

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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INTRODUCTION

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

During 2013 we mobilized thousands of citizens and developed capacities of several local NGOs and community groups to actively fight against corruption.

We revealed number of high level corruption cases, which lead to changes of laws, concrete decisions of the executive as well as to criminal investigations and court cases.

In this year we developed new institutional practices related to transparency of the judiciary, the executive as well as of publicly owned companies and other legal entities performing public duties.

This Annual Report is published in order to promote our achievements and activities in 2013 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.



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

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 2013

Political Corruption

Decision-makers initiated **reforms of election related legislation and parliamentary investigation** following our disclosure of cases related to misuses of public funds for election purposes and irregularities in the voter list.

Concrete **changes of six election related laws** proposed by MANS were incorporated into official drafts adopted by the Parliamentary Working Group.

The Parliament's Inquiry Committee used our findings for **investigation of organized vote buying** by the governing party through misuses of public resources.

Several persons were charged for misuses of public funds for election purposes, by the Supreme State Prosecutor, following our investigation.

High Level Corruption

The Government **terminated contract for privatization of the country's largest marina** that was bought by investor with criminal record, following disclosure of our investigation and advocacy campaign.

The Government **gave up its decision to grant additional state aid** to owner of unique tourist resort who is permanently delaying deadlines for opening.

Procurement of multi-million public works, involving one of the largest local construction companies, is **under police investigation**, following our disclosure of possible corruption cases.

Disclosed evidences on **energy theft** for the benefit of the **largest private company in the country**, the Aluminum Plant of Podgorica.

Foundation "Dusko Jovanovic", established in honor of murdered Editor in Chief of Daily Dan, granted annual **"Award for contribution to investigative journalism in Montenegro"** to MANS Center for Investigations.

Active Citizens

We mobilized thousands of citizens to actively fight against corruption.



500 citizens reported corruption to MANS



15.000 signed our public petitions



4.000 mobilized by community groups
provided with our legal and technical assistance.

Transparency

All courts provide public access to final verdicts on corruption and organized crime cases, following our advocacy and strategic litigation.

Publicly owned companies and other legal entities performing public duties are obliged to provide information in line with the Freedom of Information law, due to our advocacy and strategic litigation.

The government provided 45% of information requested by MANS on the basis of new Freedom of Information Law.

7.600 requests for information submitted

3.400 documents obtained from the executive

95% of decisions upon our appeals in favor of transparency

70% of court decisions in favor of transparency

The first judicial verdict confirming rights of Members of the Parliament to challenge decisions of the executive to withhold information contrary to the Parliament's Rules of Procedure, was made upon strategic litigation conducted by MANS.

Privacy! The Police terminated agreement with a telecommunication company, granting them direct, 24-hour access to information about conversations, calls, e-mails, SMS and geographic location of its clients, following our strategic litigation and advocacy.

3. ACTIVITIES IN 2013

3.1. Civic Initiatives

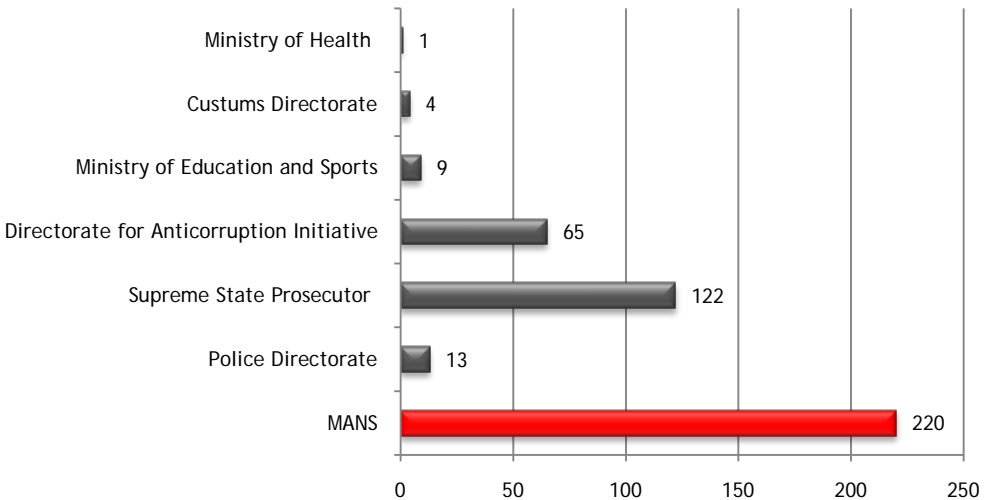
Civic Initiatives provided assistance to citizens and community groups, and mobilized them to actively participate in the fight against corruption.

3.1.1. Free Legal Aid

Throughout the year we maintained SOS phone line, online form and organized meetings with citizens to provide them with free legal aid in reporting corruption.

During 2013 citizens reported us 495 cases of corruption, law violations and requesting information from public institutions, throughout the year.

Graph 1 below is showing that in this year, citizens reported **over 15 times more cases to MANS than to the whole Police Directorate** and more cases than to all state institutions receiving citizens' reports of corruption, in total.



Graph 1: Corruption cases reported to institutions and MANS in 2013

In addition, every third case reported to prosecution in last year was submitted by MANS.

We provided citizens with free legal assistance in obtaining information from responsible institutions, reported cases to relevant inspections, police and prosecution. In last year, we submitted 22 different legal initiatives to responsible institutions. We also submitted 174 complaints to the Supreme State Prosecutor against prosecutors who failed to act upon our criminal appeals and urgencies.

Reported cases could be grouped in four types that were handled in different manners, as presented in Table 1.

No	Type of Reported Case	MANS Legal Actions
1	Enough information and documents provided	Case analysed and reported to responsible institutions
2	Relevant information provided, but without documents	Collected documents from responsible institutions, conducted field work, online investigations and interviews with experts and witnesses; Analysed and reported to responsible institutions
3	Reported case is not possible to prove through documents	Cases reported to responsible institutions as classified information, underlining lack of evidences
4	Reported case is not related to corruption	Citizens provided with templates for using basic legal procedures, and with contacts of other NGOs and/or responsible institutions

Table 1: Type of Reported Cases and MANS Legal Actions

Cases involving high level officials, showing systemic violations, or those requiring more complicated investigation were handled by MANS Centre for Investigations. Such cases were presented in media and we advocated for changes in existing laws and/or practices as well as for prompt reaction of responsible institutions.

During 2013 we received less than 10% of anonymous reports, while in other cases citizens revealed their identity. However, most citizens asked us to protect their identity when acting upon corruption cases in front of responsible institutions. In this year, we invested significant efforts into improving security of data provided by citizens¹.

¹ More information is provided in chapter 5. Organizational development

3.1.2. Mobilization of Citizens

In June 2013, the Government proposed increase of VAT from 17% to 19% to cover losses caused by subsidies provided to the largest private company in the country, the Aluminum Plant of Podgorica (KAP), owned by Russian tycoon, Oleg Deripaska.

In cooperation with four NGOs and the Trade Union of Education, we organized petition signing against VAT increase.

We argued that burden of the crisis and costs of enriching certain individuals should not be placed on the shoulders of ordinary citizens.

We pointed out many other sources which could be used to fill the gap, such as hundreds of millions of euro of unpaid taxes, mainly by large companies, possible changes in taxation policy and similar.

We organized petition signing across Montenegro and only in two days we collected over 12.000 signatures.



We submitted the petition to the National Parliament asking MPs to refuse to change the law. Instead, one voice decided in favor of adoption of the law.

Following adoption of the law, MANS organized performance in front of the Parliament, symbolically taking blood from citizens to donate it to KAP together with money for VAT and other taxes. We gave citizens' "blood" to MPs who adopted the law, by pouring colored water in front of the Parliament.



Following the performance, six MANS activists were arrested. The police did not inform them on grounds for arrest for almost six hours that they spent in detention, kept by the Special Police Force. Finally, six hours later, they were accused for misdemeanor and judge released them from detention.



The Penalty Court, whose judges are appointed directly by the executive, in 2013 was deciding upon total number of 20 cases against MANS, submitted by the Police and the Communal Police.

In two cases we were found not guilty, three are dismissed and in three cases, the first instance court decided that we are guilty.



3.1.3. Assistance to Community Groups

Throughout 2013 we provided legal assistance and mentoring to **number of community groups** to actively participate in decision-making processes that are directly affecting them.

We provided assistance to **local youth group** to conduct petition against introduction of parking taxes in suburban areas.

MANS received several reports from whistleblowers that the ruling party is employing citizens in exchange for votes in local public company responsible for parking. Analyses of financial records revealed that since its establishment that company spent most of its income for salaries, instead of investments into infrastructure.

Moreover, at the beginning of the year, prior to the elections, the local government expanded the taxation of parking places even to the suburban parts of Podgorica.

We analyzed legal basis for such decision and found out that necessary legal acts were not adopted in order for the decision to be valid. We submitted several cases to the court, challenging legality of local government's decision on parking, and all of them are still ongoing.

Following the analysis, we provided legal and technical assistance to the "Union of Youth" who organized petition signing.



In only two days over 2000 citizens signed the petition. The petition was submitted to local parliament, but it was rejected by majority of votes.

We also provided legal assistance to two **groups of citizens dealing with privatization** of companies in their local communities, “Gornji Ibar” from north and coastal hotel group “Boka”.

We provided these community groups with advices and mentoring in collecting public **petitions** that gathered support of thousands of workers. We also assisted them in submitting petitions to the **National Parliament’s Commission** dealing with privatization.



Both sessions at which community groups’ leaders participated, resulted with **concrete conclusions** of the Commission for resolving situation in these companies.

We also supported **two groups of citizens dealing with environmental pollution** caused by non transparent, unlawful and possibly corrupted decisions of local governments.

These cases are related to quarry in coastal municipality Kotor and waste dump in Berane, at the north. MANS assisted community groups affected with the pollution to obtain environmental impact assessments, other studies and relevant documents, and challenge decisions at courts.



Also, we assisted them in writing criminal appeals and initiatives to local and National Parliament, as well as in conducting advocacy campaign.

During 2013 we were also working with several **local NGOs on concrete issues affecting their communities**, in order to develop their capacities to monitor implementation of laws and engage communities.

In cooperation with "Mogul" from Ulcinj we were working on illegal construction in coastal zone and finances of authorities responsible for coastal management.

We were dealing with privatization in Berane and Andrijevica through small community based NGO "Stecajci", while tackling privatization of large polluters through cooperation with "Breznica" from Pljevlja.

We supported "Safe Women House" to more thoroughly analyze implementation of policies related to trafficking in human beings.

Finally, we assisted local NGO from Podgorica "Union of Youth" to and gather more information on expenditures of the University of Montenegro.

3.2. Monitoring, Analytics and Research

This department was monitoring work of all three branches of power in the fight against corruption. We were analyzing implementation of anticorruption laws and policies, researching best practices and proposing solutions.

3.2.1. Free Access to Information

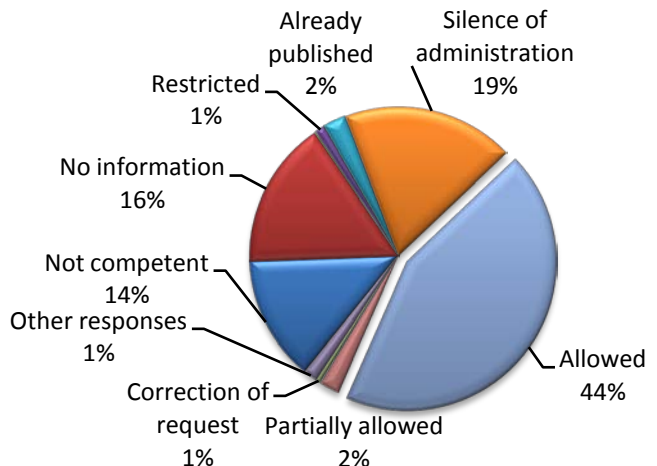
MANS was extensively using the Law on Free Access to Information (FOI Law) for monitoring implementation of laws and policies, but also for investigating concrete cases. Moreover, we were providing legal assistance to citizens to obtain information held by the government.

Since the first FOI law was adopted, in late December 2005, till the end of 2013, we submitted almost 60.000 requests for information to responsible institutions, nearly 13.000 appeals to supervisory institutions and initiated about 9.000 court cases. We developed solid judicial practices with about 75% success rate. Due to such extensive work, we have arguably the largest experience in this area, not only in the country, but in the whole region.

In February 2013, the Parliament adopted new FOI Law. MANS proposed many amendments which were mostly included in the final law. The most important change brought by the law is change is related to introduction of a single supervisory body, common for all institutions.

Since introduction of the new Law, we submitted over 7.600 requests. Institutions provided about 45% of requested documents.

We submitted over 2.800 appeals and 95% of decisions were in our favor. We also submitted over 80 cases to the Administrative Court, with over 70% of favorable decisions.



Graph 2: Responses to FOI Requests (Feb - Dec 2013)

During implementation of the new law, we managed to **broaden the list of institutions required to provide information** through strategic litigation.

Several **publicly owned companies** are now obliged to respect FOI law and provide information on their work. These include the most important companies for Montenegrin economy which are partially state-owned, such as National Electricity Company and Aluminum plant of Podgorica (KAP), but also **other legal entities that are performing public duties** such as the Central Depository Agency.

We also managed to **obtain some documents that were claimed secret** for number of years, despite of judicial verdicts made in favor of transparency. For example we managed to obtain information on honorary Montenegrin citizenship for former Thai Prime Minister and some former ministers of the Palestinian government.

Since institutions provided us with about half documents that we requested, we compiled **one of the largest archives in the country**, containing documents that are mainly not available online. In this year we started turning the archive into searchable, electronic documents, in order to make them publicly available.

In 2013, MANS conducted **awareness raising campaign** throughout the country in order to promote the new FOI Law among citizens. We distributed over 10.000 promotional materials and templates for requests for information in seven municipalities. At these events about hundred people wrote their requests for information that were submitted to the government.



In order to broaden diversity and develop capacities of FOI applicants, we organized meetings and provided **trainings** to the **Freedom of Information Network** composed of 33 NGOs, journalists and Trade Union members, which we established a few years ago.

MANS was continuously maintaining **on-line system** for submitting requests for information and posting obtained responses at our web site. In this year we were preparing special online software and mobile application for submission of FOI requests.

3.2.2. Election Financing and the Voter List

MANS was monitoring use of **public funds before and during elections** in 2012 and 2013 by obtaining official documents on the basis of the Law on Free Access to Information.

We found out that the government made large transfers to individuals just prior to the elections, including distribution of social benefits, agricultural loans, compensation for damages from natural disasters and other benefits, but also increased employment in public administration and investments in infrastructure.

The Law on Financing Political Parties (LFPP) prohibits an increase of budget expenditures during election campaign. However, due to shortcomings of the LFPP no institution is responsible to act upon law violations.

During 2013, MANS conducted several analysis of the **Central Voter List (CVL)** prior to the Presidential Elections as well as to local elections in several municipalities.

We revealed **numerous irregularities** in the CVL used for Presidential Elections. That registry included double voters, ceased persons and people that lost Montenegrin citizenship.

We publicly invited both presidential candidates to submit initiatives to authorities to process the most suspicious cases. **Each presidential candidate submitted 7000 initiatives.**

However, candidate of the ruling party failed to formally comply with the procedure; therefore his initiatives were not processed, while less than 10% of initiatives submitted by the independent candidate were revised prior to the elections.

We developed two **monitoring reports** on misuses of public funds and office and widely distributed them among stakeholders. On the basis of data collected through monitoring, we developed **Policy Brief and Policy Paper with concrete proposals** related to changes of laws and practices needed for prevention of corruption in election process. These policy documents were developed through series of capacity building events and mentoring provided by foreign experts.

The Parliament established special **Inquiry Committee** for investigating election related misuses. MANS representative was appointed as legal adviser of the Committee and we monitored all its sessions.

We prepared over 500 requests for information that were submitted by president of the Committee and assisted in analyses of obtained documents. However, majority of requested data was not provided by institutions and we are still providing free legal aid to the president of the Committee in conducting strategic litigation. The Committee concluded its work without political agreement.

The Parliament also established **Working Group for changing election related legislation**. MANS representatives participated in the Working Group and proposed over **80 amendments** for six laws based on conclusions from policy research.

The Working Group was delaying to adopt changes of laws and propose them to the Parliament for adoption. In December 2013 MANS organized **National Anti-corruption Conference** dedicated to election legislation that gathered representatives of all political parties and other stakeholders. The conference was launched by high level officials of the Parliament and EU diplomats, while several foreign experts presented best practices from their countries.



Following the Conference, the Working Group intensified its work and at the beginning of 2014 proposed changes of the laws to the Parliament.

3.2.3. National Parliament

During 2013 we **observed all plenary and sessions of all Parliamentary Committees** and collected data on activities of the Parliament and its members. During this period our team monitored 68 days of plenary sessions and 267 meetings of working bodies.

We put special emphasis on sessions dedicated to use of control mechanisms by the Parliamentary working bodies and sessions of the Anticorruption Committee.

During this period, MANS submitted **eight initiatives** to the Parliamentary working bodies asking for **use of different control mechanisms**. Five initiatives were revised and adopted, while three are still pending.

Throughout the year, we were very active in **proposing amendments to laws** discussed by the Parliament, through MPs belonging to different political parties.

MANS proposed four amendments to the Law on Municipal Police and conducted advocacy campaign, which resulted with withdrawal of the Law by the Government.

Also, we proposed eight amendments related to changes of the Law on VAT, while one was adopted as well as eight amendments to the Law on Budget of Montenegro for 2014, but none of them were adopted.

One amendment related to changes of the Law on Constitutional Court that we proposed was adopted

Finally, in cooperation with other NGOs, we proposed 14 amendments to the changes of the Law on Social and Child Care, but one was adopted.

MANS representatives were also invited to participate at nine sessions of parliamentary working bodies.

3.2.4. Government's Policies against Corruption & Organized Crime

MANS was monitoring implementation of **Action Plan** for fight Against Corruption and Organized Crime, based on main government policy in this area. We participated in the **National Commission** appointed by the government, responsible for implementation of the Action Plan.

During 2013 we submitted eight initiatives to the **National Commission** out of which four were revised and one adopted. Following our initiatives, the Commission expanded its composition to include Chairman of the Parliamentary Anticorruption Committee, asked Special Prosecutor for Corruption and Organized Crime to prepare report on previous prosecution of a famous drug lord and the Ministry of Justice to prepare special report on possible criminalization of illicit enrichment. Finally, following our initiative, the Commission discussed European Commission Progress Report on Montenegro for 2013 and our proposals for improvement of concrete reforms.

MANS participated in public debates on development of **Action plans for Chapters 23 and 24** and provided number of proposals for improvements of reforms planned by these documents.

We organized **National Anti-corruption Conference** dedicated to fight against corruption and organized crime that was honorary opened by President of the Parliament and ambassadors of the European Union and the United States of America. Representatives of all three branches of power participated at the Conference, together with foreign experts, including famous undercover Federal Bureau for Investigations' agent, Joseph Pistone.



We were participating in **government working groups** for development of the Law on Prevention on Corruption and the Law on Whistleblowers, but that process is ongoing.

During 2013 we developed draft **Baseline Survey of the public procurement system in Montenegro** that contains analysis of legislative and institutional framework, overview of the amount and structure of funds, and corruption risk assessment.

3.2.5. Judicial Practices in Fighting Corruption and Organized Crime

During 2013 MANS was monitoring **transparency** of courts in acting upon corruption and organized crime cases. We were collecting judicial verdicts from all courts throughout the country from their web sites and on the basis of freedom of information requests.

MANS conducted **strategic litigation to increase transparency** in this area through several sets of cases. We were challenging deletion of personal data on individuals that were found guilty for corruption, their companies and other information from decisions of the court that are provided to public.

MANS was requesting all documents held by the courts in major cases of corruption and organized crime cases for which final judicial verdicts were made, including evidences based on special surveillance measures. Since courts refused to provide this information we also conducted strategic litigation and advocated for more transparency.

MANS developed **analysis of final judgments in over 400 corruption** cases to provide an objective view of judicial performance in that area and look behind the official, quite impenetrable statistics. We analyzed official statistics, length of proceedings and the consequences of inefficiency on the part of judges and prosecutors.

We also analyzed use of covert surveillance measures for collection of evidences, dropping of charges by the prosecution and acquittals. In addition, the analyses included penal policy and impact of conviction as regards the confiscation of proceeds of corruption. Special parts of the analyses focused at liability of judges and prosecutors and pardoning of persons convicted for corruption.

On the basis of findings from the analysis we **submitted five cases to the Prosecutorial Council and one case to the Judicial Council** against prosecutors and judges who failed to make timely decisions, in line with the law. Prosecutorial Council informed us only that they requested additional information from responsible prosecutors upon each initiative, but never provided feedback on final outcomes. Judicial Council provided no response.

We **reported four prosecutors to the Supreme State Prosecutor for hiding information on their incomes and assets**. Two cases were refused and for two remaining no response was provided.

3.3. Center for Investigations

We investigated high level corruption and organized crime cases.

Main source of information for investigations were **official documents** obtained on the basis of extensive use of Freedom of Information Law². In this year, whistleblowers became more reliable and regular source, especially in area of spatial planning and construction and cadastre operations. In addition, we introduced many new tools for internet investigations and data analysis learned through trainings that were specially designed for our team.

However, **one of the main tools for conducting investigations was made inaccessible** by the Agency for Protection of Private Data that overnight decided to remove unique personal numbers (JMBG) of citizens and VAT numbers of companies from public registries of companies and cadastre. The Agency called upon EU standards when introducing this measure, saying that privacy of citizens must be protected.

Following our analyses of data available in registries of the EU countries and advocacy conducted for several months, **the European Parliament recently adopted resolution³** calling the authorities to restore a high degree of transparency with regard to the relevant registries. We will continue to use strategic litigation and advocate for more transparency of public registries in 2014.

Despite of all obstacles, in this year we conducted many investigations of high level cases in various areas, including electoral process and management of public funds, energy, privatization, spatial development and public procurement. Some of these investigations are published and some are ongoing.



Foundation "Dusko Jovanovic", established in honor of murdered Editor in Chief of Daily Dan, granted annual **"Award for contribution to investigative journalism in Montenegro"** to MANS Investigative Center.

² For that purpose, only Center for Investigation submitted more than 4000 requests for information to numerous state institutions and public companies, out of total of 7600 requests submitted on behalf of MANS.

³ European Parliament resolution of 6 February 2014 on the 2013 progress report on Montenegro

3.3.1. Misuses of Public Funds for Election Purposes

Building on experience in investigating misuses of public funds for political purposes during Parliamentary Elections in 2012, the Center carried out comprehensive investigation prior to Presidential Elections held in this year.

On the basis of official documents we discovered that in months prior to the elections, **expenditures for social welfare** multiplied in all municipalities.



Real breakthrough happened when we obtained documents showing that prior to the elections, funds of local center for social welfare were **distributed by ruling political party activists to hundreds of citizens**. Equal amount was given to each citizen, who signed to confirm the transaction. Further investigation discovered that local center initially obtain those funds from the Ministry for Social Welfare. MANS submitted criminal appeal and the prosecution initiated investigations, but only against a few individuals at lower levels.

The Center also revealed many other concrete cases showing that public institutions and companies are frequently using illegal short-term employment contracts to force the workers to vote for the ruling party in return for permanent employment.

We revealed cases of possible election-related misuses of public funds through distribution of fees for redundant workers and pensioners, agricultural loans, settling unpaid electricity bills, social housing, etc.



Findings from these investigations backed up public concerns and conclusions of the "Recording" affair - that a complex organized scheme for electoral misuses is in place and that it is heavily used to influence the election results. Using information obtained through investigations, MANS submitted 11 criminal appeals to state prosecutor's office, but responses are still lacking.

3.3.2. Energy Production and Trading

During 2013, MANS investigated ratio behind solutions in new **Energy Strategy** for Montenegro and provided the government with concrete comments and suggestions for its improvement. We discovered that the Ministry of Economy severely violated procedure for policy development, as well as process of procurement of expert assistance, making the whole process less transparent and credible.

The Center also analyzed **new investments** into energy sector that are most probably to take place in 2014-2015. We developed separate studies on coal-fired thermo plant in Pljevlja and underwater connection cable for exporting electricity to Italy. In cooperation with NGO Green Home from Podgorica we analyzed economic, environmental and social impact of those investments.

We investigated **illegal consumption of energy** by the country largest consumer - **the Aluminum Plant** in Podgorica (KAP) that pushed the whole energy system in country to the very edge of sustainability. We revealed evidences showing that major government institutions were aware that the Plant was illegally consuming energy for several months, but they did nothing to stop and sanction such behavior.

We analyzed operations of the **National Electricity Company (EPCG)**, discovering suspicious procurement contracts, unpaid taxes and poor financial management of the company.

In 2013, MANS also participated in development of the **regional report** on the role of international financial institutions in development of energy picture in South East Europe.



3.3.3. Privatization

In 2013 MANS analyzed **ownership structure of the Aluminum Plant of Podgorica (KAP)** and disclosed new information on hundreds of millions of loans provided by connected companies. We discovered that the **government illegally issued state guaranties** to the company and submitted criminal appeal to the prosecution.

In terms of other privatization investigations, MANS succeeded in forcing the Government to **terminate the contract** with a foreign investor that bought one of the **largest boat marinas** at the Montenegrin coast. Our investigation was initiated after the investor failed to respect the privatization contract.



We revealed the investor's previous criminal activities in other investment destinations, and following that the Government terminated the contract and issued tender for new investor.



Similar situation was with luxury tourist resort "**Sveti Stefan**". Despite obvious lack of intention to respect the lease contract and Montenegrin law, the government was planning to grant investor with new set of privileges in form of annex to existing contract.

We managed to create enough **public pressure to force the government to reject the new annex.**

We investigated **privatization of state-owned hotel company** sold to a private investor in Podgorica. Our investigation showed that soon after selling the company, **the Government bought back** one of the hotels to be used as training camp for police forces, but for several times higher price than it was sold previously. We submitted criminal appeal in this case and the prosecution opened official investigation.

3.3.4. Spatial Planning and Construction

We investigated large-scale developments, mainly along Montenegrin coast and pointed out corruptive behavior of the state officers.

The Center revealed document showing that Minister of urban planning severely violated the legal procedure when issuing construction and usage permits for an object belonging to Darko Šarić, internationally wanted drug-lord.

Other cases that we investigated were mainly related to **investments of political figures and their relatives**, where we investigated whether they misused their position and connections to secure bigger profit and/or speed up their investments.

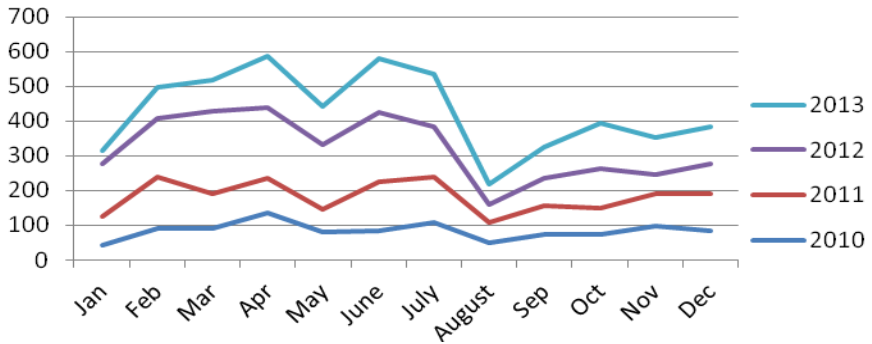
Typical cases included constructing without construction permit or breaching the existing permit, issuing permit that is not harmonized with spatial plan and amending the spatial plan to accommodate private profit interests on account of public interest and state budget.

Thanks to whistleblower information, we revealed pattern used by Director of the **National Cadastre Office** for illegally incorporating buildings into the official cadastre system. That enabled investors to sell illegally constructed objects. We discovered network of companies founded by the Director, members of his family and his friends, which benefited from his position in the Cadastre.

We also investigated **public procurement related to large investments in infrastructure** where still significant amounts of public funds were invested. We submitted dozen high level cases to the prosecution, but only in one case they launched official investigation.

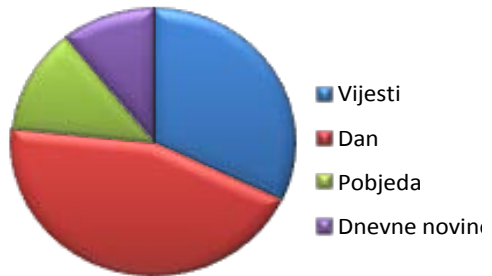
4. PUBLIC RELATIONS

Media coverage of MANS' activities continued to significantly grow in 2013, with over 1250 articles in printed media and over 450 TV reports.

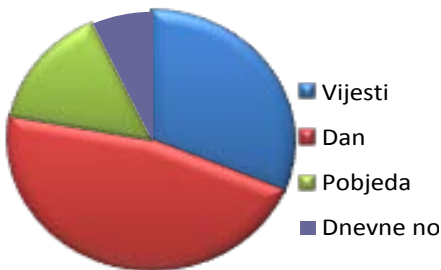


Graph 3: Number of articles in printed media by years by months (2010 -13)

Daily "Dan" and "Vijesti" continued to report on most of our activities most frequently in positive context, while state owned daily "Pobjeda" is almost exclusively publishing negative articles, along with "Dnevne novine" that frequently report in negative context.



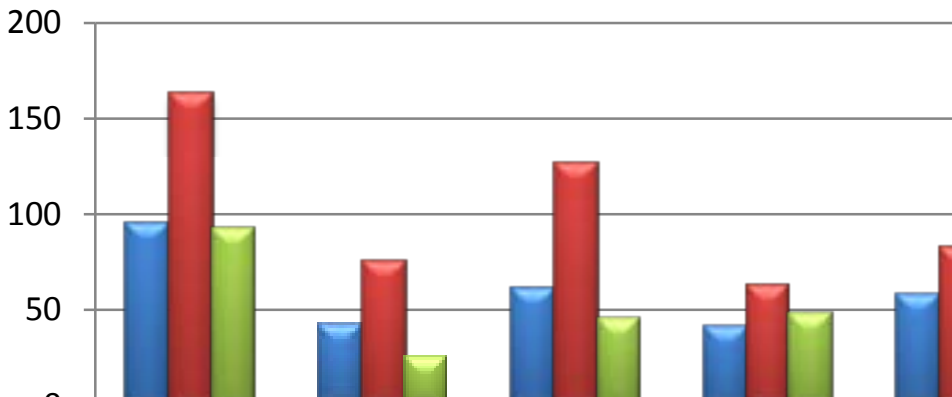
Graph 4: Number of articles by media in 2013



Graph 5: Number of cover pages by media in 2013

In this year number of cover pages doubled compared to the previous one. Our activities were most frequently published at cover page in daily "Dan", newspaper with the largest circulation in the country.

Electronic media slightly decreased number of information on MANS activities. State owned TV (RTCG) and Pink were mainly reporting on MANS work in negative context.



Graph 6: Number of reports at TV networks in 2011, 2012 and 2013

In 2013 almost 15.000 unique visitors loaded over 50.000 pages at www.mans.co.me.

MANS's facebook profile has near 5000 friends and it is followed by over 600 people, while facebook group „MANS“ has over 3500 members. We started using tweeter at the end of this year, posted over 400 tweets and gathered about 250 followers.

MANS also maintains several electronic lists with almost 4000 contacts of all stakeholders, such as other NGOs, experts, decision makers, international community, media and range of activists' movements.

5. ORGANIZATIONAL DEVELOPMENT

During this year **39 people were working for MANS**. We had 31 full-time employees (52% female, 48% male) and 8 part-time employees (38% female, 62% male).

In order to improve flexibility and responsiveness to changes, but also provide better opportunities for specialization and promotion of employees, in this year we completed **reorganization** of internal operations, segregating them by functions.

MANS is composed of four **departments**: Civic Initiatives dealing with citizens, Investigative Center focused at high level cases and advocacy, Monitoring, Analytics and Research dealing with laws and policies and Administration and Finances that supports other departments.

In this year we developed new procedures for **security of people, information, office space and equipment**, following specialized training. With new procedures and small investments in new equipment and furniture we improved protection of anonymity of citizens and whistleblowers that report cases and documents they provide, but also security of data collected through sensitive investigations of organized crime and/or high level corruption cases.

We continued investing time and efforts into **software development**. During this year we were developing online and mobile platforms for reporting corruption through secure channels. We also developed special software for monitoring political party financing and public expenditures prior to the elections. Finally, we were developing searchable database of documents received upon over 50.000 requests for information that will support investigations.

We were developing human resources through range of **trainings**. Most intensive capacity building was related to use of new methodologies for policy research. Other trainings were focused at internet investigations and data journalism, but also different use of IT technologies and visualization of data. The whole office participated in trainings for civic mobilization, management of volunteers and election monitoring.

6. FINANCES

MANS total expenditures in 2013 was 585.326,00 euro.

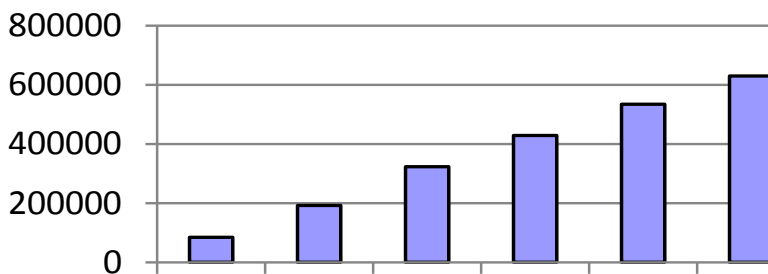
1\$=0.733167 €

Cost category	Amount in €	Amount in \$
Salaries and fees	€ 247,643.42	\$ 337,749.15
Taxes and benefits	€ 178,444.19	\$ 243,371.59
Office running costs	€ 73,813.14	\$ 100,670.25
Fees for consultants	€ 42,114.70	\$ 57,438.25
Costs for public campaigns	€ 11,420.09	\$ 15,575.32
Costs for organizing events	€ 10,973.45	\$ 14,966.17
Equipment	€ 4,989.57	\$ 6,805.04
Other Costs	€ 15,927.44	\$ 21,722.68
Total	€ 585,326.00	\$ 798,298.46

Table 2: MANS expenditures in 2013

In last five years, MANS' budget expenditures were increasing. The organization well managed rapid growth of the budget throughout years.

Following reorganization of internal operations and engagement of more volunteers, this year's expenditures decreased in a few percents.



Graph 7: Total MANS expenditures by years (2006-13)

During 2013, we were very successful in fundraising with increase in almost 25 percents compared to the last year.

Our sources of funding remained well balanced and include EU funds, embassies, private foundations and other international organizations, while we also obtained in kind contribution from private sector.

For implementation of activities in period of 2012-2015 we signed contracts in total value of 696,180.76 euro.

1\$=0.733167 €

Donor	Amount (in €)	Amount (in \$)
European Union	€ 205.652,00	\$ 280.479,04
Federal Department of Foreign Affairs-Swiss Embassy	€ 35.860,00	\$ 48.907,76
The Royal Netherlands Embassy	€ 28.530,00	\$ 38.910,72
British Embassy Podgorica	€ 7.159,79	\$ 9.764,90
European Fund for the Balkans	€ 7.900,00	\$ 10.774,44
Deutsche Gesellschaft für Auswärtige Politik - Train programme 2013	€ 749,90	\$ 1.022,75
Open Society Foundations	€ 256.428,66	\$ 349.760,93
Embassy of the united states Podgorica	€ 10.896,98	\$ 14.861,88
Balkan Trust for Democracy	€ 18.560,99	\$ 25.314,46
Transparency International(ALAC)	€ 16.225,00	\$ 22.128,51
SEE CHANGE NET	€ 1.590,00	\$ 2.168,53
Organized Crime and Corruption Reporting Project (OCCRP) - Journalism Development Network	€ 15.298,79	\$ 20.865,30
International Center for Not-for-Profit Law (ICNL)	€ 752,14	\$ 1.025,81
Microsoft -Tech Soup Europe (in kind contribution)	€ 90.576,51	\$ 123.533,02
Total	€ 696.180,76	\$ 949.488,02

Table 3: Contracts signed in 2013

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
Civil Rights Defenders
Charles Steward Mott Foundation,
Council of Europe,
Deutsche Gesellschaft für Auswärtige Politik
European Fund for the Balkans
European Union Delegation in Montenegro
European Union Delegation in Brussels
German Government, Stability Pact for South East Europe
German Embassy in Podgorica
HIVOS
International Center for Not-for-Profit Law (ICNL)
International Rescue Committee
National Endowment for Democracy
Norwegian People's Aid
Organization for Security and Cooperation in Europe
Organized Crime and Corruption Reporting Project (OCCRP) - Journalism
Development Network
Open Society Institute
Regional Environmental Center
Rockefeller Brothers Fund,
Royal Netherlands Embassy
Swedish Helsinki Committee for Human Rights,
Federal Department of Foreign Affairs-Swiss Embassy
Think Tank Fund and Office in Montenegro
Transparency international
UN Development Programme
United States Department of State
United States of America Embassy in Montenegro
USAID

Annex: Main Publications and Reports

WINING ELECTIONS IN MONTENEGRO

Analysis of Misuse of Public Funds and Office in the Election Campaign



Political corruption is one of the crucial problems Montenegro must solve on its path to the EU. Because of this, the focus of this paper will be on misuse of public funds and office during the election campaign, as one of the elements of political corruption.

BUILDING TRUST IN THE ELECTION PROCESS IN MONTENEGRO

How to Prevent Political Corruption in the Election Process?



Political corruption is a matter of the election process and public institutions real breakthrough happened when recordings from meetings of the leading political party were published, where top officials discuss purposes.

URBAN PLANNING CAPTURED BY CORRUPTION

Case studies from Montenegro 2012/2013



This publication is a result of the 18-month monitoring of implementation of laws and regulations and investigation into the specific cases of corruption and organized crime in the field of physical planning, construction and trading with buildable land.

SECRET DEALS FOR PUBLIC PROCUREMENTS

Monitoring public procurements procedures in 2012/2013



In 2012 and the first half of 2013 MANS monitored public procurement procedures in Montenegro by monitoring the 15 state authorities with largest budgets appropriated for public procurement.

PUBLIC PROCUREMENTS SYSTEM IN MONTENEGRO

Baseline Survey



We are witnessing that all of the West Balkan countries have very serious problem of corruption that is particularly strong in special risks areas such as financing political parties, conflict of interests, privatization and public procurement.

More at <http://www.mans.co.me/en/about-mans/publications/>

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