%	3	33,3%

MONITORING	0	0,0%	1	33,3%	1	33,3%	0	0,0%	1	33,3%	1	33,3%
TOTAL	15	8,4%	16	9,0%	40	22,5%	53	29,8%	54	30,3%	31	17,4%

IMPLEMENTATION OF THE MEASURES FOR THE PERIOD 2011 - 2012 (NOT DUE)

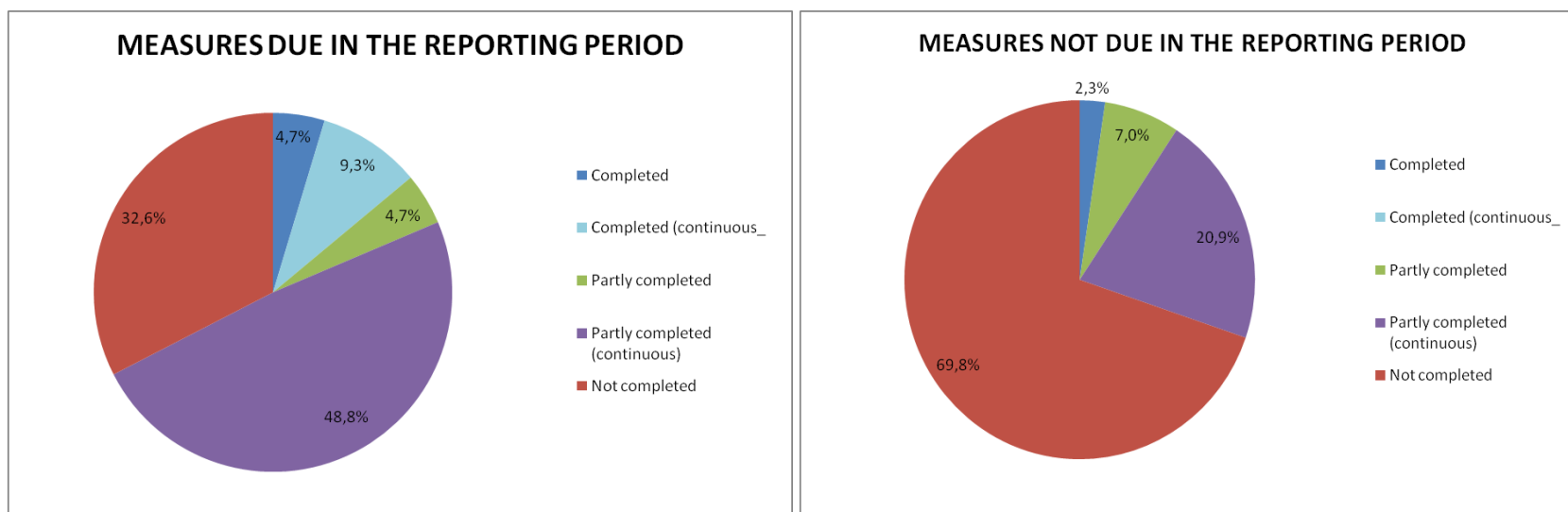
DEGREE OF IMPLEMENTATION OF THE MEASURES AND SUBMEASURES DEFINED IN THE ACTION PLAN BY CHAPTERS AND OBJECTIVES	C		C / CONT		PC		PC/CONT		NC		C + C/CONT	
	Completed		Completed (continuous)		Partly Completed		Partly Completed (continuous)		Not Completed			
	Measure	%	Measure	%	Measure	%	Measure	%	Measure	%	Total	%
I PRIORITIES OF COMBATING CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL	1	2,3%	0	0,0%	3	7,0%	9	20,9%	30	69,8%	1	2,3%
PARLIAMENT'S CONTROL FUNCTION AND IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS	0	0,0%	0	0,0%	0	0,0%	0	0,0%	2	100,0%	0	0,0%
POLITICAL PARTY FUNDING AND ELECTION PROCESSES	1	25,0%	0	0,0%	0	0,0%	0	0,0%	3	75,0%	1	25,0%
PREVENTION OF THE CONFLICT OF INTERESTS	0	0,0%	0	0,0%	0	0,0%	8	80,0%	2	20,0%	0	0,0%
INTEGRITY	0	0,0%	0	0,0%	2	20,0%	1	10,0%	7	70,0%	0	0,0%
FREE ACCESS TO INFORMATION	0	0,0%	0	0,0%	0	0,0%	0	0,0%	2	100,0%	0	0,0%
PROTECTION OF PERSONS REPORTING CORRUPTION	0	0,0%	0	0,0%	1	100,0%	0	0,0%	0	0,0%	0	0,0%
PUBLIC FINANCES	0	0,0%	0	0,0%	0	0,0%	0	0,0%	6	100,0%	0	0,0%
STATE PROPERTY	0	-	0	-	0	-	0	-	0	-	0	-

CAPITAL MARKET	0	0,0%	0	0,0%	0	0,0%	0	0,0%	7	100,0%	0	0,0%
PRIVATE SECTOR	0	0,0%	0	0,0%	0	0,0%	0	0,0%	1	100,0%	0	0,0%
II AREAS OF PARTICULAR RISK	0	0,0%	0	0,0%	2	10,5%	0	0,0%	17	89,5%	0	0,0%
PRIVATIZATION PROCESS	0	-	0	-	0	-	0	-	0	-	0	-
PUBLIC PROCUREMENT	0	0,0%	0	0,0%	1	8,3%	0	0,0%	11	91,7%	0	0,0%
URBAN PLANNING	0	-	0	-	0	-	0	-	0	-	0	-
EDUCATION	0	0,0%	0	0,0%	1	16,7%	0	0,0%	5	83,3%	0	0,0%
HEALTH CARE	0	-	0	-	0	-	0	-	0	-	0	-
LOCAL GOVERNMENT	0	-	0	-	0	-	0	-	0	-	0	-
CIVIL SOCIETY, MEDIA AND SPORT	0	0,0%	0	0,0%	0	0,0%	0	0,0%	1	100,0%	0	0,0%
III PREVENTION OF CORRUPTION IN LAW ENFORCEMENT AGENCIES	3	17,6%	0	0,0%	9	52,9%	1	5,9%	4	23,5%	3	17,6%
PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN THE POLICE	0	-	0	-	0	-	0	-	0	-	0	-
PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN JUDICIAL AUTHORITIES	1	20,0%	0	0,0%	3	60,0%	1	20,0%	0	0,0%	1	20,0%
CRIMINAL PROSECUTION AND FORFEITURE OF ILLICIT GAINS	0	0,0%	0	0,0%	2	100,0%	0	0,0%	0	0,0%	0	0,0%
COORDINATION AND DATA EXCHANGE	1	25,0%	0	0,0%	2	50,0%	0	0,0%	1	25,0%	1	25,0%
INTERNATIONAL COOPERATION	1	16,7%	0	0,0%	2	33,3%	0	0,0%	3	50,0%	1	16,7%
IV ORGANIZED CRIME	0	0,0%	0	0,0%	6	85,7%	0	0,0%	1	14,3%	0	0,0%
SITUATION ANALYSIS	0	-	0	-	0	-	0	-	0	-	0	-
PREDOMINANT FORMS	0	0,0%	0	0,0%	6	85,7%	0	0,0%	1	14,3%	0	0,0%

PREVENTION	0	-	0	-	0	-	0	-	0	-	0	-
COOPERATION BETWEEN PUBLIC AUTHORITIES	0	-	0	-	0	-	0	-	0	-	0	-
REGIONAL AND INTERNATIONAL COOPERATION	0	-	0	-	0	-	0	-	0	-	0	-
MONITORING	0	-	0	-	0	-	0	-	0	-	0	-
TOTAL	4	4,7%	0	0,0%	20	23,3%	10	11,6%	52	60,5%	4	4,7%

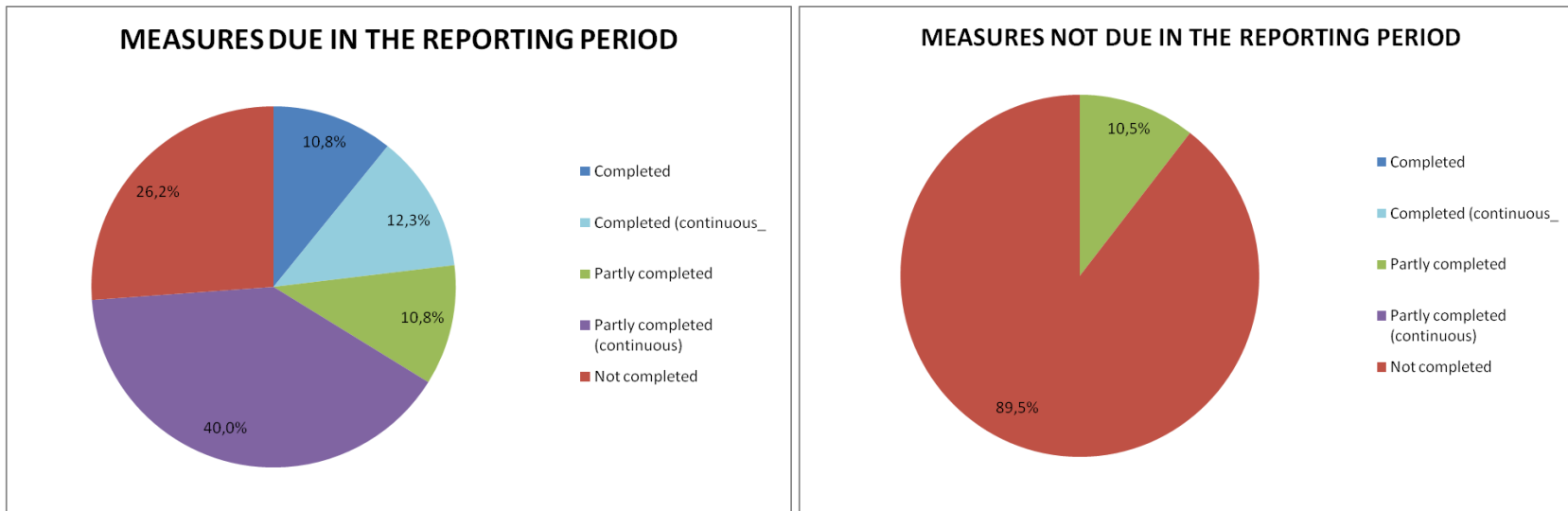
GRAPHIC PRESENTATION OF THE REALIZATION OF (DUE AND NOT DUE) MEASURES OF THE ACTION PLAN FOR THE IMPLEMENTATION OF THE PROGRAM FOR FIGHTING CORRUPTION AND ORGANIZED CRIME FOR THE PERIOD 2010-2012 – BREAKDOWN BY AREAS

I – PRIORITIES IN COMBATING CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL



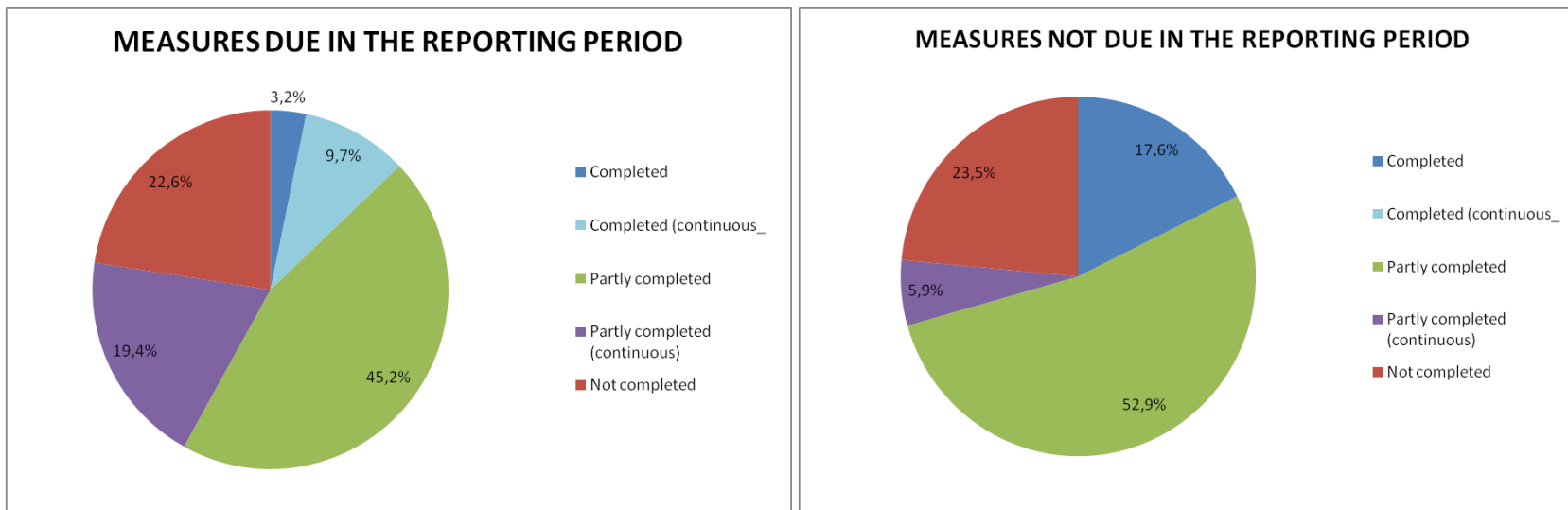
In this area 43 measures were due in the reporting period (50%) and 43 (50%) were not.

II - AREAS OF PARTICULAR RISK



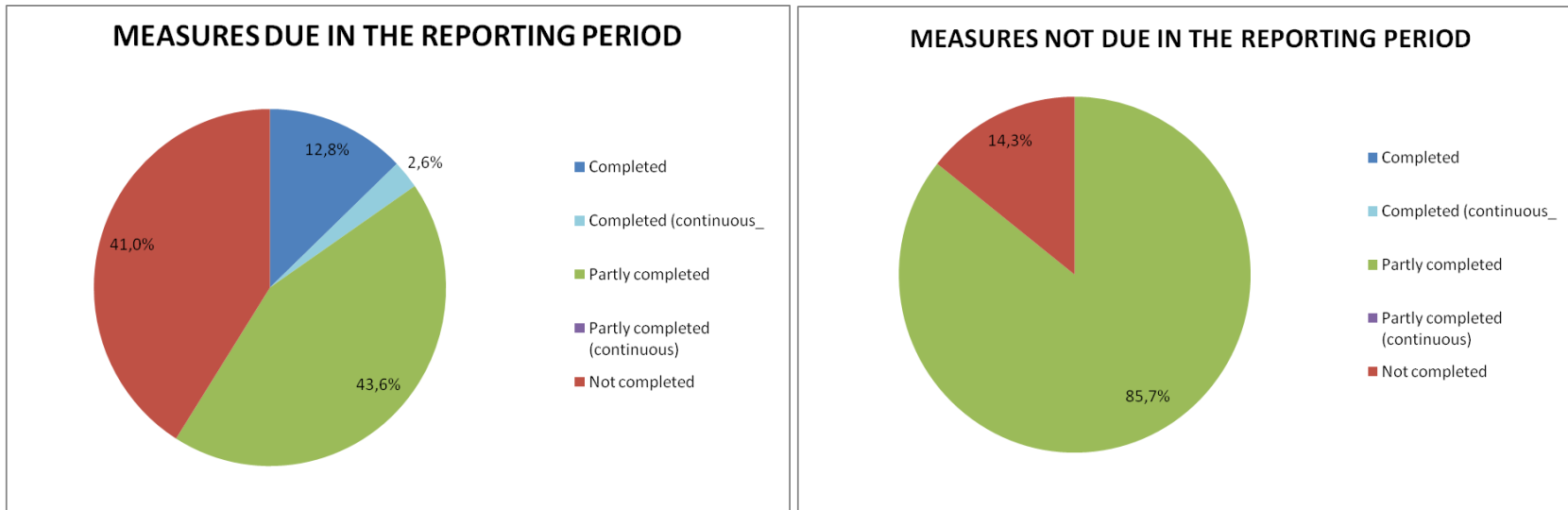
In this area 65 (77%) measures were due in the reporting period, while 19 (23%) were not due.

III - PREVENTION OF CORRUPTION IN LAW ENFORCEMENT AGENCIES



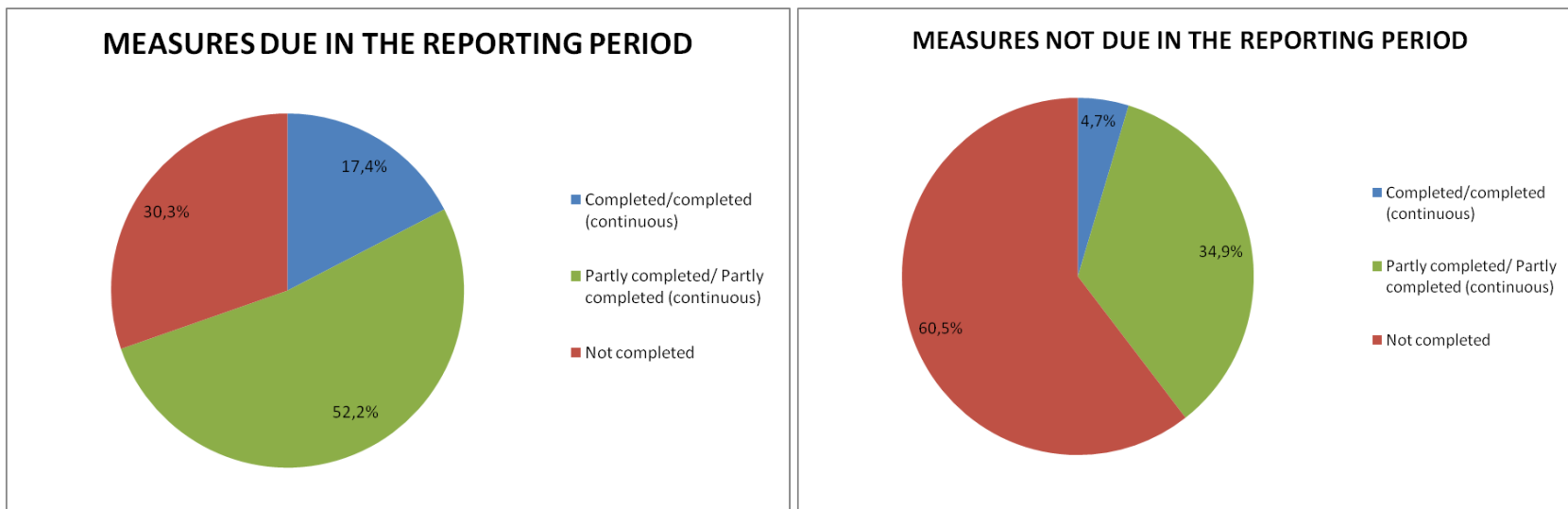
In this area 31 (65%) measures were due in the reporting period, while 17 (35%) were not due.

IV – ORGANIZED CRIME



In this area 39 (85%) measures were due in the reporting period, while 7 (15%) were not due.

DATA FOR ALL AREAS



In the reporting period the total number of due measures was 178 or 67,4%, while the number of measures that were not due was 86 (32,6%).

DEGREE OF COMPLETION OF THE MEASURES THAT WERE DUE IN THE REPORTING PERIOD

Total number of measures in the Action Plan is 266. 180 measures were due in the reporting period January-December 2010. It is important to underline that measures 264 and 265 due to their specific nature were not assessed and therefore they are not included in the statistics. Thus, the statistical data have been processed for 264 measures, 178 of which were due, while 86 were not.

Out of the due measures 15 (8.4%) have been completed, while 16 measures are being implemented continuously. In other words, the sum of the completed measures and the measures that are being implemented continuously in the reporting period is 31, which is 17.4% of the total number of due measures. At the same time, there are 93 (52.2%) measures that have been partly completed or that are being partly implemented continuously, while 54 measures or 30.3% have not been completed.

The highest degree of completion of due measures (C + C/cont) has been achieved in the following chapters: **Prevention of conflict of interests (100%), Urban planning (44,4%), Public finances (44,4%), Regional and international cooperation in the field of organized crime (33,3%), Monitoring (33,3%), Privatization process (28,6%), State property and Civil society , media and sport (25%) each.**

A characteristic feature of the reporting period is a high level of partly completed measures achieved in the following chapters: **Private sector (100%), Coordination and data exchange (80%), Preventive mechanisms for suppression of corruption in judicial authorities (77,8%), Privatization process (71,4%), Local self-government (66,6%), Protection of persons reporting corruption (whistle blowers) (62,5%), Preventive mechanisms for suppression of corruption in police (60%), Parliament's control function and implementation of international instruments and standards (50%) and State property (50%),**

If we analyse the data by areas, we can see that the highest degree of completion of the measures was achieved in the **Areas of particular risk (23,1%)** and 0,8% of the measures in this field were partly completed. In the area of **Organized crime** 15,4% of measures were completed, while 43,6% were partly completed. In the area **Priorities of combating corruption at the political and international level** 14% of measures were completed, while 53,5% of measures were partly completed. In the area of **Prevention of corruption in law enforcement agencies** 12,9% of measures were completed and 74,6% partly completed.

A large number of measures that were not due in the reporting period were also completed in many of the reporting entities. Thus, out of the measures that are due in the period 2011-2012 4,7% have already been completed, 34,9% are partly completed, while 60,5 % are not completed.

Analysis area by area shows that the largest number of partly completed measures can be found in the area of **Organized crime (85,7%).**

III. DETAILED OVERVIEW OF THE IMPLEMENTATION OF MEASURES

1. Table presentation

	OBJECTIVE	MEASURE	COMPETENT BODY	TIME FRAME	PERFORMANCE INDICATORS	SOURCE OF FINANCING	ASSESSMENT
I PRIORITIES IN PREVENTION OF CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL							
PARLIAMENT` S CONTROL FUNCTION AND IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS							
1	The Resolution on fight against corruption and organized crime is implemented and the mechanism of cooperation with the National Commission is defined	1. Monitoring implementation of the Resolution	Parliament of Montenegro	Continuous	Report on the control function of the Parliament and implementation of international instruments and standards		Not completed
		2. Establish cooperation with the National Commission for the fight against corruption and organized crime and other bodies and organizations from this AP	Parliament of Montenegro (representatives of all working bodies)	As of 2011 Continuous	Number of meetings, Number of joint recommendations		Not completed Time frame - 2011.
2	The legal framework and practice in the conduct of state bodies are improved thanks to an efficient use of Parliament`s control mechanisms.	3 Build capacity of technical services of the Parliament for application of control mechanisms (parliamentary investigation, control and consultative hearing)	Parliament of Montenegro	I Q 2011	-Increased number of professional assistants, -Increased number of applied control mechanisms		Not completed Time frame - I Q 2011.
		4 Disclosure of recommendations of the Parliament which arise from control mechanisms and monitoring their implementation	Parliament of Montenegro	Continuous	Number of bodies to which recommendations have been addressed; number of implemented recommendations of the Parliament by bodies to which they have been addressed		Partly completed After three hearings recommendations were given to the relevant bodies.
		5 Analyze and ensure compliance of legislation with international standards in the field of fight against corruption and organized crime	Ministry of Justice, Ministry of Internal Affairs and Public Administration - MIAPA, Directorate for Anti-Corruption Initiative – DACI	Continuous	Report prepared: number of laws for which the analysis has been carried out and titles of conventions in relation to which the analysis has been carried out, for each law respectively, number of approved amendments and number of adopted amendments to the laws	Budget and international organizations	Partly completed Analysis of criminal legislation, Law on Preventing of Conflict of Interests and Law on Political Party Funding through GRECO evaluations. (Reports on I, II and III evaluation which were adopted and published). In the process of drafting a new Public Procurement Law the analysis was done for this field as well

		6 Continue harmonisation of legislation with the UN Convention (Palermo, UNTOC), and other conventions in the field of fight against organized crime	MIAPA, Ministry of Justice	Continuous	-Full harmonization of regulations with conventions in the field of organized crime - Number of laws for which the analysis has been carried out and number and titles of conventions in relation to which the analysis has been carried out, for each law respectively, number of approved proposals of amendments to the laws and number of adopted amendments to the laws	Budget and international organizations	Not completed Legislation within the competences of MJ mostly harmonized with UNTOC, and other conventions in the field of fighting corruption and organized crime.
POLITICAL PARTY FUNDING AND ELECTION PROCESSES							
4	Adequate legal framework is established for the prevention of misuse of public funds and powers in an election process	7 Harmonisation of electoral laws with the Law on Amendments to the Law on Political Party Funding	Parliament of Montenegro	2011	The law adopted by the Parliament of Montenegro		Not completed Time frame - 2011.
5	Greater transparency of financial reporting of political parties and election campaigns	8 Organize trainings for acquiring specialized knowledge for conducting audits of financial operations of political parties, independent lists and candidates	SAI	Continuous	- Training program - Number of delivered trainings		Not completed No report in relation to this measure.
		9 Reporting on financial operations of political parties, independent lists and candidates	SEC	Continuous	Number of published reports	Budget	Partly completed 58 reports on collected and spent funds from public and private sources for election campaigns in the local elections, 6 annual reports of political parties on their property and 1 report on auditing the balance sheet of political parties
6							
7	Competences of the State Election Commission are harmonized with international standards	10 Analyze the existing legal framework concerning performance of the State Election Commission	Parliament of Montenegro SEC	2011	Analysis prepared	Budget	Not completed Montenegrin Parliament currently works on the amendments to the Law on Election of Councillors and Members of Parliament which will include a definition of the legal framework for operation of SEC Time frame - 2011.
	Improved capacity of SEC and municipal election commissions	11 Development of the Code of Ethics for members of the national and municipal election commissions	SEC	2011	- The Code of Ethics developed	Budget	Completed On 20 December 2010 SEC adopted the Code of Ethics for the body for conducting elections and it was published in the Official Gazette of Montenegro 76/10 Time frame -

							2011.
		12 Preparation of annual analyses on application of the Code of Ethics	SEC	2012	-Annual analysis on application of the Code of Ethics prepared		Not completed Time frame - 2012.
PREVENTION OF THE CONFLICT OF INTEREST							
8	The legislative framework is harmonized with international standards and recommendations of international organizations, particularly with regard to strengthening Commission's powers and independence	13 Development and adoption of amendments to the Law on the Prevention of Conflict of Interest	CPCI in cooperation with MIAPA	II Q 2011	The Law harmonized with international documents (UNCAC, EC, CoE recommendations etc.)		Partly completed initiative with very specific proposals for amending the Law on Prevention of Conflict of Interests sent to MIAPA Time frame - II Q 2011.
		14 Report on implementation of the Law	CPCI	Continuous	- Number of submitted reports on income and assets against the number of public officials; number of submitted misdemeanor charges; number and type of sanctions imposed;		Completed CPCI report available at: www.konfliktinteresa.me
9	Administrative capacity of the Commission for the Prevention of Conflict of Interests is enhanced	15 Staff recruitment for positions in accordance with the Rulebook on Job descriptions	CPCI in cooperation with the Human Resources Management Authority – HRMA	2011	- Number of filled vacancies in accordance with the Rulebook	Insufficient funds IPA 2010	Not completed Time frame - 2011.
		16 Purchase of additional computer equipment	CPCI	I Q 2012	- Specification of the computer equipment - Equipment purchased		Partly completed Computer equipment purchased Time Frame IQ 2012
		17 Organization of trainings for members of the Commission and employees of the Technical Service of the Commission	CPCI in cooperation with HRMA	2011-2012	- Training program - Number of trainings, type of trainings		Partly completed: CPCI staff participated in 3 seminars organized by HRMA and members of the CPCI participated in 3 international conferences
10	Inter-institutional cooperation is established for an efficient check-up of data on revenues and property owned by public officials in the country and abroad	18 Signing agreements with public authorities	CPCI in cooperation with other public bodies	2011-2012	-Number of agreements signed with public authorities - Report on implementation of signed agreements		Partly completed Agreement with TA has been signed, draft agreements on cooperation with the HMRA and Real Estate Directorate have been prepared
		19 Signing agreements with similar institutions in the region and third countries, as well as with international organizations	CPCI	2011- 2012	Number of signed agreements		Partly completed Memoranda of Cooperation with counterpart institutions in Croatia and Bulgaria have been signed.

11	Awareness is raised among public officials and state employees of the significance of the prevention of conflict of interests in the exercise of public office	20 Organization of trainings for state and local public officials 21 Organization of trainings for civil servants and state employees	CPCI in cooperation with HRMA CPCI CPCI in cooperation with HRMA	2011- 2012 2011- 2012	-Number of trainings, number of trainees -Number of trainings, number of trainees	No attendance in trainings Donors	Partly completed Commission organized 6 seminars for national and local public officials, judges and prosecutors, NGOs and media in most of Montenegrin municipalities (about 350 participants). Time frame – starting from 2011.
		22 Organization of trainings for media and NGOs on monitoring the conflict of interest of public officials 23 Implementation of 14 Programs of the Commission which contribute to better implementation of law in the field of conflict of interest			-Number of trainings, number of trainees -Specific programs which have been implemented (media campaigns, surveys, TV video, updated website in English etc.)		Not completed Time frame - during 2011
		20 Organization of trainings for state and local public officials			-Number of trainings, number of trainees		Partly completed See measure 20.
		21 Organization of trainings for civil servants and state employees	KSSI		-Number of trainings, number of trainees	Budget Donors	Partly completed NGO CEMI ensured support in the development of a new data base adapted to the new Law. Priority programmes implemented: programme of education, developing of a new data base, preparing press clipping, printing 2 leaflets on conflict of interests. Time frame – starting from 2011
		INTEGRITY					
12	Duty to adopt integrity plans in public administration is regulated by law	24 Adoption of the Law on Amendments to the Law on Civil Servants and State Employees with the aim of laying down the obligation to adopt integrity plans in public sector	MIAPA, Government of Montenegro, Parliament of Montenegro	2011	Law on Amendments to the Law on Civil Servants and State Employees adopted		Not completed WG for developing the Law has been established. Time frame - 2011.
		25 Adopt integrity plans in public sector	All public administration bodies	2011 Continuous	Integrity plans adopted, number of institutions		Partly completed. Customs administration, TA, MF and DACI have their integrity plans adopted. PD started the activities on the implementation of this measure. Time frame - 2011
		26 Build capacity of DACI to monitor		I Q 2011	Increased number of employees in	Budget,	Not completed

		implementation of provisions concerning integrity plans	MF, DACI		DACI; technical equipment for integrity plans monitoring; Increased number of bodies whose activities in the field of integrity are monitored	Administrative capacities IPA 2010	Time frame - 1 Q 2011.
		27 Specialized trainings (gain new knowledge and skills in the field of integrity strengthening for: employee of the CA, TA, DFMLFT, internal auditors and inspection services)	HRMA, MF – CA, TA, PD, DSMLFT; Inspection services of competent departments	Continuous	Training program developed Number of trainings in the country and abroad	No attendance at trainings IPA 2009 Donors	Partly completed 32 trainings for civil servants have been organized: in CA, PD, TA, DSMLFT, Market inspections, ME, MOSDT. Only ME adopted a special curriculum for training (for inspectors).
13	Recruitment, reward and merit based career systems are improved in the public sector by establishing objective criteria	28 Adopt the Law on Amendments to the Law on Salaries of Civil Servants and State Employees	MF	2011	Law on Amendments to the Law on Salaries of Civil Servants and State Employees adopted	Limited budget capacities	Not completed Time frame - 2011.
		29 Revise and change recruitment system in public administration (recruitment of civil servants and state employees) by introducing objective criteria and more advanced methods for testing the candidates	MIAPA, HRMA	2011	Law on Civil Servants and State Employees amended		Not completed Platform for developing the new Law on Civil Servants and State Employees is in its final stage. It will be followed by work on Draft Law. WG has been established. Time frame 2011.
		30 Improve job descriptions and criteria for the positions of civil servants and state employees in public administration by providing guidelines for updating the Rulebook on internal organization	MIAPA - HRMA in cooperation with public administration bodies	Continuous	Rulebooks on internal organization and job descriptions of public authorities amended		Partly completed HRMA established the Methodology for drafting documents on internal organization and systematization. The procedure for adoption of the new Rulebook on internal organization and systematization of job positions in PD is in progress – changes are aimed at improving fighting against corruption and organized crime.
		31 Analyze the existing condition and propose objective criteria for advancement and reward of employees, with the aim of retaining the high quality staff and managing human resources (merit-based career system)	MIAPA, MF, HRMA	2011	Analysis prepared and objective criteria defined Brain drain reduced		Partly completed Time frame - 2011. See measure 29.
14	Codes of Ethics are fully implemented in entire	32 Revise the Code of Ethics of civil servants and state employees and other individual Codes	MIAPA	1 Q 2011	Code of Ethics of civil servants and state employees adopted	Donors	Not completed Time frame - 1 Q 2011. See measure 29.
		33 Training of civil servants and state	HRMA,		- Program developed; - Number of	Trainings not	Partly completed

	public administration	employees at the central and local level on the Code of Ethics, including the obligation to sign the statement of acceptance of the Code of Ethics (during recruitment and once a year)	MIAPA All public authorities	2 Q 2011	trainings delivered at the central and local level - Number of signed statements on acceptance of the provisions of the Codes of Ethics against the number of employees in public administration	attended	MIAPA, Administration for the games of chance, TA, CA, Institution for enforcement of criminal sanctions and DACI organized trainings. TA and CA have their separate Codes of Ethics Time frame - IIQ 2011
		34 Ensure implementation of the Codes of Ethics through the work of disciplinary bodies and periodical checks of compliance with the Codes so as to ensure building the confidence of citizens as beneficiaries of services in service oriented public administration	MIAPA	Continuous	Annual reports on implementation of the Codes of Ethics prepared; Number of initiated proceedings on grounds of infringements; Number of imposed disciplinary measures		Not completed
		35 Publish decisions of the Ethics Committee and disciplinary bodies on the most frequent ethical dilemmas faced by civil servants and state employees	MIAPA	Annual (in IV Q) Continuous	Decisions and ethical dilemmas published on MIAPA website		Not completed
15	Lobbying is regulated by law	36 Adopt the Law on Lobbying	MF, Government of Montenegro, Parliament of Montenegro	I Q 2011	Law adopted		Not completed Draft Law on Lobbying submitted to MF. Time frame - I Q 2011.
		37 Build capacity of DACI and MF for efficient implementation of the Law on Lobbying by increasing the number of staff positions and provision of technical conditions	MF, DACI	2 Q 2011	Increased number of employees Technical conditions in place	Budget IPA 2010	Not completed Time frame - 2Q 2011.
FREE ACCESS TO INFORMATION							
16	Regulations are harmonized in a way to make free access to documents of public importance a basic principle, and confidentiality of information an exception	38 Adopt the Law on Amendments to the Law on Free Access to Information - introduction of two instance proceedings; - clearly define misdemeanor liability	Ministry of Culture	I Q 2011	Amendments to the Law adopted with the aim of introducing two instance proceedings and clearly defining misdemeanor liability		Not completed Completion decline 1Q 2011 NO report from MC
17	Administrative and technical capacity for the implementation of regulations on free access to information is developed	39 Trainings of staff – responsible for handling requests for free access to information in accordance with the case law and international standards	HRMA in cooperation with public bodies, NGOs	Continuous	Reduced number of second instance cases in relation to handling requests for free access to information	No attendance at trainings	Partly completed HRMA, PPD, GCA provided training for their staff, Appellate court, PD and PPD reported reduced number of second instance cases
18	Effective supervision of the implementation of regulations on free access	40 Lay down the obligation of staff – responsible for handling requests for free access to information to submit quarterly reports to the second instance body (which	Body responsible for monitoring implementation of laws, All public administration	I Q 2011	Regular quarterly reports submitted by public authorities to the second instance body responsible for monitoring - Number of granted requests		Not completed Administrative court in the reported period closed

	to information is provided	monitors law implementation) on the implementation of the Law, reasons for denial of the free access to information and the railings of the AC	bodies, Administrative Court		- Number of dismissed requests, Number of requests with the same subject of one institution addressed to one or several public authorities		315 cases: 181 requests granted, in 37 denied; in 87 cases the procedure suspended, 8 cases dismissed DACI, ME, Ministry of Sustainable Development and Tourism, MS, PD, CA, TA, Penitentiary institution submitted their statistics for the previous year Deadline 1 Q 2011. Second instance body to make an oversight of the implementation of the Law on Free Access to Information does not exist and there are no amendments to the Law.
19	Public authorities are transparent and show a culture of openness, enjoying citizens' absolute trust	41 Regular updating and availability of all data from the competence of public authorities and administrative authorities through: - Web presentation of institutions; - Development of electronic services adapted to citizens and business entities;	Parliament of Montenegro, All public administration bodies, Public institutions, NGOs	Continuous	- Updating web presentation of bodies and institutions, -Electronic system for servicing citizens and business entities in place	Budget for provision of electronic system Donors	Partly completed Parliament, PPD, ME, MSDT, MS, MF, Administration for Games of Chance, TA, CA, PD, Penitentiary institution and DACI reported they regularly update their web presentations. MIAPA created two electronic services for on-line ordering of birth certificates, certificates of MNE citizenship and certificates of residence, as well as on-line tracking of document issuance. ME: special mail addresses for communication with citizens MSDT: Plans to design an on-line service for citizens for issuing documents that this Ministry issues. TA: Designing of the data base of registered taxpayers under way DACI: Online corruption reporting. All authorities did not submit their information regarding this measure.
		42 Promote the culture of openness of	MCM, Body responsible		Reduction of requests for free access to		Not completed

		public authorities, proactively publish information and encourage citizens to exercise their right to free access to information	for monitoring law implementation	Continuous	information		We do not have a report for this measure. MANS submitted a report for this measure even though it is not a reporting entity.
PROTECTION OF PERSONS WHO REPORT CORRUPTION							
20	Institutional and legal framework governing protection of persons who report corruption ("whistleblowers") in both public and private sectors is improved	43 Analyze the need to adopt a separate law and improve mechanisms for protection against negative effects	MIAPA, DACI, PD	2010	Analysis of the need for adoption prepared, legislative framework amended		Partially completed WG made an overview of the legislation in force and submitted proposed measures for amending the Labour Law and the Law on Civil Servants and Employees to the line ministries in August 2010. WG for writing a draft Law on Civil Servants and Employees established (MIAPA)
		44 Expand the scope of protection to all employees	, MLSW	2011	Labor Law amended		Partly realized MLSW: draft amendments for the Labour Law provide for this instrument.
		45 Build administrative capacity through specialization of employees involved in receiving and processing of corruption reporting cases, and protection of persons reporting corruption	MIAPA, HRMA, all public administration bodies, employer and competent bodies of employer	Continuous	- Number of training programs - Number of trainees		Partly realized PPD, ME, PD, TA, HRMA, DACI reported about trainings delivered to the employees in charge of receiving and processing corruption reports and protecting persons reporting corruption.
		46 Regularly perform analysis of measures for the protection of persons reporting corruption and results of applied measures	DACI in cooperation with PD	Continuous	Six-month and annual reports which contain statistical indicators		Not completed DACI: regarding existing mechanisms for protection, reporting entities did not request their application, nor did PD officers estimate they need to be applied. PD: No activities
21	A two instance system for efficient corruption reporting is established in all institutions significant for anticorruption policies	47 Report on results of application of mechanisms for corruption reporting within the organization (internal control)	DACI, MIAPA, Customs Administration, Tax Administration	Continuous	Mechanism for corruption reporting inside the organization clearly defined, published and available; number of cases of corruption reporting presented by using this mechanism		Not completed DACI: Once adopted, the new Law on Civil Servants and Employees will enable reporting about the results of application of the mechanism for reporting corruption inside the organization.

							CA and TA established a help-line to receive corruption reports.
		48 Define the mechanism for reporting corruption to the second instance body if corruption reporting within the body failed to produce adequate results	MIAPA, DACI	Continuous	Mechanism for corruption reporting to the second instance body clearly defined, published and available; number of cases of corruption reporting presented by using this mechanism		Not completed After a new Law on Civil Servants and Employees is adopted.
22	Corruption reporting is an important source for detection and prevention of corruption	49 Promote channels for corruption reporting and protection mechanisms	DACI and other competent authorities	Continuous	Number of information campaigns, Annual public opinion surveys		Partly completed PPD, Administration for Games of Chance, TA, CA, PD, DACI, MANS, MH: reported on how they promoted the channels and ways for reporting corruption
		50 Promote good examples of corruption reporting (particularly if reporting had impact on prevention of punishable act, occurrence of damage or if it indicated complicated procedures which create room for corruptive practices)	DACI	Continuous	Six-month and annual reports which contain statistical indicators, Number of information campaigns, Annual public opinion surveys	Donors	Partly realized Statistics reflecting an increased number of reports, campaigns and annual public opinion surveys.
		51 Conduct campaigns in order to raise public awareness and encourage citizens (and specific target groups) to report corruption	Police Directorate, DACI in cooperation with NGOs	Continuous	Number of conducted campaigns Increased number of reported corruption cases	Donors	Partly realized DACI organized 3 campaigns In 2010 DACI received 140 reports on suspected corruption and the total of 98 in 2009.
PUBLIC FINANCE							
23	Public finance normative framework is fully harmonized	52 Proposal of the Law on State Audit Institution (amendments)	Committee for economy, finances and budget in cooperation with SAI	2010	Proposal of the Law on Amendments to the Law on SAI prepared and public debate organized	Budget	Not completed WG to analyse the EU Commission's recommendations and to propose new solutions for amending the Law on SAI .
		53 Law on State Audit Institution (amendments) adopted	Parliament of Montenegro in cooperation with SAI	IQ 2011	Law on SAI adopted, harmonized with the Constitution of Montenegro (particularly in the part concerning hiring commercial audit firms to carry out audit of operations of municipalities and public enterprises, ensuring full financial autonomy of SAI etc.)	Budget	Not completed Activity scheduled for May 2011
		54 Proposal of the law or regulation on setting up the Audit Authority for external audit of IPA funds	SAI and MF, Government of Montenegro	2011	Proposal of the regulation for setting up Audit Authority to carry out audit of IPA funds in line with the SAA prepared	Budget IPA 2009 'Strengthening of External Audit in Montenegro"	Not completed WG for analysing and preparing proposals in line with the EC established, deadline for drawing up opinion with recommendations and

							modalities for adoption of legislation set for February 2011. Deadline for completing this measure is 2011.
		55 Adoption of the law on setting up the Audit Authority to carry out audit of IPA funds	Parliament of Montenegro	2011	Law or regulation on setting up the Audit Authority to carry out audit of IPA funds adopted;	IPA 2009 'Strengthening of External Audit in Montenegro'	Not completed Activity scheduled for May 2011.
		56 Set up an autonomous Audit Authority outside the organizational structure of SAI	MF, Government of Montenegro,	2012	Independent audit authority outside the organizational structure of SAI.	Budget, administrative capacities IPA 2009 'Strengthening of External Audit in Montenegro'	Not completed Realization of this measure scheduled for the end of 2011 and at latest by the day when MNE requests transfer of management of EU funds. Deadline for completing this measure is 2012.
24	Public spending at national and local government levels is transparent, efficient and economical	57 Regular submission of annual audit report and individual audit reports to the Parliament of Montenegro	SAI	Continuous	-Increase in performance of audits of regularities and audits of cost-effectiveness, efficiency and effectiveness ; -Increased regularity in spending public funds through an increased scope of coverage of public spending by audit; -Increased external control of all budget beneficiaries in spending public funds; -Increased financial and fiscal discipline in public spending	Budget, Lack of auditors in the labour market. Lack of funds to recruit auditors so as to coverage public spending audit.	Completed Completed audit of the annual balance sheet of the MNE Budget for 2009 and submitted to the Parliament. As provided in the Annual Audit Plan for 2010, SAI completed individual 13 audits.
		58 Presentation of SAI audit findings to the public through regular press conferences held after performance of audits	SAI	Continuous	-Number of press conferences held after performance of audits -Increased transparency of public spending	Budget	Partly completed In November 2010, SAI held a press conference on the occasion of releasing the Annual report on audits and activities for the period October 2009-October 2010.
		59 Hiring necessary auditing staff in accordance with the Rulebook on internal organization and job descriptions	SAI	2010-2011	- Competition for recruitment of new state auditors announced; increased capacity of SAI by recruitment of new auditing staff Recruitment plan to be adopted by 2012;	Budget Funds for recruitment of new auditors	Completed SAI adopted provisional plan for recruitment of auditors they budgeted for next year and as specified in its Rulebook on internal organization and job classification until 2012.
		60 Recruitment of staff in Audit Authority to carry out audit of IPA funds	SAI	2012	--Recruitment plan until 2012 adopted, -Competition for recruitment of staff	External funding - IPA 2009	Not completed After a regulation or a law on

25	Administrative, technical and resource capacity in the public finances sector is developed		Ministry of Finance		announced, - Staff in the Audit Authority to carry out audit of IPA funds has been provided and recruited	Depending on the realization of the project of introducing of Decentralized implementation system (DIS) IPA 2009	establishing the audit body for IPA funds is adopted, necessary staff will be recruited for that body. Deadline for completion is 2012.
		61 Education of auditing staff to carry out audit of IPA funds and audit of cost-effectiveness, efficiency and effectiveness	SAI	As of 2012 - continuous	-Number of delivered seminars and trainings for auditing staff under IPA project -Capacity built in public finances sector through the presence of auditing staff in possession of state auditor license and knowledge and skills gained in the field of audit	External funding- IPA 2009 Lack of funds for IPA 2009 GTZ	Not completed In the reported period the licence for auditors were granted to 12 civil servants, some of them work in other state authorities and institutions. GTZ organized a workshop on Regional dialogue between audit bodies on the topic of auditing IPA funds. Deadline for completion is 2012.
26	Effective control system is in place to overview disposal of public funds by budget spending units	62 Continuously control beneficiaries of budget funds	SAI	Continuous	Decreased number of irregularities in spending public funds -Number of controls of beneficiaries of budget funds -Number of identified irregularities	Budget	Completed The Annual audit report contains the excerpts from the audit of the MNE budget's balance sheet for 2009 but also the excerpts from 13 individual audits specifying the number of recommendations given and implemented
27	Efforts to suppress "grey" economy record progress	63 Report on tax revenues and number of registered taxpayers	Tax Administration/ Internal control at the TA	Continuous	- Report prepared	Budget	Completed The report for this reporting period prepared, delinquencies in the amount of 26.761.201,00€ collected via a phone contact
28	Efficient internal audit system in spending units is in place	64 Internal audit of budget funds of budget beneficiaries	Ministry of Finance	Continuous	Number of reports on budget audit, number of identified irregularities and number of recommendations, number of eliminated irregularities against given recommendations	Budget	Not completed Before the end of 2010 the regulations on internal organization and job classification adopted conducive to establishment of internal audit units in 18 spending units; staff recruitment of internal

							auditors for these units is under way.
29	Control audits in audit subjects are efficient	65 Continuously control and comply with recommendations from the findings of State Audit Institution	SAI	Continuous	-Control of regularity of the procedure for opening accounts of spending units at commercial banks and regularity of their operations -Increased compliance with and implementation of SAI recommendations	Budget	Partly completed In the period July-December 2010, SAI completed one control audit at: - Employment Agency of MNE; SAI found that most of the recommendations from the Audit report for 2008 were implemented.
30	Risk analysis system in public finances is further developed	66 Education of the management staff and civil servants in all spending units to manage risks	SAI	Continuous	-Trainings plan developed; -Number of trainings for the management staff -Number of trainings for civil servants	Budget Insufficient funds	Partly completed The plan for training on risk management for SAI's managerial staff and civil servants in all spending units was not made. However, in cooperation with HRMA trainings on risk management delivered for managerial staff and civil servants in all spending units.
STATE PROPERTY							
31	Further implementation of the Law on State Property and development of secondary legislation governing state property	67 Prepare a six-month report on performance of the Directorate for Property and Protector of Property Law Interests of Montenegro	Directorate for Property, Protector of Property Law Interests of Montenegro	Continuous	Report on the use, management and disposal of assets and other goods belonging to Montenegro and affairs related to the protection of property prepared	Budget	Not completed Drafting of the Annual report on the performance of the Protector of Property Law Interests of MNE under way.
		68 Prepare secondary legislation needed for implementation of provisions of the Law on State Property	MF in cooperation with the Directorate for Property	2010-2011	Number of adopted pieces of secondary legislation	Budget	Completed MF adopted secondary legislation regulating this area and two more are in the pipeline. Directorate for Property adopted a new rulebook.
32	Administrative, technical, financial and institutional capacity is developed for an efficient implementation of relevant laws in order to protect state property against all kinds of abuse	69 Staff recruitment in accordance with the Rulebook on internal organization and job descriptions and training of new staff	MF in cooperation with the Directorate for Property and Protector of Property Law Interests	2010 Continuous	Increased number of employees at the Directorate and office of the Protector of Property Law Interests, recruited staff, number of newly employed, total number of trainings, number of trainees against the number of newly employed	Budget Insufficient funds	Partly completed Staffing in compliance with the Directorate's rulebook was not completed to the full. One person was hired in 2010 and the recruitment of staff for the Directorate is still under way.
		70 Building technical capacity by defining needs and purchasing necessary equipment	Directorate for Property, Protector of Property Law Interests of Montenegro	Continuous	Necessary equipment purchased in accordance with identified needs	Insufficient funds Donors	Partly completed Fully identified needs for purchasing equipment and – as a result - all offices of the

							Protector appropriately equipped and furnished. No report about this measure regarding the Directorate for Property.			
CAPITAL MARKET										
33	Legislation in the area of banking, insurance and other financial services is harmonized with international standards	71 Harmonization of national legislation in the field of capital market with the relevant EU Directives – Law on Securities.	Ministry of Finance, Securities Commission, Insurance Supervision Agency	2011-2012	Laws harmonized in accordance with the Acquis Communautaire requirements Transposition tables prepared	Administrative capacities Twinning “Strengthening regulatory and supervisory capacities of financial regulators” IPA 2008	Not completed No reports about this measure Deadline for delivering on this measure is 2011-2012			
		72 Law on Investment Funds								Deadline for delivering on this measure is 2011-2012
		73 Law on Taking over Stock Companies								Deadline for delivering on this measure is 2011-2012
		74 Law on Voluntary Pension Funds								Deadline for delivering on this measure is 2011-2012
		75 Insurance Law								Not completed Activates to complete harmonisation of the Insurance Law with the Acquis started, particularly those focused on the field of solvency . Deadline for delivering on this measure is 2011-2012
34	System of registration, clearing and depositories is efficient	76 Development of the institution of depository (custody) of securities in accordance with international standards	Securities Commission	2012	-The system of custody licensing for open investment funds introduced; - Supervision by a foreign custody introduced		Not completed No report about this measure. Deadline for delivering on this measure is 2012			
		77 Increased efficiency and certainty of reconciliation and security of data protection, registration and reconciliation of transactions	Securities Commission	2012	- Clear procedures prescribed for ownership transfer based on non-market transactions (gift agreement, enforcement decision) and also based on termination of agreement.	Budget SC	Not completed No report about this measure. Deadline for delivering on this measure is 2012.			
35	Institutional position of stock exchanges is further strengthened and international cooperation	78 Development of information system of participants on the capital market by increasing efficiency and reliability of IT systems of the Securities Commission, CDA and all participants on the capital market	Securities Commission	2010 Continuous	IT system upgraded	Insufficient funds Budget SC Donors	Partly completed IT upgrading is under way in SC and CDA .			

	developed	79 Signing bilateral memorandums of understanding with international partners	Securities Commission	Continuous	- Reporting on implementation of MOU with IOSCO - Number of requests to access information under MoU	Number of transactions involving internationals – requirement to have enhanced international cooperation. Budget SC	Not completed No report about this measure
		80 Signing memorandums of understanding with national institutions and intensifying cooperation under already signed memorandums	Securities Commission	Continuous	- Number of signed MoUs - Memorandum signed with the Central Bank of Montenegro and Insurance Supervision Agency - Memorandum signed with the Police Directorate – Division for Combating Financial Crime - Reports on implementation of bilateral agreements	Provisions on bank secrecy that impede exchange of information relevant for investigating abuses and preventing them in the capital market - including collection of information on transactions to and from the clients' accounts.	Not completed No report about this measure
36	Financial reporting of participants in the capital market is improved	81 Improvement of financial reporting of authorized participants (companies, investment funds), establishing public information library	Ministry of Finance, Securities Commission	Continuous	- Regular reporting by Securities Commission in order to better inform participants on the market - Public information library is prepared and regularly updated - Number of misdemeanor sanctions due to failure to act in accordance with reporting requirements	No	Partly completed MF: 79 sanctions for failure to act in compliance with the reporting requirement SC: Amended rulebook on contents, deadlines and manner of financial reporting of the SC reporting entities, information brochure with more than 8,000 financial reports published
PRIVATE SECTOR							
37	Business barriers are eliminated	82 Development of the new Action Plan for the reform of business environment	Council for regulatory reform and improvement of business environment	IV Q 2010	New Action plan for the reform of the business enabling environment	Budget and IPA 2008 „Improvement of business environment for SMEs“	Partly completed The draft AP for the reform of enabling business environment prepared.
		83 Implementation of the Law on Improvement of Business Environment	Council for regulatory reform and improvement of business environment	Continuous	Report of the Council for regulatory reform and improvement of business environment	Budget	Partly completed The Law on Improvement of Business Environment was adopted with a view to cut back the costs for certain

							administrative procedures.
38	The project "Guillotine of Regulations" is successfully implemented	84 Implementation of the Action Plan for Implementation of the Regulatory Reform Strategy	Operational team of the Council for regulatory reform and improvement of business environment	IQ 2011	Report drafted and submitted to the National Commission	Budget	Not completed No report about this measure. Deadline for delivering on this measure is 2011.
39	Public-private partnership is efficient and mutual confidence is developed	85 Sessions of the Council for Regulatory Reform and Improvement of Business Environment are held	Council for regulatory reform and improvement of business environment	Continuous	Number of accepted recommendations given by private sector.	Budget	Partly completed Ongoing meetings discussing improvements of business procedures particularly: construction permissions, tax payment, execution of contracts and real estate registration. In the period to come the priority will be the adoption of the draft Law on Execution and Security.
40	Fight against corruption in the private sector is more efficient	86 Report on prevention of corporate corruption	Business association / MNE Chamber of Commerce, MBA, EFM/ in cooperation with DACI and NGO	Continuous	- Report prepared - Number of recommendation - Number of round tables; - Plan of activities		Partly completed Three round tables addressing the topic of "Code of Ethics in companies with the function of reduction of corruption", and promotional materials were disseminated. Agreement on cooperation signed between DACI and Chamber of Commerce of MNE.

II AREAS OF PARTICULAR RISK

PRIVATIZATION PROCESS

41	Regulatory and institutional system is established for monitoring the implementation of privatization contracts, while greater transparency of the process is ensured	87 Establish the system for control of investments in privatized companies and fulfilment of contractual obligations	Ministry of Economy Privatisation Council	2010	- System for control of investments in privatized companies and fulfilment of contractual obligations established	Budget	Completed The system established after the appointment of the consortium led by the School of Economics from Podgorica that will prepare the report for the Council and the Government. Also, teams to control the companies that were not covered by the report of the School of Economics appointed.
		88 Prepare reports on implementation of privatization contracts	Privatisation Council	2010 Continuous	- Number of prepared reports - Set up a data base on privatized companies	Budget	Partly completed Reports prepared and once adopted by the Privatisation Council they will be available at the web site of the PC

		89 Ensure access to information on privatization contracts in accordance with the Law on Free Access to Information	Ministry of Economy Privatisation Council	Continuous	- Number of granted and denied requests out of total number of requests - Number of requests dismissed by Administrative Court	Budget	Partly completed Privatisation Council: 170 requests received, 9 denied because PC did not have information, 5 dismissed by Administrative Court; Ministry of Economy: 4 requests received, all granted. ME released 6 contracts and their annexes. It also applies to all other requests that the public made through ME's PR.
		90 Continuous training of persons responsible for rendering decisions on access to information	Ministry of Economy, Privatisation Council HRMA	Continuous	Number of trainings	Budget	Partly completed PC and ME staff in charge of implementing the Law participate in all trainings that are organized and provided for civil servants.
		91 Regularly publish press releases and public invitations for tender procedures	Privatisation Council	Continuous	Number of press releases and public invitations at the web-portal of Privatisation Council	Budget	Completed Privatization Council published 4 public invitations at its web-portal. Also, there is an ongoing activity of publishing press releases.
42	Work of the Committee for Monitoring and Control of the Privatization Process is efficient	92 Regular meetings of the Committee for Monitoring and Control of the Privatization Process	Committee for Monitoring and Control of the Privatization Process	Continuous	Number of Commission's meetings, number of requests to institutions in charge of privatization and the number of received answers, number of consultative hearings and recommendations and the level of implementation of recommendations	Budget	Partly completed In 2010 the Commission considered 5 privatizations and held 3 sessions – 6 meetings. In addition, there were no consultation or control hearings. There were 9 requests addressed to institutions and to all 9 the Commission replied.
43	Public participates in designing and implementing privatization strategies for enterprises of special interest to the public, particularly in the area of transport, tourism and energy	93 Organization of public debates on plans and strategies for privatization of enterprises of strategic relevance, especially in the field of energy, transport, tourism and privatization of public enterprises	Ministry of Economy, Ministry of transport Maritime Affairs and Telecommunications, Ministry of Agriculture, Ministry of Spatial Planning and Environment, Privatisation Council;	Continuous	Reports on the number of organized public discussions; number of participants, number of objections, numbers of approved versus refuted objections; a way in which the participant to discussions received a feedback information on approving or refuting their comments.	OSCE	Partly completed II conference in cooperation with the OSCE was held aiming at enhancing transparency of the privatization process; more than 100 participants, held at the School of Economics in Podgorica. In cooperation with OSCE preparations under way to organize the third conference

							on enhancing transparency of the privatisation process in the companies that have a strategic importance.
PUBLIC PROCUREMENTS							
44	Legislative framework is enhanced in order to achieve full compliance with European standards in this area and ultimately make public procurement procedure fully efficient, competitive and transparent	94 Law on Public Procurement with incorporated provisions of EU regulations in the part of the sector concerning utility services and the field of the protection of rights	Public Procurement Directorate (PPD), Public Procurement Commission and Ministry of finance	2011	The Law adopted – incorporated provisions in the Law and their implementation in practice through the statutory reporting obligation in compliance with the Law	IPA 2007 “Further development of public procurement procedures in Montenegro“	Partly completed A new draft of the Law on Public Procurement completed.
		95 Secondary legislation and other regulations for implementation and other documents			Adopted by-laws.	IPA 2007 “Further development of public procurement procedures in Montenegro“	Not completed Preparing the first text of the draft Law with appropriate preparation of by-laws and forms for public procurement procedures. Deadline for delivering on this measure is 2011.
		96 Strategy for the Development of Public Procurement System for the period 2011-2014			Adopted strategy	IPA 2007 “Further development of public procurement procedures in Montenegro“	Not completed Strategy for the development of public procurement system in Montenegro for the period 2011-14 will be adopted in 2011. The draft written for a part of the strategy for public procurement in Montenegro which is focused on the training system for the next four years. Deadline for delivering on this measure is 2011.
45	Administrative capacity of both competent authorities and spending units is developed, particularly in relation to anti-corruption measures and strengthening of integrity	97 New act on internal organization and job descriptions of the Public Procurement Directorate	Public Procurement Directorate	2011	Job classification and the staff number in compliance with competencies and the EU recommendations		Not completed Deadline for delivering on this measure is 2011.
		98 New act on internal organization and job descriptions of the Commission for the Control of Public Procurement Procedures	Public Procurement Commission	2011	Job classification and the staff number in compliance with competencies and the EU recommendations		Not completed After the new Law on Public Procurements is adopted, the need to adopt a new rulebook on internal organization and job classification of the PPC will be considered. Deadline for delivering on this measure is 2011.
		99 List of officers for public procurement of contracting authorities	PPD	2011	The List published at the web site of the PPD.		Not completed Deadline for delivering on this measure is 2011.

		100 Setting up and start of operation of the Help Desk for advisory and consulting services	Public Procurement Directorate	From 2011 Continuous	Reports about the work of the Help-desk related to the number of delivered services		Not completed Deadline for delivering on this measure is 2011.
		101 Setting up a separate group or job position for reporting irregularities	Public Procurement Directorate	From 2011 continuous	- Set up a portfolio/group to report on irregularities - Reporting about irregularities pertaining to public procurement procedures through Annual report on public procurements	-Administrative capacities -Budget	Not completed Deadline for delivering on this measure is 2011.
46	Electronic public procurement system is in place	102 Adopt secondary legislation for setting up the electronic system for public procurement	MF PPD Commission	2012	-Legislation adopted, enforcement date determined -Improved software solution for the system of public announcements		Not completed Deadline for delivering on this measure is 2012.
47	Sustainable system of professional training and advancement in the public procurement field established	103 Adopt legislation and define training modules	MF PPD	2011, continuous	Legislation adopted, modules defined, trainings provided in compliance with the legislation and the modules		Not completed Deadline for delivering on this measure is 2011.
		104 Regulation on the program and manner of taking exam in the field of public procurement	PPD and MF	2011	Legislation adopted – conditions provided for delivering exams for license in field of public procurement		Not completed Deadline for delivering on this measure is 2011.
		105 Setting up the Commission for Taking Exams	Public Procurement Directorate	Form the second half of 2011 continuous	- Commission established - Number of exams organized - Number of candidates who passed the professional exam - Record of exams kept regularly	Administrative capacities -Budget	Not completed Deadline for delivering on this measure is 2011.
SPATIAL PLANNING							
48	Legal framework governing the issuance of building and occupational permits is improved as well as the transparency of work and access to the information held by cadastral units	106 Amend the Law on Spatial Planning and Construction of Structures	Ministry of Spatial Planning ad Environment (MSPE)	IV quarter 2010	Defined draft amendment to the Law on Spatial Planning and Construction	- IPA 2010 (Eurokodov) Budget funding	Not completed Proposed streamlining procedures for meeting spatial and technical requests for building license.
49	Administrative and human capacity of inspection services is developed	107 Fill envisaged vacancies for inspectors positions	MSPA	Continuous	- Number of inspectors recruited and the level to which systematized posts for inspectors are filled.	Lack of financial means Budget funding	Partly completed In 2011 there were 3 inspectors hired in the inspection for spatial protection and 2 in the inspection for spatial planning
		108 Provide incentives for inspectors` work			- Budgetary allocations for incentives	Budget funding	Realized The Government adopted the decision on 30% bonus on salaries
		109 Training of inspectors			- Number of trainings	Budget funding	Realized Inspectors attended 16 seminars in 2010
		110 Improve working conditions for inspectors and application of information			- Improved conditions, more cars for inspectors, computers and other	Budget funding LAMP project	Partly realized The purchase of IT software

		system			equipment		for inspection and provision of appropriate conditions under way.
50	Efficient detection and prosecution of corruption and illegal construction	111 Lay down clear and precise procedures for reporting illegal construction	MSPE	2010	- Defined procedures for reporting illegal construction procedure	Budget funding	Realized Form/template for reporting illegal construction and procedure for reporting have been published on the web-site of the Ministry. Opened help-line for reporting cases of illegal construction.
		112 Define and publish activities plans of inspections and reports on performance of inspections		- 2010 and continuous	- Inspection plans published on the Ministry's web-site	Budget funding	Realized Cumulative reports and the inspection plan published on the Ministry's website.
		113 System of the control of inspectors' performance in place		2010	- Unit for internal control established	Budget funding	Not completed
51	Sectoral Action Plan is monitored and is harmonized with the national Action Plan	114 Preparation of the report on implementation of the Action Plan for fight against corruption in the field of spatial planning and construction of structures	MSPE in cooperation with bodies that are in charge of AP	Every six months	- The Government adopted the report on realization of the AP for fight against corruption in the field of spatial development and construction.		Not completed

EDUCATION

52	Recruitment in all educational institutions is based on objective criteria and transparent procedures	115 Reporting on advertised vacancies and reporting on the selection of candidates to the competent professional bodies of educational institutions	Ministry of Education and Science All educational institutions Education inspection	Continuous	Quarterly report on the number of advertised vacancies against the number of employees in educational institutions submitted to the educational inspection - Integrated quarterly report of educational inspection regarding all advertised vacancies and employees submitted for insight of the Secretary of the MES	Budget funding	Not completed
		116 Define clear criteria internal criteria for the selection of candidates during recruitment	All educational institutions	Continuous	Reports of educational institutions on recruitment prepared on the basis of provisions of the Rulebook on traineeship of teachers	Budget funding	Not completed
		117 Define the Code of Ethics	Work group for drafting the Code of Ethics, National Council for Education	2011	Draft experimental Code of Ethics prepared by the working group and adopted by the National Council for Education	Budget funding	Not completed Deadline for delivering on this measure 2011.
		118 Education of principals on the preparation of criteria for the development of and compliance with the Code of Ethics	Ministry of Education and Science, Bureau for Education, Centre for Vocational Education	September 2010 – September 2012.	Number of seminars organized for the needs of training principals in developing and implementing the Code of Ethics Number of principals who participated in the training	Budget funding Lack of funds 40000 €	Partly completed One seminar organized; attended by 35 schoolmasters from the capital city
53	Decision making procedures on all rights and duties of all actors in	119 Organize lectures, seminars, workshops on the notion of corruption so as to build capacity of public administration and employees in educational institutions with	MES, Bureau for Education, Examination Centre, Centre for Vocational education,	Continuous	Number of lectures, seminars, workshops Number of participants at lectures, seminars and workshops	Budget funding Lack of funds, budget: 30 000€	Partly completed One seminar organized; attended by 35 schoolmasters from the capital city.

	education process is transparent and objective, particularly when it comes to decisions on the standard of students at all levels of education	regard to the notion of corruption	BTTA, BISTCC, DACI, HRMA				
		120 Improve criteria for award of scholarships and credits and admittance of students and pupils to dormitories so as to achieve their full transparency and objectivity	MES, student residence halls and associations of students and pupils	By the end of 2010	Updated Rulebook on criteria, manner, conditions and amount of fee for exercise of the right to accommodation, student credit, scholarship and share in payment of transportation are published and prepared	Budget funding	Partly completed Updated rulebook adopted and published
		121 Public disclosure of the ranking list on award of pupil and student scholarships, credits and admittance to dormitories	MES, student residence halls	Once a year in September and October	Ranking lists on awarded pupil and student scholarships, credits and admittance to dormitories published on the website of the Ministry of Education and Science, in the magazine „Educational Work“ and at least one print daily newspaper	Budget funding 1.000 €	Completed Rank list published on the website of MES, in „Prosvjetni rad“ and in daily the „Pobjeda“.
54	Teaching process and the knowledge examination and evaluation system for students is of high quality	122 Development of the knowledge standards, at all levels of students' achievement	Bureau for Education, Examination Center, Center for Vocational education, National Council for Education.	Continuous	Knowledge standards developed in the framework of curricula, adopted by the National Council	Budget funding Lack of financial means.	Partly completed Catalogues for school leave examination in vocational schools published in 2010/2011, the catalogue concerns 13 fields of professional education, 18 educational profiles and the total of 54 practical-theoretical modules. Catalogues for junior Matura examination published. Instructions for national competitions for the 2010/2011 school year published. Adopted training programs which are carried out in 2010 and delivered by the Bureau for Education.
		123 Harmonization between grading criteria and education on grading criteria	Bureau for Education, Examination Center, Center for Vocational education	Continuous	Report on the number of seminars and number of participants of seminars that are dedicated to the issue of grading criteria	Budget funding Teachers' motivation Lack of funds	Partly completed Bureau for Education organized 2 seminars with 60 teachers participating in them.
		124 Organize seminars and educational workshops for teachers on monitoring the quality of performance, knowledge examination and evaluation system	Bureau for Education, Examination Center, Center for Vocational education	Continuous	Report on the number of seminars on monitoring of the quality of performance, knowledge examination and evaluation system	Budget funding Teachers' motivation Lack of funds	Partly completed Bureau for Education delivered 2 seminars where 60 teachers participated.
		125 Set up center for quality assurance in every higher education institution	Institutions for higher education	2011	Number of established centers in higher education institutions	Budget funding Administrative capacities -IPA funds 2007 NQF	Partly completed Center for studies and quality control established for University and for private institutions quality assurance

							teams were formed. The obligation concerning this shall start as of 2011.
		126 Conduct a series of thematic media campaigns with the aim of preventing corruption	MES, Bureau for Education, Examination Center, Center for Vocational education, BTTA, educational institutions and institutions of higher education	Continuous	Report on conducted media campaigns which will contain information on print material, number of videos, radio and TV broadcasts devoted to the prevention of corruption in education	Budget funding Lack of financial means. Earmarked funds for a year: 15.000 € Donors	Not completed
		127 Setting up a separate phone line for reporting corruption cases	MES	2010	Report on the separate phone line, including data on the number of reported corruption cases and actions taken accordingly	Budget funding Lack of financial means.	Partly completed MES introduced a separate phone line and it is expected to start in January 2011..
		128 Organization of the campaign, printing and promotion of posters, flyers and brochures on objective grading of pupils and students and the possibility of corruption	MES, Bureau for Education, Examination Center, Center for Vocational education, BTTA, educational institutions and institutions of higher education	Continuous	Report on conducted media campaigns which will contain information on print material, number of videos, radio and TV broadcasts devoted to the prevention of corruption in education	Lack of financial means. Allocated funds 4.000 € Donors	Not completed
55	There is greater participation of parents, teaching staff, and civil society in planning and implementing measures for fight against corruption in education system.	129 Carrying out and delivery of surveys on forms, causes and mechanisms of corruption	MES, educational institutions and institutions of higher education, specialized research agency	2011	Survey conducted at all levels of education and results presented.	Lack of financial means. Allocated funds 1.000 € Donors	Not completed Deadline for delivering on this measure 2011.
		130 Lectures, seminars, educational workshops for parents, teachers and NGOs representatives	Bureau for Education, Center for vocational education, Parent councils, teachers	Continuous	Number of organized lectures, seminars, workshops Number of participants at lectures, seminars, workshops	Donors	Not completed
		131 Involvement of parents and NGO representatives in monitoring implementation of activities from the Action Plan	MES, parent councils, NGO sector	By the end of 2010	Number of representatives of parents and NGO sector involved in the working group for monitoring implementation of the Action Plan	Budget funding Lack of parents' representatives and NGOs to take part in WG activities	Partly completed Established work group with one member from NGO sector.
56	Clear procedures are established for accreditation and re-accreditation of educational institutions and for prevention of operation of non-licensed educational	132 Compliance with procedures for accreditation and re-accreditation of educational institutions and curricula under laws in the field of pre-school, elementary, secondary and higher education and rulebooks governing this field	MES Council for higher education	Continuous	-Rulebooks which more closely define procedures for establishment of institutions and procedure of accreditation and re-accreditation of higher education institutions available on the website of the MES -Updated list of licensed educational institutions and higher education institutions permanently available on the website of the MES		Completed The Council adopted acts on procedures for accreditation and re-accreditation of the institutions of higher education, MES regularly updates the list of licensed institutions of higher education.

	institutions	133 Coordination between competent authorities in preventing non-licensed educational institutions to engage in educational activity	TA Education inspection,	Continuous	Number of closed institutions Number of reports on controls that have been conducted	Budget funding Impossible to get timely information o non-licensed and non-accredited institutions	Partly completed All branch offices of the TA conduct control of educational institution and monthly reports are made on the work of the unit for inspection.
57	Institutional and legal framework for a more effective control of integrity of teaching and administrative staff is strengthened	134 Development of Integrity Plan of an institution	MES,DACi Educational institutions and institutions of higher education	2012	Integrity Plan for educational institutions developed	Budget funding - Lack of capacities and knowledge for drafting the plan -Lack of financial means	Not completed Deadline for delivering on this measure 2011.
		135 Reporting on implementation of measures from Integrity Plans at all levels of education		2012	-Reports prepared and delivered to MES	Not completed Deadline for delivering on this measure 2011.	
58	Transparent overall financial and resource operations	136 Submission of annual financial statements of all educational institutions to the Ministry of Finance	MES, all educational institutions and institutions of higher education	Once a year, as of 2011.	Number of institutions which submitted their financial statements to the Ministry of Finance		Not completed Deadline for delivering on this measure is end of February 2011.
59	Sectoral Action Plan is monitored and is harmonized with the national Action Plan	137 Harmonize sectoral AP with the national Action Plan	MES	By the end of 2010.	Sectoral AP harmonized with the national AP		Completed Sectoral AP harmonized with National AP.
		138 Reporting on implementation of AP for fight against corruption in the field of education	MES	By the end of 2010.	Report on implementation of AP submitted to the National Commission		Completed MES prepared a report on implementation of the AP.
HEALTH							
60	Codes of Ethics are implemented and controlled	139 Organizing periodical trainings on implementation of the provisions of the Code of Ethics	Continuous Chamber of Medical Doctors	2010 – Continuous	Number of trainings/Number of trainees	Insufficient staff/trainings for the implementation of the Code of the Chamber of Medical Doctors, Donors	Not completed
		140 Efficient initiation and conducting of disciplinary proceedings due to infringements of the Code of Ethics	Chamber of Medical Doctors		-Number of proceedings, -Number of medical staff that violated the Code of Ethics	Sloppy proceedings	Partly completed 5 disciplinary proceedings initiated against 5 medical workers
61	Administrative and institutional capacity of public health is improved, as well as the quality of health care services, patient safety, and equal access to health care	141 Introduction of information and communication technologies in health care institutions for the purpose of improving and controlling the quality of data and indicators of the quality of performance	MH , HIF <u>Partners:</u> PHI	2010- Continuous	Number of institutions in which IT has been introduced Monitoring performance of the health care system supported by IT	Budget funding WB loan Lack of means for introducing IT in health institutions.	Partly completed Out of 32 public health institutions in MNE. The IT system introduced in 26 of them.
		142 Define procedures and interventions for putting on the waiting lists	MH HIF	2010- Continuous	Number of defined interventions and procedures	Budget funding Non-transparent data for making waiting lists	Partly completed Waiting list made for cardiac surgeries
		143 Daily update of waiting lists	MH <u>Partners:</u>	2010- Continuous	Number of defined interventions and procedures	Limited administrative	Not completed

			PHI			capacities and technical resources	
62	Parallel engagement of health workers in both public and private sectors is restricted and illegal payment for health services suppressed	144 Adoption of secondary legislation for implementation of the Law on Health Care and Law on the Protection of Patients` Rights	Ministry of Health	2010-2011	Secondary legislation adopted	Limited administrative capacities	Partly completed Draft rulebook on extra work of medical staff in the network of medical institutions and the regulation on criteria for concluding contracts on medical services and payment for medical services.
		145 Recognition and respect for the rights of patients in the field defined under the law	MH <u>Partners:</u> PHI, NGO, Chamber of Medical Doctors and Chamber of Pharmacies	2010-Continuous	Number of conducted information campaigns, number of TV broadcasts, prepared brochures available to patients in health care institutions	Donors Lack of financial resources Donors	Partly completed Considerable number of health information events and campaigns organized. Brochures about to be published.
		146 National survey on corruption in the health care sector	MH UNDP, WHO	2010.	National survey, results and reports completed, analysis of the results of national survey on corruption in the health care sector	UNDP Budget funding Reliability of the results of national survey 27 500 € UNDP	Partly completed Survey of integrity of health system completed in December 2010, the results presented in March 2011.
		147 Development and regulation of professional norms and standards which improve the quality of performance and patient safety	MH <u>Partners:</u> PHI, Chamber of Medical Doctors	2010.	Regulation on professional norms and standards adopted	Limited human resources WB loan	Not completed
63	Public procurement in the health sector is transparent, with an adequate level of control in place	148 Submission of reports on the quality of public procurement system to the MH	MH <u>Partners:</u> Agency for medicines and medical devices. PHI, HIF	2010-Continuous	Number of submitted annual reports on public procurement in the health care sector	Limited human resources for monitoring reporting in the system of PP	Completed Deadline for delivering on this measure February 2011.
64	Sectoral Action Plan is monitored and harmonized with the national Action Plan	149 Report on implementation of measures from the sectoral Action Plan	MH	2010-Continuous	Six-month reports submitted to the NC		Completed Report on implementation of measures from the sectoral AP finished and submitted to the NC
LOCAL SELF-GOVERNMENT							
65	Local Action Plans are harmonized with sectoral AP and the Strategy for Fight against Corruption and Organized Crime and AP	150 Coordinated work between the Commission for monitoring implementation of AP for fight against corruption at the local level, Union of Municipalities of Montenegro and President of working groups in municipalities in harmonizing local APs	MIAPA, municipalities, Union of municipalities of MNE	2010-2011	Number of workshops held in local government units on harmonization of the local AP with the Strategy Number of harmonized APs with the Strategy	Budget funding	Not completed

66	Local action plans are monitored	151 Report on implementation of local APs	Commission for monitoring the implementation , AP, NGO	Continuous	- Reports on implementation - number of conferences held	Budget funding	Partly completed 12 LGUs regularly submitted reports on implementation of local APs, 4 LGUs held conferences
67	Level of responsibility and professionalism at local government level is improved	152 Ensure free access to information	MIAPA Local self-government bodies, Union of Municipalities, the Union of Municipalities of Montenegro	Continuous	- Number of granted and dismissed requests against the number of submitted ones - Reports and information are published on the website of municipalities, they are regularly updated	KFW - Netherlands IPA 2008 Support to the local government reform	Partly completed 12 municipalities submitted report on allowing free access to information
68	Internal and external control of the work of local government units is strengthened	153 Control by competent working bodies of the Municipal Assembly with regard to budget execution and earmarked spending of funds	Municipal council	Continuous	Report on oversight of budget execution and earmarked spending of funds		Partly completed 13 municipalities submitted report on oversight of budget execution for its review
		154 External audit of financial operation of municipalities	SAI	Continuous	SAI's report		Partly completed Audit of balance sheet of Herceg Novi municipality for 2009 completed.
		155 Reporting on performance of the Council for Development and Protection of Local Government	Council for Development and Protection of Local Government, Union of Municipalities and MIAPA. Municipality and MIAPA	Continuous	Annual report on performance of municipal Councils		Not completed Councils established in 11 municipalities.
69	Ethical standards are applied in local government	156 Adoption of Codes of Ethics in assemblies of the local government units (LGU)	Parliament, LGU	2010-2011	Number of adopted Codes of Ethics		Completed All LGUs adopted codes of ethics.
		157 Setting up Ethics Committees	LGU, UoM and MIAPA	2010-2011	Number of established Ethics Committees		Partly completed 11 LGUs formed ethics committees.
70	Process of planning, adoption and implementation of regulations is transparent, and the citizen participation	158 Organize public debates and round tables on draft laws and municipal acts	MIAPA, UoM and bodies of LGU	Continuous	Number of public debates and round tables relative to adopted acts	IPA 2010 (NTS)	Partly completed Public debates held in 7 LGUs.
		159 Deliver trainings on writing the Terms of Reference	MES, HRMA in cooperation with MIAPA. In cooperation with	Continuous	Number of delivered trainings Number of approved projects against the number of projects filed with donors	IPA 2007 CBC	Partly completed Trainings for LGUs organized, teams for project

	principle is observed		MIAPA, LGU and NGO.				management established, high percentage of projects approved
		160 Promote the institute "empty chair" in LGU assemblies	UM and LGU assemblies NGOs	2010-2011	Number of promotional campaigns of LGUs and NGOs regarding promotion of the principle of participation	Donors	Not completed LGUs defined modalities for the participation of NGOs in local councils by means of the institute "empty chair". Necessary to promote this institute further.
71	Creating conditions for and encouraging citizens, civil society and private sector to get involved in the fight against corruption at the local level.	161 Improve cooperation between citizens and local government bodies	Union of Municipalities of Montenegro in cooperation with NGOs and municipalities	Continuous	- Number of joint meetings - Number of initiatives of citizens and NGOs	Donors	Partly completed 8 LGUs improved their websites and made guidelines for citizens whereby they improved cooperation with citizens; 5 meetings held.
CIVIL SOCIETY, MEDA AND SPORT							
72	Efficient cooperation between public authorities and non-governmental organizations, particularly in the field of implementation of anti-corruption activities	162 Conduct campaigns aimed at achieving greater and more efficient public involvement in the fight against corruption	DACI in cooperation with public authorities, Office for Cooperation with NGOs, and NGOs	Continuous	Number of undertaken joint activities Reports on conducting public campaigns Number of prepared informative materials	Government of the Kingdom of Norway Donors IPA 2009	Partly completed Three joint campaigns with NGOs and other state bodies.
73	Financial operation of non-governmental organizations is transparent.	163 Publish annual financial statements of NGOs	Commercial Court – CRCC	Continuous	- Number of reports published on the Commercial Court website; Analysis on NGOs statements prepared		Not completed
		164 Amend legal framework which regulates establishment of NGOs and audit of their financial operations, so as to prevent potential abuse of NGO status	MIAPA MF Office for Cooperation between the Government and NGOs	2011	Legal framework amended Transparency of NGO operations improved		Not completed „Analysis of the NGO-relevant regulations in force”. Deadline for delivering on this measure 2011.
74	Establish clear criteria and procedures for allocation of funds from the budget to the non-governmental organizations at the central and local level guaranteeing transparency of the procedure, including control of spending donated funds.	165 Adopt new decree on criteria for defining beneficiaries and manner of distribution of revenues generated from chance games	MF in cooperation with the Commission for the Distribution of the Part of Revenues Generated from Chance Games	2010	- Decree adopted		Completed Decree adopted.
		166 Implementation of the decree	Commission for the Distribution of the Part of Revenues Generated from Chance Games	Continuous	Report of the Commission on performance, distribution and control of earmarked spending of allocated funds		Completed Report (information) on the work of the Commission submitted to the MF.
75	Improve investigative journalism and more	167 Education of media about corruption, organized crime and investigative journalism	Media Institute, NGOs from the media	Continuous	Number of seminars Number of participants	Donors	Not completed

	actively involve media in implementation of anti-corruption campaigns.		field				
76	Ensure full freedom of objective reporting on corruption cases, including compliance with regulations and Journalist Code of Ethics.	168 Report on implementation of the Journalist Code of Ethics	Journalist self-regulatory body	Continuous	- Report prepared - number of recommendations		Not completed
		169 Improve cooperation of public authorities and media and information flow so as to assist more objective informing of the public in an open and transparent conduct of public authorities	All ministries Police Directorate Customs Administration Tax Administration DACI, Media Institute	Continuous	- Reports of spokespersons of Ministries and public administration bodies - number of press conferences for journalists	Budget funding	Partly completed MSPE held 30 press conferences and published 120 press releases. In 2010, 351 information on CA and 321 on DACI, and 4 CA's conferences and 5 of those of PD.
77	Intensify the process of participation of citizens and other stakeholders in public debates of legal projects	170 Organize public debates and round tables on draft laws	Line ministries	Continuous	Number of public debates and round tables	Budget funding	Partly completed MSPE and ME reported that they organized public debates about draft laws.
III PREVENTION OF CORRUPTION IN LAW ENFORCEMENT AGENCIES							
PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN THE POLICE							
78	Improved regulatory framework in order to enhance police performance and actions in the field of suppression of corruption	171 Adoption of the Law on Police and relevant secondary legislation	MIAPA Police Directorate	2010- 2011	Law on Police and relevant Secondary legislation adopted	Budget funding	Not completed First draft of the Law on Police delivered to the MIAPA
		172 Adopt amendments to the Rulebook on organization and job descriptions			Amendments to the Rulebook on organization and job descriptions adopted	Budget funding	Partly completed PD delivered proposed amendments to the MIAPA
		173 Adoption of secondary legislation in accordance with the Law on Border Control			Secondary legislation adopted in accordance with the Law on Border Control	Budget funding	Partly completed Decree on the standards and requirements to be met by the BP. 9 rulebooks drafted.
		174 Development of the Strategy of Development and Functioning of the Police for the period 2011-2013			The Strategy of Development and Functioning of the Police for the period 2011-2013 adopted	Budget funding	Completed The Strategy adopted in December 2010
79	Strengthened administrative, technical and resource capacity of departments engaged in suppression of corruption	175 Increase the number of employees dealing with prevention of corruption criminal offences	Police Directorate	2010- 2012	Increased number of employees	Budget funding Budget	Not completed Completion of this Measure expected in 2011
		176 Define the need and purchase necessary equipment for improvement of performance of the department			Needs for equipment defined Equipment purchased	IPA 2007, Interpol, SEPCA	Partly completed Equipment for conducting investigations and application of SSM and funds for purchase of computer equipment provided
80	Continuous specialization of staff responsible for the fight against corruption	177 Delivery of trainings: - Basic trainings for the prevention of corruption - Specialized trainings for the prevention of corruption	Police Directorate Police Academy	Continuous	Number of delivered basic trainings, number of trainees; Number of delivered specialized trainings, number of trainees by trainings	Budget funding	Partly completed 22 PD employees attended 7 seminars

81	Intensive application of preventive measures and control mechanisms for prevention of corruption in the police	178 Implementation of the Code of Ethics aimed at eliminating conditions for corruptive behaviour in the police	PD – Ethics Committee	2010- 2012	Annual analysis on implementation of the Code of Ethics, number of disciplinary proceedings initiated due to infringement of the Code of Ethics	Budget funding	Partly completed 8 meetings held at local police units
		179 Exercise control of police performance	MIAPA		Number of controls, number of detected abuses		Partly completed 95 citizen complaints received/14 well-grounded and 22 legality checks
82	Promotion of mechanisms for corruption reporting and encouragement of active participation of citizens in the fight against corruption.	180 Conduct ongoing campaigns on the way to report corruption and measures for the protection of citizens who report corruption	Police Directorate	2010- 2012	Number of conducted campaigns	Budget funding Donors	Not completed Method of corruption reporting promoted by means of media appearances and interviews

PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN JUDICIAL AUTHORITIES

83	Increased citizens` confidence in the work of judicial office holders	181 Hire persons in the Judicial Council, Prosecutorial Council, State Prosecution Office and courts who are responsible for public relations and provide adequate training.		IV quarter 2010	Number of hired persons and their education; Updated websites; Number of press conferences; Number of "Open Door" events and newsletters of the Supreme Court of Montenegro Activities of persons performing public relations affairs	Budget	Partly completed A certain number of courts, including the Supreme Court, Higher Courts and Appellate Court, and SPPO delivered information on PR officers and their training and on website updates
		182 President of the Judicial Council and President of the Prosecutorial Council to hold press conferences every sixth months	Judicial Council, Prosecutorial Council	Continuous		Budget	Completed Supreme Court: 2 press conferences SPPO: 1 press conference and one interview
		183 Publish newsletter of the Supreme Court at least twice a year	Supreme Court of Montenegro	Continuous		Budget	Completed Supreme Court: 1 newsletter published
		184 Publish all decisions on the website of the Supreme, Administrative, Appellate and Higher Courts (second instance chambers	Supreme Court of Montenegro, AC, Appellate Court and Higher Courts in Podgorica and Bijelo Polje	Continuous		Budget	Partly completed Supreme Court, Higher Courts and Appellate Court publish characteristic decisions, while the Administrative Court publishes all its rulings.
		185 Organize "Open Door" event in courts and prosecution offices	Courts, state prosecution offices	2011, continuous		Budget	Partly completed Supreme Court: 2 "Open Day" events
84	Further enhancement of the control function in relation to the work of judicial office holders	186 Every 6 months, the commission of immediately superior court is to carry out control of performance of judges, while immediately superior prosecution office is to carry out control of performance of state prosecutors	Presidents of Higher Courts, Higher State Prosecutors, Judicial Council, Prosecutorial Council, MJ	IV quarter 2010 End of 2012	Number of controls; analysis of regulations on disciplinary accountability carried out		Partly completed Supreme Court: a certain number of controls executed, but no exact number was stated; analysis of regulations on disciplinary

				I quarter 2011			accountability is ongoing; State Prosecution: 2 quarterly controls executed
		187 At the beginning of each year the control of the performance of all judges and prosecutors is to be carried out by Judicial and Prosecutorial Council respectively			- Number of controls - Number of Commission recommendations		Partly completed Timeframe for implementation is beginning of 2011. Complete report expected in the next reporting period.
		188 Carry out analysis of regulations on disciplinary accountability of judges and prosecutors and initiate amendment to regulations in accordance with the adopted analysis.			- Analysis prepared and regulations developed in accordance with the analysis	MJ: budget Donors– intl organizations	Partly completed Analysis prepared by MJ. Relevant regulations currently being drafted.
85	More efficient control over the implementation of the Codes of Ethics for judicial office holders	189 Carry out analysis of implementation of the Codes of Ethics of judicial office holders	Judicial Council, Prosecutorial Council	I quarter 2011	Analysis prepared on implementation of Codes of Ethics by judicial office holders		Completed Analysis of implementation of the Codes of Ethics of judges and prosecutors conducted and accompanied by recommendations; timeframe – 2011
86	Improved administrative, technical and resource capacity of judicial office and judicial administration holders	190 Normatively regulate and set up central data base on recruitment, evaluation, disciplinary sanctions and advancement of judicial office holders	Judicial Council, Prosecutorial Council, Center for Education of Judicial Office Holders	IV quarter 2010	-Central data base set up		Partly completed SPPO: central database set up SC: no data available
		191 Establish transparent procedures for development of programs of education and selection of lecturers		2011	- Transparent procedure established	Center: Budget	Partly completed Annual training programs are in place and <i>online</i> application of lecturers is enabled, but the criteria for designing Programs and selecting lecturers are missing; timeframe 2011
		192 Publish translation of characteristic decisions of the Court of Human Rights in Strasbourg on the website of the Supreme Court of Montenegro and State Prosecution Office respectively		Continuous	Decisions of the Court of Human Rights in Strasbourg published on the website	Donors	Partly completed Translations of characteristic decisions of the European Court of Human Rights are published on the Supreme Court website
		193 Provide adequate and technically equipped offices for judges		2012	Adequate premises provided	Budget	Partly completed Efforts are underway to improve the technical conditions for the work of judges; timeframe - 2012
87	Full implementation of JIS	194 Use of JIS in daily work by judicial office holders and employees at the court and State Prosecution Office	Supreme Court, SPPO, Ministry of Justice	2012	Number of court and prosecution acts that have been processed and entered in JIS	MJ: Budget Donors	Partly completed 709,296 court acts and 55,001 prosecution acts, and 172,346 court decisions

							entered in JIS . No data available on daily use and efficiency of JIS from judges and prosecutors. Timeframe - 2012.
CRIMINAL PROSECUTION AND FORFEITURE OF ILLICIT GAINS							
88	Specialization of the police, public prosecutors and judges regarding the new provisions of the Criminal Procedure Code, in line with the Implementation Plan	195 Carry out fully the Implementation Plan for the Criminal Procedure Code	Center for Education of Judicial Office Holders HRMA Police Academy	By 1 Sept 2011	Number of trainings and number of judicial office holders who received the training	IPA 2009 "Support to implementation of CPC"	Partly completed Center: 6 seminars/training events/promotions organized Police Academy: 17 courses organized. Timeframe - 2011.
89	Efficiency of criminal prosecution and forfeiture of illegal assets	196 Comprehensive training and development of curricula for all key authorities dealing with financial investigations, detection, freezing, confiscation and management of assets gained by the commission of criminal acts	Center for Education of Judicial Office Holders, Police Academy, Human Resources Management Authority	2011	-Curricula developed for bodies dealing with financial investigations, detection, freezing, confiscation and management of assets gained by committing criminal offences -Number of delivered trainings	IPA 2009	Partly completed Center: 1 seminar organized Police Academy: 2 seminars organized The authorities did not report on the curricula. Timeframe-2011.
		197 Conducting financial investigations by public authorities responsible for detection and prosecution of criminal perpetrators	Police Directorate, SPPO	Continuous	Number of conducted financial investigations Value of frozen assets		Partly completed PD initiated 7 financial investigations, and 2 financial investigations are implemented within SPPO; the amounts „frozen“ in the accounts of natural and legal persons equalled EUR876,403.60 and USD55,054.67
		198 Forfeiture of illicit gains in criminal proceedings	Supreme Court Directorate for Property	Continuous	-Number of cases in which assets have been confiscated (seized permanently) by court decisions -Value of confiscated assets		Not completed No Supreme Court decisions on confiscation of assets
90	Assessment of the impact of the enforcement of provisions on extended forfeiture of illegal assets	199 Conducting financial investigations for the purpose of extended confiscation of illicit gains by public authorities responsible for detection and prosecution of criminal perpetrators	Police Directorate, SPPO	Continuous	Number of financial investigations conducted for the purpose of extended confiscation of illegal gains; Number of cases in which assets have been confiscated (seized permanently) by court decisions		Partly completed Police Directorate involved in 1 financial investigation for extended confiscation of illegal assets; SPPO conducting 2 financial investigations for extended confiscation of illegal assets
		200 Permanent seizure (confiscation) of assets whose legal origin has not been proved in extended confiscation proceedings	Supreme Court Directorate for Property	Continuous	Value of permanently seized (confiscated assets) in extended confiscation proceedings		Not completed During the reporting period the Supreme Court did not issue any decisions on confiscation of assets; hence it was not possible to present

							the value of confiscated assets
COORDINATION AND DATA EXCHANGE							
91	Efficient cooperation and exchange of data among the prosecution authorities, Police Directorate, Customs Administration, Tax Administration and Directorate for the Prevention of Money Laundering and Financing of Terrorism	201 Establish the system for obligatory submission of statistical data on corruption reporting and further procedures to the Directorate for Anti-Corruption Initiative	DACI, in cooperation with PD, CA, TA, PPD	2010-2012	DACI receives data on reporting from competent bodies in given time intervals	Government of Norway	Partly completed DACI receives data on corruption reporting from certain authorities: PD, CA, TA and PPD, but in irregular intervals and in a non-uniform format
		202 Develop adequate information system for the submission of data on corruption reporting to DACI	DACI	I Q 2011	Develop adequate information system, exchange of data is automatized, fast and efficient	Government of Norway	Partly completed Development of the software solution for automated data exchange is in the final stage. Timeframe: 2011.
		203 Consider revision of the existing agreements on cooperation between institutions	DACI, PD, CA, TA, PPD, MIAPA	Continuous?	Number of revised agreements on cooperation	Budget	Partly completed DACI signed 2 agreements (PD and PPD); Ca signed 9 agreements during the given reporting period. PA signed 2 agreements. Data is missing on any revised existing agreements.
92	Gathering, processing and analysis of statistical data on corruption reporting and further actions with a view of stepping up anti-corruption efforts and public information	204 Ensure analytical processing of data on corruption reporting in regular time intervals	DACI	2 Q 2011, 4 Q 2011, 2 Q 2012, 4 Q 2012	DACI Annual Report	Government of Norway	Not completed Prerequisite – completion of Measure 202. Timeframe: 2011-2012.
		205 Analysis of corruption reporting cases which are indicators of vulnerable areas and their use in formulating anti-corruption policies	MIAPA, MJ, DACI	Continuous	DACI Annual Report published on the website	Government of Norway	Not completed Prerequisite – completion of Measure 202.
		206 Inform general and professional public on activities undertaken in relation to monitoring corruption reporting	DACI	Continuous	Number of published information and communications ; number of recommendations to institutions	Government of Norway	Partly completed DACI informed the public about the number and status of reported suspicions of corruption: 2 programs (TV Atlas and Radio CG) and 2 interviews (CDM and „Dan“). DACI also informed general and expert public at the Press Conference on the findings of the survey on functioning and integrity of public authorities, accompanied by recommendations; a number of authorities and working groups received the survey in

							order to make use of the recommendations.
93	Employees of various authorities who receive and keep records on corruption reporting trained for receiving reports	207 Deliver trainings to police officers who receive reporting of corruption at the central level and local units level	Police Directorate and Police Academy	2010-2012	Number of trainings, number of trainees by trainings	Donors	Partly completed PD: 3 seminars for 5 employees
		208 Deliver trainings to DACI, PD, CA and PPD officers who receive reporting of corruption	Police Directorate and Police Academy HRMA	2010-2012	Number of trainings, number of trainees by trainings	Donors	Partly completed PD implemented 3 seminars for 5 employees DACI 1 training for 13 participants
		209 Define standardized template for receiving reporting of corruption, to be used by all bodies that have an open phone line for corruption reporting	MIAPA, DACI, PD	I Q 2011	Standardized template developed		Completed DACI developed the Template for delivering information on corruption reporting for all authorities, with open phone lines for reporting corruption. Timeframe: 2011.
INTERNATIONAL COOPERATION							
94	Strengthened international and regional cooperation in combating corruption	210 Signing international treaties and agreements: with the EU countries, with third countries, with international organizations;	Supreme Court, SPPO, MJ, MIAPA, PD, CA, DSMLFT	2011	Number of international treaties and agreements signed with the EU countries, third countries, international organizations;		Completed SC: a certain number of agreements signed SPPO: 1 international agreement signed MJ: 3 agreements signed PD: 1 agreement and 1 Memorandum on cooperation CA: 1 protocol and 2 agreements DSMLFT: 2 agreements signed Timeframe: 2011.
		211 Signing operational agreement on cooperation with Europol;	PD	2011	Operational agreement with Europol signed		Not completed Timeframe: 2011.
		212 Establishment of efficient Unit for coordination of international police cooperation	PD	2011	Unit for international police cooperation established	External sources of funding	Not completed PD developed the proposal for establishment of the Unit for International Police Cooperation Timeframe: 2011.
		213 Establishment of internal operating procedures	PD	2011	Internal operating procedures established	Budget funding	Not completed Timeframe: 2011.
		214 Ensure data protection in the work of organizational unit for international police cooperation	PD	2011	Data protection system established	Budget funding	Partly completed PD established data protection system from the aspect of physical and electronic location protection. Timeframe: 2011.

		215 Provision of functional working space	PD	2011	Functional working space provided		Partly completed PD provided the premises for the NCB Interpol but not for Europol or the SIRENE Bureau Timeframe: 2011.
		216 Reporting on results of international cooperation in the fight against corruption	MIAPA, PD	Continuous	Number of prepared reports on results of international cooperation		Completed PD developed 2 reports on the results of international cooperation in the fight against corruption for 2 cases – “Zavala” and “Brod” (“Ship”).
		217 Development of annual plans for signing bilateral agreements on cooperation with related institutions	MIAPA, PD, CA, DSMLFT	Until the end of IV Q for 2010	Annual plans for signing agreements with the neighbouring countries, EU countries, international organizations prepared		Partly completed MIAPA and CA have annual plans for signing these agreements
		218 Analysis of the effects of implementation of international treaties and agreements: <ul style="list-style-type: none"> • With the neighbouring countries • With the EU countries • With international organizations 	Supreme Court, SPPO, MJ, MIAPA, PD, CA, DSMLFT	Continuous	-Analysis prepared -International cooperation program in the forthcoming period prepared		Not completed SPPO prepared analysis of effects of implementation of international treaties and agreements, so 4 criminal cases were established at the Division for suppressing organized crime, corruption, terrorism and war crimes, in cooperation with the neighbouring countries and the EU, Serbia, Croatia, Russia, B&H and Italy. The initiative prepared for Agreement on cooperation to be signed between SPPO of Montenegro and prosecution offices of Hungary and Romania.

IV ORGANIZED CRIME

SITUATION ANALYSIS

95	Prerequisites in place for preparation of crime mapping in Montenegro	219 Analysis of the criminality condition in Montenegro	PD, DSMLFT	2010-2011	Analysis prepared		Not completed
		220 Identification of vulnerable areas in the system	PD, DSMLFT	2010-2011	Vulnerable areas identified		Partly completed Vulnerable areas - areas of particular risk in the system -. Identified: privatization process, public procurement, urban planning, education, health care, local self-government.

		221 Setting clear priorities in the field of the fight against organized crime	PD, DSMLFT	2010-2011	Clear priorities in the fight against organized crime defined		Partly completed PD defined clear priorities in the fight against organized crime by singling out its predominant forms within the Strategy for the fight against corruption and organized crime (2010 – 2014).
96	A study on the state of organised crime in the region developed with a view of the impact to Montenegro	222 Prepare Analysis of impact of organized and serious crime in the region on the condition in Montenegro in accordance with the EU-OCTA standards	PD, DSMLFT	2010-2012	Analysis prepared	IPA 2010	Not completed Analysis of impact of organized and serious crime in the region will be developed after the completion of the detailed analysis of the state of crime in Montenegro. Availability of data from the region represents a particular risk in its development.
PREDOMINANT FORMS							
97	Improved efficiency in conducting financial investigations and increased number of processed financial investigations	223 Increased number of employees working in financial investigations	Police Directorate, Police Academy, DSMLFT	2010-2012	Increased number of employees in accordance with identified needs		Partly completed PD employs 16 staff members who work on conducting financial investigations. The number is intended to be increased by 4 in the coming period.
		224 Improve inter-agency cooperation through the Special Investigative Team			Inter-agency cooperation established		Partly completed Agreement signed between PD, SPPQ, TA, CA and DSMLFT on establishment of Special Investigative Team aimed at efficient inter-agency cooperation. PD reported that the extent of cooperation within the Joint Investigative Team enhanced during the reporting period.
		225 Delivery of specialized trainings in conducting financial investigations			Number of delivered specialized trainings, number of trainees	Budget funding and external sources	Partly completed DSMLFT : 5 seminars implemented.
98	Improved administrative, space and technical capacity of entities involved in combating organized crime	226 Assign two officers who will deal with organized crime related affairs in local units	Police Directorate	2011-2012	Officers assigned in accordance with identified needs		Not completed PD issued the conclusion on expansion – systematization for 18 new officers for fighting organized crime and corruption, assigned to local units.

						Timeframe: 2011-2012
		227 Ensure necessary conditions for law enforcement operations and law enforcement intelligence operations in local units			Work space provided	Partly completed PD reported about office adaptation at the local unit H Novi. Timeframe: 2011-12.
		228 Strengthening and improvement of resource basis for carrying out border control (reconstruction and construction of BC, installation of video surveillance on BC, purchase of vehicles, vessels and other technical equipment)			Resource basis improved	Partly completed A certain number of modern technical devices for more efficient implementation of assignments related to the control of green and blue border and border check at the border crossing points. Timeframe: 2011-2012.
		229 Information networking of the intelligence operations system EGP- IGP - SGP			Border police system networked	Partly completed All border police stations (8) and border crossing points (28) networked into a single PD information system and have access to Interpol MIND system. Full implementation of this software expected in 2011. Timeframe: 2011-2012.
		230 Provision of functional working space for employees hired to fight against organized crime and corruption in local units			Functional work space provided	Partly completed Functional work space provided at the H Novi local unit. Timeframe: 2011-2012
		231 Restructuring of the existing Division for Special Checks by introducing new affairs: 1.Establishment of the affairs performed by DESK at the central and local levels 2. Implementation of the Handbook on Criminal Intelligence Operations			Restructuring the existing Division for Special Checks : 1. DESKs established 2. Number of distributed copies of the Handbook on Criminal Intelligence Operations to the Police Directorate officers	Partly completed 1 Proposal for new organization of the Division prepared 2. 754 copies of the Handbook on Criminal Intelligence Operations distributed to PD employees. Timeframe: 2011-2012
		232 Intensive training of the police in relation to implementation of the CPC and conducting investigations by applying SSMS, financial investigations and forfeiture of illicit gains			Number of trainings Number of trainees	Partly completed 3 training modules, 3 weeks of duration, organized for 12 participants. Timeframe: 2011-2012
99	Enhanced operational-tactical, criminal-intelligence and analytical-operational	233 Set up a separate fund for intelligence and operational activities	Police Directorate	2010-2012	Fund established	Budget IPA 2008 IPA 2010 OCTN DCAF Not completed

	methods for the fight against organized crime					UNDOC, OSCE Donors	
		234 Sustainable development through the purchase of new and maintenance of the existing equipment for conducting investigations and applying SSMS			New equipment purchased for conducting investigations and SSMS application	IPA 2008 IPA 2010 OCTN DCAF UNDOC, OSCE Donors	Completed PD purchased the technical equipment for conducting investigations and implementation of secret surveillance measures.
		235 Implementation of the second phase of the project "Intelligence-Led Policing"			Second phase of the project "Intelligence-Led Policing" implemented		Not completed IPA 2010 project documentation prepared, project budget secured and twinning partner from Austria selected.
		236 Train adequate number of operational analysts to carry out activities in relation to serious and organized crime			Increased number of operational analysts in accordance with identified needs	Budget	Partly completed PD increased the number of employees trained for operational analysis by 16.
100	Enhanced mechanisms for collection and analysis of data on overall state of play in organized crime as well as collection of statistical data on forms of organized crime	237 Develop guidelines for harmonizing methods for presenting statistical data by the Police Directorate, Prosecution Office and judiciary	Police Directorate, Supreme Court and SPPO	2010-2012	Guidelines prepared		Not completed Development of Guidelines for harmonizing methods for presenting statistical data by the Tripartite Commission is ongoing.
		238 Set up criminal intelligence units in Local Units of the Police Directorate	PD		Criminal intelligence units in Local Units of the Police Directorate established		Not completed PD developed proposed organization of criminal-intelligence units in PD local units.
		239 Improve risk analysis system in the Border Police Department	PD		Risk analysis system in the Border Police Department established		Partly completed PD issued the Instructions on development of Risk Analysis in the Border Police Department. Training Plan and Program designed for implementation of the Risk Analysis Model in the Border Police Department.
		240 Setting up unique data base of operational data	PD, SPPO, SC		Unique data base of operational data established		Not completed PD established internal single database. Single database of the PD, SPPO and SC needs to be set up.
		241 Provide links and connect with data bases of providers of telecommunication services in order to collect data in accordance with powers of the police	UP		Links with data bases of providers of telecommunication services established		Partly completed Link established with the databases of 2 out of 3 providers of

		prescribed by CPC					telecommunication services.
PREVENTION							
101	Specialization for all parties engaged in combating organized crime	242 Implementation of the Training Program through international projects	MIAPA, Police Directorate, Ministry of Finance, Police Academy and Center for Education of Judicial Office Holders	2010-2012	Number of delivered trainings under international projects	Support of international organizations (UNDP, German Foundation for International Legal Cooperation – IRZ etc)	Partly completed PD implemented eight, while CEJOH implemented 11 training events.
		243 Continuous training and specialization at the Police Academy			Number of trained officers		Completed Police Academy implemented 20 training events for 293 PD employees and organized 6 seminars within the ILECU project.
		244 Participation at regional and international seminars and conferences			Number of regional seminars and international conferences, number of participants		Partly completed PD employees participated in 4 regional seminars and international conferences; CEJOH employees participated in 3, and MIAPA employees participated in seminars and conferences organized for the purpose of implementation of the Convention on Police Cooperation of SEE countries.
102	Protection of integrity of those involved in combating organised crime	245 Adoption of Integrity Plan in the Police	MIAPA, Police Directorate, Police Academy	2010-2011	Integrity plan adopted		Not completed The activities to adopt the Integrity Plan are ongoing
		246 Implementation of the Law Enforcement Code of Ethics: - Efficient performance of Ethics Committee - development of six-month analyses on implementation of the Code of Ethics - Organize periodical trainings on implementation of provisions of the Code of Ethics - Training of police officers in implementation of the Guidelines for reporting corruption to the police			Six-month analyses of Ethics Committee on implementation of the Code of Ethics, number of disciplinary proceedings initiated due to infringement of the Law Enforcement Code of Ethics, Number of trainings and number of officers who participated in trainings		Partly completed PD developed the analysis of implementation of the Code of Ethics for II half of 2010. Out of the 24 cases considered, the Ethics Committee referred 19 to the disciplinary authority of the PD on the grounds of infringement of the Code.
103	Introduced mechanisms for administrative approach in the prevention of organized crime	247 Ensure networking of intelligence systems of public administration bodies and links with computer networks and data bases of DSMLFT, TA, CA, Real Estate	Police Directorate, a) Criminal Police Department DSMLFT, TA, CA, Real	2010-2012	Intelligence systems of public administration bodies are networked and links are established with computer networks and data bases of defined	Budget	Partly completed Tax information system is linked with the respective information systems of 5

		Administration Directorate, CDA, building inspection, IECS (Institution for the Enforcement of Criminal Sanctions) etc.	Estate Administration Directorate, CDA, building inspection, IECS etc.		institutions		institutions, and there is also the internet link with the Central Registry of Population, HR information system, registry of fines and misdemeanor records of Montenegro. CA set up direct links to the PD and TA.
104	Protection of victims of different forms of organized crime and corruption	248 Improvement of regional cooperation and signing agreements with relevant services of the countries in the region in the field of protection of witnesses who are victims of organized crime	MIAPA, Police Directorate	2010-2012	Number of agreements signed	- Budget - External sources (Government of the R. of Ireland)	Not completed Regional linkage was provided within the WINPRO project, but there is no data on any signed agreements.
		249 Delivery of trainings to the officers in the Witness Protection Unit	Police Academy	Continuous	Number of trainings for the Witness Protection Unit, number of trainees	Government of the R. of Ireland	Not completed Training and study visits are expected to be organized in 2011 within WINPRO project, as well as advanced training for trainers from all PD units involved in the project.
		250 Purchase of specialized equipment for the Witness Protection Unit	PD	2010-2012	Equipment for the Witness Protection Unit purchased	Budget	Not completed
COOPERATION BETWEEN PUBLIC AUTHORITIES							
105	Efficient inter-institutional cooperation of all the stakeholders involved in the efforts to combat organized crime, including team work, specialized and proactive approach	251 Setting up the National Coordination Office	MIAPA Police Directorate	2010-2012	National Coordination Unit established		Not completed
		252 Creating conditions and capacity for more efficient performance of the Joint Investigative Team	SPPO, PD, DSMLFT, TA, CA, Real Estate Administration Directorate, CDA, building inspection, IECS		Increased number of investigations and charges for criminal offences of corruption and organized crime	Budget	Partly completed Joint investigative team provided space, office and technical equipment. 4 cases currently being processed; preliminary investigation ongoing for 2 of them: investigation on the criminal offence of corruption in one and indictment brought for criminal offence of corruption in another. One financial investigation ongoing in the field of organized crime and another one in the filed of corruption.
REGIONAL AND INTERNATIONAL COOPERATION							
106	Continuous application of international standards applicable to the fight against organized crime	253 Quality management and application of standards and best practices, control and monitoring	Police Directorate	2010-2012	System of the control of application of international standards and best practices in fighting against organized crime is established	- Budget - IPA 2010	Partly completed The system set up in line with the Interpol standards and priorities. The "Intelligence-led policing" model is

107	Efficient regional and international cooperation aimed towards conducting joint investigations	254 Set up organizational unit for international cooperation as a whole with central management of all key functions of international police cooperation (INTERPOL, EUROPOL, SIRENE; SECI, other international police organizations, liaison officers)	MIAPA, Police Directorate	2010-2012	Organizational unit for international cooperation as a whole with central management of all key functions of international police cooperation established.	ILECUs Project	operational. Not completed There are ongoing activities to adopt the amended Rulebook on job classification in PD, which envisages reorganization and merging of existing international cooperation departments
		255 Sign bilateral agreements: with the neighbouring countries, the EU countries, international organizations			Number of signed agreements		Not completed
		256 Strengthen cooperation with border police of the neighbouring countries			Number of joint meetings Number of joint activities	Funds of neighbouring countries' border police	Completed PD held 16 meetings with the border police of neighbouring countries; 291 joint activities were implemented.
		257 Participation of NCB Interpol officers in Interpol's working bodies, groups and projects which are aimed at the fight against organized crime in the region			Number of working groups and bodies in which representatives of NCB Interpol participate against the total number of working bodies and groups dealing with the issue of fighting against organized crime in the region (of which Montenegro is a part as well)	Budget	Completed NCB Interpol representatives participated in 2 Interpol working bodies and 4 meetings concerning the fight against organized crime in the region.
		258 Purchase of equipment for work, in accordance with recognized Interpol trends in development of hardware and software communications equipment			New hardware and software solutions identified, needs, values of the purchased against the necessary equipment evaluated; Equipment purchased, equipment operational	Interpol and SEPCA	Partly completed PD identified the hardware and software solutions, in line with the need to centralize international police cooperation; accordingly, needs assessment was conducted, equipment specifications drafted and equipment ordered.
		259 Rolling out Interpol services towards border crossings, with the aim of conducting direct search of Interpol bases and checks of persons, travel documents and vehicles on border crossings			Number of border crossings linked with Interpol against the total number of border crossings	Interpol	Completed 8 additional border crossing points networked with NCB Interpol; at the end of the reporting period all 28 border crossing points in Montenegro were networked with the Interpol system and operationally.
		260 Training of officers at the National Bureau of Europol to use analytical intelligence Europol programs in data processing			National Bureau of Europol established, National Bureau of Europol staffed, Percentage of staff employed Secure communication link for data exchange with Europol established		Not completed

					-Number of trainings, number of trainees; Staff trained to use advances analytical programs		
108	Enhanced direct contacts between police and judicial authorities in the region and beyond	261 Direct cooperation at the regional level and investigations of criminal offences with elements of organized crime	Police Directorate, SPPO, Supreme Court	2010-2012	Number of consultative meetings held, number of joint investigations conducted, report on cooperation prepared	Budget	Partly completed PD: 6 international proactive investigations in the field of general and financial organized crime; 10 consultative meetings; 4 joint international investigations in the field of fighting narcotics; 6 international consultative meetings. SPPO: Direct cooperation with the prosecution offices of Italy, Croatia, B&H, Serbia and Russia in eight cases. 4 investigations and 2 financial investigations initiated in Montenegro, one judgment in Croatia and one in B&H.

MONITORING

109	Monitoring of the Action Plan	262 Preparation of the software solution, methodological instruction and reporting templates with the aim of monitoring implementation of the AP	DACI	IV Q 2010	Software solution prepared Methodological Instruction and Reporting Template prepared	Activities funded from the project "Strengthening operational capacities of DACI"; funding for the project was approved in August 2009 within the package of bilateral assistance of the Kingdom of Norway	Partly completed Template report on implementation of measures defined by the AP prepared and delivered to all reporting entities. Software solution development is currently ongoing.
		263 Training for the use of software, reporting in templates	DACI, HRMA	IV Q 2010	Number of training events Number of participants		Not completed Software solution development ongoing
		264 Submission of six-month reports by entities under an obligation to report according to the AP	All reporting entities for the AP	Continuous	Number of delivered reports against the number of reporting entities		No evaluation Out of 93 reporting entities for the AP, 74 delivered their reports within the set timeframe. The Measure will be deleted.
		265 Preparation of the six-month report by the National Commission	DACI	Continuous	Proposal prepared		No evaluation DACI developed draft Six-month report for the period July– December 2010

		266 Regular update of the National Commission website (DACI subpage)	DACI	Continuous	Number of published reports and other information	Completed All information on the establishment and activities of the NC posted on the website www.antikorupcija.me (NC subpage).

2. Assessment of the implementation of the measures with recommendations

I. PRIORITIES IN FIGHTING CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL

PARLIAMENT'S CONTROL FUNCTION AND IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS

There are 2 objectives in this chapter and they contain 6 measures, 4 of which are to be implemented continuously. 1 measure has been in the implementation continuously since 2011 and 1 measure is envisaged for IQ 2011.

Objectives and measures in this chapter are aimed at strengthening the role of the Parliament in fighting corruption and organized crime.

OBJECTIVE 1: The Resolution on fight against corruption and organized crime is implemented and the mechanism of cooperation with the National Commission is defined. **Measure 1:** Monitoring implementation of the Resolution, **Time Frame:** Continuous, **Assessment:** Not completed. **Measure 2:** Establish cooperation with the National Commission for the fight against corruption and organized crime and other bodies and organizations from this AP, **Time Frame:** As of 2011 Continuous **Assessment:** Not completed. Measures within this goal were not completed since the Report on the Parliament's Control function and implementation of international instruments and standards that is the indicator for the Measure 1 has not been developed, and Measure 2 is still not due. **Recommendations:** Parliament of Montenegro states that they will continue harmonization of national legislation with the relevant international instruments. Cetinje Parliamentary Forum, which focused on the topic of the "Role of the Parliament in Fighting Corruption and Organized Crime", took place in the reporting period and therefore its conclusions should be taken into account in the assessment of the cooperation between the Parliament and National Commission. After the national branch of Parliamentarians in the fight against corruption is established, the modalities for their cooperation with the National Commission should be defined: joint meetings and joint recommendations.

Objective 2: The legal framework and practice in the conduct of state bodies are improved thanks to an efficient use of Parliament's control mechanisms. **Measure 3:** Build capacity of technical services of the Parliament for application of control mechanisms (parliamentary investigation, control and consultative hearing), **Time Frame:** I Q 2011, **Assessment:** not completed; **Measure 4:** Disclosure of recommendations of the Parliament which arise from control mechanisms and monitoring their implementation, **Time Frame:** continuous, **Assessment:** Partly completed. In its legislative and control role the Parliament of Montenegro used the available control mechanisms. It started certain preparatory activities for the implementation of the measures 3 and 4 - adoption of the AP for strengthening legislative and control role for the period December 2010 – November 2011. After establishing the Bureau for Human Resources Management and after defining its obligations, authorities and responsibilities, Human Resources Development Strategy is to be developed as an expression of the need to have a strategic way of planning the work of the Parliament's Administration. In the reporting period the Parliament used the control mechanisms and after that the relevant committees adopted conclusions and sent them to the appropriate institutions. **Measure 5:** Analyze and ensure compliance of legislation with international standards in the field of fight against corruption and organized crime, **Time Frame:** continuous, **Assessment:** partly completed; **Measure 6:** Continue harmonisation of legislation with the UN Convention (Palermo, UNTOC), and other conventions in the field of fight against organized crime **Time Frame:** continuous, **Assessment:** not completed. Montenegrin Parliament continuously analyses criminal legislation and DACI prepared an analytical report for the Group of States against Corruption (GRECO), which was adopted by the Parliament in December 2010. The Report on the III evaluation round includes the analysis of Montenegrin criminal legislation in relation to the Criminal-Law Convention Against Corruption (5 recommendations), analysis of transparency of political party financing (9 recommendations), as well as the Additional Report within the Joint I and II evaluation (conflict of interests). In the process of drafting a new Public Procurement Law the analysis was done for this field

as well. The Government also initiated the activities of analysing comparative-law solutions and their implementation in the field of protection of „whistle blowers“ - persons who report criminal offences with the elements of corruption, as well as the activities of analysing the existing legislation that regulates this field. In August 2010 the Working Group submitted its proposal of the measures for amending the Labour Law and the Law on Civil Servants and State Employees to the relevant Ministries. CPCI sent to the Ministry of Interior the initiative to amend the Law on Prevention of Conflict of Interests, in line with the recommendations of GRECO and EC. **Recommendations: Adopt and implement the Strategy for Development of Human Resources in the Parliament. In addition to reporting on the number of control hearings, reports in the future should also contain the recommendations sent to the relevant bodies and the information on the level to which the recommendations were complied with. Attention should also be given to the implementation of the conclusions and their relevance for the fight against corruption and organized crime. Intensify activities aimed at complying with GRECO recommendations that correspond to the seven recommendations from the EC Opinion (conditions for opening of accession negotiations) and the appropriate Government Action Plan. Prepare next report in such a way that it corresponds to the indicators (number of laws analysed, number and titles of the conventions in relation to which the laws were analysed etc.), taking into account the priorities for meeting the seven EC recommendations in this field.**

POLITICAL PARTY FUNDING AND ELECTION PROCESSES

There are 4 objectives in this chapter containing 6 measures, 2 of which are implemented continuously, while 4 are envisaged for 2011 and 2012. Some of the activities envisaged for the future period have been completed or partly completed. Objectives and measures contained in this chapter are aimed at strengthening the mechanisms for prevention of abuse of authorities in election process and at harmonisation of the work of the State Electoral Commission (SEC) with international standards.

CILJ 4: Adequate legal framework is established for the prevention of misuse of public funds and powers in an election process, **Measure 7:** Harmonisation of electoral laws with the Law on Amendments to the Law on Political Party Funding, **Time Frame:** 2011, **Assessment:** Not completed. **Recommendations:** **Capacities for supervision in case of both of these laws are inappropriate. Funding of election campaigns is supervised by SAI, whose powers in that respect are yet to be defined. Legislative framework needs to be improved on the basis of the recommendations of the Office for Democratic Institutions and Human Rights (OSCE) and the Venice Commission. The Law on Election of Councillors and Members of Parliament should be adopted and the legislative and control role of the Parliament should be strengthen. As for transparency of political party funding, GRECO recommendations should be complied with.**

OBJECTIVE 5: Greater transparency of financial reporting of political parties and election campaigns, **Measure 8:** Organize trainings for acquiring specialized knowledge for conducting audits of financial operations of political parties, independent lists and candidates, **Time Frame:** continuous, **Assessment:** not completed, no report in relation to this measure; **Measure 9:** Reporting on financial operations of political parties, independent lists and candidates, **Time Frame:** continuous, **Assessment:** partly completed. SEC published all the submitted reports on financial operations of political parties, independent lists and candidates required according to the Law on Political Party Funding (Official Gazette of Montenegro 49/08) in its website and in the Official Gazette of Montenegro (69/10 and 75/10). The published reports are: 58 reports on collected and spent funds from public and private sources for election campaigns in the local elections, 6 annual reports of political parties on their property and 1 report on auditing the balance sheet of political parties. Risk factors for this measure are administrative

capacities, since SEC does not have its administrative service, which means it does not have any civil servant or employee. **Recommendations: It is necessary to continue harmonization of the competences of SEC defined in the law with international standards so that this institution can be strengthened.**

OBJECTIVE 6: Competences of the State Election Commission are harmonized with international standards, **Measure 10:** Analyze the existing legal framework concerning performance of the State Election Commission, **Time Frame:** 2011, **Assessment:** not completed. Montenegrin Parliament currently works on the amendments to the Law on Election of Councillors and Members of Parliament which will include a definition of the legal framework for operation of SEC. In its meeting held on 20 December 2012, SEC adopted the Code of Ethics of the body for conducting elections and in the meeting held on 26 January 2010 SEC adopted its Rules of Procedure. **Recommendations: Continue legislative harmonization of SEC competences with international standards contained in the ODIHR documents through adoption of the Law on Election of Councillors and Members of Parliament.**

OBJECTIVE 7: Improved capacity of SEC and municipal election commissions, **Measure 11:** Development of the Code of Ethics for members of the national and municipal election commissions, **Time Frame:** 2011, **Assessment:** Time Frame for the implementation of this measure is 2011, but the measure has already been completed. On 20 December 2010 SEC adopted the Code of Ethics for the body for conducting elections and it was published in the Official Gazette of Montenegro 76/10); **Measure 12:** Preparation of annual analyses on application of the Code of Ethics, **Time Frame:** 2012, **Assessment:** not completed.

PREVENTION OF THE CONFLICT OF INTEREST

This chapter contains 4 objectives and 11 measures, 1 of which is being implemented continuously. 8 measures are to be implemented in 2011 and 2012, while 2 measures are due to be implemented in IIQ of 2011 and IQ of 2012. Objectives and measures envisaged in this chapter are aimed at further implementation of the measures for preventing conflict of interests as an important preventive anti-corruption mechanism and strengthening of the CPCI competences.

CILJ 8: The legislative framework is harmonized with international standards and recommendations of international organizations, particularly with regard to strengthening Commission's powers and independence, **Measure 13:** Development and adoption of amendments to the Law on the Prevention of Conflict of Interest, **Time Frame:** II Q 2011, **Assessment:** partly completed. In October 2010, using its lawful powers, the Commission submitted to the Government of Montenegro the initiative with very specific proposals for amending the Law on Prevention of Conflict of Interests (extending the time frame for submitting the report after entering into a public office; submitting an annual report by the end of March of the current year for the previous year; more precise penal provisions, the issue of dismissal of persons holding a public office; increasing the number of persons defined as public officials and more precise definition of public offices (functions); constraints related to incompatibility of functions; publishing the Opinion – mandatory if it is of an advisory character; strengthening independence of the Commission and its competences; control of disclosed property, more precise provisions related to gifts, stricter sanctions for other violations apart from the already defined ones, etc. Proposals were sent to the Government, Ministry of Interior and the Working Group in MJ. **Measure 14:** Report on implementation of the Law, **Time Frame:** continuous, **Assessment:** completed, Report of the Commission on the submitted property and income disclosing statements are published at: www.konfliktinteresa.me. 53 requests for dismissal of persons in public offices were sent to the authorities since they violated the Law. After the Commission adopted appropriate decisions, 31 public officials (out of 32) who have their own companies transferred their managerial rights to another, so called „unconnected persons“. Out of 14 public officials who were members in several managing boards 13 resigned after the initiative of the Commission. The Commission adopted 787 decisions (608 in the first instance and 179 in the second instance). Out of this number, 641 or 81% of public officials violate the Law,

139 or 18% did violate the law in the past and 7 or 1% did not violate the Law. The Commission also adopted 27 Opinions and 5 Conclusions. The initiatives for establishing violations of the Law were in 615 cases (78%) submitted by the Commission and in 175 (22 %) cases by other entities. Administrative dispute procedures were initiated before the Administrative Court against 11 public officials. Deciding in these cases and in the cases from the past, the Administrative Court made 33 judgments rejecting the actions and 8 judgments accepting the actions and returning the case to the Commission. **Recommendations: The following documents should be used as the basis for the amendments to the existing Law, that will be related to the competences of the Commission for enforcing the Law and to other issues: GRECO recommendations, analyses of international experts in this area and analyses of NGOs, as well as the priorities defined in the Action plan for monitoring the implementation of the recommendations defined in the EC Opinion.**

OBJECTIVE 9: Administrative capacity of the Commission for the Prevention of Conflict of Interests is enhanced, **Measure 15:** Staff recruitment for positions in accordance with the Rulebook on Job descriptions, **Time Frame:** 2011, **Assessment:** not completed. **Measure 16:** Purchase of additional computer equipment, **Time Frame:** I Q 2012, **Assessment:** partly completed. In the budget of the Commission there are no funds allocated for the recruitment of new civil servants and state employees that are necessary for normal operation of the Commission having in mind the new competences and obligations of the Commission. Therefore, there were no advertisements for filling the vacancies. Out of 13 job positions that are envisaged in the Rulebook on internal organization and systematization of the Administrative Service of the Commission adopted on 23 October 2009, six positions have been filled with employees hired for indefinite period of time, while three positions have been filled with employees working on fixed-term contract. The Commission purchased computer equipment in the procedure that is in line with the Public Procurement Law: computer of the following configuration: LTS-office- PRO computer + LCD-monitor Samsung 19", Ricoh copy machine, Printer HP colour Laser jet CP 1215 and printer HP - Laser Jet M-1120MFP. **Measure 17:** Organization of trainings for members of the Commission and employees of the Technical Service of the Commission, **Time Frame:** 2011-12, **Assessment:** partly completed. Commission staff participated in 3 seminars organized by Human Resources Management Agency and members of the Commission participated in 3 international conferences (Belgrade, Sarajevo and Skopje). **Recommendation: ensure funds for filling the vacancies in the CPCI; review relevance of the measure 16 in relation to the objective 9; prepare a curriculum for annual trainings of members and staff of CPCI taking into account the activities in this field envisaged in the IPA 2010.**

OBJECTIVE 10: Inter-institutional cooperation is established for an efficient check-up of data on revenues and property owned by public officials in the country and abroad, **Measure 18:** Signing agreements with public authorities, **Time Frame:** 2011-12, **Assessment:** partly completed. Agreement with TA has been signed, draft agreements on cooperation with the HMRA and Real Estate Directorate have been prepared and negotiations regarding their signing are in progress.. **Measure 19:** Signing agreements with similar institutions in the region and third countries, as well as with international organizations, **Time Frame:** 2011-12, **Assessment:** Partly completed. In the reporting period the Commission signed Memoranda of Cooperation with counterpart institutions in Croatia and Bulgaria. Activities aimed at signing the Memorandum of Cooperation with the Commission for Competition and Market of the Republic of Italy are in progress. **Note:** In the reporting period and after harmonization of the texts of Memoranda of Cooperation with the similar institutions of Ukraine and Hungary, the CPCI plans to sign these Memoranda by the end of April. **Recommendation: Focus on the report on implementation of the signed agreements on cooperation.**

CILJ 11: Awareness is raised among public officials and civil servants of the significance of the prevention of conflict of interests in the exercise of public office, **Measure 20:** Organization of trainings for state and local public officials, **Time Frame:** 2011-12, **Assessment:** partly completed. In the reporting period the Commission organized 6 seminars for national and local public officials, judges and prosecutors, NGOs and media in most of Montenegrin municipalities (about 350 participants). **Measure 21:** Organization of trainings for civil servants and state employees, **Time Frame:** 2011-12, **Assessment:** not completed. According

to the Law on Prevention of Conflict of Interests, civil servants and state employees are not public officials and therefore these trainings are not within the competences of the Commission. **Measure 22:** Organization of trainings for media and NGOs on monitoring the conflict of interest of public officials, **Time Frame:** 2011-12, **Assessment:** partly completed. In the reporting period the Commission organized educational seminars for the media (Kolašin, Plav, Žabljak, Nikšić, Podgorica and Kotor), as well as for the representatives of NGOs (Kolašin, Plav, Žabljak, Podgorica and Kotor) - 5 seminars in total. **Measure 23:** Implementation of 14 Programs of the Commission which contribute to better implementation of law in the field of conflict of interest, **Time Frame:** 2011-2012, **Assessment:** partly completed. NGO CEMI ensured support in the development of a new data base adapted to the new Law. Two press conferences were organized, 20 announcements about the implementation of the Law on Prevention of Conflict of Interests were published. Since the programmes are aimed at prevention and avoiding of conflict of interests of public officials, in the reporting period the Commission implemented the following priority programmes: Programmes of education, Programme of developing the new data base, Preparation of press clipping, printing of a leaflet about conflict of interests and regional cooperation activities. **Recommendations:** Training programme should envisage criteria for assessing the impact of the trainings on the efficient implementation of the Law on Prevention of Conflict of Interests. Since the largest number of measures in the chapter Prevention of conflict of interests is not due before 2011 – 2012, the report for most of the measures should be expected in the next reporting period. The emphasis should be put on the implementation of the first measure in this chapter, i.e. measure 13. The basis for amendments to the Law should be found in the GRECO recommendations, analyses of international experts and NGOs working in this field, as well as in the priorities in the Action Plan for monitoring the implementation of the recommendations defined in the EC Opinion.

INTEGRITY

This chapter contains 4 objectives and 14 measures, 4 of which are to be implemented continuously, 5 of which are to be implemented in 2011, 3 are due in I Q 2011 while 2 are due in II Q 2011. Objectives and measures from this chapter are aimed at strengthening ethics and integrity of persons employed in the public sector and sanctioning behaviours that are not in line with ethics and integrity.

OBJECTIVE 12: Duty to adopt integrity plans in public administration is regulated by law, **Measure 24:** Adoption of the Law on Amendments to the Law on Civil Servants and State Employees with the aim of laying down the obligation to adopt integrity plans in public sector, **Time Frame:** 2011, **Assessment:** not completed. Recommendations have been defined with the view to improving legal, high-quality, politically neutral and professional work of persons employed in the public administration as well as to improving their promotions, training and legal status. WG has been established with the task to work on the drafting of the text of the Draft Law on Civil Servants and State Employees; **Measure 25:** Adopt integrity plans in public sector, **Time Frame:** 2011 continuous, **Assessment:** partly completed. In 2004 Customs Administration adopted AP for integrity in the customs service. In November 2008 it adopted the Revised AP on developing integrity in the customs service. On the basis of the reports of all organizational units, i.e. reporting entities, in January 2011, the Division for internal control will compose an annual report on the implementation of the measures from the revised AP on developing integrity in the customs service for 2010, which will be put on the „Notice Board“ of the customs information system and on the web site: www.carina.co.me. Tax administration adopted the Integrity plan on 6 April 2010. Regional units submit their monthly reports on the implementation of the integrity plan. This measure has also been implemented by DACI - they adopted the Integrity plan on 20 May 2010 and the first report on implementation was made in January 2011. MF also adopted its Integrity Plan.; **Measure 26:** Build capacity of DACI to monitor implementation of provisions concerning integrity plans, **Time Frame:** I Q 2011, **Assessment:** not completed. Completion of this measure requires legal definition of the institute of integrity in the public sector and that is envisaged in the AP for 2011. The WG that was established by MF (Three members from DACI) prepared in 2009 the Draft Law on Integrity in the Public Sector that regulated the area of integrity in public sector and lobbying. NC

decided that lobbying should be covered in a separate law and MF was sent a draft of the Law on Lobbying in December 2009. Provisions that deal with integrity in the public sector have been sent to the proposing entity (Ministry of Interior) in March 2009 so that they can be integrated in the innovated Law on Civil Servants and State Employees. As for the Law on Integrity in the Public Sector, DACI prepared fiscal impact assessment and sent it to the proposing entity. This assessment deals with the increase in the number of employees in MF and DACI required to cover new competences, and with the appropriate training that should be provided; **Measure 27:** Specialized trainings (gaining new knowledge and skills in the field of integrity strengthening for: employee of the CA, TA, DFMLFT, internal auditors and inspection services), **Time Frame:** continuous, **Assessment:** partly completed. 32 trainings for civil servants have been organized: in CA, PD, TA, DSMLFT, Market inspections, ME, MSDT. ME adopted a special curriculum for training (for inspectors). PD is in the procedure of adopting the new Rulebook on the internal organization and systematization which will envisage establishment of a separate department positioned in the Internal Audit Administration. After this Rulebook comes into force further activities of organizing specialized trainings for internal auditors will be undertaken. **Recommendations: Envisage provisions on integrity in the public sector in the legislation with the view to establishing the obligation of adoption of integrity plans. In the period before these provisions are adopted, DACI can provide expert support to state bodies in their efforts to meet this obligation defined in the AP. Design a joint training program for the bodies competent for this measure and the mechanism for checking their performance with the view of strengthening the integrity of employees.**

OBJECTIVE 13: Recruitment, reward and merit based career systems are improved in the public sector by establishing objective criteria, **Measure 28:** Adopt the Law on Amendments to the Law on Salaries of Civil Servants and State Employees, **Time Frame:** 2011, **Assessment:** not completed; **Measure 29:** Revise and change recruitment system in public administration (recruitment of civil servants and state employees) by introducing objective criteria and more advanced methods for testing the candidates, **Time Frame:** 2011, **Assessment:** not completed. Recommendations have been defined and they will be used as a basis for improving legal, high-quality, politically neutral and professional work of persons employed in state administration and their promotions, specialization and legal status. WG is established to work on drafting the Proposal of the Law on Civil Servants and State Employees; **Measure 30:** Improve job descriptions and criteria for the positions of civil servants and state employees in public administration by providing guidelines for updating the Rulebook on internal organization, **Time Frame:** continuous, **Assessment:** partly completed. HRMA established the Methodology for drafting documents on internal organization and systematization which is to be helpful in drafting job descriptions. This Methodology contains instructions and recommendations. It is published in the HRMA website: www.uzk.co.me. The procedure for adoption of the new Rulebook on internal organization and systematization of job positions in PD is in progress. This Rulebook will define certain number of job descriptions for police officers. Some criteria for employment and job descriptions have been further developed. In the draft of this Rulebook and in line with the obligations envisaged in the law and the respective AP, NCB Interpol has been reorganized and turned into an organizational unit of the Division for International Police Cooperation. The Rulebook envisages an increase in the number of employees in this unit required for the jobs of fighting organized crime, corruption and financial investigations. The draft also envisages a Unit for Cover Agents, Internal Audit Division and Division for foreign nationals and migrations. **Measure 31:** Analyze the existing conditions and propose objective criteria for advancement and reward of employees, with the aim of retaining the high quality staff and managing human resources (merit-based career system), **Time Frame:** 2011, **Assessment:** partly completed. See Measure 29. **Recommendations: Consistent implementation of the recommendations for this objective defined in the EC Opinion.**

OBJECTIVE 14: Codes of Ethics are fully implemented in entire public administration, **Measure 32:** Revise the Code of Ethics of civil servants and state employees and other individual Codes, **Time Frame:** I Q 2011, **Assessment:** not completed. See measure 29. Basis for the audit of the Code of Ethics of Civil Servants and State Employees and other individual codes will be defined in the Law on Civil Servants and State Employees; **Measure 33:** Training of civil servants and state employees at the central and local level on the Code of Ethics, including the obligation to sign the statement of acceptance of the Code of Ethics (during recruitment and once a year), **Time Frame:** II Q 2011, **Assessment:** partly implemented. MIAPA, DGC, TA, CA, Institution for enforcement of

criminal sanctions, and DACI conducted trainings focused on ethics and the code of ethics. PD, TA and CA have their separate Codes of Ethics; **Measure 34:** Ensure implementation of the Codes of Ethics through the work of disciplinary bodies and periodical checks of compliance with the Codes so as to ensure building the confidence of citizens as beneficiaries of services in service oriented public administration, **Time Frame:** continuous, **Assessment:** not completed; **Measure 35:** Publish decisions of the Ethics Committee and disciplinary bodies on the most frequent ethical dilemmas faced by civil servants and state employees, **Time Frame:** annual, in IV Q, continuous, **Assessment:** not completed. **Recommendations: We think that the innovated Law on Civil Servants and State employees should establish a mechanism for checking the effectiveness of trainings in this area and their impact on strengthening integrity and ethics in the public sector.**

OBJECTIVE 15: Lobbying is regulated by law, **Measure 36:** Adopt the Law on Lobbying, **Time Frame:** I Q 2011, **Assessment:** not completed. Draft of the Law on Lobbying submitted to the MF; **Measure 37:** Build capacity of DACI and MF for efficient implementation of the Law on Lobbying by increasing the number of staff positions and provision of technical conditions, **Time Frame:** II Q 2011, **Assessment:** not completed. DACI submitted Draft Law on Lobbying to the MF in December 2009. Preparing for the implementation of this Law, DACI prepared the project „Support to the implementation of the anti-corruption Strategy and Action Plan with the particular focus on prevention measures: lobbying, integrity and conflict of interests.“. This project is supported by the EU Delegation within the IPA 2010. **Recommendations: Adopt Law on Lobbying, which will introduce new competencies of MF and DACI related to introduction of the Register of lobbyists etc; strengthen DACI capacities and amend internal document on organization and systematization envisaging a new job position for the activities of lobbying; ensure appropriate trainings, premises and equipment, which will require additional budget funds. Precondition for all these activities is that lobbying is regulated and that there are budget funds envisaged for that purpose. Adoption of this Law is also a precondition for the implementation of the IPA 2010 project which is to start in IV Q 2011 and the significant part of which refers to the implementation of the institute of lobbying.**

FREE ACCESS TO INFORMATION

This chapter has 4 objectives and 5 measures, 3 of them are implemented continuously and 2 are in the pipeline until the 1st quarter of 2011. Objectives and measures in this chapter are focused on legislative changes in this area in order to make the principle of free access to information more effective and on strengthening supervisory measures in this area.

OBJECTIVE 16: Regulations are harmonized in a way to make free access to documents of public importance a basic principle, and confidentiality of information an exception **Measure 38:** Adopt the Law on Amendments to the Law on Free Access to Information: introduction of two instance proceedings; clearly define misdemeanor liability, **Time frame:** I Q 2011, **Assessment:** Not completed.

OBJECTIVE 17: Administrative and technical capacity for the implementation of regulations on free access to information is developed, **Measure 39:** Trainings of staff responsible for handling requests for free access to information in accordance with the case law and international standards; **Time frame:** Continuous;

Assessment: Partly completed. In the reported period the staff of PPD, GCA and PD were trained, and HRMA delivered 5 seminars on the topic: Practical implementation of the Law on Free Access to Information (90 civil servants). PD and Appellate Court reported on the reduced number of cases at second instance, while the PPD did not have any. **Recommendations: In spite of the fact that the trend towards reduced number of cases at second instance was positive, it should be monitored to see if it persists in the next reporting period.**

OBJECTIVE 18: Effective supervision of the implementation of regulations on free access to information is provided, **Measure 40:** Lay down the obligation of staff responsible for handling requests for free access to information to submit quarterly reports to the second instance body (which monitors law implementation) on implementation of the Law, reasons for denial of access to information and judgments of Administrative Court, **Time frame:** I Q 2011, **Assessment:** Not completed. In the reported period the Administrative Court closed 315 cases concerning free access to information. In 181 cases the requests were granted, in 37 cases denied and in 87 cases the procedure was suspended, in 8 cases the petition was dismissed. In the reported period DACI received 43 requests and it replied to them in timely manner as stipulated by the Law on Free Access to Information. In this period ME acted upon 10 requests. After it took over the functions of the Agency for Restructuring of Economy and Foreign Investments concerning privatization, a number of cases were not handled in given time and this will be addressed in shortly. MTMA received the total of 242 requests: it acted upon 135 requests, and denied 29 requests for free access to information. In the reported period the MESp received 10 requests for free access to information: three were granted, one was referred to other authority and 6 were denied. In the reported period IECS received two requests for free access to information and it granted them both, while PD granted and delivered information in 72 out of the total of 135 received requests. Starting as of March 1, 2011, the PD will meet its obligation to submit quarterly reports. PD makes both monthly and periodical reports on free access to information. The report shall be published on the PD's website in its section titled Anticorruption every month with a view to making the report available to state bodies and NGO sector. The appeals procedure (in two cases) is under way before the Appellate Court and six lawsuits have been submitted to the Administrative Court. In 2010 the Administrative Court received 39 requests in which 127 pieces of information were requested, it pronounced 16 decisions by which access was granted for 83 pieces of information; 18 decisions were pronounced to deny the request for access to 35 pieces of information; six notifications were issued for eight pieces of information; the Court requested additional information as regards one information. The AC makes monthly reports about all requests and consolidates them into a yearly report.

There is still no second instance body vested with the power to supervise the implementation of the Law on Free Access to information, nor there have been any amendments to the Law.

Recommendations: Current problem pertaining to the implementation of the Law on Fee Access to Information is that it is not aligned with the Law on Protection of Personal Data and the Law on Secrecy of Data and the alignment with these laws needs to be provided. This causes the uncertainty in the implementation and interpretation of these laws. Consider establishing an institution for supervision of the implementation of this law and more stringent fines for failure to implement the law.

OBJECTIVE 19: Public authorities are transparent and show a culture of openness, enjoying citizens' absolute trust, **Measure 41:** Regular updating and availability of all data from the competence of Public authorities and administrative authorities through: web-presentation of institutions; development of electronic services adapted to citizens and business entities. **Time frame:** Continuous, **Assessment:** Partly completed. Most of the public authorities reported that they regularly update their websites where they present the most important information from the area of their competence and about ever greater use of electronic means of communication with citizens. MIAPA created two electronic services, one for on-line ordering of birth certificates, certificates of MNE citizenship and certificates of residence, and the other for on-line tracking of document issuance. In February 2011, MSDT plans to test an on-line service for issuing documents

to citizens. TA has been working on installment of the taxpayer registration database. CA developed a large number of web-services that enable everyone who is involved in customs procedures to track the customs procedures in a transparent manner: application „GARANCIJE“, application „TARIC“, application ERP (electronic data exchange and submission of customs declarations, over 90% of declarations are submitted electronically). Development of some additional services requires that other public authorities have the necessary infrastructure and procedures (electronic signature etc.). Citizens also have possibility to make an on-line report about any suspicion they might have about corruption on DACI's website. In this way DACI has received six reports. As of June 17, 2010 it is possible to watch the sessions of the Parliament of Montenegro online. In just 10 days after this service was introduced, there were 2.013 hits to the live streaming web-page; **Measure 42:** Promote the culture of openness of public authorities, proactively publish information and encourage citizens to exercise their right to free access to information; **Time frame:** Continuous; **Assessment:** Not completed. Note: Concerning this measure MANS submitted a report on the number of requests submitted to authorities. In the report thereof MANS stated that the reduced number of requests for free access to information comes from the fact that monitoring of the AP during 2010 was cancelled until the new document is adopted. The percentage of the cases of silence of administration vis-a-vis their requests is still high in year 2010 and it amounts to 24%. **Recommendations: It is necessary to intensify the promotion of culture of openness of public authorities and a proactive provision of information through campaigns, trainings and amendments of the Law in force with the aim to provide meaningful policy of sanctions for responsible persons and institutions that violate the law. The problem is also the lack of appropriate administrative capacities and human resources to implement the Law in some of the authorities and this is why improvements should be made in this area.**

PROTECTION OF PERSONS WHO REPORT CORRUPTION

This chapter has 3 objectives and 9 measures, 7 of which have been implemented continuously, one each in the last and in this year. These objectives and measures provide legislative and institutional framework for the institute of protection of persons who report corruption.

OBJECTIVE 20: Institutional and legal framework governing protection of persons who report corruption (“whistleblowers”) in both public and private sectors is improved, **Measure 43:** Analyze the need to adopt a separate law and improve mechanisms for protection against negative effects, **Time frame:** 2010, **Assessment:** Partly completed. Defined recommendations serve as a basis to improve legal, quality, politically neutral and professional work of the staff in public administration and career development, professional advancement and legal status of all employees in the public authorities.

The WG for writing a draft Law on Civil Servants and Employees established. Parallel with these activities inter-sectoral WG (April 2010) made an overview of the legislation in force regarding the institute of protection of persons reporting corruption and submitted proposal of measures for amending the Labor Law and the Law on Civil Servants and State Employees to line ministries in August 2010. Thereby the needs analysis for extending legislative regulation of this institute was completed and it should serve a basis for improving statutory provisions in the Law on Civil Servants and State Employees and Labor Law; **Measure 44:** Expand the scope of protection to all employees, **Time frame:** 2011, **Assessment:** partly completed. These measures fall within the competence of MLSW, and not of MIAPA, and it should be corrected likewise in the AP. In 2010, the WG for drawing up the draft text that would add articles prescribing that an employee is entitled to special protection when reporting corruption at the employer's; **Measure 45:** Build administrative capacity through specialization of employees involved in receiving and processing of corruption reporting cases, and protection of persons reporting corruption, **Time frame:** Continuous, **Assessment:** partly completed. The training: „Receiving and Handling Reports and Protection of Persons Who Report Corruption“ was organized by DACI, HRMA and Commission for Prevention of Corruption from Slovenia in December 2010; it was attended by 13 participants from: DACI, HRMA, PD, TA, MH, DPP, Office for Corruption Reporting and Montenegro Business Alliance. In the reported period the civil servants from PD attended the following: the seminar organized by HRMA and Center for Education of Judicial Office Holders: “Advanced training on investigation of criminal offences of corruption and related issues«” with two civil servants

taking part; and seminar «Anti-corruption policy», attended by one civil servant; seminar «Corruption in Judiciary» was attended by one civil servant, and the seminar «Ethics of Police Work and the Prevention of Corruption» was attended by 5 civil servants; **Measure 46:** Regularly perform analysis of measures for the protection of persons reporting corruption and results of applied measures, **Time frame:** *Continuous*, **Assessment:** Not completed. There were no reports on the consequences suffered by the persons who reported corruption in the reported period, and there was no analysis on the measures for protection of the persons who reported corruption. **Recommendations: Design training curriculum aiming at enabling the employees in charge of receiving and handling reports of corruption and of protecting persons who report corruption to acquire specialized knowledge. The WG for amending legislative framework relevant for the institute of protecting persons who report corruption defined its position that the present legislation in this field should be improved by means of amendments and supplements to the Law on Civil Servants and State Employees and the Labor Law, and it submitted its suggestions to the line ministries. Once adopted, these amendments will create conditions for application of this institute and analysis of the results achieved by their implementation.**

OBJECTIVE 21: A two-instance system for efficient corruption reporting is established in all institutions significant for anticorruption policies, **Measure 47:** Report on results of application of mechanisms for corruption reporting within the organization (internal control), **Time frame:** *continuous*, **Assessment:** Not completed; **Measure 48:** Define the mechanism for reporting corruption to the second instance body if corruption reporting within the body failed to produce adequate results. **Time frame:** *Continuous*, **Assessment:** Not completed. **Recommendations: Once adopted, the amendments of legislative framework for protection of persons who report corruption will enable reporting on the results of implementation of mechanisms for reporting corruption in the organization. The wording of the measure No. 47 is not good because internal control in public authorities does not provide a special mechanism for reporting corruption in the institution, whereas the basis for establishing that mechanism will be made only after the amendments to the law are adopted. The public authorities such as: DACI, TA, CA, MH etc. do have open phone lines for reporting corruption and other irregularities relevant to the work of these authorities and these authorities made detailed reports thereupon in their respective reports; whereas the institute of protection of persons who report corruption entails protection of insiders or „whistleblowers“ i.e. employees who report irregularities pertaining to the institution in which they work. In August 2010, the inter-sectoral WG for amending legislative framework with the aim to introduce provisions on protection of the persons reporting corruption prepared the information on the need to amend present legislation pertaining to the institute for protection of persons who report corruption. The AP scheduled the adoption of new provisions of the Labor Law and the Law on Civil Servants and State Employees for 2011.**

OBJECTIVE 22: Corruption reporting is an important source for detection and prevention of corruption. **Measure 49:** Promote channels for corruption reporting and protection mechanisms; **Time frame:** *Continuous*; **Assessment:** Partly completed. Promotion of the channels for corruption reporting in most of the public authorities was made through regular means of communication with public: open phone lines, special TV programs, press conferences, various information materials: brochures, leaflets, billboards, posters etc. PPD drafted detailed instructions for the procedure of corruption reporting in public procurement and for the procedure of handling citizens' reports and it opened a special phone line for reporting corruption. TA conducted a survey asking citizens: "Do you know that you can report corruption at phone number 19707?", and it published six reports on the work of its call-center which contain analysis of the measures undertaken in fighting corruption. TA had a large number of press conferences, press releases and presence in media. In its media presence CA tends to promote open phone-line as one of the ways to report corruption, but also to inform public about possibilities to report corruption both indirectly and directly. Through its anticorruption campaigns „Open your eyes wide – report corruption“, „Remove a virus - report corruption“ and its campaign in student dormitories in the course of applying for admittance, DACI promoted all means and ways available for reporting suspicion of corruption to competent authorities. In addition, corruption reporting ways

were promoted at the lectures for students of MNE universities, in TV and radio programs, by means of press releases, press conferences, round tables and educational seminars. By brochures and leaflets these campaigns also promoted means and ways to report corruption anonymously. In the reported period DACI also published two volumes of information bulletin titled „Anti corruption” which promoted channels for reporting corruption. The bulletins were published with the circulation of 1.000 each and they were disseminated to all public authorities in MNE, to local authorities, international institutions with offices in MNE and NGOs. The latest volume, bulletin No. 8, was published in English and 100 copies of it were disseminated. DACI carried out a repeated survey ‘Public awareness about corruption and knowledge about the work of Directorate for Anti-Corruption Initiative’ seeking to indicate to the effect of the campaigns thereof. The campaigns produced positive results because in 2010 DACI received greater number of reports on suspicions of corruption. In 2010 DACI received 140 reports on suspected corruption cases and the total of 98 in 2009. In the reported period, MANS conducted the campaign „Turn the light on!” which sought to promote the Law on Free Access to Information (28. September 2010) on the International Day of Free Access to Information and it staged performances in 9 municipalities in MNE. On that occasion they disseminated 4000 leaflets to citizens informing them of their rights enshrined in the Law on Free Access to Information and MANS offered their legal aid to them. The campaign on corruption in spatial planning was conducted in November and December 2010 and it promoted channels and mechanisms for reporting and fighting corruption in spatial planning with the help of five billboard posters, 83 articles in the press and 42 slots in TV programs;

Measure 50: Promote good examples of corruption reporting (particularly if reporting had impact on prevention of punishable act, occurrence of damage or if it indicated complicated procedures which create room for corruptive practices); **Time frame:** *Continuous*, **Assessment:** Partly completed. **Measure 51:** Conduct campaigns in order to raise public awareness and encourage citizens (and specific target groups) to report corruption; **Time frame:** *Continuous*, **Assessment:** Partly completed. DACI conducted 3 anti-corruption campaigns for public at large and for some target groups as it sought to raise awareness of the problems pertaining to corruption and to encourage citizens to report corruption to competent authorities. The results of the survey on whether citizens are informed about the work of DACI are pending and they would reflect the effect of campaigns. For the occasion of the International Anti-Corruption Day (December 9, 2010), MANS staged a performance in front of the Parliament of Montenegro. The theme of the performance was: „Transparent and Responsible Parliament“ and it was a part of the campaign: “Corruption or EU Integrations?” On this occasion they disseminated about 1.000 leaflets to inform citizens on what the Parliament can do for them as well as other campaign promotional materials (billboards at six locations in Podgorica, lighters, umbrellas, T- shirts). In the period of July 29-December 31, 2010 MANS received 170 reports of corruption or the breach of law on its SOS-phone 170, while 134 were received in 2009 for the same period.

Recommendations: **Competent authorities should intensify campaigns that aim to inform target groups (public procurement, privatization, spatial planning, health, education, sport, private sector etc.) with a view to encourage citizens to report corruption. Draw up and adopt amendments to the laws pertaining to this field in order to encourage civil servants and state employees but also employees working in private sector to report corruption in their institutions and companies. The authorities that have open phone lines need to submit information to DACI about corruption reports that helped them in preempting this punishable offence so that DACI can complete the Measure 50. The Software solution that would be installed provides for the submission of information on corruption reports to DACI, and DACI will use them for analytical purposes. Such information will also be used for the promotion of good practices in corruption reporting .**

PUBLIC FINANCE

This chapter has 8 objectives and measures that have been delivered in continuous manner and only 6 of them were scheduled for the next reporting period as they are related to the amendment to the Law on the SAI and to the establishment of an audit body.

OBJECTIVE 23: Public finance normative framework is fully harmonized, **Measures 52 i 53:** Propose and adopt the Law on the SAI (amendments and supplements); **Time frame:** 2010 and IQ 2011 respectively; **Assessment:** Not completed. As reported by SAI they started activities on drafting amendments and supplements of the Law on the SAI. The Managing board of the project titled „Strengthening External Audit in Montenegro“ set up the WG; **Measures 54, 55, i 56** preparing draft legislation for establishing the audit body for the IPA funds audit, **Time frame:** 2011 and 2012. **Assessment:** Not completed. Even though the time frame for completing this measure has not come due, the WG that has the task to analyze the EC’s recommendations and take part in adopting legislation for establishing an independent body for IPA funds audit. By the end of February 2011, this WG will draft their position with recommendations and modalities for adopting legislation. **Recommendations: Since most of the measures necessary for meeting this objective come due in 2011, Measures 52-56 were not completed and the following activities should be continued and stepped up: draw up the draft Law on amendments and supplement of the Law on the SAI that will strengthen capacity and competence of the SAI in compliance with the EU standards (Measure 52) and submit draft to the Parliament of MNE for adoption (Measure 53); Enhance the work of relevant sub-group entrusted with making draft of the law or regulation on establishing a body for external audit of IPA funds (Measure 54) and start the process of its adoption (Measure 55), even though the time frame for establishing autonomous audit authority outside the organizational structure of the SAI (Measure 56) falls due in 2012, continue activities towards completing this measure in compliance with the Government’s AP for meeting the recommendations set forth in the opinion of the EC on initiating negotiations with the EU.**

OBJECTIVE 24: Public spending at national and local government level is transparent, efficient and economical, **Measure 57:** Regular submission of annual audit report and individual audit reports to the Parliament of Montenegro, **Time frame:** Continuous, **Assessment:** Completed. Audit of the statement of balance of the Budget of MNE for 2009 was completed and the report – as a separate document and as a part of the SAI’s Annual report - submitted to the Parliament of MNE. According to its annual audit plan for 2010, the SAI completed 13 selective audits. The Senate of the SAI adopted its annual audit plan for 2011. In the reported period SAI completed 7 general audits and 1 cross-sectional audit. In the period January-July 2010, SAI made audits for 2009 of the following spending units: CNP; PA Danilovgrad; NTO; BISTCC; Employment Agency of MNE. In the period January-July 2010, SAI made 3 regularity audits, 1 audit of regularity-efficiency-effectiveness and 1 control audit for the period January- July 2010; **Measure 58:** Presentation of SAI audit findings to the public through regular press conferences held after performance of audits; **Time frame:** Continuous, **Assessment:** Partly completed. In November 2010, SAI held a press conference for the occasion of publishing its Annual Report on Audits and Activities for the period October 2009 – October 2010. **Measure 59:** Hiring necessary auditing staff in accordance with the Rulebook on internal organization and job descriptions, **Time frame:** 2010-11, **Assessment:** Completed. Based on the proposed budget for the next year, SAI adopted its provisional plan for recruitment of auditors to fill positions defined in the Rulebook on internal organization and job descriptions by 2012. In the period January- July 2010 SAI hired 6 civil servants: 4 auditors, one advisor for international relations and public relations, and one trainee. During July- December 2010, SAI did not recruit any new staff.

OBJECTIVE 25: Administrative, technical and material capacity in the public finances sector is developed; **Measure 60:** Recruitment of staff in Audit Authority to carry out audit of IPA funds; **Time frame:** 2012; **Assessment:** Not completed. SAI reported that they would start recruitment of staff they need for SAI after the adoption of the legislation on establishing audit authority for IPA funds. In the period January-July 2010 SAI reassigned 5 of its staff to work in the audit authority for IPA funds. **Measure 61:** Education of auditing staff to carry out audit of IPA funds and audit of cost-effectiveness, efficiency and effectiveness, **Time frame:** As of 2012 - continuous, **Assessment:** Not completed. SAI reported about the following trainings: in cooperation with GTZ, workshop delivered on the topic Regional dialogue between audit bodies on the topic of auditing IPA funds whose purpose was to exchange experience and knowledge between audit bodies in the region for audit of IPA funds in compliance with the EU requirements; SAI and the Commission administering examinations for certified state auditors

organized examination in December term. According to the Rulebook on Examinations for Certified State auditors 5 candidates passed the examination; in cooperation with GTZ the conference titled „Improving Public Procurement Procedure in MNE – Roles and Responsibilities of Key Institutions“ and a workshop for SAI auditors titled: „Process and System of Control of Public Procurements“, as a part of EU project 'Strengthening External Audit in MNE' implemented by GTZ. With the aim of educating responsible persons in charge of managing and disposal of budgetary funds SAI and the Commission for administering examinations for certified state auditors in the period October 2009 to October 2010 organized two terms for examinations for acquiring state audit certificate in compliance with the Rulebook on Examination for Certified State Auditors, and 12 civil servant acquired the title of certified state auditors.

OBJECTIVE 26: Effective control system is in place to overview disposal of public funds by budget spending units; **Measure 62:** Continuously control beneficiaries of budget funds, **Time frame:** Continuous, **Assessment:** Completed. In its Annual report, alongside its audit on the statement of balance of the Budget 2009, SAI presented abstracts from 13 selective audits. The audits of the following entities were made: University of Montenegro; NTO CG; CNP; Commission for Refugees; Police Academy - Danilovgrad; IECS; PE 'Aerodromi CG'; Municipality Herceg Novi; Collection and disposal of local taxes; Public procurements in IT field; BISTCC; Agency for Promotion of Foreign Investments; Employment Agency of MNE. All final reports of the above audits were published on the website: www.SAI.co.me. As set forth in the abstracts of the selective audits, the audited entities were given 122 recommendations and all of them were accepted by the audited entities. In the audit report regarding the balance of accounts of the MNE Budget 16 measures and measures were spelled out.

OBJECTIVE 27: Efforts to suppress "grey" economy record progress; **Measure 63:** Report on tax revenues and number of registered taxpayers, **Time frame:** Continuous, **Assessment:** Completed. In the reporting period TA managed to collect delinquent debt in the amount of 26.761.201,00€. In the specified period TA registered 1.777 taxpayers out of which 441 were entrepreneurs and 1.336 legal entities. On its website TA regularly publishes reports on tax collection and the reports on the measures it takes to collect delinquent tax debt, such as: Report on collection measures with the analysis of the execution of collection plan for delinquent tax returns; Report on the number of requests for VAT return – submitted and settled; Requests for VAT and excise by taxable periods, and activities of branches about the same requests; Reports on the gross collection output in monthly, quarterly, semiannually and annually. Recommendations: Comparative data on the increased number of taxpayers via-a-vis the previous period need to be submitted so as to make an assessment on whether grey economy was suppressed.

OBJECTIVE 28: Efficient internal audit system in spending units is in place; **Measure 64:** Internal audit of budget funds of budget beneficiaries; **Time frame:** Continuous; **Assessment:** Not completed. MF reported that the measures are needed to achieve the following: organizational establishment of the internal audit of budget beneficiaries; recruitment of internal auditors in the units of internal audit; training for internal auditors. On the basis of the Law on the System of Public Internal Financial Control, the Decree on Establishing Public Internal Audit was adopted and it prescribed the manner and criteria for establishing internal audit in public sector. The rulebooks on internal organization and job description were changed and this was conducive to making organizational arrangements for establishing special units for internal audit in 18 beneficiaries and the procedure of filling posts of internal auditors in those entities is under way. After the internal auditors are assigned to the posts in units of budget beneficiaries in the course of 2011 and 2012, appropriate trainings will be arranged within the project »Strengthening Management and Control System for the EU Financial Assistance to Montenegro“, that had already been approved and which started in 2010. Thereby these units would meet requirements to become operative.

OBJECTIVE 29: Control audits in audit subjects are efficient; **Measure 65:** Continuously control and comply with recommendations from the findings of State Audit Institution, **Time frame:** Continuous, **Assessment:** Partly completed. In the period July-December 2010, SAI made one 1 control audit, the one in the Employment Agency of MNE. SAI found that most of the recommendations set forth in the audit report for 2008 were implemented, while some of the recommendations were partly implemented and some were not. The financial audit report for 2008 was submitted in the end of July so that objectively the audited entity could not completely implement the recommendations given. **Recommendations: In compliance with the indicators concerning the control of regularity of the procedure of opening accounts of spending units at commercial banks and the regularity of their operations, it is necessary to provide greater number of control audits in the entities which were audited in the previous year so as to follow the observance and implementation of the recommendations given by SAI.**

OBJECTIVE 30: Risk analysis system in public finances is further developed; **Measure 66:** Education of the management staff and civil servants in all spending units to manage risks, **Time frame:** Continuous, **Assessment:** Partly completed. SAI delivered trainings on risk management to managerial staff and civil servants in all spending units through HRMA which commissioned members of the SAI's Senate to deliver lectures at seminars. The institution did not make a training plan for educating managerial staff and civil servants in all spending units in risk management. **Recommendations: SAI needs to draw up a plan for trainings in this field and to submit it to HRMA.**

STATE PROPERTY

This chapter has two objectives, each having two measures that have come due and they are being implemented continuously.

OBJECTIVE 31: Further implementation of the Law on State Property and development of secondary legislation governing state property; **Measure 67:** Prepare a six-month report on performance of the Directorate for Property and Protector of Property Law Interests of Montenegro, **Time frame:** Continuous, **Assessment:** Not completed. The drafting of the annual report of the Protector of Property Law Interests of Montenegro is under way (started on April 30, 2010), whereas the Directorate for Property did not report about this measure. **Measure 68:** Prepare secondary legislation needed for implementation of provisions of the Law on State Property, **Time frame:** 2010-11, **Assessment:** Completed. DP adopted its rulebook on internal organization and job description, while MF – its sector for property administration in cooperation with DP, passed 6 by-laws necessary for the implementation of the Law on state Property: Decree on Conditions and Terms of Occupancy of Business Facilities and Premises, Decree on Conditions and Terms of Occupancy of State Reception Facilities, Decree on Conditions and Terms of Using MNE State Owned Vehicles, Decree on Conditions and Terms of Keeping Register and Inventory of Movable and Immovable State Owned Property, Decree on Conditions and Terms for Sale and Lease of State Property, Decree on Conditions and Terms of Delivering Presents that are Part of the State Property at Disposal of Montenegro. The drafting of two decrees is in progress: Decree on Conditions and Terms of Use of Objects of Art and Cultural Heritage and Decree on Conditions and Terms of Occupancy of Apartments for Government Officials. **Recommendations: Adopt a six- month report on the work of PD and Protector of Property Law Interests of MNE and provide the enforcement of legislative acts implementing the provisions of the Law on State Property and possibly make a report on that.**

OBJECTIVE 32: Administrative, technical, financial and institutional capacity is developed for an efficient implementation of relevant laws in order to protect state property against all kinds of abuse; **Measure 69:** Staff recruitment in accordance with the Rulebook on internal organization and job descriptions and training of

new staff, **Time frame:** 2010, continuous, **Assessment:** Partly completed. DP reported that they did not fill all vacant posts as prescribed by the Rulebook but that it is in progress. The number of employees was increased for one employee in 2010. The Protector of Property Law Interests of MNE specified in its report that the recruitment procedure is under way in order to fill all vacant posts; **Measure 70:** Building technical capacity by defining needs and purchasing necessary equipment; **Time frame:** Continuous, **Assessment:** Partly completed. The Protector of Property Law Interests of MNE reported that they had identified the equipment they needed to purchase and according to that they furnished all offices of the Protector (Podgorica, Bijelo Polje and Kotor) with office stationery, furniture and technical equipment, and they provided 4 vehicles; yet 3 vehicles are needed. DP did not report on this measure. **Recommendations: Vacancies in DP and Protector of Property Law Interests of MNE have to be filled in continuous manner and in accordance with posts that have been envisaged; provide as many trainings for employees as possible and appropriate equipment .**

CAPITAL MARKET

This chapter has 4 objectives with 7 measures, 3 that have come due since they were scheduled for this reporting period, while 4 are to be realized in the period 2011-2012.

OBJECTIVE 33: Legislation in the area of banking, insurance and other financial services is harmonized with international standards; **Measure 71:** Harmonization of national legislation in the field of capital market with the relevant EU Directives – Law on Securities, **Time frame:** 2011-12, **Assessment:** Not completed; **Measure 72:** Law on Investment Funds, **Time frame:** 2011-12, **Assessment:** Not completed; **Measure 73:** Law on Taking over Stock Companies, **Time frame:** 2011-12, **Assessment:** Not completed. **Measure 74:** Law on Voluntary Pension Funds, **Time frame:** 2011-12, **Assessment:** Not completed; **Measure 75:** Insurance Law, **Time frame:** 2011-12, **Assessment:** Not completed. National Insurance Agency reported that activities on harmonization of the Insurance Law with the requirements of the *Acquis communautaire* started, particularly in the field of solvency I; On October 25, 2010, the Agency's Council adopted the Rulebook on the Insurance Societies' Account Framework that will be applied as of January 1, 2011; On December 21, 2010 the Decision on the Evaluation of Insurance Society's Assets. There is a plan to continue with activities on harmonizing regulations with the requirements of the *Acquis communautaire*. **Recommendations: It is necessary to submit the report on transposition tables for these laws against the Acquis communautaire as requested in the indicator.**

OBJECTIVE 34: System of registration, clearing and depositories is efficient; **Measure 76:** Development of the institution of depository (custody) of securities in accordance with international standards, **Time frame:** 2012, **Assessment:** Not completed; **Measure 77:** Increased efficiency and certainty of reconciliation and security of data protection, registration and reconciliation of transactions, **Time frame:** 2012, **Assessment:** Not completed.

OBJECTIVE 35: Institutional position of stock exchanges is further strengthened and international cooperation developed; **Measure 78:** Development of information system of participants on the capital market by increasing efficiency and reliability of IT systems of the Securities Commission, CDA and all participants on the capital market; **Time frame:** 2010, continuous, **Assessment:** Partly completed; As a part of upgrading IT system of SCA the implementation of the Document Management System (DMS) is under way and it is envisaged that the system will be put into operation in the end of October 2010, and CDA - Podgorica is upgrading its IT system. After the completion of the merger of Nova berza hartija od vrijednosti CG a.d. - Podgorica (New securities exchange) to Montenegroberza a.d. Podgorica – which is under way - present IT solutions of the stock exchange will be assessed and their possible upgrading considered.

Measure 79: Signing bilateral memoranda of understanding with international partners; **Time frame:** Continuous, **Assessment:** Not completed; **Measure 80:** Signing memorandums of understanding with national institutions and intensifying cooperation under already signed memorandums, **Time frame:** Continuous, **Assessment:** Not completed.

OBJECTIVE 36: Financial reporting of participants in the capital market is improved; **Measure 81:** Improvement of financial reporting of authorized participants (companies, investment funds), establishing public information library, **Time frame:** Continuous, **Assessment:** Partly completed. MF: 79 sanctions for failure to act in compliance with the reporting obligations; SC: Amended Rulebook on contents, deadlines and manner in which securities issuing entities publish their reports, report transcript with more than 8,000 financial reports published.

PRIVATE SECTOR

This chapter has four objectives with 5 measures, and only one has come due.

OBJECTIVE 37: Efficient system of registration, clearing and depository; **Measure 82:** Development of the new Action Plan for the reform of business environment, **Time frame:** IV Q 2010, **Assessment:** Partly completed. Council for regulatory reform and the improvement of business environment reported that - based on the recommendations of WB and representatives of private sector- the draft AP for the reform of ease of doing business was prepared; **Measure 83:** Implementation of the Law on Improvement of Business Environment, **Time frame:** Continuous, **Assessment:** Partly completed. The Council for Regulatory Reform and Improvement of Business Environment through line ministries and initiatives of the private sector undertook activities and measures towards revision of certain pieces of legislation which were deemed to be barrier to business. Based on that the Law on Improvement of Business Environment ("Official Gazette of MNE", No. 40/10) was adopted whereby some laws were annulled and conditions for doing business got improved. The Law covered amendments and supplements of the Law on Business Organizations in terms of abolishing obligation to extend company's registration; Law on Foreign Investments in terms of abolishing the provision on application of more favorable legislative solutions for foreign investments – whereby the status of domestic and foreign investors are put on equal footing. Also, the Law on Environmental Impact Assessment, Patent Law and Law on Electronic Communication were amended and thereby procedures before competent authorities in this field curtailed; the Law on Spatial Planning and Construction of Structures was amended with streamlined procedures of cadastral registration of real estate; the amendments were also made on the Law on Cinematography, Law on Court Fees, Law on Administrative Fees with a view to reduce fees for administrative procedures. Regarding the Law on Roads and Law on Environmental Protection the amendments established procedures in which local taxes shall be determined with prior consent of the Government of Montenegro. At the same time, this Law terminated the validity of the Law on Public Services Enterprises and the Law on Non-Economic Activities. The amendment of these legislations was made with a view to curtailing procedures and the costs of certain administrative procedures. **Recommendations: Draw up the AP for reform of the improvement of business environment relevant to Objective 82 as its adoption is lagging behind. Indicators do not reflect the way in which the Law on Improving Business Environment is implemented and it is necessary to obtain the report of the Council.**

OBJECTIVE 38: The project "Guillotine of Regulations" is successfully implemented; **Measure 84:** Implementation of the Action Plan for Implementation of the Regulatory Reform Strategy, **Time frame:** IQ 2011, **Assessment:** Not completed. This measure did not come due.

OBJECTIVE 39: Public-private partnership is efficient and mutual confidence is developed; **Measure 85:** Sessions of the Council for Regulatory Reform and Improvement of Business Environment are held; Efficient public private partnership through building mutual trust. **Time frame:** Continuous, **Assessment:** Partly completed. In 2010, the Council had 6 sessions. It considered the draft regulation for the consolidation of the company registration procedure, and it considered information on the Global Competitiveness Index for 2010–11 of the World Economic Forum as well as the Report on Economic Freedom of the World of Frazer Institute. MWG prepared amendments and supplements on: spatial development and construction; on electronic communications; on protection and rescue; on waters; on agricultural land and on geological explorations. The reform concerning the issuance of the construction licenses is aimed to simplify/streamline procedures of obtaining construction permits in terms of curtailing the deadlines, cutting back costs for investors and to achieve greater efficiency of the public administration. Also, the Council considered the Information on the findings of Doing Business Report – 2011 and it proposed measures for improvement of those fields in which Montenegro scored badly and in this way it specified priorities. Priority fields that need to be addressed for the sake of improving procedure are: issuance of construction permits, tax payment, execution of contracts and real estate registration. At the same time, the priority for the next period is to adopt draft Law on Execution Procedure and provide for its implementation. In addition, at the same session the Council discussed recommendations for the reform of licensing and inspection system in Montenegro. Following the recommendations of public authorities, private sector and representatives of the WB, the draft amendments to the Law on Administrative Fees was prepared and its provisions proposed cut back of fees for some administrative procedures. **Recommendations: Submit the report on how were the private sector's recommendations taken.**

OBJECTIVE 40: Fight against corruption in the private sector is more efficient; **Measure 86:** Report on prevention of corporate corruption, **Time frame:** Continuous, **Assessment:** Partly completed. DACI in cooperation with EFM, Business Association from Ulcinj and Business start up center from Bar organized 3 round tables on the topic „Code of Ethics in Companies towards Reducing Corruption“. Lecturers: representatives of DACI, Investment and Development Fund, EFM, CRNVO, Biznis start-UP center from Bar, as well as Ufuk Batum, an international expert from Turkey. The roundtables were attended by representatives of private sector. Also, the plan is to draft a publication on the topics that were discussed at those round tables. DACI representative delivered 3 lectures in the seminar organized by the Institute of Certified Accountants of Montenegro and one lecture at the seminar organized by Biznis start-up center from Bar. In cooperation with DACI, MBA disseminated to its members and other organizations over 500 copies of the publication: „Open your eyes wide – report corruption“. In addition, by means of CCM and MBA's publications, DACI disseminated 1.600 leaflets of the campaign „Open your eyes wide – report corruption“. CCM and DACI signed MoU which envisages tentative modalities of joint actions, conduct of joint surveys on corruption, education – programs of professional advancement, drafting studies, analyses and projects, joint organization and participation in seminars and other forms of cooperation in mutual interest. EFM prepared draft Code of Business Ethics which seeks to raise awareness in the ranks of businesses on how important is bona fides business and thereby their more efficient participation in fight against corruption. The draft comprises general principles of business moral and it is based on the implementation of best business practices and this will be binding for all business organizations.

II.

PRIVATIZATION PROCESS

This chapter has three objectives, with 7 measures that are being implemented in continuity.

OBJECTIVE 41: Regulatory and institutional system is established for monitoring the implementation of privatization contracts, while greater transparency of the process is ensured; **Measure 87:** Establish the system for control of investments in privatized companies and fulfillment of contractual obligations, **Time frame:** 2010, **Assessment:** Completed. ME and Privatization Council reported that the system of control of investments and execution of contractual obligations was established in such way that the institution (Consortium headed by School of Economics from Podgorica) that would prepare the report for the Council and the Government was selected after an open call for bids. Also, work teams have been established and they will make control of business organizations that were not covered by the report of the School of Economics; **Measure 88:** Prepare reports on implementation of privatization contracts, **Time frame:** 2010, continuous, **Assessment:** Partly completed. The reports of the Privatization Council were prepared and once the Council adopts them finally, they would be open to public scrutiny on PC's web portal: [www. savjetzaprivatizaciju.me](http://www.savjetzaprivatizaciju.me). **Measure 89:** Ensure access to information on privatization contracts in accordance with the Law on Free Access to Information, **Time frame:** Continuous, **Assessment:** Partly completed. Privatization Council: 170 requests received, 9 denied due to the lack of information, 5 decisions were annulled by the Administrative Court.; Ministry of Economy: 4 requests received, all of them granted. ME released the Contract on Settlement between Aluminum Plant in Podgorica and Bauxite Mine in Nikšić with Russian company CEAC and all annexes to this Agreement. ME released the draft Concession Act, draft Concession Agreement, draft Contract on Sponsorship as well as the instructions for bidders and Analysis of Economic Impact related to the project of building Hydro-electrical power plants on the Morača river. All requests that the public submitted through ME's PR unit were granted. **Measure 90:** Continuous training of persons responsible for rendering decisions on access to information; **Time frame:** Continuous, **Assessment:** Partly completed. The staff of PC and ME who are in charge of implementing the Law participate in organized forms of training provided by HRMA for civil servants. **Measure 91:** Regularly publish press releases and public invitations for tender procedures; **Time frame:** Continuous, **Assessment:** Completed. In the period July 29 – December 3, PC announced four public invitation on its web-portal: public tender for selling shares of Montenegro Airlines AD Podgorica, **public call for participating in tender for selling** 56,4806% share capital expressed through 215.954 shares of Institute for Physical Medicine, Rehabilitation and Rheumatology "Dr. S Milošević" AD Igalo, Amendment of public call for taking part in international public tender for long-term lease of „Hotel "Park" property and Plaža – Bijela, H. Novi with the obligation to invest, modification of public call for participation in tender for selling 56,4806 % capital expressed through 215.954 shares of Institute for Physical Medicine, Rehabilitation and Rheumatology "Dr. S Milošević" AD Igalo. In the same period the Council issued a couple of press releases. **Recommendations: Regarding the Measure 88, submit data in compliance with the indicator of whether the data base on privatized companies was established in compliance with the indicator thereof.**

OBJECTIVE 42: Work of the Committee for Monitoring and Control of the Privatization Process is efficient; **Measure 92:** Regular meetings of the Committee for Monitoring and Control of the Privatization Process, **Time frame:** Continuous, **Assessment:** Partly completed. In 2010 the Committee for Monitoring and Control of the Privatization Process held 3 sessions – 6 meetings, 9 requests were made to institutions and all 9 were answered. Also, there were no consultation and control hearings. The Committee for Monitoring and Control of the Privatization Process reviewed the privatization of the following companies: "Mijekara" A.D. Podgorica; „Livnica“ AD Nikšić; „Elektroprivreda“ A.D. Nikšić; „Željezara“ A.D. Nikšić; "Kombinat aluminijuma Podgorica". The Committee did not pass conclusion about the privatizations it reviewed. The representatives of the Government, managers from these companies and NGOs took part in the sessions by invitation. The president of the Committee requested from ME to submit to the Committee's review the sale contract for shares of Bauxite Mine from Nikšić and 9 Annexes to this Contract. The President of the Commission requested from the Government's Privatization Council to submit the documents pertaining to the privatization of KAP for inspection. **Recommendations: Submit information on the number of replies from the institutions that received the Committee's requests for data .**

OBJECTIVE 43: Public participates in designing and implementing privatization strategies for enterprises of special interest to the public, particularly in the area of transport, tourism and energy; **Measure 93:** Organization of public debates on plans and strategies for privatization of enterprises of strategic relevance, especially in the field of energy, transport, tourism and privatization of Public enterprises, **Time frame:** continuous, **Assessment:** Partly completed. The PC reported in cooperation with OSCE it organized II conference at the School of Economics in Podgorica with a view to enhance transparency of the privatization process and more than 100 participants took part. There are ongoing preparations to organize the third conference on enhancing transparency of privatization process in companies that have strategic importance in cooperation with OSCE. Other entities that had to report on this measure did not have any activities. **Recommendations:** In compliance with the indicator more trainings need to be provided as well as the reports specifying the number of organized public consultations , number of participants, number of remarks given - both those that were accepted and those turned down respectively - as well as the way in which the participants got feed-back on whether their comments were accepted or not.

PUBLIC PROCUREMENTS

This chapter has 4 objectives with 12 measures that have not come due (2011-2012), nonetheless competent authorities have started certain activities in this reported period.

OBJECTIVE 44: Legislative framework is enhanced in order to achieve full compliance with European standards in this area and ultimately make public procurement procedure fully efficient, competitive and transparent; **Measure 94:** Law on Public Procurement with incorporated provisions of EU regulations in the part of the sector concerning utility services and the field of the protection of right , **Time frame:** 2011, **Assessment:** Partly completed. The draft of the new Law on Public Procurement was completed and it incorporated provisions of the EU regulations in the part of the sector concerning utility services and the field of the protection of rights; Public consultations are in progress; **Measure 95:** Secondary legislation and other regulations for implementation and other documents; **Time frame:** 2011, **Assessment:** Not completed. The process of making draft Law is accompanied with drafting of corresponding secondary legislation and forms/templates for public procurement that need to be adopted too within 6 months after the Law is adopted; **Measure 96:** Strategy for the Development of Public Procurement System for the period 2011-2014, **Time frame:** 2011, **Assessment:** Not completed. All activities pertaining to the development of the public procurement system will be listed in the Strategy for the Development of the Public Procurement System in MNE for the period 2011-14. The Strategy will be adopted in 2011. A part of the strategy for public procurements in MNE has already been drafted and it refers to the system of trainings for the period of next four years, it covers basic recommendations for improving legislation in this part, including drafting of by-laws relevant for creating a continuous system of trainings, types of trainings tailor made to the participants, training modules, certificates to be granted after trainings are completed and assessment of knowledge.

OBJECTIVE 45: Administrative capacity of both competent authorities and spending units is developed, particularly in relation to anti-corruption measures and strengthening of integrity; **Measure 97:** New act on internal organization and job descriptions of the Public Procurement Directorate, **Time frame:** 2011, **Assessment:** Not completed. **Measure 98:** New act on internal organization and job descriptions of the Commission for the Control of Public Procurement Procedures, **Time frame:** 2011, **Assessment:** Not completed. The Rulebook on internal organization and job descriptions of the Commission's operational staff provided for 15 posts for civil servants and employees including the Commission's Secretary (31. March 2010). The Commission employs staff of 8, while 7 remain vacant. After the new Law on Public Procurements is adopted, the need to have a new act on internal organization and job descriptions for the

operational part of the Commission for the Control of Public Procurement Procedures will be considered; **Measure 99:** List of officers for Public procurement of contracting authorities, **Time frame:** 2011, **Assessment:** Not completed; **Measure 100:** Setting up and start of operation of the Help Desk for advisory and consulting services, **Time frame:** 2011, continuous, **Assessment:** Not completed; **Measure 101:** Setting up a separate group or job position for reporting irregularities; **Time frame:** as of 2011, continuous, **Assessment:** Not completed.

OBJECTIVE 46: Electronic Public procurement system is in place; **Measure 102:** Adopt secondary legislation for setting up the electronic system for Public procurement ; **Time frame:** 2012 **Assessment:** Not completed.

OBJECTIVE 47: Sustainable system of professional training and advancement in the Public procurement field established; **Measure 103:** Adopt regulations and define modules for trainings, **Time frame:** 2011, continuous; **Assessment:** Not completed; **Measure 104:** Regulation on the program and manner of taking exam in the field of Public procurement, **Time frame:** 2011, **Assessment:** Not completed; **Measure 105:** Setting up the Commission for Taking Exams, **Time frame:** As of the second half 2011, continuous, **Assessment:** Not completed.

SPATIAL PLANNING

This chapter has four objectives (48-51) and nine measures. Time frame for the realization of Measure 106, 111 and 113 is 2010 , and other measures are to be completed in a continuous manner.

OBJECTIVE 48: Legal framework governing the issuance of building and occupational permits is improved as well as the transparency of work and access to the information held by cadastral units, **Measure 106:** Amend the Law on Spatial Planning and Construction of Structures, **Time frame:** IV Q 2010 **Assessment:** Not completed. MSPE proposed introduction of one-stop-shop where a client would be relieved of any other procedures regarding technical conditions requested by competent bodies. **Recommendation: Adopt amendments and supplements to the Law on Spatial Planning and Construction of Structures .**

OBJECTIVE 49: Administrative and human capacity of inspection services is developed, **Measure 107:** Fill envisaged vacancies for inspectors positions, **Time frame:** Continuous **Assessment:** Partly completed. In 2010, three inspectors were hired in the Spatial Protection Inspection and two in the Urban Planning Inspection which does not mean that all described posts for inspectors are filled. New vacancy announcements are in the pipeline. **Measure 108:** Provide incentives for inspectors` work; **Time frame:** Continuous **Assessment:** Completed. Decision on bonus on inspectors' salaries in the amount of 30% - adopted. **Measure 109:** Training of inspectors **Time frame:** Continuous **Assessment:** Completed. In 2010 inspectors attended 16 seminars and trainings. **Measure 110:** Improve working conditions for inspectors and complete the application of information system; **Time frame:** Continuous **Assessment:** Partly completed. Tender for designing of IT system for inspectors is under way and the provision of IT equipment for inspectors' offices is in progress. **Recommendations: Fill all described posts in the Sector so as to improve efficiency of inspection and continue consistent implementation of the decision on inspector's bonuses. Continue training activities and draft reports on the effect of training on improving capacities. Install the software for inspection IT system.**

OBJECTIVE 50: Efficient detection and prosecution of corruption and illegal construction, **Measure 111:** Lay down clear and precise procedures for reporting illegal construction; **Time frame:** 2010. **Assessment:** Completed. Template for reporting illegal construction and pertaining procedures have been designed and they are put on the MSPE's website. An open phone line and e-mail to take reports of cases of illegal construction is operating. **Note:** Within the program of

sustainable development MANS formulated procedures for reporting illegal constructions by means of which there were 149 initiatives for starting inspection supervision procedure in total in 2010, and there were 91 complaints to inspection procedure. There were 8 criminal reports and 41 notes of urgency forwarded to the Supreme Court or State Prosecutors; **Measure 112:** Define and publish activities plans of inspections and reports on performance of inspection; **Time frame:** 2010, continuous **Assessment:** Completed. MSPE published its Inspections' consolidated reports and plans on its website. The cumulative reports will be transformed into individual reports that will lend themselves to better insight into the work of inspections and inspectors. In addition, there is a plan to make reports on the outcome of criminal procedures initiated by inspections. **Measure 113:** System of the control of inspectors' performance in place; **Time frame:** 2010. **Assessment:** Not completed. The call for vacancy to fill all posts in this sector is under way. **Recommendation: Continue the practice of publishing reports of the performance of inspectors on the Ministry's website. Advertise vacancies for the posts in the Department for internal control so as to control the performance of inspectors.**

OBJECTIVE 51: Sectoral Action Plan is monitored and is harmonized with the national Action Plan; **Measure 114:** Preparation of the report on implementation of the Action Plan for fight against corruption in the field of spatial planning and construction of structures; **Time frame:** Every six months **Assessment:** Not completed – no activities **Recommendations: Draft a report on the implementation of the Anticorruption AP in the field of spatial planning and construction of structures.**

EDUCATION

This chapter has eight objectives (52-59) and 24 measures. The deadline for completing the measures: 120, 127, 131, 137 i 138 is 2010. Measures 117, 125, and 129 are being implemented in 2011, measures 134 and 135 are to be implemented in 2012, and Measure 136 to be implemented in 2011-12. Measure 118 started as of September 2010 and it would be completed by September 2011. Other measures have been implemented in continuous manner.

OBJECTIVE 52: Recruitment in all educational institutions is based on objective criteria and transparent procedures; **Measure 115:** Reporting on advertised vacancies and reporting on the selection of candidates to the competent professional bodies of educational institutions; **Time frame:** Continuous **Assessment:** Not completed. Consolidated quarterly report of the Education Inspection about all advertised vacancies and recruitments to be submitted to the MES's secretary by the end of January 2011; **Measure 116:** Define clear internal criteria for the selection of candidates during recruitment; **Time frame:** Continuous; **Assessment:** No completed, Educational institutions did not send their reports concerning this measure; **Measure 117:** Define the Code of Ethics **Time frame:** 2011 **Assessment:** Not completed – Time frame for completion of this measure is 2011, National Council for Education has not been established. **Measure 118:** Education of principals on the preparation of criteria for the development of and compliance with the Code of Ethics; **Time frame:** September 2010 – September 2012; **Assessment:** Partly completed. In cooperation with DACI, MES organized a seminar on drafting codes of ethics on December 14, 2010 and 35 principals from educational institutions from the area of capital city Podgorica took part. Three regional seminars are planned for the IQ in 2011 with a view to involving principals of most of educational institutions. **Recommendations: WG for monitoring realization of measures from the AP in its segment on education:** Criteria for teachers and other educators, principals and deputy principals in educational institutions are prescribed by law and therefore internal criteria cannot be defined. **Recommendations: Education Inspection should regularly submit quarterly reports on all vacancy announcements and on**

all staff to MES. With a view to completing Measure 117 it is necessary to establish the National Council for Education and a WG that will draft the code of ethics. Continue activities of organizing seminars for principals on the implementation of codes of ethics.

OBJECTIVE 53: Decision making procedures on rights and duties of all actors in education process is transparent and objective, particularly when it comes to decisions on the standard of students at all levels of education, **Measure 119:** Organize lectures, seminars, workshops on the notion of corruption so as to build capacity of Public administration and employees in educational institutions with regard to the notion of corruption; **Time frame:** Continuous, **Assessment:** Partly completed. In cooperation with DACI, MES organized a seminar on designing code of ethics and it was attended by 35 principals from educational institutions from capital city Podgorica. In cooperation with CRNVO, DACI organized lectures at nine faculties where 278 students took part. DACI delivered lectures at seven seminars organized by other public authorities and representatives of private sector. **Measure 120:** Improve criteria for awarding scholarships and credits and admittance of students and pupils to dormitories so as to achieve their full transparency and objectivity; **Time frame:** by the end of 2010 **Assessment:** Partly completed. The new Rules on criteria, terms and conditions and fees for board and lodgings in dormitories, student loans, scholarships and student commuter pass was published; **Measure 121:** Public disclosure of the ranking list on award of pupil and student scholarships, credits and admittance to dormitories; **Time frame:** once a year; September/October, **Assessment:** Completed. Ranking lists on awarded scholarships, credits and admittance to dormitories for students and pupils are published on the web site of MES in journal „Prosvjetni rad“ and in daily newspaper “Pobjeda”. **Recommendation: Recommendation to MES, Education Bureau, Examination Center, Center for Vocational Education, Bureau for Publication of Textbooks and Bureau for International Scientific, Technical and Cultural Cooperation, DACI and HRMA to intensify activities on organizing lectures, seminars and workshops on the topic of corruption.**

OBJECTIVE 54: Teaching process and the knowledge examination and evaluation system for students is of high quality, **Measure 122:** Development of the knowledge standards, at all levels of students' achievement ; **Time frame:** Continuous **Assessment:** Partly completed. Examination catalogues for certifying vocational qualification in 2010/2011 were made. The catalogues cover 13 professional fields, 18 profiles and the total of 54 practical and theoretical subjects. Examination catalogues made for elementary school–leave examinations. Instruction for State competitions in school year 2010/2011 was published. Training programs to be conducted in 2010 by the Education Bureau adopted. They include: Interactive methods in teaching (E- schools, modular teaching), Appraisal and assessment in teaching, Pedagogical use of ICT, Critical thinking development (RWCT), Training for mentoring teacher trainees, Program of training of managerial staff in educational institutions, Support to in-service teacher training, Interactive training – training for trainers and Training for educators. All information is available on the website: www.zavodzaskolstvo.gov.me. However, none of these standards have been adopted by the National Council for Education . **Measure 123:** Harmonization between grading criteria and education on grading criteria; **Time frame:** Continuous **Assessment:** Partly completed. As a part of their standard teacher training activities to prepare them for novel assessment, examination and evaluation criteria rendered through ongoing education reform , Education Bureau organized 2 seminars attended by 60 teachers. **Measure 124:** Organize seminars and educational workshops for teachers on monitoring the quality of performance, knowledge examination and evaluation system; **Time frame:** Continuous; **Assessment:** Partly completed. As a part of their standard teacher training activities to prepare them for novel assessment, examination and evaluation criteria rendered through ongoing education reform , Education Bureau organized 2 seminars attended by 60 teachers. **Measure 125:** Set up center for quality assurance in every higher education institution; **Time frame:** 2011 **Assessment:** Partly completed. Council for Higher Education through its Center for Study and Quality Assurance in Teaching established an organizational structure with a view to provide quality assurance in teaching in every institution of higher education (Commissions for Managing Quality Assurance at University and network of commissions or offices at faculties) . Also, in every private institution of higher education in Montenegro there are teams that work on quality assurance in teaching as it is one of the main principles generated by the Bologna Declaration. **Measure 126:** Conduct a series of thematic

media campaigns with the aim of preventing corruption; **Time frame:** Continuous **Assessment:** No completed. Measure was not complete. **Measure 127:** Setting up a separate phone line for reporting corruption cases; **Time frame:** 2010; **Assessment:** Partly completed. MES introduced a free-toll phone line for reporting corruption in education and it would come into operation as of January 2011; **Measure 128:** Organization of the campaign, printing and promotion of posters, flyers and brochures on objective grading of pupils and students and the possibility of corruption; **Time frame:** Continuous **Assessment:** Not completed. None of public authorities realized this measure. **Recommendations: WG for monitoring of the realization of the education measures of the AP:** Measures 122, 123 and 124 concern regular activities of educational institutions (Education Bureau, Center for Vocational Education, Examination Center) to improve the quality of teaching, drafting and reviewing curricula etc. And it does not need to be realized within the AP for implementation of Anticorruption Strategy. **Recommendations: In order to complete Measure 122 it is necessary to establish National Council for Education. It is necessary to build capacities of the Center for Vocational Education to fulfill measures from the AP. In the upcoming period MES, Examination Center, Education Bureau, Center for Vocational Education, BPT, educational institutions and institutions of higher education need to carry out thematic educational campaigns on prevention of corruption in education and to organize campaigns, publish and promote posters, flyers and brochures on the topic of objectivity of assessment of pupils and students and possibilities of corruption. Also, it is necessary to continue activities on promotion of phone line for reporting corruption.**

OBJECTIVE 55: There is greater participation of parents, teaching staff, and civil society in planning and implementing measures for fight against corruption in education system, **Measure 129:** Carrying out and delivery of surveys on forms, causes and mechanisms of corruption; **Time frame:** 2011; **Assessment:** Not completed. **Measure 130:** Lectures, seminars, educational workshops for parents, teachers and NGO representatives; **Time frame:** Continuous **Assessment:** Not completed. This measure was not completed by any of the authorities; **Measure 131:** Involvement of parents and NGO representatives in monitoring implementation of activities from the Action Plan; **Time frame:** By the end of 2010. **Assessment:** Partly completed. In December 2010 MES published a public call for appointment of one representative of parents and one representative of NGOs to the WG for monitoring of the implementation of the AP for implementing the Strategy for Fighting Corruption and Organized Crime 2010-2012. MES received proposals/nominations from the Center for Civic Education and Roma Scholarship Foundation for the appointment of NGO sector's representative, while it did not receive any nomination for appointing a representative of parents. **Recommendations: In 2011 start with activities on delivering lectures, seminars and educational workshops for parents, teachers and NGO representatives. Also, it is necessary to make study of manifestations, causes and mechanisms of corruption in education, and to repeat call for nomination of parents' representative into the WG.**

OBJECTIVE 56: Clear procedures are established for accreditation and re-accreditation of educational institutions and for prevention of operation of non-licensed educational institutions; **Measure 132:** Compliance with procedures for accreditation and re-accreditation of educational institutions and curricula under laws in the field of pre-school, elementary, secondary and higher education and rulebooks governing this field; **Time frame:** Continuous **Assessment:** Completed. The Council published 6 Certificates of Accreditation and 23 Licenses and License supplements issued by MES. The Rulebooks that define the details of procedure for establishing institutions and accreditation and reaccreditation procedure for institutions of higher education as well as an updated list of licensed educational institutions and institutions of higher education are published on the web site of MES. The Law on Amendment and Supplement of the Education Law („Official Gazette of MNE“, No. 45/2010), Article 147a stipulated that all public educational institutions which on the day when this law entered into force did not have a license, should be deemed as having it. The Information on licensed private educational institutions is published on the website of ME. The Law and the criteria for accreditation of institutions of higher education are published on the website of MES (ENIC), and the list of licensed institutions of higher education is updated regularly. **Measure 133:** Coordination between competent authorities in preventing non-licensed educational institutions to engage

in educational activity; **Time frame:** Continuous **Assessment:** Partly completed. In all its branch offices TA runs a regular control of taxpayers, educational institutions included. The control of educational institutions did not indicate to any irregularities i.e. all controlled educational institutions have licenses for work. The report thereof is submitted on monthly basis as a part of the report of the Inspection Branch. **Recommendations: Continue publishing rules and updating lists of licensed educational institutions and institutions of higher education. For the purpose of completing Measure 111, submit a report of Education Inspection.**

OBJECTIVE 57: Institutional and legal framework for a more effective control of integrity of teaching and administrative staff is strengthened; **Measure 134:** Development of Integrity Plan; **Time frame:** 2012 **Assessment:** Not completed. Council for Higher Education: Effective control of integrity of teaching and administrative staff in the institutions of higher education is made by means of accreditation and re-accreditation procedure for institutions and study programs; **Measure 135:** Reporting on the implementation of measures from Integrity Plans at all levels of education; **Time frame:** 2012; **Assessment:** Not completed.

OBJECTIVE 58: Transparent overall financial and resource operations; **Measure 136:** Submission of annual financial statements of all educational institutions to the Ministry of Finance. **Time frame:** Once a year as of 2011; **Assessment:** Not completed. **Recommendation: Add MF as a competent authority for realization of this measure.**

OBJECTIVE 59: Sectoral Action Plan is monitored and it is harmonized with the national Action Plan, **Measure 137:** Harmonize sectoral AP with the national Action Plan; **Time frame:** By the end of 2010. **Assessment:** Completed. The decision of MES established the WG for harmonization of sectoral and national AP for the implementation of fight against corruption and organized crime for the period 2010-12, and WG completed it in December 2010. **Measure 138:** Reporting on the implementation of AP for fight against corruption in the field of education; **Time frame:** Continuous **Assessment:** Completed. MES prepared the report on the implementation of the AP concerning the realization of the measures 118-121,127,131,132,137 i 138. These were deemed priority measures since the deadline for their implementation was December 2010. The realization of other measures of the AP will commence in January 2011.

HEALTH

This chapter contains five objectives (60-64) and 11 measures. The time frame for completion of activities from measures 146 and 147 is 2010, for Measure 144 it is 2010-11, while other measures are being implemented in continuous manner.

OBJECTIVE 60: Codes of Ethics are implemented and controlled; **Measure 139:** Organizing periodical trainings on implementation of the provisions of the Code of Ethics; **Time frame:** 2010 - continuous, **Assessment:** Not completed, but in June 2010 the „Code of Ethics and Deontology of Health Workers“, was published by the Chamber of Physicians in circulation of 3.000 copies and it was disseminated to all physicians and dentists in Montenegro; **Measure 140:** Efficient initiation and conducting of disciplinary proceedings due to infringements of the Code of Ethics; **Time frame:** 2010- continuous; **Assessment:** Partly completed. Chamber of Physicians initiated five disciplinary proceedings. **Recommendations: Start organizing trainings for medical workers in health institutions on implementation of the provisions of the Code of ethics. The Chamber of Physicians to list this activity in the list of its activities.**

OBJECTIVE 61: Administrative and institutional capacity of Public health is improved, as well as the quality of health care services, patient safety, and equal access to health care; **Measure 141:** Introduction of information and communication technologies in health care institutions for the purpose of improving and

controlling the quality of data and indicators of the quality of performance; **Time frame:** 2010- Continuous **Assessment:** Partly completed. IT support to health sector was implemented in all health care institutions at the levels of primary care and in 7 general hospitals (out of 32 public health institutions, IT system was installed 26). Since three specialized hospitals and Clinical Hospital Center of MNE do not have any IT support, this measure was completed only partly. Owing to WB project the IT system will be installed in these health institutions as well; **Measure 142:** Define procedures and interventions for putting on the waiting lists; **Time frame:** 2010- Continuous **Assessment:** Partly completed. The waiting list for cardiac surgical interventions was defined and it is submitted to MH every month. **Measure 143:** Daily update of waiting lists; **Time frame:** 2010- Continuous **Assessment:** Not completed. It is not possible to make a daily updating of the waiting lists since there is no IT support and there is a lack of data thereof. **Recommendations: Continue the process of introduction of IT systems in health care institutions. Other institutions should create their waiting lists and publish them on the website of the MH. Provide IT system that will make daily updating of waiting lists possible.**

OBJECTIVE 62: Parallel engagement of health workers in both Public and private sectors is restricted and illegal payment for health services suppressed; **Measure 144:** Adoption of secondary legislation for implementation of the Law on Health Care and Law on the Protection of Patients` Rights; **Time frame:** 2010-2011. **Assessment:** Partly completed. The document „Network of Public Health Care Service“ was adopted. MH has prepared the Rules on Additional Engagement of Health Workers in the Network of Public Health Care Service and the Rules on Criteria for Contracting Health Services and Manner of Payment for Health Services. **Measure 145:** Recognition and respect for the rights of patients in the field defined under the law; **Time frame:** 2010 -Continuous, **Assessment:** Partly completed. As a part of the campaign on the rights of patients a considerable number of media events were arranged: TV RTCG (national coverage- public information service) program „CG Uživo“, two articles on the Law on the Rights of Patients (Journal „Medical“ and daily newspaper „Pobjeda“), slots of programe in electronic and printed media on activities, ways and measures for fighting corruption promoting help-line in the MH for reporting suspicion of corruption, the complaint boxes that were placed in all health care institutions and the appointment of the Protector of patient`s right in all health institutions (as of January 2011), and the brochure on the rights of patients that is going to be published. **Measure 146:** National survey on corruption in the health care sector; **Time frame:** 2010; **Assessment:** Partly completed. National survey on the integrity in health system was completed in December 2010. The analysis of collected data is yet to be made and it would be presented in March 2011. **Measure 147:** Development and regulation of professional norms and standards which improve the quality of performance and patient safety; **Time frame:** 2010 **Assessment:** Not completed. Planned to be a part of the project of MH and WB to be carried out by the end of 2012. **Recommendations: Continue adopting bylaws for the implementation of the laws specified. Intensify cooperation of MH with public health institutions, NGOs, Chamber of Physicians and Chamber of Pharmacists with a view to complete Measure 145 and adopt professional norms and standards for the sake of improving the quality of work and safety of patients. Present results and recommendations deriving from the study on integrity of health system.**

OBJECTIVE 63: Public procurement in the health sector is transparent, with an adequate level of control in place; **Measure 148:** Submission of reports on the quality of Public procurement system to the MH ; **Time frame:** 2010 -Continuous **Assessment:** Completed. Public health institutions are bound to apply the Law on Public Procurement and by end of February 2011 they are obliged submit reports to the competent authority about public procurements contracted in the previous year.

OBJECTIVE 64: Sectoral Action Plan is monitored and harmonized with the national Action Plan; **Measure 149:** Report on implementation of measures from the sectoral Action Plan; **Time frame:** 2010 - Continuous **Assessment:** Completed. Six month report on the realization of measures from the sectoral AP submitted to the Secretariat of the NC.

LOCAL SELF-GOVERNMENT

This chapter contains seven objectives (65-71) and 12 measures. The time frame for completing measures 150, 156, 157 and 160 is 2010-11, while other measures are implemented in continuous manner.

Note: The report on the realization of the measures from the AP was not submitted by municipalities Ulcinj, Rožaje, Bijelo Polje, Budva, Bar, Žabljak and Šavnik, while some municipalities submitted incomplete reports as they have missed on some indicators. With a view to evaluate results that have been achieved in relation to the AP measures it is necessary that all reporting entities submit their reports to the secretariat of the NC and to take into consideration the indicators that have been set.

OBJECTIVE 65: Local Action Plans are harmonized with sectoral AP and the Strategy for Fight against Corruption and organized Crime and AP, **Measure 150:** Coordinated work between the Commission for monitoring implementation of AP for fight against corruption at the local level, Union of Municipalities of Montenegro and presidents of working groups in municipalities in harmonizing local APs; **Time frame:** 2010–11; **Assessment:** Not completed. Union of Municipalities of Montenegro prepared a model AP for fighting corruption in the field of spatial planning and construction of structures which it dispatched to all mayors and presidents of municipal councils in November 2010 so that they can fulfill their obligation to make harmonization of their APs for fight against corruption in local self-governments and to specify authorities in charge. The meeting between the Commission for monitoring implementation of AP for fight against corruption at the local level and presidents of working groups in municipalities was held with a view to harmonize local APs. In municipalities Herceg Novi, Kolašin, Mojkovac and Kotor the workshops were held and their focus was on harmonization of local APs with the sectoral AP and with the Strategy for Fight Against Corruption and Organized Crime and AP, and the drafting of the plan to be harmonized with the quoted acts is under way. Capital city of Podgorica, municipalities Andrijevica, Berane, Danilovgrad, Nikšić, Plav, Plužine and Tivat are yet to harmonize local APs with the quoted acts. Royal capital Cetinje and municipality Pljevlja did not send their reports about realization of this measure. **Recommendations - Union of Municipalities of Montenegro:** Draw up a model of harmonized AP for fight against corruption both with sectoral AP and with the Strategy for fight against corruption and organized crime as well as with the AP for implementation of the Strategy for the period 2010-12. **Recommendations:** In shortest possible time the Union of Municipalities of Montenegro should draft the model of harmonized AP for fight against corruption both with sectoral AP and with the Strategy for fight against corruption and organized crime as well as with the AP for the implementation of the Strategy for the period 2010-12 so that the municipalities can intensify activities on realization of this measure.

OBJECTIVE 66: Local action plans are monitored; **Measure 151:** Report on implementation of local APs; **Time frame:** Continuous **Assessment:** Partly completed. MIAPA will set up the Commission for monitoring the implementation of AP for fight against corruption at the local level and assign greater competencies than the present commission and the new one is expected to control and supervise the implementation of the local APs (on December 2010 the draft decision on establishing the Commission was defined). Capital city Podgorica, Royal capital Cetinje, municipalities Herceg Novi, Kolašin, Mojkovac, Kotor, Andrijevica, Berane, Danilovgrad, Nikšić, Plužine and Tivat regularly submitted semiannual and annual reports on the realization of APs to the Commission for

monitoring the implementation of AP for fight against corruption at the local level - that was established by MIAPA. Municipality Plav did not submit report on the realization of this measure. In their reports municipalities Herceg Novi, Kolašin, Mojkovac and Pljevlja stated that they held a number of press conferences.

OBJECTIVE 67: Level of responsibility and professionalism at local government level is improved, **Measure 152:** Ensure free access to information **Time frame:** Continuous **Assessment:** Partly completed, MIAPA and the Union of Municipalities of Montenegro did not submit their report about realization of this measure. Capital city Podgorica, municipality Danilovgrad, Nikšić, Pljevlja, Plužine and Tivat stressed, among other things, that they drafted guidelines for free access to information, while municipality Berane plans to publish guidelines in 2011. Capital city Podgorica, municipalities Herceg Novi, Nikšić, Pljevlja and Plužine reported that they replied to the requests for free access to information in timely manner, while municipalities Andrijevica (7 requested / 7 granted), Danilovgrad (30/30), Kolašin (15/15), Kotor (117/117), Plav (4/4) and Tivat (90/90), Mojkovac (6/6) quoted the exact number of requests and granted requests for free access to information. Royal capital Cetinje and municipality Berane did not submit information on requests for free access to information. **Recommendations: Municipalities to report to the NC about the number of granted and denied requests for free access to information and the information on whether they publish them on the web pages.**

OBJECTIVE 68: Internal and external control of the work of local government units is strengthened, **Measure 153:** Control by competent working bodies of the Municipal Assembly with regard to budget execution and earmarked spending of funds; **Time frame:** Continuous **Assessment:** Partly completed. Supervision over budget execution and earmarked spending of earmarked budget allocations is made by means of semiannual reports on budget allocation and the final balance of budget account to the Parliament of MNE. Capital city Podgorica, Royal capital Cetinje, municipalities Andrijevica, Mojkovac, Berane, Danilovgrad, Herceg Novi, Kolašin, Kotor, Nikšić, Pljevlja, Plužine and Tivat reported that the competent bodies and the municipal councils reviewed the execution of the budget and earmarked spending of funds. Municipality Plav did not send the report on realization of this measure. Capital city Podgorica by its Decree on the organization and work of the administration of Capital city Podgorica („Official Gazette of MNE / municipal section No. 38/10) established Sector for Internal Audit and they are now preparing conditions for its full operation. **Comment:** Even though Capital city Podgorica, Royal capital Cetinje and 12 municipalities stated in their reports that competent bodies and municipal assemblies reviewed the budget execution and earmarked spending of funds, the reports of municipality Plav and some 7 municipalities are missing. That is why this measure is only partly completed. **Measure 154:** External audit of financial operation of municipalities; **Time frame:** Continuous **Assessment:** Partly completed. Capital city Podgorica, Royal capital Cetinje, municipalities Andrijevica, Mojkovac, Berane, Danilovgrad, Kotor, Nikšić, Plužine and Tivat reported to the NC that an independent audit agency is making regular audits for them once a year and that the report is submitted to the Parliament for adoption together with the municipality's Final balance of budgetary account. SAI made an audit of the Final balance of budgetary accounts of municipalities Herceg Novi and Kolašin for 2009. Municipalities Plav and Pljevlja did not submit reports on realization of this measure. **Measure 155:** Reporting on performance of the Council for Development and Protection of Local Government; **Time frame:** Continuous **Assessment:** Not completed. Union of Municipalities of Montenegro drafted the Model decision on the Council for Development and Protection of Local Self-government which envisaged that the Council submits report of its work once a year. The Council for Development and Protection of Local Self-government was established in Capital city Podgorica (inaugurated in 2007, submitted its report for 2009), Andrijevica (did not submit report so far), Danilovgrad (not constituted yet), Royal capital Cetinje, Herceg Novi, Kolašin (not constituted yet), Kotor, Nikšić (constituted in 2006, regularly submits reports), Plav, Pljevlja, Tivat (constituted in 2010). In Berane municipality there is no Council for Development and Protection of Local Self-government, while municipalities Plužine and Mojkovac did not submit reports on this measure. **Recommendations: Set up the councils for development and protection of local self-government based on the model provided by the Union of Municipalities of Montenegro, in every municipality that did not do that.**

OBJECTIVE 69: Ethical standards are applied in local government; **Measure 156:** Adoption of Codes of Ethics in assemblies of the local government units (LGU); **Time frame:** 2010–11 **Assessment:** Completed. In its report MIAPA stated that all local self-government units adopted Codes of Ethics for Elected Representatives and Officials in Local Self-governments and Codes of Ethics for Local Civil Servants and Employees in Local Self-government; **Measure 157:** Setting up Ethics Commissions; **Time frame:** 2010–11 **Assessment:** Partly completed. The Assembly of the Union of Municipalities of Montenegro adopted the following models: Codes of Ethics for Elected Representatives and Officials in Local Self-governments and Codes of Ethics for Local Civil Servants and Employees in Local Self-government and drafted two Rules of procedure for the Ethic Commissions. In its report MIAPA stated that most of local self-governments had set up the ethics commissions for the implementation of the codes of ethics. The Council of Capital city Podgorica, Royal capital Cetinje, municipalities Andrijevica, Berane, Danilovgrad, Herceg Novi, Kolašin, Pljevlja and Tivat adopted Decisions on Ethics Commissions for Elected Representatives and Officials and the Decision on Ethics Commission for Local Civil Servants and Employees. In 2011, the call will be announced to nominate and elect members to Ethics commissions based on the Codes of Ethics for Elected Representatives and Officials in Local Self-governments. Municipality Kotor and Nikšić have established their Ethics commissions based on the Codes of Ethics for Elected Representatives and Officials in Local Self-governments and Codes of Ethics for Local Civil Servants and Employees in Local Self-government. Municipalities Plav, Mojkovac and Plužine did not submit reports on realization of this measure.

OBJECTIVE 70: Process of planning, adoption and implementation of regulations is transparent, and the citizen participation principle is observed; **Measure 158:** Organize Public debates and round tables on draft laws and municipal acts; **Time frame:** Continuous **Assessment:** Partly completed. In its report MIAPA reported that there were no public debates and round tables for draft laws. The information on the number of public debates and round tables were not submitted by Capital city Podgorica, municipalities Berane, Nikšić, Plužine, Tivat and Danilovgrad. Royal capital Cetinje, municipality Andrijevica, held two public debates (for adoption of Budget and for the amendment and supplement of the Statute), municipality Plav and Mojkovac two each (for amendment and supplement of the Statute and rulebook and the Statute and Spatial Plan respectively), while municipalities Herceg Novi and Pljevlja organized public debates for all draft decisions that the Council reviewed. Every decision that Municipal council of Kolašin adopted was preceded by a public debate (36 public debates held). Municipality Kotor did not submit report on the realization of this measure; **Measure 159:** Organize Public debates and round tables on draft laws and municipal acts; **Time frame:** Continuous **Assessment:** Partly completed. In its report MIAPA stated that local self-governments in cooperation with Union of Municipalities of Montenegro and CRNVO organize trainings for writing projects. Consequently, municipality Andrijevica had three day trainings on project design and two trainings on the implementation of granted projects. Two project applications won grants. The representatives of the Capital city attended series of trainings for writing projects by IPA methodology and a training for using IPA II component - cross border cooperation. Municipality Berane has a team for writing projects composed of employees who participated in the seminars on using instruments for pre-accession assistance from the EU funds. Two projects received grants. In Royal capital Cetinje - four persons attended training on writing IPA projects – their projects competed for EU grants and it did not receive any. Five persons attended training within TO which competed with one project for the grant from MC and it won the grant. One representative from the Office for Prevention of Drug Abuse attended training organized by IOM, they competed for project grant and won it. Municipality Danilovgrad set up its team for project management comprising five people who attended several trainings and seminars on writing project. In cooperation with EBRD the funds for realization of one project were provided, and the other funds were provided through its cooperation with the EU Delegation to MNE. Staff from municipality H Novi attended trainings organized by the Union of Municipalities of Montenegro. Municipality Plav had two trainings. Two trainings were organized for the staff of municipality Kolašin. Neither of their two projects got any grants in 2010. Seven trainings were organized for the staff in municipality Pljevlja, four out of eight nominated projects were granted. The team for drafting projects for municipality Tivat applied with eight projects and attended several trainings. Six civil servants from municipality Mojkovac were trained in nine trainings total. In the reported period they applied for grants with three projects. Municipalities Kotor, Nikšić and Plužine did not submit reports on the realization of this measure. In compliance with its Training plan for local self-governments (May-July 2010), Union of Municipalities of Montenegro organized a training on

„Project management“ for IPA. As a part of technical support for the reform of local self-government the training on preparation for EU projects was held in July 2010 - Kolašin. The training was attended by 66 participants from 16 municipalities (Andrijevica, Berane, Bijelo Polje, Cetinje, Danilovgrad, Kolašin, Mojkovac, Nikšić, Pljevlja, Plav, Plužine, Rožaje, Žabljak, Šavnik, Ulcinj, Herceg Novi). Publication „Available funds for municipal projects“ was published. Union of Municipalities of Montenegro, MIAPA and HRMA applied with the project „Implementation of National Training Strategy in Local Self-Governments“ that won support by the EU. The project is expected to start in the second half of year 2011. In cooperation with OSCE, HRMA organized a six-day training for municipality Mojkovac. The training was organized on the topic of writing for EU-funded projects and 8 participants were trained in the period October and November 2010. Based on the Program on professional advancement seminars on the topic of the instruments for pre-accession assistance - IPA were organized (November 2010) and Software package for project management - MS Project delivered (October 2010); **Measure 160:** Promote the institute “empty chair” in LGU assemblies; **Time frame:** 2010–11 **Assessment:** Not completed. The rulebooks passed by municipal assemblies of Capital City of Podgorica, municipalities Andrijevica, Berane, Danilovgrad, Kolašin, Nikšić, Pljevlja, Tivat and Plužine define the way in which NGOs participate in the work of local parliament by means of the institute of “Empty Chair”. The local assembly sessions are covered live by local public information service in Berane, Danilovgrad, Tivat so that citizens get informed about the proposed acts that the local parliament is adopting, discussions, positions and proposals made by the councilors or by NGO representatives who sit on the „Empty Chair”. Municipalities H Novi, Kotor, Mojkovac and Plav did not submit information on the realization of this activity, while Royal capital Cetinje did not deliver on this measure. In cooperation with OSCE, Union of Municipalities of Montenegro organized presentation of the 2009 best practices in implementing „Empty Chair” for all local self-governments (November 2010 in Tivat) with a view to promote this institute. The title was „Use of ‘Empty chair’ through the amendment of the Rulebook for municipal assembly”. **Recommendations: Continue with trainings for civil servants on the means and procedures of writing projects and applying for projects and increase the number of projects. Continue the promotion of the „Empty Chair”.**

OBJECTIVE 71: Creating conditions for and encouraging citizens, civil society and private sector to get involved in the fight against corruption at the local level; **Measure 161:** Improve cooperation between citizens and local government bodies; **Time frame:** Continuous **Assessment:** Partly completed. Municipality Andrijevica organized one meeting in the reported period (realization of the Program of Revitalization of Mountain Cottages). Municipalities Berane, Danilovgrad, Nikšić, Plužine and Tivat with new websites and with guidelines on free access to information for citizens in local self-government managed to considerably facilitate procedure of informing citizens about procedures and about possibility to ask questions, give comments or report irregularities. Municipality H. Novi improved cooperation with citizens by opening a toll-free phone for reporting corruption, opening an internet web site, e-mail and an office for reporting corruption. Municipality Kolašin did so by drafting a brochure and information bulletin for citizens and civil and private sector. Municipalities Kotor, Plav, Pljevlja and Mojkovac did not submit report on realization of this measure while Royal capital Cetinje did not implement this measure. As a part of its project Union of Municipalities of Montenegro published three manuals and held four regional workshops with the representatives of local self governments and NGOs. **Recommendations: Improve cooperation between citizens and local self-governments through joint meetings. Local self-governments should encourage citizens and NGOs to give initiatives.**

CIVIL SOCIETY, MEDIA AND SPORTS

This chapter has six objectives (72-77) and 9 measures. Time frame for the realization of measure 165 is 2010, and for 164 it is 2011. Measure 177 is realized in continuous manner, while the time frame for the realization of other measures is 2010-2012.

OBJECTIVE 72: Efficient cooperation between Public authorities and non-governmental organizations, particularly in the field of implementation of anti-corruption activities, **Measure 162:** Conduct campaigns aimed at achieving greater and more efficient Public involvement in the fight against corruption; **Time frame:** Continuous **Assessment:** Partly completed. In the reported period DACI organized three campaigns with a view to provide greater and more efficient participation of citizens in fight against corruption („Open your eyes wide – report corruption“, „Remove a virus - report corruption“ together with CRNVO, and a campaign in student dormitories during the admission). Office for Cooperation with NGOs did not have any activities on realization of this measure.

OBJECTIVE 73: Financial operation of non-governmental organizations is transparent; **Measure 163:** Publish annual financial statements of NGOs; **Time frame:** Continuous, **Assessment:** Not completed. Commercial Court - CRPS did not report on the realization of this measure; **Measure 164:** Amend legal framework which regulates establishment of NGOs and audit of their financial operations, so as to prevent potential abuse of NGO; **Time frame:** 2011 **Assessment:** Not completed. MIAPA prepared the Inventory of Legislation Related to NGOs that will serve as a basis for drafting a new Law on NGOs. The WG for drafting this law was established. Office for Cooperation with NGOs and MF reported that the Government adopted the Decree on criteria for defining beneficiaries and manner of distribution of revenues generated from chance games in 2010. The Decree improved criteria for distribution of those funds and it spells out principle of monitoring the distribution better. **Recommendations: Adopt the Law on NGOs which would enhance transparency of NGO work. Realization of this measure was also envisaged in AP for monitoring the implementation of the EC's recommendations.**

OBJECTIVE 74: Establish clear criteria and procedures for allocation of funds from the budget to the non-governmental organizations at the central and local level guaranteeing transparency of the procedure, including control of spending donated funds; **Measure 165:** Adopt new decree on criteria for defining beneficiaries and manner of distribution of revenues generated from chance games; **Time frame:** 2010 **Assessment:** Completed. Decree on criteria for defining beneficiaries and manner of distribution of revenues generated from chance games adopted and published in the Official Gazette of MNE No. 44/10; **Measure 166:** Implementation of the decree; **Time frame:** Continuous ; **Assessment:** Completed: Report (information) on the work of the commission submitted to the MF.

OBJECTIVE 75: Improve investigative journalism and more actively involve media in implementation of anti-corruption campaigns; **Measure 167:** Education of media about corruption, organized crime and investigative journalism; **Time frame:** Continuous **Assessment:** Not completed: Media Institute did not have any activities whatsoever. Since 2009, MANS had conducted a project with a view to improve the quality of reporting about the problem of corruption and organized crime. By May 2010 some 10 investigative journalistic pieces were published in cooperation with the dailies „Vijesti“ and „Dan“ and „MONITOR“ weekly magazine, as well as on the website: www.podlUPom.info. **Recommendation: Intensify activities on educating media about the topic of corruption.**

OBJECTIVE 76: Ensure full freedom of objective reporting on corruption cases, including compliance with regulations and Journalist Code of Ethics; **Measure 168:** Report on implementation of the Journalist Code of Ethics; **Time frame:** Continuous, **Assessment:** Not completed. Journalist self-regulatory Body reported that the measure was not completed. **Measure 169:** Improve cooperation of Public authorities and media and information flow so as to assist more objective informing of the Public in an open and transparent conduct of Public authorities; **Time frame:** Continuous **Assessment:** Partly completed. PR unit of ME timely informed the public of all activities of the Ministry MSPE held about 30 press conferences and issued about 120 press releases. With a view to ensure the transparency of its work, it started publishing and distributing an information newsletter. PD informs public on daily basis by means of press releases on its most important activities including the cases of corruption, too. Last year media published 351 pieces of information about CA. The total time on air was 228,01 minutes, TV stations broadcast 114 information, while printed media published items of 273 information. In addition they organized 4 press conferences. TA's

representatives had 46 media appearances in total. They had 5 press conferences and issued 192 press releases. DACI had one thematic TV program and two radio programs per month in which DACI and other public authorities and NGOs informed public about anticorruption activities in Montenegro. DACI's web page scored 7.651 hits. Printed, electronic and on-line media published 321 articles, new items or programs about DACI. Media Institute: Did not have any activities whatsoever (reported orally).

OBJECTIVE 77: Intensify the process of participation of citizens and other stakeholders in Public debates of legal projects; **Measure 170:** Organize Public debates and round tables on draft laws; **Time frame:** Continuous **Assessment:** Partly completed. ME organized public debates relevant to the draft Law on Copy Rights and Related Rights, Bankruptcy Law and the Law on Regional Development; MSDT did that in preparation of the draft Law on Utility Services (October, November and December, 2010). Many remarks presented in these debates were integrated into the draft law that was submitted to the Government of MNE for review, while public debates are scheduled to take place in the beginning of 2011; in November 2010, MTMA organized public debate on draft Law on Protection of Sea from Pollution from Vessels.

PREVENTIVE MECHANISMS FOR THE SUPPRESSION OF CORRUPTION IN JUDICIAL AUTHORITIES

The Chapter contains 5 objectives and 14 measures. The timeframe for implementation of measure 4 is 2010. Three measures are to be completed in 2011, 3 measures in 2012, and 4 measures are to be implemented continuously.

OBJECTIVE 83: Increased citizens' confidence in the work of judicial office holders. **Measure 181:** Hire persons in the Judicial Council, Prosecutorial Council, State Prosecution Office and courts who are responsible for public relations and provide adequate training. **Timeframe:** IV Q 2010. **Assessment:** Partly completed. **Measure 182:** President of the Judicial Council and President of the Prosecutorial Council to hold press conferences every sixth month. **Timeframe:** Continuous. **Assessment:** Completed. **Measure 183:** Publish newsletter of the Supreme Court at least twice a year. **Timeframe:** Continuous. **Assessment:** Completed. **Measure 184:** Publish all decisions on the website of the Supreme, Administrative, Appellate and Higher Courts (second-instance chambers). **Timeframe:** Continuous. **Assessment:** Partly completed. **Measure 185:** Organize "Open Door" event in courts and prosecution offices. **Timeframe:** Continuous. **Assessment:** Partly completed. PR officers were assigned at the Supreme Court and Higher Courts in Bijelo Polje and Podgorica; they attended training designed and organized by the OSCE. The Supreme Court PR Officer is authorized to issue announcements also for the Appellate Court. Deputy Supreme Public Prosecutor was assigned PR duties for the State Prosecution Office and Prosecutorial Council. One Deputy and one assistant from the State Prosecution Office completed PR training. SCM organized two press conferences, two "Open Day" events and published one newsletter and booklet; the second newsletter is underway. SPP held one press conference with the Head of the Prosecutorial Council. Characteristic decisions are posted on the websites of Supreme, Appellate and Higher Courts with the aim to ensure case law uniformity and assist lower courts in reaching decisions. All Administrative Court rulings are published on the website of this court. **Recommendations:** In the aim of increasing citizens' confidence in the work of judicial office holders, the public needs to be continuously informed about passed judgments in the fields of corruption and organized crime (Measures: 182, 183, 185). Courts and prosecution systems need to enhance their human resources in order to have PR Officers in place (organizing press conferences, preparing newsletters, website updating etc.) at all levels, Measure 181.

OBJECTIVE 84: Further enhancement of the control function in relation to the work of judicial office holders. **Measure 186:** Every 6 months, the commission of immediately superior court is to carry out control of performance of judges, while immediately superior prosecution office is to carry out control of performance of state prosecutors. **Timeframe:** IV Q 2010. **Assessment:** Partly completed. **Measure 187:** At the beginning of each year the control of the performance of all judges and prosecutors is to be carried out by Judicial and Prosecutorial Council respectively. **Timeframe:** IV Q 2010. **Assessment:** Partly completed. **Measure 188:** Carry out analysis of regulations on disciplinary accountability of judges and prosecutors and initiate amendment to regulations in accordance with the adopted analysis. **Timeframe:** End of 2012. **Assessment:** Partly completed. SCM and Judicial Council carried out control of all courts and individual judges' performance. Draft Law on Courts and Law on Judicial Council developed, concerning a more detailed description of the misconduct that entails disciplinary accountability of judicial office holders; however, in order to synchronize activities with the Government of Montenegro AP for meeting the seven recommendations, public presentation was postponed so as to comply with the proposal of the MJ as the line ministry. SPPO carried out two quarterly controls of the performance of basic and higher state prosecution offices by means of detailed statistical reports on their performance and the performance of individual deputies, and provided recommendations for further work. **Recommendation: In the aim of further strengthening the control function of judicial office holders, biannual and annual controls need to continue (Measures 186 and 187). It is also necessary to focus control results on anti-corruption measures and, in relation to that, accelerate amendment of relevant regulations concerning disciplinary accountability (Measure 188), especially in view of the EC recommendations for opening of accession negotiations.**

OBJECTIVE 85: More efficient control over the implementation of the Codes of Ethics for judicial office holders. **Measure 189:** Carry out analysis of implementation of the Codes of Ethics of judicial office holders. **Timeframe:** I quarter 2011. **Assessment:** Completed. Analysis of implementation of the Codes of Ethics of judicial office holders carried out by the SCM and SPPO.

OBJECTIVE 86: Improved administrative, technical and resource capacity of judicial office holders and judicial administration. **Measure 190:** Normatively regulate and set up central database on recruitment, evaluation, disciplinary sanctions and advancement of judicial office holders. **Timeframe:** IV quarter 2010. **Assessment:** Partly completed. **Measure 191:** Establish transparent procedures for development of programs of education and selection of lecturers. **Timeframe:** 2011. **Assessment:** Partly completed. **Measure 192:** Publish translation of characteristic decisions of the Court of Human Rights in Strasbourg on the website of the Supreme Court of Montenegro and state prosecution office respectively. **Timeframe:** Continuous. **Assessment:** Partly completed. **Measure 193:** Provide adequate and technically equipped offices for judges. **Timeframe:** 2012. **Assessment:** Partly completed. SPPO set up the database on recruitment, appraisal, disciplinary sanctions and advancement of prosecutors at the Prosecutorial Council. CEJOH issues the Annual Education Program and elaborates it for the period of six months. The Annual Education Program specifies also the number of lecturers per branch of law i.e. for each individual program within the Annual Program. The call for applications for potential Center lecturers is posted on the Center's website. All programs of the Center and the biannual work plans are available on request from the Center or from its website (www.coscg.org). SCM web page contains translated decisions of the European Court of Human Rights in Strasbourg, as well as the ones recommended by the State agent of Montenegro at the Court in Strasbourg. Measures were undertaken for full reconstruction and technical modernization of the courtroom of the specialized department of the Higher Court in Podgorica. Offices of all Higher Court judges and the Court President were reconstructed and their work conditions improved. Project documentation was prepared for the reconstruction and modernization of the main courtroom at the Basic Court in Podgorica as well as total reconstruction of the Higher and Basic Court building in Bijelo Polje; in particular, three courtrooms will be modernized and equipped in order to accelerate court procedures. **Recommendations: A central database on recruitment, appraisal, disciplinary sanctions and advancement of judges needs to be set up at the Judicial Council (Measure 190). Efforts need to be made to further**

improve transparency of the criteria for development of the Program of Education for judicial office holders and selection of lecturers (Measure 191). For the purpose of achieving this objective, characteristic decisions of the Court of Human Rights from Strasbourg need to be published also on the SPPO web page (Measure 192), while provision of adequate and modernized work conditions needs to continue (Measure 193).

OBJECTIVE 87: Full implementation of JIS. **Measure 194:** Use of JIS in daily work by judicial office holders and employees at the court and State Prosecution Office. **Timeframe:** 2012. **Assessment:** Partly completed. Currently, there are 560,302 cases in court records, 41,390 cases in prosecution offices, 709, 296 court acts and 55,001 prosecutorial acts, 172, 346 court decisions, 586,117 natural and legal persons involved in cases, 621 active individual sheets for persons serving imprisonment sentences, 2,687 individual history sheets, 2,620 releases from imprisonment etc. **Recommendation: Full implementation of JIS in daily work, for the sake of better transparency and lower risk of corruption in the work of the judiciary (Measure 194).**

CRIMINAL PROSECUTION AND FORFEITURE OF ILLICIT GAINS

The Chapter contains 3 objectives, which comprise 6 measures. The timeframe set for implementation of 2 measures is 2011, while 4 measures are to be implemented continuously.

OBJECTIVE 88: Specialization of the police, public prosecutors and judges regarding the new provisions of the Criminal Procedure Code, in line with the Implementation Plan. **Measure 195:** Carry out fully the Implementation Plan for the Criminal Procedure Code. **Timeframe:** Continuous until 1 September 2011. **Assessment:** Partly completed. In cooperation with the UNDP Office in Montenegro, CEJOH organized an event on "Implementation of the new Criminal Procedure Code, amendments to the Criminal Code and challenges in practice" in September 2010. In cooperation with the UNDP, OSCE, US Embassy in Podgorica and HRMA, a seminar was organized on "Financial investigations, the experience of Italy – Investigating criminal offences of corruption and related matters", as part of the Program of education of judicial office holders on fighting corruption (in the light of the new Criminal Procedure Code). Together with CEDEM, AIRE Centre from London and US Embassy in Podgorica, the Centre organized a seminar on "New Montenegrin CPC and the European Convention on Human Rights – legislation and practice – with emphasis on investigation stage, presumption of innocence and the media". Presentation of the Guide on practical implementation of CPC was also organized. A round table was organized on "Implementation of the new Criminal Procedure Code, amendments to the Criminal Code and challenges in practice". Presentation of the Commentary to the Criminal Code of Montenegro was organized. Between March and July 2010, PA organized 17 courses on "Implementation of CPC" attended by 346 employees of the Police Directorate. **Recommendations: Continue with training and activities in order to fully accomplish the CPC Implementation Plan.**

OBJECTIVE 89: Efficiency of criminal prosecution and forfeiture of illegal assets. **Measure 196:** Comprehensive training and development of curricula for all key authorities dealing with financial investigations, detection, freezing, confiscation and management of assets gained by the commission of criminal acts. **Timeframe:** 2011. **Assessment:** Partly completed. **Measure 197:** Conducting financial investigations by public authorities responsible for detection and prosecution of criminal perpetrators. **Timeframe:** Continuous. **Assessment:** Partly completed. **Measure 198:** Forfeiture of illicit gains in criminal proceedings. **Timeframe:** Continuous. **Assessment:** Not completed. CEJOH: See Measure 195. PA organized 2 seminars on "Financial investigations": the first one involved 10 participants – seven from PD, one from DSMLFT and two from the prosecution; the second seminar involved 10 participants – eight from PD and two from the prosecution. During the reporting period, PD initiated 7 financial investigations against 21 persons with the competent prosecutors. SPPO is conducting two financial investigations. One of these investigations involved "frozen" funds in the accounts of natural and legal persons equalling EUR876,403.60 and

USD55,054.67. **Recommendations: Design the curricula (Measure 196) for the authorities conducting financial investigations and intensify training in this field for the purpose of efficient implementation of financial investigations. Application of the new CPC and CC started recently, so more concrete results may be expected within the next reporting period (Measures: 197 and 198).**

OBJECTIVE 90: Assessment of the impact of the enforcement of provisions on extended forfeiture of illegal assets. **Measure 199:** Conducting financial investigations for the purpose of extended confiscation of illicit gains by public authorities responsible for detection and prosecution of criminal perpetrators. **Timeframe:** Continuous. **Assessment:** Partly completed. **Measure 200:** Permanent seizure (confiscation) of assets whose legal origin has not been proved in extended confiscation proceedings. **Timeframe:** Continuous. **Assessment:** Not completed. PD is involved in a financial investigation for extended confiscation of illegal assets based on the SPPO – Special Prosecutor request; SPPO is conducting two financial investigations for extended confiscation of illegal assets. **Comment: Application of the new CCP and CC started recently, so more concrete results may be expected within the next reporting period.**

COORDINATION AND DATA EXCHANGE

The Chapter contains 3 objectives and 9 measures. The timeframe for implementation of 3 measures is 2010–12, 3 are to be completed in 2011 and 3 are to be implemented continuously.

OBJECTIVE 91: Efficient cooperation and exchange of data among the prosecution authorities, Police Directorate, Customs Administration, Tax Administration and Directorate for the Prevention of Money Laundering and Financing of Terrorism. **Measure 201:** Establish the system for obligatory submission of statistical data on corruption reporting and further procedures to the Directorate for Anti-Corruption Initiative. **Timeframe:** 2010–12. **Assessment:** Partly completed. **Measure 202:** Develop adequate information system for the submission of data on corruption reporting to DACI. **Timeframe:** I quarter 2011. **Assessment:** Partly completed. **Measure 203:** Consider revision of the existing agreements on cooperation between institutions. **Timeframe:** Not defined. **Assessment:** Partly completed.

DACI defined the list of authorities to submit information on corruption reporting and the Template for submitting information on corruption reporting; other authorities started with submission of corruption reporting to DACI. The IT system is being developed, intended to support the admission and processing of individual reports for reporting under the AP, as well as the process of reporting on corruption reports. Launching of the IT system is envisaged for late February 2011, which corresponds with the timeframe set in the AP (I Q 2011). DACI signed agreements on cooperation with the PD and PPD. Customs Administration signed agreements on cooperation with DSMLFT, PD and Monstat. Customs Administration also has agreements on cooperation in integrated border management with the MIAPA, PD, Veterinary Directorate and Phytosanitary Directorate. SPPO, PD, TA, DSMLFT and CA signed the Agreement on establishment of Joint Investigative Team, which will act in cases of organized crime and the most severe forms of criminal offences of corruption. Customs Administration signed Agreement on cooperation with TA. **Recommendations: Full implementation of this measure requires all authorities that possess open phone lines for corruption reporting to regularly and in a coordinated manner deliver information on corruption reports and further actions using a uniform format, i.e. the defined Template, through the IT system (Measures 201 and 202). Cooperation of authorities in the activities to fight corruption needs to be improved and formalized.**

OBJECTIVE 92: Gathering, processing and analysis of statistical data on corruption reporting and further actions with a view of stepping up anti-corruption efforts and public information. **Measure 204:** Ensure analytical processing of data on corruption reporting in regular time intervals. **Timeframe:** II Q 2011. **Assessment:** Not completed. **Measure 205:** Analysis of corruption reporting cases which are indicators of vulnerable areas and their use in formulating anti-corruption policies. **Timeframe:** Continuous. **Assessment:** Not completed. **Measure 206:** Inform general and professional public on activities undertaken in relation to monitoring corruption reporting. **Timeframe:** Continuous. **Assessment:** Partly completed. Implementation of Measure 201 is the prerequisite for implementation of Measures 204 and 205. During the reporting period, DACI informed the public about the number and processing of reports on suspected corruption in special programs: 2 programs (TV Atlas and Radio Montenegro) and 2 interviews (CDM and "Dan"); this is DACI's regular activity. At the press conference, DACI also informed the professional and general public about the findings of the Survey on the functioning and integrity of state authorities with recommendations; a number of authorities and working groups received the Survey with the aim to make use of the recommendations.

OBJECTIVE 93: Employees of various authorities who receive and keep records on corruption reporting trained for receiving reports. **Measure 207:** Deliver trainings to police officers who receive reporting of corruption at the central level and local units level. **Timeframe:** 2010 – 2012. **Assessment:** Partly completed. **Measure 208:** Deliver trainings to DACI, PD, CA and PPD officers who receive reporting of corruption. **Timeframe:** 2010 – 2012. **Assessment:** Partly completed. **Measure 209:** Define standardized template for receiving reporting of corruption, to be used by all bodies that have an open phone line for corruption reporting. **Timeframe:** I quarter 2011. **Assessment:** Completed. PD realized three seminars on the following topics: «Receiving and processing reports and protecting whistle blowers», «Rule of law and anti-corruption in public administration» and «Advanced training on investigating criminal offences of corruption and related matters» for 5 employees in total. DACI defined the Template for delivering information on corruption reporting, which will be integrated in the software solution being developed. **Recommendations:** The number of training events needs to be increased, so that training takes place - in addition to the central level - also at the level of local units of PD (Measure 207). Increased number of training events for the persons responsible for receiving corruption reports in all authorities that possess open phone lines (Measure 208). An obligation needs to be imposed on the authorities that have open phone lines to use the software solution mentioned above and, once the system is in place, conduct training so that the system is used as standard reporting mechanism (Measure 209).

INTERNATIONAL COOPERATION

The Chapter contains 1 objective and 9 measures. The timeframe for implementation of one measure is 2010, 6 measures are to be completed in 2011, and 2 measures are to be implemented continuously.

OBJECTIVE 94: Strengthened international and regional cooperation in combating corruption. **Measure 210:** Signing international treaties and agreements: with the EU countries, with third countries, with international organizations. **Timeframe:** Not due - 2011. **Assessment:** Completed. **Measure 211:** Signing operational agreement on cooperation with Europol. **Timeframe:** 2011. **Assessment:** Not completed. **Measure 212:** Establishment of efficient Unit for coordination of international police cooperation. **Timeframe:** 2011. **Assessment:** Not completed. **Measure 213:** Establishment of internal operating procedures. **Timeframe:** 2011. **Assessment:** Not completed. **Measure 214:** Ensure data protection in the work of organizational unit for international police cooperation. **Timeframe:** 2011. **Assessment:** Partly completed. **Measure 215:** Provision of functional working space. **Timeframe:** 2011. **Assessment:** Partly completed. **Measure 216:** Reporting on results of international cooperation in the fight against corruption. **Timeframe:** Continuous. **Assessment:** Completed. **Measure 217:** Development of annual plans for signing bilateral agreements on cooperation with related institutions. **Timeframe:** By the end of IV quarter 2010. **Assessment:** Partly completed. **Measure 218:** Analysis of the effects of implementation of international treaties and agreements with the neighboring countries, EU countries and international organizations. **Timeframe:** Continuous. **Assessment:** Not completed. SCM signed the Agreement on mutual assistance and cooperation with the

Supreme Court of the Russian Federation and established forms of cooperation and assistance with the Supreme Courts of Croatia, Republic of Srpska, Serbia, Macedonia, B&H Federation, Albania and Kosovo. SPPO signed the following: Memorandum of Cooperation with the Republic of Italy National Directorate for combating mafia; amended version of the Memorandum of Understanding under the PROSECO Project, and Agreement with the General Prosecution Office of the Russian Federation. The Ministry of Justice signed the following: Agreement on Amendments to the Agreement on Extradition with the Republic of Serbia, Agreement on Extradition with the Republic of Croatia, Agreement on Legal Assistance in Civil and Criminal Matters with B&H, and Agreement on Mutual Enforcement of Judgments in Criminal Matters. MIAPA signed the Agreement with the Government of Malta in the field of combating illegal drug trafficking, organized crime and international terrorism. Police Directorate signed the Agreement on Police Cooperation between the Government of the Kingdom of Belgium and the Government of Montenegro. Partnership Agreement was signed with the Federal Crime Police of Germany to strengthen PD capacities within IPA 2009 Project. Memorandum of Understanding was signed within the MARRI Initiative on sustainability of established cooperation of border police units at international airport border crossings in member states. Customs Administration cooperates with the customs services of EU countries in line with the Protocol 6 of the Stabilisation and Association Agreement between the European Communities and their Member States on one side and the Republic of Montenegro on the other side (SAA). Protocol provisions have supremacy over the provisions of any bilateral agreement on mutual assistance. CA signed the following: Protocol on electronic data exchange with the Republic of Albania (SEED), Agreement on Customs Cooperation and Mutual Assistance with the Government of the Republic of Serbia, and Agreement on Mutual Assistance in Customs Matters with the Government of Kosovo. DSMLFT signed the Agreement with the respective FIUs of Moldova, San Marino and Israel. In addition, it also innovated the Agreement on Exchange of Financial Intelligence with the Russian Federation, which concerns prevention of terrorism financing. PD is undertaking activities to adopt the amended Rulebook on job classification, which envisages reorganization of NCB Interpol and establishment of Division for international police cooperation. Development of internal work procedures is ongoing. Security Zone 2 was established, with protection features (access control, video surveillance, physical protection). There are ongoing activities to provide adequate boxes for storage of confidential data and to obtain licences for NCB Interpol staff to access confidential data. Functional working space was provided for the purposes of the NCB Interpol. However, expansion has still not been provided for, with regard to setting up Europol office and SIRENE Bureau. PD developed two reports on the results of international cooperation. CA Operation Strategy includes the agreement signing plan. SPPO developed an analysis of the impact of implementation of international treaties and agreements; in cooperation with the countries from the region and the EU, Serbia, Croatia, Russia, B&H and Italy cases were set up in the Division for fighting organized crime, corruption, terrorism and war crimes. MJ is continuously monitoring implementation of international treaties and agreements through statistics (report on the number of cases of international legal assistance). **Recommendations: International cooperation needs to be intensified by implementing the existing and in particular by signing new agreements in line with the authorities' annual plans; regular analysis of the impact of implementation needs to be carried out (Measures: 210, 216, 217 and 218). Activities need to be intensified concerning signing of the operational agreement with EUROPOL (Measure 211). PD capacities need to improve for the purpose of efficient international cooperation in combating corruption (Measures: 212, 213, 214 and 215).**

IV. ORGANIZED CRIME

SITUATION ANALYSIS

The Chapter contains 2 objectives and 4 measures. The timeframe for implementation of measures 219, 220 and 221 is 2010–11 and the timeframe for implementation of Measure 222 is 2010–2012.

OBJECTIVE 95: Prerequisites in place for preparation of crime mapping in Montenegro. **Measure 219:** . Analysis of the state of crime in Montenegro. **Timeframe:** 2010-11. **Assessment:** Not completed. PD produced the overview of statistics on crime in 2010. **Measure 220:** Identification of vulnerable areas in the system. **Timeframe:** 2010-11. **Assessment:** Partially completed. Vulnerable areas – areas of particular risk in the system - identified: privatization process; public procurement; urban planning; education; health sector; local self-government. **Measure 221:** Setting clear priorities in the field of combating organized crime. **Timeframe:** 2010-11. **Assessment:** Partly completed. PD, together with other authorities, defined the priorities in the Strategy for fighting corruption and organized crime (2010-14). **Recommendations: Identify the vulnerable areas within organized crime (PD and USPNFT). Measure 220. Analytically improve the crime mapping in Montenegro (Measures: 219, 220 i 221).**

OBJECTIVE 96: Assessment of the impact of organized and serious crime in the region on the state of crime in Montenegro developed. **Measure 222:** Prepare Analysis of impact of organized and serious crime in the region on the situation in Montenegro in accordance with the EU-OCTA standards. **Timeframe:** 2010-2012. **Assessment:** Not completed. Measure 219 is the prerequisite for this measure. Particular risk is also accessibility of data on organized crime in the countries of the region: since most of such data is in the stage of verification/processing it is mainly data on concluded cases that is available, which renders a realistic assessment of the situation difficult.

PREDOMINANT FORMS

The Chapter contains 4 objectives and 19 measures. The timeframe for implementation of 12 measures is 2010–2011 and the timeframe for implementation of 7 measures is 2011 – 2012.

OBJECTIVE 97: Improved efficiency in conducting financial investigations and increased number of processed financial investigations. **Measure 223:** Increased number of employees working in financial investigations. **Timeframe:** 2010-12. **Assessment:** Partly completed. Draft act on amendments to the Rulebook on internal organization and job descriptions is available, providing formal prerequisites for the number of employees concerned with this matter to increase from 16 to 20. **Measure 224:** Improve inter-agency cooperation through the Special Investigative Team. **Timeframe:** 2010-12. **Assessment:** Partly completed. Agreements on Cooperation signed with the institutions constituting the Special Investigative Team, Tax Administration, Customs Administration and DSMLFT. Agreement on establishment of the Special Investigative Team signed by the Police Directorate, Prosecution Office, Tax Administration, Customs Administration and DSMLFT. **Measure 225:** Delivery of specialized trainings in conducting financial investigations. **Timeframe:** 2010-12. **Assessment:** Partly completed. DSMLFT conducted specialized trainings: seminar on “Investigating criminal offences of corruption and related issues – financial investigations” for 2 representatives; seminar on “Advanced training on investigating corrupt acts and related issues – financial investigation ” for 1 representative; seminar on “EGMONT group training – tactical analysis and training of trainers” for 2 representatives; seminar on “Development of economic /financial strategy ” for 1 representative; seminar on “Cooperation between FIUs and law enforcement agencies in fighting money laundering and restitution of illegal assets“ for 1 representative. **Recommendations: In the aim of better efficiency in conducting and procesing financial investigations, it is necessary to step up the activities within the Joint Investigative Team for processing of financial investigations.**

OBJECTIVE 98: Improved administrative, space and technical capacity of entities involved in combating organized crime. **Measure 226:** Assign two officers who will deal with organized crime related affairs in local units. **Timeframe:** 2011-12. **Assessment:** Not completed. By adopting amendments to the Rulebook, PD will envisage 2 posts (16) in each local unit for the tasks in fighting organized crime and corruption and two posts at the central level. **Measure 227:** Ensure

necessary conditions for law enforcement operations and law enforcement intelligence operations in local units. **Timeframe:** 2011-2012. **Assessment:** Partly completed. **Measure 230:** Provision of functional working space for the employees hired to fight against organized crime and corruption in local units. **Timeframe:** 2011-12. **Assessment:** Partly completed. PD provided working space, 1 office at the Herceg Novi local unit. **Measure 228:** Strengthening and improvement of resource basis for carrying out border control (reconstruction and construction of BC, installation of video surveillance on BC, purchase of vehicles, vessels and other technical equipment). **Timeframe:** 2011-12. **Assessment:** Partly completed. During the reporting period a certain number of modern technical devices were obtained for more efficient implementation of tasks in the surveillance of green and blue border and border crossing checks. **Measure 229:** Information networking of the intelligence operations system EGP- IGP – SGP. **Timeframe:** 2011-12. **Assessment:** Partly completed. All BP stations (8) and border crossing points (28) are networked into a single PD information system and have access to the Interpol MIND system. Activities initiated to implement the project of sending intelligence information 4X4 to three border police stations (Bar, Herceg Novi and Nikšić). The stations are included in the PD network and establishment of necessary routing schemes for information delivery is underway. The software is expected to be implemented in all BP stations in 2011. **Measure 231:** Restructuring of the existing Division for Special Checks by introducing new affairs: 1. Establishment of the affairs performed by DESK at the central and local levels; 2. Implementation of the Handbook on Criminal Intelligence Operations. **Timeframe:** 2011-2012. **Assessment:** Partly completed. Proposal of new organization and functioning of PD Division completed, to be completed after the development of the new Rulebook on PD internal organization and job descriptions, following the adoption of the Law on Police. During the reporting period, the complete edition of the Handbook “Criminal Intelligence Led Policing” was developed, printed and distributed. **Measure 232:** Intensive training of the police in relation to implementation of the CPC and conducting investigations by applying SSMs, financial investigations and forfeiture of illicit gains. **Timeframe:** 2011-12. **Assessment:** Partly completed. During the period in question, three training modules were held for undercover investigators, organized by TAIEX for 12 participants.

OBJECTIVE 99: Enhanced operational-tactical, criminal-intelligence and analytical-operational methods for the fight against organized crime. **Measure 233:** Set up a separate fund for intelligence and operational activities. **Timeframe:** 2010-12. **Assessment:** Not completed. PD is implementing activities to consider the possibilities and establish the legal basis in effective regulations for setting up of a separate fund. **Measure 234:** Sustainable development through the purchase of new and maintenance of the existing equipment for conducting investigations and applying SSMs. **Timeframe:** 2010-12. **Assessment:** completed. Within IPA 2007 PD purchased the technical equipment for conducting investigations and applying SSMs. The telecommunications surveillance system was upgraded. **Measure 235:** Implementation of the second phase of the project “Intelligence-Led Policing”. **Timeframe:** 2010-12. **Assessment:** Not completed. In cooperation with the EU Delegation, PD concluded preparation of IPA 2010 project documents; the budget for the project has been secured and a twinning partner from Austria selected. A detailed activity plan has been developed and working teams for project management and implementation established within the PD. **Measure 236:** Train adequate number of operational analysts to carry out activities in relation to serious and organized crime. **Timeframe:** 2010-2012. **Assessment:** Partly completed. PD increased the number of employees trained for operational analysis by 16.

OBJECTIVE 100: Enhanced mechanisms for collection and analysis of data on overall state of play in organized crime as well as collection of statistical data on forms of organized crime. **Measure 237:** Develop guidelines for harmonizing methods for presenting statistical data by the Police Directorate, Prosecution Office and judiciary. **Timeframe:** 2010-12. **Assessment:** Not completed. Instructions for adjusting the methodology for statistical data reporting being drafted. **Measure 238:** Set up criminal intelligence units in local units of the Police Directorate. **Timeframe:** 2010-12. **Assessment:** Not completed. PD developed a proposal for organization of criminal intelligence units in the local units. **Measure 239:** Improve risk analysis system in the Border Police Department. **Timeframe:** 2010-12. **Assessment:** Partly completed. The legal framework was defined by means of adopting the Instructions for development of Risk Analysis

in the Border Police Department. Training Plan and Program for implementing Risk Analysis Model were developed. **Measure 240:** Setting up unique database of operational data. **Timeframe:** 2010-12. **Assessment:** Not completed. The unique intelligence database was established in PD. Activities will resume in 2011 under IPA 2010: Further development of software modules for more efficient data exploitation. **Measure 241:** Provide links and connect with databases of providers of telecommunication services in order to collect data in accordance with powers of the police prescribed by CPC. **Timeframe:** 2010-12. **Assessment:** Partly completed. PD established a link to databases of 2 out of 3 providers of telecommunication services. **Recommendations: Harmonize the methodology for reporting data on the state of organized crime and set up a single database to improve data analysis, in accordance with it.**

PREVENTION

The Chapter contains four objectives (101-104) and nine measures. **Measure 249 is to be implemented continuously (not completed), measures 245 and 246 during 2010-11, and the rest of the measures during 2010-2012.**

OBJECTIVE 101: Specialization for all parties engaged in combating organized crime. **Measure 242:** Implementation of the Training Program through international projects. **Timeframe:** 2010-12. **Assessment:** Partly completed. Through international projects, PD carried out eight training events for 25 employees. CEJOH carried out training under the Program of training of judicial office holders on combating corruption (in the light of the new CPC). A series of seminars were organized within the project Technical Assistance of Luxemburg to Montenegro 2010 – Initial training on EU law for the judiciary (II), as well as a series of seminars on civil law. **Measure 243:** Continuous training and specialization at the Police Academy. **Timeframe:** 2010-12. **Assessment:** Completed. 20 training events were organized at the Police Academy for 293 PD employees. Within IPA 2007 project, three Training of Trainers courses were organized at the Police Academy (for 16 PD employees) and two courses on Training on technical supervision (for 16 PD employees). Within the ILECU project, Police Academy organized six seminars for employees of PD, MIPA, Higher Court, Prosecution Office, Supreme Court, Ministry of Justice, DSMLFT, TA and CA. **Measure 244:** Participation at regional and international seminars and conferences. **Timeframe:** 2010-12. **Assessment:** Partly completed. During the reporting period, PD employees participated at four regional seminars and international conferences, CEJOH staff participated at three international conferences, while MIAPA employees participated at seminars and conferences on implementation of the Convention on Police Cooperation of SEE countries. CEJOH stated finance and human resources as risk factors; MIAPA stated training. **Recommendations: Organization of specialized training of all relevant entities needs to continue, particularly highlighting analysis of the impact of training on the suppression of organized crime; consistently implement also the relevant measures from the AP for monitoring implementation of recommendations from the EC Opinion. Since MIAPA holds that Measures 242 and 243 do not fall under its competences, reporting entities need to be specified in the coming period.**

OBJECTIVE 102: Protection of integrity of those involved in combating organized crime. **Measure 245:** Adoption of Integrity Plan in the Police. **Timeframe:** 2010-11. **Assessment:** Not completed. **Measure 246:** Implementation of the Law Enforcement Code of Ethics: efficient performance of Ethics Committee; development of six-month analyses on implementation of the Code of Ethics; organize periodical trainings on implementation of provisions of the Code of Ethics; training of police officers in implementation of the Guidelines for reporting corruption to the police; **Timeframe:** 2010-11. **Assessment:** Partly completed. The Ethics Committee holds regular meetings at the PD to consider requests for initiation of disciplinary procedures to ascertain infringement of the Code of Ethics. During the reporting period, the Ethics Committee held five meetings to consider 24 cases of individual infringements of the Police Code of Ethics by PD employees. 19 cases were referred to the disciplinary authority for a decision on disciplinary accountability due to established infringement of the provisions from the Code. The Committee established that in four cases there were no grounds to start disciplinary procedures since no infringement of the Code had taken

place. One case was referred back to the party that submitted the request for disciplinary procedure for amendment. The Ethics Committee conducts periodical reviews of Code implementation and informs the public about the findings, thus contributing to transparent ethical conduct of PD employees. **Recommendations: Activities on developing the Police Integrity Plan need to continue in order to enable its adoption by the end of 2011. Periodical training needs to be organized on implementation of the provisions from the Code of Ethics as well as training for the police on implementation of the Guidelines for reporting corruption to the police. In addition, since MIAPA holds that Measure 245 does not fall under its competences, reporting entities need to be specified in the coming period.**

OBJECTIVE 103: Introduced mechanisms for administrative approach in the prevention of organized crime. **Measure 247:** Ensure networking of intelligence systems of public administration bodies and links with computer networks and data bases of DSMLFT, TA, CA, Real Estate Administration Directorate, CDA, building inspection, IECS (Institution for the Enforcement of Criminal Sanctions) etc. **Timeframe:** 2010-12. **Assessment:** Partly completed. Tax Information System is linked to the information systems of: MIS, CA, Pension Fund, Health Fund and Employment Office of Montenegro. There is internet link with the Central Population Registry, human resource information system, registry of fines and misdemeanour records of Montenegro. Customs Administration established a direct link with PD and TA. CA IT resources were installed on the central location of TA and applications and reports used by TA developed. A similar activity is expected to follow with PD. DSMLFT did not implement this measure, while READ, CDA, MSTT – building inspectorates and IECS did not report on the implementation of this activity. **PD recommendations:** Signing an agreement on data exchange and technical implementation of data exchange between PD and the rest of the institutions; setting up of an appropriate protected link for data exchange between the organizational unit for international police cooperation at PD and the rest of the law enforcement agencies (CA, TA, DSMLFT, state prosecution offices, courts etc.), based on the Agreement on Cooperation between law enforcement agencies at the national level, signed within ILECU project. **TA recommendations:** Tax information system needs to be linked with other state authorities. **Recommendations:** Continue the activities defined under Measure 247 and involve other mentioned institutions in its implementation.

OBJECTIVE 104: Protection of victims of different forms of organized crime and corruption. **Measure 248:** Improvement of regional cooperation and signing agreements with relevant services of the countries in the region in the field of protection of witnesses who are victims of organized crime. **Timeframe:** 2010-12. **Assessment:** Not completed. Witness Protection Unit at the PD is one of the participants in the project WINPRO (Witness protection in the fight against organized crime and terrorism). The aim of the project is to strengthen cooperation to support the fight against organized crime and terrorism at the regional and European level by encouraging witnesses and informers to testify in criminal proceedings and provide adequate evidence in return for protection from intimidation, coercion, corruption or bodily harm. In the report, PD stated funding and training as risk factors, adding that signing an agreement or joining the existing agreements depended solely on the requests of the national unit for protection for access and approval of other signatories, as well as signing new bilateral and multilateral agreements on cooperation in specific areas as required. **Measure 249:** Delivery of trainings to the officers in the Witness Protection Unit. **Timeframe:** Continuous. **Assessment:** Not completed. PD did not start implementing Measure 249 and the Police Academy did not report on its implementation. In 2011, training and study visits are anticipated within WINPRO, as well as organization of advanced training of trainers from all PD units involved in the project. **Measure 250:** Purchase of specialized equipment for the Witness Protection Unit. **Timeframe:** 2010-2012. **Assessment:** Not completed. **Recommendations: Since MIAPA holds that Measure 248 does not fall under its competences, reporting entities should be considered. Activities aimed at improving regional cooperation in this field need to continue. Measures 249 and 250 not completed - therefore, training of Witness Protection Unit staff and purchase of specialized equipment should begin in the coming period.**

COOPERATION BETWEEN PUBLIC AUTHORITIES

The Chapter contains objective 105, which comprises two measures. The timeframe for implementation of both measures is 2010-2012.

OBJECTIVE 105: Efficient inter-institutional cooperation of all the stakeholders involved in the efforts to combat organized crime, including team work, specialized and proactive approach. **Measure 251:** Setting up the National Coordination Office. **Timeframe:** 2010-12. **Assessment:** Not completed. **Measure 252:** Creating the conditions and capacity for more efficient performance of the Joint Investigative Team. **Timeframe:** 2010-12. **Assessment:** Partly completed. Joint Investigative Team was provided space, offices and equipment. Since establishment, it handled four cases (preliminary investigation ongoing for two cases; investigation of the criminal offence of corruption is ongoing in one case; indictment brought for the criminal offence from the field of corruption in one case). One financial investigation is being conducted from the field of organized crime and one from the field of corruption. The number of cases where PD was involved increased (implementing activities in the processing of three cases concerning illicit operations of several legal and natural persons). During this period, Tax Administration inspectors participated in joint controls with CA and PD. PD acted upon the requests for control provided by the Supreme Prosecutor and Special Prosecutor, PD and DSMLFT, and informed these authorities on irregularities concerning activity in their respective areas of competence. CA is continuously working on creating the conditions and capacities for more efficient work of the Joint Investigative Team. Joint teams of MJ, PD, SPPO and MSPE and local ad-hoc teams for combating illegal construction were established. SPPO stated there was no risk involved in the implementation of this measure; TA stated funding and human resources as risk factors; MSDT stated administrative capacities and funding. **Recommendations: IECS staff to participate in the work of the Joint Investigative Team; PD did not deliver the report on the implementation of Measure 251 and MIAPA holds this Measure does not fall under its competencies, so it is necessary to specify the reporting entities in the coming period. Activities need to be implemented to establish the National Coordination Unit. Since DSMLFT and IECS stated that Measure 252 was not completed, while READ and CDA did not deliver report on its implementation, it is assessed that Measure 252 was partly completed. The reports did not contain information on whether the number of investigations and indictments had increased. Activities need to continue and other reporting entities for this Measure need to be involved in the work of the Joint Investigative Team.**

REGIONAL AND INTERNATIONAL COOPERATION

The Chapter contains three objectives (106-108) and nine measures. The timeframe for implementation of all measures is 2010-2012.

OBJECTIVE 106: Continuous application of international standards applicable to the fight against organized crime. **Measure 253:** Quality management and application of standards and best practices, control and monitoring. **Timeframe:** 2010-12. **Assessment:** Partly completed. NCB Interpol Podgorica is applying the standards in the fight against organized crime set by the Interpol and Europol. "Intelligence-led policing" model is operational centrally and in Bar and Budva local units. The Handbook on Intelligence-Led Policing was adopted. AP for implementation of phase II of this project was developed; it contains activities related to professional development, further development in the field of IT, and introduction of this model in the remaining six local units of the police. **Recommendations: Implementation of these activities needs to continue for the purpose of quality management and application of international standards and best practices.**

OBJECTIVE 107: Efficient regional and international cooperation aimed towards conducting joint investigations. **Measure 254:** Set up organizational unit for international cooperation as a whole with central management of all key functions of international police cooperation (INTERPOL, EUROPOL, SIRENE; SECI,

other international police organizations, liaison officers), **Timeframe:** 2010-2012. **Assessment:** Not completed. Activities are ongoing to adopt the amended Rulebook on job classification in PD, which envisaged reorganization of NCB Interpol and establishment of the Division for International Police Cooperation for the purpose of centralized international operational police cooperation, which implies inclusion of Interpol and Europol cooperation and in the future also cooperation through the SIRENE Bureau. **Measure 255:** Sign bilateral agreements: with the neighboring countries, the EU countries, international organizations. **Timeframe:** 2010-2012. **Assessment:** Not completed. **Measure 256:** Strengthen cooperation with border police of the neighboring countries. **Timeframe:** 2010-2012. **Assessment:** Completed. PD held 16 meetings with the border police of the neighboring countries and conducted 291 joint activities with the border police of Albania (79 patrols, 41 water and 38 land patrols, 500 hours in total), BH (127 patrols, 921 hour), Serbia (78 patrols, 595 hours) and Croatia (7 water patrols). **Measure 257:** Participation of NCB Interpol officers in Interpol's working bodies, groups and projects which are aimed at the fight against organized crime in the region. **Timeframe:** 2010-2012. **Assessment:** Completed. Representatives of the NCB Interpol participated in two working bodies of the Interpol and in four meetings dealing with fighting organized crime in the region. **Measure 258:** Purchase of equipment for work, in accordance with recognized Interpol trends in development of hardware and software communications equipment. **Timeframe:** 2010-2012. **Assessment:** Partly completed. PD, in cooperation with the Interpol General Secretariat is currently implementing activities to purchase computer equipment for the Division for International Police Cooperation. Funds in the amount of EUR20,000 were provided through Interpol and SEPCA, based on the needs analysis and assessment conducted in 2010. Specifications are being drafted for the equipment to be proposed for purchase to Interpol and ILECU's project, based on the 2011 needs analysis. **Measure 259:** Rolling out Interpol services towards border crossings, with the aim of conducting direct search of Interpol bases and checks of persons, travel documents and vehicles on border crossings. **Timeframe:** 2010-2012, **Assessment:** Completed. 8 additional border crossing points were networked with NCB Interpol; thus, at the end of the reporting period, all border crossing points were networked into a single PD information system and Interpol MIND service for direct search of Interpol databases implemented at all border crossing points. **Measure 260:** Training of officers at the National Bureau of Europol to use analytical intelligence Europol programs in data processing. **Timeframe:** 2010-2011. **Assessment:** Not completed. During the given period there was no training of NCB Europol offices since the Bureau was not established. **Recommendations: MIAPA holds that Measure 254 does not fall under its competence and did not report on the rest of the measures under Objective 107; it is therefore necessary to specify the reporting entities in the coming period. Since the institutions designated as implementers of Measure 255 did not deliver reports on its implementation, the Measure was assessed as not completed. It is therefore necessary to start with the envisaged activities in the coming period. PD implemented Measures 256 and 257. The activities defined under these measures need to continue. Relevant measures envisaged by the AP for monitoring implementation of recommendations from the EC Opinion need to be consistently implemented.**

OBJECTIVE 108: Enhanced direct contacts between police and judicial authorities in the region and beyond. **Measure 261:** Direct cooperation at the regional level and investigations of criminal offences with elements of organized crime. **Timeframe:** 2010-2012. **Assessment:** Partly completed. PD participated in implementation of six international proactive investigations in the field of general and financial organized crime and held 10 operational meetings concerning investigations of criminal offences of organized crime. In the field of suppression of international drug trafficking, PD participated in four joint international investigations, primarily with DEA. Six additional international consultative meetings were held. Direct cooperation was completed with SPPO and the respective prosecutor's offices of Italy, Croatia, B&H, Serbia and Russia in eight cases in total. Four investigations and two financial investigations were initiated in Montenegro; one judgment was passed in Croatia and one in B&H. State prosecutors had direct contacts with the prosecutors and police of other countries and participated in conferences, seminars and meetings (see the individual SPPO report). **Recommendations: Reports on cooperation are missing for the Measure 261 to be marked as completed. SPPO needs to develop the Regional cooperation plan with the prosecutorial authorities of the neighboring countries, which is envisaged by the AP for monitoring implementation of recommendations from the EC Opinion.**

MONITORING

The Chapter contains Objective 109, which includes five measures. The timeframe for implementation of Measures 262 and 263 was 2010, while the rest of the measures are to be implemented continuously.

OBJECTIVE 109: AP Monitoring. **Measure 262:** Preparation of the software solution, methodological instruction and reporting templates with the aim of monitoring implementation of the AP. **Timeframe:** IV Q 2010. **Assessment:** Partly completed. For software development, DACI is using funds from the Norwegian project in line with the Norwegian implementer's (IMG) procedures; this caused a longer tender procedure for the selection of the best company and equipment. In the preparation of the required tender documents, DACI received technical assistance from MIS representatives. DACI developed the Template report on implementation of measures defined by the AP, which was delivered to all reporting entities. Software development is in the final stage and will be applied in the development of the next NC report (January-June 2011). Training for the use of software is envisaged for DACI staff as well as the reporting entities for AP. **Measure 263:** Training for the use of software, reporting in templates. **Timeframe:** IV Q 2010. **Assessment:** Not completed. Development of software solution for reporting is in the final stage. Risk factors: administrative capacities, funding and human resources. **Measure 264:** Submission of six-month reports by entities under an obligation to report according to the AP. **Timeframe:** Continuous. **Assessment:** None. Out of 93 reporting entities for the AP, 74 delivered their reports within the set timeframe. **Measure 265:** Preparation of the six-month report by the National Commission. **Timeframe:** Continuous. **Assessment:** None. Based on individual reports of institutions reporting for the AP, DACI drafted the first NC report for 29 July – 31 December 2010. **Measure 266:** Regular updating of NC website (DACI sub-website). **Timeframe:** Continuous. **Assessment:** Completed. All information on NC establishment and activities posted on the website www.antikorupcija.me (National Commission subpage). DACI subpage contains strategic anti-corruption documents (Strategy for fighting corruption and organized crime 2010-2014 and Action Plan for implementation of the Strategy 2010-2012, Book of Procedures, Decree on the establishment of NC, and five communications concerning the work of the NC). **Recommendations:** **Since software development and methodological instruction for monitoring AP implementation were not finalized by the end of the reporting period (hence no training was organized on how to use the software), but the Reporting Template was prepared, it is necessary to complete the software solution and methodological instruction and to organize training on the use of software and reporting in templates.**

IV. CONCLUSION

The First report on the degree of realization of the Action Plan for implementation of the Strategy for fighting corruption and organized crime encompassed the results and review of activities for the period 31 July - 31 December 2010 i.e. from the time of adoption of strategic documents in the fields of fight against corruption and organized crime until the end of 2010. The reporting entities were invited to report on the activities, if any, under individual measures also for the period 1 January – 31 July 2010; these were also included in the present Report.

The Action Plan contains **266 measures in total:** 180 due for the reporting period January-December 2010. **The overall statistics was processed for 264 measures, hence the Report includes 178 due measures and 86 that were not due.**

15 due measures were completed (8.4%), while **16 measures** (9%) are continuously implemented. In other words, the sum total of completed measures and those implemented continuously is **31 for the given period, which makes up 17.4% of the total number of due measures**. At the same time, there were **93** measures which were partly completed or partly completed continuous ones (52.3%) and **54** measures which were not completed (30.3%).

We wish to highlight that a large number of measures are due from 2011 until the end of 2012 and that some of those measures were completed during 2010, so that **4.7% of the measures due in 2011-2012 were completed, 34.9% partly completed, and 60.5 % not completed**.

Broken down by fields, majority of partly completed measures that were not due pertained to **organized crime: 85.7%**.

The most important results in implementation of the AP in 2010 concern the following:

PRIORITIES IN THE SUPPRESSION OF CORRUPTION AT THE POLITICAL AND INTERNATIONAL LEVEL

- Recommendations for amendments to the Law on the Prevention of Conflict of Interest were defined by the authority in charge of implementation of the given Law;
- Recommendations were defined which will serve as the basis for improving lawful, quality, non-partisan and professional performance of public administration employees, as well as their advancement, professional development and the legal status of employees of state authorities by means of development of the new Law on Civil Servants and State Employees; this is of particular importance for complying with the EC recommendations and obtaining the date for negotiations on accession to the EU;
- Training on implementation of the Law on Free Access to Information was continuously carried out and resulted in a certain drop in the number of complaints and appeals to acts issued by first-instance bodies; therefore, it is necessary to continue enhancing the awareness of representatives of state authorities on the need to implement this Law;
- Briefing was prepared on improving the legislative framework concerning the protection of whistleblowers, which was forwarded to competent sectors for the purpose of proposing innovated legal provisions;
- Working Group was established and tasked with reviewing EC recommendations and proposing possible solutions for the purpose of developing amendments to the Law on State Audit Institution;
- 18 entities subject to audit established special internal audit units which are currently being staffed;
- Activities were initiated to align the Law on Insurance with the requirements from the *acquis communautaire*, in particular in the area of solvency;
- Proposal of the AP for business environment reform was prepared and the Law on Improvement of Business Environment adopted.

AREAS OF PARTICULAR RISK

The system for supervision of investment in privatized companies and compliance with contractual obligations was established (consortium led by the Faculty of Economics);

- Draft of the new Law on Public Procurement was prepared and development of secondary legislation in this field started;
- Ministry of Sustainable Development and Tourism reported that its legal predecessor, the Ministry of Spatial Planning and Environment, had strengthened the administrative capacities and human resources of the inspectorates, set up a phone line for reporting illegal construction, and developed a template for reporting illegal construction, which is available at the Ministry web page together with description of the reporting procedure;
- Innovated Rulebook on the criteria, method, requirements and amount of funding for the exercise of the right to accommodation and meals in student dormitories, student loans, scholarships and transport subsidies, and the Ranking of secondary school and university students awarded scholarships, loans and accommodation in student dormitories were posted on the web page. The Council for Higher Education, through the Center for studies and quality control, set up the organizational structure (Committees for quality assurance management at the University and network of commissions-offices at individual faculties) aiming at quality assurance at all higher education institutions. Likewise, there are teams concerned with quality assurance in teaching at each private higher education institution in Montenegro.
- IT support in the health care system was implemented in all primary health care institutions and 7 general hospitals (out of 32 public health institutions, 26 introduced the IT system). National Survey on Integrity in Health Care Sector was completed. Public presentation of its findings and recommendations is expected to follow.
- Ethical standards were implemented in local self-governments by means of adoption of Codes of ethics and establishment of Ethics Committees. Free access to information was provided. Training was organized for representatives of local self-governments units, project management teams, percentage of approved projects high.
- New Decree on the criteria for identification of beneficiaries and method of distribution of revenues from the games of chance was adopted.

PREVENTION OF CORRUPTION IN LAW ENFORCEMENT AGENCIES

- Strategy of Development and Functioning of the Police for the period 2011-13 and the Decree on standards and requirements to be met by the Border Police were adopted. Equipment was provided for conducting investigations and implementing secret surveillance measures, and funds were obtained for the purchase of computer equipment;
- Drafts of the Law on Courts and Law on Judicial Council were prepared, with detailed description of the offences that provide grounds for disciplinary accountability of holders of judicial office;
- Review was conducted of implementation of the Codes of Ethics of judicial office holders;
- Central database on recruitment, appraisal, disciplinary sanctions and advancement of judicial office holders was set up at the SPPO;
- Police Directorate initiated 7 financial investigations; it is involved in 1 financial investigation for extended confiscation of illegal assets, while SPPO is conducting 2 financial investigations for extended confiscation of illegal assets;

- DACI is in the final stage of developing the software solution for automated exchange of data on corruption reporting;
- Police Directorate developed the proposal for establishment of the Division for International police Cooperation.

ORGANIZED CRIME

- PD, SSPO, TA, CA and DSMLFT signed the Agreement on establishment of Special Investigative Team aimed at efficient inter-agency cooperation; initial results available;
- Police Directorate drafted new organization of the Division for Special Checks, introducing new jobs, and increased the number of employees trained in operational analysis by 16;
- Activities on networking the intelligence systems of public administration authorities for the purpose of more efficient prevention of organized crime continued;
- Successful regional and international cooperation in fighting organized crime continued;
- DACI started performing the tasks of NC Secretariat and drafted, based on individual reports of the reporting entities for the AP, the First NC Report according to new strategic documents. Development of software solution is in the final stage; the software will be applied in developing the next NC Report.

Annex I (Report of the Tripartite Commission)

REPORT

OF THE TRIPARTITE COMMISSION FOR REVIEW OF CASES FROM THE FIELDS OF CORRUPTION AND ORGANIZED CRIME FOR 2010

Podgorica, March 2011

INTRODUCTION

The Tripartite Commission for the review of cases from the field of corruption and organized crime and for reporting and development of unified methodology of statistical indicators in the field of corruption and organized crime was established pursuant to the Decision of the Head of the National Commission no. 03-1493 of 16 February 2011.

The Tripartite Commission is tasked with the following: defining a unified methodology of statistical indicators used by the police, prosecution and courts as grounds for monitoring and action upon criminal reports and criminal cases; conducting statistical and analytical processing of data on the number of criminal reports and cases from the field of corruption and organized crime which are being processed or were effectively concluded, with particular emphasis on the breakdown of perpetrators and fields in which such acts are committed, and for reporting according to the set methodology and providing recommendations to the National Commission with the aim to improve the efficiency of the judiciary.

Based on the data obtained from the police, prosecution and courts, the Report shows the statistical overview of the number of persons against whom criminal proceedings were instigated for criminal offences with elements of corruption and organized crime, the breakdown of perpetrators of such offences, the fields in which such offences are committed, accompanied by recommendations to the National Commission as to how to improve efficiency of the judiciary.

Criminal offences with elements of corruption

The present Report includes the following corrupt criminal offences:

- Money laundering from Article 268 of the Criminal Code;
- Violation of equality in the conduct of business activities from Article 269 of the Criminal Code;
- Causing bankruptcy from Article 273 of the Criminal Code;
- Causing false bankruptcy from Article 274 of the Criminal Code;
- Abuse of authorizations in economy from Article 276 of the Criminal Code;
- False balance from Article 278 of the Criminal Code;
- Abuse of appraisal from Article 279 of the Criminal Code;
- Disclosure of business secret from Article 280 of the Criminal Code;
- Disclosing and using stock-exchange secrets from Article 281 of the Criminal Code;
- Abuse of an official position from Article 416 of the Criminal Code;
- Unconscientious performance of office from Article 417;

- Trading in influence from Article 422 of the Criminal Code;
- Passive bribery from Article 423 of the Criminal Code;
- Active bribery from Article 424 of the Criminal Code;
- Disclosure of an official secret from Article 425 of the Criminal Code;
- Abuse of monopolistic position from Article 270 of the Criminal Code;
- Abuse of position in business operations from Article 272 of the Criminal Code;
- Fraud in the conduct of an official duty from Article 419 of the Criminal Code.

In 2010, the Supreme Public Prosecutor's Office of Montenegro-Division for the suppression of organized crime, corruption, terrorism and war crimes received in total 15 criminal reports against 75 persons in the field of corruption. Out of this number, the Police Directorate submitted 6 criminal reports against 38 persons, while other authorities submitted 9 criminal reports against 37 persons.

In processing the criminal reports, the prosecutor's office rejected 5 criminal reports against 18 persons submitted by other authorities, as no reasonable doubt was ascertained, upon completion of preliminary investigation, as to either the reported criminal offence or another criminal offence which is prosecuted *ex officio*.

Ten criminal reports against 57 persons were processed by initiating investigations for 31 persons; indictments were brought against 22 persons; investigations were halted for 2 persons, and preliminary investigations are ongoing for 2 persons.

The breakdown of reported persons in 10 criminal reports against 57 persons included 18 responsible persons in business organizations, 10 customs officers, 4 police officers, 1 civil servant in administrative body, 3 inspectors, 1 person in official position – mayor, 1 person in official position – deputy mayor, 1 MP and 1 doctor, and 17 other persons.

The breakdown of criminal offences included criminal reports against 7 persons for the criminal offence of passive bribery from Article 423 of the CC, 7 persons for the criminal offence of active bribery from Article 424 of the CC, 18 persons for the criminal offence of abuse of authorization in economy from Article 276 of the CC, and 25 persons for the criminal offence of abuse of official position from Article 416 of the CC.

In 2010, the Supreme Public Prosecutor's Office of Montenegro-Division for the suppression of organized crime, corruption, terrorism and war crimes received in total 7 criminal reports against 51 persons in the field of organized crime. The criminal reports in this field were submitted by the Police Directorate.

In deciding on the criminal reports, investigation was initiated against 19 persons, indictment brought against 30 persons, and the report against 2 persons is undergoing preliminary investigation.

In the breakdown of criminal offences, criminal reports were submitted against 16 persons for the criminal offence of trafficking in human beings from Article 444 of the Criminal Code, and against 35 persons for the criminal offence of unauthorized production, keeping and releasing into circulation of narcotic drugs from Article 300 of the Criminal Code.

In the cases from the field of organized crime dating from previous years and handled in 2010, financial investigation was conducted against 34 persons for the purpose of gathering evidence on assets and proceeds of the suspects i.e. accused, their legal successors or persons to whom assets obtained in the commission of criminal offence were transferred. Decisions on provisional security measure – injunction on disposing with or encumbrance on property, stocks, share in a company or money in the account - were issued for 46 persons; 15 kg of cocaine was seized from 2 persons, and 450 gr of heroin and 11 kg of marijuana-skunk from 5 persons.

In 2010, higher courts in Montenegro received 13 requests for investigation against 53 persons in the field of fighting corruption.

Out of the given number, investigation concluded in 7 cases against 27 persons. Investigation is not concluded in 6 cases against 26 persons.

70 criminal cases from the field of corruption against 283 persons were handled based on indictments from 2010 and previous years. Out of this number, 47 cases were concluded against 139 persons.

Court decisions were issued in 14 cases: 1 judgment rejecting the charges, acquittals for 5 persons, convictions for 8 persons, namely imprisonment sentence for 7 and probation for 1 persons, which are not final yet.

Decisions were final in 33 cases against 55 persons, out of which dismissals for 13 persons, acquittals for 10 persons, indictment dismissed for 4, criminal proceedings suspended against 1 person, and convictions issued against 28, namely imprisonment sentences for 22 and probation for 6.

23 cases against 144 persons are pending.

There were 6 requests for investigation against 50 persons in the field of organized crime. All investigations concluded in 2010.

Based on indictments dating from 2010 and previous years, 27 cases were handled in the field of organized crime, against 219 persons; 12 cases were resolved against 61 persons.

Court decisions that are not final were issued in 5 cases, namely acquittals for 10 persons and convictions – imprisonment sentences - for 17 persons.

Decisions are final in 7 cases against 41 persons, namely rejection of charges for 9 persons, acquittals for 4 persons and convictions – imprisonment sentences – for 28 persons.

15 cases against 158 persons are pending.

The amount of EUR3,624,53 and 276 bottles of whiskey were seized pursuant to final judgments from the field of corruption; the amount of EUR 161,065.00 was seized pursuant to judgments that are not final.

The amount of EUR1,220.00 was seized pursuant to final judgments from the field of organized crime, along with 2 Mercedes PMVs, 3 Range Rover PMVs, 1 Porsche PMV, 1 BMW PMV, 4 mobile phones, 50.09 g of cocaine and 0.9 g of marijuana, 1 hand grenade, 3 charges of explosives, 1 revolver, 175 bullets, USD20.00, 25,000 Iraqi dinars, 20 Kuwaiti dinars; 28.5 tons of cigarettes, two vessels and 3 truck were seized pursuant to judgments that are not final.

Perpetrators of the criminal offences from the field of corruption were mainly managers and responsible persons in business organizations, finance officers and accountants in business organizations, entrepreneurs, bank personnel, broker dealers, customs, tax and police officers, judicial office holders,

civil servants and state employees from the Real Estate Administration Directorate, inspectors, civil servants and state employees from public administration and local self-governments and the rest.

Predominant criminal offences from the field of corruption were: passive, bribery, active bribery, abuse of official position, abuse of authorization in economy, unconscientious conduct in bussiness activities and false balance.

Criminal offences from the field of corruption were committed mainly in business organizations, joint stock companies, public enterprises, public institutions, Customs Administration, Real Estate Administration Directorate, Police Directorate, judicial authorities, public administration and local self-government.

Most frequent criminal offences from the field of organized crime were: criminal association, unauthorized production, keeping and releasing into circulation of narcotic drugs, trafficking in human beings, human smuggling, smuggling, mediation in prostitution, abuse of official position, aggravated theft, aggravated murder, money counterfeiting, document counterfeiting, money laundering, fraud, illegal border crossing, and unauthorized possession of weapons and explosives.

The breakdown of criminal offences from the fields of corruption and organized crime, the perpetrators and the fields where such offences are committed are shown in more detail in the table of all resolved and pending cases which is included in this Report.

The Commission assessed that progress had been achieved in resolving the cases in the fields of corruption and organized crime.

In order to achieve even greater efficiency and timeliness in resolving the cases from the fields of corruption and organized crime, competent court experts need to be provided in all areas and education all entities involved in detection, prosecution and adjudication of such cases needs to be continued.

In particular, capacities of the state prosecution office need to be enhanced by employing the required number of assistants and experts from a variety of fields.

THE TRIPARTITE COMMISSION

Radule Kojović, Judge of the Supreme Court of Montenegro

Veselin Vučković, Deputy Supreme Public Prosecutor of Montenegro

Olivera Popović, Police Analyst, Department for Planning, Development and Analytics, Police Directorate

ABBREVIATIONS

AP	Action Plan	NCE	National Council for Education
BP	Border Police	NGOs	Non-Governmental Organizations
BISTCC	Bureau for International Scientific -Technical and Cultural Cooperation	PA	Police Academy
BPT	Bureau for Publication of Textbooks	PD	Police Directorate
BTTA	Bureau for Textbooks and Teaching Aids	PHI	Public Health Institutions
CA	Customs Administration	PPC	Public Procurement Commission
CC	Criminal Code	PPD	Public Procurement Directorate
CCM	Chamber of Commerce of Montenegro	RACI	Regional Anti-Corruption Initiative
CDA	Central Depository Agency	SAI	State Audit Institution
CEJOH	Center for Education of Judicial Office Holders	SC	Securities Commission
COE	Council of Europe	SCM	Supreme Court of Montenegro
CP	Chamber of Physicians	SEC	State Election Commission
CPC	Criminal Procedure Code	SPPO	Supreme Public Prosecutor` s Office
CPCI	Commission for the Prevention of Conflict of Interests	SSM	Secret Surveillance Measures
CRPS	Central Register of the Commercial Court (in Podgorica)	TA	Tax Administration
DACI	Directorate for Anti-Corruption Initiative	UN	United Nations
DP	Directorate for Property	UNTOC	United Nations Convention against Transnational Organized Crime
DSMLFT	Directorate for the Suppression of Money Laundering and Financing of Terrorism	VEC	Vocational Education Center
EB	Education Bureau	WHO	World Health Organization
EC	Examination Center		
EFM	Employers` Federation of Montenegro		
EU	European Union		
GRECO	Group of States of the Council of Europe against Corruption		
HIF	Health Insurance Fund		
HRMA	Human Resources Management Authority		
IECS	Institution for the Enforcement of Criminal Sanctions		
IPA	Instrument for Pre-Accession Assistance		
IT	Information Technologies		
LGU	Local Government Units		
MBA	Montenegro Business Alliance		

MCM	Ministry of Culture and Media
ME	Ministry of Economy
MEI	Ministry of European Integration
MES	Ministry of Education and Science
MESp	Ministry of Education and Sports
MF	Ministry of Finance
MH	Ministry of Health
MIS	Ministry of Information Society
MIA	Ministry of International Affairs
MIAPA	Ministry of Internal Affairs and Public Administration
MJ	Ministry of Justice
MLSW	Ministry of Labor and Social Welfare
MOSDT	Ministry of Sustainable Development and Tourism
MSPE	Ministry of Spatial Planning and Environment
MTMA	Ministry of Transport and Maritime Affairs
NCB	National Central Bureau

List of Reporting Entities

1. Administrative Court
2. Appellate Court
3. Bureau for Education
4. Bureau for International Scientific-Technical and Cultural Cooperation
5. Bureau for Textbooks and Teaching Aids
6. Building Inspectorate
7. Center for Education of Judicial Office Holders
8. Center for Democracy (CEDEM)
9. Center for Democratic Transition (CDT)
10. Center for Development of NGOs (CRNVO)
11. Center for Election Monitoring (CEMI)
12. Central Depository Agency
13. Chamber of Commerce of Montenegro Gore
14. Chamber of Physicians
15. Civic Education Center (CGO)
16. Commercial Court of Montenegro
17. Commission for Distribution of Funds from the Games of Chance
18. Commission for Monitoring and Control of the Privatization Process
19. Commissions for Monitoring Implementation of Action Plans at the level of Local Self-Government
20. Commission for the Control of Public Procurement Procedure
21. Commission for the Prevention of Conflict of Interest
22. Council for Regulatory Reform and Improvement of Business Environment
23. Council for Privatization

24. Council for Higher Education
25. Customs Administration
26. Directorate for Anti-Corruption Initiative
27. Directorate for Prevention of Money Laundering and Fighting Terrorism
28. Directorate for Property
29. Education Inspectorate
30. Employers' Federation of Montenegro
31. Examination Center
32. Government of Montenegro
33. Health Insurance Fund
34. Higher Court in Bijelo Polje
35. Higher Court in Podgorica
36. Human Resources Management Authority
37. Institution for the Enforcement of Criminal Sanctions
38. Insurance Supervision Agency
39. Judicial Council
40. Media Institute
41. Ministry of Agriculture and Rural Development
42. Ministry of Culture
43. Ministry of Economy
44. Ministry of Education and Sport
45. Ministry of Finance
46. Ministry of Foreign Affairs and European Integration
47. Ministry of Health
48. Ministry of Interior Affairs
49. Ministry of Justice
50. Ministry of Labour and Social Welfare
51. Ministry of Science
52. Ministry of Sustainable Development and Tourism
53. Ministry of Transport and Maritime Affairs
54. Montenegro Business Alliance

55. Municipality of Andrijevica
56. Municipality of Bar
57. Municipality of Berane
58. Municipality of Bijelo Polje
59. Municipality of Budva
60. Municipality of Cetinje
61. Municipality of Danilovgrad
62. Municipality of Herceg Novi
63. Municipality of Kolašin
64. Municipality of Kotor
65. Municipality of Mojkovac
66. Municipality of Nikšić
67. Municipality of Plav
68. Municipality of Plužine
69. Municipality of Pljevlja
70. Municipality of Podgorica
71. Municipality of Rožaje
72. Municipality of Šavnik
73. Municipality of Tivat
74. Municipality of Ulcinj
75. Municipality of Žabljak
76. National Council for Education
77. Network for Affirmation of NGO Sector (MANS)
78. Office for the Cooperation between Government and
NGOs
79. Parliament of Montenegro
80. Police Academy
81. Police Directorate
82. Prosecutorial Council
83. Protector of Property Legal Interests of Montenegro
84. Public Procurement Directorate
85. Real Estate Administration Directorate

86. Securities Commission
87. State Audit Institution
88. State Election Commission
89. Supreme Public Prosecutor's Office
90. Supreme Court of Montenegro
91. Tax Administration
92. Union of Montenegrin Municipalities
93. Vocational Education Center