



MONTENEGRO
GOVERNMENT OF MONTENEGRO

NATIONAL COMMISSION
FOR MONITORING OF REALIZATION OF THE ACTION PLAN FOR IMPLEMENTATION OF THE PROGRAM FOR FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME

THE THIRD REPORT ON REALIZATION OF MEASURES
FROM THE INNOVATED ACTION PLAN FOR
IMPLEMENTATION OF THE PROGRAM FOR FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME /2008-09/
For the period of January 1, 2008 – June 30, 2008

Podgorica, July 31, 2008

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PRELIMINARY REMARKS

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

The Government of the Republic of Montenegro, on 15 February 2007, passed The Decision on establishing the **National Commission for monitoring of the Action Plan for realisation of the Program for 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 determined. **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 Board for Economy, Finance, and Budget, the President of the Parliamentary Board for Political System, Judiciary and Administration, President of the Supreme Court, Supreme State Prosecutor, Director of the Police Directorate, Director of the Directorate for Anticorruption Initiative, Executive Director of the NGO MANS and Executive Director of the NGO CEMI. **Constitutional session** of the National commission for implementation of the Action plan for implementation of the Program for fight against corruption and organized crime was held on 16 March 2007. Rulebook on the Work and draft Form for monthly reports, which is filled in by 32 institutions. Framework calendar of the National commission's work, for the first two reports adoption for period September 2006 – December 2007 was adopted up to when four meetings were held, while special meeting was initiated to preparation of changes and amendments of the AP.

- MEETINGS OF THE NATIONAL COMMISSION AND PLAN FOR 2008 -		
I MEETING	CONSTITUING OF NATIONAL COMMISSION	16 March 2007
II MEETING	PREPARATION AND ADOPTION OF THE FIRST REPORT	6 and 10 July 2007
III MEETING	THEMATIC SESSION ON NECESSITY OF AP INOVATING	25 December 2007
IV MEETING	PREPARATION AND ADOPTION OF THE SECOND REPORT	February 2008
V MEETING	ADOPTION OF THE AMENDMENTS OF AP /PROGRAMME/	20 May 2008
VI MEETING	PREPARATION AND ADOPTION OF THE THIRD REPORT	28 July 2008
VII MEETING	PREPARATION AND ADOPTION OF THE FOURTH REPORT	January 2009

National Commission adopted the **First Report on realization of the measures 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).**

Proposal for innovation of the AP came through work of the National Commission. **National Commission** adopted the **Proposal for AP Changes and amendments (IAP)** on 20 May 2008, after which the Government adopted it on its Session on 29 May 2008. All so far realized measures are registered in Annex II of the IAP and implementation duration is expired **up to end of 2009. Number of institutions and commissions/ responsible for reporting on IAP is increased from 32 to 54**, and Methodological Directive for reporting on realized measures is improved.

Expert team for preparation of The Report was established in April 2007 for technical analysis of monthly reports, or three-month reports, according to the Rulebook on the work (composed of: representatives of Police Directorate, Anticorruption Initiative Directorate, Ministry of Justice, Supreme State Prosecutor, and Deputy Prime Minister for European integration Cabinet.) Regular electronic enter of monthly and three-months reports in the table for monitoring was made for the reports submitted for the total reporting period, correct cooperation with all institutions was accomplished and the responsibility sense for engagement in this mutual activity came on gradually.

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, so far, unrealized measures 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**, meaning obligations accomplishment dynamic, **indicators of success** and possible **risk factors**.

INNOVATED ACTION PLAN (MATRIX) FOR IMPLEMENTATION OF THE PROGRAM OF FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME

I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT

In this chapter measures concerning 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 Parliament adopted Law on Changes and amendments of **Law on State Prosecutor**, which introduces novelties regarding competency of state prosecution office to prosecute criminal act perpetuates, competency of the Prosecution Council regarding appointing and acquittal of state prosecutor deputies, function permanency of deputy state prosecutor after its first appointment on tree years. In addition, important novelty regarding authority concentration of Department for suppression of organized crime by adding authority to prosecute crimes of corruption, terrorism, and war crimes.

Government intensively worked on creating conditions for fight against all forms of crime through defining **proposals of following laws** - Law on obligatory relations, Law on taking care of temporarily and permanently ceased property, Law on property relations, Law on electronic communications, Law on certification of Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No.198), Law on certification of Convention on Combating of Terrorism(CETS No.190), Law on certification of Convention on Fight against Trafficking in Human Beings(CETS No.197).

In parliamentary procedure soon will be the **Proposal of the Criminal Procedure Code**, which, among other, introduces the institute of inverted proving burden, than the proposal Law on Preventing Conflict of Interest in performing public functions as well as proposals of Law on Personal Data Protection and Law on Aliens.

Harmonization of legislation with international standards in the area of fight against corruption and organized crime is being analyzed and ensured continually. In the reporting period DACI submitted to the UNDP Office in Montenegro the proposal list of laws in order to ensure its harmonization with the UN Convention against corruption. Among submitted laws, there are Law on the criminal liability of legal entities for criminal acts, Law on free access to information, Law on State officials and employees Law on wages of state officials and employees and Law on commercial companies.

Regarding 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** with the aim of planning joint activities on tracking the phenomenon, cause and affects of corruption in the area of judiciary, education and local self government, as well as on realizing **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.

Successful international cooperation is being accomplished trough establishment of **regional cooperation** by signing bilateral agreements where Police Directorate, Customs Directorate, and Directorate for prevention of money laundering and financing of terrorism (DPML&FT) accomplished remarkable results.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
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	1. Monitoring implementation of the Resolution on the fight against corruption and organized crime through: 1. Amendments of the Rulebook on work aiming to widen 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 Rulebook on work aiming to widen 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	ASSESSMENT 1 : Obligation not realized.
					ASSESSMENT 2 : Obligation not realized.
	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	1. All competent bodies involved in implementation of the AP 3. Directorate for Anti-	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	ASSESSMENT 3 : Obligation continuously realized.

	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	Corruption Initiative (DACI)			ASSESSMENT 4 : Obligation continuously realized.
INTENSIFICATION OF ALREADY INITIATED REALIZATION OF GENERAL REFORMS OF LEGAL AND FINANCIAL SYSTEM	3. Preparation of the proposal of the Criminal Code (especially in domain 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	ASSESSMENT 5:
	4. Adoption of the Criminal Code	MNE Parliament	2009	Adoption of the Code	ASSESSMENT 6:
	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	ASSESSMENT 7: Obligation partly realized. Prepared proposal of the Criminal Procedure Code, the public hearing held and comments given by the international organizations collected.
	6. Adoption of the Criminal Procedure Code	MNE Parliament	2008	Adoption of the Code	ASSESSMENT 8: Obligation not realized.
	7. Adoption of the Law on Amendments of the Law on State Prosecutor	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 9: Obligation realized.
	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	ASSESSMENT 10: Obligation not realized.
	9. Adoption of the amendments of the Law on Identity Card	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 11: Obligation not realized.
	10. Preparation of the proposal Law on Genetic Privacy	Ministry of Health, Labour 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	ASSESSMENT 12: Obligation not realized.
	11. Adoption of the Law on Genetic Privacy	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 13: Obligation not realized.
	12. Preparation of the proposal Law on Obtaining of Biologic Material	Ministry of Health, Labour 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	ASSESSMENT 14: Obligation not realized.
	13. Adoption of the Law on Obtaining of Biologic Material	MoHLSA	2008	Adoption of the Law	ASSESSMENT 15: Obligation not realized.

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	ASSESSMENT 16: Obligation not realized.
15. Adoption of the Law on National DNA Register	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 17: Obligation not realized.
16. Preparation of the proposal Law on Preventing Conflict of Interest in performing public functions, in accordance with the international standards and recommendations	Mol&PA in cooperation with the Commission for Determining Conflict of Interest	2008	Defined proposal Law, following the public hearing and collected comments given by the Council of 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.	ASSESSMENT 18: Obligation partly realized.
17. Adoption of the Law on Preventing Conflict of Interest in performing public functions	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 19: Obligation not realized.
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	ASSESSMENT 20: Obligation realized.
19. Adoption of the Law on Protection of the persons reporting the corruption (whistleblowers)	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 21: Obligation not realized.
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	ASSESSMENT 22:
21. Adoption of the Law on Integrity in Public Sector	MNE Parliament	2009	Adoption of the Law	ASSESSMENT 23:
22. Adoption of the Law on Financing Political Parties	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 24: Obligation not realized.
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	ASSESSMENT 25: Obligation not realized.
24. Preparation of the proposal Law on Electronic Communication, aiming to: 1. introduce obligation for	Ministry of Transport, Maritime, and	2008	Defined proposal Law, following the public hearing and collected comments given by the international	ASSESSMENT 26: Obligation realized.

telecommunication services providers to register all buyers of the telecommunication services /120/ 2. ensure direct links and connection with the databases of the telecommunication services providers; condition: adoption of the Law on Personal Data Protection /125-6/	Telecommunication (MoTMT)		organizations, the law in line with the European standards and international conventions	ASSESSMENT 27: Obligation realized.
				ASSESSMENT 28: Obligation realized.
25. Adoption of the Law on Amendments of the Law on Electronic Communication	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 29: Obligation not realized.
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	ASSESSMENT 30: Obligation not realized.
27. Adoption of the Law on internal financial control in public sector	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 31: Obligation not realized.
28. Preparation of the proposal Law on Personal Data Protection	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	ASSESSMENT 32: Obligation partly realized.
29. Adoption of the Law on Personal Data Protection	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 33: Obligation not realized.
30. Preparation of the proposal Law on taking care of temporarily and permanently ceased property	MoF 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	ASSESSMENT 34: Obligation realized.
31. Adoption of the Law on taking care of temporarily and permanently ceased property	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 35: Obligation not realized.
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	ASSESSMENT 36: Obligation realized.
33. Adoption of the Law on property relations	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 37: Obligation not realized.
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	ASSESSMENT 38: Obligation not realized.
35. Adoption of the Law on State Election Commission	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 39: Obligation not realized.
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	ASSESSMENT 40: Obligation realized.
37. Adoption of the Law on obligatory relations	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 41: Obligation not realized.

	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 European standards and international conventions	ASSESSMENT 42: Obligation partly realized.
	39. Adoption of the Law on Aliens	MNE Parliament	2008	Adoption of the Law	ASSESSMENT 43: Obligation not realized.
IMPLEMENTATION OF INTERNATIONAL INSTRUMENTS AND STANDARDS IN FIELD OF FIGHT AGAINST CORRUPTION AND ORGANIZED CRIME	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	ASSESSMENT 44: Obligation continuously realized.
	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	ASSESSMENT 45: Obligation continuously realized.
	42. To ratify Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS no198)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	ASSESSMENT 46: Obligation partly realized.
	43. To ratify Convention on Prevention of (CETS no196)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	ASSESSMENT 47: Obligation not realized.
	44. To ratify Convention on Combating of Terrorism (CETS no 190)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	ASSESSMENT 48: Obligation partly realized.
	45. To ratify Convention on Fight against Trafficking in Human Beings (CETS no 197)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	ASSESSMENT 49: Obligation realized.
	46. To ratify the Convention on Cyber Crime, with supplementing Protocols (ETS189)	MNE Parliament, MNE Government, Mol&PA	2008	Ratified Convention	ASSESSMENT 50: Obligation not realized.
	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	ASSESSMENT 51: Obligation continuously realized.
COOPERATION AND EXCHANGE OF INFORMATION BETWEEN THE STATES, AIMING TO ORGANIZE JOINT OPERATIONS IN FIGHT AGAINST ORGANIZED CRIME	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: <ul style="list-style-type: none"> with the neighboring countries with the EU countries with international organizations 	ASSESSMENT 52: Obligation not realized.
	49. Signing of bilateral agreements: <ul style="list-style-type: none"> with the neighboring countries with the EU countries with international organizations 	Police Directorate, Customs Administration, DPML&FT	Continuous	Number of signed bilateral agreements: <ul style="list-style-type: none"> with the neighboring countries with the EU countries with international organizations 	ASSESSMENT 53: Obligation continuously realized. ASSESSMENT 54: Obligation continuously realized.

					ASSESSMENT 55: Obligation continuously realized.
	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	ASSESSMENT 56: Obligation continuously realized.
ACTIVE PARTICIPATION IN REALIZATION OF MEASURES AND ACTIVITIES OF REGIONAL ANTI-CORRUPTION INITIATIVE (RAI)	51. Implementation of Declaration on ten joint measures for fight against corruption in South Eastern Europe	DACI (on basis of collected individual reports from the competent bodies)	Continuous	Assessment of the realized progress by RAI	ASSESSMENT 57: Obligation continuously realized.
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	ASSESSMENT 58: Obligation continuously realized.
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 procurement procedure, Supreme State Prosecutor's Office, Supreme Court, Police Academy, DPML&FT, HRMA	Continuous	Defined priorities, project proposals based on defined priorities	ASSESSMENT 59: Obligation continuously realized.

	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	ASSESSMENT 60: Obligation continuously realized.
	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	ASSESSMENT 61: Obligation continuously realized.

RECOMMENDATIONS:

1. MNE Parliament to intensify activities on adoption of laws which are in parliamentary procedure, whose adoption has been envisaged in the IAP.
2. MNE Parliament and Secretariat for Legislation in internal communication to determine competent body for preparation of the proposal Law on State Election Commission.
3. Ministry of Health, Labor and Social Welfare to intensify activities on preparation of Proposal of Law on Genetic Privacy and Proposal of Law on Obtaining of Biologic Material.

II GENERAL OBJECTIVES

With the aim of improving knowledge in the area of suppression corruption and organized crime a rank of trainings and specializations for representatives of police, prosecutors and judges was organized. In the reporting period, 22 trainings and seminars were organized in the Police Academy in Danilovgrad, for 550 officers of Police Directorate, one training in the Human Resources Management Agency for 319 employees, and participation on many trainings and seminars was ensured, which from different aspects deal with corruption and organized crime issues, organized by international organizations.

In the framework of annual education program of **the Center for Education of Bearers of Judicial Functions (CEBJF)** for 2008, special part relates to criminal area where issues of organized crime and corruption are particularly treated. All programs of Center as well as semi annual working plans are available upon request submitted to Centre or can be found at the Center's web site (www.coscq.org).

In the part related to assessment of the criminality state of play in field of criminal acts with elements of corruption and organized crime, **Tree party Commission**, composed of

bearers of judicial functions and Police Directorate representatives, accomplished significant contribution. By previously determined unique methodology, Commission carried out statistical data handling for size and dispersion assessment of the criminal acts with elements of corruption and organized crime. In the overall reporting period (01.01.2006 – 30.06.2008), felonies recognized as criminal acts with corruption elements, encompass: 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 from 01.01.2006. do 30.06.2008., total of 663 criminal charges against 1067 persons have been submitted, out of which 271 charges against 449 persons in 2006, 274 charges against 435 persons in 2007 and 118 charges against 183 persons in 2008.

In deciding upon submitted charges, after gathering necessary information in pre trial procedure, State Prosecution has rejected 286 criminal charges against 469 persons, out of which 143 charges against 250 persons from 2006, 105 charges against 171 persons from 2007 and 38 charges against 48 persons from 2008. 13 denunciatory proposals has been submitted against 18 persons, out of which 7 against 9 persons from 2006, 5 against 8 persons from 2007 and one denunciation proposal against one person from 2008. 14 charges against 17 persons were brought without previous conducting investigation, out of which 5 charges against 6 persons from 2006, 4 charges against 4 persons from 2007 and 5 charges against 7 persons in 2008. Furthermore, 236 requests for conducting investigation were submitted against 376 persons, out of which 108 requests against 166 persons from 2006, 101 requests against 158 persons from 2007 and 27 requests against 52 persons in 2008. In order to verify charges, courts submitted 9 proposals for conducting investigative activities against 19 persons, out of which 8 proposals against 18 persons from 2006 and one proposal against one person from 2007.

At the end of reporting period 105 criminal charges against 168 persons remained unsolved before other bodies involved in pre trial procedure upon prosecution requests for gathering necessary information, out of which 58 charges against 93 persons from 2007 (at the end of 2007, 71 charges against 152 persons) and 47 charges against 75 persons from 2008. **Comparing data for first six months of 2008 with the status on 31.12.2007, it is evident that number of unsolved charges from 2006 and 2007 decreased for 31 charges against 65 persons.**

Particularly in reporting period, there were 126 charges against 165 persons in operation, in cases upon criminal charges for felonies with elements of corruption and 70 judgments against 81 persons. (In 70 cases against 81 persons criminal procedure ended with verdict, out of which in 42 cases against 52 persons from 2006 (at the end of 2007 30 cases against 31 persons), in 25 cases against 26 persons in 2007 (at the end of 2007. 12 cases against 14 persons) and in 3 cases against 3 persons in 2008). Convictions were given in 35 cases against 41 persons, in 4 cases against 5 persons charges were rejected and in 31 cases against 35 persons, acquittals were given. Prosecution submitted 45 appeals upon first instance sentences against 51 persons, out of which appeal procedure is completed in 21 cases against 21 persons, and in progress in 24 cases against 30 persons. Second instance courts accepted 10 appeals against 10 persons and rejected 11 appeals against 11 persons.

Particularly in reporting period, there were 126 charges against 165 persons in operation, 70 judgments against 81 persons out of which 37 sentences against 39 persons became in effect. (Detail information given in Annex I).

In reporting period, **36 criminal charges against 196 persons were submitted** to the Special State Prosecutor for organized crime suppression for criminal acts of organized crime. **Convictions were given in 13 cases against 68 persons.** (Detail information given in Annex I).

In previous period in field of fight against human beings trafficking, Government of Montenegro determined necessary financial resources for operating the Shelter for human beings trafficking victims, in order to provide accommodation, food, clothing and other necessary assistance to human trafficking victims in Montenegro (foremost health, social, psychological, legal and other assistance), and capacity building of the Office of the National Coordinator for fight against trafficking in human beings is being continuously carried out.

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

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
RAISING THE LEVEL OF KNOWLEDGE AND SPECIALIZATION OF	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	ASSESSMENT 62: Obligation partly realized in cooperation with CEBJF .

POLICE, PROSECUTORS AND JUDGES	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	ASSESSMENT 63: Obligation realized. In this period, 4 seminars organized for 170 participants.
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	ASSESSMENT 64: Obligation continuously realized.
	4. Parliamentary control (in accordance with the provisions of the Law on)				ASSESSMENT 65: Obligation continuously realized.
	5. Internal Police Control				ASSESSMENT 66: Obligation continuously realized.
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)	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	ASSESSMENT 67: Obligation not realized.
ASSESSMENT OF THE CRIMINALITY STATE OF PLAY IN FIELD OF CRIMINAL ACTS WITH ELEMENTS OF CORRUPTION AND ORGANIZED CRIME	7. 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	ASSESSMENT 68 : Obligation continuously realized. Regular Three-Party Report submitted (ANNEX I). Supreme Court Report on review of residual cases overcome at Basis, High and Commercial Courts (ANNEX)
					ASSESSMENT 69: Obligation realized. Methodology harmonized and accordingly to it prepared report for 30 months (2006, 2007, and 6 months of 2008). Evidence book and electronic database made.
STRENGTHENING OF STATE BODIES' CAPACITIES IN FIGHT AGAINST TRAFFICKING IN HUMAN BEINGS	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	ASSESSMENT 70: Obligation continuously realized.

RECOMMENDATIONS:

1. Supreme court, Supreme State Prosecution and Police Directorate to identify areas where is necessary to conduct joint trainings and specialization of prosecutors, judges, and police officers.
2. Center for Education of Bearers of Judicial Functions and Police Academy to coordinate organization of joint seminars for representatives of police, prosecutor's office and courts, in relation to new provisions and solutions stipulated in Criminal Procedure Code.

B. PREVENTION AND EDUCATION

Prevention and education, 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 total of 1875 public officers are registered in Montenegro, out of which 743 (39,6%) are state officials and 1132 (60,4%) are local public officers. Out of the total number (1875) of public officers, 1629 or 86, 88% submitted reports on incomes and property for 2007, out of which 722 or 97, 17% are state officials and 907 or 80, 12% are local public officials. Commission initiated procedure against 448 public officers, 366 decisions have been made, out of which 195 decisions were on violating of the Law, 66 decisions were on previous violating of the law, and 105 on not violating the law. In addition, 21 public officers reported changing in property, 12 registered presents valued over 50 €.

In order to promote **the Code of Ethics**, Human Resources Management Agency continued organizing trainings. In reporting period, two trainings conducted for 30 public servants. Regarding continuous organizing trainings for public servants and state employees on implementation of Law on free access to information, this HRMA conducted one seminar for 18 public servants. All state bodies act in accordance with the Law on free access to information and in that way contribute strengthening the principle of transparency of its work (quantitative data available in individual reports of institutions at www.vlada.antikorupc.cg.yu). Police Directorate Committee on Ethics continuously deals with cases of police ethics violation. In reporting period, Committee on Ethics had four sessions and examined 15 cases. Committee on Ethics submitted 13 cases to disciplinary prosecutor due to violation of the Police Code of Ethics, and in two cases, no violation was established.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
IMPROVEMENT OF WORKING CONDITIONS AND GENERAL STANDARD OF JUDGES, PROSECUTORS, AND THE POLICE	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	ASSESSMENT 71:
INCREASE OF THE INTEGRITY OF JUDGES AND PROSECUTORS	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)	ASSESSMENT 72: Obligation not realized.
	11. Efficient work of 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	ASSESSMENT 73: Obligation continuously realized.

INCREASE OF THE INTEGRITY OF THE POLICE	12. Application of the Police Code of Ethics: 1) Efficient work of Committee on Ethics 2) Preparation of six-month analysis on application of Code of Ethics 3) Organizing of periodical trainings on application of Code of 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 initiated due to violation of the Police Code of Ethics, number of trainings and number of employees participating in trainings	ASSESSMENT 74: Obligation continuously realized. Committee on Ethics had four sessions and examined 15 cases. ASSESSMENT 75: Obligation not realized. ASSESSMENT 76: Obligation not realized.
	13. Preparation of the Instructions on reporting the cases of corruption to police (manner of reporting and protection of whistle blowers), and its efficient implementation	Police Directorate	2008	Prepared Instructions, number of reported cases of corruption before and after promotion of the Instructions	ASSESSMENT 77: Obligation not realized.
	14. Training of police officers and employees for implementation of the Instructions on reporting corruption to the police	Police Directorate, Police Academy, DACI	2008, Continuous	Number of trainings and number of employees participating in trainings	ASSESSMENT 78: Obligations not realized.
	15. Promoting the Instructions on reporting corruption to the police	Police Directorate, DACI, NGO	2008, Continuous	Prepared plan of promotion of the Instructions, report on implementation of the plan, number of the realized activities in relation to the planned ones	ASSESSMENT 79: Obligation not realized.
	16. Six-months reporting on work of organizational unit for surveillance of Police Directorate work	Mol&PA	Continuous	Six-months reports	ASSESSMENT 80: Obligation not realized. Remark: MNE Gov adopted on June 19, 2008 Regular Annual reports of Mol&PA including Annual reports of Police Directorate and HRMA
	IMPROVEMENT OF METHODS, MANNER OF FUNCTIONING AND CONDUCTING OF THE LEGISLATIVE, EXECUTIVE AND JUDICIAL AUTHORITIES, AS WELL AS STATE PROSECUTORS	17. Promotion of the Code of Ethics of public servants and state employees	Human Resources Management Agency	Continuous	Respecting the Code of Ethics
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	ASSESSMENT 82: Obligation continuously realized.
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	ASSESSMENT 83: Obligation continuously realized.
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	ASSESSMENT 84: Obligation continuously realized.
NARROWING DOWN THE AREA FOR POTENTIAL CORRUPTION IN PUBLIC SECTOR	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	ASSESSMENT 85:
	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	ASSESSMENT 86:

	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	ASSESSMENT 87:
EFFICIENT IMPLEMENTATION OF THE LAW ON FINANCING POLITICAL PARTIES AND THE LAW ON ELECTION OF THE PRESIDENT OF MONTENEGRO, MAYORS, AND PRESIDENTS OF MUNICIPALITIES	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	ASSESSMENT 88: Obligation not realized.
	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	ASSESSMENT 89: Obligation not realized.
	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	ASSESSMENT 90: Obligation not realized.
	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	ASSESSMENT 91:
	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	ASSESSMENT 92: Obligation not realized.
	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	ASSESSMENT 93: Obligation not realized.
EFFICIENT IMPLEMENTATION OF THE LAW ON FREE ACCESS TO INFORMATION	30. Training of the state employees and civil servants on implementation of the Law	Human Resources Management Agency	Continuous	Number of seminars and participants	ASSESSMENT 94: Obligation continuously realized.
	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	ASSESSMENT 95: Obligation partly realized.
	32. Preparation of the Manual for state employees	Ministry of Culture and media, NGOs	2008	Prepared manual	ASSESSMENT 96: Obligation not realized.
	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	ASSESSMENT 97: Obligation continuously realized. 18 institutions submitted information on this measure. 643 requests, out of which 409 are solved, 141 in progress, 93 rejected.

RECOMMENDATIONS:

Supreme State Prosecution Office is to intensify activities on promoting and the Code of Ethics of prosecutors.

Supreme Court and Judicial Council are to inform public about existence and work of the Office for reporting corruption in judiciary.

Police Directorate is to prepare semi annual analysis on Code of Ethics implementation by the end of III quarter 2008.
 Police Directorate is to prepare Instruction on reporting the cases of corruption to police by the end of III quarter 2008.
 Ministry of Culture and Media to intensify preparation of the Manual for state employees regarding implementation of the Law on Free Access to Information by the end of III quarter 2008.

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

This Part of General objective of the AP provides 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 envisaged regarding 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 a 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 Directorate designed 7 brochures for physical and legal entities, composed of all necessary information on customs procedure with goods that these persons need to know when arriving to Montenegro. Within the scope of public campaign, DACI published 27 announcements in daily newspapers, inviting citizens to report corruption and actively participate in its suppression. With a view to inform citizens about tax provisions, in reporting period, Tax Directorate published new material at its web site www.poreskauprava.vlada.cg.yu called "Say NO to corruption" which is also distributed to Tax Directorate district units, as well as to numerous business subjects and state and local self government bodies.

With a view to introduce and educate on general terms and appearances of corruption and organized crime, in 32 educational institutions in 9 municipalities, pupils and students were interviewed, so this project involved 3.108 examinees (data analysis is in progress).

Regarding improvement of transparency of business operations, Minister of Justice passed Rulebook on manner of keeping penal records of legal entities (Official Gazette of MNE No. 23/08) which regulates keeping of so-called "Black list" of companies convicted for felonies with elements of corruption (still without submitted criminal claims for this acts).

In addition, upon proposal of Ministry for Economic Development, after adoption of Operational plan for business barriers elimination (adopted by Government on 3 April 2008), Council for business barriers elimination was established. Action plan for business barriers elimination also adopted, so as Activity plan for its implementation. Council for business barriers elimination is responsible to prepare of three-month reports and submit it to both Privatization Council and Government of MNE. Preparation of this report is in progress and its finalization is to be by the end of III quarter of 2008.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
JOINT PROPAGANDA-PREVENTIVE ACTION OF THE GOVERNMENTAL AND NON-GOVERNMENTAL SECTOR AND CIVIL SOCIETY WITH THE AIM OF RAISING THE LEVEL OF PUBLIC AWARENESS ON NEGATIVE CONSEQUENCES OF ORGANIZED CRIME AND CORRUPTION	34. Design and realize intensive public campaign with the aim of more efficient participation of citizens in the fight against corruption and organized crime	DACI (in cooperation with the Customs Administration, Tax Administration, Police Directorate, DPML&FT, Directorate for public Procurement, Commission for determining conflict of interest, Privatization Council, State Audit Institution, NGO sector, Media)	Continuous	Preparation of quarter reports on implementation of public campaign; number of prepared flyers, brochures, guidebooks, number of published procedures for submitting of complaints, number of fields covered by the informative material	ASSESSMENT 98: Obligation continuously realized. All involved institutions submitted detail information in their reports, which are available at the DACI web site/ National Commission
INTRODUCTION AND EDUCATION IN TRAINING INSTITUTIONS ON GENERAL NOTIONS AND APPEARANCES	35. Periodical lectures in high schools and faculties on corruption and organized crime	Ministry of Education and Science, DACI, NGOs	Continuous	Total number of lectures held, number of visited education institutions, number of participants	ASSESSMENT 99: Obligation continuously realized. - 3 lectures at universities for 100 students - Interviewing of pupils and students in 32

OF CORRUPTION AND ORGANIZED CRIME					educational institutions in 9 municipalities
PROFESSIONAL INFORMING ON CORRUPTION AND ORGANIZED CRIME	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	ASSESSMENT 100: Obligation is not realized.
TRANSPARENT INSIGHT INTO MEDIA OWNERSHIP STRUCTURE AND PREVENTION OF THEIR MONOPOLIZATION	37. Preparation of the proposal Law on illegal printed media concentration	Ministry of Culture and Media	III Q of 2008	Prepared proposal Law	ASSESSMENT 101: Obligation is not realized.
	38. Adoption of the Law on illegal printed media concentration	MNE Parliament	IV Q of 2008	Adoption of the law	ASSESSMENT 102: Obligation is not realized.
IMPROVEMENT OF TRANSPARENCY OF BUSINESS OPERATIONS	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	ASSESSMENT 103: Obligation is realized. ASSESSMENT 104: Obligation not realized. In accordance with AP for business barriers elimination, Council for business barriers elimination submits three month's reports to the Privatization Council as well as to the Government. First Report will be ready for II half of this year, since the Activity Plan was adopted on 03.04.08.
	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	ASSESSMENT 105: Obligation realized. Since there were no sentences for legal entities, list of companies convicted for crimes with elements of corruption could not be made.

RECOMMENDATIONS:

1. Ministry of Culture, Sport and Media, in accordance with deadline from AP to prepare text of the proposal Law on illegal concentration of printed media or to propose other way for realization of this CoE recommendation, by the end of III quarter of 2008.

D. LOCAL SELF-GOVERNMENT

Coordination Board for local self-government reform, in cooperation with Association of Municipalities and CoE experts, prepared **Model of Program for fight against corruption in local self-government, and Model of Action Plan for implementation of the Program for fight against corruption in local self-government.** Both Models are designed according to CoE methodology, in accordance with measures determined in the Administration Reform Strategy of Montenegro for 2002 – 2009, Working Plan for better local self government, National training Strategy (NTS), Action Plan for Local self Government Reform for 2008, and Government Annual Working Plan for 2008.

Government adopted mentioned Models at its Session on June 27, 2008 and activities on preparation of local anti corruption action plans are to follow.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
ENHANCING THE FIGHT AGAINST CORRUPTION AT LOCAL LEVEL	41. Drafting and adoption of: 1. Model of Program of fight against corruption and organized crime in local	Mol&PA in cooperation with the MNE Association of Municipalities and	II quarter of 2008	Adopted model of Program of fight against corruption and organized crime in local self-government Adopted Action Plan	ASSESSMENT 106: Obligation realized.

	self-government 2. Action Plan of measures for preventing and combating corruption at the local level	MNE municipalities			ASSESSMENT 107: Obligation realized.
	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	ASSESSMENT 108: Obligation not realized. Municipalities should adopt its own local AP for fight against corruption.

RECOMMENDATIONS:

1. Local self governments in cooperation with Association of Municipalities, in accordance with deadline from AP, to prepare and adopt 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 is committed to the capacity building and strengthening of the prosecution bodies, more precisely - state prosecution organization. Within that aim, in reporting period **administrative capacities of the Supreme State Prosecutor's Office /SSP/** strengthened by appointing one deputy more, who will maintain indicators needed for recognizing corruption via analytical system and final recommendations. In addition, basic prosecutors in Podgorica and Herceg Novi appointed. In accordance with the Supreme State Prosecution's Office Working Plan for 2008, review of the basic and higher prosecution's offices performance continuously conducted.

Prosecution Office organized numerous trainings for prosecution bodies' servants in the area of organized crime and corruption (11 trainings). In cooperation with the **Centre for Education of the Bearers of Judicial Function /CEBJF/** realized set of trainings and seminars regarding crime cases with elements of corruption and organized crime (Criminal Code and Criminal Procedure Code), as well as regarding implementation of SSM (detailed information given in report, available at www.vlada.antikorupc.cg.yu). Regarding capacity building and new staff training, in state prosecution offices new expert-associates, employees and trainees hired.

SSP office in cooperation with the Secretariat for Development completed the project of establishing informational system in prosecution offices in order to provide better communication for State prosecutors in information exchange, data exchange with prosecutors in region as well as professional improvement. Project for establishing database submitted to the US Ministry of Justice, analyzing and project proposal accepting is in progress.

Regarding SSP Office cooperation with prosecution offices in region and wider, at bilateral and multilateral background, it may be concluded that, in reporting period, this activity is being continued and, within its scope, 5 seminars were realized with a view to exchange experiences related to cases with elements of corruption and organized crime.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
CAPACITY BUILDING FOR PROSECUTORS	1. Increasing the number of prosecutors in accordance with the new Criminal Procedure Code, and the law on State Prosecutor	Supreme State Prosecutor, Prosecutors' Council	2008-2009	Number of new employees in relation to necessary number of prosecutors	ASSESSMENT 109: Obligation continuously realized. SSP- one deputy more; Basic prosecutors elected in Podgorica and 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	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;	ASSESSMENT 110: ASSESSMENT 111:

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			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)	ASSESSMENT 112:
				ASSESSMENT 113:
				ASSESSMENT 114:
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	ASSESSMENT 115: Obligation not realized.
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	ASSESSMENT 116: Obligation partly realized.
5. Implementation of further training of prosecutors 1) Informing the prosecutors on comparative practice of neighboring countries in field of fight against corruption and organized 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 (CC and CPC) 3) Drafting and implementation of the program of education for criminal acts described in Chapter XXIII of CC and 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)	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	ASSESSMENT 117: Obligation continuously realized. - 12 seminars
				ASSESSMENT 118: Obligation continuously realized. - 7 seminars
				ASSESSMENT 119: Obligation continuously realized. - 3 seminars
				ASSESSMENT 120: Obligation continuously realized. - 1 seminar, 45 participants - Twining Light Project for SSP started in June 2008; Training Program for implementation of Criminal Procedure Code and Secret Surveillance Measures
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	ASSESSMENT 121: Obligation not realized.

	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	ASSESSMENT 122: Obligation not realized
1) CAPACITY BUILDING IN THE DEPARTMENT FOR THE FIGHT AGAINST ORGANIZED CRIME	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	ASSESSMENT 123: Obligation realized. Link is assessment 119.
					ASSESSMENT 124: Obligation realized. Link is assessment 118.
					ASSESSMENT 125: Obligation realized. 2 international Conferences /Dubrovnik, Brioni
					ASSESSMENT 126: Obligation not realized.
	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	ASSESSMENT 127: Obligation not realized.
	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	ASSESSMENT 128: Obligation not realized.
	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	ASSESSMENT 129: Obligation realized.
12. Signing of international agreements on cooperation	Supreme State Prosecutor	Continuous	Number of signed agreements	ASSESSMENT 130: Obligation continuously realized. Bilateral agreement with Russia	
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	ASSESSMENT 131: Obligation continuously realized.	

RECOMMENDATIONS:

1. Prosecutor's Council and Ministry of Finance are to submit information on 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 for increase of number of new prosecutors and administrative staff, premises and technical capacities, staff training, improvement of material conditions of the prosecutors, in accordance with the new competencies and authorizations, improvement of material conditions of the employees and servants, in accordance with the new competencies and authorizations - points 1 to 5), by the end of III quarter of 2008;
2. Prosecutor's Council to submit analysis on number and structure of cases in field of corruption, organized crime, in relation to existing staff, by the end of III quarter of 2008.
3. Supreme State Prosecutor, Centre for Education of the Bearers of Judicial Function and State Prosecutors' Association to submit training program for prosecutors, in line with recognized needs for fight against corruption and organized crime, for implementation of SSM and for felonies prescribed by Chapters XXIII and XXVIII of Criminal Code, by the end of III quarter of 2008.
4. Prosecutor's Council and Ministry of Finance to submit defined needs plan and report on value of acquired equipment in relation to the needed one, by the end of III quarter of 2008.

5. Supreme State Prosecutor is to submit information on number of prosecutor's offices linked in the IT system and statistical data on number of cases in database, by the end of III quarter of 2008.
6. Supreme State Prosecutor, Centre for Education of the Bearers of Judicial Function to submit information on specialization of prosecutors in Department for the fight against organized crime, regarding criminal acts with elements of corruption, organized crime, war crimes and terrorism, by the end of III quarter of 2008.
7. Supreme State Prosecutor is to submit information on reorganization of existing Department for the fight against organized crime, by the end of III quarter of 2008.
8. Supreme State Prosecutor is to submit information on increasing number of deputies of Special prosecutor for fight against organized crime including terrorism, corruption, and war crimes, by the end of III quarter of 2008.
9. Supreme State Prosecutor is to submit information on increasing number of engaged servants in Department for fight against organized crime, by the end of III quarter of 2008.

A.2. POLICE

According to the Decree on organization and manner of work of Public Administration, Police Directorate has very complex scope of activities, whose main part represents the basis for the qualitative implementation of this Action Plan. However, Police Directorate (Art 28a of the Decree) carries out the tasks that relates to: citizens' security protection and protection of the freedoms and rights determined by the Constitution; protection of property; prevention of committing and solving of crimes and offences; finding and arresting of crime perpetrators and escorting them to the competent institutions; maintaining of public law and order; securing of public assemblies and other gatherings of the citizens; protection of certain persons and buildings; traffic safety control and surveillance; state border control and surveillance and border crossing control; control of flow and staying of the foreigners; securing the conditions for undisturbed work of courts; maintaining of the public order; protection of the persons and property; crime investigation and analysis; criminal and other kinds of the registration; international police cooperation; making of the analysis, elaborates, studies and following of the certain security issues. Surveillance and control of the Police Directorate work is in competence of the Ministry of Interior and Public Administration.

Having in mind requests of reporting on Action Plan, all measures in this chapter are grouped on the basis of general assessments and recommendations into **10 units**, precisely General measure for police capacity building, and 10 special units that follow and analyze police capacity building in specific sectors (Organized crime; Economic crime; Secret Surveillance Measures application; Trafficking in human beings; Smuggling of narcotics; Witness Protection; Forensic and other crime techniques; Terrorism; Cross-Border crime, and International Police Cooperation);

Police Directorate continued conducting **both basic and specialized trainings** for officers of all Sectors and Departments within this body.

Regarding capacity building of the police in the fight against smuggling of drugs, in reporting period (precisely on May 29, 2008) Government of Montenegro adopted the Strategy "National and Strategic Answer to Narcotics", and Action plan for its implementation for the period 2008-2009. Officers of Department for fight against drugs and smuggling participated at four specialized trainings with different topics related to suppression of smuggling and drugs.

Police Directorate accomplished significant improvement in establishing Forensic Centre and capacity building in carrying out crime techniques. In that sense, through realization of Swedish project of modernizing crime technique capacities in field, computer equipment delivered and distributed to 18 Police Directorate regional units and outposts. Equipment selection realized for: a) DNA Laboratory and laboratory furniture; b) computer equipment, and selection of it. Equipment selection for the offices and laboratory furniture for new modern building of Forensic Centre in Danilovgrad is in progress. Regarding administrative capacity building, officers of the Crime Technique Department participated at seven specialized trainings from this area. Priority in staff training continues to be forensic DNA experts training in respectable and accredited laboratory abroad.

In the field of **international police cooperation**, in reporting period, Police Directorate achieved progress in cooperation at bilateral and multilateral level, via maintaining consultative meetings, which resulted with planning and carrying out of mutual activities.

In accordance with carried out activities on spreading of Interpol's services at border crossings, at this moment, direct search of Interpol's database is possible at two cross border points. Additional two cross border points will have this possibility in near future. Draft of the Strategic agreement on cooperation with Europol is prepared, and accepted by Europol's Managing Board. Its verification by the EU Council is expected soon, and after that, signing of the Agreement will follow by October 2008.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
POLICE CAPACITY BUILDING	14. Amending of the Rulebook on internal organization and systematization of the Police Directorate	Police Directorate	2008-2009	Adopted Rulebook	ASSESSMENT 132: Obligation not realized.

15. Adoption of the legal act which stipulates that officers of Crime Police Sector are provided with additional payment on basic wage due to 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	MNE Government, Ministry of Finance, Police Directorate, Mol&PA	2008	Adopted act, introduced special additional payment	ASSESSMENT 133: Obligation not realized.
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	ASSESSMENT 134: Obligation not realized.
17. Adoption of the Instructions on protection of whistleblowers	Police Directorate	2008	Adopted Instructions	ASSESSMENT 135: Obligation partly realized.
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	ASSESSMENT 136: Obligation not realized.
19. To determine needs for training, and implement trainings and strengthen human resource capacities of the Department for Internal Control within the Police Directorate	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	ASSESSMENT 137: Obligation continuously realized. Two day seminar for 4 officers (seminar for public administration) Seminar on Integrity plan / 6 servants organized by HRMA
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	ASSESSMENT 138: Obligation not realized.
21. Six-month reporting on work of organizational unit for monitoring the Police Directorate work	Mol&PA	Continuous	Six-month reports	ASSESSMENT 139: Obligation not realized.
22. To adopt Instructions on application of SSM	Police Directorate	III Q of 2008	Adopted Instructions	ASSESSMENT 140: Obligation not realized.
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 order to collect data and in accordance with the police competencies envisaged by the CPC and the Law on Police	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 established	ASSESSMENT 141: Obligation not realized.

1) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST ORGANIZED CRIME	<p>24. 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</p> <p>1.1. Increase number of officers within the organizational unit dealing with suppression of corruption from existing two to four officers</p> <p>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)</p>	Police Directorate	2008	<p>Reorganized Department</p> <p>1.1. Number of officers increased at defined level</p> <p>1.2. two official positions defined per district units</p>	<p>ASSESSMENT 142: Obligation partly realized.</p> <p>- two executives engaged</p>
					ASSESSMENT 143: Obligation partly realized.
	<p>25. Securing functional working space for the existing Department for the prevention and fight against orga.crime</p>	Police Directorate	2008-09	Secured adequate working space	ASSESSMENT 144: Obligation not realized.
	<p>26. Training needs assessment and organizing trainings</p> <p>1. Providing continuous trainings for officers in the field of fight against organized crime and corruption</p>	Police Directorate, Police Academy in cooperation with the Supreme State Prosecution	Ongoing	Training needs assessed and determined: trainings provided; No. of trainings; Level of qualified staff; No. of organized compared to planed;	ASSESSMENT 145: Obligation continuously realized. - 30 trainings
	<p>27. Purchase of technical and communication equipment:</p> <p>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</p>	Police Directorate	II Q of 2008	Equipment purchased and operating 1. Infrastructure for data base usage established	ASSESSMENT 146: Obligation partly realized.
2) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST ECONOMIC CRIME	<p>28. Providing functional working space for the needs of existing Department for the fight against economic crime</p>	Police Directorate	2008	Functional working space provided	ASSESSMENT 147: Obligation partly realized.
	<p>29. Training needs assessment and organizing trainings:</p> <p>a) Basic trainings for fight against economic crime</p> <p>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>ASSESSMENT 148: Obligation continuously realized (<i>link assm.No.145</i>)</p> <p>ASSESSMENT 149: Obligation continuously realized.</p> <p>- seminar of suppression economic and cyber crime / 12 participants</p>
	<p>30. Making requirement needs plan for the Department</p> <p>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	ASSESSMENT 150: Obligation not realized

3) CAPACITY BUILDING OF THE POLICE WITH REGARD TO CRIMINAL-INTELLIGENCE AFFAIRS AND THE USE OF SECRET SURVEILLANCE MEASURES (SSM)	31. Reorganization of the existing Special Verification Unit through introduction of 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 manual on criminal-intelligence work	Police Directorate	2009	1. DESK activities established at central and regional level (pilot regions) 2. Organizational units for Criminal-intelligence affairs established within district police units 3. Manual on criminal-intelligence work adopted harmonized with European standards	ASSESSMENT 151: Obligation partly realized.
	32. Providing functional working space for the needs of Special Verification Unit	Police Directorate	2008.	Functional working space provided	ASSESSMENT 152: Obligation partly realized.
	33. Recruitment of necessary staff	Police Directorate	2008, Continuous	Recruitment model developed; staff fulfillment accomplished; % of fulfillment compared to systematization	ASSESSMENT 153: Obligation partly realized. Draft version of Manual "Intelligence Led Policing in Montenegro" made; ASSESSMENT 154: Obligation partly realized.
	34. Implementation of: 1) Basic trainings 2) Specialized trainings	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	ASSESSMENT 155: Obligation partly realized. Recruitment Model developed; 57, 5% of required staff achieved. ASSESSMENT 156: Obligation continuously realized. - four months training for 3 officers started in March.
	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	ASSESSMENT 157: Obligation continuously realized. - 2 officers completed specialized training for criminal-intelligence analysis ASSESSMENT 158: Obligation partly realized.
	36. Establishment of unified database of operational intelligence data	Police Directorate	2008-2009	Unified database established	ASSESSMENT 159: Obligation partly realized.
	37. Securing links and connections with computer networks and databases in telecommunication service providers, in accordance with the police authorization, envisaged in the Criminal Procedure Code	Police Directorate	2008	Links established and police access to the computer networks and databases in telecommunication service providers enabled	ASSESSMENT 160: Obligation partly realized.
	38. Signing of the agreement with the Central Bank in order to secure the funds for the implementation of SSM, making reports on its implementation	Police Directorate, Central Bank of Montenegro	2008	Agreement with the Central Bank signed; periodical reports on its implementation made	ASSESSMENT 161: Obligation not realized.
4) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST TRAFFICKING IN HUMAN BEINGS	39. Monitoring implementation of the memorandum on cooperation between responsible ministries and NGO's 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	ASSESSMENT 162: Obligation continuously realized. - Detail information of National Coordinator submitted and available at www.vlada.antikorupc.cg.yu
	40. Adoption of the National strategy for the fight against drugs and prevention of drug use, with annual AP	Government of MNE (working group)	2008	National strategy for the fight against drugs and prevention of drug use adopted	ASSESSMENT 163: Obligation realized. Strategy adopted.

5) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST SMUGGLING OF DRUGS	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 planned; No. of organized specialized trainings; No. of participants	ASSESSMENT 164: Obligation continuously realized. - 1 two days training for 20 officers - 1 three days training for 10 officers /OSCE/ - 1 three days training for 10 customs officers - 1 fifteen days training in Turkey with UNDOC - 1 five days training for two officers in TADOC Academy
	42. Training needs assessment and organizing trainings for police officers on fight against smuggling of drugs procedure	Police Directorate Police Academy	Continuous	Training needs assessed No. of trainings compared to planned; No. of organized trainings; No. of participants	ASSESSMENT 165: - 1 seminar for 15 officers - 1 specialized training for 43 officers in cooperation with OSCE
	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	ASSESSMENT 166: Obligation partly realized.
	44. Provision of adequate working space for the needs of Center for fight against drugs and smuggling	Police Directorate	2008.	Adequate working space provided	ASSESSMENT 167: Obligation realized.
6) CAPACITY BUILDING OF THE POLICE IN THE FIELD OF WITNESS PROTECTION	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 planned; No. of organized trainings for officers of the witness protection Unit; No. of participants	ASSESSMENT 168: Obligation partly realized.
	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	ASSESSMENT 169: Obligation not realized.
	47. Signing bilateral agreements with adequate departments in other countries in order to exchange protected witnesses	Police Directorate	2008, Continuous	No. of signed agreements	ASSESSMENT 170: Obligation continuously realized. - Regional agreement on understanding signed /Serbia, Montenegro, Bosnia and Herzegovina, Bulgaria
7) CAPACITY BUILDING OF THE POLICE IN THE USE OF FORENSIC AND OTHER CRIMINAL INVESTIGATION TECHNIQUES	48. 1) Needs assessment and Technical equipping of the Crime Technique Center 2) Reorganization of forensic unit 3) Training needs assessment and organizing trainings 4) Requirement needs assessment and purchasing of modern laboratory and other equipment 5) Implementing standards ISO 17025	Police Directorate	1. 2008, Continuous	1) Needs assessed; Currency of purchased compared to required equipment	ASSESSMENT 171: Obligation continuously realized.
			2. 2008	2) Reorganized unit	ASSESSMENT 172: Obligation continuously realized.
			3. Continuous	3) Training needs assessed No. of trainings compared to planned; No. of organized trainings; No. of participants	ASSESSMENT 173: Obligation continuously realized.
			4. 2008-2009	4) Needs assessed; Currency of purchased compared to required equipment	ASSESSMENT 174: Obligation realized.
			5. 2009	5) Standards ISO 17025 implemented	ASSESSMENT 175: Obligation not realized.
8) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST TERRORISM	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	ASSESSMENT 176: Obligation not realized.

	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) 3) 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	ASSESSMENT 177: Obligation continuously realized. - 3 trainings for 53 participants - 1 training for using donned equipment for 17 participants ASSESSMENT 178: Obligation continuously realized. - 1 training for 7 participants - 1 training for 21 participants ASSESSMENT 179: Obligation continuously realized. - one officer completed training in the Marshal Centre in Germany
	51. Requirement needs assessment and purchasing equipment for the needs of criminality police Sector dealing with suppression of terrorism	Police Directorate	2008.-2009	Requirement needs assessed; Currency of purchased compared to required equipment	ASSESSMENT 180: Obligation partly realized.
	52. Capacity building of the existing Special Anti-terrorist unit (SAU) 1) Training plan making 2) Implementation of continuous training 3) Requirement needs assessment and Purchase of modern equipment and arms	Police Directorate	1) III Q 2008, 2,3) Continuous	1) Training plan made 2) No. of carried trainings compared to planed; No. of trained staff 3) Requirement needs assessed; Currency of purchased compared to required equipment	ASSESSMENT 181: Obligation realized. ASSESSMENT 182: Obligation continuously realized. - Study visit to USA ASSESSMENT 183: Obligation continuously realized.
9) CAPACITY BUILDING OF THE POLICE IN THE FIGHT AGAINST CROSS-BORDER CRIME	53. Training needs analysis and organization of continuous training for the officers in the border police Sector	Police Directorate Police Academy	Continuous	Training needs assessed and number of organized trainings compared to planed; No. of carried trainings; No. of participants	ASSESSMENT 184: Obligation continuously realized. - training for 25 officers in the Police Academy - Workshop in Sarajevo (DICAF) - 2 seminars in cooperation with US Embassy for 35 participants - training for 15 participants /with OSCE/
	54. Requirement needs assessment for purchasing equipment for surveillance and securing the state border. 1.) Purchase of equipment for surveillance and securing the state border and discovery of cross-border crime	Police Directorate	2008.-2009	Requirement needs plan determined 1. Currency of purchased compared to required equipment	ASSESSMENT 185: Obligation not realized.
	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 polices of neighbor 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	ASSESSMENT 186: Obligation continuously realized. - Agreement with Albania with following protocols - Agreement with Serbia and Bosnia and Herzegovina
10) CAPACITY BUILDING OF THE POLICE THROUGH	56. Reorganizing actual NCB Interpol and forming organizational unit for international	Police Directorate	2008-2009	Organizational unit for international police cooperation formed within whose scope are systemized:	ASSESSMENT 187: Obligation realized.

INTERNATIONAL POLICE COOPERATION	police cooperation within whose scope there will be: 1) Interpol NCB 2) Europol NCB			1) NCB Interpol 2) NCB Europol	ASSESSMENT 188: Obligation not realized.
10.1. INTERNATIONAL POLICE COOPERATION THROUGH INTERPOL	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	ASSESSMENT 189: Obligation continuously realized.
	58. Training needs assessment and training of officers who will perform duties regarding international police cooperation through Interpol 1) Training for the use of Interpol systems	Police Directorate	Continuous	Training needs assessed and number of carried trainings compared to planned; No. of participants	ASSESSMENT 190: Obligation continuously realized. - Training needs assessment done, id. Required for 11 officers - 9 participants completed training with the INTERPOL General Secretariat
	59. Participation of the Interpol NCB officers in the Interpol's working bodies, groups and projects, with the aim of fight against international organized crime in region	Police Directorate	Continuous	No. of working groups and bodies where the Interpol NCB officers participated compared to total number of working bodies and groups treating problems of fight against organized crime in region (to whom Montenegro belongs too)	ASSESSMENT 191: Obligation continuously realized. - working group – meetings of European liaison officers - working group – meetings on international quests - annual INTERPOL Conference (General Session, European Regional Session)
	60. Requirement needs assessment and working equipment acquisition in accordance with recognized Interpol trends in development 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	ASSESSMENT 192: Obligation continuously realized.
	61. Extension Interpol' services at border crossings with the purpose of performing direct searching in the Interpol's database and certifying persons, travel papers and vehicles at BCP's	Police Directorate	2008-2009	No. of BCP networked with the Interpol compared to total number of BCP	ASSESSMENT 193: Obligation partly realized. Airport "Podgorica" is connected with Interpol data base, activities on connecting airport "Tivat" are in progress
	10.2. INTERNATIONAL POLICE COOPERATION THROUGH EUROPOL	62. Signing 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
63. Forming the Europol National Central Bureau		Police Directorate	2008-2009	Europol NCB established	ASSESSMENT 195: Obligation not realized.
64. Recruiting required staff within the Europol NCB		Police Directorate	2008-2009	Europol NCB fulfilled; % of hired personnel	ASSESSMENT 196: Obligation not realized.
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	ASSESSMENT 197:

	66. Training needs assessment and carrying out trainings for officers of Europol NCB 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	ASSESSMENT 198: Obligation not realized.
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RECOMMENDATIONS:

1. Police Directorate is to provide information on realization of measure - adoption of Amended Rulebook on internal organization and systematization of the Police Directorate by the end of III quarter of 2008.
2. Police Directorate is to provide information on realization of measure - Adoption of legal act, which stipulates that officers of Crime Police Sector are provided with additional payment on basic wage due to complex, specific, and risk tasks they perform within their competencies, by the end of III quarter of 2008.
3. Police Directorate is to provide information on realization of measure - Adoption of Instructions on police proceeding and conduct in issuing, conducting, and extradition of persons searched for by international warrants by the end of III quarter of 2008.
4. Ministry of Internal Affairs and Public Administration to provide information on adoption of Law on Law on protection of the persons reporting the corruption for as Police Directorate could prepare Instruction, by the end of III quarter of 2008.
5. Police Directorate is to prepare plan of protection of police officers involved in fight against corruption and organized crime and to inform National Commission about it by the end of III quarter of 2008.
6. Police Directorate – Department for Internal Control - to provide equipment needs plan and, in accordance with that to provide information on value of acquired equipment compared to needs determined, by the end of III quarter of 2008.
7. Police Directorate is to provide information on realization of measure - Adoption of Instructions on application of secret surveillance measures, by the end of III quarter of 2008.
8. Ministry of Internal Affairs and Public Administration to provide information six-month work of organizational unit for monitoring the Police Directorate work by the end of III quarter of 2008.
9. Police Directorate is to provide information on realization of measure - Number of signed agreements on cooperation for establishing links between Police Directorate and other bodies and the manner of cooperation including information on number of established links, by the end of III quarter of 2008. ,
10. Police Directorate is to provide information on realization of measure - Securing functional working space for the existing Department for the prevention and fight against organized crime, by the end of III quarter of 2008.
11. Police Directorate is to provide information on equipment needs plan for Department for fight against economic crime and level of technical ant IT accomplishment; by the end of III quarter of 2008.
12. Police Directorate and Central Bank of Montenegro to provide information on realization of measure - Signing of the agreement on cooperation in order to secure the funds for the implementation of SSM,
13. Police Directorate is to submit requirement needs assessment plan and information on value of acquired equipment compared to requirement plan, by the end of III quarter of 2008.
14. Police Directorate is to provide information on realization of activities regarding purchasing equipment for the needs of Crime Police Sector officers dealing with suppression of terrorism officers, by the end of III quarter of 2008.
15. Police Directorate is to provide information on realization of measure - Requirement needs assessment for purchasing equipment for surveillance and securing the state border and in accordance with that information on purchased equipment.
16. Police Directorate is to start recruiting process of necessary staff for the needs of NCB Europol and to inform National Commission about it by the end of IV quarter of 2008.

A.3. JUDICIARY

This part of Action Plan emphasizes judiciary capacity building, which is also one of the obligations from the European Partnership document.

Judicial Council adopted Court Rules of Procedure in order to establish criteria and procedures in election process of judges, so that vacancies advertised and election procedure for judges and presidents of courts is in progress. Judicial Council strictly applies provisions on disciplinary responsibility of judges and the dismissal procedure pursuant to

the Law on Courts, so that now four proceedings for determining disciplinary responsibility of judges are in progress.

With a view to capacity building, Judicial Council determined 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. Department for fight against organized crime, corruption, terrorism and war crimes within the High court in Podgorica is established and same Department within the High Court in Bijelo Polje is expected to be established by September 1, 2008.

Judicial Council realized qualitative analysis regarding manner and criteria for solving housing needs of the State officials in Chapter relating to bearers of judicial functions.

For improvement efficiency and effectiveness, Judicial Council **temporarily** disposed (six-month) nine Supreme Court judges, one Appellative court judge and tree judges from the Commercial Court in Podgorica to perform judicial function at High Court in Podgorica within second instance civil and criminal councils. In addition, four retired Supreme Court judges **engaged** as experts for assistance in solving residual cases. Principle of random allocation of cases is being carried out and **introduction of electronic case coding and allocation** is in progress within the project of upgrading Informational system on already existing Judicial Informational System (JIS)

Within the annual education program of the Centre for Education of the Bearers of Judicial Function special part focuses on criminal area where particularly treated organized crime and corruption issues are. All programs of the Centre as well as semi annual working plans are available upon request submitted to Centre, or can be found at its web site (www.coscg.org). In reporting period Center realized four seminars whereon 170 judicial bodies' representatives participated.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
CAPACITY BUILDING OF COURTS	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) 1) Regular and ongoing supervision of court administration by the Ministry of Justice pursuant to the Law on Courts 2) Strict application of the provisions on disciplinary responsibility of judges and the dismissal procedure pursuant to the Law on Courts	Court President	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	ASSESSMENT 199: Obligation continuously realized. - Authorized officers regularly supervise court administration, in reporting period no complaints submitted
		1) Ministry of Justice 2) Judicial Council			ASSESSMENT 200: Obligation continuously realized. - 4 procedures for determining disciplinary responsibility is in progress
	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	ASSESSMENT 201: Obligation not realized.
	69. Establishing a 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	ASSESSMENT 202: Obligation partly realized. - Department within the High Court in Podgorica 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	ASSESSMENT 203: Obligation realized. - three judges in both High courts are required	

71. Dispose/ hire required personnel within courts, in accordance with determined needs	Judicial Council	IV Q of 2008	Required personnel disposed/hired in courts compared to determined needs and % of hired personnel compared to required	ASSESSMENT 204: Obligation partly realized.
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 planed; No. of trainings; No. of participants	ASSESSMENT 205: Obligation partly realized. - This measure is being realized trough the work of Three Party Commission
73. Determine requirements and provide protection of judges proceeding in cases with elements of corruption, organized crime, terrorism and war crimes	Judicial Council, Police Administration	IV Q of 2008, Continuous	Requirements for personal protection of judges determined; No. of judges to whom personal protection is provided	ASSESSMENT 206: Obligation continuously realized. - This measure is being implemented accordingly to the Government Decision (Official Gazette of RMNE No. 69/08)
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	ASSESSMENT 207: Obligation continuously realized. -Available at the web site of Centre www.coscg.org
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	ASSESSMENT 208: Obligation continuously realized. -Available at the web site of Centre www.coscg.org - 4 seminars for 170 participants
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	ASSESSMENT 209: Obligation realized.

RECOMMENDATIONS:

1. Supreme Court to provide information related to introduction of electronic case coding and allocation; buy the end of III quarter of 2008.
2. Ministry of Justice to provide information on conducted supervision of court administration pursuant to the Law on Courts
3. Judicial Council and Ministry of Finance to provide information on activities taken to provide accumulation of salaries and special allowances to judges proceeding in cases with elements of corruption and organized crime, by the end of III quarter of 2008.
4. Judicial Council is to provide information on percentage of hired judges and within the Special Department for fight against organized crime, corruption, terrorism, and war crimes in High courts in Podgorica and Bijelo Polje, by the end of III quarter of 2008.
5. Judicial Council to provide information on periodical statistic reports on held in Informational system database as well as information on training needs assessed and number of organized trainings compared to planed, by the end of III quarter of 2008.

B. EXTERNAL AUDIT OF THE BUDGET

During external audit procedure, with a view of control regularity of budgetary income and expenditure, **State Auditors Institution /SAI/** is in final faze of drafting the **Audit of the final budgetary account of the Republic of Montenegro for 2007**. Drafting is in accordance with dynamic determined by detail Audit Plan of the final budgetary account for 2007 (audit report is planed for July 2008).

Within the control of regularity and efficiency of work of budgetary beneficiaries, in accordance with the Audit Plan for 2008, SAI initiated 10 single-handed audits of budgetary

beneficiaries. Two audits are completed (Pension Fond and Constitutional Court); eight are in progress (Ministry of Defense, Hydro Meteorological Institute, Ministry of Culture, National Museum, Veterinary Directorate, Municipality of Rozaje, Railway of Montenegro, and Agency for Telecommunications). Final reports will be available at SAI web site www.dri.cg.yu.

SAI initiated activities on preparation **Communicational Strategy** in cooperation with GTZ , regarding realization of set of measures related to training of responsible persons and public in prevention of abuse in budget management (two day international seminar organized dedicated to public relations strategy preparation). **Training plan for 2008**, for SAI employees was made, whence four seminars were realized (topics: public procurement system, public pursuits, system for accountancy management and public enterprises and public finance system and budgetary law – 80 employees participated); Within the scope of Program for professional improvement of state servants and employees, members of the Senate held numerous **lectures** - three lectures on public finance system, state budgetary execution and control of budgetary resources. In cooperation with GTZ six seminars were realized dedicated to SAI employees (90 SAI employees participated); In addition, one **Round Table** was organized with the aim of accomplishing efficient cooperation between legislative, control and executive authority in budgetary management and allocation. **Five Manuals for passing exam for state auditors** (Public spending management, Public sector audit, Financial accountancy affairs, Financial and administrative accountancy and Informational technologies). In reporting period, 14 candidates passed the exam for state auditor.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
SUPERVISION OF BUDGETARY REVENUES AND EXPENDITURES	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	ASSESSMENT 210: Obligation partly realized. Making final budgetary account is in final faze, in accordance with the Audit plan for 2007.
SUPERVISION OF REGULARITY, EFFECTIVENESS AND EFFICIENCY OF THE OPERATION OF BUDGETARY BENEFICIARIES AT THE LEVEL OF MONTENEGRO AND MUNICIPALITIES	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 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	ASSESSMENT 211: Obligation continuously realized. - In accordance with the Audit plan for 2008 SAI initiated 10 individual audits of budgetary beneficiaries, two are completed 8 are in progress.
	79. Strengthening administrative and technical capacities of the State Auditors Institution trough: 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 acquirements and experiences and EU audit standards for public sector	ASSESSMENT 212: ASSESSMENT 213: ASSESSMENT 214 :

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	ASSESSMENT 215: Obligation continuously realized. - Training plans made for SAI officers for 2008 - 13 trainings realized 1 round table and one seminar. 42 servants are hired in SAI (in reporting period 8 new appointed)
	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	ASSESSMENT 216: Obligation continuously realized. - Five Guide books for passing auditor's exam are made, 14 candidates passed exam
	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	ASSESSMENT 217: Obligation partly realized. Activities on preparing Communicational Strategy initiated, two days international training held in cooperation with GTZ

RECOMMENDATIONS:

- SAI is to intensify activities on drafting Public Relations Strategy, by the end of IV quarter of 2008.

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 at budgetary beneficiaries determined by Law on budget. Audits conducted in accordance with competencies defined by Law on budget and according to procedure proscribed by the Instruction on internal audit performance manner and procedure.

Based on **Annual Audit Plan for 2008**, approved by the Minister of Finance, up to July 15, 2008, internal audit of budgetary spending performed at **9 budgetary beneficiaries**.

Performance audits of budgetary beneficiaries were conducted 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.

Single handed reports on completed audits in 2008, composed of findings and recommendations related to audit subject, aimed to remove weaknesses determined during audit, were submitted both to audit subjects and Ministry of Finance. In addition to above mentioned, in accordance with adopted Development Strategy of internal financial control in public sector of Montenegro, activities on drafting Law on internal financial control in public sector, whose adoption will strengthen maintaining internal control system in financial management and control area as well as in internal audit area.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
SUPERVISION OF THE LEGALITY OF OPERATION OF BUDGETARY BENEFICIARIES	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	ASSESSMENT 218: Obligation continuously realized.
STRENGTHENING ADMINISTRATIVE CAPACITIES OF NEW SECTOR FOR PUBLIC INTERNAL FINANCIAL CONTROL (PIFC)	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	ASSESSMENT 219:

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

State Audit institution continuously performs external (State) audit capacity building in privatization process control, by performing audit of regularity and efficiency management

of state property: in reporting period 10 single handed audits of budgetary beneficiaries were initiated, at the state and municipality level, two are completed while audits of the Budget of Montenegro, several governmental institution as well as one independent regulator, one municipality and one state company are in progress (information available at www.agencijacg.org and www.vlada.antikorup.cg.yu).

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** initiated drafting of project “Effects of previous privatizations in Montenegro”. After international public advertisement carried out, the Consortium of Economy Faculty from Podgorica and Belgrade and independent experts from Ljubljana’s and Sarajevo’s Economy Faculty was selected (contract enclosed on April 21, 2008.). Consortium will prepare analysis of quality of established investment control system as well as review of previous privatizations (deadline for realization of these activities is six months after enclosing the contract). 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 (in reporting period legal and financial consultants selected for privatization of Tobacco Plant AD Podgorica as well as legal consultant in EI “Obod” Cetinje).

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, continuously performed. In reporting period, **five requests of citizens** submitted where to all were timely replied. Agreement with newspaper “Pobjeda” accomplished with possibility for publicly submitting questions – in reporting period no questions submitted via daily newspaper. Further on **Ministry for Economic Development /MED/** within its competency and in accordance with the Working Program, organized public discussion of the document “Energetic sector development elements” (from 21.06. – 01.09.2007) which is a topic of the Energetic Development Strategy until 2025. **Ministry of Transport, Maritime Affairs and Telecommunications /MTMA&T/** prepared the Draft Transport Development Strategy of Montenegro (Final version adopted by Government of Montenegro on July 3, 2008.). Due to this draft Strategy public discussions and round tables were organized, notifications for public discussions were set on the official web site of the Government of Montenegro and Ministry and sent to all printed and electronic media, and the document was also sent to all companies directly or indirectly connected with transport. Draft Strategy sent for opinion to the EC, as to DG TREN, to EAR and EBRD and their comments incorporated into the draft document. The same was with adoption of **the draft Railway Restructuring Strategy of Montenegro** (public discussions in Chamber of Commerce of Montenegro and at the University of Montenegro, presentation to the Railway Management Board, analysis prepared by EBRD consultants, etc.). Public debates also organized for **the Draft Program of Restructuring of Port of Bar and the Draft Program of Restructuring of Montenegro airlines.**

Obligations in accordance with the Law on Free Access to information performed continuously – in reporting period Agency submitted 10 requests from NGO MANS and Privatization Council submitted 9 requests. (All requests timely replied at).

All documents significant for transparency in privatization process, tenders and other materials related to privatization are published at the web site of the Agency www.agencijacg.org and www.vlada.antikorup.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). In reporting period, there were no comments, complaints, prepositions, or suggestions of citizens and other subjects on privatization process. In addition, there were no reports on corruption of conflict of interest in privatization.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
ESTABLISH EFFICIENT PRIVATIZATION PROCESS CONTROL BY PARLIAMENT	85. 1. Establishment the Commission for monitoring transparency in privatization process 2. Development Rules of procedure of Commission 3. Efficient work of the Commission and cooperation with institutions involved in privatization	1. Parliament 2. 3. Commission for monitoring transparency in privatization process	1. Immediately after adoption AP 2. 30 days after adoption AP 3. Ongoing	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. of consultative hearings and recommendations and level of recommendation accomplishment	ASSESSMENT 220: Obligation not realized.
					ASSESSMENT 221: Obligation not realized.
					ASSESSMENT 222: Obligation not realized.

CAPACITY BUILDING OF EXTERNAL (STATE) AUDIT IN PRIVATIZATION PROCESS CONTROL	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	ASSESSMENT 223: Obligation continuously realized. - SAI submitted report on number of audits carried out, information available at the www.dri.cg.yu
OBSERVE THE PRINCIPLE OF TRANSPARENCY IN PRIVATIZATION	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	ASSESSMENT 224: Obligation continuously realized. - Ministry for Economic Development and Ministry of Transport, Maritime Affairs and Telecommunications submitted reports related to this reporting period
	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	ASSESSMENT 225: Obligation continuously realized. - Each privatization control is being established via defining contractual control obligations; for bigger companies reputable consultants are engaged via public tender
	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	ASSESSMENT 226: Obligation continuously realized. - In reporting period, legal and financial consultant elected for privatization of Tobacco Plant AD Podgorica as well as legal consultant in EI "Obod" in Cetinje.
	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 News-paper "Pobjeda"; No. of responses sent to citizens and employees	ASSESSMENT 227: Obligation continuously realized. - 5 requests submitted, all timely replied at
	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	ASSESSMENT 228: Obligation continuously realized. - 19 requests submitted, all timely replied at
	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	ASSESSMENT 229: Obligation continuously realized. - 3 tenders; 4 calls for public bidding at auction; 2 calls for bidding on purchasing smaller share packages; 6 public calls for expressing interest for long term holding; 1 public call for expressing interest for preparing pre tender assessment
	93. 1. Implementing procedures for reporting non-compliances and corruption in	1. 2. Commission for examining comments, complaints,	Continuous	1. 2. – Report on work of the Commission; total number of reports, anonymous reports; institutions	ASSESSMENT 230: Obligation partly realized - Procedures defined - no reports.
INTEGRITY DEVELOPMENT OF					

OFFICERS INVOLVED IN PRIVATIZATION PROCESS	privatization 2. Implementing procedures for reporting conflict of interest in privatization	propositions and suggestions of citizens and other subjects on privatization process		whom reports were submitted; feedbacks form competent institutions	ASSESSMENT 231: Obligation partly realized. - Procedures defined - no reports.
	94. Developing Booklet for reporting instances of corruption in privatization process	DACI, in cooperation with Commission for examining comments, complaints, propositions and suggestions of citizens and other subjects on privatization process	2008	Booklet developed	ASSESSMENT 232: Obligation not realized.

RECOMMENDATIONS:

1. Parliament of Montenegro is to establish the Commission for monitoring transparency in privatization process by the end of September 2008.
2. SAI to intensify activities on 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 , by the end of III quarter of 2008.
3. Ministry for Economic Development, Ministry of Transport, Maritime Affairs and Telecommunications, Ministry of Agriculture, Ministry of Tourism and Environmental Protection to continuously organize 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 and to inform National Commission about it.
4. Anticorruption Initiative Administration, in cooperation with Commission for examining comments, complaints, propositions and suggestions of citizens and other subjects on privatization process to develop Booklet for reporting instances of corruption in privatization process, by the end of IV quarter of 2008.

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

Directorate for Prevention of Money Laundering and Terrorism Financing adopted the **Regulations on Internal Organization and Systematization** in accordance with the Law on Prevention of Money Laundering and Terrorism Financing and, in accordance with that, Department for the Supervision of reporting entities was established (seven vacancies fulfilled). Further more, this Administration continuously participate at working meetings of the **EGMONT Group** as well as at international seminars (four seminars, seven participants) and conferences of the **MONEYVAL Committee and CoE Committee for crime issues**. Trainings on prevention of money laundering as well as seminars and conferences for authorized persons and employees having direct contact with clients conducted.

Current status analysis and, accordingly needs assessment for defining **amended list of indicators**, as well as **agreement implementation analysis on cooperation** with financial intelligence units (FIU) within the region, and **needs assessment** for signing new agreements is being performed continuously (seven reports submitted). Within the scope of activities on enhancing regional cooperation, regional meetings ordinarily maintained and **Regional Protocol on fight against money laundering and terrorism financing** signed too.

Regarding activities on enhancing internal cooperation Agreement implementation analysis on cooperation with other authorized state bodies and organizations is being carried out and, in that sense, as a result of inter institutional cooperation, 18 reports on suspicious transactions were submitted to prosecution and police.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
HARMONIZATION OF THE OPERATION OF THE ADMINISTRATION FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING WITH THE NEW LEGISLATIVE	95. Capacity building of the Administration for Prevention of Money Laundering and Terrorism Financing trough: 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	Directorate for Prevention of Money Laundering and Terrorism Financing / DPML&FT/, Ministry of Finance, Government of MNE	1, 2 - III Q of 2008	1. Regulations adopted 2. Department established 3. Increased No. of new employees within the Administration; no. of new employed; Total No. of trainings; No. of trainees	ASSESSMENT 233: Obligation realized.
			3. 2008		ASSESSMENT 234: Obligation realized.

FRAMEWORK	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				ASSESSMENT 235: Obligation partly realized.
	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	ASSESSMENT 236: Obligation not realized.
TRAINING OF THE EMPLOYEES OF THE ADMINISTRATION FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING	97. Participation to seminars organized by international institutions	DPML&FT	Continuous	No. of attendees; No. of seminars whereon the representatives of the Administration participated	ASSESSMENT 237: Obligation continuously realized. - 4 seminars, 7 participants
	98. Participation of the representatives of the Administration in the working groups of the EGMOND Group	DPML&FT	Continuous	No. of meetings of EGMONT whereon the representatives of the Administration participated	ASSESSMENT 238: Obligation continuously realized. - 2 EGMOND Group meetings
UPDATING /AMENDING LIST OF INDICATORS OF SUSPICIOUS TRANSACTIONS RELATED TO NEW METHODS OF MONEY LAUNDERING AND TERRORISM FINANCING	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	ASSESSMENT 239: Obligation continuously realized.
TRAINING OF AUTHORIZED PERSONS AND EMPLOYEES OF REPORTING ENTITIES	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	ASSESSMENT 240: Obligation partly realized.
ENHANCING REGIONAL COOPERATION	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	ASSESSMENT 241: Obligation continuously realized. - 7 reports on suspicious transactions submitted to Police and Prosecution, as a result of international cooperation and bilateral agreements implementation

	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	ASSESSMENT 242: Obligation continuously realized. - Bilateral agreements already exist and Regional Protocol on fight against money laundering and terrorism financing signed in Pogorica on 24.04.2008.
	103. Maintaining regional meetings with the FIU from the neighboring countries	DPML&FT	Continuous	No. of regional meetings	ASSESSMENT 243: Obligation continuously realized.
ENHANCING INTERNAL COOPERATION	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	ASSESSMENT 244: Obligation continuously realized. - 18 reports on suspicious transactions 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	ASSESSMENT 245: Obligation not realized.
PREPARATION OF PARTICULAR PROGRAM FOR FIGHT AGAINST MONEY LAUNDERING AND TERRORISM FINANCING	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, MoIA&PA, Agency for National Security, Police Administration, Tax Administration, Customs Administration, Supreme State Prosecutor, courts, DACI, Securities Commission MNE, State Auditors Institution, Central Bank of MNE Agency for insurance Supervision, Administration for games of chance, Bank Association, NGO	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	ASSESSMENT 246:
RECOMMENDATIONS:					
<ol style="list-style-type: none"> 1. Ministry of Finance, in accordance with the Law on Prevention of Money Laundering and Terrorism Financing, as soon as possible, is to adopt a regulation, which will determine further criteria for making risk analysis directives. 2. Administration for Prevention of Money Laundering and Terrorism Financing to provide information on realization of measure - Determining risk analysis directives 3. Administration for Prevention of Money Laundering and Terrorism Financing to make training plan with the aim to organize seminars and conferences for authorized persons and the employees having direct contact with clients and to submit it to the National Commission by the end of III quarter of 2008. 4. Administration for Prevention of Money Laundering and Terrorism Financing to make needs assessment analysis for signing bilateral agreements on exchange financial-intelligence data, information and documentation with authorized bodies of other countries, as well as international organizations and to inform National Commission about it by the end of III quarter of 2008. 5. Directorate for Prevention of Money Laundering and Terrorism Financing, in cooperation with other bodies (Police Administration, Tax Administration, Customs Administration, 					

Securities Commission MNE, Central Bank of MNE) and line ministries, is to provide information on agreement implementation analysis in the field of fight against money laundering, made on cooperation with other authorized state bodies and organizations, by the end of III quarter of 2008.

F. PUBLIC PROCUREMENT

With the aim of capacity building for implementation of the Public Procurement Law, and in accordance with the Rulebooks on Systematization and Internal Organization, **Public Procurement Directorate and Commission for the Control of Public Procurement Procedure** carry out additional recruitment (in the Commission 5 servants were recruited and in the Directorate recruitment procedure for three servants is in progress). In accordance with aforementioned, Quarter training plans are being continuously prepared and carried out in cooperation with the Human Resource Management Agency (in reporting period two training programs and four seminars on public procurement issues were realized). Regarding IT training programs, Public Procurement Directorate pointed out that realization of this activity depends on establishment of an adequate public procurement electronic system, after overall legislative completion and implementation of the Law on Public Procurement. In the meantime, in IV quarter of 2008, Directorate will initiate, in cooperation with the Secretariat for Development, preparation of bylaw on conducting public procurement in electronic form.

Regarding efficient implementation of the Law on Public Procurement, in the field of fight against corruption, realization of different set of measures is planned. Development of the **Public Procurement Manual** is in final faze. 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 "Comparative **analysis on the protection of the rights of bidders in the Western Balkan countries**" (available at web site of the Commission).

Regarding established phone line to report public procurement procedure violations, only NGO MANS submitted 6 reports (which are promptly submitted to SAI). Annual reports on work, in accordance with the Law on public procurement are being regularly made and adopted by Government of Montenegro (available at www.djn.vlada.cg.yu). During 2007 in Montenegro 1535 public procurement procedures have been carried out (without those of small value - shopping method and direct agreement). 1368 public procurement procedures have been carried out in the most transparent manner – open procedure with published announcement and call for public competition. 90 public procurement procedures have been carried out via negotiation process without previously published call for public competition. 4 procedures have been carried out via negotiation process with previously published call for public competition. 51 procedures via general agreement and 22 public procurement procedures have been carried out via open competition for principle solution making. Within conducted public procurement procedures 753 were related to goods, 345 to services and 473 were related to public procurement of pursuits.

Including parties in procedures carried out, **1912 contracts were signed** at that 568 state bodies, 782 public institutions and companies, 399 local self government unit bodies and 163 local public companies and institutions. In public competition procedures (without those of small value) 4655 biddings were submitted (3, 03% by one procedure) which ensure the principle of competitiveness in public procurement, in accordance with EU regulations and directives. 2016 public procurement procedures carried out via shopping method.

Total of estimated value of public procurement in Montenegro in 2007 (with VAT- without procedures of small value) were 411.992.511, 45 €. Budgetary savings attained were 22.849.936, 95 € or 5, 56%. State bodies arranged public procurements (without procedures of small value) in the amount of 92.194.888,33 € or 23,9%, public institutions and companies in the amount of 163.294.788,4 € or 41,57%, local self government unit bodies in the amount of 123.682.117,40 € or 3,35% and local public companies and institutions in the amount of 9.971,34 € or 31,0%.

Out of the total value of public procurements (without procedures of small value) goods were in the amount of 128.276.658,62 € or 32,96%, services in the amount of 35.186.129,87 € or 9,04% and public procurement of pursuits in the amount of 225.680.786,07 € or 57,99%.

Public procurement procedures that have been arranged via negotiation process without previously published call for public competition were in the amount of 21.977.536,10 € or 5,65%, procedures that have been arranged via negotiation process with previously published call for public competition were in the amount of 6.865.845,32 € or 1,76%, procedures via general agreement in the amount of 1.539.799,92 € or 0,40% and procedures via open competition for principle solution making in the amount of 2.501.840,19 € or 0,64%.

Value of public procurements in procedures of small value (shopping method and direct agreement) was 17.519.464, 00 € or 4, 3%, out of which 10.749.070, 95 € by shopping method, and 6.770.393, 77 € by direct agreement. In the open procedure procurements were arranged in the amount of 356.258.553, 03 € or 87, 6%, and in other procedures in the amount of 50.404.486, 25 € or 12, 4%, therefore, according to World Bank standards, transparency principle of public procurement procedures in Montenegro is at the highest level (over 75% compared to total public procurement).

Overall arranged value of public procurement in Montenegro in 2007 was **406.663.039, 2 €**, which is 16, 78% of GDP of Montenegro for 2007. State bodies arranged public procurements (including small values) in the amount of 97.487.083,35 € or 23,97%, public institutions and companies in the amount of 169.059.911,57 € or 41,57%, local self government unit bodies in the amount of 126.474.620,30 € or 31,10%, and local public companies and institutions in the amount of 13.641.424.06 € or 3,35%.

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 by the day of determining decision. In addition Public procurement Directorate continuously post **public procurement plans of all enforcers** in accordance with the Law - www.djn.vlada.cg.yu.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
CAPACITY BUILDING FOR IMPLEMENTATION OF LAW	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	ASSESSMENT 247: Obligation continuously realized.
	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	ASSESSMENT 248: Obligation continuously realized.
	109. IT Training for public procurement officers and bidders	Public Procurement Directorate in cooperation with Secretariat for Development	2009.	No. of trainings, No. of trained staff	ASSESSMENT 249:
PROVISION FOR EFFICIENT IMPLEMENTATION OF THE LAW ON PUBLIC PROCUREMENT IN FIGHT AGAINST CORRUPTION	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	ASSESSMENT 250: Obligation partly realized. - Making Public Procurement Manual is in final faze, planed realization deadline is August 2008.
	111. Provisions of conditions for the implementation of the Public Procurement Law regarding the electronic public procurement system	Public Procurement Directorate in cooperation with Secretariat for Development	2009	The electronic public procurement system established	ASSESSMENT 251:
	112. Creation of the electronic register book	Commission for the Control of Public Procurement Procedure	2008-09	Electronic register book established	ASSESSMENT 252: Obligation realized.
	113. Develop comparative analysis on the protection of the rights of bidders in the Western Balkan countries	Public Procurement Directorate Commission for the Control of Public Procurement Procedure	2008. Continuous	Comparative analysis done	ASSESSMENT 253: Obligation realized.
	114. Report irregularities with the elements of corruption in the public procurement procedures 1. Creating precise directives on corruption reporting procedure in public procurement and manner of handling reports of citizens 2. Operating of a phone line to report corruption 3. Informing the prosecution and police on determined irregularities with the elements of corruption in	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	ASSESSMENT 254: Obligation not realized. ASSESSMENT 255: Obligation realized. ASSESSMENT 256: Obligation continuously realized. - In reporting period no irregularities determined by the Public Procurement Directorate

	the public procurement procedures 4. Making six-month reports on work of a phone line to report corruption and posting reports at the website			posted at the web site	ASSESSMENT 257: Obligation not realized.
	115. 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	ASSESSMENT 258: Obligation partly realized. - In accordance with Law, Directorate submits annual report to Government every 2 nd Q, Government adopted it for 2007. - Report is available at Directorate's web site.
	116. 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	ASSESSMENT 259: Obligation realized. In accordance with Law, Directorate submits annual report, Government defined id. for 2007. Remark: Due to determined organizational and functional structure, Directorate is not able to realize this obligation in time shorter than time determined by Law (annually).
PROVISION OF BETTER TRANSPARENCY AND EFFICIENCY IN THE PUBLIC PROCUREMENT PROCEDURE AND PROTECTION OF THE RIGHTS OF BIDDERS	117. 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	ASSESSMENT 260: Obligation continuously realized. By 30.6.2008 92 complaints submitted, out of which 20 accepted, 59 refused, 11 rejected and in 2 complaints procedure was suspended
	118. 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	ASSESSMENT 261: Obligation continuously realized. Plans for next year post before the end of current year at the Directorate's web site

RECOMMENDATIONS:

1) Commission for the Control of Public Procurement Procedure is to develop Public Procurement Manual by the end of III quarter of 2008.

G. COMMISSION FOR DETERMINING CONFLICT OF INTEREST

Commission for Determining Conflict of Interests implements efficient control of the accuracy of submitted data through ongoing realization of several measures and particularly: In reporting period five information were submitted to the State Prosecutor on giving inaccurate data on property; however, since proposal of Law on Prevention of Conflict of Interest in carrying out public function has not been adopted by the Government of Montenegro yet (public discussion procedure has recently been completed), Commission was not able to harmonize its organizational structure as envisaged by future law.

In addition, training for public officials, NGO representatives, and media representatives is being continuously carried out. In reporting period, nine seminars were realized for public officials, NGOs, and media and set of 13 educational seminars was started in cooperation with NGO CEMI (out of which 2 seminars were realized so far).

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
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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 Establishing the Conflict of Interests	Continuous	No. of submitted pieces of information compared to the no of irregularities determined	ASSESSMENT 262: Obligation continuously realized.
	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 working positions 2. Accordingly to modified Rulebook, enhance human resources	Commission for Establishing the Conflict of Interests	2008	Analysis made 1. Rulebook modified 2. New staff recruited due to modified Rulebook	ASSESSMENT 263: Obligation not realized. ASSESSMENT 264: Obligation not realized. Government has not yet determined Proposal Law on Prevention of Conflict of Interest in carrying out public function, whereof realization of these two measures depends.
TRAINING FOR ALL THOSE INVOLVED IN THE IMPLEMENTATION OF LAW ON PREVENTION OF CONFLICT OF INTEREST IN CARRYING OUT PUBLIC FUNCTION	121. Training for public officials (local officials), NGO representatives, Media representatives	Commission for Establishing the Conflict of Interests, in cooperation with NGOs and the media	Continuous	No. of trainings; no of persons who have undergone training	ASSESSMENT 265: Obligation continuously realized.

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, planed for IV quarter of 2008. Only after its adoption by Parliament, legal background will be set up for changing of current Statute and realization of activities determined by these measures. Also regarding implementation of Law on Financing Political Parties, and Law on Financing Election Campaign for President of Montenegro, Mayors, and Presidents of Municipalities, State Election Commission points out that such obligation is not defined by this Law, and beside this there is no technical service required for fulfilling these obligations. 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
CONTINUE WITH THE HARMONIZATION OF FUNCTIONING WITH LEGISLATION FRAMEWORK AND CAPACITY BUILDING OF THE STATE ELECTION COMMISSION	122. Adopting new Rulebook on internal organization and systematization of the State Election Commission	State Election Commission	2009.	Rulebook adopted	ASSESSMENT 266:
	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	ASSESSMENT 267:
	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	ASSESSMENT 268:

	125. Enhance human resources according to new Rulebook on internal organization and systematization	State Election Commission	2009.	No. of new staff	ASSESSMENT 269:
	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	ASSESSMENT 270:
INTEGRITY DEVELOPMENT OF THE STATE AND MUNICIPALITY ELECTION COMMISSIONS	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	ASSESSMENT 271:
	128. Establishing Ethical Board	State Election Commission	2009.	Ethical Board established	ASSESSMENT 272:
	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	ASSESSMENT 273:
	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	ASSESSMENT 274:
	131. Building technical capacities via embedding needs and required equipment acquisition	State Election Commission	2009	Required equipment acquired in accordance with identified needs.	ASSESSMENT 275:
ENHANCING FINANCIAL TRANSPARENCY IN WORK OF THE STATE ELECTION COMMISSION	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	ASSESSMENT 276:

I. TAX ADMINISTRATION

With the aim of prevention of corruption, **Tax Administration** prepares and publishes (monthly, tree month, six month and annually) reports on work of a phone line 9707 at the web site www.poreskauprava.vlada.cg.yu. In reporting period, **337 citizens** called this number but none of these calls was 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 (**51 training were realized where on116 tax officers participated**) as well as efficient internal control performance as for six month reports are being made (available at web site). **2567 internal controls of procedures in district units** were carried out when determined no irregularities with elements of corruption. In addition, in the framework of preventive anti corruptive activities, **Code of ethics of public servants within the Tax Administration** continuously promoted. Regarding external control continuously carried out by Ministry of Finance, in reporting period **375 cases were handled**, out of which 265 from tax area (detail information are in the report of Ministry of Finance, available at web site www.minfin.cg.yu).

IT training of staff realized in accordance with the Tax Administration education plan, so that, in reporting period 3 IT trainings carried out for 28 employees.

Tax Administration inter institutional cooperation with other bodies is being carried out in the framework of legislation, signed agreements and in a spirit of good practice. In reporting period, Directorate for Prevention of Money Laundering and Terrorism Financing submitted to Tax Administration (Sector for providing services to taxpayers, and registration) **53 requests for data verification** for 26 legal entities and 90 persons. Verification carried out in a very short time and requested data submitted based on official record and tax register. In cited period, Tax Administration submitted to Administration for Prevention of Money Laundering and Terrorism Financing **64 cases** related to property trading for further verification and authority. Tax Administration and Police Directorate inspectors initiated joint inspection over 2 taxpayer's performance. After inspections carried out, **8 cases** submitted to the Police Directorate. Tax Administration regularly makes monthly reports on realized measures from Action plan for implementing Program for fight against corruption and

organized crime and posts it at web site.

Cooperation with Police Directorate is being carried out in the framework of legislation, signed Agreement on Cooperation, and in a spirit of good cooperation practice. Activities on amending Agreement on cooperation initiated regarding enabling the police to have direct access to Tax Administration databases.

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	ASSESSMENT 277: Obligation continuously realized. - 337 citizens calls
	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	ASSESSMENT 278: Obligation continuously realized. - 51 trainings realized, 116 participants
					ASSESSMENT 279 : Obligation continuously realized. - Reports on conducted internal controls posted at Tax Administration's web site. - 2567 internal controls conducted – no irregularities in work detected.
	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	ASSESSMENT 280: Obligation realized. - 375 cases handled
	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	ASSESSMENT 281: Obligation continuously realized. - No disciplinary punishments in reporting period
AUTOMATION OF THE TAXING PROCEDURE	137. IT training of staff	Tax Administration	Continuous	No. of trainings; No. of trainees	ASSESSMENT 282: Obligation continuously realized. - 3 trainings for 28 servants
ENHANCED COOPERATION WITH THE POLICE AND PROSECUTORS	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	ASSESSMENT 283: Obligation continuously realized. Replies to all requests of Administration for prevention of money laundering delivered (53) and vice versus (64), 8 cases submitted to the Police Directorate.
	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	ASSESSMENT 284: Obligation partly realized.

RECOMMENDATIONS:

- 1) Tax Administration in cooperation with Police Directorate, as soon as possible, is to amend Agreement on cooperation in order to enable the police to have direct access to Tax Administration databases.

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. Distribution of these flyers to subjects at border crossing points and customs stations is in progress. Furthermore, **Sector for Customs Affairs** provides adequate information about customs procedures and regulations (in reporting period Sector provided 827 information and replies to interested subjects). In addition, Manual for citizens is made composed of all necessary information about customs procedures with goods.

Revising Integrity Development Action Plan in customs service of Montenegro is in progress, in order to define areas where new initiatives should be focused on.

In order to strengthen the **Internal Control Department** of the Customs Administration, training for officers of this department is being carried out continuously; **Rulebook on Work** of the Internal Control Department is adopted; department regularly submits reports on conducted internal controls (**16 investigations conducted**, out of which one case, with elements of corruption, was forwarded to the Police Directorate and one information related to disturbing and threats toward competent officer, was forwarded to the Basic state Prosecutor, one disciplinary procedure initiated against two customs officers). Regarding external control continuously carried out by Ministry of Finance, in reporting period **375 cases were handled**, out of which 110 from customs area (detail information are in the report of Ministry of Finance, available at web site www.minfin.cg.yu).

Within working program of the **EU TACTA Project** for 2008, under sub project MON 08/01.03 expert’s assistance to Customs Administration in drafting the **Code of Ethics** for customs officers has been envisaged. The Code will express particularities compared to the Code of Ethics of state servants and employees as well as become integral part of the revised Law ob customs service.

Customs Administration carries out adequate **IT training of staff** and **improves technical capacities at border crossing points**, in order to identify goods illegally transferred over border crossings (6 trainings carried out, mobile scanner for examining vehicles and containers with goods acquired, new customs terminal opened, reconstruction of border crossings Bozaj and Sitnica completed and buildings and premises for better performance of Customs houses provided – detail information available at web site www.vlada.antikorup.cg.yu)

With the aim of enhancing cooperation with the police and prosecutors, Customs Administration signed **Agreement on Cooperation** with both Supreme State Prosecutor and Police Directorate, while amendments on agreement with the Police Directorate are in final phase. 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 will follow.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
PREVENTION OF CORRUPTION IN CUSTOMS SERVICES	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 2. Orderly Operating Centre established 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. Guidelines developed	ASSESSMENT 285: Obligation partly realized.
			2. 2008		ASSESSMENT 286: Obligation realized. Note: Customs Administration does not have orderly operating centre, there tasks carries out Sector for customs affairs.
			3. Continuous		ASSESSMENT 287: Obligation continuously realized. - No reported corruption cases in reporting period.
			4. III quarter of 2008		ASSESSMENT 288: Obligation realized
	141. Revision of the Action Plan on integrity development in customs service	Customs Administration	2008.	Action Plan revised, in accordance with the Arusha Declaration	ASSESSMENT 289: Obligation continuously realized.
	142. Strengthening the Internal Control Department of the Customs Administration :	Customs Administration	1.Continuous	1) No. of trainings undertaken and No. of persons who have undergone training	ASSESSMENT 290 : Obligation continuously realized.

	1) Training of staff of the Internal Control Department		2. III quarter of 2008	2) Rules of Operation made, 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 4) Database established	ASSESSMENT 291: Obligation realized.
	2) Development of Rules of Operation for the Internal Control Department				ASSESSMENT 292 : Obligation continuously realized.
	3) Making six-month reports on performed internal controls				ASSESSMENT 293: Obligation not realized
	4) Establishing a data base of the Internal Control Department				ASSESSMENT 294: Obligation realized.
	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	ASSESSMENT 294: Obligation realized.
	144. Development of a Code of Ethics for public servants within the Customs Administration	Customs Administration	III Q of 2008	Code of Ethics made	ASSESSMENT 295: Obligation not realized.
	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	ASSESSMENT 296: Obligation not realized.
AUTOMATION OF CUSTOMS PROCEDURE	146. IT training of staff	Customs Administration	Continuous	No of trainings, no of trainees	ASSESSMENT 297: Obligation continuously realized.
	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	ASSESSMENT 298: Obligation continuously realized.
ENHANCED COOPERATION WITH THE POLICE AND PROSECUTORS	148. Sign agreements on cooperation	Customs Administration, Police Administration, Supreme State Prosecution	II Q of 2008	Agreements signed	ASSESSMENT 299: Obligation partly realized.
	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	ASSESSMENT 300: Obligation not realized.
	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	ASSESSMENT 301: Obligation partly realized.

RECOMMENDATIONS:

1. Customs Administration to intensify 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, by the end of III quarter.
2. Customs Administration to complete revision of the Action Plan on integrity development in customs service in time determined.

3. Customs Administration to establish a database of the Internal Control Department, in time determined.
4. Customs Administration is to intensify activities on drafting Code of Ethics of customs servants, by the end of III quarter 2008.
5. Customs Administration and Police Directorate to sign Innovated Agreement on cooperation in time determined.

K. DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE /DACI/

With the aim to raise the level awareness and encourage the public to report instances of corruption, **Directorate for Anti-corruption Initiative** in cooperation with UNDP Office in Podgorica and Ministry of Finance defined three areas involved by survey (**judiciary, education, and local self-government**). Research in judiciary is being carried out in the framework of project funded by UNDEF and implemented by UNDP Office and DACI. Center for Entrepreneurship and Economic Development (CEED) performs field research. Research results analysis on extent of corruption and its appearance forms and characteristics will be presented to public.

In addition, in reporting period DACI, at its web site, **posted research results from universities** under the campaign "Chose right way and report corruption" carried out during lecturing in academic 2007/2008 at the University "Mediterranean" (Law Faculty in Podgorica and Business Management Faculty in Bar) and at the Police Academy in Danilovgrad.

In a framework of promoting international conventions on fight against corruption, DACI in cooperation with CE organized **the conference on Council of Europe's Civil and Legal Convention on Corruption**, and UNDP Office submitted innovated list of laws in order to provide its harmonization level analysis with the UN Convention against Corruption.

DACI, under its competences, coordinates activities carried out in the framework of **Regional Anticorruption Initiative (RAI)** as well as in the framework of regular reporting to GRECCO. **Report on realized activities regarding 24 GRECCO recommendations** was submitted to GRECCO by the end of May 2008. These recommendations are integral part of this Action plan. After adoption by CoE, Report on realized activities regarding GRECCO recommendations will be submitted to the Government of Montenegro for discussion and posted at web site of DACI.

GOAL	MEASURE	COMPETENT INSTITUTION	DEADLINE	INDICATORS OF THE SUCCESS	ASSESSMENT / RECOMMENDATION
CAPACITY BUILDING OF THE ADMINISTRATION FOR ANTI-CORRUPTION INITIATIVE	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: <ol style="list-style-type: none"> 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. 2008 2. 2009 3. 2008	1. New Systematization adopted, open competition announced, new staff employed, number of trainings 2. Adequate working premises provided 3. Equipment purchased	ASSESSMENT 302: Obligation not realized.
					ASSESSMENT 303:
					ASSESSMENT 304: Obligation realized.
RAISING THE LEVEL AWARENESS AND ENCOURAGE THE PUBLIC TO REPORT INSTANCES OF CORRUPTION	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	ASSESSMENT 305: Obligation partly realized.
	153. Development and dissemination of information and promotion materials	DACI	Continuous	Information and promotion materials developed and disseminated	ASSESSMENT 306: Obligation continuously realized. - 300 copies of brochure "About corruption-anti corruptive activities and measures" distributed; - 270 copies of the Civil legal Convention

PROPOSALS FOR INTRODUCTION AND APPLICATION OF EUROPEAN AND OTHER INTERNATIONAL ANTICORRUPTION STANDARDS AND INSTRUMENTS	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	ASSESSMENT 307: Obligation continuously realized.
	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	ASSESSMENT 308: Obligation continuously realized.
COMPLIANCE WITH THE OBLIGATIONS UNDERTAKEN UNDER RAI (REGIONAL ANTICORRUPTION INITIATIVE) AND GRECO (COUNCIL OF EUROPE'S GROUP OF STATES AGAINST CORRUPTION)	156. Coordinate activities undertaken within the RAI (Regional Anticorruption Initiative) and GRECO	DACI	Continuous	Report on realized activities	ASSESSMENT 309: Obligation continuously realized.

RECOMMENDATIONS:

1. Directorate for Anti-corruption Initiative is to systemize seven new job positions within the Department for Promotion Preventive Performance by the end of IV quarter of 2008.
2. Directorate for Anti-corruption Initiative is to intensify activities on conducting and posting surveys on corruption.

FINAL ASSESSMENT AND RECOMMENDATIONS

1. STATISTICS OF IMPLEMENTED MEASURES – INNOVATED ACTION PLAN FOR PERIOD JANUARY –JUNE 2008

THE LEVEL OF IMPLEMENTATION OF MEASURES AND SUB MEASURES FROM THE INNOVATED ACTION PLAN BY CHAPTERS FOR PERIOD 1.01.2008 – 31.07.2008	Level of realization – in number of measures and in structure (%)								Number of measures and sub measures		R + R/Cont	
	R realized		R / CONT Obligation realized continuously		PR Partly realized		NR Not realized		In 2008	2008-09 TOTAL		
	Msr.	%	Msr.	%	Msr.	%	Msr.	%			TOTAL	%
I POLITICAL AND INTERNATIONAL OBLIGATION TO ACT	9	14%	14	25%	6	12%	28	49%	57	61	22	39%
II GENERAL OBJECTIVES												
A- EFFICIENT CRIMINAL PROSECUTION WITH THE OBJECTIVES OF PREVENTING CORRUPTION AND ORGANIZED CRIME	2	22%	5	56%	1	11%	1	11%	9	9	7	78%

B- PREVENTION AND EDUCATION	0	0%	7	32%	2	9%	13	59%	22	27	7	32%
C- PUBLIC, CIVIL SOCIETY(INCLUDING PRIVATE SECTOR) AND MEDIA	2	25%	2	25%	0	0%	4	50%	8	8	3	50%
D- LOCAL SELF GOVERNMENT	2	67%	0	0%	0	0%	1	33%	3	3	2	67%
III SPECIFIC MEASURES AGAINST CORRUPTION AND ORGANIZED CRIME												
A- EFFICIENT CRIMINAL PROSECUTION AND TRIAL												
A1 – Prosecutor’s office	4	28%	7	33%	1	6%	6	33%	18	23	11	61%
A2 – Police	5	8%	24	36%	18	27%	19	29%	66	67	29	44%
A3 – Judiciary	2	18%	5	46%	3	27%	1	9%	11	11	7	64%
B. EXTERNAL AUDIT OF THE BUDGET	0	0%	3	60%	2	40%	0	0%	5	8	3	60%
C. INTERNAL AUDIT OF THE BUDGET	0	0%	1	100%	0	0%	0	0%	1	2	1	100%
D. INSTITUTIONAL CAPACITY BUILDING FOR ANTICORRUPTION POLICY IMPLEMENTATION IN PRIVATIZATION PROCESS	0	0%	7	54%	2	15%	4	31%	13	13	7	54%
E. DIRECTORATE FOR PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING	2	15%	7	54%	2	15%	2	15%	13	14	9	69%
F. PUBLIC PROCUREMENT	4	31%	5	39%	2	15%	2	15%	13	15	9	69%
G. COMMISSION FOR DETERMINING CONFLICT OF INTERESTS	0	0%	2	50%	0	0%	2	50%	4	4	2	50%
H. STATE ELECTION COMMISSION	0	0%	0	0%	0	0%	0	0%	0	11	0	0%
I. TAX ADMINISTRATION	1	13%	6	75%	1	13%	0	0%	8	8	7	88%
J. CUSTOMS ADMINISTRATION	4	24%	5	29%	4	24%	4	24%	17	17	9	53%
K. DIRECTORATE FOR ANTI-CORRUPTION INITIATIVE	1	14%	4	57%	1	14%	1	14%	7	8	5	71%
TOTAL	38	14%	104	38%	45	16%	88	32%	275	309	140	52%

1.1 STATISTICS OF IMPLEMENTED MEASURES – Within the Innovated Action Plan there are total of 309 measures. (Increase for 29 measures compared to first AP).

In this report, measures planed in 2008 (as ‘one activity’ or as continually followed and assessed) are being statistically analysed. There are 275 such measures, which is 89% of total number of measures.

In this six-month period, **38 measures are completely implemented (14%), 104 measures have been continually realized.** In other words, summary of completely implemented and continually realized measures is **142, which is 52% of total number of measures planed in 2008.** 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, **45** measures are partially implemented (16%) and **88** are not implemented (32%).

Within mentioned measures, there are **20** relating to preparation and adoption of **important regulations in the fields of judiciary and state administration reform,** i.e. fight against corruption and organized crime. In this period, **6** important proposals of law were adopted, while significant number of these regulations is in parliamentary procedure.

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 – July 2008.**

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, where special attention and encouragement should be given to cooperation with the local community, business associations and civil society, as bridges for more 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.

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.

For realization of the measures, as much as after the First and Second Report of the Commission, it is extremely important 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 and 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 addition to aforementioned, it should be reminded that a large number of information from this Report will be a good and valid source for better i.e. more objective assessment of the mentioned policies in Montenegro, in the next **Report of the European Commission on progress in stabilization and association process of our country towards the European Union** that will be published at the beginning of November 2008.

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 First and Second report, be delivered to the mentioned Parliament committees and 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

CRIMINAL ACTS WITH ELEMENTS OF CORRUPTION			
By criminal claims received within the period from 1.1. 2006 to 30.6.2008			
Police Directorate and other applicants of criminal claims		No. of cases	Number of persons
		663	1067
STATE PROSECUTORS	Prosecutors decisions by claims	No. of cases	Number of persons
	Claims refusal	286	469
	Accusatory suggestion	13	18
	Prosecution without performing investigation – immediate accusation	14	17
	Request for performing the investigation acts	236	376

	Suggestion to perform the investigation acts	9	19
	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	105	168
COURTS	Previous procedure – investigation	No. of cases	Number of persons
	Received requests for performing the investigation	236	376
	Decision on performing the investigation	176	264
	Decision on performing the investigation was not brought up	60	112
	Investigation completed and files returned to the prosecutor	114	148
	On going investigation	62	116
STATE PROSECUTORS	Prosecutors decisions in cases by the concluded investigations	No. of cases	Number of persons
	Renunciation of prosecution	15	18
	Charge after the performed investigation	99	130
	TOTAL:	114	148
COURTS	Court accusations	No. of cases	Number of persons
	Received accusations (accusation suggestion, immediate charge and charge after the performed investigation)	126	165
	Main hearing and decision	No. of cases	Number of persons
	Criminal procedure with concluded decision	70	81
	On going criminal procedure	56	84
	Judgment of guilty decision	35	41
	Dismissal decision	4	5
	Suspension of the decision	31	35
	Proceedings upon legal remedies	No. of cases	Number of persons
	Prosecutor complaints	45	51
Proceeding concluded upon complaint	21	21	
Proceedings not concluded upon complaint	24	30	
Complaint accepted	10	10	
Complaint refused	11	11	
Accused complaints	2	2	
Sentences into effect	37	39	

CRIMINAL ACTS OF ORGANIZED CRIME	TOTAL:	No. of cases	Number of persons
		36 claims	196 persons
	Claims refusal	1	1
	Conceded claims	2	11
	Received requests for performing the investigation	33	183
	Criminal charges brought up after performing investigation	24	137
	On going investigation	8	40
	Suspended investigation	1	5
	Immediate accusation	--	1*
	Cases where accusation is solved	13	68
	Cases where accusation is not solved	11	69
	Solved in other way – witness associate	1	1
	Proceedings upon legal remedies	No. of cases	Number of persons
	Prosecutor complaints	5	26
	Proceeding concluded upon complaint	2	10
	Proceedings not concluded upon complaint	3	16
Complaint accepted	2	10	
Complaint refused	---	---	

ANNEX 2

REVIEW OF BACKLOG CASES FROM 2007 AND PREVIOUS YEARS

BASIC COURTS – REVIEW IN ALL KIND OF CASES							
BASIC COURT	Unclosed cases on 31.12.2007	Closed cases from 2004 and previous years	Closed cases from 2005	Closed cases from 2006	Closed cases from 2007	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30. June 2008.
Herceg Novi	2.646	203	134	227	543	1.107	41,83 %

Bijelo Polje	1.451	9	31	131	754	925	63,74 %
Cetinje	860	7	30	79	361	477	55,46 %
Ulcinj	5.961	0	640	284	648	1.572	26,37 %
Rožaje	279	6	2	20	162	190	68,10 %
Pljevlja	494	6	2	12	184	204	41,29 %
Žabljak	44	0	0	0	35	35	79,54 %
Plav	118	0	1	12	57	70	59,32 %
Berane	674	0	33	52	371	456	67,65 %
Kolašin	631	3	13	32	142	190	30,11 %
Bar	7.048	217	224	360	1042	1.844	26,16 %
Nikšić	5.377	194	238	684	2324	3.477	64,66 %
Danilovgrad	721	42	15	46	268	370	51,31 %
Kotor	5.063	537	161	407	912	2.017	39,83%
Podgorica	18.175	2357	657	1789	4141	8.944	49,21 %
TOTAL	49.542	3.581	2.181	4.135	11.944	21.878	44,16 %
HIGH COURTS - REVIEW IN ALL KIND OF CASES							
HIGH COURT	Unclosed cases on 31.12.2007	Closed cases from 2004 and previous years	Closed cases from 2005	Closed cases from 2006	Closed cases from 2007	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30. June 2008.
Podgorica	5.620	36	57	1.156	1.123	2.372	42,20 %
Bijelo Polje	2.648	22	139	350	799	1310	49,47 %
TOTAL	8.268	58	196	1.506	1.922	3.682	44,53 %
COMMERCIAL COURTS - REVIEW IN ALL KIND OF CASES							
COMMERCIAL COURT	Unclosed cases on 31.12.2007	Closed cases from 2004 and previous years	Closed cases from 2005	Closed cases from 2006	Closed cases from 2007	TOTAL OF CLOSED BACKLOG CASES	PERCENTAGE OF DECREASE OF BACKLOG CASES on 30. June 2008.
Podgorica	1.416	50	63	146	492	751	53,03 %
Bijelo Polje	124	2	1	2	81	86	69,35 %
TOTAL	1.540	52	64	148	573	837	54,35 %

SOURCE: Supreme Court of Montenegro, July 25, 2008.

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 initialed 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 intern-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

AP	Action plan
CC	Criminal Code
CCCR	Commercial Court Central Register (in Podgorica)
CDP	Counter-Diversion Protection
CoE	Council of Europe
CEBJF	Center for Education of Bearers of Judicial Functions
CPC	Criminal Procedure Code

DACI	Directorate for Anti-Corruption Initiative
DNA	Deoxyribonucleic Acid
DPML&TF	Directorate for Prevention of Money Laundering and Terrorism Financing
EAR	European Agency for Reconstruction
EU	European Union
FIU	Financial Intelligence Unit
GRECCO	Group of Countries of South East Europe for fight against Corruption
HRMA	Human Resources Management Agency
IAP	Innovated Action Plan
IED	Improvised Explosive Devices
IT	Informational technologies
MAfER&FI	Montenegrin Agency for Economic Restructuring and Foreign Investments
MED	Ministry for Economic Development
MFA	Ministry of Foreign Affairs
MoF	Ministry of Finance
MoHLSA	Ministry of Health, Labour and Social Affairs
MoI&PA	Ministry of Internal Affairs and Public Administration
MoJ	Ministry of Justice
MoTMT	Ministry of Transport, Maritime, and Telecommunication
NCB	National Central Bureau
NGO	Non-Governmental Organizations
PACO	Program Against Corruption and Organized Crime in u South East Europe
PIFC	Public Internal Financial Control
PPD	Public Procurement Directorate
RAI	Regional Anti-corruption Initiative
RMNE	Republic of Montenegro
SAI	State Audit institution
SAT	Special Anti Terrorist Unit
SEE	South East Europe
SEI	Secretariat for European Integrations
SSM	Secret Surveillance Measures
SSP	Supreme State Prosecution
UN	United Nations
UNTOC	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
- 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