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COASTAL ZONE MANAGEMENT

-Report on investments in the coastal
zone 2009 - 2012 -

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INTRODUCTION

This report is produced within the framework of the project implemented by six nongovernmental organisations: the Network for the Affirmation of the Nongovernmental Sector (MANS), the Safe Home for Women, Mogul, Stečajci u Crnoj Gori (Workers from Bankrupt Companies in Montenegro), Breznica, and the Youth Association of Montenegro.

Within the framework of this project, Mogul is monitoring the implementation of the Free Access to Information Law (FAI Law) by the Public Company for the Coastal Zone Management (Morsko dobro), and the actual management of the coastal zone by this company.

The first part of the report contains information on the legal and institutional framework, the second part concerns investments into and management of the coastal zone, the third part deals with transparency in the work of the public company managing the coastal zone, while the fourth features conclusions and recommendations.

The data that fed into this report were obtained from information made available by the Public Company for Coastal Zone Management pursuant to requests for information filed by invoking the FAI Law, and based on the information obtained in the field.

1. LEGAL AND INSTITUTIONAL FRAMEWORK FOR COASTAL ZONE MANAGEMENT

The management, use, upgrading and protection of the coastal zone are governed by the provisions of the Law on Maritime Domain. This Law envisages the coastal zone as state property managed by a separate public company.

The coastal zone covers the total area of 2,504 km² at sea, and the land territory of 49 km², or 18.5% of Montenegro's territory¹. The central-government company practically manages a substantial share of the respective territories of the six coastal municipalities: Ulcinj, Bar, Budva, Tivat and Herceg Novi.

The Public Company for Coastal Zone Management, with its seat in Budva, was formed pursuant to the decision of the Parliament of Montenegro of 02 June 1992, tasked with ensuring:

- protection and upgrading the use of the coastal zone,
- coastal zone management,
- conclusion of usage contracts for the coastal zone,
- construction and maintenance of infrastructure facilities in the coastal zone.

The coastal zone includes the shoreline, ports, breakwaters, slips, bulwarks, shoals, beaches, cliffs, liman coast, reefs, submarine springs, land springs, river mouths, canals attached to the sea, the undersea, the seabed and subsoil as well as inland sea and territorial waters, living and nonliving resources, and living and non-living resources of the continental shelf. The coastal zone includes also the banks of the Bojana River within the territory of Montenegro.

The coastal zone usage fee constitutes the revenues of the public company Morsko dobro and is used for protection, development, upgrading of the coastal zone, as well as for the construction of infrastructure facilities for the needs of the coastal zone. The spending plan for the income raised through the use of the coastal zone is adopted each year by the Morsko dobro and approved by the Government of Montenegro.

The figure below shows the territory managed by the Public Company for Coastal Zone Management (in green).



Figure 1: Coastal zone. Source: Public Company for Coastal Zone Management. www.morskodobro.com

¹ The data taken from the website of the Public Company for Coastal Zone Management www.morskodobro.com/index.php?option=com_content&view=article&id=51&Itemid=60&lang=sr

2. MANAGEMENT OF AND INVESTMENTS IN THE COASTAL ZONE

The Public Company for Coastal Zone Management performs its tasks based on the annual plan, and the results are published in their annual Activity Report which, in addition to individual investments, features also the company balance sheet and profit and loss account.

This section of the report features an overview and analysis of plans, most relevant investments and costs of operation of Morsko dobro.

2.1. Total revenues and investments in the coastal zone

The Law on the Maritime Domain envisages the money collected as coastal zone usage fee to be used for protection, development and upgrading of the zone, as well as for the construction of infrastructure facilities².

Apart from specific more permanent structures, the investments in the coastal zone include also the utilities and public lighting costs, as well as the costs of drafting investment projects.

Over the past four years, the company reinvested in the coastal zone only 60% of the total revenues collected from the fees in the six municipalities.

Table 1 features the data on investments in six coastal municipalities between 2009 and 2012, and the revenues of the PC Morsko dobro over the same period.

Municipality	Investments				Revenues	Difference between revenues and investments	% of revenues reinvested
	Investments and project develop.	Utilities	Public lighting	Total			
H. Novi	1,170,037	507,673	121,421	1.799.131	2.617.942	818.810	69 %
Kotor	616,661	430,570	34,673	1.081.904	1.484.970	403.065	73 %
Tivat	1,122,272	349,596	18,424	1.490.292	1.434.968	-55.324	104 %
Budva	1,908,938	551,731	88,509	2.549.178	7.330.811	4.781.631	35 %
Bar	953,997	656,243	151,178	1.761.418	2.434.169	672.750	72 %
Ulcinj	1,321,932	719,125.37	120,283	2.161.340	2.769.646	608.306	78 %
Other				55.946 ³			
Total	7,093,840	3,270,886	534,490	10,899,217	18,072,541	7,173,324	60 %

*Table 1: Revenues and total investments by municipality between 2009 and 2012
Sources: 2009, 2010, 2011 and 2012 Activity Reports of the Public Company*

² Law on Maritime Domain, Art 8

³At the end of the list, the PC Morsko dobro states that in addition to the above investments, there is also a cost of monitoring of the sea for all coastal municipalities in the amount of 55,946 euros

2.1.1. Total revenues and investments in the coastal zone by year

In 2009, over 2.3 million euros were reinvested in the coastal zone, or only 56% of the revenues that the PC Morsko dobro collected from this area.

Municipality	Investments				Revenues	Difference	% revenues reinvested
	Investments and project develop.	Utilities	Public lighting	Total			
H.Novi	31.640	114.165	19.686	165.491	740.531	575.040	22 %
Kotor	57.731	70.925	11.410	140.066	338.701	198.635	41 %
Tivat	229.139	60.365	-	289.504	303.141	13.637	95 %
Budva	667.398	104.206	24.984	796.588	1.745.025	948.437,00	46 %
Bar	375.690	166.460	-	542.150	587.132	44.982	92 %
Ulcinj	253.661	137.923	11.922	403.506	445.877	42.371	90 %
Total	1.615.259	654.044	68.002	2.337.305	4.160.407	1.823.102	56 %

*Table 2: Revenues and total investments by municipality in 2009
Sources: 2009 Activity Reports of the PC Morsko dobro*

Comparing the investments into the coastal zone with the revenues by individual municipality in 2009, it becomes evident that **least money was reinvested in Herceg-Novi**. In that year, only 22% of the funds raised within its territory were reinvested.

The greatest share of revenues for the Public Company is accounted for by the Municipality of Budva, over 45% of total revenues; still, **less than one half is reinvested in this municipality**. In 2009, the greatest shares were reinvested in the municipalities of Tivat, Bar and Ulcinj, or more than 90%.

For this year there is a discrepancy in the information from the Activity Report regarding the level of investments in the coastal zone in the Municipality of Bar. Namely, when all individual investments are added up the total figure is over 542,000 euros, while the Report states the total investments to be around 522,000 euros.

In 2010, the coastal zone revenues are by some 15% higher than in 2009, while the investments increased only by 4 % and account for 60% of the total revenues.

Although again this year the greatest share of revenues for the Public Company Morsko dobro came from **Budva**, it has seen the **least investments**. The Municipality of Budva brought over 1.8 million euros in revenues for the public company managing the coastal zone, while only somewhat over 575,000 euros was reinvested there.

In that year, **the investments in the Municipality of Herceg-Novi exceeded by almost three times** the ones in the year before, while the Municipality of Bar recorded the decline in investments compared to the revenues accrued.

Municipality	Investments				Revenues	Difference	% revenues reinvested
	Investments and project develop.	Utilities	Public lighting	Total			
H.Novi	299.937	107.449,71	24.809,04	432.196	651.526	219.330	66 %
Kotor	275.176,20	87.845,90	8.660,54	371.683	424.986	53.303	87 %
Tivat	116.079,26	127.412,52	4.828	248.319	286.602	38.283	86 %
Budva	424.897,66	127.933,94	22.830	575.662	1.865.971	1.290.309	31 %
Bar	206.154	166.174,78	-	372.329	643.325	270.996	58 %
Ulcinj	561.064,74	241.556,92	70.521,26	873.142,92	915.231	42.088	89 %
Additional funds				55.946 ⁴			
Total	1.883.309	858.374	131.648	2.873.331	4.787.641	1.914.310	60 %

*Table 3: Revenues and total investments by municipality in 2010
Sources: 2010 Activity Reports of the PC Morsko dobro*

In 2010 the investments in the municipalities of Ulcinj and Tivat were large percentage-wise, i.e. 89% and 86% respectively, of the total revenues accrued within their territories.

Again for that year, the Activity Report of the PC Morsko dobro shows a discrepancy of over 15,000 euros when adding up all individual investments and the figure featuring as total investments in Budva. When all individual investments in the coastal area of this municipality are added, the figure is over 575,000 euros, while the Report states the total investments in this municipality to be more than 591,000 euros.

In 2011, the practice of reinvesting some 60% of the revenues accrued in the coastal zone continued.

Again this year, the municipality of Herceg-Novi saw an increase in the level of investments compared to the year before; thus 95% of revenues collected within the territory of this municipality were reinvested in the coastal zone.

Interestingly, in that year the investments in the Municipality of Tivat exceeded by 44% the total revenues collected in this municipality, which had not happened with any of the municipalities over the previous years.

In 2011, Budva saw a substantial decline in the total investments by the PC Morsko dobro, although it again accounted for the greatest share of its revenues. In 2011, only 19% of the total revenues accrued within this municipality were reinvested in Budva.

⁴ At the end of the list, the PC Morsko dobro states that in addition to the above investments, there is also a cost of monitoring of the sea for all coastal municipalities in the amount of 55,946 euros

Municipality	Investments				Revenues	Difference	% revenues reinvested
	Investments and project develop.	Utilities	Public lighting	Total			
H.Novi	429.078,86	150.380	52.551,10	632.010	665.374	19.516	95 %
Kotor	262.003,36	131.413,60	7.131,37	400.548	430.521	24.438	93 %
Tivat	488.316	84.771,17	6.485,32	579.573	402.292	-292.971	144 %
Budva	234.816	165.820,59	11.242,66	411.879	2.075.889	1.454.092	19 %
Bar	135.687,57	138.555,23	76.520,85	350.764	671.744	292.561	52 %
Ulcinj	398.796,55	172.125	22.986,68	593.908,70	554.921	321.322	110 %
Total	1.948.698	843.066	176.918	2.968.682	4.800.741	1.818.959	61 %

*Table 4: Revenues and total investments by municipality in 2011
Sources: 2011 Activity Reports of the PC Morsko dobro*

In 2012 the Law on Local Self-Government Financing was amended envisaging now that 20% of the revenues collected through usage fees for the coastal zone are to be transferred to the municipality in which the revenues were generated.⁵

The revenues collected through usage fees in 2012 were 12% bigger than the year before, but when 20% transferred to individual municipalities is deducted, the PC Morsko dobro had over 4.3 million euros in revenues left.

The PC Morsko dobro again reinvested somewhat over 60% of the total revenues.

Municipality	Investments				Revenues	Difference	% revenues reinvested
	Investments and project develop.	Utilities	Public lighting	Total			
H.Novi	409.382	135.678	24.375	569.436	560.511	131.203	109 %
Kotor	21.751	140.386	7.471	169.608	290.762	193.844	58 %
Tivat	288.737	77.047	7.111	372.896	442.933	180.770	84 %
Budva	581.828	153.771	29.453	765.052	1.643.926	1.289.900	46 %
Bar	236.465	185.053	74.658	496.177	531.968	168.784	93 %
Ulcinj	108.409	223.465	14.853	346.728	853.617	720.292	40 %
Total	1.646.575	915.402	157.922	2.719.899	4.323.752	2.684.792	62 %

*Table 5: Revenues and total investments by municipality in 2012
(the 20% transferred to the six municipalities excluded)
Sources: 2012 Activity Reports of the PC Morsko dobro*

⁵ Law on Local Self-Governments Financing, Art 26 and 76

The increase in investments in Herceg-Novi was again seen in 2012, investing 9% more than was actually accrued within its territory. Moreover, again in that year Budva accounted for the largest share of the PC Morsko dobro revenues, but only somewhat under a half of the amount was reinvested. That year the Municipality of Bar saw greater level of investments with 93% of revenues being reinvested.

There is again a discrepancy in the PC Morsko dobro Activity Report for this year between the sum of all individual investments and the total investments featuring in the report for the Municipality of Ulcinj. When all individual investments are added, it amounts to 20,000 euros higher investments in this municipality than what the report says.

2.1.2. Types of investments in the coastal zone

Over the four years covered, the greatest share of funding went for investments and projects, but also substantial amounts were allocated for communal infrastructure and maintenance works in this zone.

The greatest share of funds for investments and projects was recorded in the Municipality of Budva, over 1.9 million euros over the four years, the greatest allocation for communal infrastructure was seen in the Municipality of Ulcinj, over 700,000 euros, while the largest amounts for public lighting was invested in the Municipality of Bar - over 150,000 euros.

Opština	2009			2010			2011			2012		
	Invest. i izrada projekata	Komun.	Javna rasvjeta	Invest. i izrada projekata	Komun.	Javna rasvjeta	Invest. i izrada projekata	Komun.	Javna rasvjeta	Invest. i izrada projekata	Komun.	Javna rasvjeta
Herceg-Novi	31.640	114.165	19.686	299.937	107.449	24.809	429.078	150.380	52.551	409.382	135.678	24.375
Kotor	57.731	70.925	11.410	275.176	87.845	8.660	262.003	131.413	7.131	21.751	140.386	7.471
Tivat	229.139	60.365	-	116.079	127.412	4.828	488.316	84.771	6.485	288.737	77.047	7.111
Budva	667.398	104.206	24.984	424.897	127.933	22.830	234.816	165.820	11.242	581.828	153.771	29.453
Bar	375.690	166.460	-	206.154	166.174	-	135.687	138.555	76.520	236.465	185.053	74.658
Ulcinj	253.661	137.923	11.922	561.064	241.556	70.521	398.796	172.125	22.986	108.409	223.465	14.853
Ukupno	1.615.259	654.044	68.002	1.883.309	858.374	131.648	1.948.698	843.066	176.918	1.646.575	915.402	157.922

Table 5: An overview of the type of investments by municipality between 2009 and 2012
Sources: 2009, 2010, 2011 and 2012 Activity Reports of the PC Morsko dobro

Looking at the type of investments over the years, the greatest increase in investments and projects was seen in the case of the Municipality of Herceg-Novi. Starting with 31,000 euros invested in 2009, in 2011 and 2012 Herceg-Novi got over 400,000 euros for investments.

In 2012 the Municipality of Kotor saw a sharp decline in investments and projects. In 2010 and 2011, over 200,000 euros were allocated for these purposes, while in 2012 it fell down to mere 21,000 euros.

In 2011 the investments in the Municipality of Tivat were four times more than what was invested in 2010. From 2009 onwards, there is an evident decline in investments in

Budva, only to see a sharp increase from 234,000 euros invested in 2011 to over 580,000 euros for investments and project development in 2012.

2.1.3. Permanent investments in the coastal zone

This section features permanent investments in the coastal zone over the period between 2009 and 2011. The year 2012 could not have been included in the overview since the PC Morsko dobro in its 2012 Report does not feature the data for permanent investments separately.

Looking at the three years covered, it was quite noticeable that the PC Morsko dobro revenues are increasing each year, and the permanent investments are decreasing at the same time. Thus in 2011, the revenues were at its peak with 4.8 million euros, while specific investments were the lowest, 1.2 million euros.

Municipality /year	2009			2010			2011		
	Revenues	Investments	%	Revenues	Investments	%	Revenues	Investments	%
H.Novi	740.531	25.949	4%	651.526	254.577	39%	665.374	363.315	55%
Kotor	338.701	41.791	12%	424.986	211.567	50%	430.521	198.434	46%
Tivat	303.141	227.395	75%	286.602	104.256	36%	402.292	83.654	21%
Budva	1.745.025	664.783	38%	1.865.971	418.192	22%	2.075.889	150.000	7%
Bar	587.132	355.690	61%	643.325	200.000	31%	671.744	21.172	3%
Ulcinj	445.877	230.236	52%	915.231	527.528	58%	554.921	355.577	64%
Total	4.160.407	1.545.844	37%	4.787.641	1.716.120	36%	4.800.741	1.172.152	24%

*Table 6: Total revenues and investments by municipality by year
Source: 2009, 2010 and 2011 Activity Reports of the PC Morsko dobro*

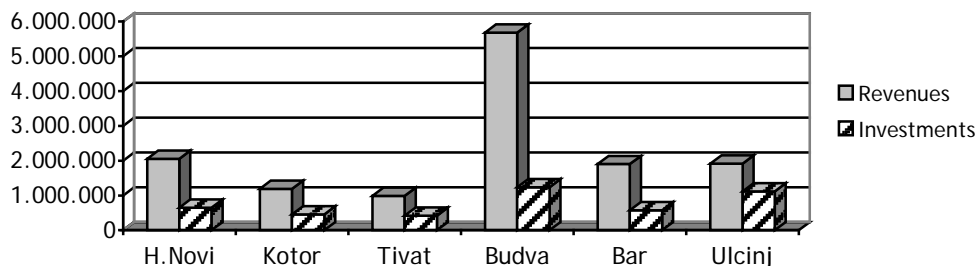
The PC Morsko dobro invested much less in each municipality than the revenues accrued from their territories.

The greatest difference between revenues and investments is seen in the case of Budva from whose territory the greatest share of revenues is collected, and only in the case of Ulcinj the investments go above one half of the revenues.

Speaking in absolute terms, the highest investments were made in Budva.

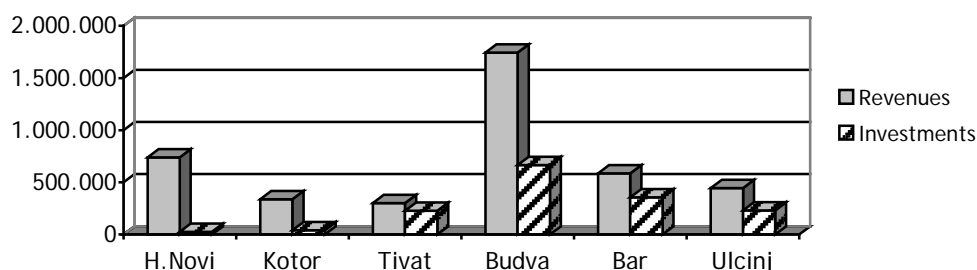
Municipality	Revenues	Investments	%
H.Novi	2.057.431	643.841	31 %
Kotor	1.194.208	451.792	38 %
Tivat	992.035	415.305	42 %
Budva	5.686.885	1.232.975	22 %
Bar	1.902.201	576.862	30 %
Ulcinj	1.916.029	1.113.341	58 %
Total	13.748.789	4.434.116	32 %

*Table 7: Total revenues and investments by municipality for the three year period
Source: 2009, 2010 and 2011 Activity Reports of the PC Morsko dobro*



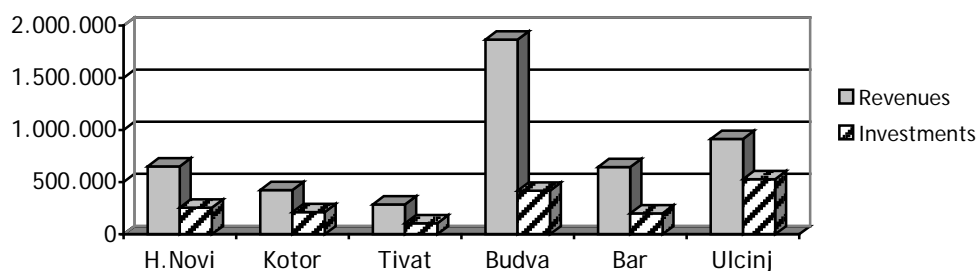
Graph 1: Ratio of revenues and investments (2009-2011)
 Source: 2009, 2010 and 2011 Activity Reports of the PC Morsko dobro

The data from PC Morsko dobro’s financial reports show that in 2009 only 4% of revenues collected within the territory of Herceg Novi was reinvested in the same municipality, or 12% in case of the Municipality of Kotor. The Municipality of Budva accounts for the highest share of revenues, and somewhat over one third of that amount was reinvested in the same municipality.



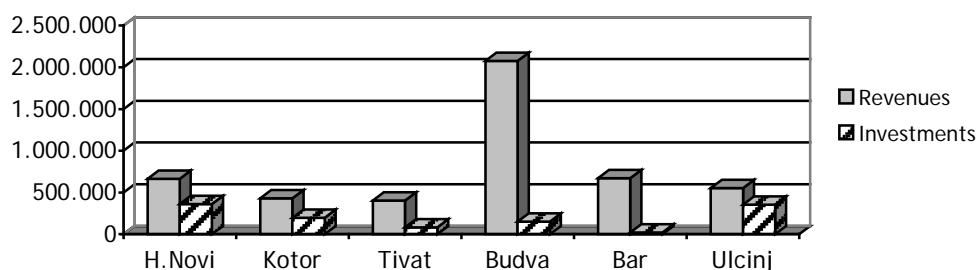
Graph 2: Ratio of revenues and investments in 2009
 Source: 2009 Activity Report of the PC Morsko dobro

In 2010, the lowest percentage of revenues was reinvested in the Municipality of Budva, and the highest, both in absolute terms and percentage-wise, within the territory of the Municipality of Ulcinj. Nevertheless, in that year the PC Morsko dobro spent in total only about one third on permanent investments.



Graph 3: Ratio of revenues and investments in 2010
 Source: 2010 Activity Report of the PC Morsko dobro

In 2011, only 3% of the revenues collected within the territory of Bar was reinvested in this municipality and 7% in Budva where, as usual, the highest amount of revenues was accrued. In that year, only one fourth of the revenues collected were reinvested.



Graph 4: Ratio of revenues and investments in 2011
Source: 2011 Activity Report of the PC Morsko dobro

2. 2. Planning investments in the coastal zone

The data below show that the PC Morsko dobro plans precision, particularly as regards long-term investments in municipalities. This is confirmed by the fact that the planned investments of the three years differ from the actual execution, and that as a general rule less was done than originally planned. The overview covers the period 2009-2011, given that the 2012 Activity Report does not feature permanent investments.

Opština	2009			2010			2011		
	Plan	Realizovano	% odstupanja u odnosu na Plan	Plan	Realizovano	% odstupanja u odnosu na Plan	Plan	Realizovano	% odstupanja u odnosu na Plan
Herceg -Novi	210.000	25.949	-88%	240.000	254.577	6%	530.000	363.315	-31%
Kotor	187.000	41.791	-78%	280.000	211.567	-24%	282.000	198.434	-30%
Tivat	250.000	227.395	-9%	245.000	104.256	-57%	560.000	83.654	-85%
Budva	712.000	664.783	-6%	320.000	418.192	31%	715.000	150.000	-79%
Bar	390.500	355.690	-9%	350.000	200.000	-43%	225.000	21.172	-91%
Ulcinj	390.000	230.236	-41%	905.000	527.528	-42%	150.500	355.577	136%
Ukupno	2.139.500	1.545.844	-28%	2.340.000	1.716.120	-27%	2.462.500	1.172.152	-52%

Table 8: Plan and execution of permanent investments in the coastal zone by municipality in 2009-2011
Source: 2009, 2010 and 2011 Activity Reports of the Morsko dobro; 2009, 2010 and 2011 Fund Utilisation Plans of the Morsko dobro

Over the three years covered, the PC Morsko dobro planned to invest in the coastal municipalities much more than actually executed. Thus, the 2011 Plan envisaged the investment in the range of over 2.4 million in coastal municipalities, and the actual investment was less than 1.2 million euros, or less than one half.

In 2009, all municipalities saw underinvestment as compared to the plan, while in 2010 actual investments exceeded the plan only in the case of the Municipality of Herceg-Novci.

In 2011, there are greater differences between the planned and executed investments. In the Municipality of Bar the actual investment was only less than 10% of the plan, while in Ulcinj the actual investment exceeded the plan by 130%.

2.3. Operational costs of the PC Morsko dobro

One of the largest items of operational costs for the PC Morsko dobro refers to salaries of staff.

The costs of net salaries of staff in 2009 exceeded the permanent investments in the municipalities of Ulcinj, Herceg-Novi and Kotor, the practice which continued in the coming years as well.

While in 2011 close to half a million euros was appropriated for salaries of staff of the PC Morsko dobro, the same year the total permanent investments in the Municipality of Bar amounted to somewhat over 20,000 euros.

In 2012, PC Morsko dobro spent on salaries of staff more than investing in Kotor or Tivat or Ulcinj for communal infrastructure, public lighting, investments and projects put together.

Year	2009	2010	2011	2012
Net salaries	517.908	446.842	495.127	454.771
Payroll taxes	83.017	60.023	66.509	61.088
Contributions	127.468	160.062	177.360	162.904
Taxes and contributions borne by employer	/	/	85.738	78.906
Managing board costs	/	/	75.297	57.794
Business travel	/	/	19.610	6.908
Travel costs	21.374	25.995	/	15.333
Food allowance			/	
Other personal expenditures			8.467	
TOTAL:	845.194	766.171	731.138	837.704

Table 9: Salaries and other staff expenditures in PC Morsko dobro in 2009, 2010, 2011 and 2012
Source: 2009, 2010 and 2011 Activity Reports of the PC Morsko dobro

It is quite noticeable that salaries for Managing Board members constitute a substantial share of all costs. In 201, the Managing Board received over 75,000 euros for nine sessions held, or three times the total investments in the Municipality of Bar.

Year	2010	2011	2012
Managing Board costs	67.899	75.297	57,794
Number of sessions	13	9	11
Number of items	63	176	157

Table 10: Costs of Managing Board to the PC Morsko dobro in 2010, 2011 and 2012.
Source: 2010 and 2011 Activity Reports of the PC Morsko dobro

Comparing the number of sessions held and the amounts of remuneration leads to a conclusion that the following amounts were **paid for the work of the Managing Board**:

- around 5,000 euros per session or over 1,000 euros per item discussed in 2010,
- around 8,000 euros per session or over 400 euros per item discussed in 2011.
- more than 5,000 euros per session or over 350 euros per item discussed in 2012.

The costs of the PC Morsko dobro for consumables, depreciation, maintenance and other costs in all years surpass the investments in specific municipalities.

While in 2009 permanent investments in all six municipalities amounted to over 1.5 million euros, PC Morsko dobro spent almost one million euros on operational costs, as a company with, according to prior information, up to 50 members of staff.

Year	2009	2010	2011	2012
Office supplies	13.545	16.072	33.437	27.343
Other supplies	8.572	6.138		
Energy and fuel	53.867	19.916	22.962	33.580
Depreciation	58.652	53.139	58.088	59.526
Other expenditures	843.610	982.514	495.424	432.913
TOTAL	978.246	1.077.779	609.911	553.362

*Table 11: Major operational expenditures of PC Morsko dobro in 2009, 2010, 2011 and 2012
Source: 2009, 2010 and 2011 Activity Reports of the PC Morsko dobro*

In all years other expenditures account for a very large share of expenditures, in some years amounting to almost one million euros.

In 2010, the item 'other expenses' accounted for more than the amount of permanent investments in Herceg-Novi, Kotor and Budva put together. This group of costs includes postal services (in 2010 over 20,000 euros), sponsorship (over 255,000 euros in the same year), advertising (in 2010 over 200,000 euros), correction of outstanding claims (amounting to close to 300,000 euros in the same year, etc), etc.

In the years 2011 and 2011, the amounts under this line go down, but the reports make it clear that some items, like postal services, advertising, have been removed from this line, and some categories do not feature in the report as an independent item.

3. TRANSPARENCY OF THE PUBLIC COMPANY FOR COASTAL ZONE MANAGEMENT

With a view of getting an insight into the degree of transparency in the operation of the Public Company for Coastal Zone Management, MogUL, supported by MANS, filed over 40 requests for information. The information requested concerned mostly the terms and method of spending the revenues this company collects within the coastal zone territory. The experiences with receiving responses are diverse, which is only the continuation of the pattern of this company's behaviour as regards access to information.

On one hand, there is the readiness and the diligence of the public company Morsko dobro in timely submission of information. On the other hand, the information made available previously was often unusable and unclear. For instance, when they submitted lists of lease agreements, the major item, the rent, was missing. Upon the repeated request to provide information on the amount of rents since we encountered discrepancies in the total amounts, the same discrepancies were reiterated in the second set of responses.

For the duration of this project, the PC Morsko dobro responded to all requests. However, we found out the discrepancies even when we analysed the Activity Report for the needs of this project, that we presented before. In addition, over the years the methodology of presenting investments changed, so in some cases it is impossible to monitor investment patterns and changes in investments and revenues.

Therefore, in order to have a clearer understanding of the work of the Public Company Morsko dobro it was necessary to ask for a large number of documents to put all the pieces of the puzzle together and get the requested information.

However, on several occasions the PC Morsko dobro charged greater costs of accessing information than they could have objectively incurred, which constitutes substantial financial pressure and makes monitoring difficult.

3.1. Accuracy of data: the case of Ulcinj

Given that PC Morsko dobro manages over 45% of the territory of the Municipality of Ulcinj, regular maintenance and investments in upgrading the coastal zone are very low. The investments of this kind started several years back, being quite negligible during the first years of the PC operation, from 1994 to 2006.

Moreover, PC Morsko dobro reports feature the same projects and investments from one year to another as new projects, although previously described as completed. This leads to a question whether planned investments are carried out at all and whether contractors are paid several times over several years for the same works and services delivered.

In some cases, the investments are of manifestly low quality or incompetent contractors are hired, given that each year there is a need to fix things already done, such as the case with port Kacema in Ulcinj.

The revenues accrued in Ulcinj would have to be greater than the ones recorded in books, especially for the establishments in the Port Milena, on the banks of the Bojana river, and in the urban core. Particularly doubtful are the data on revenues collected for little homes and temporary facilities, since it is noticeable that the number of contracts signed with them and with beach managers, is going down, and according to the field data, the number is the same or even increasing.

Particularly disconcerting for the Municipality of Ulcinj is the constant division into the Municipality of Ulcinj and Bojana Ulcinj, as if the PC Morsko dobro is introducing the seventh municipality in the coastal region.

4. CONCLUSIONS AND RECOMMENDATIONS

The investments of the PC Morsko dobro were much lower than the revenues from the territories of coastal municipalities. Over the past four years this public company reinvested into the coastal zone not more than 60% of the total revenues. Moreover, the PC Morsko dobro revenues are increasing each year, and permanent investments decreasing. In addition, each year PC Morsko dobro underinvested in the municipalities compared to the plans.

The costs of the PC Morsko dobro operation are huge, given the low number of staff, and their salaries accounting for the bulk of expenditures. Salary costs in this state-owned company sometimes exceed total investments in certain municipalities.

Substantial expenditures for the work of the Managing Board are also noteworthy, ranging between five and eight thousand euros per one session.

The PC Morsko dobro expenditures for consumables, depreciation, maintenance and other costs exceed in all years the investments in individual municipalities.

This public company breaches the provisions of the FAI Law and largely prevents monitoring of its activities by charging excessive copying and data submission costs.

Finally, the data of revenues and investments do not correspond to the field data, leading to the issue of accuracy of the official data provided. Even the official documents contain contradictory or even different information.

Recommendations:

- In its future activity reports, the PC Morsko should present in more details the permanent investments in the six coastal municipalities, and the total investment amounts;
- PC Morsko dobro should devise realistic and objectively set investment plans for the coastal zone by municipality and to include local self-governments, NGOs and citizens in deciding on the priorities;
- PC Morsko dobro should engage in a more thorough analysis of both the registered and unregistered buildings within the zone it manages with a view of maximising revenues within the territory of each municipality, particularly of Ulcinj;
- In its annual activity reports, the PC Morsko dobro should avoid the methodological error of dividing the Municipality of Ulcinj into two parts, as if involving two local self-governments;
- PC Morsko dobro should enable access to documents it holds charging realistic and lawful costs for document copying and provision.

Annex

Requests for access to information and responses by the Public Company for the Coastal Zone Management

REQUESTS FOR ACCESS TO INFORMATION HELD BY THE PUBLIC COMPANY FOR COASTAL ZONE MANAGEMENT			
Description	Filing date	Response date	Response
2009 Activity Report of the Public Company Coastal Zone Management	18 July 2013	09 Sep 2013	granted/copies provided
2010 Activity Report of the Public Company Coastal Zone Management	18 July 2013	09 Sep 2013	granted/copies provided
2011 Activity Report of the Public Company Coastal Zone Management	18 July 2013	09 Sep 2013	granted/copies provided
2012 Activity Report of the Public Company Coastal Zone Management	18 July 2013	24 Dec 2013	granted/copies provided
Annual public procurement report for the Public Company Coastal Zone Management in 2009	18 July 2013	09 Sep 2013	granted/copies provided
Annual public procurement report for the Public Company Coastal Zone Management in 2010	18 July 2013	09 Sep 2013	granted/copies provided
Annual public procurement report for the Public Company Coastal Zone Management in 2011	18 July 2013	09 Sep 2013	granted/copies provided
Annual public procurement report for the Public Company Coastal Zone Management in 2012	18 July 2013	09 Sep 2013	granted/copies provided
2009 Audit Report	18 July 2013	09 Sep 2013	granted/copies provided
2010 Audit Report	18 July 2013	09 Sep 2013	granted/copies provided
2011 Audit Report	18 July 2013	09 Sep 2013	granted/copies provided
2012 Audit Report	18 July 2013	09 Sep 2013	granted/copies provided
Planned budget of the Public Company for Coastal Zone Management for 2013	18 July 2013	09 Sep 2013	granted/copies provided
Plan for allocation of funds received as usage fees for the coastal zone in 2009	18 July 2013	09 Sep 2013	granted/copies provided
Plan for allocation of funds received as usage fees for the coastal zone in 2010	18 July 2013	09 Sep 2013	granted/copies provided
Plan for allocation of funds received as usage fees for the coastal zone in 2011	18 July 2013	09 Sep 2013	granted/copies provided
Plan for allocation of funds received as usage fees for the coastal zone in 2012	18 July 2013	09 Sep 2013	granted/copies provided
Government approval of the plan for allocation of funds received as usage fees for the coastal zone in 2009	18 July 2013	14 Aug 2013	granted/copies provided
Government approval of the plan for allocation of funds received as usage fees for the coastal zone in 2010	18 July 2013	14 Aug 2013	granted/copies provided
Government approval of the plan for allocation of funds received as usage fees for the coastal zone in 2011	18 July 2013	14 Aug 2013	granted/copies provided
Government approval of the plan for allocation of funds received as usage fees for the coastal zone in 2012	18 July 2013	14 Aug 2013	granted/copies provided
Pay rolls for the director and deputy director of PC Coastal Zone Management, and monthly remuneration for Managing Board chair and members in 2009	29 Oct 2013	22 Nov 2013	granted/copies provided
Pay rolls for the director and deputy director of PC Coastal Zone Management, and monthly remuneration for Managing Board chair and members in 2010	29 Oct 2013	22 Nov 2013	granted/copies provided
Pay rolls for the director and deputy director of PC Coastal	29 Oct 2013	22 Nov 2013	granted/copies

Zone Management, and monthly remuneration for Managing Board chair and members in 2011			provided
Pay rolls for the director and deputy director of PC Coastal Zone Management, and monthly remuneration for Managing Board chair and members in 2012	29 Oct 2013	22 Nov 2013	granted/copies provided
Documents containing information on the total number of staff and number of staff by departments in the Public Company for Coastal Zone Management	29 Oct 2013	22 Nov 2013	granted/copies provided
Pay rolls for inspectors in 2009	29 Oct 2013		granted/copies provided
Pay rolls for inspectors in 2010	29 Oct 2013	22 Nov 2013	granted/copies provided
Pay rolls for inspectors in 2011	29 Oct 2013	22 Nov 2013	granted/copies provided
Pay rolls for inspectors in 2012	29 Oct 2013	22 Nov 2013	granted/copies provided
All decisions between 2009 and 2013 awarding flats or housing loans in the Public Company for Coastal Zone Management	29 Oct 2013	22 Nov 2013	granted/copies provided
All beach lease contracts with HTP "Ulcinjaska rivijera" in 2009	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts with HTP "Ulcinjaska rivijera" in 2010	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts with HTP "Ulcinjaska rivijera" in 2011	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts with HTP "Ulcinjaska rivijera" in 2012	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts with HTP "Ulcinjaska rivijera" in 2013	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts within Mala plaza in 2009	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts within Mala plaza in 2010	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts within Mala plaza in 2011	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts within Mala plaza in 2012	29 Oct 2013	21 Nov 2013	granted/copies provided
All beach lease contracts within Mala plaza in 2013	29 Oct 2013	21 Nov 2013	granted/copies provided