



**Monitoring of endangerment of the area of special importance  
Area of the Salina "Bajo Sekulić"**

# **SALINA "BAJO SEKULIĆ" AND ATTEMPTED SALE OF THE STATE LAND**

**Analysis of the actions of state institutions**



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## Ulcinj Salina and attempted sale of the state property

Protection of the area of the Ulcinj Salina “Bajo Sekulić”, which represents valuable ecosystem in the hinterland of the beach Velika plaža, is the final benchmark for closing the Chapter 27 in the process of Montenegro's accession to the European Union.<sup>1</sup>

Therefore, after many years of campaigning by domestic and foreign NGOs and the diplomatic corps, its protection was formalised at the session of the Assembly of the Municipality of Ulcinj on June 24, 2019, when it was declared a nature park.<sup>2</sup> Afterwards, in September 2019, Salina was listed on the RAMSAR wetlands list of international importance, thus giving its protection an international character as well.<sup>3</sup>

*Ulcinj Salina "Bajo Sekulić" was built in 1934 as an economic facility, i.e. as a part of the former lagoon Zoganjsko blato which was drained and turned into saltwater basins. It covers an area of 1,468 ha of saltwater basins, canals and embankments.*

*The Salina belongs to the group of the largest salinas in the Mediterranean, which for the last 20 years has been the subject of special attention of ornithological research which clearly indicates that this area is the most important habitat for birds on the east coast of the Adriatic, both for nesting and wintering, as well as a resting place during their migration to Africa and vice versa.*

*With around 250 bird species (Puzović 2002, Stumberger et. Al, 2005), birds represent the best-studied taxon in the Salina in the entire Bojana delta. More than 70 species registered in this area are protected by the Birds Directive of the European Union.*

*Source: Ulcinj Salina Protection Study, Environmental Protection Agency, August/October 2015; (<http://www.ulcinjsalina.me/wp-content/uploads/2016/12/Studija-zastite-Ulcinjaska-1solana.pdf>)*

Photo no. 1: Salina basins (CZIP)



Salina basins have long been managed by the state company "Bajo Sekulić", which in the period from 2005 to 2008 through the method of selling shares became majority-owned by the privatization fund "Eurofond", headed by controversial businessman Veselin Barović whose companies participated in privatizations of numerous state-owned enterprises, which ended infamously.<sup>4</sup>

Bankruptcy in the company was declared in 2005, when it became clear that the intention of the new owner was, in addition to its property, to sell the land of which the Salina

<sup>1</sup> See more at: <https://www.eu.me/mn/27/item/72-poglavlje-27-zivotna-sredina>

<sup>2</sup> See more at: <http://www.ul.gov.me/Aktuelnosti/4482/Skupstina-Opstine-Ulcinj-izglasala-odluku-o.shtml>

<sup>3</sup> See more at: <https://www.ramsar.org/news/montenegro-names-ulcinj-salina-as-a-ramsar-site>

<sup>4</sup> See more at: <http://www.mans.co.me/wp-content/uploads/studijeslucajeva/Solana.pdf>

claimed the right to use, but did not own it.<sup>5</sup> Meanwhile, the company's assets with complete Salina basins were mortgaged for loans from companies associated with the new owner, contrary to the law. Therefore, in 2016, MANS filed a criminal complaint against Mićo Orlandić, former director of the Real Estate Administration and Dževdet Čaprić, current head of the Ulcinj cadastre, Jelica Petričević, former deputy general director of the bank Prva Banka Crne Gore, Dragan Đuranović, employee of the bank Crnogorska komercijalna banka (CKB), and founders of the Flash and Absolute company, Veselin Barović, Bojša Šotra, Zijad Blekić, Bećir Perazić and Vlatko Aprcović. Namely, the persons charged with the complaint participated in concluding several harmful loan agreements whose means of securing was the state property encumbered by the mortgages that the company "Bajo Sekulić" used, but did not own.<sup>6</sup>

At the beginning of 2017, the Special State Prosecutor's Office rejected the complaint, due to the obsolescence of the criminal prosecution, and on that occasion, the prosecutor did not take into account the profit that the owner of the company made by pledging the state property. However, after a few months, the Supreme State Prosecutor's Office reopened the case.<sup>7</sup>

In parallel, bankruptcy trustee Žarko Ostojić, who ran the company during bankruptcy procedure, announced the sale of its assets - including 15 million square meters of land that the company uses, but does not own.<sup>8</sup> Namely, the land is owned by the state of Montenegro, and was given to the company exclusively for use on the basis of salt exploitation.

The land of the Ulcinj Salina was offered for sale as many as 15 times, and the initial price of the company's property (facilities, machinery, stocks) with the state land amounted to as much as €257.8 million.<sup>9</sup> Although the land is registered in the cadastre as the state property, the Commercial Court of Montenegro did not react to any of these actions of the bankruptcy trustees.

Therefore, in mid-April 2019, NGO MANS, the Centre for protection and research of birds of Montenegro (CZIP), Dr. Martin Schneider-Jacoby Association (MSJA) and Montenegrin Ecologists Society (CDE) filed a criminal complaint to the Supreme State Prosecutor's Office of Montenegro.<sup>10</sup>

The criminal complaint includes:

- Žarko Ostojić, bankruptcy trustee of the bankruptcy debtor JSC Salina "Bajo Sekulić" - in bankruptcy, due to reasonable suspicion that he committed criminal offense **attempted abuse of office** by abusing and exceeding the bankruptcy trustee's authorities by announcing the sale of state property which is not part of the bankruptcy estate of the company

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<sup>5</sup> Minutes from the 5<sup>th</sup> session of the General Meeting of Shareholders of JSC Salina "Bajo Sekulić" Ulcinj in bankruptcy No. 388 dated 28 June 2005

<sup>6</sup> See more at: <https://www.mans.co.me/nova-krivicna-prijava-zbog-solane-uprava-katastra-morala-znati-za-nezakonite-hipoteke/>

<sup>7</sup> See more at: <https://www.dan.co.me/?nivo=3&rubrika=Ekonomija&clanak=603141&datum=2017-02-08&najdatum=2017-06-17>

<sup>8</sup> XV procedure for the sale of property of the bankruptcy debtor JSC Salina "Bajo Sekulić", published in newspapers Dnevne novine on March 12, 2019

<sup>9</sup> See more at: <https://www.vijesti.me/vijesti/ekonomija/propalo-i-drugo-javno-nadmetanje-za-prodaju-solane>

<sup>10</sup> Criminal report no. 25330/04 of 16 April 2020, submitted to the Supreme State Prosecutor's Office by the NGO MANS, CZIP, CDE and MSJA. See more at: <https://mina.news/mina-business/podnijeli-krivicnu-prijavu-zbog-prodaje-imovine-solane/>

- Responsible persons of the Property Administration of Montenegro, the Real Estate Administration of Montenegro and the Protector of Property and Legal Interests of Montenegro, due to reasonable suspicion that they committed the criminal offense **abuse of office for an extended period**, by failing to properly record state property and take legally prescribed actions to protect and preserve state property.

Apart from the Supreme State Prosecutor's Office, MANS also addressed the Commercial Court of Montenegro due to the announced sale of state property, to which it sent a complaint against Žarko Ostojić, the bankruptcy trustee of Salina, due to illegal work in the bankruptcy procedure.<sup>11</sup> On the other hand, already at the beginning of May 2019, the President of the Commercial Court Blažo Jovanić replied in a brief letter sent to MANS that "after careful assessment of submitted statements", he found that the trustee had acted in full compliance with the law.<sup>12</sup>

Photo no. 2: Part of the response by the Commercial Court to the complaint against trustee Ostojić

Povodom pritužbe koju ste podnijeli na rad stečajnog upravnika Žarka Ostojića zbog postupanja u stečajnom postupku koji se vodi nad stečajnim dužnikom Solana "Bajo Sekulić" AD u stečaju Ulcinj i Vašeg predloga da kao predsjednik suda razmotrim podnošenje krivične prijave protiv stečajnog upravnika, obavještavam Vas sljedeće:

Nakon što sam kao predsjednik suda pribavio izjašnjenja postupajućeg sudije i stečajnog upravnika, a vezano za podnijetu pritužbu i navode koje su istaknuti u istoj, brižljivom ocjenom dostavljenih izjašnjenja, zaključio sam da je stečajni upravnik u predmetnom postupku postupao i preduzimao radnje u svemu u skladu sa Zakonom o insolventnosti privrednih društava, te da stoga nema elemenata za podnošenje krivične prijave protiv stečajnog upravnika.

S poštovanjem,


  
 VD PREDsjedNIK-a SUDA  
 Blažo Jovanić

Due to suspicion that he committed the act of **abuse of office** by enabling the trustee Ostojić to continue with illegal disposal of state property, in mid-May 2019, NGO MANS filed an amendment to the criminal complaint against the President of the Commercial Court - Blažo Jovanić.<sup>13</sup>

The aggravating circumstance for Jovanić was that he it was pointed out to him in the complaint that "ignoring the complaint would enable the bankruptcy trustee to realize the intention to sell natural resources and thus cause multimillion damage to state property, which would also constitute abuse of official authorities and non-performing of official duties." Moreover, Jovanić was suggested to consider filing criminal charges against the bankruptcy trustee himself.

<sup>11</sup> Complaint to the Commercial Court of Montenegro no. 25329/04 of 16 April 2019

<sup>12</sup> Letter from the Commercial Court no. 11/19 of 7 May 2019

<sup>13</sup> Amendment to criminal report no. 25388/05 of 13 May 2019

On the other hand, even a year later, the Supreme State Prosecutor's Office has not given any answer as to the status of the filed criminal complaint, whether anyone has been questioned and whether an investigation has been launched, while the issue of Salina's land ownership and disputes continue.