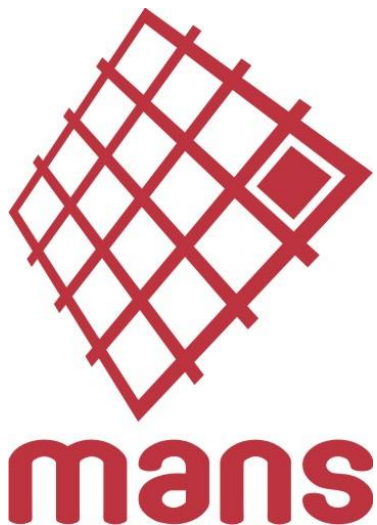


2012



Annual Report



Our Vision

Montenegro is a just, open society
of active citizens and governance serving its people.

Our Mission

MANS is fighting corruption and organized crime
affecting Montenegro.

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Transparency International's
Partner for Montenegro



The Organized Crime and Corruption
Reporting Project's
Partner for Montenegro



Member of Freedom of Information Advocates Network

Allies to Task Force on Financial Integrity and Economic Development

Member of network of NGOs against transnational organized crime

INTRODUCTION

The Network for Affirmation of the NGO Sector - MANS is a leading anticorruption advocate in Montenegro and the largest NGO in the country.

This was a very challenging year for us, for the first time we tested public support to our work and our capacities to mobilize a large number of citizens. Astonishing results are proving that MANS is the most influential NGO in the country with wide citizens' support.

Throughout 2012, we mobilized over 100.000 citizens to participate in public protests and sign civic petitions; we provided free legal aid to over 700 victims of corruption and over 600 workers from companies privatized through murky deals.

MANS was investigating concrete high level cases of corruption and organized crime, reporting them to responsible institutions, and using those examples while advocating for concrete changes. This year we managed to change National Spatial Plan, and protect eco-sensitive part of coast from construction tycoons' appetites for fast profit.

We were monitoring implementation of reforms and main anticorruption laws. During this year we significantly improved access to public records and achieved a certain milestone - submitted a 50 000th request for information.

We were advocating for National Parliament's stronger role in supervising the executive and the Anticorruption Committee was finally established. The Government was requested to improve compilation of voter lists, oversight of campaign finances and review of complaints international election observers, due to our monitoring findings.

This Annual Report is published in order to promote our achievements and activities in 2012 and contribute to transparency of our work. The first section provides information on our strategic goals and objectives. The second part points out our key achievements, followed with information on specific activities. Our relations with media are presented in separate chapter, and information on organizational and human resources development is also provided. The last chapter is dedicated to finances and it provides information on the budget expenditures and structure of donors.

1. ABOUT MANS

MANS is a non-governmental organization that supports sustainable development of Montenegro through fight against corruption, making governance more transparent, accountable and responsive to citizens' needs and stimulating citizens to take actions in order to achieve their rights.

Strategic Goals and Objectives for 2013-2015

1. Reduce High Level Corruption

- ~ Increase investigations and convictions for high level corruption cases
- ~ Improve anticorruption legislation and policies
- ~ Secure implementation of anticorruption legislation, policies and control mechanisms for all branches of governance in order to produce concrete results

2. Reduce Opportunities for Organized Crime

- ~ Reveal more concrete cases of high level organized crime
- ~ Increase number of investigations and court proceedings for cases of high level organized crime
- ~ Improve legislation and policies in order to reduce opportunities for legalization of the proceeds of crime

3. Increase Transparency of Institutions and Active Public Participation in Fighting Corruption and Organized Crime

- ~ More information is published proactively and upon requests for information filed by citizens, journalists, NGOs and entrepreneurs
- ~ More citizens are reporting corruption and organized crime, and participating in more public actions changing regulations and practices
- ~ Increased efficiency and responsibility of institutions acting upon citizens' reports of corruption and organized crime

2. KEY ACHIEVEMENTS IN 2012

Mobilized over 70.000 citizens to participate at seven public protests organized by MANS and partners, demanding concrete results in fight against corruption, followed by extraordinary Parliamentary Elections.

Mobilized more than 30.000 citizens and 25 MPs from all opposition parties to sign two initiatives submitted to the Constitutional Court.

Citizens reported over 700 corruption cases to MANS, twenty times more than to the whole police force in the country.

Over 600 workers from 29 companies submitted joint criminal appeal against liquidation judges and managers, sue to our information, legal and logistic support.

The National Parliament established Anticorruption Committee and obliged two other committees to act upon civic initiatives and petitions, following our advocacy campaign.

The Government is required to improve compilation of voter lists, oversight of campaign finances and the review of complaints, by the OSCE/ODIHR Election Observation Mission, due to numerous misuses of public funds for election purposes and over 25.000 irregularities in Central Voting List revealed by MANS.

Improved access to public documents upon requests for information: 6% more information is obtained than in previous year (48% in 2012), and 9% more judicial decisions are made in favor of transparency (90%), achieved a certain milestone - submitted a 50 000th request.

Final judicial verdicts of all courts are accessible to public, following our strategic litigation and successful advocacy within the European Commission and the first qualitative and quantitative analysis of judicial verdicts for corruption, underlining main problems with judicial practices was published by MANS team of legal experts.

The National Parliament adopted changes of the Spatial Plan of Montenegro preventing Solana resort's conversion into construction land on the expense of the public interest, due to our extensive investigation and advocacy.

The Government adopted Open Government Partnership Action Plan upon MANS initiative with new major commitments related to protection of whistleblowers, conflict of interests and privatization.

3. ACTIVITIES IN 2012

3.1. Civic Initiatives

3.1.1. Civic Protests

At the beginning of 2012, following the increase of electricity prices, the Union of Independent Trade Unions invited MANS and the Union of Students to organize joint protests that gathered thousands of people.

Montenegrin citizens pay one of the highest electricity bills due to murky privatization deals.

The Government claimed that they privatized the Electricity Company of Montenegro (EPCG) in order to secure new investments, reduce costs and thus ultimately lower the price of electricity for consumers. Instead, the price continued to rise, while MANS investigation revealed that the EPCG's new owner, Italian company A2A, was depositing funds planned for investments in the First Bank whose major owners are family members of the highest officials¹.

At the same time, due to contracts signed behind closed doors, citizens continued to subsidize the electricity consumed by the Aluminum Plant of Podgorica (KAP) and pay for its loans guaranteed by the government. Therefore electricity bills paid by citizens essentially enabled the creation of extra-profits for both Italy's A2A as well as for the Russian tycoon who owns KAP, all the while securing the necessary liquidity for the survival of the First Bank.

Several decisions made by the Regulatory Agency for Energy on increasing electricity prices were nullified by the courts, and MANS revealed that most members of the Agency's Board of Directors own shares of EPCG and used to work in that company.

Finally, not everyone is paying electricity. MANS investigation revealed that some large "well connected" companies and individuals did not pay over 120 million euro for their electricity bills and only a few of them were disconnected from the network.

¹ The First Bank (Prva Banka) is owned by brother and sister of Milo Djukanovic, long time serving as Prime Minister and President. Also he is currently occupying Prime Minister's position. At the time of protests, he was not holding any public duties, therefore also had no political responsibility.

We have organized the first protest in January 2012, demanding removal of red tap from electricity prices, criminal investigations of privatization and resignations of the Regulatory Agency for Energy's Board of Directors.



The protest attended over ten thousands of citizens. This was the first socially ignited protest in the past two decades in Montenegro and it was attended by citizens belonging to all religions and nations, as well as all political parties.



Since the Government did not fulfill any of our requests, we organized the second protest in March 2012.

In addition to demands from the first protest, we have asked the government to remove costs of corruption from prices telecommunications² and of fuel³, review and terminate privatization contracts involving large-scale corruption, identify individual responsibility for corruption in privatization, initiate court cases and

² US institutions revealed that sister of high-ranking Montenegrin officials was receiving corruption in privatization of Montenegrin Telecom.

³ Montenegrin citizens were paying the highest fuel price in the region. Many MPs and NGOs submitted several criminal appeals to the prosecution regarding this privatization, but prosecution made no concrete actions.

confiscate illegally obtained assets. We asked the Government to show their will to remove corruption as the main business barrier and attract credible foreign investors that respect laws and contracts.



The students demanded freedom of the state university from political and financial influences. Following attack on a reporter and protests organized by journalists from independent media, upon their request, our final demand to the Government was to guarantee the freedom of speech and the media.

Over 20.000 citizens attended the protest.





These protests inspired citizens' activism throughout Montenegro, and we helped local trade unions and NGOs to organize six regional protests⁴ gathering several thousands of citizens.



⁴ Protests were held in Bijelo Polje, Pljevlja, Berane, Rožaje, Ulcinj and Cetinje

Since the Government ignored all requests from all previous protests, at the third protest that we organized in May we requested from the Government to resign.



Subsequently, until July 2012 we organized four new protests - demanding a new Government which would deal with corruption and growing social issues.





All protests ended without any incidents and eventually, in July 2012, the Parliament announced Parliamentary election - by which the Government was dismissed.

During the protests, a number of experts working in different fields⁵ contacted us offering free assistance, and we established a consultative body consisting of 50 University professors, experts, journalists, NGOs, workers' representatives, various artists, students and internet activists. These contacts will be very valuable for MANS in future work.

Together with over 500 volunteers and other NGOs we organized more than 50 public events to raise awareness on particular aspects of human rights, corruption and transitional justice.

For example, together with independent media, we organized celebration of day of journalists as poetry night, in front of the National Intelligence Agency.

⁵ For example economy, spatial planning, law, education, heavy industry, financial markets, environment, political analysis, psychology, poetry, art, music, drama, design, IT, marketing...



Students, supported by us, staged a scene in front of the Employment Bureau, addressing the issue of political discrimination in employment. We also organized performances together with Union of pensioners.



We organized several events to obtain funds for protests such as auction for paintings that were donated by artists, poetry nights and parties.



3.1.2. Civic Petitions

We have organized two large civic petitions gathering over 30.000 citizens' signatures in only four days.

In June 2012 the Parliament adopted Law on Taxes that imposed additional surcharges on SIM cards, electricity meters, and cable TV in order to cover up gaps in the budget caused by payment of large state guarantees provided to a private company⁶.

MANS lawyers put together an initiative to challenge the constitutionality of this Law⁷. At the same time we developed initiative for Constitutional Court to annul the Decision and Methodology for calculating electricity prices. There are no prescribed deadlines for the Constitutional Court to decide, but we were asking for urgency due to large public interest.

In cooperation with network of volunteers, we have organized petition signing in all municipalities and in only four days collected over 30.000 signatures for the initiatives to the Constitutional Court. There was no citizen initiative in Montenegro that in such a short period received such substantial support from the public.



⁶ Guarantees in the amount of over hundred million euro were given to the Aluminum Plant of Podgorica (KAP), owned by Russian tycoon Oleg Deripaska, in a highly non-transparent manner. The KAP was not paying its debts, created mainly through loans given by connected shell companies, and the government introduced new taxes after 20 million were paid from the public budget, for the first tranche.

⁷ The law makes mobile phone operators, electricity providers and cable distributors into official tax collectors by giving them the right to calculate and charge taxes to their users. The responsibility of paying taxes can only be introduced to the user of a given service, not to those who have access to services, and its particularly unconstitutional for the mentioned legal entities to determine who is required to pay such taxes, maintain a register of taxpayers, as well as calculating and charging public revenues. In this way the executive and legislative branches of government gave the authority of the Tax Administration and other state administrative bodies.

This was not enough to speed up the Court decision, but the Court is obliged to immediately review initiative signed by Members of the Parliament. That is why we invited all parliamentarians to sign petitions and obtained 25 signatures. Even that was not enough for the Court to make decision.

In order to create additional pressure, our volunteers and citizens organized a dozen of performances and actions in front of the Court.



Finally, four months later, the Court refused initiative related to the law on taxes and never reviewed decision on electricity.

We submitted the case to the European Court for Human Rights.

In order to show that the decision of the court was brought by the Judges who are influence by the ruling party we organized media campaign and street performances, but also internet campaign.



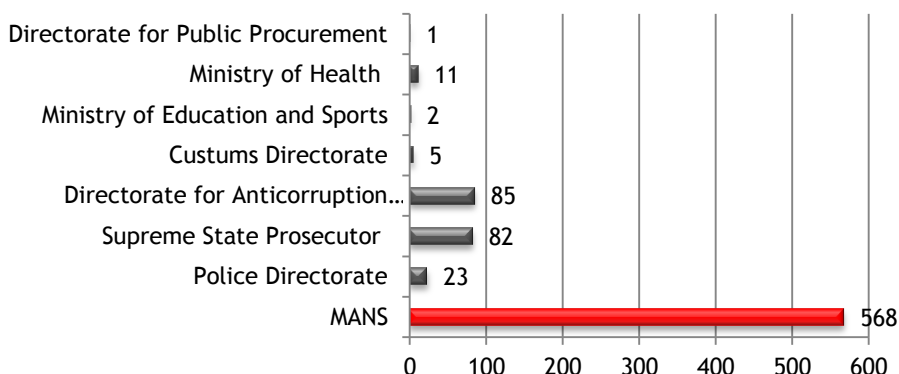
3.1.3. Free Legal Aid

MANS was providing free legal aid to citizens reporting over 750 cases corruption, illegal construction and requesting information from public institutions, throughout the year.

We were maintaining SOS phone line, online form for reporting cases and organizing meetings with citizens in central office in Podgorica and two Regional Centers, in Bar and Herceg Novi⁸.

In 2012, citizens reported 768 cases out of which over 70% or 568 cases were related to corruption. Out of this total number 426 cases are closed, 142 cases are ongoing and in 200 cases we couldn't act.

Graph below is showing that in this year, citizens reported over 20 times more cases to MANS than to the whole Police Directorate and over two times more than to all state institutions receiving citizens' reports of corruption.



Graph 1: Corruption cases reported to institutions and MANS in 2012

On the basis of reported cases, we submitted 64 initiatives to range of institutions, obtained answers in 50 cases and forwarded them to citizens. We submitted over 740 requests for information, obtained over 40% of requested documents from institutions and provided them to citizens.

⁸ Free legal aid includes the following stages: (i) Identification of problem reported by citizens; (ii) Identification of responsible institution and relevant legislative; (iii) Meetings with MANS' legal adviser, suggestions for legal steps; (iv) Support in submitting requests and appeals; and (v) Providing citizens with feedback and further suggestions. Citizens were provided with an opportunity to anonymously report cases.

Throughout 2012 we provided legal assistance to number of civic groups, for example:

In July 2012, MANS organized a round table with workers and minority shareholders of privatized companies to discuss corruption in privatization and implementation of obligations defined by privatization contracts. After identifying main issues and breaches of laws, we collected information and relevant documents, and provided legal assistance to workers to submit joint criminal appeal against responsible persons in public institutions. The criminal appeal was submitted for 29 privatized companies and signed by over 600 former workers and their fellow citizens that witnessed destruction of their factories.

We provided assistance to citizens of the village nearby northern town Pljevlja whose environment is endangered by local privatized Mine of Lead and Zink - Suplja Stijena. Citizens suspected that after the privatization, new owners did not dispose industrial waste in a proper manner, harming the environment. MANS provided assistance to couple dozens citizens from this community to submit requests for information. They obtained requested documents.

MANS supported group of citizens living in village Beranselo near northern town Berane, which is heavily polluted by regional waste disposal site, placed in their village without proper studies on its impact on health and environment.

The waste disposal site is placed above water sources, the nearby river Lim and most shockingly few hundred meters from the village houses and agricultural estates.

We provided legal assistance to over 50 inhabitants to obtain information on pollution.

We assisted this group to organize street action in front of the Government pointing out that the waste disposal site, besides being unlawfully placed in their village, is not managed in a proper manner since it also contains medical waste.



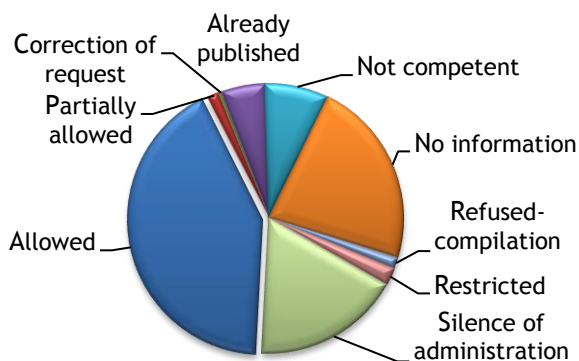
3.2. Monitoring and Analytics

3.2.1. Free Access to Information

MANS is monitoring implementation of Freedom of Information Law (FOI Law) through a wide-ranging use of legal and other mechanisms including strategic litigation and advanced monitoring software, but also advocacy campaigns based upon concrete cases and mobilization of citizens.

In 2012, MANS achieved a certain milestone in its FOI Law monitoring experience - we have submitted a 50 000th request for free access to information, and we are, to the best of our knowledge, an organization with the most individually submitted requests in the Europe. Since adoption of the first law in late 2005, MANS also submitted over 6,000 appeals and over 8,000 complaints in front of the Administrative Court, with over 80% of judicial verdicts in our favour.

In 2012, we have submitted over 7.000 requests for information and received 48% of all requested documents. Additionally, MANS submitted over 1.300 appeals to supervisory institutions. On average, supervisory institutions acted in more than 80% of cases and made over 70% of all the decisions in our favor. Furthermore, we have submitted over 900 cases to the Administrative Court, with 90% of favorable court's decisions.



Graph 2: Responses to FOI Requests (2012)

MANS initiated over 100 procedures in front of the Protector of Human Rights - Ombudsman for the cases where institutions did not comply with Administrative Court verdicts, with over 95% of them being successfully resolved. This makes one fifth of all human rights violations reported to the Ombudsman during last year.

We have developed good practices in several areas, by strategically using FOI by all MANS programs - for investigations, in providing free legal aid and mobilizing communities and for monitoring implementation of other laws and policies.

Due to our persistent litigation and advocacy **all judicial verdicts are now publicly available** whether through internet or upon FOI request even though those were previously declared secret even by the Supreme Court of Montenegro. We have also managed to obtain data on state deposits, payment of taxes for construction which were previously declared secret, but also some documents related to privatization, financial statements of companies etc.

Some good practices were related to decreasing costs for accessing information. For example the Real estate administration decided to charge 50 euro for each access to cadastre property sheet but upon our appeal, Ministry of Finance brought decision in favor of transparency.

MANS is continuously providing **citizens and journalists with free legal aid** in accessing information and in this year we have managed to mobilize several hundreds of citizens to submit requests for information on their own, which is a large breakthrough compared to previous years, when citizens feared to address institutions with their requests and preferred to anonymously use MANS services.

During 2012, we have conducted an extensive **public campaign to promote right to information**. We have organized over 70 promotional and awareness raising events throughout the country and distributed over 30 000 promotional leaflets with templates for requests for information to be used by citizens. **Over 300 requests for information** were submitted on site by citizens and countless requests that were independently sent by citizens in subsequent days. On all occasions MANS distributed a wide range of campaign materials.



MANS maintained an **on-line system** for submitting requests for information, used by more than 200 people.⁹ Citizens are encouraged to submit requests using a simple fill-in form. After submitting a request, they receive an e-mail that informs them of actions that are taken by our team and are provided with a response as soon as it becomes available which are also accessible on our web site¹⁰.

We were also organizing **meetings, trainings, and providing legal assistance** to over 30 NGOs, journalists and Trade Union members, from Freedom of Information Network established in the previous year.

In July 2012, MANS organized **Round table** on Implementation of the FOI Law in areas prone to corruption gathering representatives of public institutions, academics, NGOs and trade unions. The round table discussion was followed with set of workshops on FOI in privatization, environment and spatial planning and development. On the bases of these, through joint work of NGOs and trade unions, number of citizens and workers submitted FOI requests in these areas¹¹.

On the basis of information gathered through monitoring, we have developed **bilingual Report** on the implementation of the FOI Law with recommendations for its improvement and two bilingual Reports on the transparency levels of public institutions.



We have **managed to incorporate number of these recommendations** into the **new FOI Law** which will be in force from mid February 2013. The most significant changes are introduction of new supervisory body for all institutions and new penalty system.

The Government adopted an Open Government Partnership (OGP) Action Plan, following MANS initiative and participation in working group. We managed incorporate several major commitments in the OGP Action Plan: adoption of Law on Whistleblowers, professionalization of Commission for Prevention of Conflict of Interests and expansion of Privatization and Capital Investment Council with one NGO member.

⁹ On-line form for requests: www.mans.co.me/pravni-program/pitajte-institucije/.

¹⁰ Responses are available at: www.mans.co.me/pravni-program/odgovori-drzavnih-institucija/

¹¹ Further information is provided in part related to 3.1. Civic Actions

3.2.2. Parliament

During 2012 MANS was observing plenary and sessions of all Parliamentary Committees, collecting and publishing data on activities and performances of the Parliament, its Members (MPs) and committees, use of oversight mechanisms and other control functions. In 2012, the Parliament of Montenegro had 54 days of plenary sessions, while parliamentary committees held 199 meetings and our team monitored all of them. On the basis of collected information, we developed one **watchdog report** on work of the Parliament and each MP, which was published at our website and widely distributed.

MANS developed five **case studies on work of the Parliament**. Two are dedicated to usage of Parliament's oversight and control mechanisms - control and consultative hearings. Other three case studies are dedicated to budget expenditures for travel of officials, accommodation and representation costs, but also to criteria for selection of delegation members among MPs. All case studies were published at MANS' website. German Law-firm 'Ashurst' developed comparative analysis as a pro-bono service to MANS. This analysis compares **oversight functions of the Bundestag** with those in the Parliament of Montenegro.

After MANS created pressure for several years, the Parliament has finally established **Anticorruption Committee**. For years MANS stressed out that the Parliament needs such a body. In addition, the Parliament decided that two working bodies will **revise civic initiatives and petitions**, also on the basis of MANS public campaign.

We were continuously **inviting the MPs to more actively** use their oversight functions, but also asking for their active engagement in other public activities such as signing initiative to the Constitutional Court related to the "euro by euro" Law. The initiative was signed by 25 MPs from all opposition parties.



MANS had submitted **20 initiatives to the Parliament** asking for use of their control functions and mobilized **20 groups of citizens** to submit their initiatives. **One of them achieved great MPs support** and Amendments on Spatial Plan of Montenegro were adopted protecting coastal zone near Ulcinj and Salt factory from large construction.



We have also asked the Parliament to ensure that the Government respects their conclusions to terminate privatization contract on 'Aluminum Plant' from Podgorica and open parliamentary investigation about the privatization process and it was not accepted, but right now there is a large debate on violations led by the Speaker and his party's MPs. MANS and citizens submitted number of initiatives related to taxes and new laws which were not accepted by the majority.

MANS representatives were invited at five committee sessions in 2012. We participated in work of Legislative and Constitutional Committee and Committee on Tourism, Agriculture, Ecology and Spatial Planning on the issue of Amendments on Spatial Plan of Montenegro until 2020. We were invited to participate in work of Commission for Monitoring Privatization Process on privatization of 'Aluminum Plant' from Podgorica. Also, we were invited to participate in Committee on Political System, Judiciary and Administration to discuss Law on Free Access to Information. The Committee on Human Rights and Freedoms invited us to participate in discussion on their Annual plan.

In order to improve information sharing between MPs and citizens, in the reporting period MANS distributed four monthly and 33 weekly newsletters on activities of the Parliament through 19 MANS e-lists with more than 3,500 members, but also to each MP. We were updating our website with new information from the Parliament on a daily basis.

3.2.3. Political Party and Election Financing

During the campaign¹² for the 2012 parliamentary elections, MANS identified serious misuses in public budget spending and in voter lists, which were also notified by international observers.

MANS was monitoring budget spending in the election campaign, as well as other misuses of state funds and property. During this period, we have submitted close to 2.000 FOI requests, obtaining around 90% of requested information. We were monitoring four dailies and five television stations with national coverage, based on reports by citizens, but we have also conducted consultations with number of stakeholders and insiders to identify major means used for election corruption.

We have identified many misuses in of public funds in the election campaign related especially to unusually high spending for social needs during the election campaign, but also recruitment, the unprecedented private company donations to the state, opening of infrastructure objects during the election campaign despite a number of security and construction standards issues, but also the specific examples of purchased votes and pressures put on staff in public institutions and state-owned companies etc.

All findings were published in a report that was widely distributed to all relevant stakeholders, including members of the international community in Montenegro. We have recommended state institutions to amend the Law on Financing Political Parties and right now that process is starting.

By analyzing the central voter list, MANS identified problems with over 25,000 voters, or almost 5% of the total. The data show that same persons are registered several times, that persons holding no residence permits in Montenegro are enfranchised, the same as some deceased.

MANS cross-referenced the population census data provided by the National Statistics Office (Monstat) with the voter list and established that there were 6,000 more voters aged 60 and above than as shown by the census data⁶², or corrected for the mortality rate, the difference would be over 10,000 in excess featured in the voter list.

¹² Parliamentary elections were held on the 14th October 2012.

We also found out that the voter list features a large number of persons aged 80+ only recently entered into the register, who thus were not able to vote during previous elections although born in Montenegro.

The review of the voter list revealed over 14.000 voters in Montenegro having one or more doubles with the same name and surname and whether exactly the same or very similar birthday and address. Such persons have different JMBG, which means that these are either different persons with some unbelievable coincidences or the same persons were issued several ID cards and JMBG numbers.

We have also found out that 290 citizens with identical JMBG were registered to different polling stations thus enabling them to vote twice.

All information on irregularities noted was made public and competent authorities were called to correct the wrong entries before the elections.

Only a smaller portion of the irregularities noted was rectified on the eve of the elections, with competent authorities suing MANS and insisting on sources of information to be revealed, instead of the individuals who compiled erroneous voter lists.

We filed charges against responsible persons on suspicions of compilation of incorrect voter lists and misuse of office. These irregularities were later pointed out in ODIHR/OSCE report on election process in Montenegro.

3.2.4. National Policies for fighting corruption and organized crime

MANS is continuously monitoring implementation of anti-corruption policies, since the first such document was adopted. During 2012 Government adopted a Decision on innovation of the Action Plan (AP) and MANS' member was once again appointed to the working group for innovation of the AP¹³. We have prepared recommendations for new reforms based on findings from the EC Analytical Report.

In order to collect necessary information on the implementation of the AP, we have submitted almost 2.000 FOI requests to state institutions, obtaining 90% of information. On the basis of all collected information we have developed Shadow Report on implementation of the AP.

MANS has developed and published publication Tackling Corruption for EU Integration (IV) with information on implementation of the AP and work of the National Commission, officially responsible for monitoring AP and coordinating implementation of reforms.

MANS representative is participating in work of the National Commission and we submitted initiative regarding privatization of 'Telecom' company. Chairman of the Commission, who is at the same time Minister of Justice and Deputy Prime Minister, decided not to put this initiative on the Agenda, and MANS expressed a form of protest by not participating at the next meeting of the Commission.



We have organized a Round table on transparency of anti-corruption reforms in Montenegro. Round table gathered representatives from all relevant state institutions, as well as many foreign experts and members of NGO sector from Montenegro and region, media, members of foreign community, etc.

Finally, we were extensively dealing with police abuses of reforms to extend their authorities while violating human rights. Due to our advocacy, the police had to terminate agreements with telecommunication companies allowing them direct access to data on citizens communications without approval of a judge or prosecutor, contrary to the practice of the European Court on Human Rights.

¹³ Innovation process of the AP is currently underway.

3.2.5. Judicial Verdicts for Corruption

In order to assess the work of the judiciary in fight against corruption and determine what stands behind the official, hard-to-grasp statistics and gauge the actual outcome of court proceedings for corruption offences, we were collecting and analyzing judicial verdicts for corruption.

We were filing requests for information to all courts at all instances. Some of them declared data secret or in other ways declined access to verdicts, but by the end of the year, all courts adopted transparent policies in this respect.

Our analysis of legal framework revealed that due to numerous the amendments to laws, “ping-pong” cases were created, with courts returning them to each other, lasting for years and causing huge costs for the budget.

We have presented examples showing that some courts fictitiously inflate the official statistics, by including in them also those cases referring to other offences. We have revealed that two thirds of cases that the courts made available to us referred to evasion of taxes and other dues, and petty crimes and that in these proceedings convictions were most often made, which embellish the statistics.

We have also analyzed length of court proceedings; damages claimed by the state, seized proceedings of corruption. Finally, we analyzed penal policy within and among courts. Following the first analysis, we continued to collect judicial verdicts and are currently working on second analyzes based on more cases.

During 2012 we were developing financial IDs of state prosecutors and judges of the Higher Court from Podgorica, for previous seven years. This means that we were analyzing changes in wealth and income of these individuals and their families, comparing these information with data from other official sources (e.g. on ownership of companies, land etc).

Based on these findings, we are now submitting initiatives to the Commission for Conflict of Interest, but also to the Judicial and the Prosecutorial Council.

3.3. Center for Investigations

Throughout 2012 we were investigating high level corruption cases, mainly related to spatial planning and construction, energy production and trading, public procurement and contracting, and privatization processes. We submitted 26 criminal appeals to State Prosecutor's Office against high level public officers, private companies and individuals.

We were using Freedom of Information Act, cross-checking data from other official sources, conducting internet investigations, but also obtaining information from citizens and whistleblowers. Investigated cases were frequently used as advocacy tool, but also to mobilize citizens, especially in area of spatial planning and privatization.

3.3.1. Spatial Planning and Construction

In order to increase transparency of spatial planning process and we were posting spatial plans and other relevant planning documents at our website, now hosting 237 local and 28 state-level plans¹⁴.



In order to contribute better plan development and reduce room for corruptive behavior, we developed assessments of 31 spatial plans and provided them to local and national parliaments and general public¹⁵.

Based on our comments and official amendments sent to the National Parliament, Spatial Plan of Montenegro was changed to preserve natural birds' habitat of Solana settlement.



The area is part of the salt factory bought out previously by local tycoon with intention to develop mass tourism and residential capacities, affecting biodiversity of the area and birds habitats. Still, transforming this land into construction land would bring the new owner enormous profits, on expense of the public interest.

Following strong advocacy campaign, MPs adopted changes of the Spatial Plan of Montenegro proposed by MANS, securing sustainable use of this space for the next generations.

¹⁴ <http://www.mans.co.me/odrzivi-razvoj/planska-dokumenta/>

¹⁵ <http://www.mans.co.me/odrzivi-razvoj/komentari-na-planove/>

One of the larger investigations was focused at luxury coastal resort "Sveti Stefan" near Budva city, leased by multi-year contract to a private company. We discovered that illegal construction on this resort conducted by the new owner was planned for legalization through murky decisions made by the local public officers and responsible Ministry.



Based on documents obtained using FOI Act, MANS submitted a criminal appeal against investors for illegal construction, but also against several local and national public officer for negligence and abuse of powers.

Another case in Budva was related to selling out the municipal land in a manner that heavily harmed public interest. Namely, the municipality announced selling one plot of agriculture land with no urbanization envisioned. The respective commission priced the land as agriculture, although it was as very attractive position in coastal zone.

At that time, we suspected that selling this land by reduced price, much lower than if it was construction land, is just an introduction for the later plan changes. The plot of 11.000 square meters was sold for 670.000 Euros, which was at that time way under the market price.

Just couple of months after this selling, the municipality changed the plan for this area, making the sold plot suitable for construction of hotels and residential apartments. By adopting this plan, the price of the previously sold plot was at least doubled. We have submitted criminal appeal against Mayor of Budva for signing the harmful contracts for selling the land. This case is still pending with State Prosecutor's Office.

In another large case we submitted criminal appeals against Mayor of Podgorica and Minister for Spatial Planning for actively violating the laws and procedures for the benefit of the privileged investor.



We have discovered that a large business-residential complex constructed extra floors to those defined in construction permit and spatial plan for that part of Podgorica. The Mayor of Podgorica prepared changes of the plan for legalization of the building, approved by the responsible Ministry.

New plan was adopted by the local parliament due to governing parties' votes and the Ministry legalized the object.

3.3.2. Privatization

MANS was contacted by workers of the several privatized companies from the northern part of the Montenegro, suspecting that new owners are violating the privatization contract and/or the process of privatization.

We gathered information from workers from 29 companies and developed a criminal appeal against key privatization decision makers. The appeal is filed with Prosecutor's Office and we are awaiting the decision.

Other large cases that we investigated in 2012 were related to tourism sector privatization and selling off state owned land.

Major case was related to hotel "Avala" located at prime location at Montenegrin coast. It was sold back in 2004 for only 3,2 million of Euros to a British company named "Beppler and Jacobson Ltd" with no previous experience in tourism as required by the tender¹⁶.



MANS discovered a document of the hotel company stating that hotel is worth much more over 3,2 mil of Euros, exactly 7.25 million. Despite this, the hotel was underpriced and sold for double lower price. The documents were forwarded to Prosecutors' Office and we advocated in media for this case to be prosecuted. The case is still pending.

Another case was involving Beppler's sister-company from British Virgin Islands. In 2006, over three million square meters of agriculture land was sold to this off-shore for unbelievable price of 120.100 Euros.

MANS Center for Investigation obtained documents proving that selling price was unfair and that land was sold on expense of the public interest. The document showing that the land is worth eighty times more (!) - 9,85 million euro - was used by the new owner in establishing another company in 2010 - this land was presented as its capital.

¹⁶ The judge that was ruling out in case of this privatization was the sister of the Prime Minister. After ruling out in favor of the British company, she resigned the office and became a legal represent of that company which was a textbook example of conflict of interest.

3.3.3. Energy

In 2012, MANS was investigating energy trading and used number of legal mechanisms to address identified irregularities. Our research discovered that new electricity prices were calculated based on incomplete data and import contracts that EPCG is still hiding from the public.

The price was partly increased due to significant losses on the energy grid and distribution that urgently needs modernization. Modernization of the transmission and distribution grid was one of the formal reasons for privatization of the EPCG. However, we found out that majority of funds planned for investments are kept in the First Bank of Montenegro, owned and controlled by the Prime Minister, Milo Đukanović's family.

We also discovered that some companies and individuals are never paying electricity and they are still not being disconnected from the network, unlike poor that cannot afford high electricity bills. We found out that these costs are in the amount of some 120 million euro, therefore causing EPCG significant losses that are paid by citizens through their monthly bills.

We have found out that the electricity is mainly imported from the very same company, which has political and business' connections with decision makers.

Moreover, we discovered that Board Members of Regulatory Agency for Energy, whose several decisions contrary to public interest were nullified by courts, have concrete economic interests in the EPCG. All of them owned shares and most used to work in the company that they are now supervising.

MANS submitted an criminal appeal on this subject against EPCG management, several members of the government. We have also submitted appeal to the Administrative Court asking for decision on increase of electricity prices to be nullified. The court made that decision only a few days ago, confirming our statements that electricity price was not increased in compliance with the law.

Findings from investigations were published in media and used for mobilization of citizen's as described in chapter related to Civic Initiatives.

3.3.4. Public Procurements

Procurement process is still burdened with corruption and lack of transparency. In our investigations we were particularly focused at large public procurements for infrastructure and implementation of contracts and in 2012 we submitted 17 criminal appeals.



One of the most severe cases we discovered in this area was related to construction of the public road in municipality of Budva. The tender was issued at the beginning of 2009, for the amount of 1.98 million euro, for works that were to be completed in 25 days.

We visited the construction site and found out that there is no road. From the contract and other documents, we discovered that not only the amount was fully paid, but it was increased to 2.3 million euro for the job that was never done. MANS submitted criminal appeals against officials from Budva municipality and owner of the company. The case is still under investigation of the Prosecutor's Office.

While investigating reconstruction of the public library in Podgorica, we found out that the value of the tender was 550.000 euro, but three additional contracts were signed, each time for more money. After six years, the works are still not completed, but their price was increased four times to 1.9 millions.



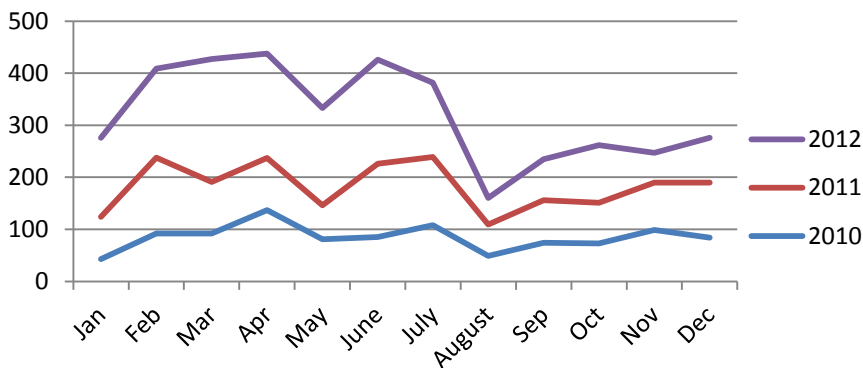
We investigated another contract for construction of the regional road connecting south and north of the country, worth over 14 millions euro. We found out that construction company "Bemax" won the contract on the basis of simple statement saying that the company is financially potent, without any solid proof. The tender rules defined that each participant must prove that it has access to credits and/or other financial resources in amount of the tender value. We submitted criminal appeal to the State Prosecutor and it is pending.

4. PUBLIC RELATIONS

4.1. Media Relations

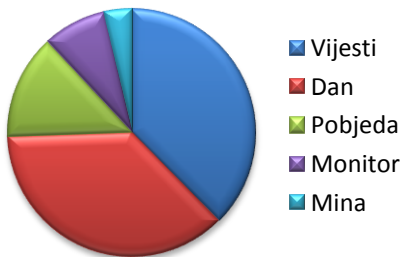
Media coverage of MANS' activities continued to significantly grow in 2012, with over 1650 articles published in printed media and one news agency, and over 750 TV reports.

All printed media reported on MANS activities, but Daily "Vijesti" and "Dan" are still covering the most of our work, and state owned daily "Pobjeda" is almost exclusively having negative articles.

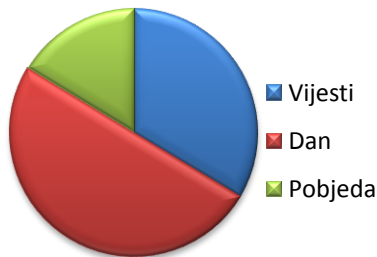


Graph 3: Number of articles in printed media by years by months (2010 -12)

Daily Vijesti and Dan continued to equally report on our activities, while other media are by far behind these. Number of cover pages doubled, all of them in a positive context, except state owned "Pobjeda" where every cover page was in a negative context.

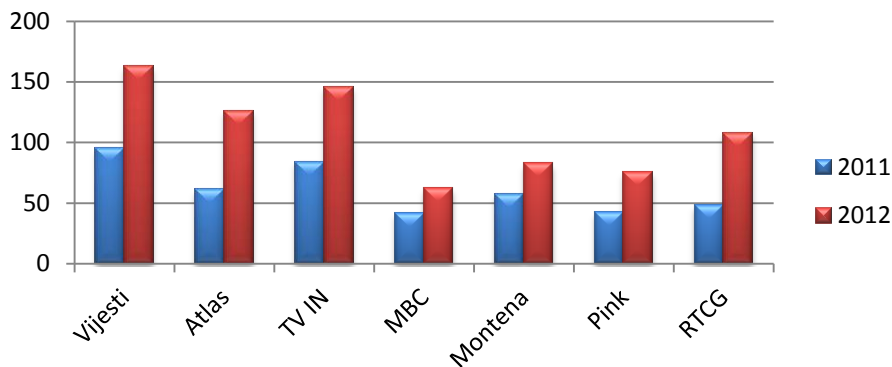


Graph 4:
Number of articles by media in 2012



Graph 5
Number of cover pages by media in 2012

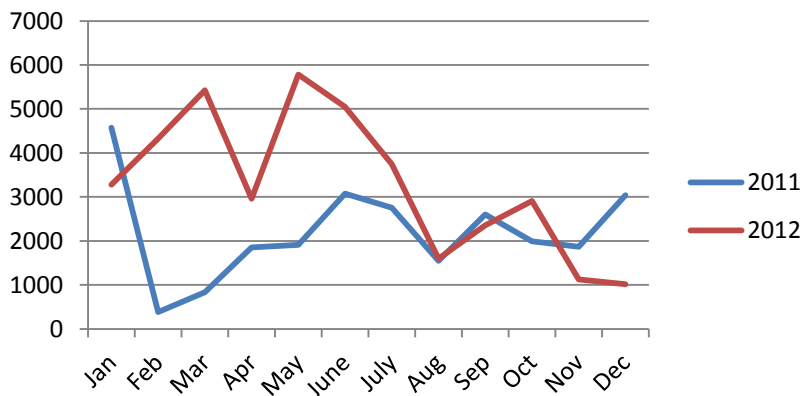
Electronic media significantly increased number of information on MANS activities. However, state owned TV (RTCG) was mainly reporting on MANS work in a negative context.



Graph 6: Number of reports at TV networks in 2011 and 2012

4.2. Web site and social networks

In 2011 MANS official web page was visited by close to 30.000 unique visitors, who loaded over 130.000 pages at www.mans.co.me.



Graph 7: Number of visits to www.mans.co.me in 2011 and 2012 (by months)

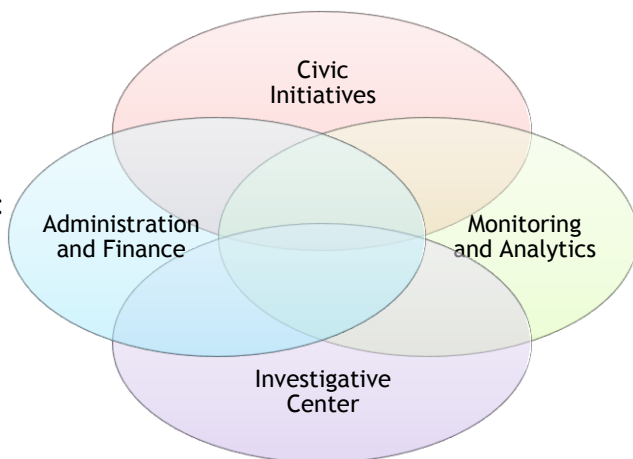
Portal www.podlupom.info, was visited over 10.000 times with almost 25000 pages loaded, similar to last year.

5. ORGANIZATIONAL DEVELOPMENT

In the second part of 2012 we conducted reorganization of the organization that is also ongoing in the current year. Instead of being organized in departments mainly, but not exclusively by topics, our departments are now composed on the basis of their functions: investigation, monitoring and analytics, interaction with citizens, administration and finance. In that way we are dealing with one topic from different angles and developing human resources to be able to use the same functions for range of topics. That is making MANS more able to quickly respond to changes in surrounding.

MANS Departments:

- Civic Initiatives: free legal aid and citizens' mobilization;
- Investigative Center: concrete cases;
- Monitoring & Analytics: laws and policies;
- Administration and Finances: support other departments.



Scheme 1: MANS' Departments

During this year 42 people were working for MANS out of which 52% women and 48% men. We had 31 full-time employees (58% female, 42% male) and 11 part-time employees (36% female, 64% male).

We were developing human resources through range of trainings. The whole office participated in training for civic mobilization and peaceful resistance. Two team members were trained in Asset Recovery, while some received training in Land markets, consolidation and valuation. Our team members were participating in trainings to develop Leadership skills, but also at Hachaton in Moscow and TechCamp in Sarajevo. Several team members were trained in implementation of EU funded grants contracts, and in cross border projects.

6. FINANCES

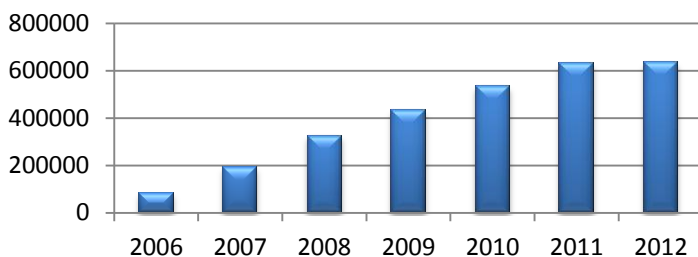
MANS total expenditures in 2012 was 635.063,02 euro.

1\$=0.774829 €

Cost category	Amount in €	Amount in \$
Salaries and fees	€ 262,052.43	\$ 338,206.79
Taxes and benefits	€ 163,134.63	\$ 210,542.75
Office running costs	€ 85,977.22	\$ 110,962.83
Fees for consultants	€ 31,942.00	\$ 41,224.58
Cost for public campaigns	€ 65,362.80	\$ 84,357.71
Cost for organizing events	€ 9,776.35	\$ 12,617.43
Equipment	€ 3,113.66	\$ 4,018.51
Other Cost	€ 13,703.91	\$ 17,686.37
Total	€ 635,063.00	\$ 819,616.97

Table 1: MANS expenditures in 2012

In last five years, MANS' budget expenditures were increasing. The organization well managed rapid growth of the budget in 2007 and 2008, and continued with growth of 33% in 2009, 24% in 2010 and 18% in 2011. This year's budget is showing a few percents increase.



Graph 8: Total MANS expenditures by years (2006-12)

For implementation of activities in period of 2012-2014 we have signed contracts in total value of 558.657 euro. In addition, this year MANS raised almost 17,000 euro from local businesses and citizens that were used for funding public protests. In addition, we received in kind contribution from numerous companies donating us papers, sprays, tapes, printing materials free of charge, providing water, food etc.

Donor	Amount in €	Amount in \$
East West Management Institute/USAID	€ 120,954.40	\$ 156,104.64
The Charles Stewart Mott	€ 60,158.93	\$ 77,641.56
Transparency international	€ 14,823.80	\$ 19,131.71
Rockefellers brothers Fund	€ 48,195.93	\$ 62,202.02
The Organized Crime and Corruption Reporting Project (OCCRP) - Journalism Development Network (JDN)	€ 2,862.50	\$ 3,694.36
Balkan Trust for Democracy	€ 3,262.83	\$ 4,211.03
Delegation of the European Union in Montenegro	€ 192,917.38	\$ 248,980.59
Delegation of the European Union in Brussels	€ 75,973.69	\$ 98,052.20
Human Rights and Governance Grants Program - Open Society Institute - Scholarships Program	€ 9,348.21	\$ 12,064.87
Ashurst LLP (in kind contribution) *	€ 30,160.00	\$ 38,924.72
Total	€ 558,657.67	\$ 721,007.69

* Estimated value of the analysis developed pro bono by a private law firm

Table 2: Contracts signed in 2012

Funds for protests were gathered through special account that was opened by the Trade Union only for that purposes.

Donor/Event	Amount
Donations from Companies	€ 5,547.10
Donations from Individuals	€ 5,135.00
Auction of paintings	€ 3,890.00
Auction of hand-made jewelry	€ 96.00
Parties	€ 1,195.30
Literary Night	€ 123.95
Football Play	€ 812.00
UKUPNO:	€ 16,799.35

Table 3: Funds obtained from local sources in 2012

Through years, we have developed partnerships and cooperation with numerous donors including:

Balkan Trust for Democracy,
British Embassy,
Catholic Relief Services,
Center on Budget and Policy Priorities
Charles Steward Mott Foundation,
Council of Europe,
European Union Delegation in Montenegro
European Union Delegation in Brussels
German Government, Stability Pact for South East Europe,
German Embassy,
HIVOS - Netherlands,
International Rescue Committee
Microsoft
National Endowment for Democracy
Norwegian People's Aid
Open Society Institute - Human Rights & Governance Grants Program and
Office in Montenegro
Organization for Security and Cooperation in Europe
Regional Environmental Center
Rockefeller Brothers Fund,
Royal Netherlands Embassy
Swedish Helsinki Committee for Human Rights,
UN Development Programme
USAID / ORT and IRD
Civil Rights Defenders
US Embassy in Montenegro (Democracy commission)
USAID / East West Management Institute
Transparency international
The Organized Crime and Corruption Reporting Project (OCCRP) -
Journalism Development Network (JDN)
Open Society Institute-Scholarships Program

Annex 1: Reports and Publications

URBAN PLANNING CAPTURED BY CORRUPTION

Case studies from Montenegro 2011/2012



Corruption in urban planning and construction remains one of the key obstacles for proper sustainable development of the Montenegro. This publication summarizes our observations and experiences...

PUBLIC WORKS & SECRET DEALS

Case studies from Montenegro 2011/2012



Allocation of public funds through procurement of public works still lacks a great deal of transparency and accountability. This publication is containing some extreme examples of law violations, but also evidences of a widespread corruption in this area.

OVERSIGHT FUNCTIONS OF THE BUNDESTAG

Including a brief comparison to those of the Parliament of Montenegro



It gives an overview of how the Bundestag conducts its oversight of the German federal government and other state bodies, compared with the oversight functions and role of Montenegrin Parliament.

TACKLING CORRUPTION FOR EU INTEGRATION (IV)



Presents the outcomes of reforms in fighting corruption and organized crime, it contains the first ever analyses of judicial verdicts for corruption

REPORT ON THE MISUSE OF STATE RESOURCES AND PUBLIC AUTHORITIES IN THE 2012 PARLIAMENTARY ELECTION CAMPAIGN



It is indicating inconsistencies and discrepancies in the electoral register used for the parliamentary elections in 2012; presenting concrete examples of misuses of state resources for political campaigning and lack of sanctions for non-compliance with the Law on Political Party Financing.

XI REPORT ON ACTIVITIES OF THE PARLIAMENT OF MONTENEGRO



Contains data on individual activities of each MP and shows the most and the least active ones during 2011. It analyses work of MPs on plenary and sessions of the working bodies.

THE FIRST AND SECOND REPORT ON INSTITUTIONAL CAPACITIES FOR IMPLEMENTATION OF THE FREE ACCESS TO INFORMATION LAW



The first report has information on 10 national and 23 local institutions from four municipalities and the second report is on 10 national and 15 local-level institutions.

FIRST, SECOND AND THIRD REPORT ON THE IMPLEMENTATION OF THE LAW ON FREE ACCESS TO INFORMATION



Information on implementation of the Law on Free Access to Information in Montenegro with concrete examples showing that many authorities are unwilling to give full insight into their work, most frequently when approached for information that may reveal corruption, mismanagement of budgets, misuse of office, and the like.