



**Montenegro**

**National Commission for monitoring of realization of Action Plan for implementation of Program of fight against corruption and organized crime**

---

**THE FIFTH REPORT  
ON REALIZATION OF MEASURES FROM INNOVATED ACTION PLAN FOR IMPLEMENTATION OF  
PROGRAM OF FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME (2008-09)  
FOR PERIOD 01 January – 30 June 2009**

**Podgorica, 29 July 2009**

# C O N T E N T

<b>INTRODUCTION.....</b>	<b>3</b>
<b>I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT.....</b>	<b>5</b>
<b>II GENERAL OBJECTIVES.....</b>	<b>17</b>
A- <i>EFFICIENT CRIMINAL PROSECUTION WITH THE OBJECTIVE OF PREVENTING CORRUPTION AND ORGANIZED CRIME.....</i>	<i>18</i>
B- <i>PREVENTION AND EDUCATION.....</i>	<i>21</i>
C- <i>PUBLIC, CIVIL SOCIETY (INCLUDING PRIVATE SECTOR) AND MEDIA.....</i>	<i>26</i>
D- <i>LOCAL SELF-GOVERNMENT.....</i>	<i>29</i>
<b>III SPECIFIC MEASURES AGAINST CORRUPTION AND ORGANIZED CRIME.....</b>	<b>30</b>
A. <i>EFFICIENT CRIMINAL PROSECUTION AND TRIAL.....</i>	<i>30</i>
A1 – <i>Prosecutor’s Office.....</i>	<i>30</i>
A2 – <i>Police.....</i>	<i>34</i>
A3 – <i>Judiciary.....</i>	<i>46</i>
B. <i>EXTERNAL AUDIT OF THE BUDGET.....</i>	<i>49</i>
C. <i>INTERNAL AUDIT OF THE BUDGET.....</i>	<i>52</i>
D. <i>INSTITUTIONAL CAPACITY BUILDING FOR ANTICORRUPTION POLICY IMPLEMENTATION IN PRIVATIZATION PROCESS.....</i>	<i>53</i>
E. <i>DIRECTORATE FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING.....</i>	<i>57</i>
F. <i>PUBLIC PROCUREMENT.....</i>	<i>60</i>
G. <i>COMMISSION FOR DETERMINING CONFLICT OF INTERESTS.....</i>	<i>64</i>
H. <i>STATE ELECTION COMMISSION.....</i>	<i>65</i>
I. <i>TAX ADMINISTRATION.....</i>	<i>66</i>
J. <i>CUSTOMS ADMINISTRATION.....</i>	<i>69</i>
K. <i>DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE.....</i>	<i>73</i>
<b>FINAL ASSESSMENT AND RECOMMENDATIONS.....</b>	<b>77</b>
<b>ANNEX I - REPORT OF THE THREE- PARTY COMMISSION – statistical review .....</b>	<b>80</b>
<b>ANNEX II - REPORT OF THE SUPREME COURT - Review of backlog cases for period December 2007 – December 2008.....</b>	<b>83</b>
<b>ANNEX III - Realized measures from the Action plan for period September 2006- December 2007 .....</b>	<b>85</b>
<b>ABBREVIATIONS.....</b>	<b>89</b>
<b>List of institutions responsible for reporting on measures from IAP .....</b>	<b>90</b>

## PRELIMINARY REMARKS

The Government of Montenegro adopted in its session, held on 28 July 2005, the **Program of the fight against corruption and organized crime, while**, in the session, held on 24 August 2006 the Government of Montenegro adopted the **Action Plan for implementation of the Program of the fight against corruption and organized crime**.

The Government of the Republic of Montenegro, on session held on 15 February 2007, passed The Decision on establishing the **National Commission for monitoring realization of the Action Plan for implementation of the Program of fight against corruption and organized crime** (Official Gazette of RMNE, No. 15/07). By this decision the president, vice president and secretary were appointed, and the scope of its work was defined as well. **Members of the National Commission are following:** Deputy Prime Minister for European integration, (as President of the National Commission); Minister of Internal Affairs and Public Administration (as Deputy); Minister of Finance; Minister of Justice; the President of the Parliamentary Committee for Economy, Finance, and Budget; the President of the Parliamentary Committee for Political System, Judiciary and Administration; President of the Supreme Court; Supreme Public Prosecutor; Director of the Police Administration; Director of the Administration for Anticorruption Initiative; Executive Director of the NGO MANS; and Executive Director of the NGO CEMI. **Constitutional session** of the National commission for monitoring realization of the Action plan for implementation of the Program of fight against corruption and organized crime was held on 16 March 2007. At the constitutional session, National Commission adopted Rules of Procedure and draft Form for monthly reports, which is filled in by 32 institutions. Furthermore, National Commission adopted Framework Calendar of the National commission's work, which included plan for adoption of the first two reports for period September 2006 – December 2007. Until December 2007, four sessions were held, while V session was held for preparation of amendments of the AP and plan of meetings for 2008 (five sessions/meetings). In 2009, National Commission held three meetings.

### - MEETINGS OF THE NATIONAL COMMISSION 2007/2008/2009

<b>I MEETING</b>	CONSTITUING OF NATIONAL COMMISSION	16 March 2007
<b>II MEETING</b>	PREPARATION AND ADOPTION OF THE FIRST REPORT	6 - 10 July 2007
<b>III MEETING</b>	THEMATIC SESSION ON NECESSITY OF AP INOVATING	25 December 2007
<b>IV MEETING</b>	PREPARATION AND ADOPTION OF THE SECOND REPORT	18 February 2008
<b>V MEETING</b>	ADOPTION OF INNOVATED AP /PROGRAMME/	20 May 2008
<b>VI MEETING</b>	PREPARATION AND ADOPTION OF THE THIRD REPORT	28 July 2008
<b>VII MEETING</b>	THEMATIC SESSION – EC REPORT FOR 2008	19 November 2008
<b>VIII MEETING</b>	PREPARATION AND ADOPTION OF RECOMMENDATIONS – EC REPORT	24 December 2008
<b>IX MEETING</b>	PREPARATION AND ADOPTION OF THE FOURTH REPORT	17 – 18 February 2009
<b>X MEETING</b>	JOINT MEETING BETWEEN THE NC MEMBERS AND REPRESENTATIVES OF THE REPORTING INSTITUTIONS	24 April 2009
<b>XI MEETING</b>	PREPARATION AND ADOPTION OF THE FIFTH REPORT	29 July 2009

**So far, National Commission, adopted four reports: the First Report on realization of the measures from AP, on 10 July 2007 (for period September 2006 – May 2007), and The Second Report, on 18 February 2008, (integrally for period September 2006 – December 2007), Third Report, on 28 July 2008 (for period January – July 2008), Fourth Report – 18 February 2009 (for period July-December 2008), so as the Fifth Report – on 29 July 2009 (for the period encompassing the first half of 2009).**

During its work, National Commission recognized the need for amending of the AP. In that sense, **National Commission adopted the Proposal for AP Amendments – Innovated version (IAP) on 20 May 2008**, after which **the Government adopted it on its Session on 29 May 2008**. A number of

**institutions and commissions responsible for reporting on IAP increased from 32 to 54**, and Methodological Directive for reporting on realized measures is improved. Third and Fourth reports were prepared in accordance with Innovated Action Plan, as with improved Methodological Directive.

Innovated Action plan puts into effect the priorities defined in the **Program for the fight against corruption and organized crime**, recommendations of **National Commission**, recommendations of **international organizations and institutions**, as well as recommendations of involved **institutions of Montenegro**. IAP includes measures which have the element of continuous monitoring in fight against corruption and organized crime, or represent, unrealized measures, so far, from the Action plan adopted in 2006, and all of that by determining concrete measures and activities of in line ministries, state bodies and institutions competent for prevention and suppression of corruption and organized crime.

During its work, National Commission recognized the need for amending of the AP. In that sense, **National Commission** adopted **the Proposal for AP Amending – Innovated version (IAP) on 20 May 2008**, after which **the Government adopted it on its Session on 29 May 2008**. All measures realized so far have been put in the Annex II of the IAP, and the implementation period has been prolonged until the **end of 2009**. A **number of institutions and commissions responsible for reporting on IAP increased from 32 to 54**, and Methodological Directive for reporting on realized measures is improved. Third and Fourth reports were prepared in accordance with Innovated Action Plan, as with improved Methodological Directive.

Innovated Action plan puts into effect the priorities defined in the **Program for the fight against corruption and organized crime**, recommendations of **National Commission**, recommendations of **international organizations and institutions**, as well as recommendations of involved **institutions of Montenegro**. IAP includes measures which have the element of continuous monitoring in fight against corruption and organized crime, or represent, unrealized measures, so far, from the Action plan adopted in 2006, and all of that by determining concrete measures and activities of in line ministries, state bodies and institutions competent for prevention and suppression of corruption and organized crime.

Innovated Action Plan determines clear and ambitious **goals, measures, competent institutions, and deadlines**, i.e. dynamic of obligations accomplishment, **indicators of success** and possible **risk factors**.

**Expert body for preparation of Report**, established in April 2007, provides technical data processing of monthly, as of three months reports, according to Rules of Procedure (consisted of representatives of: Police Directorate, Directorate for Anti Corruption Initiative, Ministry of Justice, Supreme State Prosecution Office and Cabinet of Deputy Prime Minister for European Integration). Electronic data entry of three months report into monitoring table, for each reporting period is being continuously performed. Cooperation with all institutions has been correct from the very beginning, and sense of responsibility for obligations in this joint work is being gradually improved.

## INOVIRANI AKCIONI PLAN (MATRIX) ZA SPROVOĐENJE PROGRAMA BORBE PROTIV KORUPCIJE I ORGANIZOVANOG KRIMINALA

### I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT

This chapter contains measures on defining and adopting of laws, directly relevant for fight against corruption and organized crime, as well as laws related to general legislation reform, adoption, and implementation of set of important regulations, which will improve these politics.

In previous period, the Parliament adopted following laws: Law on Financing Election Campaigns for the President of Montenegro, mayors, and presidents of municipalities, and the Law on property relations.

It is important to mention that, in the reporting period, significant international institutions delivered analyses of certain provisions of the Criminal Code (UNODC, OSCE, CoE, Jafferson Institute), which will be taken into consideration when drafting proposal Criminal Code. Aforementioned analyses referred to the provisions regulating following criminal acts: against humanity and other goods protected by the international law; with elements of corruption, organized crime, and terrorism; against copyrights, intellectual and related rights; against health of people; against environment; against military of Montenegro.

Apart from that, the Government of Montenegro, at the session held on 5 March 2009, adopted Proposal Criminal Procedure Code. In this Proposal, special attention was paid to seizure of the criminal proceedings. Proposal envisages procedures for temporary seizure of criminal proceeds, and financial investigation for wider seizure of criminal proceeds (Article 90). This Article, together with articles 486-489, makes provisions regulating seizure of criminal proceeds whose legal origin is not proved, which is known in the legal terminology as „widened seizure”. Proving burden is transferred from the court to the accused person (Article 93, paragraph 3), who is to prove the origin of his property by original and valid documents, i.e. in any other way in order to prove that objects, property and any proceeds are not gained through criminal acts, or through hiding of origin and gaining basis. So far, our criminal law regulated only the procedure of criminal proceeds seizure, i.e. only seizure of property gained through committing concrete criminal act. The new proposal CC is based on the possibility of widen seizure of criminal proceeds from the convicted person, his/her legal heir or a person to whom the convicted transferred property for which there is no proof of legal origin.

Activities on drafting three new proposal laws, as follows: Proposal law on genetic privacy, Proposal law on obtaining biological material, and Proposal law on national DNA register. The agreement was reached, in coordination with the Speaker of the MNE Parliament for the Proposal law on State Election Commission to be prepared by the inter-party group of the Parliament, as it was the case with the preparation of the election legislation in previous period.

**Harmonization of legislation with international standards** in the area of fight against corruption and organized crime is being analyzed and ensured continually. During the reporting period, UNDP Office in Montenegro delivered to DACI analysis of four laws with assessment of their approximation level with UN Convention against corruption, as follows: Law on liability of legal entities for criminal acts, Law on Free Access to Information, Law on Financing of Political Parties, and Law on international legal assistance in criminal matters. Analysis. Final analysis was delivered to the competent authorities: Ministry of Justice, Ministry of Finance, and to the Ministry of Culture, Sports and Media.

In framework of IPA 2007, component C /DACI beneficiary/, analysis of following laws was realized: Law on Preventing Conflict of Interest in exercising public functions, Law on State Employees and Civil Servants in regard to Articles 54, 59, 61, which regulates *whistleblowing*, Ethic Code of state employees and civil servants, and Draft Law on Integrity in Public Sector. The analysis was performed by the short-term experts who visited Montenegro and had meetings with representatives of relevant state institutions.

In terms of implementation of Declaration on ten joint measures for fight against corruption in South Eastern Europe, **DACI** accomplished significant activities on intensifying cooperation with **private sector**. The main goal of this cooperation is planning of joint activities on tracking the phenomenon, cause, and affects of corruption in the area of judiciary, education, and local self-government, as well as conducting **public campaigns** with the aim of more active participation of citizens in fight against corruption and raising the level of public awareness on corruption problem. Detailed data on DACI activities on realization of this measure available at the DACI web site: [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu).

Successful international cooperation in field of fight against corruption and organized crime is being accomplished through **regional cooperation** by signing bilateral agreements on joint activities in fight against corruption and organized crime, where Police Directorate, Customs Directorate, and Directorate for prevention of money laundering and financing of terrorism (DPML&FT) had remarkable results.

At the 40<sup>th</sup> plenary GRECO session, held in December 2008, Report on Approximation for Montenegro was adopted, which states that Montenegro implemented, in satisfying manner, 16 out of total 24 recommendations (i.e. two third of total). In that sense, DACI, in cooperation with competent bodies, continued with undertaking of activities in order to implement remaining 8 recommendations, which were noted as partly realized. In reporting period, DACI, in cooperation with OSCE Mission to Montenegro, prepared project aimed to further enhancing of cooperation with private sector, in order to tackle and combat corruption. This project integrates two remaining GRECO recommendations /assessed as partly realized/ - eliminating of business barriers and instruction for state auditors on procedure of reporting corruption to state prosecutors.

By Budget for 2009, Police Directorate was approved financial means in amount of 100.000,00 €, aimed for police capacity building in field of fighting organized crime and

corruption. In addition, three international operations in field of fighting organized crime, specifically in fighting drugs, trafficking in human beings and armed robberies, were realized. In addition, Police Directorate signed Contract on twinning with the partners from the Northern Ireland and European Commission, in framework of IPA 2007 project. Also, the progress has been achieved by candidating 4 project regarding police capacity building, by Interpol. Equipment for counter-sabotage and bio-technical protection was acquired for the needs of Group for counter-terrorist searches.

Customs Administration signed Agreement on Mutual Assistance in Customs Matters between Government of MNE and Cabinet of Ministers of Ukraine, and Protocol on joint border controls on Joint BCP Sukobin-Murigan between Montenegro and Albania was signed. Signing of Agreement on Mutual Assistance in Customs Matters between Government of Montenegro and Government of Republic of Belarus is underway. Signing of Agreement on Harmonized set of data was initiated at the end of June, which will enable exchange of data in electronic form, via system "SEED" between customs administrations of Montenegro and Serbia.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>BUILDING OF HORIZONTAL AND VERTICAL NETWORKS AND ASSOCIATIONS WITH THE OBJECTIVE OF JOINT ACTION OF POLITICAL PARTIES AND LEADERS, AGENCIES, PUBLIC AND CIVIL SOCIETY AND OTHER NON-STATE ACTORS</b>	1. Monitoring implementation of the Resolution on the fight against corruption and organized crime through: 1. Amendments of the Rules of Procedure aiming to expand competencies of the Committee 2. Adoption of the opinions and suggestions of the Committee	MNE Parliamentary Committee for political system, judiciary, and administration, Committee for economy, finances, and budget	Two times per year, following the report of the National Commission	- Amendments of the Rules of Procedure aiming to expand competencies of the Committee - number of the invited NGOs at the thematic, extended Committee's sessions - Number of the adopted opinions and suggestions given by the Committee	<b>ASSESSMENT 1: Measure is not realized</b> <b>ASSESSMENT 2: Measure is not realized</b>
	2. Delivering of the periodic reports based on the innovated Instruction on preparation of the reports on implementation of the Action Plan, and delivering of other analysis and reports relating the corruption and organized crime 1. Regular updating of the sub-web site of the National Commission at the Government's web site	1. All competent bodies involved in implementation of the AP 3. Directorate for Anti-Corruption Initiative (DACI)	Continuously	1. Prepared Instruction, number of delivered reports in relation to the number of the competent bodies obliged to report 2. Number of the reports published at the web site in six-months period	<b>ASSESSMENT 3: Measure is being realized continuously</b> 54 institutions delivered reports for period January – March 2009 53 institutions delivered reports for period April-June 2009. <b>ASSESSMENT 4: Measure is being realized continuously</b> All delivered reports are available at the DACI web site <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>
	<b>INTENSIFICATION OF ALREADY INITIATED REALIZATION OF GENERAL REFORMS OF LEGAL AND FINANCIAL SYSTEM</b>	3. Preparation of the proposal of the Criminal Code (especially in scope of introducing the institute of expanded seizure and confiscation of the proceeds of crime, defining of a crime committed in organized manner as a general institute of the criminal material law)	Ministry of Justice (MoJ)	2009	Defined proposal of the Criminal Code following the public hearing and collected comments given by the international organizations, the Code in line with the EU standards and international conventions, the Code envisages introducing of the institute of expanded seizure and confiscation of the proceeds of crime, defined crime committed in an organized manner as a general institute of the criminal material law

				suggestions delivered through analysis of the valid Criminal Code.
4. Adoption of the Criminal Code	MNE Parliament	2009	Adoption of the Code	<b>ASSESSMENT 6: Measure is not realized</b>
5. Preparation of the proposal of the Criminal Procedure Code (introducing the institute of inverted proving burden)	Ministry of Justice	2008	Defined proposal of the Criminal Procedure Code following the public hearing and collected comments given by the international organizations, the Code in line with the European standards and international conventions, the Code envisages introducing of the institute of inverted proving burden	<b>ASSESSMENT 7: Measure is realized</b> The Government adopted Proposal Criminal Procedure Code on the session held 5 March 2009
6. Adoption of the Criminal Procedure Code	MNE Parliament	2008	Adoption of the Code	<b>ASSESSMENT 8: Measure is not realized</b>
7. Adoption of the Law on Amendments of the Law on State Prosecutor	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 9: Measure is realized</b> (OJ MNE, no.40/08, dating from 27.06.08.)
8. Adoption of the proposal of the amendments of the Law on Identity Card, in regard to providing the police to use biometric data	Mol&PA	2008	Adoption of the proposal	<b>ASSESSMENT 10: Measure is not realized</b>
9. Adoption of the amendments of the Law on Identity Card	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 11: Measure is not realized</b>
10. Preparation of the proposal Law on Genetic Privacy	Ministry of Health, Labor and Social Affairs (MoHLSA)	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 12: Measure is not realized</b> <b>Note:</b> Preparation of the Law on Genetic Privacy is underway
11. Adoption of the Law on Genetic Privacy	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 13: Measure is not realized</b>
12. Preparation of the proposal Law on Obtaining of Biologic Material	Ministry of Health, Labor and Social Affairs	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the EU standards and international conventions	<b>ASSESSMENT 14: Measure is not realized</b> <b>Note:</b> Preparation of the Law is underway
13. Adoption of the Law on Obtaining of Biologic Material	MoHLSA	2008	Adoption of the Law	<b>ASSESSMENT 15: Measure is not realized</b>
14. Preparation of the proposal Law on National DNA Register	Mol&PA	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 16: Measure is not realized</b> Draft law on DNA register was prepared. Working group will, by the end of III quarter of 2009, prepare Proposal law and deliver it to the Government of Montenegro for the adoption.
15. Adoption of the Law on National DNA Register	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 17: Measure is not realized</b>
16. Preparation of the proposal Law on Preventing Conflict of Interest in exercising public functions, in	Mol&PA in cooperation with the Commission for Determining Conflict of	2008	Defined proposal Law, following the public hearing and collected comments given by the Council of	<b>ASSESSMENT 18: Measure is realized</b> The Government of Montenegro, at the session held on 16 October 2008, adopted the Proposal

accordance with the international standards and recommendations	Interest		Europe, European Commission, and civil society, the law in line with the European standards and international recommendations, underlining: 1. Harmonized definition of the public official with the provisions of the UN Convention against Corruption (Art 2 of the Convention) 2. Introduced efficient and proportional penalty regime, 3. Defined and prescribed sanctions for delivering incorrect data on property, and 4. Defined obligation of the Commission to, when necessary, check and determine whether the data on reported incomes and proper are true or not.	Law on Preventing Conflict of Interest in exercising public functions
17. Adoption of the Law on Preventing Conflict of Interest in exercising public functions	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 19: Measure is realized</b> MNE Parliament, at the session held on 27 December 2008, adopted the Law on Preventing Conflict of Interest in exercising public functions, which was published in the "Official Journal of MNE" no 1/09, on 09.01.2009.
18. Preparation of the proposal Law on Protection of the persons reporting the corruption (whistleblowers)	Mol&PA, Anti-Corruption Initiative Directorate (DACI)	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 20: Measure is realized</b> Law on State Employees and Civil Servants (Art. 54, 59, para 1, point 15 and 64, para 2), provides protection for the state employees and civil servants – whistle blowers. Instructions of the Police Directorate for protection of whistleblowers was adopted as well, as additional activity in framework of realization of this measure.
19. Adoption of the Law on Protection of the persons reporting the corruption (whistleblowers)	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 21: Measure is realized</b> Law on State Employees and Civil Servants adopted at the MNE Parliament session on 29 July 2008, and published in OJ MNE no. 50/08
20. Preparation of the proposal Law on Integrity in Public Sector (which will contain prevention of corruption, preparation of the integrity plans, rules on lobbying, conflict of interest, protection of whistleblowers)	Ministry of Finance (MoF) in cooperation with the DACI	2009	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 22: Measure partly realized</b> Working group, consisting of representatives of state bodies and NGO CEMI, delivered to the Ministry of Finance <u>Draft</u> law on integrity in public sector with reasoning, and by doing so, they respected the deadline envisaged by the IAP. Ministry of Justice, Secretariat for Legislation, and Mol&PA delivered opinions on the Draft law. Having in mind their opinions, it was asked from the National Commission to give its opinion and recommendation for further regulating of this material.
21. Adoption of the Law on Integrity in	MNE Parliament	2009	Adoption of the Law	<b>ASSESSMENT 23: Measure is not realized</b>



Public Sector					
22. Adoption of the Law on Financing of Political Parties	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 24: Measure is realized</b> Law on Financing of Political Parties was adopted at the parliamentary session on 29 July 2009, and published in OJ MNE, no. 49/08, on 15.08.08.	
23. Adoption of the Law on Financing Election Campaign for President of Montenegro, mayors, and presidents of municipalities	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 25: Measure is realized</b> The Law was adopted at the session of the MNE Parliament held on 29 January 2009 (OJ MNE no 08/09)	
24. Preparation of the proposal Law on Electronic Communication, aiming to: 1. introduce obligation for telecommunication services providers to register all buyers of the telecommunication services /120/ 1. ensure direct links and connection with the databases of the telecommunication services providers; condition: adoption of the Law on Personal Data Protection /125-6/	Ministry of Transport, Maritime, and Telecommunication (MoTMT)	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 26: Measure is realized</b> The Government of Montenegro, at the session held on 28.02.2008, adopted Proposal Law on Electronic Communication.	
				<b>ASSESSMENT 27: Measure is realized</b>	
				<b>ASSESSMENT 28: Measure is realized</b>	
25. Adoption of the Law on Amendments of the Law on Electronic Communication	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 29: Measure is realized</b> Law on Electronic Communication was adopted at the parliamentary session on 29 July 2008, and published in OJ MNE, no 50/08, on 19.08.08.	
26. Preparation of the proposal Law on internal financial control in public sector	MoF	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 30: Measure is realized</b> MNE Gov adopted Proposal Law on internal financial control in public sector on session held on 09 October 2008.	
27. Adoption of the Law on internal financial control in public sector	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 31: Measure is realized</b> Law on internal financial control in public sector was adopted at the parliamentary session on 26 November 2008, and published in OJ MNE, no 73/08 on 02.12.08.	
28. Preparation of the proposal Law on Protection of Data on Individuals	Mol&PA	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 32: Measure is realized</b> MNE Gov adopted Proposal Law on on Protection of Data on Individuals on session held on 20.11. 2008.	
29. Adoption of the Law on Protection of Data on Individuals	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 33: Measure is realized</b> MNE Parliament adopted on 18 December 2008 Law on Protection of Data on Individuals. It was published in OJ MNE no. 79/08 on 23.12.08.	
30. Preparation of the proposal Law on taking care of temporarily and	MoF	2008	Defined proposal Law, following the public hearing and collected	<b>ASSESSMENT 34: Measure is realized</b> MNE Gov adopted Proposal Law on taking care	

permanently ceased property	Mol&PA		comments given by the international organizations, the law in line with the European standards and international conventions	of temporarily and permanently ceased property on session held on 18 April 2008.
31. Adoption of the Law on taking care of temporarily and permanently ceased property	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 35: Measure is realized</b> MNE Parliament adopted on 29 July 2008 Law on taking care of temporarily and permanently ceased property. It was published in OJ MNE no. 49/08 on 15. 08. 08.
32. Preparation of the proposal Law on property relations	MoF	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 36: Measure is realized</b> MNE Gov adopted on 12 June 2008 proposal Law on property relations
33. Adoption of the Law on property relations	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 37: Measure is realized</b> MNE Parliament adopted the law on the session held on 26 February, and it was published un OJ MNE no 19/09
34. Determining competencies for preparation, and preparation of the proposal Law on State Election Commission	MNE Parliament in cooperation with the Secretariat for Legislation	2008	Determined competency for preparation of the Law, defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 38: Measure is not realized</b> The agreement was reached, in coordination with the Speaker of the MNE Parliament for the Proposal law on State Election Commission to be prepared by the inter-party group of the Parliament, as it was the case with the preparation of the election legislation in previous period. <b>NGO CEMI:</b> NGO CEMI prepared Policy Study and model of the Law on State Election Commission. Prepared documents were presented at the round table, organized by NGO CEMI, to the members of the SEC, representatives of the political parties na interested parties, which intensified public discussion on possible solutions for this issue.
35. Adoption of the Law on State Election Commission	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 39: Measure is not realized</b>
36. Preparation of the proposal Law on obligatory relations	MoJ	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the European standards and international conventions	<b>ASSESSMENT 40: Measure is realized</b> MNE Gov adopted on 23 May 2008 proposal Law on obligatory relations
37. Adoption of the Law on obligatory relations	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 41: Measure is realized</b> MNE Parliament adopted on 29 July 2008 Law on obligatory relations. It was published in OJ MNE no. 47/08 on 07.08.08.
38. Preparation of the proposal Law on Aliens	Mol&PA	2008	Defined proposal Law, following the public hearing and collected comments given by the international organizations, the law in line with the	<b>ASSESSMENT 42: Measure is realized</b> MNE Gov adopted on 13.11. 2008 proposal Law on Aliens

				European standards and international conventions	
	39. Adoption of the Law on Aliens	MNE Parliament	2008	Adoption of the Law	<b>ASSESSMENT 43: Measure is realized</b> MNE Parliament adopted on 16 December Law on Aliens. It was published in OJ MNE no. 82/08.
<b>IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS IN FIELD OF FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME</b>	40. Analyze degree of harmonization of the legislation with international standards in field of fight against corruption and organized crime	DACI, Mol&PA, MoJ	Continuous	Reports on the level of harmonization of the legislation: number of the analyzed laws, and number and names of the conventions in relation to which the analysis was prepared, for every law individually, number of defined amended laws and number of the adopted amended laws	<b>ASSESSMENT 44: Measure is being realized continuously</b> During the reporting period, OSCE/UNDP performed analysis of level of harmonization of criminal-legal provisions on corruption and organized crime with solutions given in instruments of CoE, UN and EU. In addition, UNDP office delivered final expert analysis of the Law on International Legal Aid in Criminal Matters, Law on Criminal Liability of Legal Persons for Criminal Acts, Law on Free Access to Information and the Law on Financing of Political Parties. In framework of IPA project 2007, component C, analysis of following documents was performed: Law on Prevention of Conflict of Interest, Law on Civil Servants and State Employees concerning articles 54, 59, 61, that refer to the institute of whistleblowing, Ethical Code of State Employees and Civil Servants, and Draft law on integrity in public sector. Detailed data available in individual reports of institutions at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>
	41. Continue with the harmonization of legislation with the UN Conventions against corruption (Palermo, UNTOC Convention), and other conventions in field of fight against organized crime	Mol&PA, Ministry of Justice	2008, Continuous	Full harmonization of the legislative framework with the conventions in field of organized crime; number of the analyzed laws, and number and names of the conventions in relation to which the analysis was prepared, for every law individually, number of defined amended laws and number of the adopted amended laws	<b>ASSESSMENT 45: Measure is being realized continuously</b> Links – Assessment 44 – linked measures OSCE/UNDP performed analysis of approximation of the provisions of valid Criminal Code with solutions given in UN instruments. In framework of regional PROSECO project „Support to the prosecutor's network in SEE“, which is implemented by the CoE and financed by the EC, further analysis of provisions of valid CC were undertaken, especially in regard to seizure of criminal proceeds, with special focus on concept of widened seizure and reversed burden of proving in verification of origin of criminal proceeds. In addition, in framework of PROSECO project, analysis of the chapter XXVIII of CC was performed, which refers to the criminal acts against security of computer (cyber crime).
	42. To ratify Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	<b>ASSESSMENT 46: Measure is realized</b> OJ MNE – International agreements no. 5/08

	Financing of Terrorism (CETS no198)				
	43. To ratify Convention on Prevention of (CETS no196)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	<b>ASSESSMENT 47: Measure is realized</b> OJ MNE – International agreements no. 5/08
	44. To ratify Convention on Combating of Terrorism (CETS no 190)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	<b>ASSESSMENT 48: Measure is not realized</b>
	45. To ratify Convention on Fight against Trafficking in Human Beings (CETS no 197)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	<b>ASSESSMENT 49: Measure is realized</b> OJ MNE – International agreements no 4/08
	46. To ratify the Convention on Cyber Crime, with supplementing Protocols (ETS189)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	<b>ASSESSMENT 50: Measure is not realized</b> Note: the Government of Montenegro adopted, on the session held on 23.04.09, Proposal law on ratification of the Convention on cyber crime, and Proposal law on ratification of supplementing protocol to the Convention on Cyber Crime. Proposals were delivered to the MNE Parliament for the adoption.
	47. Publishing of the ratified international agreements and conventions at the web site of the Government, the Parliament, and in Official Journal	The Government / MFA MNE Parliament MNE Official Journal	Continuous	Published ratified agreements	<b>ASSESSMENT 51: Measure is being realized continuously</b> In this period, not one “Official Gazzette of MNE-International Agreements”, which contains ratified international agreements and conventions, was published. New web portal of the MFA is in establishing phase – Updated list of signed and ratified agreements and conventions available at <a href="http://www.mip.gov.me">www.mip.gov.me</a> ; Web site of the parliament: <a href="http://www.skupstina.cg.yu">www.skupstina.cg.yu</a> ;
<b>COOPERATION AND EXCHANGE OF INFORMATION BETWEEN THE STATES, AIMING TO ORGANIZE JOINT OPERATIONS IN FIGHT AGAINST ORGANIZED CRIME</b>	48. Preparation of the Annual plans for signing of bilateral agreements	Police Directorate, Customs Administration, DPML&FT	Until the end of III Q 2008, until the end of I Q 2009	Prepared Annual plans for signing of bilateral agreements: 1) with the neighboring countries 2) with the EU countries 3) with international organizations	<b>ASSESSMENT 52: Measure partly realized</b> <b>Police Directorate</b> – prepared and delivered to National Commission plan for signing of bilateral agreements in 2009 with neighboring countries, EU countries and international organizations. <b>Customs Administration</b> – development plan of the international customs cooperation integrated in the Business Strategy of the CA. approximation of customs regulations with EU, WTO and SCO standards was planned, and development of international customs cooperation (bilateral and multilateral) as well. Detailed data available at the individual reports of the institutions at <a href="http://www.antikotup.vlada.cg.yu">www.antikotup.vlada.cg.yu</a>
	49. Signing of bilateral agreements: • with the neighboring countries • with the EU countries • with international organizations	Police Directorate, Customs Administration, DPML&FT	Continuous	Number of signed bilateral agreements: • with the neighboring countries • with the EU countries • with international organizations	<b>ASSESSMENT 53: Measure is being realized continuously</b> <b>Police Directorate</b> – Protocol on joint patrols and Agreement on Joint Border Crossing Points signed with BiH. Protocol on joint patrols with Serbia was signed as well. –Agreement/working arrangement of the Police Directorate with FRONTEX signed in Warsaw

					<p><b>ASSESSMENT 54: Measure is being realized continuously</b>  <b>Customs Administration</b> – Agreement on Border Control in Railway Transport between Republic of Serbia and Montenegro was signed.  - Agreement on Mutual Assistance in Customs Matters was signed between Government of MNE and Cabinet of Ministers of Ukraine.  - Signing of Agreement on Mutual Assistance in Customs Matters between Government of Montenegro and Government of Republic of Belarus is underway.  - Protocol on joint border controls on Joint BCP Sukobin-Murigan between Montenegro and Albania was signed.  - Signing of Agreement on Harmonized set of data was initiated, which will enable exchange of data in electronic form, via system "SEED" between customs administrations of Montenegro and Serbia.</p> <p><b>ASSESSMENT 55: Measure is being realized continuously</b>  <b>DPML&amp;FT</b> - 20.02.2009 in Priština, signed Agreement on Cooperation with EULEX Mission.</p>
	50. Reporting on the results of international cooperation in fight against corruption and organized crime	The Supreme Court, Supreme State Prosecutor's Office, Police Directorate, Customs Administration, DPML&FT	Continuous	Indicators of the criminal prosecution: number of criminal claims, investigations, charges, and sentences in force, which resulted from international cooperation	<p><b>ASSESSMENT 56: Measure is being realized continuously</b>  <b>Police Directorate</b> - 3 international police operations realized, in cooperation with the High and Basic Prosecutor's Office and in which Police Directorate took part - "PINK PANTER", "TARA" and "PIGEON". Total 115 intelligence information were exchanged via Interpol and liaison officers of other countries. In cooperation with police services of France, Belgium, Italy, Japan, Switzerland, Austria, B&amp;H, Crime Police Sector – Department for fight against organized crime and corruption, in period April-June 2009, took part in <b>two</b> international police operations, and all in cooperation with High and Basic prosecutor's office, which resulted with submitting of two criminal charges in Montenegro.  <b>Customs Administration</b> – there were no joint activities during the reporting period  <b>DPML&amp;FT</b> – 15 reports on suspicious transactions delivered to the police and prosecutor's office. Delivering of these reports resulted with international cooperation</p>
<b>ACTIVE PARTICIPATION IN REALIZATION OF MEASURES</b>	51. Implementation of Declaration on ten joint measures for fight against	DACI (on basis of collected individual reports from the	Continuous	Assessment of the realized progress by RAI	<b>ASSESSMENT 57: Measure is being realized continuously</b>

AND ACTIVITIES OF REGIONAL ANTI-CORRUPTION INITIATIVE (RAI)	corruption in South Eastern Europe	competent bodies)			Detailed data on DACI activities in field of realization of this measure available at the DACI report at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>
REALIZATION OF THE OBLIGATIONS DERIVING FROM THE MEMBERSHIP IN THE COUNCIL OF EUROPE (GRECO)	52. Fulfillment of obligatory recommendations from GRECO Report on assessment of anti-corruption measures and activities in Montenegro	DACI (on basis of collected individual reports from the competent bodies)	Continuous	GRECO Report on Fulfillment of obligations and recommendations deriving from the GRECO Report on assessment of anti-corruption measures and activities in Montenegro, number of measures assessed by GRECO as implemented and realized, and number of measures that are not realized	<b>ASSESSMENT 58: Measure is being realized continuously</b> In cooperation with the OSCE Mission to Montenegro, project proposal was prepared, which is focused on further strenghtening of cooperation with private sector, in order to tackle and combat corruption. This project intergrated two reccomendations that GRECO assesed as semi-realized (eliminating of bussines barriers and instructions for state auditors on procedure for reporting corruption to state prosecutors). GRECO report is available at the web site: <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a> ; Council for Bussines Barriers also is proceeding upon issue of eliminating bussines barriers through regular providing of suggestions and comments on proposal laws. This Council was established by the Governemnt of Montenegro.
IMPROVEMENT OF MATERIAL CONDITIONS FOR THE FUNCTIONING OF COMPETENT BODIES	53. Defining priorities in field of fight against corruption and organized crime, drafting projects and candidate them for Budget financing, and by means of international organizations and institutions	DACI, Customs Administration, Tax Administration, Commission for determining conflict of interest, Commission for controlling public procuremen procedure, Supreme State Prosecutor's Office, Supreme Court, Police Academy, DPML&FT, HRMA	Continuous	Defined priorities, project proposals based on defined priorities	<b>ASSESSMENT 59: Measure is being realized continuously</b> Detailed data available at the individual reports of the institutions at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a> ; Applied and approved projects from <b>IPA 2007 and 2008</b> are available at web site of Ministry for European Integration and at the web site of EC Delegation in Podgorica <a href="http://ec.europa.eu/delegations/delmne/">http://ec.europa.eu/delegations/delmne/</a> <b>Police Directorate:</b> During the reporting period, PD signed Contract on Twinning with partners from Northern Ireland and EC, in framework of IPA 2007 project; equipment for counter-sabotage and bio-chemical protection, following negotiating procedure 44/08, was acquired for Group for counter-terrorist searches; acquiring of the equipment for counter-sabotage protection from the company »Perigon« from Slovenia is underway, following negotiating procedure 51/08; BCPs Port Bar, airports Podgorica and Tivat, Dračenovac, Debeli Brijeg, Sitnica and Sukobin are linked to the Interpol database. BCP Kula is linked to the CIS network of the Police Directorate; <b>Supreme Court:</b> special record book was formed for every court and judge who is in charge of case of organized crime and corruption, and it is determined that the deadline for closing of cases dating from 2008 and previous years is 30 September 2009. In

					<p>addition, obligation to prepare elaboration in written was defined, to explain why the case is not completed and close in defined deadline.</p> <p><b>Customs Administration</b> – it is continued with providing EU support and assistance through realization of TACTA project in period February – August 2009. In addition, in this reporting period, meetings were held between representative of Customs Administration and representative of Twinning partner for Customs – concorsium Austria – Check Republic, in order to harmonize Draft Plan of Work for realization of Twinning project of support to the Customs Administration.</p>
54. Ensuring financial support from the Budget for the competent bodies for realization of candidate projects	DACI, Police Directorate, Customs Administration, Tax Administration, Commission for determining conflict of interest, Commission for controlling public procurement procedure, Supreme State Prosecutor's Office, Supreme Court, Police Academy, DPML&FT, HRMA	Continuous	Number of projects financed from the Budget relating to fight against corruption and organized crime, and total amount of ensured and provided means	<p><b>ASSESSMENT 60: Measure is being realized continuously</b></p> <p>Detailed data available at the individual reports of the institutions at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>. Law on Budget for 2009 is available at the web site <a href="http://www.gov.me/files/1231933022.pdf">http://www.gov.me/files/1231933022.pdf</a>; Police Directorate – program of fight against corruption and organized crime - 4,6 mil €; DACI– program of combating corruption - 382.0020€, DPML&amp;FT – program 0,5 mil €, HRMA – training programs - 1,3 mil €, etc. <u>Review of co-financing for 2007 and 2008 is given in approved IPA projects.</u></p>	
55. Ensuring financial support from the international organizations for the competent bodies for realization of candidate projects	DACI, Police Directorate, Customs Administration, Tax Administration, Commission for determining conflict of interest, Commission for controlling public procurement procedure, Supreme State Prosecutor's Office, Supreme Court, Police Academy, DPML&FT, HRMA	Continuous	Number of projects delivered to the foreign donors relating to fight against corruption and organized crime, and total amount of ensured and provided means by the foreign donors	<p><b>ASSESSMENT 61: Measure is being realized continuously</b></p> <p>In the reporting period, Police Directorate candidate 4 projects (<b>for NCB Interpol</b>) as follows: <b>1.</b> Capacity Building of International Police Cooperation (project prepared in cooperation with IOM and submitted to the IOM Office in Podgorica. Value of the project is 118.988 €. It is expected that IOM will provide finances for realization of the project through foreign donations (there are no any changes in comparison to the previous report); <b>2.</b> Introducing Interpol services in BCP Port Bar (installing of MIND/FIND technology for searching Interpol database). Value of the project is 17.000€ (there are no any changes in comparison to the previous report); <b>3.</b> Introducing Interpol services in all other BCPs (II phase of MIND/FIND system). Project was submitted to the GS Interpol, and its value is 141.117 €. It is expected this project to be candidate by SEPICA, in cooperation with GS Interpol, and it will also provide foreign dinations</p>	

					<p>for realization of project (there are no any changes in comparison to the previous report);</p> <p><b>4.</b> Preparation of software for electronic archiving and monitoring of cases (workflow application). Project was prepared, and software proposal as well. Value of the project is 14.000 €.</p> <p><b>Department for international cooperation and European integration:</b> Germany announced that donation for 2009 is approved, for equipment and vehicles-30 000€, professional training in form of scholarship - 18 000€ and advanced and specialized seminars - 12 000 €. Following completion of ADA project of training and education by the Austrian police, the IT equipment was donated for Crime Police Sector and Border Police Sector, of value 15 000 €, in order to strengthen capacities in fighting illegal migration and trafficking in human beings.</p> <p><b>Department for fight against organized crime and corruption – Signed Memorandum on Cooperation and Exchange of Data</b> in prevention, investigation and prosecution of crime perpetrators, prosecuted ex officio, between Supreme State Prosecutor and Police Directorate.</p> <p><b>Special Verification Unit: development project: Capacity Building of the Intelligence Led Policing:</b> In reporting period, 2 training programs for 30 Police Directorate officers were realized, and software modul 1 was prepared (4x4)for operative information processing, inputting and searching in operative database (pilot regions Budva, Bar and Ulcinj).</p> <p><b>Project IPA 2007</b> - 2 training programs for 22 Police Directorate officers; EC published international call and public invitation for acquiring of the equipment necessary for investigation and surveillance activities.</p> <p><b>Project proposal IPA 2010:</b> project, which is continuation of the development project “Intelligence Led Policing in 2010-2011” was candidated at the Donor Conference.</p> <p><b>Forensic Center:</b> Priority for Center is preparation of the project of introducing standard quality ISO 17025 and acquiring of laboratory equipment</p> <p>Detailed data available at the individual reports of the institutions at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a></p>
--	--	--	--	--	--

**RECOMMENDATIONS:**

1. The Parliament of Montenegro is to amend Rules of Procedure in order to expand competencies of the Committee, and to deliver data on number of invited NGOs on thematic sessions of the Committee, and on the number of adopted opinions and suggestions by the Committee.



2. Competent ministries are to intensify preparations of draft laws envisaged by the IAP.
3. The Parliament of Montenegro is to intensify activities in field of adoption of the laws that are in parliamentary procedure, and whose adoption is envisaged by the IAP.
4. The Parliament of Montenegro is to fully implement, in the shortest possible period, all measures from the Resolution on fight against corruption and organized crime (especially articles 2, 4, 5, 6 and 7 of the Resolution). **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
5. The Parliament of Montenegro is to adopt Criminal procedure Code, in shortest possible period. **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
6. Competent institutions are to deliver detailed data on realization of **measure 54 – assessment 60** in Chapter “Political and International Obligation to act”, and to inform NC about the means provided from the Budget for realization of projects in field of corruption and organized crime. **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
7. The Parliament of Montenegro is to establish, in scope of its competencies, working group for drafting of Proposal law on state election commission, which will contain provisions ensuring competencies for the state election commission to verify data on property of political parties. **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**

## II GENERAL OBJECTIVES

In terms of assessment of criminality state of play in field of criminal acts with elements of corruption and organized crime, significant contribution was made by the **Three-Party Commission** (bearers of judicial and prosecution functions and representatives of the Police Directorate). This Commission, in accordance with previously defined unique methodology, performed statistical processing of data necessary for assessment of volume and diffusion of criminal acts with elements of corruption and organized crime. During the reporting period, following **criminal acts with elements of corruption** were processed: Violation of equality in the conduct of business activities (art. 269 of CC); Abuse of monopolistic position (art. 270 of CC); Causing of bankruptcy (art. 273 of CC); Causing of false bankruptcy (art. 274 of CC); Abuse of authority in economy (art. 276 of CC); False balance (art. 278 of CC); Abuse of assessment (art. 279 of CC); Revealing a business secret (art. 280 of CC); Revealing and using stock-exchange secret (art. 281 of CC); Abuse of official status (art. 416 of CC); Unconscientiously performance of office (art. 417 of CC); illegal mediation (art. 422 of CC); Passive bribery (art. 423 of CC); Active bribery (art. 424 of CC), and Disclosure of official secrets (art. 425 of CC).

**In period 01.01.2006 - 30.06.2009, total of 887 criminal charges against 1420 persons have been submitted** (in 2006 - 271 charges against 449 persons, in 2007 - 274 charges against 435 persons, in 2008 - 231 charges against 363 persons and in first half of 2009 111 charges against 173 persons),

In deciding upon submitted charges, after gathering necessary information in pre trial procedure, **State Prosecution** has rejected 393 criminal charges against 641 persons, out of which upon submitted charges in 2006 - 143 charges against 252 persons, in 2007 - 138 charges against 233 persons, **in 2008 - 89 charges against 125 persons** and in first half of 2009 – **23 charges against 31 persons**. **17 accusatory suggestions** were submitted against **22 persons**, and out of that number, in 2006 - 7 accusatory suggestions submitted against 9 persons, in 2007 – five accusatory suggestions submitted against eight persons, in 2008 – two accusatory suggestions against two persons **and in first half of 2009 – 3 accusatory suggestions against 3 persons**. **10 charges against 12 persons were brought without previous conducting investigation**, out of which 5 charges against 6 persons in 2006, 4 charges against 4 persons in 2007, and **1 charge against 2 persons in 2008**. **Furthermore, during entire reporting period, State Prosecution** submitted 305 requests for conducting investigation against 461 persons /out of that number: in 2006 – 112 requests against 172 persons, in 2007 - 106 requests against 166 persons, **in 2008 – 72 requests against 105 persons and in first half of 2009 – 15 requests for conducting investigation against 20 persons/.**

At the end of reporting period, **148 criminal charges against 257 persons remained unsolved** before other bodies involved in pre trial procedure upon prosecution requests for gathering necessary information, out of which 20 charges against 25 persons in 2007; 66 charges against 128 persons in 2008 **and in first half of 2009 – 62 charges against 104 persons**.

**During the entire reporting period, there were 177 accusations in operation against 247 persons** (in 2006 - 79 accusations against 104 persons, 2007 – 61 accusations against 90 persons, in 2008 – 34 accusations against 50 persons and in first half of 2009 – 3 accusations against 3 persons). **On basis of these accusations, in cases upon criminal charges for criminal acts with elements of corruption, 151 verdicts have been reached against 206 persons** (in 2006 - 65 verdicts against 85 persons, in 2007 - 59 verdicts against 89 persons, in 2008 – 26 verdicts against 31 persons and in first half of 2009. – one verdict against one person).

**76 cases against 108 persons ended with convictions** (in 2006 – 32 convictions against 42 persons, in 2007 – 25 convictions against 45 persons, in 2008 – 18 convictions against 20 persons and in first half of 2009 – one conviction against one person). **Courts brought dismissal decision in 11 cases against 14 persons**, (in 2006 – 4 dismissal decision against 5 persons; in 2007 - 5 dismissal decision against 7 persons; in 2008 – 2 dismissal decisions against 2 persons). **64 cases against 84 persons ended with acquittals** (in 2006 – 29 acquittals against 38 persons; in 2007 - 29 acquittals against 37 persons and in 2008. - 6 acquittals against 9 persons).

In addition, during total reporting period, State Prosecution submitted **89 appeal upon first instance sentences against 129 persons**. Out of that number, **appeal procedure was completed in 51 cases against 54 person**), while the appeal procedure is underway in 32 cases against 54 persons. Second Instance Courts accepted 15 appeals against 16 persons, and rejected 36 appeals against 38 persons.

Therefore, during the reporting period, there were **177 accusations in operation against 247 persons, 151 verdicts were reached against 206 persons, out of which, in 94 cases against 105 persons sentences are into effect (out of that number, in 2006 -50 sentences against 55 persons; in 2007 – 34 sentences against 39 persons, in 2008, - 9 sentences against 10 persons and in first half of 2009 – one sentence against one person became effective;** detailed data given in the Table 1 – Annex of this Report).

During total reporting period, **42 criminal charges were submitted against 271 persons for committing criminal acts of organized crime** (in 2006 – 20 charges against 120 persons, in 2007 – 12 charges against 61 persons, in **2008 – 8 charges against 49 persons and in first half of 2009 – 2 charges against 41 persons**). Total of **22 cases against 108 persons ended with verdict** (in 2006 – 7 verdicts against 40 persons, in 2007 – 10 verdicts against 50 persons, in **2008 – 5 cases against 18 persons was solved** - detailed data given in the Table 1 – Annex of this Report). This Annex contains also Table with data on **claims (36 claims against 75 persons) for criminal acts with elements of corruption delivered to the Department for Fight against Organized Crime, Corruption, Terrorism, and War Crimes** for period 01 January -30 June 2009, from the moment of establishing this Department.

In field of fight against trafficking in human beings, Office of National Coordinator for Fight against Trafficking in Human beings formed Tree Party Commission consistent of representatives of: Police Directorate, Supreme State Prosecution Office and Supreme Court with the aim to prepare statistics on victims and perpetrators of criminal offence trafficking in human beings. Statistical data on trafficking in human beings for period 2004- 2009 (as of 01 of June 2009 ) available at [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu) as well as information on activities undertaken on realization of the Action plan for fight against human trafficking.

**A. EFFICIENT CRIMINAL PROSECUTION WITH THE OBJECTIVE OF COMBATING CORRUPTION AND ORGANIZED CRIME**

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>RAISING THE LEVEL OF KNOWLEDGE AND SPECIALIZATION OF POLICE, PROSECUTORS AND JUDGES</b>	1. Needs assessment for training of prosecutors, police, and judges	Police Directorate, Police Academy, Supreme State Prosecutor's Office, Supreme Court	2008	Identified need for training of prosecutors, judges, and police officers	<p><b>ASSESSMENT 62: Measure is realized</b>            Training needs for prosecutors and judges determined by CEBJF Training Program. Training needs for police officers determined by police Academy Education Program. Detail information available at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a></p> <p><b>Police Directorate :</b>            Police Academy Education program for 2009. for police officers and employees envisages conducting trainings and seminars related to organized crime and corruption such as: regional police cooperation in organized crime suppression; suppression and detecting cyber crime; corruption – detecting criminal offence with elements of corruption; money laundering and terrorism financing; fight against illegal migration; fight against smuggling and trafficking in human beings; role of internal control in suppression of corruption in police service; implementation of the Code of police ethics; implementation of Professional directive on reporting corruption to Police.</p> <p><b>Police academy</b>            - five seminars «Ethics, Code of Conduct and anti-corruption measures and Professional directive on reporting corruption to Police for 79 police officers            - <b>19</b> courses and seminars for 372 police officers (topics available in Police Directorate report ;</p>

					<p>- Two courses of additional training on basic police education for 50 police officers are in progress.</p> <p><b>Human Resource Agency :</b> 44 seminars for 168 police officers as well as IT training, English language training, seminar on implementation of the Law on Data secrecy and two days seminar – EU funded projects management.</p> <p><b>Supreme court:</b> CEBJF fully carries out determined education program for 2009, whereon topics related to organized crime and corruption and confiscation of property are included as well. There were also a number of round tables on new CCP particularly about provisions which procedure in fight against organized crime and corruption make more efficient.</p>
	2. Organizing of joint seminars for representatives of police, prosecutor's office and courts, in relation to new provisions and solutions stipulated in Criminal Procedure Code	Center for education of bearers of judicial functions / CEBJF/ in cooperation with the Police Academy	2008-2009	Number of held seminars, number of participants from the police, prosecutor's office, courts	<p><b>ASSESSMENT 63: Measure is realized</b></p> <p><b>CEBJF</b> – Two seminars held</p> <ul style="list-style-type: none"> <li>- „New provisions of the CCP – role of prosecutor in investigation and role of investigative judge</li> <li>- "Secret surveillance measures and confiscation of property acquired by criminal offense"</li> </ul> <p>Seminars attended judges, prosecutors layers and police officers.</p> <p><b>Police Academy</b> – in reporting period there were no joint trainings. These activities are planned for coming period.</p>
PREVENTION OF ABUSE IN APPLICATION OF SECRET SURVEILLANCE MEASURES (SSM)	3. Court and prosecution control	Judicial Council, Supreme State Prosecutor's Office, Police Directorate	Continuous	Number of carried out controls, number of discovered eventual abuses	<p><b>ASSESSMENT 64: Measure is being realized continuously</b></p> <p>Department, for fight against organized crime, corruption, terrorism and war crimes in SSP, realizes this measure in framework of tasks within competencies. There were no objections relating to application of secret surveillance measures during the reporting period, so in that sense, there were no controls over the application of SSM.</p>
	4. Parliamentary control (in accordance with the provisions of the Law)				<p><b>ASSESSMENT 65: Measure is being realized continuously</b></p> <p>During the reporting period, there were no sessions of parliamentary Committee for security and defense relating to control over application of the SSM.</p>
	5. Internal Police Control				<p><b>ASSESSMENT 66 : Measure is being realized continuously</b></p> <p>During the reporting period, there were no objections relating to application of SSM, so that</p>

					there were no controls realized over SSM <b>Note:</b> Article 239, paragraph 6 of CCP envisages that authorized police officer in charge of the execution of SSM shall keep as official secret any information gathered during execution of SSM and keep records on each action undertaken and report periodically to the State Prosecutor and investigative judge on execution of the measures. Having in mind these provisions it is doubtful that these measures are being carried out under direct supervision and control of these bodies.
<b>EFFICIENT CARE OF TEMPORARY AND PERMANENTLY CONFISCATED PROPERTY, AS WELL AS OF THE DISTRIBUTION OF PROFIT GAINED FROM THE CONFISCATED PROPERTY (TO JUDICIARY, PROSECUTION, POLICE)</b>	6. To establish separate independent body for confiscated property management	Ministry of Finance	2008	Established body; Prepared and delivered reports on status and level of condition and degree of preservation of the value of the property (confiscated, guarded, and returned); Relation in value between temporarily confiscated, permanently confiscated and returned property	<b>ASSESSMENT 67: Measure is not realized</b> <b>Note:</b> Law on Taking Care of Temporary and Permanently Confiscated Property, adopted by the Parliament of MNE, envisages for the State Property Agency to be responsible for taking care of temporary and permanently confiscated property. Establishment of this Agency is envisaged by the Law on State Property(Official gazette MNE No. 21/09)
<b>ASSESSMENT OF THE CRIMINALITY STATE OF PLAY IN FIELD OF CRIMINAL ACTS WITH ELEMENTS OF CORRUPTION AND ORGANIZED CRIME</b>	7. 1. Preparation of the six-months analysis on statistical indicators in relation to number of cases in field of corruption and organized crime being processed before the courts or the ones with effective rulings, with special attention to the structure of perpetrators of such acts and sphere of society in which these acts 2. to prepare instructions for harmonization of methods of presenting statistical data by the police, prosecution, and courts, for publishing of these data at the web sites of the mentioned institutions	1. Supreme Court, Police Directorate, Supreme State Prosecutor's Office (Three-Party Commission)  2. Supreme Court, Police Directorate, Supreme State Prosecutor's Office (Three-Party Commission)	1. 2008, Continuous  2. 2008.	1. prepared periodical statistical indicators and analysis, delivered to the National Commission 2. harmonized methods of presenting statistical data by the police, prosecution, and courts, comparable statistical data, and also published at the web sites of the respective institutions 3. number of identified, characteristic emerging problems in relation to implementation in purpose of providing evidences and proving in pre-trial procedure, investigation, and main hearing, and which have impact on efficient criminal prosecution and effective rulings	<b>ASSESSMENT 68: Measure is being realized continuously</b> Delivered regular Three-Party Commission Report (ANNEX- table)
					<b>ASSESSMENT 69: Measure is realized</b> Agreed methodology, on basis of which, three-year report was prepared (2006,2007, 2008 and first half of 2009)
<b>STRENGTHENING OF STATE BODIES' CAPACITIES IN FIGHT AGAINST TRAFFICKING IN HUMAN BEINGS</b>	8. Implementation of the Action Plan for fight against trafficking in human beings	Office of the national Coordinator for fight against trafficking in human beings, Police Directorate	2008/09 Continuous	Quarterly informing on realization of measures from the Action Plan Statistical data on number of investigations carried out, criminal claims submitted, and effective court rulings, convicting and acquitting, in field of trafficking in human beings	<b>ASSESSMENT 70: Measure is being realized continuously</b> Office of National Coordinator for Fight against Trafficking in Human beings formed Tree Party Commission consistent of representatives of: Police Directorate, Supreme State Prosecution Office and Supreme Court with the aim to prepare statistics on victims and perpetrators of criminal offence trafficking in human beings. Statistical data on trafficking in human beings for period 2004- 2009 (as of 01 of June 2009 ) available a <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a> as well as information on activities undertaken on

					realization of the Action plan for fight against human trafficking
--	--	--	--	--	--

**RECOMMENDATIONS:**

1. Police Directorate, Supreme Court, and Supreme State Prosecutor's Office are to intensify realization of trainings for conducting of financial investigation for judges, prosecutors and police officers, and to deliver detailed information on number of realized trainings and number of conducted financial investigations to the National Commission. **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
2. Three-Party Commission is to identify in its following report characteristic form of problems concerning proving activities in pre-trial and investigation procedure, as well as in main hearing, and which effect on efficiency of criminal prosecution and passing of verdict

**B. PREVENTION AND EDUCATION**

Prevention and education measures, as general objectives of the Innovated Action Plan for Implementation of the Program of Fight against Corruption and Organized Crime, are defined with the view of pre-acting against corruption through establishing of the system with main goal to provide preconditions for efficient prevention of corruption. These preconditions mean improving working conditions, promoting the principles of ethics, avoiding conflict of interests, more intensive contact with citizens and free access to information.

**Commission for Determining the Conflict of Interest**, under its competencies, accomplished significant results regarding ensuring the transparency of financial and property conditions of public office holders through updating public register where all public officials are registered. In reporting period, out of total number of 2409 public officials in Montenegro, 2138 ili 88,7 % of that number submitted reports on incomes and property for 2008/2009, /906 ili 99,2 % state officials, and 1232 ili 82,4 % local officials/. Due to missing in delivered reports in 2008, Commission initiated procedures against 7 public officials and 264 local officials.

Following adoption of the Law on Prevention Conflict of Interest in Exercising Public Functions, Commission has initiated education of public officials, media and NGOs on this issue. In first half of 2009, total 7 education seminars were organized and held. During the reporting period, total 4 seminars were held: 2 for officials in local self-governments in Tivat, Kotor, Podgorica and in city assemblies of Tuzi and Golubovci, and two seminars for judges, prosecutors and public officials in Podgorica. Seminars were participated by the large number of the public officials, judges, prosecutors, local officials and representatives of media in aforementioned municipalities (app. 250 participants).

In addition, it is important to mention that by new Law on Preventing of Conflict of Interest obligation to register gifts received is transferred from the Commission for prevention of conflict of interest to the authorities where the public official exercise its function.

All state bodies perform in accordance with the **Law on Free Access to Information**, and in that manner they contribute to strengthening of transparency principle in their work (402+958 requests were submitted) 1360 requests, - quantitative data available in individual reports of institutions at [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu)). During the reporting period, Human Resources Agency organized one seminar on free access to information, also focusing on the provisions of the Law on Data Confidentiality (intended for authorized persons proceeding upon the provisions of the Law on Free Access to Information). The seminar was participated by the 10 state employees and civil servants from different state bodies.

In order to create more efficient mechanisms for fighting corruption, **Ministry for Economic Development** undertook a number of normative and strategic activities, as, for example, preparation of Draft Action Plan for fight against corruption in spatial planning and building of objects. This Action Plan was delivered to the DACI and non-government organizations in field of tackling corruption. Public Debate on draft Constructing Strategy of Montenegro is completed. Activities on implementation of Contract with the World Bank for preparation of spatial plans in municipalities are underway (LAMP project), and strengthening of inspection services is underway.

In relevant ministries, commissions were established, which will prepare draft Action Plan for fight against corruption in field of health care and social welfare, while the Ministry of Education and Science prepared and published Action Plan for fight against corruption in field of education and science. In order to present to the public this document, a number of round tables were organized for parents and, also, campaign for promotion was organized, in cooperation with youth sports clubs.

Activities were intensified in field of promoting the office for reporting of corruption in judiciary, and also the internet portal of **Judicial Council** was established, which will have special part for encouraging citizens to report freely corruption in judiciary. During the reporting period, the Judicial Council passed decision on approving detention for the judge of the High Court in Bijelo Polje pursuant to the criminal procedure against him under suspicion of passive bribery. Apart from that, two judges were dismissed, two judges submitted request for termination of judicial function and one president of the High Court as well. So far, the Office has received **15** complaints/reports, which were proceeded. It was found that none of these complaints was submitted for suspicious in existence of corruption, but these complaints referred to the inefficient proceeding by judge, or as the gesture of

unsatisfied party due to conducting of judge. Only **one** complaint was further proceeded towards prosecutor for undertaking activities and verification of the allegations in it. **Committee on Ethics of the Police Directorate** continuously proceeds upon the cases relating to violation of the police ethics. During the reporting period, Committee on Ethics of the Police Directorate, at three sessions held, discussed 22 cases. Committee determined violation of rules of code of ethics in 20 cases and delivered them to the disciplinary prosecutor for further proceeding, and only two cases were returned to be supplemented and additionally discussed in the next session. During the reporting period January – March, Police Directorate, in cooperation with DACI and OSCE, initiated campaign for promotion of the Instruction for reporting of corruption, via billboards and by giving leaflets at the border crossing points when entering Montenegro. In period, since the Instruction is adopted, Police Directorate received reports on total **28** cases of corruption, out of which, **7** resulted with submission of criminal claims to the competent Special prosecutor. DACI has prepared plan for continuous promotion of Instructions in I quarter 2009, when the round tables and debates, media programs and alike would be organized.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>IMPROVEMENT OF WORKING CONDITIONS AND GENERAL STANDARD OF JUDGES, PROSECUTORS, AND THE POLICE</b>	9. To provide special premises for acceptance of injured parties and witnesses, protecting and preserving integrity of court proceeding, and safety and privacy of injured parties and witnesses	Judicial Council, Ministry of Finance, Courts	I Q of 2009	Provided and special premises for acceptance of injured parties and witnesses	<b>ASSESSMENT 71: Measure is realized</b> The Supreme Court: provided interview/hearing room for damaged parties. Premise is in the High Court in Podgorica and Bijelo POlje will also have one soon. Special leaflets prepared as well.
<b>INTEGRITY BUILDING OF JUDGES AND PROSECUTORS</b>	10. Implementation of the Code of Ethics of judges and the Code of Ethics of prosecutors	Judicial Council, Prosecutor's Council	Continuous	Efficient implementation and initiation of disciplinary proceedings due to the violation of the Code of Ethics (number of disciplinary proceedings, number of decisions, number of dismissed judges/prosecutors)	<b>ASSESSMENT 72: Measure is realized</b> Code of Ethics of State Prosecutors was publicly presented on the Days of Public Prosecutors, held in November 2008. All prosecutors, including the newly-elected, signed statement on respecting the principles of Code of Ethics. During the reporting period, there were no violations of Code of Ethics of State Prosecutors
	11. Efficient work of the Office for reporting the corruption within the judiciary	Supreme Court	Continuous	Number of disciplinary and criminal proceedings initiated against the judges due to reports delivered to the Office	<b>ASSESSMENT 73: Measure is being realized continuously</b> During the reporting period, intensive activities were undertaken on introducing to the public information on the existence and manner of functioning of the office for reporting of corruption in judiciary. This office is located in Judicial Council, web site of the Judicial Council was established as well. Leaflets were prepared, which contain basic information on the manner and procedure for reporting the corruption. So far, the Office has received <b>15</b> complaints/reports, which were proceeded. It was found that none of these complaints was submitted for suspicious in existence of corruption, but these complaints referred to the inefficient proceeding by judge, or as the gesture of unsatisfied party due to conducting of judge. Only <b>one</b> complaint was further proceeded towards prosecutor for undertaking activities and verification of the allegations in it.
<b>POLICE INTEGRITY BUILDING</b>	12. Application of the Police Code of Ethics: 1) Efficient work of Committee on Ethics	1, 2 Police Directorate (Committee on Ethics ) 3 Police Academy	Continuous	Six-month analysis prepared by the Committee on Ethics on application of Code of Ethics Number of disciplinary proceedings	<b>ASSESSMENT 74: Measure is being realized continuously</b> During the reporting period, Committee on Ethics, at one session, discussed total of <b>22</b>

	<p>2) Preparation of six-month analysis on application of Code of Ethics</p> <p>3) Organizing of periodical trainings on application of Code of Ethics</p>			<p>initiated due to violation of the Police Code of Ethics, number of trainings and number of employees participating in trainings</p>	<p>cases. Committee determined violation of rules of code of ethics in 20 cases and delivered them to the disciplinary prosecutor for further proceeding, and only two cases were returned to be supplemented and additionally discussed in the next session. All received cases, discussed by the Committee on Ethics refer to the conducting of the police officers from the General Competency Police Sector, who are engaged in organizational units of the Police Directorate.</p> <p>In addition, according to the Law on Free Access to Information and, by proceeding upon requests delivered by the NGO MANS, aforementioned data were delivered to the Sector for Planning, development and analysis, in order to be delivered to the MANS.</p> <p><b>ASSESSMENT 75: Measure is realized</b> Analysis of application of the Code of Ethics for II half of 200 was prepared. .</p> <p><b>ASSESSMENT 76: Measure is realized</b> Total 5 trainings for 85 police officers were realized, whereas 46 of participants are now trained for further training of colleagues.</p>
	<p>13. Preparation of the Professional Directive on Procedures for Reporting Criminal Acts with Elements of Corruption and Protection of Whistle Blowers and its efficient implementation</p>	<p>Police Directorate</p>	<p>2008</p>	<p>Prepared Professional Directive, number of reported cases of corruption before and after promotion of the Instructions</p>	<p><b>ASSESSMENT 77: Measure is realized</b> Total 28 reports on corruption by citizens registered in Police Directorate since the Instructions adopted. Out of this number, 7 cases resulted with submitting of criminal claim to the competent Special Prosecutor.</p>
	<p>14. Training of police officers and employees for implementation of the Instructions on reporting corruption to the police</p>	<p>Police Directorate, Police Academy, DACI</p>	<p>2008, Continuous</p>	<p>Number of trainings and number of employees participating in trainings</p>	<p><b>ASSESSMENT 78: Measure is being realized continuously</b> Three seminars were held on the Police Academy «Ethics, Code of Conduct and anti-corruption measures and Directive for Reporting corruption» for total 43 police officers.</p>
	<p>15. Promoting the Professional Directive on Procedures for Reporting Criminal Acts with Elements of Corruption and Protection of Whistle Blowers</p>	<p>Police Directorate, DACI, NGO</p>	<p>2008, Continuous</p>	<p>Prepared plan of promotion of the Directive, report on implementation of the plan, number of the realized activities in relation to the planed ones</p>	<p><b>ASSESSMENT 79: Measure is being realized continuously</b> DACI prepared plan for continuing of promotion via public debates, media and similar. Directive was promoted in the internal biten of DACI „Anti-corruption“, then in framework of lectures at the faculties, as a part of anti-corruption campaign „What is corruption“. In framework of HOPE FELLOWSHIP program, realized by CEMI, National Albanian-American Council (NAAC) and DACI – public presentations were realized on fighting corruption, when the Directive was promoted as well.</p>
	<p>16. Six-months reporting on work of organizational unit for surveillance of</p>	<p>Mol&amp;PA</p>	<p>Continuous</p>	<p>Six-months reports</p>	<p><b>ASSESSMENT 80: Measure is realized</b> Semi-annual report of the Mol&amp;PA on work of</p>

	Police Directorate work				the organizational unit for monitoring Police Directorate work was delivered.
<b>IMPROVEMENT OF METHODS, MANNER OF FUNCTIONING AND CONDUCTING OF THE LEGISLATIVE, EXECUTIVE AND JUDICIAL AUTHORITIES, AS WELL AS STATE PROSECUTORS</b>	17. Promotion of the Code of Ethics of public servants and state employees	Human Resources Management Agency	Continuous	Respecting the Code of Ethics	<b>ASSESSMENT 81: Measure is being realized continuously</b> One training for total 12 participants was realized.
	18. Fulfilling the obligation for public office holders to submit reports on their incomes and property conditions	Commission for Determining the Conflict of Interest	Continuous	Percentage of submitted reports on incomes and property	<b>ASSESSMENT 82: Measure is being realized continuously</b> In reporting period, out of total number of <b>2409</b> public officials in Montenegro, <b>2138</b> ili <b>88,7 %</b> of that number submitted reports on incomes and property for 2008/2009, <b>906</b> ili <b>99,2 %</b> state officials, and <b>1232</b> ili <b>82,4 %</b> local officials/. Detailed data available at the web site of the institution <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>
	19. Monitoring the giving and receiving gifts by the officials and employees	Commission for Determining the Conflict of Interest	Continuous	Number and value of reported gifts	<b>ASSESSMENT 83: Measure is being realized continuously</b> Total 12 gifts were registered in reporting period, of individual value exceeding 50€ (link-registry of gifts is available at the web site of the Commission). <b>Note:</b> In addition, it is important to mention that by new Law on Preventing of Conflict of Interest obligation to register gifts received is transferred from the Commission for prevention of conflict of interest to the authorities where the public official exercise its function.
	20. Updating and monitoring of the public register aimed at ensuring the transparency of financial and property conditions of public office holders	Commission for Determining the Conflict of Interest	Continuous	Updated public register	<b>ASSESSMENT 84: Measure is being realized continuously</b> All data publicly and transparently presented at the web site of the Commission <a href="http://www.konfliktinteresa.cg.yu">www.konfliktinteresa.cg.yu</a>
<b>NARROWING DOWN THE AREA FOR POTENTIAL CORRUPTION IN PUBLIC SECTOR</b>	21. Preparation of the Action Plan for fight against corruption in field of health care and social protection	Ministry of health, labor and social welfare, DACI, in cooperation with the NGO	I Q of 2009	Prepared Action Plan	<b>ASSESSMENT 85: Measure is not realized</b> Working version of the AP prepared, and it will be delivered to the working bodies for discussion. Ministry of Health signed agreement with UNDP on conducting survey on corruption in health sector
	22. Preparation of the Action Plan for fight against corruption in field of education	Ministry of Education and Science, DACI, in cooperation with the NGO	I Q of 2009	Prepared Action Plan	<b>ASSESSMENT 86: Measure is realized</b> Ministry of Education and Science prepared and published Action Plan for fight against corruption in field of education and science. In order to present to the public this document, a number of round tables were organized for parents and, also, campaign for promotion was organized, in cooperation with youth sports clubs. Action Plan integrated proposals of measures given by NGO CEMI
	23. Preparation of the Action Plan for fight against corruption in field of spatial planning	Ministry for Economic Development, DACI, in cooperation with the NGO	I Q of 2009	Prepared Action Plan	<b>ASSESSMENT 87: Measure is partly realized</b> <b>Ministry for Economic Development</b> undertook a number of normative and strategic



					activities, as, for example, preparation of Draft Action Plan for fight against corruption in spatial planning and building of objects. This Action Plan was delivered to the DACI and non-government organizations in field of tackling corruption.
<b>EFFICIENT IMPLEMENTATION OF THE LAW ON FINANCING POLITICAL PARTIES AND THE LAW ON ELECTION OF THE PRESIDENT OF MONTENEGRO, MAYORS, AND PRESIDENTS OF MUNICIPALITIES</b>	24. Organizing of the seminars for authorized persons from political parties and employees who have direct contact with finances	State Election Commission and NGO	Continuous	Total number of seminars per institutions and fields, number of participants	<b>ASSESSMENT 88: Measure is not realized</b>
	25. Organizing of advising with the authorized persons in political parties aiming to share knowledge acquired at the international seminars	State Election Commission	Continuous	Total number of organized advisories, number of participants	<b>ASSESSMENT 89: Measure is not realized</b>
	26. Education of the citizens and NGOs on implementation of the Law on Financing Political Parties and the Law on election of the President of Montenegro, mayors, and presidents of municipalities	NGOs	Continuous	Number of NGOs that carry out education, prepared manual for citizens	<b>ASSESSMENT 90: Measure is not realized</b>
	27. Preparation of the Manual for members of State and Municipal election commissions and for authorized persons of political parties and employees who have direct contact with finances	State Election Commission and NGO	2009	Prepared manual, number of distributed manuals	<b>ASSESSMENT 91: Measure is not realized</b>
	28. Preparation of database on financial reports submitted by political parties, available at the web site of the State Election Commission	State Election Commission	2009, Continuous	Established database, number of published information and submitted reports at the web site	<b>ASSESSMENT 92: Measure is not realized</b>
	29. Preparation of database with the reports on spent means by the State Election Commission, available at the web site of the State Election Commission	State Election Commission	2008, Continuous	Established database, published report	<b>ASSESSMENT 93: Measure is not realized</b>
	<b>EFFICIENT IMPLEMENTATION OF THE LAW ON FREE ACCESS TO INFORMATION</b>	30. Training of the state employees and civil servants on implementation of the Law	Human Resources Management Agency	Continuous	Number of seminars and participants

					proceeding upon Law on Free Access to Information.
	31. Education of the citizens and NGOs on implementation of the Law on Free Access to Information	NGOs	Continuous	Number of NGOs that carry out education	<b>ASSESSMENT 95: Measure is partly realized</b> NGO MANS published and distributed promotion material in order to educate citizens on the right on free access to information
	32. Preparation of the Manual for state employees	Ministry of Culture and media, NGOs	2008	Prepared manual	<b>ASSESSMENT 96: Measure is realized</b> Manual for practical implementation of the Law on Free Access to Information adopted
	33. To enable free access to information, in accordance with the Law	All state bodies (obligatory enforcers of the Action Plan)	Continuous	Number of solved cases in relation to number of submitted request, number of decisions repealed in second instance and court proceeding	<b>ASSESSMENT 97: Measure is being realized continuously</b> Total 24 institutions received 402 requests in period January- March. Total 23 institutions received 958 requests in period April – June. Detailed data available in individual reports of the institutions at the web site <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>

#### RECOMMENDATIONS:

- Human Resources Agency is to undertake, in framework of program for 2009, activities in field of implementation **obligatory** trainings on issues encompassed by the Code of Ethics of state employees and civil servants, in order to realize fully principles of state administration reform (objectivity, impartiality, independence, etc). – **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
- State Election Commission, in cooperation with NGO active in election legislation and campaigns related to elections in Montenegro, is to prepare and organize counseling with authorized persons from political parties, who are in direct contact with finances, in order to share with them knowledge acquired at the international seminars.
- NGO CEMI is to intensify activities, with aim of providing efficient implementation of the Law on Financing of Political Parties, in field of education of citizens and NGOs about implementation of the Law on Financing of Political Parties
- Commission for Prevention of Conflict of Interest is to deliver, in shortest possible period, a letter to all competent bodies asking for updated number of gifts, and to inform National Commission on undertaken activities;
- State Election Commission is to prepare Manual for all members of state and local election commissions, for authorized persons in political parties, and employees that have direct contact with financing.
- State Election Commission is to prepare database, containing all financial reports submitted by political parties.
- State Election Commission is to prepare database, containing all reports on spent financial means by State Election Commission.
- All IAP reporters and institutions proceeding upon Law on Free Access to Information are to analyze, in following period, verdicts of Administrative Court, and to proceed in accordance with them when passing the decisions upon delivered requests.

#### C. PUBLIC, CIVIL SOCIETY (INCLUDING PRIVATE SECTOR) AND MEDIA

This part of General objective of the IAP contains measures referring to **joint promotional and prevention activities of the Government and NGO sector, as well as the media** with the view of educating the civil society about the negative consequences of corruption and organized crime. Implementers are numerous state authorities, NGO sector, and the media. In addition, the set of measures deals with participation of the private sector and business associations in the activities for providing fair and competitive business and investment.

Line bodies conducted intensive **public campaign** with a view to more efficient participation of citizens in fight against corruption and organized crime, which involved periodical lectures in high schools and faculties. In reporting period, Customs Administration designed 7 brochures for physical and legal entities, with special emphasize on brochures »How to import and export goods«, »Guidebook for citizens« and »How to file a complaint to Customs. « These brochures are published at the web site and notice board of the Customs Administration, and, in printed form, delivered and distributed to all border crossing points and customs points.

The Government of Montenegro adopted the **Program of intensive promotion of results in realization of obligation defined by IAP**, and requested from DACI to prepare periodical reports on promotion of obligations realized. On the basis of collected individual reports of state bodies and institutions, DACI will prepare Report on implementation of

Program of intensive promotion of results in realization of obligation defined by IAP for period January - June 2009.

Police Directorate and DACI initiated campaign, on 15 June 2009, „**Report corruption, the rest is our responsibility**“. The goal of the campaign is more efficient participation of the citizens in fight against corruption and organized crime, and introducing possibility of anonymous reporting of the corruption. This project was supported by OSCE Mission to Montenegro, and strategic assistance in realization was provided by the Broadcasting Agency, by inviting electronic media to broadcast video spot prepared for campaign. Apart from video spot, leaflets, posters and billboards were prepared as well.

DACI, in framework of education campaign „Corruption must not be an exist“, in winter semester during academic year 2008/2009, organized lectures at the Faculty for Tourism, Hotel and Trade Management in Bar, Faculty of Administrative and European Studies, Faculty of Political Sciences, Faculty of Mechanical Engineering, Metallurgy - Technological Faculty, Medical Faculty, Faculty of Medicine, Faculty for Maritime Studies in Kotor, Faculty of Philosophy in Niksic, Biotechnical Faculty (department for agriculture), Electrotechnical Faculty, Faculty of arts Cetinje. These lectures were attended by 380 students. DACI, also, in cooperation with Center for Monitoring, realized anti-corruption campaign in high schools throughout Montenegro: „Ivan Goran Kovačić“ in Herceg Novi, grammar schools in Kotor and Tivat, High School „Danilo Kiš“ in Budva, „Vuksan Đukić“ in Mojkovac, „Niko Rolović“ – Bar, „Bratstvo i jedinstvo“ – Ulcinj, „Miliwoje Dobrašinović“ – Bijelo Polje, „Panto Mališić“ - Berane and „Braća Selić“ – Kolašin. On that occasion, DACI promoted and distributed leaflet „Guidelines through anticorruption in high schools“.

During the reporting period, Tax Administration had **32** media presentations - 5 radio and 2 TV shows, discussing the measures and manners of fight against corruption.

In order to combat corruption in education, **Ministry of Education and Science**, in framework of Anti- Corruption Initiative, engaged NGO "CEPRIM" to carry out survey among pupils and students in May and June 2008 in 9 municipalities of Montenegro, and to prepare report on these activities. One survey was realized in 30 elementary and high schools and 7 faculties regarding corruption in education sector. In addition, during the campaign, NGO "CEPRIM" organized seminars and education for parents, and prior to that carried out opinion polls in Podgorica, Budva, Nikšić, Berane and Danilovgrad. Report on results of the survey is available at the internet presentation of the Ministry at web link <http://www.mpin.vlada.cg.yu/vijesti.php?akcija=vijesti&id=168169>.

**NGO CEMI and NGO CGO** - CEMI carried out one survey that encompassed 1295 persons, 8 faculties, 21 high schools. Report is available at the web site of CEMI: [www.cemi.co.me](http://www.cemi.co.me). NGO CEMI, in cooperation with NGO CGO, organized workshops for students in high schools, attended by 326 students, so as seminar for professors on measures for prevention of corruption in education system for 14 professors in high schools. NGO CGO, in cooperation with NGO CEMI, organized public debate, where participated representatives of the University of Montenegro and other relevant subjects responsible for fight against corruption. In addition, CEMI, in cooperation with CGO, organized summer school of strengthening capacities of student and youth NGOs for fight against corruption. In this program, total 30 representatives from 15 student and youth organizations participated.

In order to enhance transparency of business operations, Ministry of Justice adopted Rulebook on Manner of Keeping the Sentence Record of Legal Entities ( OJ MNE, no 23/08), which regulates manner of keeping of the "black list" of companies convicted for criminal acts with elements of corruption. These Rules shall regulate the manner of keeping criminal records of legal entities and persons responsible for the legal persons, as prescribed by the Law on liability of legal persons for criminal offenses. Courts competent to conduct proceedings submits, ex officio, the data to the Central Registry of the Commercial Court immediately after the final decision whereas a legal person and the person responsible in a legal person convicted for committing a criminal offense and sentenced on some of the penalties prescribed by law. Central Registry of companies is linked with judging courts for these crimes for the exchange and delivery of data. The reporting period there were no legally binding decision for the legal and responsible person in legal entity. In addition, following the proposal of the Ministry for Economic Development and adoption of the Operative Plan for Eliminating Business Barriers (Government adopted on 03.04.08), the **Council for Eliminating Business Barriers** was established, Action Plan for eliminating business barriers and Activity Plan were adopted as well. The first report was prepared and it is available at the web site [www.biznisbarijere.com](http://www.biznisbarijere.com)

**Note:** in order to realize transparent insight into the ownership structure of media and prevention of their monopolization, IAP envisages adoption of the Law on Illegal Printed Media Concentration. However, after consultations of relevant service in EC regarding obligatory adoption of this law, it was emphasized that EU rules on competition are applied on all sectors of economic activity, so that there are no any specific, antimonopoly or other rules for media concentration. Having in mind the fact that the MNE Parliament adopted Law on Competition Protection (OJ RMNE no 69/05), which regulates manner, procedure, and safeguard measures for competition in market, and defines competent body for competition protection. Ministry of Culture, Sport, and Media is of opinion that there is no need for adoption of separate Law on illegal printed media concentration.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>JOINT PROPAGANDA- PREVENTIVE ACTION OF THE GOVERNMENTAL AND NON-</b>	<b>34.</b> Design and realize intensive public campaign with the aim of more efficient participation of citizens in the fight	DACI (in cooperation with the Customs Administration, Tax	Continuous	Preparation of quarter reports on implementation of public campaign; number of prepared flyers,	<b>ASSESSMENT 98: Measure is being realized continuously</b> Police Directorate and DACI initiated campaign,

<p><b>GOVERNMENTAL SECTOR AND CIVIL SOCIETY WITH THE AIM OF RAISING THE LEVEL OF PUBLIC AWARENESS ON NEGATIVE CONSEQUENCES OF ORGANIZED CRIME AND CORRUPTION</b></p>	<p>against corruption and organized crime</p>	<p>Administration, Police Directorate, DPML&amp;FT, Directorate for public Procurement, Commission for determining conflict of interest, Privatization Council, State Audit Institution, NGO sector, Media)</p>		<p>brochures, guidebooks, number of published procedures for submitting of complaints, number of fields covered by the informative material</p>	<p><b>„Report corruption, the rest is our responsibility“.</b>  The site of PD <a href="http://www.upravapolicije.cg.yu">www.upravapolicije.cg.yu</a> updated daily press releases, news, 122, and other useful information policijskim activities. 124 press releases were published, with a number refers to the processing of persons who are suspected of committing crimes with elements of corruption.  <b>CA</b> published 141 pieces of information. In April – 30 positive, 5 neutral, in May – 54 positive, 4 neutral, and in June - 46 positive and 2 neutral pieces of information. There were no negative information.  Detailed data available in individual reports of the institutions at the web site <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a></p>
<p><b>INTRODUCTION AND EDUCATION IN TRAINING INSTITUTIONS ON GENERAL NOTIONS AND APPEARANCES OF CORRUPTION AND ORGANIZED CRIME</b></p>	<p>35. Periodical lectures in high schools and faculties on corruption and organized crime</p>	<p>Ministry of Education and Science, DACI, NGOs</p>	<p>Continuous</p>	<p>Total number of lectures held, number of visited education institutions, number of participants</p>	<p><b>ASSESSMENT 99: Measure is being realized continuously</b>  In order to combat corruption in education, <b>Ministry of Education and Science</b>, in framework of Anti- Corruption Initiative, engaged NGO "CEPRIM" to carry out survey among pupils and students in May and June 2008 in 9 municipalities of Montenegro, and to prepare report on these activities. One survey was realized in 30 elementary and high schools and 7 faculties regarding corruption in education sector. In addition, during the campaign, NGO "CEPRIM" organized seminars and education for parents.  <b>NGO CEMI and NGO CGO - CEMI</b> carried out one survey that encompassed 1295 persons, 8 faculties, 21 high schools. Report is available at the web site of CEMI: <a href="http://www.cemi.co.me">www.cemi.co.me</a>. NGO CEMI, in cooperation with NGO CGO, organized workshops for students in high schools, attended by 326 students, so as seminar for professors on measures for prevention of corruption in education system for 14 professors in high schools. NGO CGO, in cooperation with NGO CEMI, organized public debate, where participated representatives of the University of Montenegro and other relevant subjects responsible for fight against corruption. In addition, CEMI, in cooperation with CGO, organized summer school of strengthening capacities of student and youth NGOs for fight against corruption. In this program, total 30 representatives from 15 student and youth organizations participated</p>

					<b>DACI:</b> 815 lectures at faculties for 380 students; Campaign in high schools in MNE in 10 municipalities – promoted and distributed leaflet „Guidelines through anticorruption in high schools“. Report on results of the survey available at <a href="http://www.mpin.cg.yu">http://www.mpin.cg.yu</a>
<b>PROFESSIONAL INFORMING ON CORRUPTION AND ORGANIZED CRIME</b>	36. Education of media on corruption and organized crime, and investigative journalism	NGOs from the area of media	Continuous	Number of seminars, number of participants	<b>ASSESSMENT 100: Measure is not realized</b>
<b>TRANSPARENT INSIGHT INTO MEDIA OWNERSHIP STRUCTURE AND PREVENTION OF THEIR MONOPOLIZATION</b>	37. Preparation of the proposal Law on illegal printed media concentration	Ministry of Culture and Media	III Q of 2008	Prepared proposal Law	<b>ASSESSMENT 101: Measure is not realized</b> <b>Note:</b> the Parliament of Montenegro adopted the Law on Competition Protection (OJ RMNE, no. 69/05), which regulates manner, procedure, and safeguard measures for competition in market, and defines competent body for competition protection. Ministry reckons that there is no need for adoption of separate Law on illegal printed media concentration.
	38. Adoption of the Law on illegal printed media concentration	MNE Parliament	IV Q of 2008	Adoption of the law	<b>ASSESSMENT 102: Measure is not realized</b>
<b>IMPROVEMENT OF TRANSPARENCY IN BUSINESS OPERATIONS</b>	39. In cooperation with private sector, initiate and carry out activities in the plan of improvement of fair and competitive operations and investment through: 1) preparation of the activity plan 2) preparation of six-month reports on realization of Activity plan and its publishing at the web site of the respective institution	Ministry for Economic Development, in cooperation with private sector	1. III Q of 2008 2. Continuous	1. Prepared activity plan, number of realized activities in relation to plan of envisaged activities, 2. published reports on realization	<b>ASSESSMENT 103: Measure is realized</b> Operative plan for eliminating business barriers adopted <b>ASSESSMENT 104: Measure is being realized continuously</b> Adopted first Report of the Council for eliminating business barriers on realization of the Activity Plan for eliminating business barriers, at the Gov session held on 15 January 2009. Web site <a href="http://www.biznisbarijere.com">www.biznisbarijere.com</a> is activated and first Report is published on it
	40. In cooperation with the Central register of the Commercial Court and other competent institutions, initiate the project of compiling and publishing «black» list of companies, convicted for criminal acts with the elements of corruption	Commercial Court, Ministry of Justice	III Q of 2008	Compiling, publishing and promoting the "black" list	<b>ASSESSMENT 105: Measure is being realized continuously</b> Rulebook on Manner of Keeping the Sentence Record of Legal Entities was published in OJ MNE 23/08 <b>Note:</b> Since there were no sentences for legal entities, list of companies convicted for crimes with elements of corruption could not be made.
<b>RECOMMENDATIONS:</b>					
1. NGOs in field of media are to prepare and organize education of media on corruption and organized crime, and investigation journalism as well.					
<b>D. LOCAL SELF-GOVERNMENT</b>					
In accordance with the conclusions of the Government of 10 July, 2008, the Minister of Interior and Public Administration formed a <b>Commission to monitor implementation of the Action Plan to combat corruption in local self-government</b> . The task of the Commission is, based on reports of local governments, preparation of regular six-month reports on the implementation of measures from the action plans to combat corruption at the local level, starting from December 2008, and annual reports and processing of semiannual reports on the implementation of the Action Plan to combat corruption at the local level and at least annually, prepare report and submit it to the National Commission for monitoring implementation of the Action Plan for implementing the Program of fight against corruption and organized crime, and to the Government of Montenegro					

as well.

Commission for monitoring the implementation of action plan to combat corruption in local self-governments has submitted to the National Commission Report on the implementation of measures from the action plans to combat corruption at the local level (two municipalities have adopted their Action Plans, and more municipalities prepared the proposal). The report is available online [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu)

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
ENHANCING THE FIGHT AGAINST CORRUPTION AT LOCAL LEVEL	41. Drafting and adoption of: 2. Model of Program of fight against corruption and organized crime in local self-government 3. Action Plan of measures for preventing and combating corruption at the local level	Mol&PA in cooperation with the MNE Association of Municipalities and MNE municipalities	II quarter of 2008	Adopted model of Program of fight against corruption and organized crime in local self-government Adopted Action Plan	<b>ASSESSMENT 106: Measure is realized</b> Adopted at the Government session on 10. 07. 2008. <b>ASSESSMENT 107: Measure is realized</b> Adopted at the Government session on 10. 07. 2008.
	42. Drafting and adoption of the local anti-corruption action plans relating to competencies of local self-government, and are not encompassed by the Program of Fight against corruption and organized crime and by the Action Plan for its implementation	Local self-government bodies, NGOs	III quarter of 2008	Number of drafted action plans in relation to the number of municipalities, number of adopted action plans, information on realization of local action plans	<b>ASSESSMENT 108: Measure is partly realized</b> Commission for monitoring the implementation of action plan to combat corruption in local self-governments was established. It submitted to the NC Report on realization of measures from AP for combating corruption at local level , and it is available online at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a> . During the reporting period following municipalities adopted program and action plan for fight against corruption: Andrijevica, Berane, Zabljak, Kotor, Pluzine and Rozaje (in 2008 – Niksic andi Pljevlja).

**RECOMMENDATIONS:**

1. Local self-governments are to prepare and adopt, in cooperation with Association of Municipalities of Montenegro and respecting deadlines from the IAP, local anti-corruption action plans.

**III SPECIFIC MEASURES AGAINST CORRUPTION AND ORGANIZED CRIME**

**A. EFFICIENT CRIMINAL PROSECUTION AND TRIAL**

**A.1. PROSECUTOR'S OFFICE**

This part of the Action Plan deals with administrative capacity strengthening of the State Prosecutor's Office. Department for fight against organized crime has been reorganized pursuant to amended Law on Public Prosecutor's Office. This Department was established under the name "Department for Fight against Organized Crime, Corruption, Terrorism, and War Crimes", which consequently requested a higher number of employed within this Department. The Prosecutor's Council determined number of Deputy Special Prosecutors, and the Supreme State Prosecutor appointed 5 Deputy Special Prosecutors for fight against organized crime, corruption, terrorism, and war crimes. In addition, job vacation announcement was published for engagement of three expert consultants (from financial, medical, constructing, IT sector, and alike).

Apart from the above mentioned, vacant positions were fulfilled adequately through election (re-election) of eight state prosecutors. The Parliament of Montenegro elected and appointed the High State Prosecutor in Podgorica and seven basic prosecutors. Prosecutor's Council appointed one Deputy Supreme State Prosecutor, one Deputy High State Prosecutor in Bijelo Polje, one Deputy Basic State Prosecutor in Kotor, three Deputy Basic State Prosecutors in Podgorica, one Deputy Basic State Prosecutor in Rožaje, and one Deputy Basic State Prosecutor in Plav.

The Prosecutor's Council appointed nine Deputy High State Prosecutors in competent high state prosecutor's offices, as follows: six deoties in High State Prosecutor's Office in Podgorica, and three deputies in High State Prosecutor's Office in Bijelo Polje. In addition, total 17 deputies basic prosecutor in competent basic prosecutor's offices were appointed (four deputies in Basic State Prosecutor's Office in Podgorica, three in Basic State Prosecutor's Office in Nikšić, two deputies in Basic State Prosecutor's Offices in Bijelo Polje, Berane and Pljevlja in each, and one deputy in each Basic State Prosecutor's Office in Herceg Novi, Kolašin, Cetinje and Ulcinj).

Based on the work of the Supreme State Prosecutor of Montenegro for 2008, direct control of basic and senior state prosecutor's offices is continuously performed by the higher

and the Supreme State Prosecutor's Office, as well as control of the Department for organized crime control through the daily activities from within their competence, and thus provides a continuous control of prosecution.

The prosecution has made analysis of the number and structure of cases in the field of corruption and organized crime in relation to existing staff, which is displayed through the Report of the Department for organized crime, corruption, terrorism and war crimes and the Tripartite Commission report. Prosecution determined the need for equipping the premises of the Department for organized crime, corruption, terrorism and war crimes. According to established needs, equipping of the Department was made in the amount of 60,000 €.

The Government of Montenegro adopted the decision on establishment of the Council for realization of the project "Judicial information system", comprising Deputy Prime Minister for economic policy, the Minister of Justice, Minister of Finance, President of the Supreme Court, Supreme State Prosecutor, the Secretary of the Secretariat for Development and Representative University of Montenegro. Expert team was established as well, tasked to create a comprehensive document that represents an accurate cross-section of the current situation in the institutions that are future PRIS-users, as well as to prepare action plan for realization of activities on implementation of PRIS Introduction project. Expert team prepared Report on undertaken activities, which was adopted at the Council meeting held on 02.06.2009.

In the reporting period, state prosecutors have participated in a number of training related to the solutions in the Draft Criminal Procedure Code (plea agreement, the application of of secret surveillance measures, confiscation of criminal proceeds) and in the field of organized crime, corruption, terrorism and trafficking. At the level of international cooperation state prosecution organization continued with significant international activities that has been successfully achieved in the previous period. In this regard, a Memorandum of Understanding was signed between the State Prosecutor of the Republic of Kosovo and the Supreme State Prosecutor of Montenegro on cooperation in the fight against organized crime, terrorism and serious cross-border crime, including trafficking in human beings, drug trafficking, trade in all hazardous, nuclear, chemical and biological materials and money laundering/

When talking about international cooperation between prosecutors in the region and beyond, it is achieved through the institute of international legal assistance in criminal matters. International legal assistance in criminal matters is realized in accordance with international multilateral and bilateral treaties that oblige Montenegro, and in accordance with the Law on International Legal Assistance in Criminal Matters. Ministry of Justice has published Handbook International Legal Assistance in Criminal Matters, which contains guidelines for handling the cases in which there is a need for the provision of legal assistance. The manual is delivered to all courts and prosecution in a sufficient number of copies to all holders of judicial functions.

Supreme State Prosecutor's Office and the Police Directorate continuously analyze necessary providing of personal protection to prosecutors dealing with cases of organized crime, corruption, terrorism, and war crime.

Prosecutor's Office carried out qualitative analysis of state of play concerning manner and criteria for solving of housing needs of state officials on prosecutor's positions. In addition, needed increase of prosecution budget was analyzed, pursuant to solutions given in the Proposal Criminal Procedure Code. Proposal Programmatic Budget for 2009 envisaged increase in number of prosecutors and employees for 50 %, and in that sense approved budget is in amount of 4.982.150,53€. For sub-programs, following amounts were approved: »Administration« - 1 406, 452.47€, »Prosecutor's Offices« - 3 500.262,79 € and »Prosecutor's Council« - 75 435.27€.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>POLICE DIRECTORATE CAPACITY BUILDING</b>	1. Increasing of the number of prosecutors in accordance with the new Criminal Procedure Code, and the Law on State Prosecutors	Supreme State Prosecutor, Prosecutors' Council	2008-2009	Number of new employees in relation to necessary number of prosecutors	<b>ASSESSMENT 109: Measure is realized</b> Elected three new deputies high state prosecutors in Podgorica and one deputy state prosecutor in Bijelo Polje, -re-elected three deputies high state prosecutors in Podgorica and two deputies in the high state prosecutor's office in Bijelo Polje; - re-elected 13 deputies of basic state prosecutors as follows: three deputies in basic state prosecutor's office in Nikšić, two deputies in basic state prosecutor's office in Bijelo Polje, two deputies in Pljevlja, and one deputy in each basic state prosecutor's office in Berane, Herceg Novi, Podgorica, Kolašin, Cetinje and Ulcinj. Apart from abovementioned, two deputies in

					in basic state prosecutor's office in Podgorica were elected, so as one deputy in basic state prosecutor's office in Berane and one deputy in basic state prosecutor's office in Herceg Novi.
	2. Increasing budget for prosecutor's office in accordance with the new Criminal Procedure Code and the law on State Prosecutor, in line with recognized needs to increase following: 1) Number of new prosecutors and administrative staff 2) Premises and technical capacities 3) Staff training 4) Improvement of material conditions of the prosecutors in accordance with the new competencies and authorizations 5) Improvement of material conditions of the employees and servants in accordance with the new competencies and authorizations	Ministry of Finance, Prosecutors' Council	2009	Percentage of prosecution's budget increase in accordance with the increase of number of employees, premises and technical capacities, trainings; Number of organized trainings, fields for which the trainings were held, number of prosecutors participating to every training, indicators of improvement of material conditions of prosecutors, employees, and servants (incomes, beneficiaries, housing)	<b>ASSESSMENT 110: Measure is realized</b> Proposal program budget for 2009 envisages increase in number of prosecutors, state employees and civil servants for 50%. Approved Budget for 2009 amounts 4.982.150 € <b>ASSESSMENT 111: Measure is not realized</b> <b>ASSESSMENT 112: Measure is realized</b> Following seminars were organized: total 24 seminars at national level, and 10 seminars and trainings at international level. <b>ASSESSMENT 113: Measure is realized</b> <b>ASSESSMENT 111: Measure is not realized</b>
	3. Analyze number and structure of cases in field of corruption, organized crime, in relation to existing staff	Prosecutor's Council	III quarter of 2008	Carried out analysis of number and structure of cases in field of corruption, organized crime, in relation to existing staff	<b>ASSESSMENT 115: Measure is realized</b> SSP's new report: performed analysis of number and structure of cases in field of corruption and organized crime in comparison to existing staff; plus report of Three-Party Commission
	4. Analyze existing situation regarding the manner and criteria for solving the housing issues and needs of state officials in part referring to bearers of judicial functions	Judicial Council Prosecutor's Council, Ministry of Finance	2008 - 2009	Carried out analysis, report delivered to the national Commission with proposed solutions	<b>ASSESSMENT 116: Measure is realized</b> Performed analysis and delivered to the Prime Minister of Montenegro, and to the President of the Commission for solving the housing issues and needs of state officials
	5. Implementation of further training of prosecutors 1) Informing the prosecutors on comparative practice of neighboring countries in field of fight against corruption and org crime 2) Drafting and implementation of the program of education prosecutors in regard to crime cases with elements of corruption and organized crime, especially in regard to new forms of criminality 3) Drafting and implementation of the program of education for criminal acts described in Chapter XXIII of CC and	Supreme State Prosecutor, Judicial Training Center and State Prosecutors' Association	Until 01.06.2008, Continuously	Drafted program, number of trainings, number of involved fields, total number of participants and number of participants per field	<b>ASSESSMENT 117: Measure is being realized continuously</b> - 3 international conferences - 1 round table <b>ASSESSMENT 118: Measure is being realized continuously</b> 1 international conference 4 trainings <b>ASSESSMENT 119: Measure is being realized continuously</b> Trainings have been realized in accordance with the SSP's Program, adopted on 23 September 2008 - From the Chapter XXIII of CC, 1 training



	Chapter XXVIII of CC 4) Drafting program and implementation of training on application of SSM (in accordance with the comparative practices of the neighboring countries)				realized - From the Chapter XXVIII of CC, 1 training realized
					<b>ASSESSMENT 120: Measure is being realized continuously</b> 1 training
	6. To define needs and to provide adequate equipment for Department for combating organized crime, for proper proceeding in cases of organized crime, corruption, terrorism, and war crimes	Prosecutor's Council, Ministry of Finance	2008-2009	Defined needs, Report on value of acquired equipment in relation to the needed one	<b>ASSESSMENT 121: Measure is realized</b> Department for combating organized crime, corruption, terrorism, and war crimes was equipped in accordance with the needs determined. Budget costs for that equipping amounted 60.000 €.
	7. Establishing of the Judicial IT system and database and training of prosecutors 1) Collecting, preparation, and analysis of statistical data regarding the perpetrators and the structure of criminal acts	Supreme State Prosecutor	Following adoption of the amended Action Plan, 1. Continuous (quarterly)	Number of prosecutor's offices connected by the IT system, total number of the cases per institution, in relation to the total number of cases in database, number of trainings and participants per prosecutor's office 1. Periodical statistical reports	<b>ASSESSMENT 122: Measure partly realized</b> The Council for realization of the project of Judicial IT system /PRIS/ was established. In addition, Expert team for realization of this project was established as well, and member of this team is also Deputy Basic State Prosecutor in Podgorica. The task of the Expert team is to prepare comprehensive document that will provide precise review of existing state of play in institutions – future users of PRIS, so as the realization level of preconditions for project realization, to initiate preparation of the Action Plan for realization of activities on implementation. Expert team delivered report on undertaken activities in previous period. This Report was adopted at the session of the Council, held on 02.06.2009.
<b>CAPACITY BUILDING IN THE DEPARTMENT FOR FIGHT AGAINST ORGANIZED CRIME</b>	8. Specializing prosecutors for prosecuting of following criminal acts: 1 with elements of corruption 2 organized crime 3 War crimes 4 Terrorism	Supreme State Prosecutor, Judicial Training Center	2008-2009	Total number of trainings, number of trainings per field, total number of participants, number of participants per field	<b>ASSESSMENT 123 Measure is being realized continuously</b> <b>Linked to measure 119</b> - 2 trainings
					<b>ASSESSMENT 124: Measure is being realized continuously</b> <b>Linked to measure 118</b> - one training
					<b>ASSESSMENT 125: Measure is being realized continuously</b> 1 international conference for prosecutors
					<b>ASSESSMENT 126: Measure is being realized continuously</b> 2 international conferences
9. Reorganization of existing Department for the fight against organized crime through amendments of the Rulebook on organization and systematization of job positions	Supreme State Prosecutor	2008	Reorganized existing Department, adopted new Rulebook	<b>ASSESSMENT 127: Measure is realized</b> Department has been re-organized and additional staff was recruited and employed, in accordance with the Law on State Prosecutor's Office.	

	10. Increase number of deputies of Special prosecutor for combating organized crime including terrorism, corruption, and war crimes	Supreme State Prosecutor	2008	Number of appointed deputies in relation to number of systematized job positions for deputies	<b>ASSESSMENT 128: Measure is realized</b> Total 5 Deputies of Special Prosecutor were elected and appointed
	11. Increase number of expert associates in Department for fight against organized crime	Supreme State Prosecutor	2008	Number of employed staff in relation to number of systematized job positions	<b>ASSESSMENT 129: Measure is not realized</b> Need for engaging three experts was determined
	12. Signing of international agreements on cooperation	Supreme State Prosecutor	Continuous	Number of signed agreements	<b>ASSESSMENT 130: Measure is being realized continuously</b> Memorandum of Understanding between SSP of the Republic of Kosovo and SSP of Montenegro was signed. This Memorandum envisages cooperation on combating organized crime, terrorism and serious cross-border crimes, including trafficking in human beings, smuggling of narcotics, illegal trade in all kinds of dangerous, nuclear, chemical, and biological materials, and money laundering as well.
	13. To determine if is necessary to provide personal protection for the prosecutors proceeding in cases of organized crime, corruption, terrorism, and war crimes	Supreme State Prosecutor, Police Directorate	IV Q of 2008, Continuous	Adopted plan of protection, number of protected prosecutors	<b>ASSESSMENT 131: Measure is being realized continuously</b> Continuous cooperation is being realized between SSP and PD

**RECOMMENDATIONS:**

1. Supreme State Prosecutor's Office is to deliver information on establishing judicial IT system – PRIS, not later than III quarter of 2009;
2. The Prosecutor's Council and the Judicial Council are to deliver to the National Commission, as soon as possible, Report on performed analysis of existing state of play in regard to the manner and criteria for solving the housing issues and needs of state officials in part referring to bearers of judicial function, which has already been delivered to the Prime Minister and to the Commission for solving housing issues and needs of state officials;

**A.2. POLICE**

Having in mind the need for reporting on realization level of the Action Plan, all measures relevant for this field have been grouped, from the aspect of general assessments and recommendations, in **10 groups**. These are: General measures for Police Capacity Building, and 10 separate units that follow police capacity building in specific sectors: organized crime, economic crime, implementation of secret surveillance measures, trafficking in human beings, drugs smuggling, witness protection, forensic and other crime techniques, terrorism, cross-border crime, and international police cooperation

In the reporting period, **Forensic Center** was formed, and by modifying the existing Rulebook on organization and systematization of jobs in the PD, it is planned to centralize, in Crime Police Sector, working line for the fight against drugs, and to integrate operations planning, development and analytics with **international cooperation and European integration**.

Also in the reporting period, consultation were made with Mol&PA, in order to review the regulations, which would define the issue of special allowances and increase revenue for PD officers, and very soon directed initiative for finding a legal basis (through the adoption of new acts or amendments to existing regulations) for payment of allowances and increase of salaries. Also, in this period, Police Directorate formed a working group for drafting instructions for making the plan for the protection of police officers involved in the fight against organized crime and corruption.

Police Directorate continued with implementation of both basic and specialized training for officers of all departments and the sectors under this authority.

Staff of the Department for the fight against drugs and smuggling and the Department for combating economic crime have drafted a plan for further training in these fields, on which are continuously carried out training and training officers. Department for Combating Organized Crime and Corruption and the Department for combating economic crime sent the proposal subject areas required in the implementation of joint training of police, prosecution and judiciary to the Supreme State Prosecutor and the President of the Supreme Court. Ministry of Interior and Public Administration, as a supervisory body for Police Directorate, prepared annual report on work of the Police Directorate (2008), which was delivered to

the National Commission.

Newly adopted Law on State Employees and Civil Servants (Art. 54, 59, par. 1, item 15 and Art. 64, par. 2), which was published in the OJ MNE, no 50/08, established legal framework for protection of the state employees and civil servants – whistle blowers. In that sense, Police Directorate prepared and passed Professional Directive on Procedures for Reporting Criminal Acts with Elements of Corruption and Protection of Whistle Blowers. Also, the Police Department has adopted professional instruction on treatment by the international arrest warrants.

During the reporting period, Police Directorate ensured adequate working premises for Special Verification Unit. Furthermore, the establishing of **Forensic Center** and equipping of the Center with modern equipment and devices created technical preconditions for undertaking of all kinds of crime technique expertise processes so as for DNA analysis – one of the most modern evidence techniques in work of forensic police.

Police Directorate is realizing continuous trainings in field of fight against terrorism. During this reporting period, trainings were realized for SAU and for Group for Anti-Terrorism Inspections. In addition, Border Police Sector also has been realizing continuously trainings during this reporting period in field of border security and combating cross-border crime. In field of **international police cooperation**, during the reporting period, Police Directorate achieved progress in field of cooperation at bilateral and regional level, through consultative meetings, which resulted with planning and implementation of joint activities.

In cooperation with the Department for IT Systems and Border Police Sector, NCB Interpol continued with activities in field of further implementation of **Interpol** services at border-crossing points /BCPs/, and, at the same time, 7 BCPs were provided with possibility of direct search through Interpol database. NCB Interpol made a needs assessment for the procurement of additional equipment, in accordance with the identified new hardware and software solutions, and specifications necessary equipment is included in the expansion project performs these services (MIND / FIND technology) to other border crossings.

Furthermore, NCB Interpol actively takes part in all international Interpol projects, working bodies, and meetings, whose goal is strengthening of international police cooperation and fight against all forms of transnational organized crime.

During the reporting period, Police Directorate has put significant efforts in realization of measure – “securing the links and connection with IT networks and databases of institutions”, and, in that sense, Agreement on Mutual Cooperation between **Police Directorate and Customs Administration** was agreed and signed in October 2008. Activities on implementation of technical aspect of this Agreement are underway, in order for the Agreement to become operative.

As for the providing of links and connecting with databases of telecommunication service providers, Police Directorate prepared Proposal Agreement, which is approximated with the provisions of the Law on Electronic Communication.

Police Directorate continued with realization of trainings of the officers dealing with the fight against organized crime. During the reporting period, officers of the Department for Fight against Organized Crime and Corruption participated at **47** trainings on organized crime and corruption that were held in the country and abroad, at the level of Crime Police Sectors.

In field of State Border control, during the reporting period, Police Directorate continued with implementation of the project “System of electronic surveillance over blue border”. Two mobile centers were set up, one long-life tube range radar was set up while for the other carriers and package were set up, 6 short-life tube range radars were set up, and 5 cameras for daily territory surveillance as well. All necessary preparations for testing of picture transmitting from the existing sensors to command center via existing systems of MNE Broadcasting Agency were undertaken.

At the ministerial conference in Belgrade in early March, the Protocol on joint patrols and joint agreement on border crossings was signed with Bosnia and Herzegovina,. Also, at the same conference was signed the Protocol on joint patrols with Serbia.

Police Directorate signed Strategic Agreement on Cooperation with **Europol** on 19 September 2008, and it will enter into force after ratification by the MNE Parliament.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>POLICE DIRECTORATE CAPACITY BUILDING</b>	14. Amending of the Rulebook on internal organization and systematization of the Police Directorate	Police Directorate	2008-2009	Adopted Rulebook	<b>ASSESSMENT 132: Measure partly realized</b> This measure has been partly realized via Amendments of the Rulebook on Internal Organization and Systematization of Police Directorate, in regard to establishing of the Forensic Center
	15. Adoption of the legal act which stipulates that officers of Crime Police Sector are provided with additional payment on basic wage due to	MNE Government, Ministry of Finance, Police Directorate, MoI&PA	2008	Adopted act, introduced special additional payment	<b>ASSESSMENT 133: Measure is not realized</b> During the report, the consultations with MoI&PA were held, and initiative for adoption of new act or amendments of the existing onese

complex, specific, and risk tasks they perform within their competencies 1. to ensure increase of wages and additional payments for the police officers dealing with cases of organized crime and corruption				shall be delivered to the competent authority in the shortest possible period, which will enable additional payments and increase of wages for the employees in this Sector.
16. Adoption of the Instructions on police proceeding and conduct in issuing, conducting, and extradition of persons searched for by international warrants	Police Directorate	2008	Adopted Instructions	<b>ASSESSMENT 134: Measure is realized</b> Instructions on police proceeding and conduct in issuing, conducting, and extradition of persons searched for by international warrants adopted on 24.12.2008.
17. Adoption of the Instructions on protection of whistleblowers	Police Directorate	2008	Adopted Instructions	<b>ASSESSMENT 135: Measure is realized</b> Instructions on protection of whistleblowers adopted
18. To adopt and implement plan of protection of police officers involved in fight against corruption and org. crime	Police Directorate	III Q of 2008, Continuous	Adopted plan of protection, number of persons under protection	<b>ASSESSMENT 136: Measure partly realized</b> Working group for preparation of plan of protection of the police officers involved in fight against corruption and organized crime was established; total <b>four</b> meetings of the Group were held, which resulted with prepared Draft Instruction for adoption of the plan
19. To determine needs for training, and implement trainings and strengthen human resource capacities of the Department for Internal Control within the PD	Police Directorate, Police Academy	Continuous	Determined needs, implemented trainings and improved capacities, number of realized trainings in relation to envisaged, number of officers from the internal control who participated in every training individually, comparing to needs	<b>ASSESSMENT 137: Measure is being realized continuously</b> During the reporting period, total 4 trainings were realized, 1 English language course, and 1 seminar for Department staff;  Detailed information were given in the report of Police Directorate.
20. To determine needs and to acquire necessary equipment for work of Internal Control Department	Police Directorate	2008.	Determined needs for equipment, Value of acquired equipment in regard to needs	<b>ASSESSMENT 138: Measure is realized</b> IT equipment acquired (5 PCs and printers)
21. Semi-annual reporting on work of organizational unit for monitoring the Police Directorate work	Mol&PA	Continuous	Semi-annual reports	<b>ASSESSMENT 139: Measure is realized</b> Mol&PA delivered its Report
22. To adopt Instructions on application of SSM	Police Directorate	III Q 2008	Adopted Instructions	<b>ASSESSMENT 140: Measure partly realized</b> Working group held a number of meetings with experts from the Northern Ireland and operative staff from the Crime Police Sector on following topic: Analysis of internal procedures with focus on Instruction on application of SSM. As the result of these activities, Draft Instructions was prepared, and Working Group will continue to work on the text of this Draft.
23. To provide links and connection with the computer networks and databases of respective institutions (ex: Customs Administration, Tax Administration, DPML&FT, Real Estate Agency, Central Depository Agency, Republic Construction Inspection), in	Police Directorate, Customs Administration, Tax Administration, DPML&FT, Ministry for Economic Development, Central Depository Agency	2008	Signed agreements on cooperation with the protocols explaining procedures for establishing links and the manner of, established links, number of established links in relation to number of envisaged institutions with which the links are	<b>ASSESSMENT 141: Measure partly realized</b> <b>During the reporting period</b> , agreements were signed with Tax Administration and Customs Administration. Customs Administration accepted and signed innovated text of the Agreement on Mutual Cooperation, which defines establishing of the

	order to collect data and in accordance with the police competencies envisaged by the CPC and the Law on Police			established	links between Police Directorate and Customs Administration. IT connection between Police Directorate and Customs Administration was established via optical link. Activities are ongoing on preparation of Annex to the Agreement signed with Customs Administration, in order to prepare detailed technical procedure concerning exchange of information and data via established link. In addition, Working Group also works on preparation of Annex to the Agreement signed with Tax Administration.
<b>1) POLICE CAPACITY BUILDING IN FIGHT AGAINST ORGANIZED CRIME AND CORRUPTION</b>	<b>24.</b> Reorganization of the existing Department for the fight against organized crime, in the sense of defining the organizational level, as well as the scope of action 1.1. Increase number of officers within the organizational unit dealing with suppression of corruption from existing two to four officers 1.2. Defining official positions within district units that will deal with fight against corruption and organized crime (two officers per each district unit assigned for this problem)	Police Directorate	2008	Reorganized Department 1.1. Number of officers increased at defined level 1.2. two official positions defined per district units	<b>ASSESSMENT 142.: Measure partly realized</b> Number of officers increased from 2 to 3, out of planned 4 officers. <b>ASSESSMENT 143.: Measure partly realized</b> Procedure for amendments of the Rulebook has been initiated, which will define two official positions per district unit
	<b>25.</b> Providing functional working premises for Department for fight against organized crime and corruption	Police Directorate	2008-2009	Provided adequate working premises	<b>ASSESSMENT 144: Measure is not realized</b>
	<b>26.</b> Training needs assessment and organizing trainings 1. Providing continuous trainings for officers in the field of fight against organized crime and corruption	Police Directorate, Police Academy in cooperation with the Supreme State Prosecution	Continuous	Training needs assessed and determined: trainings provided; No. of trainings; Level of qualified staff; No. of organized compared to planed;	<b>ASSESSMENT 145 : Measure is being realized continuously</b> Training plan was defined for the reporting period; total 47 trainings were realized. Topics of each training were given in the PD's Report.
	<b>27.</b> Purchase of technical and communication equipment: 1) Creating formal and technical conditions in order to use data base of the Ministry of Internal Affairs and Public Administration (citizens, vehicles, arms, travel papers, quests) with the aim of efficient carrying out investigations in the field of organized crime and corruption	Police Directorate	II Q 2008	Equipment purchased and operating 1. Infrastructure for data base usage established	<b>ASSESSMENT 146: Measure is realized</b> Infrastructure established and connected to the databases of Mol%PA. Agreement on usage of personal and other data, which was signed between Mol&PA and PD, provides access to major part of the Mol&PA database. Activities for providing access to the rest of the database are underway. These data are necessary for successful functioning of PD, especially in field of combating the crime.
<b>2) POLICE CAPACITY BUILDING IN FIGHT AGAINST ECONOMIC CRIME</b>	<b>28.</b> Providing functional working premises for the needs of existing Department for the fight against economic crime	Police Directorate	2008	Functional working premises provided	<b>ASSESSMENT 147: Measure partly realized</b> Departments has on disposal 3 offices, out of necessary 4.

	<p><b>29.</b> Training needs assessment and organizing trainings:  a) Basic trainings for fight against economic crime  b) Specialized trainings for fight against economic crime</p>	Police Directorate Police Academy in cooperation with the Supreme State Prosecution	2008-2009, Continuous	Training needs assessed No. of trainings compared to planed; Total No. of organized trainings; No. of trainings per fields covered; No. of participants; No. of participants per training	<p><b>ASSESSMENT 148: Measure is being realized continuously</b>  Total 8 trainings were realized.</p> <p><b>ASSESSMENT 149: Measure is being realized continuously</b>  Total 4 trainings were realized  During the reporting period a number of trainings were realized, as follows: <b>basic trainings (5) and advanced / specialized trainings (6)</b></p>
	<p><b>30.</b> Making requirement needs plan for the Department  1. Purchase of technical and communication equipment</p>	Police Directorate	2008-2009	Requirement needs plan made; 1. Equipment purchased and operating; Currency of purchased compared to required equipment	<b>ASSESSMENT 150: Measure partly realized</b> Needs assesment for equipping realized.
<p><b>3) POLICE CAPACITY BUILDING IN FIELD OF CRIMINAL-INTELLIGENCE AFFAIRS AND USE OF SECRET SURVEILLANCE MEASURES /SSM/</b></p>	<p><b>31.</b> Reorganization of the existing Special Verification Unit through new activities:  1. Establishment of the DESK activities at central and regional level  2. Introduction of criminal-intelligence affairs within the regional police units  3. Adopting of manual on criminal-intelligence work</p>	Police Directorate	2009	1. DESK activities established at central and regional level (pilot regions) 2. Organizational units for Criminal-intelligence affairs established within regional police units 3. Manual on criminal-intelligence work adopted and harmonized with European standards	<p><b>ASSESSMENT 151: Measure partly realized</b>  1. and 2. – reorganization of existing Special Verification Unit, proposed by the Amendments of Rulebook on internal organization and systematization of the Police Directorate.</p> <p><b>ASSESSMENT 152: Measure partly realized</b>  It was proposed for the criminal intelligence service to be established on both central and regional levels; the necessary number of staff relevant for intelligence work and shift work was determined (including DESK), so as proposal for establishing organizational unit for criminal-intelligence work in regional police units.</p> <p><b>ASSESSMENT 153: Measure partly realized</b>  Working Group adopted Proposal Manual on criminal-intelligence work, which is harmonized with European standards.</p>
	<p><b>32.</b> Providing functional working premises for the needs of Special Verification Unit</p>	Police Directorate	2008.	Functional working premises provided	<b>ASSESSMENT 154: Measure is realized</b> Functional working premises provided
	<p><b>33.</b> Recruitment of necessary staff</p>	Police Directorate	2008, Continuous	Recruitment model developed; staff fulfillment accomplished; % of fulfillment compared to systematization	<b>ASSESSMENT 155: Measure partly realized</b> Staff fulfillment accomplished: 64%
	<p><b>34.</b> Implementation of:  1) Basic trainings  2) Specialized trainings</p>	Police Directorate	2008-2009, Continuous	1) No. of implemented basic training; No. of participants per training 2) No. of implemented specialized training; Fields covered by training; No. of participants per training	<p><b>ASSESSMENT 156: Measure is being realized continuously</b>  During the reporting period, total 3 basic trainings were realized / 15 participants</p> <p><b>ASSESSMENT 157: Measure is being realized continuously</b>  - advanced/specialized trainings - 5  -1 course for informant handling / 8 participants  -1 course for informant handling / 10 participants  -1 seminar / 12 participants</p>

	35. Requirement needs assessment and purchase of technical equipment for the use of SSM	Police Directorate	2008-2009, Ongoing	Requirement needs assessed; Currency of purchased compared to required equipment	<b>ASSESSMENT 158: Measure partly realized</b> Prepared needs assessment for 2009, part of equipment acquired. During the reporting period, a part of the equipment for application of SSMs was acquired and installed in accordance with the Contract signed in 2008. Police Directorate, in cooperation with the EC, as a part of the IPA 2007 project, has prepared documentation for initiating public invitation procedure for acquiring equipment for investigation and surveillance performing. Police Directorate delivered this documentation to EC Delegation. On basis of this specification, EC published international public invitation/call at the end of June 2009.
	36. Establishment of unified database of operational intelligence data	Police Directorate	2008-2009	Unified database established	<b>ASSESSMENT 159: Measure partly realized</b> Acquired equipment necessary for establishing of databases for two regional police units. At the end of May 2009, software modul 1 was implemented into the IT system of the Police Directorate, for work with operative information 4X4, input and search of operative information database. Preparation of this software was financed by the donation of Swedish SIDA in framework of project „Intelligence led policing“. Software is being used in pilot regions (Bar and Budva). Network infrastructure was prepared in the pilot regions during preparatory activities for implementation of new software module. Activities on preparation of second software module are underway.
	37. Securing links and connections with computer networks and databases in telecommunication service providers, in accordance with the police authorization, envisaged by the Criminal Procedure Code	Police Directorate	2008	Links established and police access to the computer networks and databases in telecommunication service providers enabled	<b>ASSESSMENT 160: Measure partly realized</b> During the reporting period, Proposal Agreement was prepared at the level of Police Directorate, which was harmonized with positive regulations and delivered to the telecommunication service providers.
	38. Signing of the agreement with the Central Bank in order to secure the funds for the implementation of SSM, and making reports on its implementation	Police Directorate, Central Bank of Montenegro	2008	Agreement with the Central Bank signed; periodical reports on its implementation made	<b>ASSESSMENT 161 : Measure is realized</b> Agreement signed on 28.10.2008.
4) POLICE CAPACITY BUILDING IN FIGHT AGAINST TRAFFICKING IN HUMAN BEINGS	39. Monitoring implementation of the memorandum on cooperation between line ministries and NGOs in the field of fight against trafficking in human beings	National Coordinator Office for fight against trafficking in human beings, Police Administration	2009 Continuous	Making periodical information on accomplished cooperation	<b>ASSESSMENT 162: Measure is being realized continuously</b> National Coordinator delivered detailed information, and it is available at <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a>
5) POLICE CAPACITY	40. Adoption of the National strategy for the fight against drugs and prevention	Government of MNE (working group)	2008	National strategy for the fight against drugs and prevention of drug use	<b>ASSESSMENT 163: Measure is realized</b> Strategy adopted on 27.5.2008.

<b>BUILDING IN FIGHT AGAINST SMUGGLUNG IN DRUGS</b>	of drug use, with annual AP			adopted	
	41. Training needs assessment and organizing trainings for officers of the Center for fight against drugs and smuggling	Police Directorate Police Academy	Continuous	Training needs assessed No. of trainings compared to planed; No. of organized specialized trainings; No. of participants	<b>ASSESSMENT 164: Measure is being realized continuously</b> One training at international level for combating drugs / 3 officers One training for crime-intelligence analysts / 3 officers One training on combating drugs / 11 officers One training for "Undercover investigators"/ 2 officers One training and two seminars for officers form Department for fight against drugs and smuggling One seminar »Combating cross-border crime« / 1 officer
	42. Training needs assessment and organizing trainings for police officers on procedures in fight against smuggling of drugs	Police Directorate Police Academy	Continuous	Training needs assessed No. of trainings compared to planed; No. of organized trainings; No. of participants	<b>ASSESSMENT 165: Measure is being realized continuously</b> During the reporting period, in cooperation with UNODC, one-week training was organized for two officers from the Police Directorate and Customs Administration concerning the issue of controlling the goods in ports.
	43. Requirement needs assessment and purchasing equipment for the needs of Center for fight against drugs and smuggling	Police Directorate	2008-2009	Requirement needs assessed; Currency of purchased compared to required equipment	<b>ASSESSMENT 166: Measure is being realized continuously</b> 4 vehicles, 3 scooters – FBI donation Needs assesment was prepared for acquiring equipment in total value of 212.000€
	44. Providing of adequate working premises for the needs of Center for fight against drugs and smuggling	Police Directorate	2008.	Adequate working premises provided	<b>ASSESSMENT 167: Measure is realized</b>
<b>6) POLICE CAPACITY BUILDING IN FIELD OF WITNESS PROTECTION</b>	45. Training needs assessment and organizing trainings for officers of the Witness Protection Unit	Police Directorate	Continuous	Training needs assessed No. of trainings compared to planed; No. of organized trainings for officers of the witness protection Unit; participants	<b>ASSESSMENT 168: Measure partly realized</b> 1 training – 3 participants
	46. Requirement needs assessment and purchasing of specialized equipment for the Witness Protection Unit	Police Directorate	2008.-2009	Requirement needs assessed; Currency of purchased compared to required equipment	<b>ASSESSMENT 169: Measure is being realized continuously</b> In accordance with the needs assesment, there was no acquiring of new equipment during the reporting period
	47. Signing of agreements with relevant services in region on understanding and cooperation in field of witness protection	Police Directorate	2008, Continuous	No. of signed agreements	<b>ASSESSMENT 170: Measure is being realized continuously</b> Regional Agreement on Understanding signed /Serbia, MNE, BiH, Bulgaria, Macedonia
<b>7) POLICE CAPACITY BUILDING IN USE OF FORENSIC AND OTHER CRIMINAL INVESTIGATION TECHNIQUES</b>	48. 1) Needs assessment and Technical equipping of the Crime Technique Center 2) Reorganization of forensic unit 3) Training needs assessment and organizing trainings	Police Directorate	1. 2008, Continuous  2. 2008  3. Continuous	1) Needs assessed; Currency of purchased compared to required equipment 2) Reorganized unit 3) Training needs assessed No. of trainings compared	<b>ASSESSMENT 171: Measure is being realized continuously</b> Necessary equipment acquired <b>ASSESSMENT 172: Measure is realized</b> Amendments to the Rulebook on internal organization and systematization of Police Directorate, regarding the Forensic Center,



	4) Requirement needs assessment and purchasing of modern laboratory and other equipment 5) Implementing standards ISO 17025		4. 2008-2009 5. 2009	to planed; No. of organized trainings; No. of participants 4) Needs assessed; Currency of purchased compared to required equipment 5) Standards ISO 17025 implemented	adopted <b>ASSESSMENT 173: Measure is being realized continuously</b> 4 trainings Training of staff in field of DNA analysis is being realized continuously in the Forensic Center. <b>ASSESSMENT 174: Measure is realized</b> Forensic light was acquired, as a part of OSCE donation. Activities on acquiring following equipment are underway: apparatus for instrumental chemical analysis – scanning electronic microscope, atomic absorption spectro-photometer, liquid chromatograph, ICP plasma and UV-VIS spectro-photometer. <b>ASSESSMENT 175: Measure is not realized</b> Standard verification procedure is underway
<b>8) POLICE CAPACITY BUILDING IN FIGHT AGAINST TERRORISM</b>	49. Development of the Strategy for fight against terrorism	Mol&PA in cooperation with Police Directorate, Agency for National Security, MoJ, NGO	2008-2009	Strategy developed	<b>ASSESSMENT 176: Measure is not realized</b> Established Working Group that will prepare Draft Strategy
	50. Training needs assessment and organizing trainings for officers in the field of fight against terrorism Specialized training: 1) for IED operations (elimination of danger from improvised explosive devices) 2) for PAS (protection against sabotage) for negotiations with hijackers (terrorists)	Police Directorate Police Academy	Continuous	1. Training needs assessed 2. No. of trainings compared to planed; No. of organized trainings; No. of participants	<b>ASSESSMENT 177: Measure is being realized continuously</b> 3 trainings for 53 participants 1 training for using of donated equipment for 17 participants 1 training for 4 officers of Group for counter-terrorist search, held in period 01. 10. - 03. 11.08. <b>ASSESSMENT 178: Measure is being realized continuously</b> 1 training for 2 SAU officers 1 trainings for 2 officers of PAS <b>ASSESSMENT 179: Measure is being realized continuously</b> 1 officer completed training in Marshal Center in Germany 1 training for 9 officers, held in period 10.09-20.09, and organized by OSCE 2 seminars, 5 participants
	51. Requirement needs assessment and purchasing equipment for the needs of officers in Crime Police Sector dealing with fight against terrorism	Police Directorate	2008.-2009	Requirement needs assessed; Currency of purchased compared to required equipment	<b>ASSESSMENT 180: Measure partly realized</b> Project has been prepared, with defined needs, and negotiations with donors are underway. During the reporting period, realization of the project «Technical equipping and education of working line for combating the criminal acts in area of terrorism and protection of fires, explosions and sabotages in the Crime Police Sector » has started.

	<p>52. Capacity building of the existing Special Anti-terrorist unit (SAU)</p> <ol style="list-style-type: none"> <li>1) Training plan making</li> <li>2) Implementation of continuous training</li> <li>3) Requirement needs assessment and Purchase of modern equipment and arms</li> </ol>	Police Directorate	<p>1) III Q 2008, 2,3) Continuous</p>	<ol style="list-style-type: none"> <li>1) Training plan made</li> <li>2) No. of carried trainings compared to planned; No. of trained staff</li> <li>3) Requirement needs assessed; Currency of purchased compared to required equipment</li> </ol>	<p><b>ASSESSMENT 181: Measure is realized</b> Prepared plans on monthly and annual level</p> <p><b>ASSESSMENT 182: Measure is being realized continuously</b> Trainings are being realized on daily basis. During the period January – March, following was realized : 1) <b>six</b> officers of the group for counter-terrorist searches, with instructors from USA, completed 7-day course »Processing the means for dismantling improvised explosive devices « . 2) Seminar “Protection against sabotage” was held, organized by the Office for Political and Military Issues of the USA Embassy /2 officers took part/.</p> <p><b>ASSESSMENT 183: Measure is being realized continuously</b> It is being realized in accordance with the needs assessment</p>
<p><b>9) POLICE CAPACITY BUILDING IN FIGHT AGAINST CROSS-BORDER CRIME</b></p>	<p>53. Training needs analysis and organization of continuous training for the officers in the Border Police Sector</p>	Police Directorate Police Academy	Continuous	Training needs assessed and number of organized trainings compared to planned; No. of carried trainings; No. of participants	<p><b>ASSESSMENT 184: Measure is being realized continuously</b></p> <ul style="list-style-type: none"> <li>- 2 trainings for 50 participants, held in Police Academy</li> <li>- 2 trainings held by DCAF / 4 officers</li> <li>- 2 workshops held by DCAF/ 5 officers</li> <li>- 1 workshop in Slovenia, „Border Police Management“ / 1 officer</li> <li>- 1 course, held by DCAF, organized for station comandeers, in Serbia/ 4 senior officers took part</li> <li>- 3 seminars, organized by the USA Embassy in Belgrade, on «Vessel Maintainance», «Finding drugs in transport of goods in ports“ and «Observance, recognizing and check of suspicious travelers and goods at the airports» /5 senior officers and 6 officers of the Border Police Sector took part</li> <li>1 training – 6 workshops on implementation of the Protocol on Joint Patrols / 22 senior police officers and 20 police officers</li> </ul>
	<p>54. Requirement needs assessment for purchasing equipment for state border surveillance and securing. 1.) Purchase of equipment for state border surveillance and securing and discovery of cross-border crime</p>	Police Directorate	2008.-2009	Requirement needs plan determined 1. Currency of purchased compared to required equipment	<p><b>ASSESSMENT 185: Measure is realized</b> The equipment is being acquired continuously, in accordance with the needs assessment. It is been continued with realization of the project on Electronic Surveillance of Blue Border. Testing of the image transferring from the existing sensors to comand center via existing system of Broadcasting Agency was realized. System has become operative during daily working hours.</p>

	55. Better quality cooperation at bilateral and regional level (consulting meetings, planning and conduction of mutual activities etc.) and making reports on cooperation with recommendations submitted to the National Commission	Police Directorate (Border Police Sector) and border police services of neighboring countries	Continuous	No. of implemented joint actions; No. meetings organized; No. of reports made; No. of recommendations given; No. of recommendations implemented; No. of reports submitted to the National Commission	<b>ASSESSMENT 186: Measure is being realized continuously</b> - Agreement with Albania, with supplementing protocols - Agreement with Serbia - Agreement with BiH - TOPA Agreement on cooperation with KFOR signed - successfully implemented Protocol on Joint Patrols with Albania and Croatia, and protocols on regular holding of meetings at all management levels with Serbia, BiH, and Albania (as the result, 22 joint patrols were realized in area of Skadar Lake, 16 patrols in Bojana river area, and 31 in green border with Albania, so as 14 joint patrols at the border with Croatia. Preparation for starting of implementation of protocol on joint patrols with Bosnia are in final phase. This activity should start in July 2009 in 7 patrol regions, with 24 patrols on monthly basis.
<b>10) POLICE CAPACITY BUILDING THROUGH INTERNATIONAL POLICE COOPERATION</b>	56. Reorganizing of existing NCB Interpol and establishing of organizational unit for international police cooperation with two offices: 1) Interpol NCB 2) Europol NB	Police Directorate	2008-2009	Organizational unit for international police cooperation formed within whose scope are systemized: 1) NCB Interpol 2) NB Europol	<b>ASSESSMENT 187: Measure is not realized</b> <b>ASSESSMENT 188: Measure is not realized</b> Re-organization of NCB Interpol will be done in framework of amendments to the Rulebook on Systematization of Job Positions within Police Directorate. Proposal for re-organization of NCB Interpol has been prepared, and it envisages establishing of the organizational unit for international police cooperation. That Unit will encompass NCB Interpol and NB Europol
<b>10.1. INTERNATIONAL POLICE COOPERATION VIA INTERPOL</b>	57. Direct connection with the communication system I-24/7 in order to establish communication with Interpol	Police Directorate (NCB Interpol) in cooperation with Interpol General Secretariat	Continuous	Use of I-24/7 system in the exchange of police data	<b>ASSESSMENT 189: Measure is being realized continuously</b> The system has been established
	58. Training needs assessment and training of officers who will perform duties regarding international police cooperation via Interpol 4) Training for the use of Interpol systems	Police Directorate	Continuous	Training needs assessed and number of carried trainings compared to planned; No. of participants	<b>ASSESSMENT 190: Measure is being realized continuously</b> NCB Interpol prepared needs assessment for training of the staff in field of using Interpol systems and services. This assessment showed that specialized training is necessary for 11 officers /out of total 15 employees/, whereof 9 of them have completed necessary training (82%). NCB Interpol plans to prepare periodical needs assessments for other types of trainings, and in accordance with the findings, to organize them in cooperation with GS Interpol.
	59. Participation of the Interpol NCB officers in the Interpol's working bodies, groups and projects, with the aim of	Police Directorate	Continuous	No. of working groups and bodies where the Interpol NCB officers participated compared to total	<b>ASSESSMENT 191: Measure is being realized continuously</b> The General Secretariat of Interpol has

	fight against international organized crime in region			number of working bodies and groups treating problems of fight against organized crime in region (to whom Montenegro belongs too)	launched 2 projects ( "Pink Panther" and "Kanuni") and the Interpol NCB, through its representatives, actively participated in both projects. Periodically maintained (1 year) Interpol's Working Group - meetings of European contact officers. Periodically maintained (1 year) Interpol's Working Group - meetings in relation to the international quest. Periodically maintained (1 year) performs this conference (the General Assembly and the European Regional Assembly). Interpol NCB, through its representatives participates in the work of these working groups. Periodically maintained (1 year) meetings of the Interpol NCB-Chief (in the General Secretariat of Interpol's), which examines the issues of importance for the further operation of Interpol and the suppression of international crime.
	60. Requirement needs assessment and acquisition of working equipment in accordance with recognized Interpol trends in developing hardware and software communication equipment	Police Directorate	2008-2009	New hardware and software solutions identified; requirement needs assessed, currency of acquired compared to required equipment; Acquired equipment; equipment operating	<b>ASSESSMENT 192: Measure is being realized continuously</b> NCB Interpol has prepared needs assesment for acquiring the additional equipment, in accordance with the new hardware and software, and specification of the needed equipment was included in the project of widening Interpol services (MIND/FIND technology) on border crossing points Debeli Brijeg and Dobrakovo, where the system became operative in the reporting period. Preparation of needs assesment and project for software solutions for AFIS system within NCB Interpol is underway (automatic searching of database of "fingerprinted" persons). Specification of the needed equipment was included in the project of widening Interpol services (MIND/FIND technology) on border crossing points Dobrakovo, Dračenovac and Sitnica, where the systems became operative in the reporting period.
	61. Extension of Interpol' services at border crossing points with the purpose of performing direct searching in the Interpol's database and control and identification of persons, travel documents and vehicles at BCPs	Police Directorate	2008-2009	No. of BCPs networked with the Interpol compared to total number of BCPs	<b>ASSESSMENT 193: Measure partly realized</b> Curently, 7 border crossing points are connected to the Interpol system, and they are enabled to directly search Interpol databases.
10.2. INTERNATIONAL POLICE COOPERATION VIA EUROPOL	62. Signing of strategic agreement with Europol in order to provide data exchange between Europol and Police Administration	Police Directorate	2008	Strategic agreement signed; No. of cases when data have been exchanged	<b>ASSESSMENT 194: Measure partly realized</b> The Mol&PA delivered to the Parliament the Law on Ratification of the Agreement on Cooperation with Europol, for the adoption.
	63. Forming the Europol National Bureau	Police Directorate	2008-2009	Europol NB established	<b>ASSESSMENT 195: Measure is not realized</b> NB Europol has not been established yet.

Bureau

					Organizational chart has been prepared, it is to be verified through Amendments to the Rulebok on Systematization of Job Positions in the Police Directorate.
	64. Recruiting of required staff within the Europol NB	Police Directorate	2008-2009	Europol NB fulfilled; % of hired personnel	<b>ASSESSMENT 196: Measure is not realized</b>
	65. Establishment of secure communicational system for data exchange with Europol	Police Directorate in cooperation with Europol	2009	Secure communicational system for data exchange with Europol established	<b>ASSESSMENT 197: Measure partly realized</b> Activities on providing equipment for secure communication system for exchange of data with Europol are underway.
	66. Training needs assessment and carrying out trainings for officers of Europol NB in order to use Europol's analytic-intelligence programs in information processing	Police Directorate in cooperation with Europol	2008, Continuous	Training needs assessed and number of carried trainings compared to planed; No. of trainings; No. of participants; Educated staff for using modern analytic-intelligence programs	<b>ASSESSMENT 198: Measure is not realized</b>

#### RECOMMENDATIONS:

1. Police Directorate is to continue with activities on amending of the Rulebook on Internal Organization and Systematization of Police Directorate, and to inform National Commission on undertaken activities not later than the end of III quarter of 2009.
2. Police Directorate is to intensify activities and to submit initiative for adoption of legal act, which would entitle officers in Crime Police Sector with special bonus on the wages on basis of complexity and risk of the tasks they are dealing with. Police Directorate is to deliver report on realization of this measure to National Commission not later than the end of I quarter of 2009.
3. Police Directorate is to prepare plan of protection of the police officers involved in fight against organized crime and corruption, and to inform National Commission on the activities undertaken not later than the end of III quarter of 2009.
4. Police Directorate is to deliver information on level of realization of measure - adoption of the Instructions for Application of Secret Surveillance Measures not later than the end of III quarter of 2009.
5. Police Directorate is to deliver information on number of agreements with providers regarding connection with databases of telecommunication service providers, and to inform National Commission on the activities undertaken not later than the end of III quarter of 2009.
6. Police Directorate is to deliver information on adoption of Strategy on Fight against Terrorism, and to inform National Commission on the activities undertaken not later than the end of III quarter of 2009
7. Police Directorate is to deliver information on level of realization of measure – establishing of the Europol National Bureau, not later than the end of III quarter of 2009
8. Police Directorate is to initiate process of recruiting the staff for the needs of Europol National Bureau, and to inform National Commission on the activities undertaken not later than the end of III quarter of 2009.
9. Police Directorate is to deliver information on level of realization of measure – establishing of secure communication link between Police Directorate and Europol, not later than the end of III quarter of 2009.
10. Police Directorate is to intensify activities on realization of strategically important project »Strengthening of Intelligence Led Policing Capacities«, strengthening of analytic capacities through engaging of the new staff, and organizing of trainings for crime-intelligence analysis, and to intensify activities on realization of project „Strengthening of Intelligence and Investigational service within Crime Police Sector and enhancing of the undercover operations“.
11. Police Directorate is to pay special attention on implementation of the Manual on Operative Work and Exchange of Information, and on organizing of trainings dealing with informant handling issues.
12. Police Directorate is to undertake necessary activities in additional recruitment of staff for vacant job positions, and in organization of advanced and specialized trainings in order to strengthen administrative capacities of the Internal Control Department.
13. Police Directorate is to acquire missing equipment and means, first of all – vehicles.

14. Police Directorate is to improve working conditions concerning premises.
15. Police Directorate is to establish IT connection with BCPs, regarding the fight against cross-border crime and border control, and to undertake all necessary measures for ensuring the signing of agreement on border management between all relevant agencies and services.
16. Police Directorate is to continue cooperation, through exchange of information and notices, with border police services in region, with organizing of operative-tactical and other police actions and control.
17. Police Directorate is to undertake necessary activities in field of improving the expert and professional capacities of the employees dealing with fight against money laundering, through organization of advanced and specialized empirical and practical trainings.
18. Police Directorate is to define procedures for monitoring of results upon received reports from Directorate for Prevention of Money Laundering and Terrorism Financing.
19. Police Directorate is to intensify inter-institutional cooperation with all state bodies relevant and significant from the aspect of money laundering prevention.
20. Police Directorate is to undertake centralization of the working line of Department for Fight against Drugs and Smuggling, which will enable more qualitative engagement of staff and adoption of good practices and modern performing methods.
21. Police Directorate is to perform adequate additional recruitment of staff for vacant positions within Department for Fight against Organized Crime and Corruption. Consequently, Police Directorate is to allocate officers dealing with prevention of corruptive criminal activities in police regional units.
22. Police Directorate is to improve inter-institutional cooperation in exchange of information, after establishment of NCIS /National Criminal Intelligence System/, consisting of representatives of government bodies dealing with fighting organized and other forms of crime.
23. Police Directorate is to improve operative work of Crime Police at local level and of Border Police in order to identify potential victims and eventual perpetrators of criminal act of trafficking in human beings.
24. Police Directorate is to deliver detailed data on quality of cooperation at bilateral and regional level in fight against cross-border crime, including the mentioned indicators for this measure.

### A.3. JUDICIARY

In order to strengthen judicial power, **Judicial Council** adopted Rules of Procedure of the Judicial Council, which establishes criteria and procedures in election of judges. Three new vacant positions for judges in High Court in Bijelo Polje and six in the High Court Podgorica were defined.

During the reporting period, Judicial Council adopted two new orientational criteria on necessary number of judges and other staff in courts, which came into force in first quarter of 2009, where the orientation measure of number of closed cases is significantly increased for bearers of judicial functions. According to these criteria, total **15** presidents of courts were elected, **37** judges of High Courts and Basic Courts, and **55** judges-jurors, which created conditions for the courts to work in full capacity and to perform judicial function. On the other hand, four judges submitted request for termination of judicial function, so as one president of the High Court, two judges were dismissed, and termination of function for two judges due to retirement was noticed.

Judicial Council strictly applies provisions on disciplinary responsibility of judges, and provisions on dismissal procedure pursuant to Law on Courts, so that, during the reporting period, Judicial Council passed decision on approving detention of the judge of High Court in Bijelo Polje, pursuant to conducting investigation against him for criminal act of passing bribery.

In addition, Judicial Council **determined necessary number of judges in special departments for fight against organized crime, corruption, terrorism, and war crimes**, located in Podgorica and Bijelo Polje. Priorities in field of fight against corruption and organized crime were defined, in such manner that the focus of efficient proceeding is put on completing of cases with elements of corruption and organized crime, which are still under procedure in basic courts. Procedure upon appeal on sentences in such cases is conducted, according to decision of Judicial Council, by the judges of the Supreme Court who are temporarily allocated to work in the High Court in Podgorica. It increased efficiency, equality of judicial practice, and in an expert manner, it provided reasoning for decisions upon appeals.

In parallel, capacities of the special departments within high courts are being enhanced, and having in mind the number of cases in procedure and newly adopted benchmarks, there will be increase in number of judges in the Special Department in the High Court in Podgorica.

In order to improve efficiency, Judicial Council allocated ten judges of the Supreme Court on **temporary** work, for period of six months, in the High Court in Podgorica in second-instance civil and criminal councils, and also allocated one judge of the Appeal Court and three judges of the Commercial Court in Podgorica. Furthermore, four retired judges of the Supreme Court were **engaged** again, as expert consultants, in providing assistance for solving of the backlogs. Principle of random allocation of cases is being implemented, and **introduction of electronic coding and case allocation** is underway as a part of project of enhancing Information System on already existing PRIS. In this manner, backlog from

2007 and previous years was reduced in significant percentage, as delivered in material for National Commission. The Supreme Court and the Appeal Court reduced backlog for 100%, so that they do not have a single case from 2007 and previous years in procedure.

In framework of Annual Education Program of **Center for Education of Bearers of Judicial Functions**, special part is dedicated to criminal area, which also treats issues of organized crime and corruption. During the reporting period, 4 seminars were realized for judges, prosecutors, lawyers and police officers. These seminars are being organized in cooperation with OSCE Mission to Montenegro and USA Embassy in Podgorica. All programs of Center and semi-annual working plans are available upon request delivered to the Center's office, and they are available at the Center's website ([www.coscg.org](http://www.coscg.org)).

Judicial Council continuously organizes trainings for judges dealing with cases of organized crime, corruption, terrorism, and war crimes. In that sense, judges of the Special Department participated in seminar "Seizure of the criminal proceeds", which was held in Luxembourg. Seminar on relations between judges and prosecutors was organized by CoE and held in Bordoux, and one judge of the Special Department took part in its work.

Police Directorate and the Judicial Council continuously analyze need for security and personal protection of judges dealing with cases of organized crime, and on basis of such analysis, they pass concrete decisions.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>CAPACITY BUILDING OF COURTS</b>	67. Apply consistently the principle of random allocation of cases through the introduction of electronic case coding and allocation (using as much as possible the information technologies) Regular and ongoing supervision of court administration by the Ministry of Justice pursuant to the Law on Courts Strict application of the provisions on disciplinary responsibility of judges and the dismissal procedure pursuant to the Law on Courts	Court President  1) Ministry of Justice  2) Judicial Council	Continuous	No. of courts with electronic allocation of cases  1) Acting upon reports of authorized officers of the Ministry of Justice  2) Number of proceedings compared to reported cases of disciplinary responsibility of judges	<b>ASSESSMENT 199: Measure is not realized</b>
					<b>ASSESSMENT 199a: Measure is being realized continuously</b> Authorized staff regularly performs supervision over the work of judicial administration, and there were no complaints or objections during the reporting period. According to the provisions of the Law on Courts, Ministry of Justice is not allowed to undertake any activity that would interfere or influence court decision-making process in court cases. In the reporting period, objections and complaints submitted by the citizens were promptly and efficiently processed upon. Total <b>52</b> complaints were received, and all of them were processed by the authorized persons and delivered for further procedure as well. Supervision and control over the administration work were performed in the Basic Court in Danilovgrad and in the Regional Misdeamonor body in Danilovgrad, and also in following administrations: Basic court in Nikšić and in the Regional Misdeamonor body in Nikšić, Basic court in Cetinje, Basic state prosecutor's office in Cetinje and in the Regional Misdeamonor body in Cetinje; Basic state prosecutor's office in Bar and in the Regional Misdeamonor body in Bar; Basic court in Bar; Basic court in Kotor; Basic state prosecutor's office in Kotor in the Regional Misdeamonor body in Kotor.
					<b>ASSESSMENT 200: Measure is being realized continuously</b> Total 6 disciplinary procedures were completed, with disciplinary measures imposed as the result. Two judges were dismissed, temporary

					suspended five judges and criminal proceeding against them is underway, and one judge is kept in detention. In addition, one procedure for judge dismissal is still underway, and one judge asked for termination of judicial function on his own. Judicial Council recommended to the presidents of the courts and to the judges not to be members or presidents of the election committees and commissions for damage reimbursement. This recommendation of the Judicial Council was accepted and all presidents of courts and judges resigned on the positions in the aforementioned commissions.
	68. Strengthen the independence of the judiciary powers through making requirement plan for increasing financial resources in the budget allocation 1. Provide accumulation of salaries and special allowances to judges proceeding in cases with elements of corruption and organized crime	Judicial Council, Ministry of Finance	2008-2009	Accumulation plan made of determined financial resources in the budgetary allocation of MNE and level of resources accumulation per year	<b>ASSESSMENT 201: Measure is realized</b> Law on Courts prescribes allowances/bonus on salaries of the judges of Special Council
	69. Establishing of Special Department for fight against organized crime, corruption, terrorism and war crimes within the High courts in Podgorica and Bijelo Polje	Judicial Council	III Q of 2008	Department established; % of hired personnel for judges and associates; No. of cases in process; Total No. of sentences; No. of acquittal/conviction and revoked sentences	<b>ASSESSMENT 202: Measure is realized</b> Special departments within High Courts in Podgorica and Bijelo Polje established.
	70. Determine required number of judges within the Special Department for fight against organized crime, corruption, terrorism and war crimes within the High courts in Podgorica and Bijelo Polje	Judicial Council	III Q of 2008	Required number of judges determined	<b>ASSESSMENT 203: Measure is realized</b> Determined need for three judges in both High Courts
	71. Hire required personnel within courts, in accordance with determined needs	Judicial Council	IV Q of 2008	Required personnel hired in courts compared to determined needs and % of hired personnel compared to required	<b>ASSESSMENT 204: Measure is realized</b> Judicial Council adopted two new orientational criteria on necessary number of judges and other staff in courts. According to these criteria, total <b>15</b> presidents of courts were elected, <b>37</b> judges of High Courts and Basic Courts, and <b>55</b> judges-jurors.
	72. Establishment of the Judicial Informational System with integrated database and training of judges 1. Acquisition, development and analysis of statistic data related to perpetrators and felonies structure	Judicial Council	2009	Judicial Informational System established; No. Of courts connected with the Informational system; Periodical statistic reports; Training needs assessed and number of trainings compared to planned; No. of trainings; No. of participants	<b>ASSESSMENT 205: Measure is not realized</b> Note: This measure, in regard to preparation of statistical reports, is being realized through work of Three-Party Commission /link: measure 68 and 69/
	73. Determine requirements and provide protection of judges proceeding in cases with elements of corruption,	Judicial Council, Police Administration	IV Q of 2008, Continuous	Requirements for personal protection of judges determined; No. of judges to whom personal protection is	<b>ASSESSMENT 206: Measure is being realized continuously</b> This measure is being realized in accordance



	organized crime, terrorism and war crimes			provided	with the Decision of the Government of Montenegro (OJ RMNE 69/06) Sector for securing persons and objects currently undertakes measures of personal protection of Supreme State Prosecutor, Special State Prosecutor for Fight against organized crime, and judge of the High Court in Podgorica who is judging in the organized crime cases. Measure is being realized on basis of security assesment and Plans of Protection.
	74. Develop separate annual and periodical training programs for judges proceeding in cases with elements of corruption and organized crime	Centre for Education of the Bearers of Judicial Function	IV Q of 2008, Continuous	Report of the Centre for Education of the Bearers of Judicial Function in developed annual and periodical training program	<b>ASSESSMENT 207: Measure is being realized continuously</b> Annual Wprking Plan of the Center for 2009 defines in detail activities to be undertaken (including topics, participants, lecturers, methods, and goals) in both fields of organized crime and corruption – 4 seminars in reporting period. Available at the web site of the Center <a href="http://www.coscg.org">www.coscg.org</a>
	75. Carrying out trainings according to separate determined program	Centre for Education of the Bearers of Judicial Function	Continuous	No. of judges passed trough the training program; report of the Centre on training program realization; No. of carried compared to No. of planed trainings; Number and areas of trainings and number of participants per training	<b>ASSESSMENT 208: Measure is being realized continuously</b> Available at the web site of the Center <a href="http://www.coscg.org">www.coscg.org</a> Judges of the Special Department took part in the seminar "Seizure of the criminal procceds and property" that was held in Luxembourg. Seminar on relations between judges and prosecutors was organized by CoE and held in Bordoux, and one judge of the Special Department took part in it.
	76. Determining Rules of Procedure of the Judicial Council with the purpose of establishing criteria and procedures for election of judges procedure	Judicial Council	II Q of 2008	Rules of Procedure adopted and criteria and procedures established for election of judges procedure	<b>ASSESSMENT 209: Measure is realized</b> Rules of Procedure adopted during previous reporting period

#### RECOMMENDATIONS:

1. The Supreme Court is to deliver information on level of realization of measure that refers to introduction of electronic case coding and electronic allocation of cases, not later than III quarter of 2009.
2. Judicial Council is to deliver information on periodical statistical data stored in database of the information system, so as data on needed training and number of trainings in comparison to planned number, not later than III quarter of 2009
3. The Supreme Court is to intensify trainings of judges in the field of financial investigations, and to deliver detailed information on number of realized trainings, and data on number of carried out financial investigations.

#### B. EXTERNAL AUDIT OF THE BUDGET

During external audit procedure, in terms of controlling regularity of budgetary income and expenditure, **State Auditors Institution /SAI/** completed **Audit of the final budgetary account of Montenegro** for 2007, while Audit of the final budgetary account of Montenegro for 2008 is in progress.

Within the control of regularity and efficiency of work of budgetary beneficiaries, in accordance with the Audit Plan for 2009, SAI initiated **Audit of the final budgetary account of Montenegro for 2008, as well as audits of budgetary beneficiaries** (Employment Agency, Development Fund of Montenegro, Ministry of Tourism and Environmental Protection, Ministry of internal Affairs and Public administration, municipalities of Niksic, Danilovgrad, Ulcinj, Rozaje and Kolasin ) and Audit of intersection of indebtedness and capital expenditures of municipalities, Audits of: Agency for Foreign Investment Promotion, Center for Social Work, Public Enterprise for Coastal Zone Management "Morsko Dobro" and

State Prosecution Office. Tree of mentioned audits were completed in June 2009 (Development Fund of Montenegro, Ministry of internal Affairs and Public administration and Employment Agency).

During reporting period three new audits of several budgetary beneficiaries were being continuously performed – **10 preliminary audits** of Ministry of Tourism and Environmental Protection, National Tourist Organization, Tourist Organizations of municipalities Herceg Novi, Budva, Bar and Kolasin as well as district tax units of municipalities Herceg Novi, Budva, Bar and Kolasin (initiated on 20<sup>th</sup> of October 2008.). An update on the plan for this type of audit followed. Plan included the period of the entire 2008; - **One pilot audit** of Human Resource Management Agency (initiated on October 15<sup>th</sup> 2008.) In this report, **ten recommendations were given** and, on December 25<sup>th</sup> 2008 report was sent to audit subject for statement. After that, draft report was adopted and audit procedure completed on March 23<sup>rd</sup> 2009; - **One preliminary audit** of Ombudsman Office initiated on October 15<sup>th</sup> 2008. (This kind of audit is in terms of general audit of same subject). Final reports are available at SAI web site [www.dri.cg.yu](http://www.dri.cg.yu)

SAI initiated activities on preparation of **Communication Strategy in the framework of future SAI development strategy up to 2012**, in cooperation with GTZ, in framework of realization of set of measures relating to training of responsible persons and public in prevention of abuse in budget management. Public is being continuously informed about budgetary spending via public debate on Final Account of Montenegro for 2008 in Parliament, as well as via media. **Training plan for 2009**, for SAI employees was made, **four seminars and four workshops** were realized (topics: Information workshop on performance of audits conducted and systematic of fieldwork with special emphasis on psychological and other aspects, Information report on the progress and results of the pilot audit in Sectors IV and V, Fieldwork systematic and specific aspects in dealing with audit subjects when collecting relevant data in the field and expert consultations with members of the Senate, financial accounting jobs in state bodies, system of public finance and state budget, planning and execution of state budget and public procurement.

In previous period **five Manuals for passing exam for state auditors were prepared**, printed and distributed to persons interested in. In reporting period, based on these manuals **5 candidates passed the exam for state auditor**.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>SUPERVISION OF BUDGETARY REVENUES AND EXPENDITURES</b>	77. External audit of the final budgetary account by State Auditors Institution	State Auditors Institution	Once a year (by the end of the second quarter) Continuous	External budgetary audit report; No. of non-conformities and No. of recommendations; No. of corrective measures compared to total No. of non-conformities; No. of criminal charges after the audit	<b>ASSESSMENT 210: Measure is realized</b> SAI completed <b>Audit of the final budgetary account of Montenegro</b> for 2007, that is, in the framework of annual report of State Audit Institution, submitted to the Parliament of Montenegro while Audit of the final budgetary account of Montenegro for 2008 is in progress. Audit Plan for 2009 is adopted, in reporting period following audits are initiated: Audit of the final budgetary account for 2008, Employment Agency (completed in June 2009.), Development Fund of Montenegro (completed in June 2009.), Ministry of Tourism and Environmental Protection, Ministry of internal Affairs and Public administration (completed in June 2009.), control audit of municipalities Niksic, Danilovgrad, Ulcinj, Rozaje and Kolasinas, well as audit of intersection of indebtedness and capital expenditures of municipalities, audits of Agency for Foreign Investment Promotion, Center for Social Work, Public Enterprise for Coastal Zone Management "Morsko Dobro" and State Prosecution Office.
<b>SUPERVISION OF REGULARITY, EFFECTIVENESS AND EFFICIENCY OF THE OPERATION OF BUDGETARY BENEFICIARIES AT THE LEVEL OF MONTENEGRO AND</b>	78. Audit of budgetary spending	State Auditors Institution	Continuous	Budget audit report; No. of implemented audits and submitted reports in spending units, accounts of settlement of municipalities and other subjects; No. of recommendations and % of accepted recommendations	<b>ASSESSMENT 211: Measure is being continuously realized</b> In reporting period SAI continued performing tree new audits, 10 preliminary Audis, one pilot audit (10 recommendations) and one more preliminary audit are in progress. Final reports

MUNICIPALITIES				out of individual audits by audit subject; % of adopted recommendations by the Parliament out of the annual report of the State Auditors Institution; No. of specific reports; No. of non-conformities and No. of recommendations No. of corrective measures compared to total No. of non-conformities; No. of criminal charges for irregularities in budget management and allocation	are available at SAI web site <a href="http://www.dri.cg.yu">www.dri.cg.yu</a>
	79. Strengthening administrative and technical capacities of the State Auditors Institution through: 1. Further technical equipment and introduction of Intranet into the State Auditors Institution 2. Electronically connecting with the Ministry of Finance and all consumer units – audited entities 3. Innovation of Methodological Instruction of Audit Performance of public sector auditing	State Auditors Institution	2009	Increased level of IT support in the State Auditors Institution; IT trainings for employees done; No. of trainings; No. of electronic connections with the consumer units – audited entities; Methodological manual innovated on the basis of achievements and experiences and EU audit standards for public sector	<b>ASSESSMENT 212: Measure partly realized</b> <b>ASSESSMENT 213: Measure not realized</b> <b>ASSESSMENT 214: measure not realized</b>
PREVENTION OF ABUSES IN BUDGETARY EXECUTION	80. Training plan making and trainings of persons in charge of budget management and allocation	State Auditors Institution and Human Resources Administration in cooperation with NGO	Continuous	Training plan made; No. of new employed; No. of trainings; No. of participants	<b>ASSESSMENT 215: Measure is being continuously realized</b> <b>Training plan for 2009</b> , for SAI employees was made and being realized in cooperation with Human Resource Management Agency; four seminars and <b>four workshops</b> were realized. SAI consists of 55 employees, in reporting period 5 state auditors, 2 assistant auditors, 2 trainees and one senior adviser were hired.
	81. Raising public awareness regarding the supervision of budgetary spending through the development and dissemination of a guide and a media campaign	State Auditors Institution, in cooperation with media and NGO	Continuous	Guide book prepared; No. and kind of educational activities	<b>ASSESSMENT 216: Measure is being continuously realized</b> In previous period <b>five Manuals for passing exam for state auditors were prepared</b> . In reporting period, based on these manuals <b>5</b> candidates passed the exam for state auditor.
	82. Preparation of public relations Strategy with the aim of timely information provided to the public on budgetary spending and the implementation of planned audits pursuant to the Law on State Auditors Institution	State Auditors Institution in cooperation with media and NGO	Continuous	Strategy prepared; annual and periodical reports of the State Auditors Institution	<b>ASSESSMENT 217: Measure partly realized</b> SAI will prepare Development Strategy of SAI up to 2012. This Strategy will define plan of activities for informing public in order to clarify issues related to control budgetary spending i.e. public relation Strategy. All completed audits, reports and Audit of the final budgetary account of Montenegro are available at <a href="http://www.dri.cg.yu">www.dri.cg.yu</a>
<b>RECOMENDATIONS:</b> 1. State Audit Institution is to intensify activities on preparation of Communicational Strategy no later than III quarter of 2009. 2. State Audit Institution, in its annual audit plan for 2009, is to plan audits of budgetary beneficiaries underlined in EC Report for 2008. – <b>NC RECOMMENDATION PURSUANT TO 2008 EC REPORT</b>					

3. State Audit Institution, in accordance with planned activities for 2009, is to intensify work on audits of economic entities with state share capital. – **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
4. State Audit Institution is to continue with realization of set of measures related to training and raising level of awareness on external audits. – **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
5. State Audit Institution is to deliver precise information on type and volume of activities in field of education of public in following quarter reporting.
6. State Audit Institution is to initiate activities on capacity building both administrative and technical for audit function (Internet, electronic networking with Ministry of Finance and other budgetary beneficiaries as well as preparing methodological guide for public sector auditing )

### C. INTERNAL AUDIT OF THE BUDGET

In reporting period **Ministry of Finance - Department for Internal Audit** continuously performed activities related to operational planning, organizing and completing internal audits over budgetary beneficiaries determined by Law on budget. Audits were conducted in accordance with competencies defined by the Law on Budget and according to procedure prescribed by the Instruction on internal audit performance manner and procedure.

In period January – June 2009, total of 21 internal audits were performed out of which 7 audits determined in Annual Audit plan for 2009 and 21 audits of reports on budget funds spent by electoral lists applicant for electoral campaign for the election of deputies to the Parliament of Montenegro, for the election of councilors in the municipal assemblies Niksic and Budva and the election of the President of the Municipality of Tivat and Herceg Novi.

Audits of budgetary beneficiaries determined by Annual Audit Plan were conducted in order to determine following: whether all transactions were performed in accordance with current regulations and procedures; whether all transactions were timely handled; rightness of all payments related to transactions; accuracy and fulfillment of accountancy records and documentation; functioning internal audits regarding implementation of determined rules and procedures. Audits of reports on budget funds spent by electoral lists applicant for electoral campaign for the election of deputies to the Parliament of Montenegro, for the election of councilors in the municipal assemblies Niksic and Budva and the election of the President of the Municipality of Tivat and Herceg Novi, comprised also control of compliance data predicated in the reports on the collected and funds spent for election campaign in order to obtain confirmation that the electoral list applicants spent raised funds in accordance with the Law on financing political parties and the Law on financing of campaigns for the election of the President of Montenegro, the mayor and the president of the municipality.

Along with above mentioned, and in accordance with Internal Financial control Development Strategy in public sector of Montenegro, Law on internal financial control system was prepared and adopted (November 2008) as well as related subsidiary legislation necessary for this Law implementation. Adoption of this Law provided establishment of internal control system in accordance with internal control international standards for public sector, international standards in internal audit and best EU practice, in order to ensure economic and efficient state resources management and provide their control. In addition, Department for Internal Audit was established within Sector for central harmonization of financial management, control and internal audit in public sector, competent to perform internal audits of Ministry of Finance, with 3 employees hired.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>SUPERVISION OF THE LEGALITY OF OPERATION OF BUDGETARY BENEFICIARIES</b>	83. Internal audit of budgetary spending by budgetary beneficiaries	Ministry of Finance– Department for Internal Audit	Continuous	Budgetary audit report; No. of non-conformities and No. of recommendations, No. of corrective measures compared to total No. of non-conformities; No. of criminal charges after the audit	<b>ASSESSMENT 218: Measure is being continuously realized</b> 21 audits of budgetary beneficiaries realized; reports with recommendations submitted to audit subjects
<b>STRENGTHENING ADMINISTRATIVE CAPACITIES OF NEW SECTOR FOR PUBLIC INTERNAL FINANCIAL CONTROL (PIFC)</b>	84. Determining bylaws in accordance with new Law, reorganization of sector, recruitment, training	Ministry of Finance	2009.	No. of determined bylaws; Rulebook on internal organization and systematization of the Ministry of Finance changed; sector reorganized; No. of new employees; No. of trainings; No. of established units for internal audit of budgetary beneficiaries; Guide book for internal auditing determined	<b>ASSESSMENT 219: Measure is being continuously realized</b> Law on internal financial control system is adopted as well as subsidiary legislation: <b>Regulation on establishing internal audit in public sector</b> (Official Gazette of MNE No. 23/09) determines criteria for establishing internal audit at subjects in public sector. Adoption of this Regulation has created the preconditions for the establishment of an independent internal audit function in public sector entities, as one of the elements of the

					<p>system of internal financial control in the public sector.</p> <p><b>Regulation of the titles of Internal Auditors</b> (Official Gazette of MNE No. 23/09). This regulation determines new titles of internal auditors, prescribes conditions to be met to acquire the title internal auditors and, in accordance with the Law on salaries of civil servants and employees, titles of internal auditors were spread in salary grades.</p> <p><b>Rulebook on the manner and procedure of the internal audit</b>(Official Gazette of MNE No. 32/09) which provides a closer manner and procedure of the internal audit</p> <p>Department for Internal Audit was established within Sector for central harmonization of financial management, control and internal audit in public sector, competent to perform internal audits of Ministry of Finance, with 3 employees hired.</p>
--	--	--	--	--	---

**RECOMENDATIONS:**

1. Ministry of finance is to initiate activities on raising level of awareness on internal audits - **NC RECOMMENDATION PURSUANT TO EC 2008 REPORT**

**D. INSTITUTIONAL CAPACITY BUILDING FOR IMPLEMENTATION OF ANTICORRUPTION POLICY IN PRIVATIZATION PROCESS**

**State Audit institution** continuously performs external (State) audit capacity building in control of privatization process, by performing audit of regularity and efficiency management of state property. In Annual report, besides abstract from Final Budget Account Audit for 2008, there are abstracts from 10 single handed audits of budgetary beneficiaries: Ministry of Defense, Weather Bureau, National Museum, Ministry of Culture, Sport and Media, Pension Fund, Veterinary Institution, Constitutional Court, Agency for Telecommunications and Postal Activities, Municipality of Rozaje, and Railway of Montenegro. In the same period, in compendium of these individual reports, 73 recommendations were given to audit subjects, which were accepted by these institutions as well. Also, in reporting period audit procedures in Human Resource Agency was completed as well as Annual report for Ombudsman's Office, while audit procedure in Ministry of Tourism and Environmental Protection, National Tourist Organization, Tourist Organizations of Herceg Novi, Budva, Bar and Kolasin, as well as in competent tax bodies in abovementioned municipalities are in progress. In reporting period audit procedures were initiated in: Employment Agency of Montenegro, Development Fund of Montenegro, Ministry of Tourism and Environmental Protection, Ministry of internal Affairs and Public administration, municipalities of Niksic, Danilovgrad, Ulcinj, Rozaje and Kolasin (control audit) as well as audit of indebtedness and capital expenditures of municipalities initiated in March 2009.

Reports are integrally posted at [www.dri.cg.yu](http://www.dri.cg.yu)

Parliament of Montenegro adopted Decision on establishing **Commission for monitoring and controlling transparency in privatization process** (Official Gazette of MNE, No. 16/07), and Decision on selection of president and members of the Commission (eight members - 4 out of parliamentary ruling coalition and 4 from opposition). In previous reporting period, Commission held two sessions, while in reporting period there were no activities since Parliament of Montenegro (24<sup>th</sup> calling) haven't elect new president and members of Commission.

With the aim of observing the principle of transparency in privatization in Montenegro, **Privatization Council and Agency of Montenegro for Economic Restructuring and Foreign Investments** completed project "Effects of previous privatizations in Montenegro" realized by Consortium of Economy Faculty from Podgorica and Belgrade. Consortium prepared analysis of quality of established investment control system as well as review of previous privatizations available at [www.agencijacg.org](http://www.agencijacg.org). Selection procedures of legal and financial consultants in privatization is being performed continuously in open and transparent manner, via public advertisement made by competent tender commission, in accordance with the Regulation on selling shares and property via public tender.

Regarding **informing the public and the employees on decision-making in privatization process**, activities related to informing the public and the employees of their rights to participate in decision-making and monitoring of the privatization process, were continuously performed; in reporting period, neither requests nor questions of citizens regarding privatization process were submitted.

In this reporting period Ministry for Economic Development, Ministry of Tourism and Environmental Protection, Ministry of Agriculture, Forestry and Water Management, according to working program, did not prepare privatization strategies for strategic important entities, so there were no round tables. Restructuring Programs of Ministry of Transport, Maritime Affairs and Telecommunications /MTMA&T/ - (Harbor, Railway, Montenegro Airlines) were prepared in cooperation with EU and EBRD consultants. These Programs are available at web site. Plans for these companies to be privatized were adopted through Privatization Plan for 2008.

In addition, obligations, in accordance with the Law on Free Access to information, were being realized continuously – in reporting period 168 requests submitted, out of which NGO MANS submitted 165 requests (85 requests to Agency and 80 to Council - all requests timely replied at) and there were three more requests from: Socialist Peoples Party (SPP), Institute “Alternative” and youth Association of Montenegro. At the same time, Constitutional Court submitted 7 sentences to the Agency (out of which 6 were to the detriment of Agency and one in its favor). Constitutional Court submitted and one sentence to the Council, which was to the detriment of Council. In reporting period Agency received 3 appeals from administrative Court where appellant is MANS.

All documents significant for transparency in privatization process, are published at the web site of the Agency [www.agencijacg.org](http://www.agencijacg.org) and [www.vlada.antikorup.cg.yu](http://www.vlada.antikorup.cg.yu)

In reporting period there were 19 public invitations and amended invitations as follows: **Public invitation** for participation in public auction whereon part of property of „Tobacco company“ AD Podgorica will be sold; **Public invitation for participation** at public tender for selling 54,3464% of total property expressed through 825.727 shares of company “MARINA” AD Bar; **Amendment of public invitation** for participation at public tender for selling 60,7311% of share capital, expressed through 968.402 shares of company HTP “ULCINJSKA RIVIJERA” AD, Ulcinj, Montenegro; **Public invitation** for participation in public tender for selling 60,7311% of share capital, expressed through 968.402 shares of company HTP “ULCINJSKA RIVIJERA” AD, Ulcinj, Montenegro; **Amendment of public invitation** for participation at public tender for selling part of existing shares and recapitalization of Electric Power Company; **Amendment of public invitation** for tenderer for development, building, financing and managing exclusive tourist complex and long term leasing of island „Ada Bojana“; **Amendment of public invitation** for tenderer for development, building, financing and managing exclusive tourist complex and long term leasing of state property land at Velika Plaza; **Amendment of public invitation** for participation at international public tender and long term leasing of tourist complex "Bigovo–Traste", Kotor; **Public invitation** for participation in public tender for selling 51,1159% of total property expressed through 326.992 shares of company „Black metallurgy Institute“ AD Niksic; **Amendment of public invitation** for participation at public tender for selling part of existing shares and recapitalization of Electric Power Company; **Public invitation** for participation at international public tender and long term leasing of tourist complex "Bigovo–Traste", Kotor; **Public invitation for participation** at public tender for selling 54,3464% of total property expressed through 825.727 shares of company “MARINA” AD Bar; **Amendment of public invitation** for participation at international public tender for long term leasing of tourist complex “Valdanos”, Ulcinj; **Public invitation** for tenderer for development, building, financing and managing exclusive tourist complex and long term leasing of island „Ada Bojana“; **Public invitation** for tenderer for development, building, financing and managing exclusive tourist complex and long term leasing of state property land at Velika Plaza; **Public invitation** for participation in public tender for selling ex Federal Directorate for Commodity Reserves warehouse in Niksic and Bijelo Polje; **Amendment of public invitation** for participation at international public tender for long term leasing of tourist complex “Valdanos”, Ulcinj; **Amendment of public invitation** for participation at international public tender for long term leasing of complex between Njivice and Sutorina fall, Herceg Novi; **Public invitation** for participation at public tender for selling part of existing shares and recapitalization of Electric Power Company of Montenegro AD Niksic for acquiring 11.457.357 existing shares in property of Montenegro and, at the same time, right to subscript 11.457.357 of new shares of Electric Power Company, which together make 18,3% of total capital of Electric Power Company. Detail information available at [www.agencijacg.org](http://www.agencijacg.org) and [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu).

Regarding integrity development of officers involved in privatization process, Government of Montenegro established the **Commission for examining comments, complaints, prepositions, and suggestions of citizens and other subjects on privatization process** (Decision No. 03- 2979/3 from 10.05.2007). By the end of reporting period, Commission held one session, whereon initiatives and requests submitted by NGO MANS (5 initiatives) and citizens (4 requests) were discussed. In period January – June 2009, one complaint on privatization process was submitted and considered. Directorate for anti corruption initiatives, in cooperation with **Commission for examining comments, complaints, prepositions, and suggestions of citizens and other subjects on privatization process**, prepared brochure for reporting corruption in privatization process.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>ESTABLISH EFFICIENT PRIVATIZATION PROCESS CONTROL BY PARLIAMENT</b>	85. 1. Establishment the Commission for monitoring transparency in privatization process 2. Development Rules of procedure of Commission	1. Parliament  2. 3. Commission for monitoring and controlling transparency in privatization process	1. Immediately after adoption AP 2. 30 days after adoption AP	1. Commission established 2. Rules of procedure adopted 3. No. of meetings of Commission; No. of inquiries submitted to institutions involved in privatization and No. of acquired responses; No.	<b>ASSESSMENT 220: Measure is realized</b> Commission for monitoring and controlling transparency in privatization process established on December 18, 2007. Decision on selection president and members of Commission was adopted on March 19, 2008.

	3. Efficient work of the Commission and cooperation with institutions involved in privatization		3.Ongoing	of consultative hearings and recommendations and level of recommendation accomplishment	<p><b>ASSESSMENT 221: Measure is realized</b> Rules of Procedure adopted.</p> <p><b>ASSESSMENT 222: Measure partly realized</b> From its establishment Commission held 4 sessions, 2 in reporting period. No consensus reached for initiating one control hearing, as well as for initiating two privatization process controls. For one initiative consensus reached. In reporting period Commission had no activities since Parliament of Montenegro haven't elect new president and members of Commission.</p>
<b>CAPACITY BUILDING OF EXTERNAL (STATE) AUDIT IN PRIVATIZATION PROCESS CONTROL</b>	86. Auditing legality and efficiency of management the state assets and obligations, budgets and all financial affairs of subjects whose financial resources are public or issued by using state assets	State Auditors Institution	Continuous	No. of included new kinds of audit into the annual audit plans (preliminary, control, intersection audit, efficiency audit of subject's operations); No. of performed audits and submitted reports; No. of recommendations given and % of accepted recommendations by audit subject out of individual audits; periodical reporting to the National Commission	<p><b>ASSESSMENT 223: Measure is being continuously realized</b></p> <p>SAI submitted report on number of performed audits. Reports available at <a href="http://www.dri.cg.yu">www.dri.cg.yu</a></p>
<b>OBSERVE THE PRINCIPLE OF TRANSPARENCY IN PRIVATIZATION</b>	87. Organizing public discussions on privatization plans and strategies for entities of strategic significance, particularly in the area of energetic, traffic, tourism and public companies privatization	MED, MTMA&T, Ministry of Agriculture, Ministry of Tourism and Environmental Protection	Continuous	Reports on number of organized public discussions; No. of participants, No. of comments; No. of accepted compared to No. of rejected comments; Manner of submitting feedbacks on accepting/rejecting comments to the public discussion participants	<p><b>ASSESSMENT 224: Measure partly realized</b> Ministry for Economic Development, Ministry of Tourism and Environmental Protection, Ministry of Agriculture, Forestry and Water Management, according to Working program, did not prepare privatization strategies for strategic important entities, so there were no round tables. MTMA&amp;T organized public debates in systems themselves that are in restructuring and privatization preparation process, these activities programs available at MTMA&amp;T web site.</p>
	88. Establish a system to control investments in privatized companies	Privatization Council Agency of Montenegro for Economic Restructuring and Foreign Investments	Continuous	System established; No. of companies included in system; No. of violations of privatization contracts; No. of terminated contracts due to non-compliance with contractual obligations	<p><b>ASSESSMENT 225: Measure partly realized</b> Each privatization control is being established trough defining contracted control obligations, for major entities, respectable consultants for control performance hired via public tender, contract specifies the amount of necessary funds, the source of funds in relation to privatization revenues.</p>
	89. Making reports on published public tenders for election legal and financial advisers in privatization	Privatization Council	Continuous	No. of published tenders and other related information in reporting period	<p><b>ASSESSMENT 226: Measure is being continuously realized</b> In reporting period, there were no activities on selection legal and financial consultant, although no obligation determined for selection consultant; if necessary selection is being carried out in public and transparent manner, via public invitation.</p>

	90. Informing the public and the employees of their rights to participate in decision-making and monitoring of the privatization process	Privatization Council, Agency of MNE for Economic Restructuring and Foreign Investments	Continuous	No. of submitted inquiries and questions in written form, directly to Privatization Council and Montenegrin Agency or to the Newspaper "Pobjeda"; No. of responses sent to citizens and employees	<b>ASSESSMENT 227: Measure is being continuously realized</b> In reporting period, there were neither requests nor questions of citizens regarding privatization process.
	91. Providing access to all information related to privatization on the basis of Law on free access to information	Agency of Montenegro for Economic Restructuring and Foreign Investments	Continuous	No. of positive/negative replies compared to No. of requests received; No. of decisions revoked by court	<b>ASSESSMENT 228: Measure is being continuously realized</b> In reporting period 168 requests submitted, out of that NGO MANS submitted 165 requests (85 requests to Agency and 80 to Council - all requests timely replied at) and there were three more requests from: Socialist Peoples Party (SPP), Institute "Alternative" and youth Association of Montenegro. At the same time, Constitutional Court submitted 7 sentences to the Agency (out of which 6 were to the detriment of Agency and one in its favor). Constitutional Court submitted and one sentence to the Council, which was to the detriment of Council. In reporting period Agency received 3 appeals from administrative Court where appellant is MANS.
	92. Posting all the documents significant for privatization process transparency at the Agency web site (tenders and other materials related to privatization under the competency of Privatization Council and Montenegrin Agency for Economic Restructuring and Foreign Investments)	Agency of Montenegro for Economic Restructuring and Foreign Investments	Continuous	No. of posted tenders and other documents at the web site of the Agency in the reporting period	<b>ASSESSMENT 229: Measure is being continuously realized</b> In reporting period there were 19 public invitations and amended invitations. Detail information available at <a href="http://www.agencijacg.org">www.agencijacg.org</a> and <a href="http://www.antikorup.vlada.cg.yu">www.antikorup.vlada.cg.yu</a> . In addition, in reporting period, Privatization Council completed its web portal, where all necessary information regarding privatization process is available.
<b>INTEGRITY DEVELOPMENT OF OFFICERS INVOLVED IN PRIVATIZATION PROCESS</b>	93. 1. Implementing procedures for reporting non-compliances and corruption in privatization 2. Implementing procedures for reporting conflict of interest in privatization	1. 2. Commission for examining comments, complaints, prepositions and suggestions of citizens and other subjects on privatization process	Continuous	1. 2. – Report on work of the Commission; total number of reports, anonymous reports; institutions whom reports were submitted; feedbacks from competent institutions	<b>ASSESSMENT 230: Measure partly realized</b> Procedures defined.  <b>ASSESSMENT 231: Measure is being continuously realized</b> In period from establishing this Commission until the end of reporting period, one appeal on privatization process submitted.
	94. Developing Booklet for reporting instances of corruption in privatization process	DACI, in cooperation with Commission for examining comments, complaints, prepositions and suggestions of citizens and other subjects on privatization process	2008	Booklet developed	<b>ASSESSMENT 232: Measure is realized</b>  DACI in cooperation with the Commission prepared brochure for reporting corruption in privatization process.
	<b>RECOMMENDATIONS:</b>				

1. Ministry for Economic Development, Ministry of Maritime Affairs, Transport and Telecommunications, Ministry of Agriculture Forestry and Water Management and Ministry



- of Tourism and Environmental Protection are to organize continuously public discussions on privatization plans and strategies for entities of strategic significance, in accordance with privatization plans of companies that are under the competency of these institutions. These institutions are to inform National Commission about it.
2. Privatization Council and MNE Agency for Restructuring of Economy and for Foreign Investments are to submit detail information on number of entities included in the system for the control of investment, the number of identified cases of violation of the privatization contract and number of contracts terminated violating contractual obligations
  3. Privatization Council and MNE Agency for Restructuring of Economy and for Foreign Investments, in next three month reporting period, are to submit detail information on means of promoting and informing citizens and employees about their rights to participate in decision making and control of the privatization process
  4. Commission for monitoring and controlling transparency in privatization process in Parliament of Montenegro is to initiate activities on realization of its activities in accordance with measures from Innovated Action plan and to inform National Commission about it. - **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT.**
  5. Privatization Council, i.e. Agency of Montenegro for Economic Restructuring and Foreign Investments, is to improve access to all information related to privatization on the basis of Law on free access to information - **NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT**
  6. Privatization Council, i.e. MNE Agency for Restructuring of Economy and for Foreign Investments is to publish and announce structure of tender commissions.
  7. Commission for examining comments, complaints, prepositions, and suggestions of citizens and other subjects on privatization process is to submit information on number of reports on corruption in privatization process.

#### **E. DIRECTORATE FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING /DPML&FT/**

Directorate for Prevention of Money Laundering and Terrorism Financing adopted the **Rulebook on Internal Organization and Systematization** in accordance with the Law on Prevention of Money Laundering and Terrorism Financing. Pursuant to that Rulebook, Department for the Supervision of reporting entities was established (ten vacancies fulfilled). In reporting period, officers of Department for the Supervision of reporting entities carried out 74 inspections over reported entities.

Further more, this Directorate continuously participates at working meetings of the **EGMONT Group**, as well as at the international seminars and conferences of the **MONEYVAL Committee and CoE Committee for crime issues**. Trainings, seminars, and conferences, on prevention of money laundering, for authorized persons and employees having direct contact with clients were conducted.

Directorate performs, continuously, state of play analysis and needs assessment for defining **amended list of indicators** (expert basis for innovation of list of indicators with the aim to identify suspicious transactions prepared). In field of **cooperation with other countries**, Directorate continuously performs **analysis on implementation of existing agreement on cooperation** with financial intelligence units (FIU) within the region (signed Agreements with EULEX and the State Committee for financial audit of Ukraine), and **needs assessment** for signing of new agreements as well. As a result of this cooperation 15 reports on suspicious transactions were submitted to prosecution and police. Furthermore, within the scope of activities on enhancing regional cooperation, regional meetings were held on regular basis (in reporting period two meetings with Serbia FIU were held in Belgrade and one meeting with Croatia FIU in Zagreb as well).

On national level, Directorate for Prevention of Money Laundering and Terrorism Financing keeps regular communication with other authorized state bodies and organizations. As the result of that communication and cooperation, 14 reports on suspicious transactions were submitted, while, on international level, 15 reports on suspicious transactions were submitted.

Ministry of Internal Affairs and Public Administration established Working Group to prepare Strategy for fight against terrorism, prevention of money laundering and terrorism financing and Action plan for its implementation. Directorate for Prevention of Money Laundering and Terrorism Financing participates in work of this group; preparation of these documents is in progress.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>HARMONIZATION OF THE OPERATION OF THE ADMINISTRATION FOR PREVENTION OF MONEY</b>	95. Capacity building of the Administration for Prevention of Money Laundering and Terrorism Financing through:	Directorate for Prevention of Money Laundering and Terrorism Financing / DPML&FT/,	1, 2 - III Q of 2008 3. 2008	1. Regulations adopted 2. Department established 3. Increased No. of new employees within the Administration; no. of new	<b>ASSESSMENT 233: Measure is realized</b> Rulebook adopted

<b>LAUNDERING AND TERRORISM FINANCING WITH THE NEW LEGISLATIVE FRAMEWORK</b>	1. Changing and adoption of the new Regulations on Internal Organization and Systematization in accordance with the Law on Prevention of Money Laundering and Terrorism Financing 2. Establishment of the Department for the Supervision of reporting entities 3. Recruiting personnel as per the new Regulations on Internal Organization and Systematization and new staff training	Ministry of Finance, Government of MNE		employed; Total No. of trainings; No. of trainees	<b>ASSESSMENT 234: Measure is realized</b> Department established in reporting period officers of Department for the Supervision of reporting entities carried out 74 inspections over reported entities.
	96. Determining risk analysis directives	DPML&FT and other in line bodies out of the article 86 of the Law on Prevention of Money Laundering and Terrorism Financing (except physical persons)	2008	Directives determined by DPML&FT, Central Bank of MNE, Agency for insurance Supervision, Administration for games of chance, Commission for valuable papers, Prevention of Money Laundering and Terrorism Financing Strategy	<b>ASSESSMENT 235: Measure partly realized</b> In previous reporting period, ten vacancies fulfilled in accordance with Rulebook.
<b>TRAINING OF THE EMPLOYEES OF THE ADMINISTRATION FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING</b>	97. Participation to seminars organized by international institutions	DPML&FT	Continuous	No. of attendees; No. of seminars whereon the representatives of the Administration participated	<b>ASSESSMENT 237: Measure is being continuously realized</b> - 1 seminar/ OSCE, 8 participants - 1 seminar "Money laundering Typology"- 2 participants - 1 Conference on public administration reform /SIGMA/ 1 participant - MONEVYVAL Conference/ 29.th CE Committee Plenary meeting - 1 international conference – III Regional FIU Conference – 1 participant - Study visit /London/ 3 DPML&FT representatives
	98. Participation of the representatives of the Administration in the working groups of the EGMONT Group	DPML&FT	Continuous	No. of meetings of EGMONT whereon the representatives of the Administration participated	<b>ASSESSMENT 238: Measure is being continuously realized</b> 1 meeting of EGMONT group and 17th Plenary session of EGMONT group, Doha/ signed Agreement with the State Committee for financial audit of Ukraine
<b>UPDATING /AMENDING LIST OF INDICATORS OF SUSPICIOUS TRANSACTIONS RELATED TO NEW METHODS OF MONEY LAUNDERING AND TERRORISM FINANCING</b>	99. Current status analysis and, accordingly needs assessment for defining amended list of indicators (in accordance with the article 46 of the Law, list of indicators is being determined by Ministry of Finance on the basis of professional ground prepared by the Administration for Prevention of Money Laundering and Terrorism Financing in cooperation with other in line bodies)	Ministry of Finance, DPML&FT, Central Bank of MNE, in cooperation with other in line bodies out of the article 86 of the Law on Prevention of Money Laundering and Terrorism Financing (except physical persons)	Continuous	Total number of new indicators; Potentially, amended list of indicators of suspicious transactions determined	<b>ASSESSMENT 239: Measure partly realized</b> Expert basis for innovation of list of indicators with the aim to identify suspicious transactions and clients prepared and submitted to the Ministry of Finance for adoption.

<b>TRAINING OF AUTHORIZED PERSONS AND EMPLOYEES OF REPORTING ENTITIES</b>	100. Making training plan for the purpose of organizing seminars for authorized persons of reporting entities and the employees having direct contact with clients	DPML&FT	Continuous	Training plan made; Total number of seminars and conferences as per institutions and areas	<b>ASSESSMENT 240: Measure is being continuously realized</b> In accordance with Training Plan, in reporting period one consultation held with authorized persons and employees having direct contact with clients were conducted.
<b>ENHANCING REGIONAL COOPERATION</b>	101. Agreement implementation analysis on cooperation with financial intelligence units within the region, and needs assessment for signing new agreements	DPML&FT	2008, Continuous	Needs assessment analysis made on signing bilateral on exchange financial-intelligence data, information and documentation with authorized bodies of other countries, as well as international organizations; No. of submitted reports on suspicious transactions to prosecution/police, as a result of international cooperation	<b>ASSESSMENT 241: Measure is being continuously realized</b> As a result of international cooperation 15 reports on suspicious transactions were submitted to prosecution and police. DPML&FT made analysis on needs assessment for signing bilateral agreements on financial-intelligence data exchange, information and files exchange with other state competent bodies as well as with international organizations, in accordance with National Commission recommendation from IV report. Analysis available at <a href="http://www.antikorupc.vlada.cg.yu">www.antikorupc.vlada.cg.yu</a>
	102. Innovate current or signing new cooperation agreements with FIU from the region on the basis of conducted analysis	DPML&FT	2008, Continuous	Total number of agreements compared to assessed needs for signing new or innovating current agreements	<b>ASSESSMENT 242: Measure is being continuously realized</b> Signed Agreement with EULEX, Priština
	103. Maintaining regional meetings with the FIU from the neighboring countries	DPML&FT	Continuous	No. of regional meetings	<b>ASSESSMENT 243: Measure is being continuously realized</b> Two meetings with Serbia FIU were held in Belgrade and one meeting with Croatia FIU in Zagreb as well
<b>ENHANCING INTERNAL COOPERATION</b>	104. Agreement implementation analysis on cooperation with other authorized state bodies and organizations	DPML&FT and other bodies (Police Administration, Tax Administration, Customs Administration, Commission for valuable papers, Central Bank of MNE), and in line ministries	Continuous	Analysis made; No. of submitted reports on suspicious transactions to prosecution/police as a result of inter institutional cooperation	<b>ASSESSMENT 244: Measure partly realized</b> 14 reports on suspicious transactions were submitted as a result of inter institutional cooperation.
	105. Innovate individual cooperation agreements with other authorized state bodies and organizations and signing new agreements in accordance with conducted analysis	DPML&FT and other bodies (Police Administration, Tax Administration, Customs Administration, Securities Commission MNE, Central Bank of MNE), and in line ministries	Continuous	Total number of new agreements as well as No. of innovated agreements	<b>ASSESSMENT 245: Measure is not realized</b> 2 new agreements signed: - Agreement on cooperation with EULEX, Priština - Agreement with the State Committee for financial audit of Ukraine
<b>PREPARATION OF PARTICULAR PROGRAM FOR FIGHT AGAINST MONEY LAUNDERING AND TERRORISM FINANCING</b>	106. In accordance with the need to prepare new Program for fight against corruption and organized crime, it is necessary to prepare and develop its significant segment – Program for fight money laundering and terrorism financing for period 2010 – 2012	DPML&FT in cooperation with: MoJ, MoI&PA, Agency for National Security, Police Administration, Tax Administration, Customs Administration, Supreme State Prosecutor, courts, DACI,	2009	Analytical background prepared for Program making; Program for fight money laundering and terrorism financing for period 2010 – 2012 prepared Action plan for its implementation prepared	<b>ASSESSMENT 246: Measure is not realized</b> Ministry of Internal Affairs and Public Administration established Working Group comprised of representatives of DPML&FT, Ministry of Justice and other competent bodies. According to changed Working Program of Government, preparation of Strategy and Action

		Securities Commission MNE, State Auditors Institution, Central Bank of MNE Agency for insurance Supervision, Administration for games of chance, Bank Association, NGO			plan is to be completed for IV quarter of 2009.
--	--	--	--	--	---

**RECOMMENDATIONS:**

1. Ministry of Finance and Directorate for Prevention of Money Laundering and Terrorism Financing are to intensify activities on preparation amended list of indicators, and to inform National Commission about it in next reporting period
2. Directorate for Prevention of Money Laundering and Terrorism Financing in cooperation with other competent bodies (Police Directorate, Tax Administration, Customs Administration, Securities Commission MNE, Central Bank of MNE) and line ministries is to provide information on agreement implementation analysis in field of fight against money laundering, by the end of III quarter of 2009.
3. Ministry of Internal Affairs and Public Administration, in cooperation with competent bodies, are to intensify activities on preparation draft Program for fight against money laundering and terrorism financing for period 2010 – 2012.

**F. PUBLIC PROCUREMENT**

With the aim of capacity building for implementation of the Public Procurement Law, and in accordance with the Rulebook on Systematization and Internal Organization, **Public Procurement Directorate, and Commission for the Control of Public Procurement Procedure** plan to recruit one employee, while in Commission one trainee is hired. Training needs plan in public procurement area for 2009 has been prepared; in reporting period Directorate held one two days seminar for 60 participants. Training project for representatives of local self government bodies and institutions in Montenegro dealing with public procurement was initiated in cooperation with OSCE Mission in Montenegro; four seminars were realized for 130 local self government representatives. Public Procurement Directorate in cooperation with SIGMA initiated new faze of project - elaboration of generic training modules on public procurement for countries IPA beneficiaries- so called "Training on public procurement in West Balkan". Regarding IT training programs Public Procurement Directorate pointed out that these activities realization depends on introduction of adequate public procurement electronic system, after establishing overall legislation framework meaning after providing basic preconditions for public procurement electronic system introduction. Regarding introduction of electronic register book, Commission already introduced electronic office management while Public Procurement Directorate plans to introduce it in 2009.

Regarding efficient implementation of the **Law on Public Procurement**, in the field of fight against corruption, set of measures is realized. **Public Procurement Manual** is developed in cooperation with the Human Resource Management Agency, published, and distributed in 500 copies; Commission for the Control of Public Procurement Procedure, in cooperation with the EAR, within the project "Capacity building of the Commission for public procurement," created the electronic register book for the Commission needs. Commission also developed and published in June 2008 "**Analysis on the protection of the rights of bidders in the Western Balkan countries**" (available at web site of the Commission). Public Procurement Directorate published brochure "Guidebook through public procurement system of Montenegro." Public Procurement Directorate, in cooperation with Commission for the Control of Public Procurement Procedure, is preparing Comments on Law on public procurements.

Furthermore, phone line to report public procurement procedure violations, was established back in 2007. Information on introduced claims is available at [www.djn.vlada.cg.yu](http://www.djn.vlada.cg.yu). All claims are being submitted in accordance with law, and reporters were informed if known. In addition, reports on work of phone line for reporting corruption are being prepared in period of six months and available at [www.djn.vlada.cg.yu](http://www.djn.vlada.cg.yu). Furthermore, Public Procurement Directorate submitted additional information on reported cases of violation public procurement procedure. In period 14. 10. 2008 – 08.04.2009. NGO Mans submitted reports regarding 44 public procurement procedures against competent bodies, public institutions, municipalities etc. Detail information available at [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu).

Government of Montenegro adopted Annual report on public procurement for 2008. as well as Statistical report on public procurement procedures via shopping method for first half of 2008. This report contains data on assigned public procurement in all public procurement procedures including public procurement of small value, i.e. shopping method for 2008. Statistical report on public procurement procedures via shopping method for 2008 was prepared by the Public Procurement Directorate, by uniting published decisions on contract assignment in public procurement procedure. This Report states that **1090 public procurement procedures related to goods were carried out, so as 687 public procurement procedures relating to services, and 461 public procurement procedures relating to concession of work performance. Total 2238 public procurement procedures via shopping method were carried out. Public procurement values, under decisions on contract assignment and according to public procurement subject manner, were 4.315, 303.38 € for goods, 2.462, 998.14 € for services and 9.432, 795.84 € for concession of work performance. Total of contracted public procurement value was**

**16.211, 097.36 €.** Within total number of public procurement procedures carried out via shopping method (2238), 49% were goods, 31% services and 20% work performance. According to number of assigned contracts in public procurement procedures via shopping method, at most contracts regarding public procurement subject manner were assigned for public procurement of goods and regarding value – for public procurement procedures relating to concession of work performance. Having in mind published decisions on assigned contracts via shopping method, regarding public procurement subject manner, within total value of public procurement 27% were goods, 58% work performance and 15% services (detail statistical data schedule available at [www.djn.vlada.cg.yu](http://www.djn.vlada.cg.yu))

**Transparency and efficiency in the public procurement procedure and protection of the rights of bidders** is being continuously ensured in a manner that all **decisions upon submitted complaints are being posted at the Commission's web site – [www.nabavka.cg.yu](http://www.nabavka.cg.yu)** by the day of determining decision. In reporting period 226 complaints were applied, out of which 61 were accepted, 163 refused, 27 rejected and procedure was suspended for 5 complaints. In addition, with the aim of realization obligations from this part of Action plan, Public Procurement Directorate continuously publishes **public procurement a plan of all enforces**, for next year. Public procurement plan for this year is available at [www.djn.vlada.cg.yu](http://www.djn.vlada.cg.yu)

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>CAPACITY BUILDING FOR IMPLEMENTATION OF LAW</b>	107. Needs assessment and recruiting new staff	Public Procurement Directorate, Commission for the Control of Public Procurement Procedure	Continuous	No. of recruited staff compared to No. of capacity needs	<b>ASSESSMENT 247: Measure is being continuously realized</b> During 2009 Public Procurement Directorate plans to recruit one employee according to the Rulebook on Systematization and Internal Organization, while in Commission one trainee is hired one position remains free/ recruitment is postponed due to Government measures for overcoming the economic crisis.
	108. Making training needs plan and conducting trainings for implementation of Law on Public Procurement (Public Procurement Directorate, public procurement officers and bidders)	Public Procurement Directorate, Human Resources Management Agency	Continuous	Training needs plan made; No. of trainings compared to no. of needed; No. of trained staff	<b>ASSESSMENT 248: Measure is being continuously realized</b> Training program for 2009 is prepared; one two days seminar for 60 participants realized; Training project for representatives of local self government bodies and institutions in Montenegro dealing with public procurement was initiated in cooperation with OSCE Mission in Montenegro; four seminars were realized for 130 local self government representatives.
	109. IT Training for public procurement officers and bidders	Public Procurement Directorate in cooperation with Ministry for Information Society	2009.	No. of trainings, No. of trained staff	<b>ASSESSMENT 249: Measure is not realized</b> Realization of trainings depends on establishment of an adequate public procurement electronic system, after overall electronic system legislation completion, and that will be possible to plan after 2011, when elementary preconditions for implementation of public procurement electronic system will be provided. PPD suggest erasing this measure.
<b>PROVISION FOR EFFICIENT IMPLEMENTATION OF THE LAW ON PUBLIC PROCUREMENT IN FIGHT AGAINST CORRUPTION</b>	110. Develop Public Procurement Manual	Public Procurement Directorate, in cooperation with Commission for the Control of Public Procurement Procedure	III Q of 2008	Public Procurement Manual developed	<b>ASSESSMENT 250: Measure is realized</b> Manual prepared in cooperation with Human Resource Management, published in 500 copies. Guidebook trough public procurement system of Montenegro also prepared, available at <a href="http://www.djn.vlada.cg.yu">www.djn.vlada.cg.yu</a>
	111. Provisions of conditions for the implementation of the Public Procurement Law regarding the electronic public procurement system	Public Procurement Directorate in cooperation with Ministry for Information Society	2009	The electronic public procurement system established	<b>ASSESSMENT 251: Measure is not realized</b> PPD ensured enforces of Law on public procurement, to submit them: public procurement plans, biddings, decisions on

					contract assignment in public procurement procedures as well as decisions on cancellation, amendments on biddings and reports on public procurements, in electronic manner, individually for each year. All abovementioned documents are available immediately at web side of PPD, wherewith public procurement basic principles are being respected such as – transparency and equality. In that way solid basis for overall implementation of modern electronic system is being introduced. Public procurement electronic system introduction is not possible to realize before 2012, which means no sooner than overall legislation completion in the area of electronic distribution and establishment adequate institutions in this area.
112. Creation of the electronic register book	Commission for the Control of Public Procurement Procedure	2008-09	Electronic register book established	<b>ASSESSMENT 252: Measure is realized</b> Commission already introduced electronic office management while Public Procurement Directorate plans to introduce it in 2009, in cooperation with Ministry for Informational Technology and trough IPA program	
113. Develop comparative analysis on the protection of the rights of bidders in the WB countries	Public Procurement Directorate Commission for the Control of Public Procurement Procedure	2008. Continuous	Comparative analysis done	<b>ASSESSMENT 253: Measure is realized</b> Analiza je objavljena	
114. Report irregularities with the elements of corruption in the public procurement procedures 2. Creating precise directives on corruption reporting procedure in public procurement and manner of handling reports of citizens 3. Operating of a phone line to report corruption 4. Informing the prosecution and police on determined irregularities with the elements of corruption in the public procurement procedures 5. Making six-month reports on work of a phone line to report corruption and posting reports at the website	Public Procurement Directorate	1. III Q of 2008  2, 3.4 Continuous	1. Precise directives created and published 2. No. of reported cases; No. of non proceeded reported cases; No. of cases submitted to prosecution/police; No. of tenders canceled due to reported cases; No. of criminal charges 3. No. of submitted information to the Police Administration compared to determined irregularities; No. of criminal charges submitted to prosecution/police based on irregularities observed by the Commission for the Control of Public Procurement Procedure 4. Reports on work of a phone line made and posted at the web site	<b>ASSESSMENT 254: Measure is realized</b> Public Procurement Directorate prepared and published practical instruction “Manner of reporting irregularities and illegality in public procurement procedures” published and available at <a href="http://www.djn.vlada.cg.yu">www.djn.vlada.cg.yu</a> . <b>ASSESSMENT 255: Measure is being continuously realized</b> Information on received claims and work of phone line to report public procurement procedure violations available at <a href="http://www.djn.vlada.cg.yu">www.djn.vlada.cg.yu</a> . All claims are being submitted in accordance with law, and reporters were informed if known. In reporting period 6 anonymous claims received via phone line. Information available at web site of PPD <a href="http://www.gov.me/files/1231748567.doc">http://www.gov.me/files/1231748567.doc</a> <b>ASSESSMENT 256: Measure is being continuously realized</b> Information on received claims and work of phone line to report public procurement procedure violations available at <a href="http://www.djn.vlada.cg.yu">www.djn.vlada.cg.yu</a> All claims are being delegated to competent	

					institutions in accordance with law, and reporters were informed if known.
					<b>ASSESSMENT 257: Measure is being continuously realized</b> Report and information available at PPD web site, claims delegated in accordance with law, and reporters were informed if known. PPD submitted additional information on reported cases of public procurement procedure violation. In reporting period 6 reports submitted, detail information available at web site <a href="http://www.djn.gov.me">www.djn.gov.me</a>
	<b>115.</b> Making and submitting reports on procurement plans monitoring compared to envisaged and accomplished shopping methods (regarding to legal limitation to announce the shopping method not more than twice a year for services, goods and pursuits) and canceling procedures in the cases of legal offences	Public Procurement Directorate	III Q of 2008, Continuous	No. of reports made; No. of enforcers of the Law whose public procurement plans are monitored; No. of tenders canceled due to announcing more than two shopping methods; No. of charges submitted to prosecution/police based on received information	<b>ASSESSMENT 258: Measure partly realized</b> Government of Montenegro adopted Annual report on public procurement for 2008. in accordance with Law. Report available at <a href="http://www.djn.gov.me">www.djn.gov.me</a>
	<b>116.</b> Making and posting six-month reports on state of affairs of the public procurement, observed irregularities and proposed measures to improve the system	Public Procurement Directorate	III Q of 2008, Continuous	No. of posted reports; No. of proposed measures; No. of accomplished proposed measures	<b>ASSESSMENT 259: Measure is realized</b> <b>Remark of PPD:</b> In accordance with Law on public procurement (article 17 paragraph 1 point 18 and article 84 paragraph 5) PPD is engaged to prepare and according to clearly defined procedure submit to the Government report on public procurement <b>for previous year</b> no longer than May 31 of current year , for analyzing and confirmation.
<b>PROVISION OF BETTER TRANSPARENCY AND EFFICIENCY IN THE PUBLIC PROCUREMENT PROCEDURE AND PROTECTION OF THE RIGHTS OF BIDDERS</b>	<b>117.</b> Posting issuing of complaints at the particular part of the Commission for the Control of Public Procurement Procedure web site	Commission for the Control of Public Procurement Procedure	III Q of 2008, Continuous	No. of positive/negative issuing of complaints; No. of charges submitted to prosecution/police based on irregularities determined during the complaint procedure	<b>ASSESSMENT 260 Measure is being continuously realized</b> In reporting period <b>226</b> complaints submitted, out of which <b>61</b> were accepted, <b>163</b> refused, <b>27</b> rejected and procedure was suspended for 5 complaints.
	<b>118.</b> Posting at the web site procurement plans of all enforcers of the Law in a time limit envisaged by Law	Public Procurement Directorate	III Q of 2008, Continuous	No. of posted procurement plans compared to No. of enforcers	<b>ASSESSMENT 261: Measure is being continuously realized</b> Plan for 2009. available at <a href="http://www.djn.gov.me">www.djn.gov.me</a> .
<b>RECOMMENDATIONS:</b>					
<ol style="list-style-type: none"> <li>Public Procurement Directorate is to inform continuously prosecution office and police on determined irregularities with elements of corruption in public procurement procedure</li> <li>Public Procurement Directorate is to intensify activities related to monitoring over public procurement procedures and to inform timely National Commission about it. – <b>NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT.</b></li> <li>Ministry of Finance and Public Procurement Directorate are to analyze the need to prepare proposal changes and amendments of Law on public procurement, particularly for public procurement system in the area of utility services, with the aim of harmonization with EU legislation. - <b>NC RECOMMENDATION PURSUNAT TO 2008 EC REPORT.</b></li> </ol>					

## G. COMMISSION FOR DETERMINING CONFLICT OF INTEREST

Out of total number (2409) of public officials, **2138 or 88, 7%** submitted report on income and assets for 2008/9; out of that number, **906** were state public officials (**99,2 %**), and out of total number (**1496**) of local public officials **1232 (88, 3%)** submitted report on income and assets. **Seven state public officials and 264 local public officials did not report** about its financial status.

Due to violation of Law Commission sent **8 requests for dismissal from public office** for state public officials and **8 requests for dismissal from public office for local state officials**; out of 24 public officials who are owners of private companies, based on Commission's decision 21 public official delegate its managing rights to other "non-related person", while remaining tree haven't done it yet. Due to membership in several managing boards, after Commission made decision, 22 out of 23 public officials resigned and misdemeanor procedure have been initiated against one public official who has not resigned from membership in managing board. Commission brought 437 decisions (352 in first instance and 85 in second instance) out of which in 74% decisions made that public officials are breaking Law, in 12% of decisions made that public officials broke Law and in 14% of decisions made that public officials do not break Law. Out of total number of initiatives, 70% were submitted by Commission, 20% were submitted by NGO MANS and 8% by other subjects. Upon Commission's final decisions appeals were submitted to the Administrative Court for 34 public officials, out of which 7 appeals were accepted and returned to Commission for finishing and in six of these cases Commission already prepared amended decisions. Out of 41 requests for reconsideration of Commission decisions that were submitted to Supreme Court, none were adopted, which means that Commission decisions were correct. Detail information available on as well as data base of all public officials (data on financial status, decisions on violating the Law and else) which is regularly updated.

Commission for Determining Conflict of Interests implements control of the accuracy of submitted data through ongoing realization of several measures. In that sense, in reporting period, seven information were submitted to the State Prosecutor on giving inaccurate data on assets. Supreme State Prosecutor office submitted feedback information only for one public official, whereon procedure for remaining 6 is ongoing. However, since the Law on Prevention of Conflict of Interest in exercising public function in effect since January 17, 2009, and considering the fact that after parliamentary elections new Commission needs to be establish which is to be expected 90 days after establishing the Parliament (Commission will be constituted of seven members and adequate Budget, therefore in upcoming period, Commission would harmonize its organizational structure as envisaged by adopted Law).

In addition, training for public officials, NGO representatives, and media representatives is being continuously carried out. In reporting period, in cooperation with NGO CEMI, 3 seminars were realized (one for media, and two for local public officials from Bar, Ulcinj, Cetinje and Budva), whereon 60 participants attended. Also, Commission signed Agreement on cooperation with Media Institute of Montenegro.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
EFFICIENT CONTROL OF THE ACCURACY OF SUBMITTED DATA	119. Application of the obligation to submit information to the State prosecutor on false declaration off assets	Commission for Determining the Conflict of Interests	Continuous	No. of submitted pieces of information compared to the no of irregularities determined	<b>ASSESSMENT 262: Measure is being continuously realized</b> Commission regularly submits information to competent prosecutor office for determining irregularities. In reporting period there were seven cases submitted to the State Prosecutor (6 are in progress)
	120. Making needs analysis for capacity building of Commission for Establishing the Conflict of Interests due to new competencies envisaged by new Law on Prevention of Conflict of Interest in carrying out public function 1. In accordance with determined needs, modify the Rulebook on internal organization and systematization of	Commission for Determining the Conflict of Interests	2008	Analysis made  1. Rulebook modified  2. New staff recruited due to modified Rulebook	<b>ASSESSMENT 263: Measure is not realized</b> Law on Prevention of Conflict of Interest in exercising public function in effect since January 17, 2009; after parliamentary elections follows establishing the Parliament and within 90 days establishing new Commission, which is precondition for adoption of new Rulebook on internal organization and systematization of Commission.



	working positions 2. Accordingly to modified Rulebook, enhance human resources				<b>ASSESSMENT 264: Measure is not realized</b> <b>Note for 263 and 264:</b> Law on Prevention of Conflict of Interest in exercising public function in effect since January 17, 2009; after parliamentary elections follows establishing the Parliament and within 90 days establishing new Commission, which is precondition for adoption of new Rulebook on internal organization and systematization of Commission.
<b>TRAINING FOR ALL THOSE INVOLVED IN THE IMPLEMENTATION OF LAW ON PREVENTION OF CONFLICT OF INTEREST IN CARRYING OUT PUBLIC FUNCTION</b>	121. Training for public officials (local officials), NGO representatives, Media representatives	Commission for Determining the Conflict of Interests, in cooperation with NGOs and the media	Continuous	No. of trainings; no of persons who have undergone training	<b>ASSESSMENT 265: Measure is being continuously realized</b> In reporting period seven seminars were realized. In cooperation with NGO CEMI, 3 seminars were realized (one for media, and two for local public officials from Bar, Ulcinj, Cetinje and Budva), whereon 60 participants attended and 2 seminars for local public officials and 2 seminars for judges, prosecutors and state public officials. Agreement on cooperation with Media Institute of Montenegro was signed.

#### H. STATE ELECTION COMMISSION

**NOTE:** This is a completely new chapter in the IAP. Realization of measures from this chapter mostly requires adoption of Law on State Election Commission, which is to be prepared by Parliament inter –party group (Considering the fact that formation of parliamentary working bodies is in progress one can not specify the exact dynamics of the preparation and adoption of this law). State Election Commission President suggests for all these measures to be assessed in 2009 and later

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>CONTINUE WITH THE HARMONIZATION OF FUNCTIONING WITH LEGISLATION FRAMEWORK AND CAPACITY BUILDING OF THE STATE ELECTION COMMISSION</b>	122. Adopting new Rulebook on internal organization and systematization of the State Election Commission	State Election Commission	2009.	Rulebook adopted	<b>ASSESSMENT 266: Measure is not realized</b>
	123. Establishing Department for monitoring transparency of political parties and candidates financing, in accordance with the Law on State Election Commission	State Election Commission	2009.	Department for monitoring transparency of political parties and candidates financing established	<b>ASSESSMENT 267: Measure is not realized</b>
	124. Establishing the Unit within the State Election Commission for submitting and processing reports on instances of misuses and pressures put on electors during the election process	State Election Commission	2009	No. of reports of citizens; No. of reports submitted to the Police Administration; No. of submitted misdemeanor or criminal charges; No. of sentences	<b>ASSESSMENT 268: Measure is not realized</b>
	125. Enhance human resources according to new Rulebook on internal organization and systematization	State Election Commission	2009.	No. of new staff	<b>ASSESSMENT 269: Measure is not realized</b>
	126. Training plan making and education of employees and members of both the State Election Commission and election commissions in the municipalities	NGO, State Election Commission	2009, Continuous	Training plan made; No. of trainings compared to planned; No. of participants	<b>ASSESSMENT 270: Measure is not realized</b>

<b>INTEGRITY DEVELOPMENT OF THE STATE AND MUNICIPALITY ELECTION COMMISSIONS</b>	127. Development of a Code of Ethics for public servants within the State Election Commission and election commissions in the municipalities	State Election Commission	2009.	Code of Ethics developed	<b>ASSESSMENT 271: Measure is not realized</b>
	128. Establishing Ethical Board	State Election Commission	2009.	Ethical Board established	<b>ASSESSMENT 272: Measure is not realized</b>
	129. Making annual analysis on implementation of the Code of Ethics	Ethical Board of the State Election Commission	2009	Annual analysis on implementation of the Code of Ethics made; No. of disciplinary initiatives for non observance of the Code of ethics	<b>ASSESSMENT 273: Measure is not realized</b>
	130. Organizing periodical trainings on implementation of the Code of Ethics	Ethical Board and NGO	2009	No. of trainings held; No. of State and Municipal members of election commissions participated at trainings	<b>ASSESSMENT 274: Measure is not realized</b>
	131. Building technical capacities via embedding needs and required equipment acquisition	State Election Commission	2009	Required equipment acquired in accordance with identified needs.	<b>ASSESSMENT 275: Measure is not realized</b>
<b>ENHANCING FINANCIAL TRANSPARENCY IN WORK OF THE STATE ELECTION COMMISSION</b>	132. Making detailed financial annual report for elections carried out by State Election Commission and election commissions in the municipalities and posting reports at the website	State Election Commission and election commissions in the municipalities	Continuous	No. of posted reports	<b>ASSESSMENT 276: Measure is not realized</b>

## **I. TAX ADMINISTRATION**

With the aim of prevention of corruption, **Tax Administration** periodically prepares and publishes reports on work of a phone line 9707 at the web site [www.poreskauprava.vlada.cg.yu](http://www.poreskauprava.vlada.cg.yu). In reporting period – 881 citizens called this number, but none of these calls related to corruptive behavior of tax officers. In addition, in this period, there were no complaints with elements of corruption of citizen, via boxes for complaints located in all organizational units.

Strengthening the **Internal Control Department** is being continuously carried out via trainings of officers of this department (in reporting period one performance training, 7 General and Specialized trainings, 24 external trainings on Montenegrin territory as well as 4 external trainings abroad were realized with different topics such as: third National anti-corruption Conference, Seizure of assets acquired by committing criminal offence, Anti-corruption efforts with an emphasis on prevention, Managing projects financed via EU funds, Misdemeanor procedure and else, **where on 74 tax officers participated including** Internal Control Department officers. In addition Tax Administration in cooperation with Human Resource Agency realized English language course on three levels for 41 employees (reports on realized trainings available at web site). Tax Administration prepares reports (monthly, tree months, semi annual, nine month and annual) available at web site [www.poreskauprava.vlada.cg.yu](http://www.poreskauprava.vlada.cg.yu)).

Total 2831 internal controls of procedures were carried out, no irregularities with elements of corruption determined. Internal Control Department prepares reports (monthly, tree months, semi annual, nine month and annual) which are integrated into the Tax Administration report and available at web site.

In reporting period inspection monitoring of tax officers in district units were carried out continuously, by comparison of expected and achieved results, in accordance with Working Program. Control procedure was also carried out in Charging Sector and no irregularities found in this Sector performance – **achieved remuneration in period January – June 2009, via phone contact when delivered 150771 warnings to tax payer, in order to charge delinquent depth were 30.387.260 €.**

In addition, in the framework of preventive anti-corruptive activities, **Code of ethics of public servants within the Tax Administration** is continuously promoted. In reporting period, no disciplinary procedures were carried out.

Regarding external control continuously carried out by Ministry of Finance, in reporting period, out of total number of **339 cases 330 were handled (97%)**. Out of that number **126 (38%) complaints are rejected, 193 (58%) complaints are returned to first instance procedure, and 11 (4%) complaints are solved in meritum** (in 6 cases (55%) decision is changed and new transactional value determined and in 5 cases (45%) procedure is suspended due to lack of evidence for determining tax basis (detail information are in the report of Ministry of Finance, available at web site [www.minfin.cg.yu](http://www.minfin.cg.yu)).

**IT training of staff** was realized in accordance with the Tax Administration education plan, so that, all IT staff as well as huge number of Tax Administration officers and employees are being trained to use IT technology (which is also a condition to get employed). Drafting of project for implementation of Law on conjoint registration and reporting system, tax accounting, and charging is in progress (and accordingly implementation training plan). So far 310 officers participated at these trainings.

Tax Administration **inter-institutional cooperation** with other bodies is being carried out in the framework of legislation and signed agreements. In reporting period: 3 requests for

submitting official files were submitted to Police Directorate; 5 cases were submitted to the Supreme State Prosecutor; 2 cases were submitted to the Basic State Prosecutor for evaluation of the merits to start investigation; upon request of the Basic State Prosecutor Rozaje one control was carried out, information regarding one case were submitted to Directorate for Prevention of Money Laundering and Terrorism Financing; two meetings with representatives of Ministry of Justice were held regarding development of mutual informational system for processing, billing and monitoring applications and procedures.

In addition, Tax Administration submitted three requests to Customs Administration for collecting data on taxpayers for conducting inspection; one case submitted to the Supreme State Prosecutor for initiating investigation against one legal person from Tivat and five cases submitted to the Basic State Prosecutor for further jurisdiction regarding also legal persons; in one case fines submitted to Special Prosecutor Office. Tax Administration received notification from Basic Prosecutor Bijelo Polje on rejecting one claim against legal person from Bijelo Polje as well as one request for additional data for one case from Mojkovac; upon request from Directorate for Prevention of Money Laundering and Terrorism Financing Tax Administration submitted data for several taxpayers from Budva (legal and physical persons); also Directorate for Prevention of Money Laundering and Terrorism Financing provided data on 7 legal persons which have been forwarded for further jurisdiction and control; one control conducted upon MANS's request; initial meeting with Administration for games on chance were held for developing future cooperation and data exchange.

Besides with Police Directorate, based on signed Memorandum on cooperation, Tax Administration also has good cooperation with State prosecutor Office, Union of Employers, Agency for Small and Medium Enterprise Agency for restructuring the economy and foreign investment, MONSTAT as well as with Public Revenue office" in Macedonia, in order to enhance partnership and level of cooperativeness of tax administration services in Region.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
PREVENTION OF CORRUPTION WITHIN THE TAX ADMINISTRATION	133. Making six-month reports on Prevention of corruption to report corruption and posting reports at the website	Tax Administration	Continuous	No. of reported instances of corruption; No of filed complaints to the in line bodies compared to No. of reported cases; reports posted at the website of Tax Administration	<b>ASSESSMENT 277: Measure is being continuously realized</b> In reporting period – 881 citizens called this number, reports available at <a href="http://www.poreskauprava.vlada.cg.yu">www.poreskauprava.vlada.cg.yu</a>
	134. Strengthening the Internal Control Department of the Tax Administration 1) Training of staff of the Internal Control Department 2) Making six-month reports on performed internal controls	Tax Administration	1; 2; Continuous	1) No. of trainings undertaken and no of persons who have undergone training 2) Reports made: No. of irregularities identified; No. of disciplinary initiatives compared to no. of irregularities identified; No. of denunciation/information submitted to the prosecution/police	<b>ASSESSMENT 278: Measure is being continuously realized</b> In reporting period one performance training, 7 General and Specialized trainings, 24 external trainings on Montenegrin territory, as well as 4 external trainings abroad English language course on three levels for 41 employees were realized. All reports on trainings available at <a href="http://www.poreskauprava.vlada.cg.yu">www.poreskauprava.vlada.cg.yu</a> <b>ASSESSMENT 279: Measure is being continuously realized</b> Reports on internal control carried out available at <a href="http://www.poreskauprava.vlada.cg.yu">www.poreskauprava.vlada.cg.yu</a> Total 2831 internal controls of procedures were carried out, no irregularities determined.
	135. Strengthening external control through: Six-month reporting on supervision and their posting on the websites of the Ministry of Finance and the Tax Administration	Ministry of Finance	III Q of 2008 Continuous	Reports made and posted at the websites; No. of irregularities identified; No. of denunciation compared to no. of irregularities identified	<b>ASSESSMENT 280: Measure is realized</b> In reporting period, out of total number of <b>339 cases 330</b> were handled ( <b>97%</b> ). Out of that number <b>126 (38%) complaints are rejected</b> , 193 (58%) complaints are returned to first instance procedure, and <b>11 (4%) complaints are solved in meritum</b> (in 6 cases (55%) decision is changed and new transactional value determined and in 5 cases (45%) procedure is suspended due to lack of evidence for determining tax basis.

	136. Monitoring the observance of the Code of ethics of public servants within the Tax Administration	Tax Administration	Continuous	Number of servants disciplinary sentenced for non observance of the Code of ethics	<b>ASSESSMENT 281: Measure is being continuously realized</b> Code of ethics of public servants within the Tax Administration is continuously promoted by carrying out control measures athwart senior officers and through accessibility of these documents to all Tax Administration employees. In reporting period no disciplinary procedures were carried out.
<b>AUTOMATION OF THE TAXING PROCEDURE</b>	137. IT training of staff	Tax Administration	Continuous	No. of trainings; No. of trainees	<b>ASSESSMENT 282: Measure is being continuously realized</b> All IT staff as well as huge number of Tax Administration officers and employees are being trained to use IT technology (which is also a condition to get employed). So far 310 officers participated at these trainings.
<b>ENHANCED COOPERATION WITH THE POLICE AND PROSECUTORS</b>	138. Making reports on realization of the signed agreements on cooperation	Tax Administration	Continuous (quarterly)	Reports made and submitted to the National Commission: No. of denunciation/information submitted to the prosecution/police compared to signed agreements	<b>ASSESSMENT 283: Measure is being continuously realized</b> 3 requests for submitting official files were submitted to Police Directorate and one request for control in district unit Bar; one case submitted to the Supreme State Prosecutor for initiating investigation against one legal person from Tivat and five cases submitted to the Basic State Prosecutor for further jurisdiction regarding also legal persons; 2 cases were submitted to the Basic State Prosecutor for evaluation of the merits to start investigation; upon request of the Basic State Prosecutor Rozaje one control was carried out; information regarding one case were submitted to Directorate for Prevention of Money Laundering and Terrorism Financing; two meetings with representatives of Ministry of Justice were held regarding development of mutual informational system for processing, billing and monitoring applications and procedures; tree requests submitted to Customs Administration for collecting data on taxpayers for conducting inspection; data on 7 legal persons provided by Directorate for Prevention of Money Laundering and Terrorism Financing which have been forwarded for further jurisdiction and control; one control conducted upon MANS's request.
	139. Enable the police to have direct access to Tax Administration databases	Tax Administration, Police Directorate	II Q of 2008, Continuous	Direct access to Tax Administration databases enabled due to signed agreements	<b>ASSESSMENT 284: Measure is not realized</b> Activities are in initial stage.

**RECOMMENDATIONS:**

1. Tax Administration in cooperation with Police Directorate as soon as possible is to amend and implement Memorandum on cooperation, in order to enable the police to have direct access to Tax Administration databases;

2. Tax Administration, in its next report, is to submit detail information on number of determined irregularities, number of disciplinary procedures initiated upon determined irregularities, as well as number of claims/information submitted to Prosecutor Office or Police Directorate for period January- September 2009

## J. CUSTOMS ADMINISTRATION

Customs Administration undertook suitable activities on enhancing communication with citizens. Flyers “**How to make a complaint to the Customs**” are made to inform public about the ways of submitting comments and complaints to customs service. Flyer also involves information about the “**Open line**” as one of the ways to report about customs offences and all irregularities detected in customs service and customs officers performance (total number of calls is 10). Customs Administration plans to make flyers “How to make a complaint to the Customs” in English and to set posters at all customs clearance places as well as to make promotional spot for Customs Open line.

Furthermore, **Sector for Customs Affairs** provides adequate information about customs procedures and regulations (Number of information and responses by Sector: to Customs Administration organizational units- 297; to state bodies and administrations – 108; to economic entities – 91; to physical persons – 20, to foreign customs services and organizations – 123). In addition, Manual for citizens is made composed of all necessary information about customs procedures with goods. In reporting period Customs Administration made notification for public – Customs measures for protection of intellectual property rights, with the aim to inform public on measures that Customs Administration undertakes with goods for which there is reasonable suspicion that it violates the intellectual property rights and with the customs authorities role in fight against counterfeiting and piracy (available at the web site). In addition, in May 2009, Practicum for determining the customs value was made, which defines the manner of determining the customs value in accordance with the WTO Agreement on Implementation of Article VII of GATT, which was included in the applicable national regulations. Customs Administration makes annual and semi-annual reports on Customs Administration performance. Within the scope of annual report, there is a special part related to activities carried out in the area of fight against corruption. Customs Administration submits annual report to Ministry of finance and posts it at its web site.

**Integrity Development Action Plan** in customs service of Montenegro is revised and adopted (November 24, 2008), whereby defined areas where new initiatives will be focused on (more details in Customs Administration report)

In order to strengthen the **Internal Control Department** of the Customs Administration, training for officers of this department is being carried out continuously (in reporting period five seminars for five participants carried out). **Rules of Procedures** for the Internal Control Department is adopted. This department submits on regular basis annual and semi-annual reports on conducted internal controls (20 controls conducted, out of which 1 case with corruptive elements was submitted to Basic State Prosecutor in Bijelo Polje for further investigation due to suspicion that criminal offence with elements of corruption was committed, and based on two investigations initiative for disciplinary procedure was submitted against customs officers due to reasonable suspicion that they committed serious violation of work obligation according to article 59 paragraph 1 point 1 of Law on state employees and civil servants (Official Gazette of MNE No.50/08) - negligent performance of official duties.

In terms of **external control continuously carried out by Ministry of Finance**, in reporting period, out of total 111 cases that were submitted 109 were solved (98%) meaning that 59 complaints were cancelled (54%), one complaint was rejected (1%), 49 complaints(45%) are solved in meritum (in 20 cases – 41% decision is changed by determining new transactional value according to evidences from case file and in 29 cases – 41% procedure is suspended due to lack of evidence for determining new transactional value; detail information are in Annual report of Ministry of Finance, available at web site [www.minfin.cg.yu](http://www.minfin.cg.yu)).

Within working program of the **EU TACTA Project** for 2008, under sub project MON 08/01.03 key tasks have been defined, and one of them is setting up data base of the Internal Control Department whose realization started on September 1, 2008. In addition, **Code of Ethics** for customs officers was adopted; Code expresses particularities compared to the Code of Ethics of state servants and employees as well as becomes integral part of the revised Law on customs service. Code of Ethics was adopted and published on December 11, 2008, and distributed to all customs officers (1000 copies). In reporting period, seven disciplinary procedures were initiated for violating Code of Ethics standards.

Customs Administration carries out adequate staff trainings via trainings and lectures for passing customs exam. Customs informational system is one of subjects. In reporting period two customs officers attended one seminar on topic “Role of the E-Government Informational system” - detail information are on web site [www.antikorup.vlada.cg.yu](http://www.antikorup.vlada.cg.yu).

With the aim of enhancing technical capacities at border crossing points, construction of joint border crossing between Montenegro and Albania, in Muricani at Albanian territory is in progress. The work is to be completed during this year; in cooperation with Directorate for Public Works construction of new building of the Customs House of Podgorica with CTC (Customs Training Centre) is also in progress, work is to be completed by the end of 2009; New object for the needs of Customs House of Kotor, was built in industrial zone in Kotor, is completed, field settlement is in final stage, work is to be completed in June 2009; Mobile scanner for examining vehicles and containers with goods were acquired and is to be installed in Port of Bar, after preparing field for this purpose, deadline is June 2009; installing weighbridge at terminal in Bijelo Polje is in progress and by the end of 2009 weighbridges at all border crossing points and internal customs clearance offices with goods terminals are to be set up (in previous period weighbridges were being installed at border crossing points Dobrakovo, Dračenovac, Debeli Brijeg and Sitnica); Realization of project regarding networking of border crossing points within integral database is in progress (deadline is June 2009); For remaining customs outposts that are still not connected, dynamic of networking depends on technical possibilities of telecommunication

companies. Drafting project task, as well as project for reconstruction of border crossing points Dobrakovo and Dracenovac is in progress. Resources for 2.500.000, 00€ have been provided from IPA Program for Montenegro (deadline is November 2009).

In order to improve cooperation with the Police Directorate, Customs Administration signed **Agreement on Cooperation with Police Directorate** on October 7, 2008. On the other hand, cooperation with State Prosecutor Office is being carried out continuously on basis of Instruction on obligatory performance of customs service via Supreme State Prosecutor in case of committed criminal offence, adopted at joint meeting held on December 11, 2006. In accordance with agreement with Police Directorate, physical connection via optical cable between these two information systems is realized, and additional equipment acquisition and defining way of data exchange is to follow. In order to accomplish automatic data exchange on national level, project "Development of National intelligence system" is in progress in cooperation with police Directorate. According to National Commission recommendation from its Fourth Report Customs Administration prepared report on realization of signed agreements on cooperation for 2008; in reporting period 1 case with corruptive elements was submitted to Basic State Prosecutor in Bijelo Polje for further investigation due to suspicion that criminal offence with elements of corruption was committed. Report is available at [www.antikorupc.cg.yu](http://www.antikorupc.cg.yu).

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>PREVENTION OF CORRUPTION IN CUSTOMS SERVICES</b>	140. Enhance the system of communication with the public 1) Create a campaign whereby the public will be informed that on a current phone line for reporting instances of smuggling, instances of corruption in the Customs Administration can be reported as well 2.) Establish an orderly operating centre for informing the public on customs procedures 3.) Making six-month reports on reporting instances of corruption 4) Development of Guidelines for the public	Customs Administration	1. 2008	1. Campaign created and conducted	<b>ASSESSMENT 285: Measure partly realized</b> Flyers "How to make a complaint to the Customs" are made; this campaign also involves information about the "Open line". Customs Administration plans making flyers "How to make a complaint to the Customs" in English and setting posters at all customs clearance places as well as to make promotional spot for Customs Open line as well as making promotional spot for Customs Open line. <b>ASSESSMENT 286: Measure is realized</b> <b>Remark:</b> Customs Administration does not have an orderly operating centre, than Sector for customs affairs operate tasks of operating centre. Submitted information: to organizational units- 297; to state bodies and administrations – 108; to economic entities – 91; to physical persons – 20, to foreign customs services and organizations – 123
			2. 2008	2. Orderly Operating Centre established	
			3. Continuous	3. Six-month reports made: number of reported instances of corruption, no of complaints filed with competent bodies compared to the number of instances, reports posted at the Customs Administration website and submitted to the National Commission	
			4. III quarter of 2008	4. Guidelines developed	
					<b>ASSESSMENT 287: Measure is being continuously realized</b> Customs Administration makes annual and semi-annual reports on Customs Administration performance that includes special part related to activities carried out in the area of fight against corruption. Customs Administration submits annual report to Ministry of finance and posts it at its web site. In reporting period, via Customs Open line there were 10 calls, out of that 5 calls related to smuggling of goods and 5 to negligent performance of custom officers.
					<b>ASSESSMENT 288: Measure is realized</b> Manual for citizens is made, while in May 2009 Practicum for determining the customs value

					was made, which defines the manner of determining the customs value in accordance with the WTO Agreement on Implementation of Article VII of GATT, which was included in the applicable national regulations. Practicum is being distributed to all customs organizational units and economic entities.
	141. Revision of the Action Plan on integrity development in customs service	Customs Administration	2008.	Action Plan revised, in accordance with the Arusha Declaration	<b>ASSESSMENT 289: Measure is realized</b> Revised Action plan adopted (November 24, 2008) in accordance with the Arusha Declaration. Printed in 100 copies and distributed.
	142. Strengthening the Internal Control Department of the Customs Administration : 2) Training of staff of the Internal Control Department 3) Development of Rules of Operation for the Internal Control Department 4) Making six-month reports on performed internal controls 5) Establishing a data base of the Internal Control Department	Customs Administration	1.Continuous	1) No. of trainings undertaken and No. of persons who have undergone training	<b>ASSESSMENT 290: Measure is being continuously realized</b> 5 seminars, 5 participants
2. III Q 2008			2) Rules of Operation made,	<b>ASSESSMENT 291: Measure is realized</b> Rule book adopted	
3.Continuous			3) Reports made and submitted to the National Commission: No. of denunciation/information submitted to the prosecution/police compared to irregularities identified in the customs officers performance	<b>ASSESSMENT 292: Measure is being continuously realized</b> In total reporting period 20 controls conducted, out of which 1 case with corruptive elements was submitted to Basic State Prosecutor in Bijelo Polje for further investigation due to suspicion that criminal offence with elements of corruption was committed , and based on two investigations initiative for disciplinary procedure was submitted against customs officers due to reasonable suspicion that they committed serious violation of work obligation according to article 59 paragraph 1 point 1 of Law on state employees and civil servants (Official Gazette of MNE No.50/08 ) - negligent performance of official duties. <a href="http://www.upravacarina.vlada.cg.yu/vijesti.php?akcija=vijesti&amp;id=168629">http://www.upravacarina.vlada.cg.yu/vijesti.php?akcija=vijesti&amp;id=168629</a>	
4. 2008			4) Database established	<b>ASSESSMENT 293: Measure is not realized</b> Planned for 2009, in the framework of IPA 08 Program	
	143. Strengthening external control through making six-month reports supervision and their posting on the websites of the Ministry of Finance and the Customs Administration	Ministry of Finance	I quarter of 2008.	Reports made and submitted to the National Commission: No. of denunciation/information submitted to the prosecution/police compared to irregularities identified	<b>ASSESSMENT 294: Measure is realized</b> In reporting period, out of total 111 cases that were submitted 109 were solved (98%) meaning that 59 complaints were cancelled (54%), one complaint was rejected (1%), 49 complaints(45%) are solved in merittum (in 20 cases – 41% decision is changed by determining new transactional value according to evidences from case file and in 29 cases – 41% procedure is suspended due to lack of evidence for determining new transactional value)

	144. Development of a Code of Ethics for public servants within the Customs Administration	Customs Administration	III Q of 2008	Code of Ethics made	<b>ASSESSMENT 295: Measure is realized</b> Code of Ethics adopted and published on December 11, 2008. 1000 copies printed and distributed to all customs officers.
	145. Monitoring the observance of the Code of ethics of public servants within the Customs Administration	Customs Administration	Continuous	Number of servants disciplinary sentenced for non observance of the Code of ethics	<b>ASSESSMENT 296: Measure is being continuously realized</b> In reporting period seven disciplinary procedures was initiated for violating Code of Ethics standards.
<b>AUTOMATION OF CUSTOMS PROCEDURE</b>	146. IT training of staff	Customs Administration	Continuous	No of trainings, no of trainees	<b>ASSESSMENT 297: Measure is being continuously realized</b> Realization via trainings for passing customs exam. - 2 customs officers participated at Human Resource Agency seminar - 2 seminars on topic »Management informational Systems –MIS« in Albania and Montenegro / 17 customs officers participated - 1 seminar / RACWEB Project risk analysis procedure of the active breeding/ held in Athens/ 2 participants
	147. Strengthening technical capacities in terms of acquisition of modern technical equipment at the border crossing points for identification of goods illegally transported over border crossings	Customs Administration	2008, Continuous	Equipment purchased for scanning vehicles at border crossings for finding hidden goods	<b>ASSESSMENT 298: Measure is being continuously realized</b> - joint border crossing between Montenegro and Albania completed - in cooperation with Directorate for Public Works construction of new building of the Customs House of Podgorica with CTC (Customs Training Centre) is in progress - New object for the needs of Customs House of Kotor is completed - Mobile scanner for examining vehicles and containers with goods is acquired and installed - 9 weighbridges at border crossing points, and 2 weighbridges at internal customs outposts installed - Realization of project regarding networking of border crossing points within integral database is in progress. - At truck terminals in Berane and Pljevlja weighbridges carrying 50 tones were installed for conducting customs procedures (terminal holders in cooperation with Custom Administration)
<b>ENHANCED COOPERATION WITH THE POLICE AND PROSECUTORS</b>	148. Sign agreements on cooperation	Customs Administration, Police Administration, Supreme State Prosecution	II Q of 2008	Agreements signed	<b>ASSESSMENT 299: Measure partly realized</b> Agreement on Cooperation with Police Directorate signed. In reporting period two meetings of representatives of Customs Administration and Police Directorate were held in order to improve cooperation and provide optimal conditions for data exchange in



					accordance with the Agreement on mutual cooperation. On these occasion data bases of these bodies were presented.
	149. Making reports on realization of the signed agreements on cooperation	Customs Administration	Continuous (quarterly)	Reports made and submitted to the National Commission: No. of denunciation/information submitted to the prosecution/police compared to signed agreements	<b>ASSESSMENT 300: Measure is being continuously realized</b> In reporting period based on 1 investigation information was submitted to Basic State Prosecutor in Bijelo Polje for further investigation due to suspicion that criminal offence with elements of corruption was committed
	150. Enable the police to have direct access to Customs Administration databases	Customs Administration, Police Administration	I quarter of 2008. Continuous	Direct access to Customs Administration databases enabled due to signed agreements	<b>ASSESSMENT 301: Measure partly realized</b> In accordance with agreement with Police Directorate, physical connection via optical cable between these two information systems is realized, and additional equipment acquisition and defining way of data exchange is to follow. IT presentations carried out.

**RECOMMENDATIONS:**

1. Customs Administration is to establish a database of the Internal Control Department, in time defined

**K. DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE /DACI/**

In order to make a clear picture on corruption phenomenon, causes, and mechanisms of its emergence, **Directorate for Anti-corruption Initiative**, in cooperation with UNDP Office in Podgorica and Ministry of Finance, defined three areas encompassed by survey (**judiciary, education, and local self-government**). Research "Assessment of Integrity and judiciary system capacity in Montenegro" was carried out in the framework of project funded by UNDEF and implemented by UNDP Office and DACI. Also, in the context of campaign "Chose right way, report corruption" DACI published on its web site results of research within university institutions, carried out during academic 2007/2008 at the "Mediterranean" University (Faculty for business management and Law Faculty) and Police Academy in Danilovgrad.

Hereafter joint project with UNDP Office in Podgorica Directorate for Anti-corruption Initiative carries out survey on corruption phenomenon, causes and consequences **in local self government area**. Center for Entrepreneurship and Economic Development (CEED) performed field research for Anti-corruption Initiative and UNDP Office, which is also presented in public. This research, carried out in 19 municipalities, comprised five focus groups: citizens, business sector, local self government employees, civil sector (NGO), employees of the Ministry of Internal affairs and Public Administration, local self government sector.

In April 2009 Directorate for Anti-corruption Initiative published its first number of internal bulletin „**Anti-corruption**“. This Bulletin, printed in 2000 copies, is primarily intended for professional and internal public. DACI distributed 1050 copies to 259 institutions, including diplomatic community in Montenegro

In the framework of the national legislation harmonization level analysis with the UN Convention against Corruption, DACI continued its cooperation with the UNDP Office in Podgorica.

In reporting period UNDP office in Montenegro submitted final expert harmonization level analysis with the UN Convention against Corruption of all four laws: Law on criminal responsibility of legal persons, Law on free access to information, Law on financing political parties, and Law on international legal assistance in criminal matters. Final expert analysis was submitted to competent institutions at: Ministry of Justice, Ministry of Finance and Ministry of Culture, Sport and Media.

DACI submitted opinion on Proposal Law on Preventing Conflict of Interest in performing public functions regarding recommendations XXVI, XXVII, and XXIX of the GRECO Report on First and Second Evaluation of Montenegro. DACI provided analysis of specific provisions of the Law on public servants and state employees treating whistle blowers. This analysis was submitted to the Ministry of Internal Affairs and Public Administration. Legislation harmonization with CE standards has been considered within the GRECO's procedure of Joint First and Second evaluation of Montenegro

In order to promote implementation of CE conventions, round table on topic « Council of Europe Civil Legal Convention on Corruption Implementation» was organized in cooperation with the EC Office for representatives of Chamber of Commerce, Montenegrin Employers Federation, Bar Association, State Prosecutor Office, Supreme court, Police Directorate and Ministry of Finance. On that occasion review of legislation and practice in effect significant for Civil Legal Convention on Corruption implementation.

DACI, under its competences, coordinates activities carried out in the framework of **Regional Anticorruption Initiative (RAI)**. During February 2009, RAI Secretariat initiated

survey on "Integrity research of the South East Europe countries judicial system and its resistance to corruption" within countries RAI members. Montenegro joined this project via DACI. In that order DACI forwarded all relevant information about this project to competent institutions such as State Prosecutor Office, Supreme court and Police Directorate in order to delegate its representatives and contact persons for this project implementation. DACI also submitted annual report on realization of Declaration on ten joint measures for fight against corruption in South Eastern Europe to the Regional Anticorruption Initiative Secretariat.

Furthermore, in May 2008, **Analysis on realization level of 24 obligatory recommendations** that are integral part of this Action plan has been submitted to GRECO. On its 40th Plenary Meeting (1 – 5 December 2008), GRECO adopted the **Report on compliance for Montenegro**, whereby it was concluded that Montenegro implemented in satisfactory manner 16 of 24 recommendations (respectively two third) and that progress was accomplished in almost every area whereon recommendations were addressed. Government of Montenegro, on its session held on December 11, 2008, got down confidential index from this document, and after that Report on compliance for Montenegro was posted at web sites of DACI and GRECO. In addition, DACI, in cooperation with competent bodies continues performing activities on implementation remaining eight recommendations which are marked as partially realized. In cooperation with OECD Mission in Montenegro, proposal project aimed to further enhancing cooperation with private sector in order to prevent corruption was prepared. Two GRECO's recommendations marked as partially realized are integrated into this project (elimination of business barrier and instructions for state auditors on procedure for reporting corruption to state prosecutors).

With the aim to administrative capacity building, DACI adopted Rulebook on internal organization and systematization whereby number of systematized servant places is increased for 7 more (out of which 6 are fulfilled) within the Department for promotion preventive activities. In cooperation with the UNDP Office in Podgorica, DACI is taking part in regional UNDP project (Regional Center in Bratislava) dedicated to improvement of administrative capacities of DACI. In that sense, tree day **PR training** for DACI staff was organized and **Communication Strategy of DACI for 2009** was made.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
<b>CAPACITY BUILDING OF THE ADMINISTRATION FOR ANTI-CORRUPTION INITIATIVE</b>	151. Enhance human and financial resources of the Administration for Anti-corruption Initiative for carrying out new competencies, according to the Changes and amendments of the Regulation trough: 1. Systematization of new working positions in the Department for promotion preventive performance (7 new working positions) 2. Providing adequate working premises 3. Acquisition of required computer and office equipment	DACI	Continuous	1. New Systematization adopted, open competition announced, new staff employed, number of trainings  2. Adequate working premises provided  3. Equipment purchased	<b>ASSESSMENT 302: Measure is realized</b> New Rulebook adopted, systematized additional 7 servant places, out of which 6 are fulfilled, organized 7 trainings.
			- 2008		<b>ASSESSMENT 303: : Measure is realized</b> DACI rented adequate workspace
			- 2009 - 2008		<b>ASSESSMENT 304: Measure is realized</b> From available budget resources for 2008, DACI provided 10 computers, 4 monitors, 4 laptops, 3 desks, 2 phones, and 1 fax.
<b>RAISING THE LEVEL OF AWARENESS AND ENCOURAGE THE PUBLIC TO REPORT INSTANCES OF CORRUPTION</b>	152. Development and distribution of surveys on the existing forms, causes and methods of the appearance of corruption	DACI, NGO, Media	Continuous	Number and scope of conducted researches, number of fields covered by researches, reports published at the website	<b>ASSESSMENT 305: Measure is being continuously realized</b> Center for Entrepreneurship and Economic Development – CEED for the needs of DACI and UNDP conducted research on corruption phenomenon, its causes and consequences in local self government area. Report was presented to public in this reporting quarter. This research that was carried out in 21 municipalities involved 5 focus groups: citizens, business sector, local self government employees, civil sector (NGO) and personnel of <b>Mol&amp;PA.</b>
	153. Development and dissemination of information and promotion materials	DACI	Continuous	Information and promotion materials developed and disseminated	<b>ASSESSMENT 306: Measure is being continuously realized</b> Distributed:

					-458 copies of brochure "About corruption-anti corruptive activities and measures", 225 copies of brochure and 1000 flyers "Corruption – Your NO counts", 1300 copies of calendars and 30 posters, 220 copies of the UN Convention against corruption and Civil legal Convention on Corruption, 2250 copies of brochure for high schools, 40 copies of brochure for private sector, 530 flyers for Professional Directive, and 200 flyers as general promoting material. DACI published its first number of internal bulletin "Anti corruption" and distributed 1050 copies to 259 institutions, including diplomatic community in Montenegro.
<b>PROPOSALS FOR INTRODUCTION AND APPLICATION OF EUROPEAN AND OTHER INTERNATIONAL ANTICORRUPTION STANDARDS AND INSTRUMENTS</b>	154. Coordinate the activities on promotion and implementation of the Council of Europe's Civil and Legal Convention on Corruption	DACI in cooperation with competent bodies	Continuous	Report on realized activities	<b>ASSESSMENT 307: Measure partially realized</b> Round table on topic « Council of Europe Civil Legal Convention on Corruption Implementation» was organized in cooperation with the EC Office for 40 participants, (representatives of Chamber of Commerce, Montenegrin Employers Federation, State Prosecutor Office, Supreme court, Police Directorate and Ministry of Finance). On that occasion review of legislation and practice in effect significant for Civil Legal Convention on Corruption implementation.
	155. Coordinate activities regarding full implementation of the UN Convention against Corruption 1) Preparation of current legislation amendment proposals in accordance with the Analysis results on level of harmonization with the UN Convention against Corruption and undertaking specific measures towards full implementation of the UN Convention against Corruption	Ministry of Internal affairs and Public Administration, Ministry of Finance, DACI	2008-2009	Prepared proposals on law changes	<b>ASSESSMENT 308: Measure is being continuously realized</b> UNDP Office in Podgorica submitted to DACI final expert harmonization assessment of Law on criminal responsibility of legal persons, Law on free access to information, Law on financing political parties and Law on international legal assistance in criminal matters. Working group for preparation Proposal of the Criminal Code is taking into account comments and suggestions submitted as analysis of the Criminal Code in effect, including harmonization assessment of criminal provisions on corruption and organized crime with relevant solutions in CE, UN and EU instruments.
<b>COMPLIANCE WITH THE OBLIGATIONS UNDERTAKEN UNDER RAI (REGIONAL ANTICORRUPTION INITIATIVE) AND GRECO (COUNCIL OF EUROPE'S GROUP OF STATES AGAINST CORRUPTION</b>	156. Coordinate activities undertaken within the RAI (Regional Anticorruption Initiative) and GRECO)	DACI	Continuous	Report on realized activities	<b>ASSESSMENT 309: Measure is being continuously realized</b> Annual report on realization of Declaration on ten joint measures for fight against corruption in South Eastern Europe submitted to the Regional Anticorruption Initiative Secretariat. During reporting period Secretariat initiated research "Integrity and resistance to corruption of judicial systems in South Eastern Europe" in member

					<p>countries.</p> <p>In cooperation with competent bodies DACI continued activities on further implementation of 8 GRECO recommendations assessed as partly realized. In cooperation with OSCE Mission in Montenegro DACI prepared proposal project targeted to further enhancing cooperation with private sector with a view to suppress corruption. This project includes two partly realized GRECO recommendations (eliminating business barriers and drafting instruction for State Auditors on procedure for reporting corruption to state prosecutors).</p>
--	--	--	--	--	---

## FINAL ASSESSMENT AND RECOMMENDATIONS

### 1. 1. STATISTICS OF IMPLEMENTED MEASURES – INNOVATED ACTION PLAN FOR PERIOD JANUARY– JUNE 2009.

THE LEVEL OF IMPLEMENTATION OF MEASURES AND SUB MEASURES FROM THE INNOVATED ACTION PLAN BY CHAPTERS FOR PERIOD 1.01.2009. – 30.06.2009.g.	R		R / CONT		DR		NR		In 2008	08-09 Total	R + R/Cont V REPORT	
	Realized		Obligation realized continuously		Partly realized		Not realized				Total	%
	Msr.	%	Msr.	%	Msr.	%	Msr.	%				
<b>I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT</b>	<b>27</b>	<b>44,3%</b>	<b>14</b>	<b>23,0%</b>	<b>3</b>	<b>4,9%</b>	<b>17</b>	<b>27,9%</b>	<b>57</b>	<b>61</b>	<b>41</b>	<b>67,2%</b>
<b>II GENERAL OBJECTIVES</b>												
A- EFFICIENT CRIMINAL PROSECUTION WITH THE OBJECTIVES OF PREVENTING CORRUPTION AND ORGANIZED CRIME	<b>3</b>	<b>33,3%</b>	<b>5</b>	<b>55,6%</b>	<b>0</b>	<b>0,0%</b>	<b>1</b>	<b>11,1%</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>88,9%</b>
B- PREVENTION AND EDUCATION	<b>8</b>	<b>29,6%</b>	<b>10</b>	<b>37,0%</b>	<b>2</b>	<b>7,4%</b>	<b>7</b>	<b>25,9%</b>	<b>20</b>	<b>27</b>	<b>18</b>	<b>66,7%</b>
C- PUBLIC, CIVIL SOCIETY( INCL. PRIVATE SECTOR) AND MEDIA	<b>1</b>	<b>12,5%</b>	<b>4</b>	<b>50,0%</b>	<b>0</b>	<b>0,0%</b>	<b>3</b>	<b>37,5%</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>62,5%</b>
D- LOCAL SELF GOVERNMENT	<b>2</b>	<b>66,7%</b>	<b>0</b>	<b>0,0%</b>	<b>1</b>	<b>33,3%</b>	<b>0</b>	<b>0,0%</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>66,7%</b>
<b>III SPECIFIC MEASURES AGAINST CORRUPTION AND ORG. CRIME</b>												
A- EFFICIENT CRIMINAL PROSECUTION AND TRIAL												
A1 – Prosecutor’s office	<b>9</b>	<b>39,1%</b>	<b>10</b>	<b>43,5%</b>	<b>1</b>	<b>4,3%</b>	<b>3</b>	<b>13,0%</b>	<b>18</b>	<b>23</b>	<b>19</b>	<b>82,6%</b>
A2 – Police	<b>13</b>	<b>19,4%</b>	<b>25</b>	<b>37,3%</b>	<b>20</b>	<b>29,9%</b>	<b>9</b>	<b>13,4%</b>	<b>62</b>	<b>67</b>	<b>38</b>	<b>56,7%</b>
A3 – Judiciary	<b>5</b>	<b>41,7%</b>	<b>5</b>	<b>41,7%</b>	<b>0</b>	<b>0,0%</b>	<b>2</b>	<b>16,7%</b>	<b>11</b>	<b>12</b>	<b>10</b>	<b>83,3%</b>
B. EXTERNAL AUDIT OF THE BUDGET	<b>1</b>	<b>20,0%</b>	<b>3</b>	<b>37,5%</b>	<b>2</b>	<b>25,0%</b>	<b>2</b>	<b>25,0%</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>50,0%</b>
C. INTERNAL AUDIT OF THE BUDGET	<b>0</b>	<b>0,0%</b>	<b>2</b>	<b>100,0%</b>	<b>0</b>	<b>0,0%</b>	<b>0</b>	<b>0,0%</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>100,0%</b>
D. INSTITUTIONAL CAPACITY BUILDING FOR ANTICORRUPTION POLICY IMPLEMENTATION IN PRIVATIZATION PROCESS	<b>3</b>	<b>23,1%</b>	<b>6</b>	<b>46,2%</b>	<b>4</b>	<b>30,8%</b>	<b>0</b>	<b>0,0%</b>	<b>13</b>	<b>13</b>	<b>9</b>	<b>69,2%</b>
E. DIRECTORATE FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING	<b>3</b>	<b>23,1%</b>	<b>6</b>	<b>42,9%</b>	<b>3</b>	<b>21,4%</b>	<b>2</b>	<b>14,3%</b>	<b>13</b>	<b>14</b>	<b>9</b>	<b>64,3%</b>
F. PUBLIC PROCUREMENT	<b>5</b>	<b>33,3%</b>	<b>7</b>	<b>46,7%</b>	<b>1</b>	<b>6,7%</b>	<b>2</b>	<b>13,3%</b>	<b>13</b>	<b>15</b>	<b>12</b>	<b>80,0%</b>
G. COMMISSION FOR DETERMINING CONFLICT OF INTERESTS	<b>0</b>	<b>0,0%</b>	<b>2</b>	<b>50,0%</b>	<b>0</b>	<b>0,0%</b>	<b>2</b>	<b>50,0%</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>50,0%</b>
H. STATE ELECTION COMMISSION	<b>0</b>		<b>0</b>		<b>0</b>		<b>11</b>		<b>0</b>	<b>11</b>	<b>0</b>	
I. TAX ADMINISTRATION	<b>1</b>	<b>12,5%</b>	<b>6</b>	<b>75,0%</b>	<b>0</b>	<b>0,0%</b>	<b>1</b>	<b>12,5%</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>87,5%</b>
J. CUSTOMS ADMINISTRATION	<b>6</b>	<b>35,3%</b>	<b>7</b>	<b>41,2%</b>	<b>3</b>	<b>17,6%</b>	<b>1</b>	<b>5,9%</b>	<b>17</b>	<b>17</b>	<b>13</b>	<b>76,5%</b>
K. DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE	<b>3</b>	<b>37,5%</b>	<b>4</b>	<b>50,0%</b>	<b>1</b>	<b>12,5%</b>	<b>0</b>	<b>0,0%</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>87,5%</b>
<b>TOTAL</b>	<b>90</b>	<b>29,0%</b>	<b>116</b>	<b>37,4%</b>	<b>41</b>	<b>13,2%</b>	<b>63</b>	<b>20,3%</b>	<b>270</b>	<b>310</b>	<b>206</b>	<b>66,5%</b>

**1.1 STATISTICS OF IMPLEMENTED MEASURES** – Within the Innovated Action Plan there are total of **310 measures out of which 270 were analyzed and monitored in 2008**. Therefore, for period January 01- June 30 2009, additional 40 measures were analyzed and monitored for the purpose of the Fifth report.

**In this reporting period (first half of 2009), measures planned as ‘one activity’ or as continually followed and assessed are being statistically analyzed as follows:**

**90 measures are completely implemented (29%), 116 measures have been continually realized (37, 4%).** In other words, summary of completely implemented and continually realized measures in this period is **206, which is 66, 5% of total number of planned measures**. Therefore it can be observed that **statistics of implemented measures is on satisfactory level**, having in mind that IAP is adopted in May 2008 and includes a whole set of new measures and activities required to be implemented until the end of 2009. At the same time, **41 measures are partially implemented (13, 2%) and 63 are not implemented (20, 3%).**

The highest level of realization (R+R/Cont) achieved Internal Audit (100%), as well as in the area “**Efficient criminal prosecution with the objective of preventing corruption and organized crime**” (88, 9%), Tax Administration (87,5%), **Directorate for Anti Corruption Initiative (87,5%), judiciary (88,3%), prosecution (82,6%) and Public Procurement area (80%).**

Significant contribution to quality of this report is by all means, **statistical review submitted by THREE-PARTY COMMISSION** relate to statistics of reported and proceeded criminal cases with elements of corruption and organized crime, **with review of effective court sentences in period January 2006 – June 2009, as well as for each year particularly.**

**Number of institutions obligated to report increased from 32 to 54**, which is also contribution to better transparency of whole process and to horizontal coordination during report preparation as well as in implementation of measures in whole.

## **2. COOPERATION WITH INSTITUTIONS/ REPORTERS, ENHANCING COOPERATION WITH LOCAL COMMUNITY, BUSINESS ASSOCIATIONS AND CIVIL SOCIETY**

- Having in mind more than a year long work experience of the National Commission, the cooperation with all the institutions, i.e. horizontal cooperation with all forms of the authority should be continuously improved. Another aspect of cooperation is the improvement of cooperation with other bearers of the activities in the field of fight against corruption and organized crime. In that field, special attention and encouragement should be given to cooperation with the local community, business associations, and civil society, as bridges for stronger informing and participation of Montenegrin citizens in implementation of key politics, important for the quality of reforms and dynamic European integration of our country. In that sense, in accordance with the **conclusions from VIII session of National Commission a meeting between National Commission members and representatives of reporting institutions** was organized on April 24, 2009. During the dialogue with representatives of reporting institutions, it was concluded that institutions achieved significant progress in reporting quality, but that it is also necessary to continue with further improvement in accordance with clearly determined indicators. Special attention was given to the analysis of circumstances and reasons why certain number of measures are not being implemented according to determined dynamics as well as to necessity of full implementation of recommendations that National commission send to relevant institutions after regular reports adoption. It was also concluded that fight against corruption and organized crime is one of most important areas in the European integration process, under European Commission special attention, as well as future activities of Montenegrin institutions in preparation responses to the EC Questionnaire, in a sense that improved reporting quality of relevant institutions will contribute to prepare adequate responses for this significant area of Political criteria.

**3. SPECIFIC WEIGHT OF RECOMMENDATIONS** - each evaluation area including individual so called anti-corruption institutions and bodies, apart from the implementation assessment, **has several recommendation**. They are the result of previous analytic work on the received reports, exploring the limits for further implementation of the Action Plan, i.e. the need to encourage the fight against corruption and organized crime, as well as the analyses of the level of measure realization.

It is extremely important for realization of the measures, as much as after adoption previous four Reports of the Commission, that, **on the suggestion of the National commission**, the Government of Montenegro, the Parliament of Montenegro, the State Prosecutor’s office, the Judiciary and the local self-government accept the recommendations listed for each measure separately. The most important recommendations per chapters should be obligatory to the feasible degree to all involved.

The report of the National Commission, through the mentioned meaning, represents the useful analytical document, also serving to better dialog between Government and the activities of NGO sector, as well as for more constructive social dialog that includes the representatives of university, trade union, and business.

#### **4. COMPREHENSIVENESS OF DOCUMENT AND ITS IMPORTANCE FOR REPORTING TO INTERNATIONAL COMMUNITY, ESPECIALLY TO THE EU INSTITUTIONS**

- Composition and responsibilities of the National Commission awake a reasonable optimism that these reports will help in further institutionalization of the relationship of good cooperation of all bodies involved in performance of the anticorruption policies and policies for fight against organized crime. Without strong institutions and good and efficient cooperation, we cannot achieve better results in these policies. A special value of this kind of reporting is that it is still **the first of this kind of reporting in the Region**, which **comprehensively has analyzed** the effects of adoption of the Action Plan for fight against corruption and organized crime as well as now Innovated Action Plan. It will anyhow contribute to the improvement of the general image and assessment on Montenegro that recognizes the values of strengthening its institutions and judiciary, necessary for strategic process of joining the EU. In that sense significance of Fourth Report is even bigger, particularly because it includes recommendations from EC Report on progress of Montenegro in stabilization and association process, related to areas that are comprised into the Innovated Action Plan. EC recommendations have been additionally précised via National Commission recommendations and Integrated into this Report.

**5. TRANSPARENCY OF REPORTING AND ENHANCED PERMANENT DIALOGUE WITH EUROPEAN COMMISSION** – upon the adoption of this Report on realization of measures from Innovated Action Plan by the National Commission, and later by the Government of Montenegro, it will, just as it was the case with the previous four Reports, be delivered to the mentioned Parliament committees. It will also be translated in English language and delivered to the interested international organizations and institutions. In addition, this Report will be delivered to the representatives of the Directorate for Justice, Freedom and Security in European Commission for the purpose of more quality preparation for future meetings of the enhanced permanent dialogue EC- Montenegro, on the subject of justice, freedom and security that are organized at least twice a year. Contribution to better transparency will certainly be **regularly posting of all delivered reports by institutions at the DACI web site**, which allowed general report to be made **in form that is more concise**. All interested subjects can obtain additional information on realization of measures via direct insight into institution's reports.

/ <http://www.vlada.cg.yu/eng/antikorup/vijesti.php?akcija=rubrika&rubrika=288> /

## ANNEX 1

<b>CRIMINAL ACTS WITH ELEMENTS OF CORRUPTION</b>			
<b>under competencies of basic courts by criminal claims received within the period from 01.01.2006 -30.06.2009.<sup>1</sup></b>			
<b>Police Directorate and other applicants of criminal claims</b>		<b>No. of cases</b>	<b>No. of persons</b>
		887	1420
<b>STATE PROSECUTORS</b>	<b>Prosecutors decisions by claims</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Claims refusal	393	641
	Accusatory suggestion	17	22
	Prosecution without performing investigation – immediate accusation	10	12
	Request for performing the investigation acts	305	461
	Suggestion to perform the investigation acts	-	-
	Claims that upon the termination of certain period have remained in pre-criminal procedure at other organs upon request of the prosecutor to collect the necessary information	148	257
	Claims delegated to Special Prosecutor due to broadening of competencies of the Special Prosecutor for organized crime (01.09.2008.)	14	27
<b>COURTS</b>	<b>Previous procedure – investigation</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Received requests for performing the investigation	305	461
	Decision on performing the investigation	301	453
	Decision on performing the investigation was not brought up	4	8
	Investigation completed and files returned to the prosecutor	195	266
	On going investigation	106	187
<b>STATE PROSECUTORS</b>	<b>Prosecutors decisions in cases by the concluded investigations</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Renunciation of prosecution	63	88
	Accusation after the performed investigation	150	213
	<b>TOTAL:</b>	<b>213</b>	<b>301</b>
<b>COURTS</b>	<b>Court accusations</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Received accusations (accusation suggestion, immediate charge and charge after the performed investigation)	177	247
	<b>Main hearing and decision</b>	<b>No. of cases</b>	<b>No. of persons</b>
	<b>Criminal procedure with concluded decision</b>	<b>151</b>	<b>206</b>
	On going criminal procedure	26	41
	Judgment of guilty decision	76	108
	Dismissal decision	11	14
	Acquittal decision	64	84
	<b>Proceedings upon legal remedies</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Prosecutor complaints	89	129
	Proceeding upon complaint concluded	51	54
	Proceedings upon complaint not concluded	32	54
	Complaint accepted	15	16
	Complaint refused	36	38

<sup>1</sup> 62 cases from 2005 and previous years that remain under competencies of basic courts were not included in this chart.



	Accused complaints	7	10
	<b>Sentences into effect</b>	<b>94</b>	<b>105</b>

<b>CRIMINAL ACTS WITH ELEMENTS OF CORRUPTION UNDER COMPETENCIES OF THE DEPARTMENT FOR FIGHT AGAINST ORGANIZED CRIME, CORRUPTION, TERRORISM AND WAR CRIMES- STATE PROSECUTION OFFICE</b>			
Period		No. of cases	No. of persons
/01.09.2008. - 30.06.2009.	<b>TOTAL:</b>	<b>36 Cases</b>	<b>75 Persons</b>
	Claims refusal	2	4
	Delegated claims	-	-
	Received requests for performing the investigation	27	59
	Criminal charges brought up after performing investigation	15	36
	On going investigation	10	21
	Suspended investigation	-	-
	Claims delegated to Basic Prosecutor after performing investigation	2	2
	Immediate accusation	-	-
	Cases where accusation is solved	8	9
	Cases where accusation is not solved	7	27
	Claims in status of previous collecting necessary information	1	3
	Solved in other way – witness associate	-	-
	Claims downloaded – other prosecution offices accusation	6	9
	Other prosecution offices accusation solved	5	8
	<b>Proceedings upon legal remedies</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Prosecutor complaints	2	3
	Proceeding upon complaint concluded	1	2
	Proceedings upon complaint not concluded	1	1
	Complaint accepted	-	-
	Complaint refused	1	2

<b>CRIMINAL ACTS OF ORGANIZED CRIME</b>			
Period od		No. of cases	No. of persons
01.01.2006–31.06.2009.)	<b>TOTAL:</b>	<b>42 Cases</b>	<b>271 Persons</b>
	Claims refusal	1	1
	Delegated claims	2	11
	Received requests for performing the investigation	39	258
	Criminal charges brought up after performing investigation	31	181
	On going investigation	4	52
	Investigation completed- –cases submitted to prosecutor for bringing up decision within 15 days	2	19
	Suspended investigation	1	5
	Immediate accusation	-	-
	Cases where accusation is solved	22 **	108 **
	Cases where accusation is not solved	9	73
	Solved in other way – witness associate	1	1
	<b>Proceedings upon legal remedies</b>	<b>No. of cases</b>	<b>No. of persons</b>
	Prosecutor complaints	19	81
	Proceeding upon complaint concluded	7	31
	Proceedings upon complaint not concluded	12	50
	Complaint accepted	4	23
	Complaint refused	3	8

\*\* In organized crime cases there were 21 convictions against 105 persons (imprisonment) and one acquittal decision against 3 persons.

**Case analysis where criminal procedure were concluded with judgment of guilty decision:**

- **Within 76 cases against 108 persons were concluded with judgment of guilty decision:**
- **47 persons in 24 cases were convicted for a criminal offense for which imprisonment is prescribed to eight years;**
- **5 persons in 3 cases were convicted for a criminal offence for which imprisonment is prescribed over eight years;**
- **Suspended sentence for a criminal offence for which imprisonment is prescribed to five years were imposed in 48 cases against 55 persons,**
- **A fine for a criminal offence for which imprisonment is prescribed to tree years was imposed in one case against one person.**
- **Regarding criminal acts of organized there are 21 cases against 105 persons concluded with judgment of guilty decision (imprisonment) and one acquittal decision against tree persons.**

## ANEX 2

## REVIEW OF BACKLOG CASES from 2008 and previous years with percentage of decrease of backlog cases for period 01.01. – 30.06. 2009.

SUPREME COURT OF MONTENEGRO							
Supreme Court MNE	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2</b>		<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>-</b>
APPELATIVE COURT OF MONTENEGRO							
Appellative Court MNE	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>487</b>				<b>431</b>	<b>431</b>	<b>88,8%</b>
ADMINISTRATIVE COURT OF MONTENEGRO							
Administrative Court MNE	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
		-	-	-	-	-	-
<b>TOTAL</b>	<b>1620</b>			<b>15</b>	<b>1376</b>	<b>1391</b>	<b>85,8%</b>
HIGH COURT IN PODGORICA							
High Court in Podgorica	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
		-	-	-	-	-	-
<b>TOTAL</b>	<b>5524</b>	<b>42</b>	<b>73</b>	<b>710</b>	<b>3432</b>	<b>4257</b>	<b>77,6 %</b>
HIGH COURT IN BIJELO POLJE							
High Court in Bijelo Polje	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
		-	-	-	-	-	-
<b>TOTAL</b>	<b>2192</b>	<b>1</b>	<b>3</b>	<b>586</b>	<b>1096</b>	<b>1686</b>	<b>76,92%</b>
COMMERCIAL COURT IN PODGORICA							
Commercial Court in Podgorica	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1124</b>	<b>16</b>	<b>17</b>	<b>64</b>	<b>518</b>	<b>615</b>	<b>54,72 %</b>
COMMERCIAL COURT IN BIJELO POLJE							
Commercial Court in Bijelo Polje	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>423</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>378</b>	<b>383</b>	<b>90,54 %</b>

BASIC COURTS							
Basic Court	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
Herceg Novi	1969	-	-	-	-	856	43 %
Bijelo Polje	1132	-	-	-	-	778	68,73 %
Cetinje	1048	-	-	-	-	569	54,29 %
Ulcinj	2200	-	-	-	-	1094	49,72%
Rožaje	289	-	-	-	-	212	73,4 %
Pljevlja	407	-	-	-	-	177	43,5 %
Žabljak	68	-	-	-	-	60	88,23%
Plav	236	-	-	-	-	58	24,57 %
Berane	653	-	-	-	-	323	49,46 %
Kolašin	405	-	-	-	-	201	49,6%
Bar	2510	-	-	-	-	1264	50,3%
Nikšić	2841	-	-	-	-	1754	61,73%
Danilovgrad	878	-	-	-	-	457	52,6 %
Kotor	4041	-	-	-	-	2212	54,74 %
Podgorica	17520	-	-	-	-	6640	37,89 %
<b>TOTAL</b>	<b>36.230</b>	-	-	-	-	<b>16.655</b>	<b>46 %</b>
TOTAL OF CLOSED BACKLOG CASES AT ALL COURTS IN MONTENEGRO							
All courts in Montenegro	Unclosed cases on 31.12.2008.	Closed cases from 2005 and previous years	Closed cases from 2006.	Closed cases from 2007	Closed cases from 2008	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30.06.2009
	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>47.567<sup>2</sup></b>	-	-	-	-	<b>25.418</b>	<b>53,42%</b>

Due to increasing court performance and decreasing number of backlog cases from previous years, data of particular significance which are as follows:

**a) Criminal acts with elements of corruption:**

- On June 30 2009, at basic and high courts there were total number of 260 cases with elements of corruption
- Out of that number 201 cases were solved and out of that 107 are sentences into effect
- 59 cases are unsolved, while in 94 cases proceedings upon complaint is on going

**b) Criminal acts of organized crime**

- There are 31 organized crime cases, out of which 22 solved
- 22 unsolved cases remain
- Out of total number of solved cases, in four cases sentence is into effect while in 18 cases proceedings upon complaint is on going

<sup>2</sup> Within the National Commission Fourth Report it was stated that number of unclosed cases on 31.12.2007 was 53.624, and out of that number on 31.12.2008 total of 35.533 66,26% cases or were solved (18.109 unclosed cases from previous years remain unsolved)

Considering that number of unclosed cases from 2008 and previous years on 31.12.2008 was 47.567, it means that during 2008 there were 29.458 new cases, beside 18.109 unclosed cases from 2007 and previous years. Relative index of „percentage of decrease of backlog” on 30.6.2009. is lower in relation to one from the Fourth report because the basis – number of backlog cases – has been substantially decreased. In other words significant improvement in decreasing number of backlog cases has been achieved.

## ANNEX 3

### REALIZED MEASURES FROM THE ACTION PLAN FOR PERIOD SEPTEMBER 2006 – DECEMBER 2007

---

#### I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT

- Adopted Resolution on fight against corruption and organized crime -
- Established National Commission for monitoring implementation of the Program and Action Plan – Adopted Rules of Procedure of the National Commission, defined model of monthly reporting with monitoring plan, defined list of institutions obliged to submit reports, regularly delivered periodical reports,
- **Adopted laws directly relevant for fight against corruption and organized crime:**
- Law on liability of legal entities for criminal acts; Law on international legal assistance in criminal matters; Law on Amendments of the Law on preventing the money laundering and financing of terrorism; Law on wages of the judicial function bearers; Law on Public Procurement;
- Law on banks; Law on Amendments of the Customs Law; Data Secrecy Law; Law on liability of legal entities for criminal acts;
- **Drafted and adopted laws in domain of general legislative reform, the most important among them:**
- Law on Asylum; Law on Competition Protection; Law on Amendments of the Law on Financing of local self-government; Proposal Law on Aliens;
- **Ratified** CoE Civic-legal Convention on Corruption with supplementing Protocol on corruption;
- **Continuous analyzing of approximation of legislation** with international standards in field of fight against corruption and organized crime, and continuous approximation of legislation with the UN Convention (Palermo, UNTOC Convention), and other conventions in field of fight against organized crime;
- Continuous increasing of number of signed bilateral agreements on cooperation, especially in the region, gradual implementation of Declaration on ten common measures for fight against corruption in SEE, implementation of obligatory GRECO recommendations on assessment of anti-corruption measures and activities within Montenegro
- Continuous strengthening of technical and financial support for competent bodies through the MNE Budget; defining of priorities, drafting of project proposals and candidate them in international organization and institutions;
- European Commission and Council of Europe organized a number of missions and regularly reported on realized progress and defined relevant recommendations;

#### II GENERAL OBJECTIVES

##### A. EFFICIENT CRIMINAL PROSECUTION IN COMBATING CORRUPTION AND ORGANIZED CRIME

- Needs assessment for training of prosecutors, judges, and police is underway; continuous carrying out of the trainings and seminars;
- **Three-party Commission was established** (representatives of the Supreme Court, Supreme State Prosecutor's Office, and Police Directorate), which prepares quarter reports and evaluation of the number of cases; this Commission started to work on systematization of statistical indicators and preparation of the analysis of proving procedures and acts in pre-trial and investigation proceedings, and preparation of recommendations for future work
- **Statistic of cases-** Defined work methodology and unique statistic indicators on reported and processed cases in 2007 and 2006;
- Continuous reporting on activities undertaken in preventing abuse of application of secret surveillance measures (court control, parliamentary control, and police internal control)

##### B. PREVENTION AND EDUCATION

- **Continuous activities on improvement of working conditions and general standard of the judges and prosecutors:** technical equipping, providing of functional working premises, increase of wages of judges and prosecutors, prepared Code of Ethics of the prosecutors; established Office for reporting corruption in judiciary;
- **Police capacity strengthening** - continuous application of the Police Code of Ethics and strengthening of Ethical Committee; reorganized Internal Control Department in the Police Directorate; objectified criteria for selection of the police staff;
- **Strengthening of capacities of state employees and civil servants** – promoting of Code of Ethics of state employees and civil servants; significantly increased number of fulfilled obligation of public officials to regularly report on incomes and property; initiated registration of the gifts that officials receive through internal control system and reporting to the Commission; continuous updating and monitoring of the public register, which ensures transparency of the financial and property status of public officials;
- **Trainings** – Continuous training of state employees and civil servants, and education of the citizens and NGOs on implementation of the Law on Free Access to Information; prepared guidelines and manuals for access to information owned by the state bodies;

### C. PUBLIC, CIVIL SOCIETY (INCLUDING PRIVATE SECTOR) AND MEDIA

- Continuous creating and implementing of various **public campaigns** aimed for more efficient participation of the citizens in fight against corruption and organized crime; prepared large number of informative material on corruption issues and manners to combat it; a number of institutions initiated preparing of the Integrity Plans; carrying out of first surveys on forms, causes, and mechanisms of corruption emergence;
- Amended Decree on Organization and Manner of Work of the Public Administration strengthened **Directorate for Anti-Corruption Initiative's** competencies. It will enable carrying out of survey and preparation of the studies on status and fields of corruption within Montenegro, together with the recommendations for upgrading of activities in field of fight against corruption.
- Directorate carries out periodical **lectures** in high schools and faculties on corruption and organized crime;
- Continuous carrying out of the **media education** on corruption and organized crime, and on investigative journalism;
- In cooperation with the private sector, activities in field of enhancing the **fair and competitive business and investing** have been initiated and carried out;

### D. LOCAL SELF-GOVERNMENT

- Ministry of Internal Affairs and Public Administration prepared the draft model for preparation of the local anti-corruption action plans relating to the competencies of the local self-government, on basis of which every local self-government should adopt own action plan in period to come;

## III SPECIFIC MEASURES AGAINST CORRUPTION AND ORGANIZED CRIME

### A. EFFICIENT CRIMINAL PROSECUTION AND TRIAL

#### A.1. PROSECUTOR'S OFFICE

- Increased number of prosecutors and partly ensured increase of wages and improvement of working conditions in the reporting period
- **Further implementation of the training of prosecutors** – continuous activities: informing prosecutors on international standards in field of fight against corruption and organized crime, implementation of the program, education of prosecutors in regard to crime cases with elements of corruption and organized crime (CC and CPC); implementation of the education program for criminal acts described in Chapter XXIII of CC, and Chapter XXVIII of CC, training on new forms of crime, on application of SSM;
- Acquisition of the equipment and expert literature for Department for combating organized crime is underway; specialization of prosecutors for prosecuting criminal acts with elements of corruption and organized crime, and strengthening of material and human resource capacities of this Department;
- Deputy Special Prosecutor for combating organized crime was appointed;
- A number of multilateral and bilateral agreements on cooperation was signed;
- Rules of Procedure on Internal Work of the State Prosecutor was adopted;

#### A.2. POLICE

- Rulebook on Internal Organization and Systematization of the Police Directorate was adopted, so as the Rulebook on application of police authorizations;
- Informant networks were created and rules for engagement of informants were defined;
- Organizational unit dealing with investigations of the criminal acts of corruption was established;
- Existing **Department for fight against organized crime** was reorganized, and organizational units in field of classical-general organized crime and financial organized crime were established (in framework of the last one, organizational unit for money laundering issues was established as well);
- Continuous carrying out of trainings for officers dealing with corruption and organized crime;
- Activities on establishment of operative database in field of organized crime have been initiated;
- Reorganization of the existing **Department for fight against economic crime** in sense of defining organizational level and scope of work; established organizational unit in framework of Department for combating economic crime, which will deal with money laundering issues and financial investigations;
- Continuous trainings of the employed persons in **Department for fight against organized crime and corruption** in field of investigating corruption and financial investigations;
- **Special Verification Unit** was reorganized and organizational level was defined; functionality has been increased through establishment of units for: application of SSM and Operative analytics; necessary staff was partly engaged and educated;

- **Reorganization of the special team for fight against trafficking in human beings in sense of defining legal framework of work, organizational level, and scope of work – established teams** for fight against trafficking in human beings within all territorial organizational units; establishing of the database in order to collect and centralize data; continuous carrying out of necessary specialized trainings, especially trainings and education of the police officers in regard to identification of the victims of the human trafficking (criminal prosecution, victims protection, and prevention);
- A number of memorandums on cooperation between line ministries and NGOs were signed in field of fight against trafficking in human trafficking;
- Reorganized **Center for fight against illicit drugs**; continuous specialized trainings for members of this Center, and trainings and education of the police members on procedure of fighting illicit drugs;
- Reorganized **Witness Protection Unit**; partly carried out trainings of the Witness Protection Unit members; specialized equipment acquired; signing of bilateral agreements with respective services of other countries is underway, aiming to exchange protected witnesses; provided adequate premises for functioning of Witness Protection Unit;
- **Crime Technique Department** – technical equipment of the Crime Technique Center (reorganized forensic unit, continuous trainings of the staff, equipment of the modern laboratory and other equipment);
- Reorganized existing **Working line for fight against terrorism** (established specialized units for collecting and processing of data, mine protection unit, organizational units in regional security centers); continuous specialized trainings for: IED operations (elimination of danger from improvised explosive devices), for CDP (counter-diversion protection), and negotiations with hijackers (terrorists); upgraded and improved horizontal and vertical linkage of all working lines;
- **Special ant-terrorist unit (SAT)** – continuous trainings and acquisition of modern equipment and weapons
- Reorganized **State Border and Border Affairs Department** – organizing of continuous trainings for the members of this department; partly acquired surveillance equipment and equipment for securing the state border and discovering of cross-border crime; signing of bilateral and regional agreements on cooperation is underway, organizing of consultative meetings, planning and carrying out of joint activities;
- **NCB Interpol in Podgorica** has been opened; established direct connection with the communication system I-24/7 for global communication; continuous trainings for strengthening international police cooperation: trainings for using Police Directorate system, trainings for using of information system I-24/7, trainings for using analytical program I-2, specialized Interpol courses; partly acquired equipment necessary for work;

### A.3. JUDICIARY

Partly introduced initial training and specialization, in accordance with the Law on Education in Judiciary; carrying out of regular and continuous monitoring of judicial administration by the Ministry of Justice, in accordance with the Law on Courts; strengthening of inter-institutional cooperation between the courts and other competent bodies (Prosecutor's Office, Police Directorate, Anti-Corruption Initiative Directorate).

### B. EXTERNAL AND INTERNAL AUDIT OF THE BUDGET

Continuous realization of the external audit of final budgetary account by the State Audit Institution, and internal audit of budgetary spending of budgetary beneficiaries; continuous education of the persons responsible for budget management and allocation of the budgetary means;

### C. PRIVATIZATION COUNCIL

Defined and established procedures for reporting conflict of interest in privatization and National Commission is being regularly reported about it; established sub-web site of the Privatization Council; defined procedures for realization of publicity and transparency when electing the advisors – esteemed consultancy agencies; continuous implementation of the Law on Free Access to Information; defined procedures for reporting irregularities and corruption in privatization, and also the phone line was opened for reporting the corruption in Agency for restructuring of the economy and foreign investments; established Commission for examination of the complaints, objections, proposals and suggestions of the citizens on privatization process;

### D. DIRECTORATE FOR PREVENTING MONEY LAUNDERING AND TERRORISM FINANCING

Adopted new Rulebook on internal organization and systematization; Directorate regularly participates in Working groups of Egromont Group; prepared expanded and amended list of indicators of suspicious transactions and it was delivered to reporting entities; continuous organization of seminars for authorized persons of the reporting entities and employees who are in direct contact with the clients; partly innovated single agreements on cooperation with FIU from the region, so as a number of single agreements on cooperation with other competent state bodies and organizations of other countries; continuous strengthening of inter-institutional cooperation of the competent bodies in field of implementation of the Law on Preventing Money Laundering and Terrorism Financing;

## **E. PUBLIC PROCUREMENT COMMISSION**

Established Directorate for Public Procurement, strengthened capacities of it; continuous education of the staff for implementation of the new Law (Public Procurement Commission, officers for public procurement and bidders); drafted and adopted bylaws; opened phone line for reporting irregularities in public procurement procedures (with elements of corruption);

## **F. COMMISSION FOR DETERMINING CONFLICT OF INTEREST**

Increased number of delivered annual reports by the public officials on incomes and property; continuous delivering of information to the State Prosecutor on false reporting of property; partly realized educations for: public officials (local officials), NGO representatives and journalists;

## **G. TAX ADMINISTRATION**

- Established phone line for reporting corruption within Tax Administration, National Commission has been periodically reported on it; partly carrying out of the annual surveys on existing conditions, forms, causes and methods of the corruption emergence within tax administration; **strengthened Department for Internal Control of Tax Administration; adopted** Rules of Procedure of Internal Control Department, which continuously prepares six-month reports; initiated trainings of the Internal Control Department members; strengthened external control through: appointment of the authorized officer for surveillance over the Tax Administration work and fractional rotation of the employees within the Tax Administration (Financial Police);
- Adopted Code of Ethics for employees and servants of the Tax Administration; introduced information system with the unique database; continuous IT trainings; signed relevant agreements on cooperation, including the drafting of the Agreement on cooperation with the Police Directorate for providing Police Directorate direct access and using of Tax Administration's database;

## **H. CUSTOMS ADMINISTRATION**

- **Enhanced system of communication with the citizens through** establishing the phone line for reporting the corruption within the Customs Administration, and preparation of the six-month reports that are being delivered to the National Commission; strengthened Internal Control Department of the Customs Administration through: trainings of employees, preparation of the Rules of Procedures of the Internal Control Department and preparation of the six-month reports on realized internal control; strengthened external control through: appointment of the authorized officer for surveillance over the Customs Administration work;
- Drafted proposal of the Code of Ethics for employees and servants of the Customs Administration; realization of the model of rotation of the employees within the Customs Administration; introduced information system with the unique database; continuous IT trainings; a number of agreements on cooperation signed with the customs services of other countries;

## **I. DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE**

- Staff and financial strengthening of the Directorate for Anti-Corruption Initiative; adopted new Rulebook on internal organization and systematization of the DACI; establishing of the Department for Citizens' Complaints is underway; prepared and distributed information-advertising material;
- Coordination of the analyzing activities of the current legislation, and harmonization of legislation and full implementation of CoE Civic Legal Convention on corruption, and implementation of the UN Convention against corruption; coordination of the activities in relation to fulfillment of obligatory recommendations from the CoE Report (GRECCO); coordination of the activities that are being implemented in framework of Anti-Corruption Initiative of the Stability Pact (SPAI); finalized activities being carried out on framework of CoE PACO Impact project;



## ABBREVIATIONS

<b>AP</b>	Action plan
<b>CC</b>	Criminal Code
<b>CCCR</b>	Commercial Court Central Register (in Podgorica)
<b>CDP</b>	Counter-Diversion Protection
<b>CoE</b>	Council of Europe
<b>CEBJF</b>	Center for Education of Bearers of Judicial Functions
<b>CPC</b>	Criminal Procedure Code
<b>DACI</b>	Directorate for Anti-Corruption Initiative
<b>DNA</b>	Deoxyribonucleic Acid
<b>DPML&amp;TF</b>	Directorate for Prevention of Money Laundering and Terrorism Financing
<b>EAR</b>	European Agency for Reconstruction
<b>EU</b>	European Union
<b>FIU</b>	Financial Intelligence Unit
<b>GRECCO</b>	Group of Countries of South East Europe for fight against Corruption
<b>HRMA</b>	Human Resources Management Agency
<b>IAP</b>	Innovated Action Plan
<b>IED</b>	Improvised Explosive Devices
<b>IT</b>	Informational technologies
<b>MAFER&amp;FI</b>	Montenegrin Agency for Economic Restructuring and Foreign Investments
<b>MED</b>	Ministry for Economic Development
<b>MFA</b>	Ministry of Foreign Affairs
<b>MoF</b>	Ministry of Finance
<b>MoHLSA</b>	Ministry of Health, Labor and Social Affairs
<b>Mol&amp;PA</b>	Ministry of Internal Affairs and Public Administration
<b>MoJ</b>	Ministry of Justice
<b>MoTMT</b>	Ministry of Transport, Maritime, and Telecommunication
<b>NCB</b>	National Central Bureau
<b>NGO</b>	Non-Governmental Organizations
<b>PACO</b>	Program Against Corruption and Organized Crime in u South East Europe
<b>PIFC</b>	Public Internal Financial Control
<b>PPD</b>	Public Procurement Directorate
<b>RAI</b>	Regional Anti-corruption Initiative
<b>RMNE</b>	Republic of Montenegro
<b>SAI</b>	State Audit institution
<b>SAT</b>	Special Anti Terrorist Unit
<b>SEE</b>	South East Europe
<b>SEI</b>	Secretariat for European Integrations
<b>SSM</b>	Secret Surveillance Measures
<b>SSP</b>	Supreme State Prosecution
<b>UN</b>	United Nations
<b>UNTOC</b>	United Nations Convention against Transnational Organized Crime

## INSTITUTIONS / REPORTERS:

- 1) The Parliament of Montenegro
- 2) Ministry of Interior and Public Administration
- 3) Ministry of Justice
- 4) Ministry of Foreign Affairs
- 5) Ministry of Finance
- 6) Ministry for Economic Development
- 7) Ministry of Culture, Sport and Media
- 8) Ministry of Education and Science
- 9) Ministry of Transport, Maritime and Telecommunication
- 10) Ministry of Health, Labor and Social Affairs
- 11) Ministry of Tourism and Environmental Protection
- 12) Ministry of Agriculture, Forestry and Water Management
- 13) General Secretariat of the Government
- 14) Secretariat for European Integration
- 15) Secretariat for Development / Ministry for Information Society
- 16) Secretariat for Legislation
- 17) Supreme State Prosecutor
- 18) Supreme Court
- 19) Centre for Education of the Bearers of Judicial Function
- 20) State Audit Institution
- 21) Commission for Determining Conflict of Interest
- 22) Commission for the Control of Public Procurement Procedure
- 23) Commission for monitoring transparency in privatization process
- 24) Security Commission Montenegro
- 25) Commission for examining comments, complaints, proposals and suggestions of citizens and other subjects on privatization process
- 26) State Election Commission
- 27) Judicial Council
- 28) Prosecutors' Council
- 29) Privatization Council
- 30) Police Directorate
- 31) Police Academy
- 32) Directorate for Anti-corruption Initiative
- 33) Directorate for Prevention of Money Laundering and Terrorism Financing
- 34) Human Resource Management Agency
- 35) Tax Administration
- 36) Customs Administration
- 37) Administration for games of chance
- 38) Real Estate Directorate
- 39) Public Procurement Directorate
- 40) Commercial Court
- 41) Chamber of Commerce
- 42) Central Bank of Montenegro
- 43) Bank Association
- 44) State Prosecutors' Association
- 45) Agency for Insurance Supervision
- 46) Central Deposit Agency
- 47) Montenegrin Agency for Economic Restructuring and Foreign Investments
- 48) National Security Agency
- 49) NGO MANS
- 50) Union of Employers
- 51) Communities' Association
- 52) Media Institute
- 53) Official Gazette of Montenegro
- 54) Office of the National Coordinator for fight against trafficking in human beings