

## **Standard Summary Project Fiche – IPA centralised programmes**

### **Project fiche: 2**

#### **1. Basic information**

- 1.1 CRIS Number: 2010/022-154**
- 1.2 Title:** Support the implementation of the anti corruption strategy and action plan
- 1.3 ELARG Statistical code:** 01.36 – political criteria
- 1.4 Location:** Montenegro

#### **Implementing arrangements:**

- 1.5 Contracting Authority:** Delegation of the European Union to Montenegro
- 1.6 Implementing Agency:** N.A.
- 1.7 Beneficiary (including details of project manager):**

##### **Project Manager and Component Leader 1**

Directorate for Anti-Corruption Initiative  
Address: Rimski trg 46, Podgorica  
Project manager: Marija Novković, Deputy Director  
Tel: 020 234 082, 067 247 450  
E-mail: [marija.novkovic@daci.gov.me](mailto:marija.novkovic@daci.gov.me)

##### **Component leader 2** Commission for the Prevention of Conflict of

Interests

Address: Crnogorskih serdara bb, Podgorica  
Project manager: Marija Madzgalj, Programme implementer  
Tel: 020 621 124, 067 231 148  
E-mail: [marija.madzgalj@mn.yu](mailto:marija.madzgalj@mn.yu)

#### **Financing:**

- 1.8 Overall cost (VAT excluded):** 737.000 EUR
- 1.9 EU contribution:** 700.000 EUR
- 1.10 Final date for contracting:** Two years from the date of the conclusion of the Financing Agreement
- 1.11 Final date for execution of contracts:** Two years from the final date for contracting

- 1.12 Final date for disbursements:** One year from the final date for execution of contracts

## **2. Overall Objective and Project Purpose**

### **2.1 Overall Objective:**

To reduce corruption and conflict of interest levels in Montenegro

### **2.2 Project purpose:**

Support the implementation of the anti-corruption strategy and action plan, focusing on the preventing measures (e.g. the law on the conflict of interest, measures to improve integrity and ethics), resulting in a reduced level of corruption and increased public trust in the institutions.

### **2.3 Link with AP/NPAA / EP/ SAA**

The European Partnership highlights the importance of anti-corruption policy in the public sector and the need for upgrading the capacity in the area of anti-corruption policy. It also defines priorities that are the basis for formulation of this project.

As regards anti-corruption policy, the European Partnership's short-term priorities in the area of the political criteria are as follows:

- To amend the law on conflict of interest and implement it in order to eliminate all possible cases of conflict of interests of officials.
- To upgrade efforts to implement the anti-corruption strategy, notably through providing adequate financial and human resources to law enforcement bodies to ensure its implementation.
- To develop and fully implement the laws on political parties and the financing of political parties ensuring transparency and clarity.

As regards anti-corruption policy, the European Partnership's medium-term priorities in the area of the political criteria are as follows:

- Continue with determination the prevention and fight against corruption at all levels and provide increased means for prevention and suppression of corruption. Ensure full compliance with the UN Convention on the fight against corruption and with the relevant Council of Europe Conventions.
- Establish effective procedures for the detection, treatment and follow-up of cases of suspected fraud and other irregularities affecting national and international, including EU, funds.

According to article 80 of the SAA (Reinforcement of institutions and rule of law), in their cooperation on justice, freedom and security, the Parties shall attach particular importance to the consolidation of the rule of law, and the reinforcement of institutions at all levels in the areas of administration in general and law enforcement and the administration of justice in particular. Cooperation shall notably aim at strengthening the independence of the judiciary

and improving its efficiency, improving the functioning of the police and other law enforcement bodies, providing adequate training and fighting corruption and organised crime. In addition, according to article 86 (Preventing and combating organised crime and other illegal activities) the Parties shall cooperate on combating and preventing criminal and illegal activities, organised or otherwise, both in the private and public sector, in particular linked to non-transparent administrative practices.

## **2.4 Link with MIPD**

According to MIPD 2009 – 2011 Montenegro needs to continue upgrading its administrative capacity in the areas covered by the SAA. Particular attention has to be paid to enhancing law enforcement, especially in view of the changes envisaged under the new Criminal Procedure Code and as regards corruption and organised crime. MIPD calls Montenegro to implement governmental strategy and action plan to fight corruption at national and local levels, with due consideration to prevention of corruption, capacity building and improved coordination among law enforcement bodies and other entities, and to the involvement of civil society organisations.

## **2.5 Link with National Development Plan**

N/A

## **2.6 Link with national/ sectoral investment plans**

According to the National Programme for Integration (NPI) it is necessary to ensure full implementation of all anti-corruption laws and other laws related to the efficient fight against corruption and organised crime in accordance with the European standards. In that sense it is required to strengthen administrative capacities by means of appropriate education programmes, expert support and procurement of equipment in the field of the fight against corruption. More intensive involvement of the civil society and media in joint anti-corruption activities and raising awareness about importance of the fight against corruption is defined as one of key NPI priorities.

The Government of Montenegro passed the Programme of the Fight against Corruption and Organised Crime (August 2005) and the Action Plan for Implementation of the Programme of the Fight against Corruption and Organised Crime and it formed a body to monitor implementation of the Action Plan – National Commission for Implementation of the Action Plan for Implementation of the Programme of the Fight against Corruption and Organised Crime (February 2007). The members of the Commission are the highest-ranking representatives of the legislative, executive and judicial power, as well as representatives of the non-government sector. The Action Plan was revised in May 2008, so as to include additional anti-corruption measures and to include more subjects in the fight against corruption. By adopting this Programme the fight against corruption was set as one of priorities of the Government of Montenegro. In the part *Specific measures against corruption and organised crime* an important role is given to the, inter alia, Directorate for Anti-Corruption Initiative and the Commission for the Prevention of Conflict of Interests in enhancing the preventive mechanisms in the fight against corruption.

The Action Plan for Implementation of the Programme of the Fight against Corruption and Organised Crime is a mid-term document projected for the period of three years. It contains specific measures and activities, responsible bodies and institutions, deadlines, success

indicators and risk factors. While being developed, the special attention was paid to: (i) Council Decision on Principles, Priorities, and Conditions contained in the European Partnership of 28 January 2007; (ii) UN Convention against Trans-national Organised Crime; (iii) UN Convention against Corruption, European Convention for Protection of Human Rights and Fundamental Freedoms, (iv) Council of Europe's Resolution (97) 24 on Twenty Guiding Principles against Corruption (GRECO); (v) Principles for Improving the Fight against Corruption in acceding, candidate and other third countries. Representatives of the non-government sector were involved in development of both the Programme and the Action Plan for its implementation.

The Parliament of Montenegro has enacted the Resolution on the Fight against Corruption and Organised Crime (Official Gazette of MNE, No. 02/08) by which, among other things, it has expressed its readiness to get involved, with all its capacities, in setting up the national anti-corruption legislation and in establishing as close international and regional cooperation in the field of fighting corruption and organised crime as possible. At the same time, in accordance with responsibilities assumed at the Regional Conference of Southeast Europe, GOPAC - Global Organization of Parliamentarians against Corruption, it has committed itself to establish a national branch of parliamentarians in the fight against corruption, which would include representatives of all working bodies of the Parliament.

The fight against corruption represents also an important part of Montenegrin public administration reform strategy which was adopted in March 2003. In the strategy it is stated that the modern, efficient, expert and responsible public administration is needed with the clear division of competencies and high level of transparency of the public institutions which sets the basis for further democratization of the Montenegrin society. It is also stated that modern and efficient public administration is one of the essential tools in the fight against organised crime, corruption and other abuses in society, which the priority task for the Government.

### **3. Description of project**

#### **3.1 Background and justification:**

Having in mind the results of the undertaken researches in different areas of public administration in Montenegro as well as the analysis of the international organisations, corruption appears as a problem in Montenegro, as it is the case in many countries.

Combating corruption is a long-term process that includes both the preventive and repressive efforts. The inception of anti-corruption measures in Montenegro dates back to 2001 when the Government of Montenegro established many anticorruption bodies such as the Directorate for Anti-corruption Initiative. In the coming years other specialised bodies were established as well: the Commission for the Prevention of the Conflict of Interests, Commission for the Control of Public Procurement procedure, Public procurement Directorate, and Directorate for Prevention of Money Laundering and Terrorism Financing etc. In accordance with the latest amendments to the Governmental Decree ("Official Gazette of Montenegro, No. 16/07), the Directorate for Anti-Corruption Initiative performs its duties referring to the promotional and preventive activities, coordination role up to the obligations arising from the national strategic documents in the fight against corruption and obligations derived from international documents and memberships, participation in the drafting process of the strategic documents and legislation, etc.

The institutionalisation was followed by rounding up of the legislative framework and creation and implementation of the strategic documents in the fight against corruption. In this framework are laws on public procurement, preventing conflict of interests, preventing money laundering and terrorism financing, State Auditing Institution, criminal legislation, etc.

In 2005 the Government adopted the Programme for the fight against corruption and organised crime. By adopting this Programme the fight against corruption was set as one of priorities of the Government of Montenegro, which was becoming more important as the process of European Integrations was developing. In order to implement all measures defined in the Programme, the Action plan for the implementation of the Programme which was adopted in 2006, and was revised in May 2008. As of 2010, new Strategy for the Fight against Corruption, with its Action Plan, will set out new activities and tasks in the area of prevention of corruption. Integrity of the public administration will need to be strengthened and public confidence raised. It is envisaged that the DACI will serve as a de facto secretariat of the National Commission for Monitoring the implementation of the Strategy and Action Plan, and more emphasis will need to be placed on data collection, processing and presentation.

In order to reach the high-level standards in prevention of corruption of the public administration it is necessary to achieve higher level of integrity. Based on data in 2008, DACI received 40 reports, of which 37 submitted to the competent bodies and for three of them was given legal advice. Some reports were submitted to several addresses such as: Police Directorate (27), Supreme Court (5), Supreme State Prosecutor's Office (5), the Ministry of Health, Labor and Social Welfare (3), the Ministry of Education and Science (3), the Work Inspection (2), Real Estate Directorate in Podgorica (2), Real Estate Directorate in Budva (1), Municipality of Podgorica (1) and Red Cross (1). According to this, it is obvious that most of the reports with allegations to corruption referred to the public institution which indicates the lack of integrity.

Another important preventive high-level standard in the fight against corruption is the prevention of conflict of interests. Law on Prevention of the Conflict of Interests, which Montenegro adopted in 2004, regulates this area. Pursuant to the Law on the Conflict of Interests, the Parliament of the Republic of Montenegro, on its session held on July 29, 2004, has enacted the Decision on education and election of the president and members of the Commission for Establishing Conflict of Interest, as an independent body, consisting of the president and four members. Since the Law on the Conflict of Interest did not include adequate legal mechanisms for a more efficient suppress prevention of the conflict of interest, Ministry of Interior Affairs and Public Administration has prepared, and the Government of Montenegro has proposed the Law on Prevention of the Conflict of Interest, which was adopted by the Parliament at the end of 2008. The new Law is a result of the efforts to assess and improve compliance with relevant international standards. The Law has been published in the Official Gazette of Montenegro, No. 1/09, and came into force on January 17, 2009, repealing the Law on the Conflict of Interest from 2004. The Parliament elected the new Commission for the prevention of conflict of interest, which is composed of 6 members.

The competences of the Commission include: recording and publishing the report on income and assets, recording received gifts, deliberations upon the initiative by other persons, giving proposals to dismiss public officials for breaking the law, giving opinions about the existence of a conflict of interest in the performance of public function. The Commission is required to annually submit to Parliament of Montenegro a report on its work.

There are numerous improvements which the new Law introduced. Firstly, the scope of the Law was extended as the definition of “public official” was changed. Currently, there are 2670 public officials, which is about 30% higher than prior to the enactment of new law. This essentially means that the volume of work of the Commission has increased. Moreover, the Law introduces new competences of the Commission, primarily with regard to institution of misdemeanor proceedings, imposing fines which have been increased in the new law, as well as implementing the provisions in relation to monitoring public officials once they leave the public service (pantouflage).

This project will support, inter alia, the implementation of the the Law on Prevention of Conflict of Interests. The aim of the project is to enhance the capacities of the DACI to conduct preventive measures and to provide administrative and expert support to the National Monitoring Commission, thus enabling effective coordination and steering of anti-corruption efforts. Finally, through greater involvement of public office holders, government institutions and international actors, the setting for implementation of these policies will be improved so as to enable effective results.

The fulfilment of these standards should lead to the raised awareness and ways to curb corruption at all levels, increased level of trust in the work of public institutions, as well as to the increased efficiency, accountability and professionalism of the public institutions.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact**

The implementation of the project will result in further development of the existing anti-corruption preventive mechanisms and in the incorporation of new mechanisms. This will increase the level of ethics and integrity in the public administration which will ensure its accountability, professionalism and transparency. The final outcome of its implementation will be the increased level of trust of citizens in the public institutions and an overall improved image of Montenegro within the international community.

The sustainability of the project achievements will be ensured through the national budget annual planning, having in mind that these are procedures defined by laws and they are mandatory for the subjects in the public sector.

The Commission on the Prevention of Conflict of Interest after the adoption of the new Law on Prevention of the Conflict of Interest, is entrusted with new competences such as institution and handling of misdemeanor proceedings, drafting of by-laws, giving opinions, and imposing fines.

In addition, the activities dedicated to the regional cooperation in the area of the prevention of conflict of interests will result in the exchange of experience and best practices, especially with regard to the harmonization of the standards with the countries in the region and joint progress in this field.

### **3.3 Results and measurable indicators:**

#### **Result 1**

Procedures and measures on integrity are prepared and enforced.

**Indicator:**

Procedures and measures for vulnerability assessment and designing an integrity plan are published and available to public sector entities

**Result 2**

Enhanced institutional and administrative capacity of the DACI and the Commission for the Prevention of the Conflict of Interest to coordinate anti-corruption preventive measures, including the enforcement of integrity measures in the public sector.

**Indicators:**

A significant No. of staff from the DACI and the Commission for the Prevention of the Conflict of Interest, receive capacity building/training support and take part to relevant workshops, seminars and study visits (5 DACI staff trained and engaged in enforcement of integrity measures in the public sector in the Public Sector; At least 1 employee trained to draft integrity plans, in those public sector entities which have been prioritised to adopt an integrity plan (25 public sector entities by the end of 2011, and additional 35 public entities by the end of 2012); At least 4 staff employed and trained in the Commission for Prevention of Conflict of Interest;

**Result 3**

Anti-corruption coordination, prevention and monitoring measures/system established and fully operational.

**Indicators:**

Reports from the Commission for the Monitoring of the Strategy for the fight against corruption and its Action Plan,, **International Organisations (Transparency International, OECD, Council of Europe, UNODC), and EU Institutions** confirming progresses in the implementation of the anti-corruption action plan, specifically with regards to prevention measures;

No. of measures adopted and meetings held to enhance coordination of anti-corruption initiatives among government Ministries and Agencies;

A monitoring system is established and functioning and information are available at the Commission for the Monitoring of the Strategy for the fight against corruption and its Action Plan,.

A Programme for the computerization, development and protection of Prevention of Conflict of Interest Commission's database in accordance with the new Law is established and operational.

A case management system for the Commission for the Prevention of Conflict of Interest is established and operational.

**Result 4**

Legal/regulatory framework on anti-corruption prepared, adopted and enforced.

**Indicators:**

No. of laws, regulations prepared, adopted and enforced (including the Amendments to the Law on Prevention of Conflict of Interest)

## Result 5

Increased public awareness (in the public sector, private sector and among the citizens) on integrity, ethical principles and anti-corruption measures.

### **Indicators:**

At least 1 awareness-raising campaign and 2 round-tables on the issue of lobbying conducted

At least one series of TV programmes and 1 guide-book on the role of the Commission for Prevention of Conflict of Interest produced.

A survey (opinion poll) carried out and indicating that the public at large understands the role and importance of the Commission for Prevention of Conflict of Interest and that the civil society, the private sector and the public officials are informed about the website of the institution, with an increase of at least 20% in comparison to the baseline provided under Section 3.7 Lessons learnt.

**Reports from International Organisations (Transparency International, OECD, Council of Europe, UNODC), and from EU Institutions confirm that the perception of corruption is reduced.**

### **3.4 Activities:**

Activities related to result 1 include:

- 1.1 Support the preparation and implementation of integrity measures, including the preparation and implementation of guidelines and questionnaires for vulnerability assessment of corruption

Activities related to result 2 include:

- 2.1 Develop and deliver a capacity building/training programme for staff from DACI and the Commission for the Prevention of the Conflict of Interest on relevant subjects, including preventive measures (the implementation of the provisions on integrity and conflict of interest in the public sector), as well as coordination and monitoring measures.
- 2.2 Organise three regional workshops with the aim of familiarising the public sector bodies with the foreseen measures to build/strengthen integrity (national co-financing)
- 2.3 Develop and implement a training programme for public sector bodies employees, authorised for the preparation and implementation of integrity measures
- 2.4 Develop a programme of mandatory education, including new standards in the fight against corruption, primarily systems and integrity measures for newly recruited civil servants and state employees
- 2.5 Conduct study visits for DACI staff on EU Member States experiences in the implementation of provisions regarding lobbying
- 2.6 Establish and carry out a training programme for public officials (politicians, members of government, parliamentary officials, judges, prosecutors, judges for violations, deputies,



ministers, assistant ministers, directors of public companies and agencies, etc) NGOs and media on, inter alia, preventive measures and enforcement of conflict of interest rules

## 2.7 Conduct workshops for training of the members of Commission for the Prevention of conflict of interests

Activities related to result 3 include:

3.1 Support DACI to prepare and implement a monitoring system, so as to be able to provide full expert and administrative support to the National Commission

3.2 Support the preparation and functioning of a Programme for computerization, development and protection of Prevention of Conflict of Interest Commission's database in accordance with the new Law (national co-financing)

3.3 Support the preparation and functioning of a case management system for the Commission for the Prevention of Conflict of Interest

Activities related to result 4 include:

4.1 Conduct a gap needs analysis of the domestic legal and regulatory framework (including the Law on Prevention of Conflict of Interest) with recommendations for alignment with EU and international standards.

4.2 Support drafting, adoption and implementation of the necessary laws and regulations

Activities related to result 5 include:

5.1 Organise at least two national conferences on the analysis of the implementation and results/impact of the integrity measures (national co-financing)

5.2 Support to prepare and implement a public awareness campaign strategy/programme (targeting the public sector, the private sector and citizens at large) on ethics, integrity, and anti-corruption measures.

5.3 Introduce the public with the provisions of integrity measures in the public sector and regulating lobbying (private sector, civil society, experts), through campaigns and round tables

5.4 Implement promotional activities through presentation and usage of logotype and sign of the Commission for the Prevention of conflict of interests, TV video production and broadcasting, survey, guide-book on the conflict of interests, press and TV clipping

5.5 Develop a website of the Commission for the Prevention of conflict of interests in English

5.6 Organise regional seminars, study visits in the region, joint press conferences on the issue of conflict of interests in order to enhance regional cooperation and share integrity standards.

5.7 Organise at least 2 high-level workshops in order to explore ways to apply the Law on Prevention of Conflict of Interest to the politicians, i.e. high-level public officials

This project will be delivered through one contract to be financed by IPA through twinning. In addition, nationally financed activities will be implemented through two service contracts – contract 2 for the implementation of activities 2.2 and 5.1 and contract 3 for the implementation of activity 3.2. A project steering committee will be established including all partners involved in the project. Participants from the civil society will take part in the meeting as observers.

### **3.5 Conditionality and sequencing**

Conditionality for the implementation of the project is the adoption of the strategy against corruption. Furthermore, it is essential to fully establish the new Commission for the Prevention of Conflict of Interests which consists of the President and 6 members. The new Commission has extended competences compared to the ones under the previous Law: conducting the procedure and making decisions regarding violation of this Law; giving its opinion on the existence of a conflict of interests; assessment of the value of the gift referred to in the Law; passing rules and rules of procedure for the operation of the Commission; giving its opinion on draft laws, other regulations and general acts; submitting a request for initiating misdemeanour procedure in cases where the Commission considers this necessary for the purposes of preventing conflict of interests,.

The project is going to be implemented through three contracts which are complementary and will start to realize simultaneously. Due attention will be paid to coordinating Activity 3.3 with Activity 3.2 (under the national co-financing) as they are both related to the computerized data base as well as the opportunities for statistical reporting and following of cases by the Commission for Prevention of Conflict of Interest.

### **3.6 Linked activities**

As a part of the annual Training Programme of the Human Resource Management Authority, the Directorate for Anti-corruption Initiative in cooperation with this Authority delivers continued training to the civil servants on the issue of corruption in public administration. Issues covered in these trainings include problems of corruption, need for integrity plans adoption and their purpose, internal control regarding police officers, as well as basic information on public procurement procedures. Currently DACI is in the process of implementation of the IPA 2007 project “Fight against organised crime and corruption”. One of the project activities is dedicated to the drafting process of the legislation on integrity in the public sector, as well as to the creation of the integrity plan template. With realization of these activities covered by the project IPA 2007 the precondition for implementation of IPA 2010 will be created, which means that the respective Law will be adopted. Therefore, the IPA 2010 project will be the continuation of activities with the aim to increase the level of integrity in public administration.

In 2008 the Commission for the Prevention of Conflict of Interests in cooperation with the NGO CEMI conducted a cycle of 11 training seminars for public officials, media and NGOs, where the last one was held in December 2008 in Podgorica. The Programmes realized in 2008 have been financed exclusively from the national budget of Montenegro and donor support from the NGO CEMI from Podgorica. Thanks to the financial support of CEMI, in mid-2005 the Commission has established the website [www.konfliktinteresa.cg.yu](http://www.konfliktinteresa.cg.yu). A survey on the topic “Public in relation to the Law on the Conflict of Interest” was conducted in November 2008,

including a sample of 1000 respondents in the central, southern and northern region of Montenegro.

In June 2009 the Directorate for Anti-Corruption Initiative in cooperation with the Delegation of the European Commission to Montenegro organised the first donor coordination meeting and developed the matrix with compiled information on the anticorruption projects which are in the implementing or programming stage.

RELATED ANTI-CORRUPTION PROJECTS*				
	LAW ENFORCEMENT/JUDICIARY	PREVENTION	GRECO, Council of Europe and other int'l AC instruments	NEW STRATEGIC FRAMEWORK – 2010-2012
Implementing stage	5 projects: Implementation of the Programme and AP to combat corruption, reform and implementation of criminal legislation, strengthening the capacities of the judiciary, support to the Police Academy	8 projects: support to local government reform, increasing the capacities of NGOs and Gov't institutions to fight corruption, implementation of the national Action Plan, Advocacy program, development and strengthening the public procurement system, free access to information at local level, citizens' bureaus in municipalities, campaign on free access to information	3 projects: support to anti-corruption efforts, i.e. implementation of GRECO recommendations, support for the implementation of international anti-corruption standards and instruments, i.e. UNCAC, continued support to anti-corruption reforms, i.e. Council of Europe standards	1 project: Development of New Action Plan for Fight against Corruption and Organised Crime
Programming stage	—	2 projects: advancing the electoral campaign finance system,	—	3 projects: strengthening strategic operational capability of

		strengthening the capacities of Human Resources, Education and Training systems of the Police Academy		the DACI, developing integrity framework in the public administration, strengthening of the administrative, technical and infrastructure capacities of the Police Directorate
--	--	---	--	---

\*Donors: European Commission Delegation to Montenegro, OSCE Mission to Montenegro, UNDP in Montenegro, Council of Europe, Government of Norway, United Nations Democracy Fund, United States Agency for International Development, Foundation Open Society Institute,

### 3.7 Lessons learned

Based on the I and II Evaluation round for Montenegro, GRECO (Group of States against corruption) addressed 24 recommendations to be implemented. In the Compliance report dated December 2008, GRECO concluded that Montenegro has implemented satisfactorily or dealt with in a satisfactory manner two thirds of the recommendations contained in the Joint First and Second Round Evaluation Report. Concrete improvements have been achieved in virtually all fields targeted by the relevant GRECO recommendations. The Montenegrin authorities have launched an articulated anticorruption strategy, based on both preventive and repressive mechanisms, where objectives, activities, deadlines and indicators of achievement are framed and monitored. Important efforts have been made to put in place a legislative framework to fight corruption. Extensive training and public information campaigns on anticorruption policies have taken place in the last two years. The initiatives pursued to date to actively involve local authorities, as well as the general public, in the development of anticorruption policies are important steps likely to foster increased ownership and overall support of the process. Nevertheless, additional efforts are required with respect to, *inter alia*, the development of rules on conflicts of interest.

Furthermore, in the 2008 EC Progress Report for Montenegro it is stated that corruption is a serious problem, and that the fight against this phenomenon is not backed up by rigorous implementation of the laws. Further reform is required in the fields of transparency and accountability, financial control, public procurement, budget management, management of public assets and licensing procedures. Further attention still needs to be paid to enhancing administrative capacity for law enforcement, especially as regards the fight against corruption and organised crime and protection of personal data.

Survey on "Public in relation to the Law on Prevention of Conflict of Interest" was undertaken in 2007 and 2008. Survey included 1000 respondents from all of three regions of Montenegro. In relation to the research that was published in October 2007 the percentage of respondents who had heard of the Law on conflict of interest increased from 69.9% to 72.1%. Also the percentage of respondents who think that the law is good increased from 23.4% in

2007 to 27.5% in 2008, as well as the share of undetermined respondents increased from 46.6% to 49.4%. The largest number of respondents considered that the Law applies to public officials and civil servants. 71.5% of respondents did not know that the Government of Montenegro adopted the proposal of the new law. The largest percentage of respondents does not believe that the provisions of the Law are successfully implemented (66.9%).

#### 4. Indicative Budget (amounts in EUR)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTIO N	
ACTIVITIES	IB (1)	INV (1)	EUR (a) = (b) + (c) + (d)	EUR (b)	%(2)	Total EUR (c)= (x) + (y) + (z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Contract 1. (Twinning funded by IPA)	x		700,000	700,000	100%							—
Contract 2. (service financed by National co- financing)	x		25,000			25,000	100	25,000				
Contract 3. (service funded by National co- financing)	x		12,000			12,000	100	12,000				
TOTAL IB			737,000	700,000	94.98	37,000	5.02					
TOTAL INV												
<b>TOTAL PROJECT</b>			<b>737,000</b>	<b>700,000</b>	<b>94.98</b>	<b>37,000</b>	<b>5.02</b>	<b>37,000</b>				

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

## **5. Indicative Implementation Schedule (periods broken down per quarter)**

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1. (Twinning - IPA)	Q3 2010	Q1 2011	Q1 2012
Contract.2. (service - National co-financing)	Q3 2010	Q2 2011	Q1 2012
Contract 3.(service - National co-financing)	Q3 2010	Q2 2011	Q1 2012

All projects will be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA.

## **6. Cross cutting issues**

### **6.1 Equal Opportunity**

Equal opportunities for men and women will be guaranteed as an integral part of the implementation of this project. Training will be equally available to men and women working for the entities covered by the scope of the laws. The project will ensure an equal gender representation related to the necessary competencies and abilities in developing the actions programmed within the project. A fair selection of all participants in all project fields will be ensured.

### **6.2 Environment**

This project is harmonised with national environmental regulations and standards. It will not have any negative impact on the environment nor jeopardise environment, health and security in the future.

### **6.3 Minorities**

Minorities as the employees in the public administration and as a part of the community will benefit from this project in the same way as the others defined as the project target groups. All personnel selection activities are to be developed under the European non-discriminatory principles.

## ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number	
		Support the implementation of the anti corruption strategy and action plan	
		Contracting period expires: two years from the signing the Financing Agreement	Disbursement period expires one year after the final date for execution of the contract
		Total budget : 737.000 euro	IPA budget: 700.000 euro
Overall objective	Objectively verifiable indicators	Sources of Verification	
To reduce corruption and conflict of interest levels in Montenegro	<p>Decrease of 10% of cases of corruption in public administration in comparison with the period before the adoption of laws on integrity and conflict of interests</p> <p>3 recommendations (xvi, xvii, xix) issued by GRECO during Joint I and II Evaluation Rounds fully implemented</p> <p>Higher level of public confidence in the work of the public administration at central level, measured by an annual public opinion poll</p> <p>Decrease of 10% of reports of irregularities regarding the implementation of these procedures in 2012 in comparison to the previous year and 20% in 2013 in comparison to 2012</p> <p>Change in corruption perception index of TI from index of 3.4 in 2008 to 3.7 in</p>	<p>European Commission Progress report</p> <p>Reports of the National Commission for monitoring the implementation of the Action Plan</p> <p>Annual reports of the Commission for Prevention of Conflict of Interest</p> <p>Transparency International Report</p> <p>Public opinion poll, commissioned by a national body (DACI or the Commission)</p> <p>GRECO (Group of States against corruption) Compliance Report</p> <p>World Bank Annual Report on Doing Business</p>	



	2011 and 3.9 in 2012  Change of rank of Montenegro in World Bank's Doing Business from rank 77 in 2009 to 68 in 2011 and 65 in 2012		
<b>Project purpose</b>  Support the implementation of the anti corruption strategy and action plan, focusing on the preventing measures (e.g. the law on the conflict of interest, measures to improve integrity and ethics) resulting in a reduced level of corruption and increased public trust in the institutions.	<b>Objectively verifiable indicators</b>  Adoption and implementation of the integrity plans by at least 80% of public sector authorities by year 2013 prioritized by DACI (25 plans by 2012 and additional 35 plans by 2013)  All public officials (2670) regularly fulfilled and submitted reports of incomes and property  Increase of 10% of reports against public officials in comparison to the previous year of breaching the Law on Prevention of the Conflict of Interests  Increase of 20% of reported offences of corruption, which involve a public sector employee in comparison to the previous year  Increase of 10% of disciplinary action brought against public sector employees in comparison to the previous year  Initiation of misdemeanor proceedings by the Commission for Prevention of Conflict of Interest	<b>Sources of Verification</b>  Reports on the Action plan for the implementation of the Programme for fight against corruption and organised crime  Integrity and Capacity Assessment of Public Administration  Statistical information and Annual reports of the Commission for the Prevention of Conflict of Interest	<b>Assumptions</b>  Anti-corruption continue to be a priority for the Government of Montenegro  Efficient detection, prosecution and sanctioning of criminal offences of corruption  Treatment upon the proposals of the Commission for the prevention of conflict of interests for dismissal of public officials by body that appointed him
<b>Results</b>  1) Procedures and measures on integrity are prepared and enforced	<b>Objectively verifiable indicators</b>  <u>Result 1:</u> Procedures and measures for vulnerability assessment and designing	<b>Sources of Verification</b>  Reports of the each state authority responsible for the implementation of	<b>Assumptions</b>  Implementation of the procedures by public sector

<p>2) Enhanced institutional and administrative capacity of the DACI and the Commission for the Prevention of the Conflict of Interest to coordinate anti-corruption preventive measures, including the enforcement of integrity measures in the public sector</p> <p>3) Anti-corruption coordination, prevention and monitoring measures/system established and fully operational</p> <p>4) Legal/regulatory framework on anti-corruption prepared, adopted and enforced</p> <p>5) Increased public awareness (in the public sector, private sector and among the citizens) on integrity, ethical principles and anti-corruption measures</p>	<p>an integrity plan are published and available to public sector entities</p> <p><u>Result 2:</u> A significant No. of staff from the DACI and the Commission for the Prevention of the Conflict of Interest, receive capacity building/training support and take part to relevant workshops, seminars and study visits (5 DACI staff trained and engaged in enforcement of integrity measures in the public sector in the Public Sector; At least 1 employee trained to draft integrity plans, in those public sector entities which have been prioritised to adopt an integrity plan (25 public sector entities by the end of 2011, and additional 35 public entities by the end of 2012); At least 4 staff employed and trained in the Commission for Prevention of Conflict of Interest</p> <p><u>Result 3:</u> Reports from the Commission for the Monitoring of the Strategy for the fight against corruption and its Action Plan,, <b>International Organisations (Transparency International, OECD, Council of Europe, UNODC), and EU Institutions</b> confirming progresses in the implementation of the anti-corruption action plan, specifically with regards to prevention measures;</p> <p>No. of measures adopted and meetings held to enhance coordination of anti-corruption initiatives among government Ministries and Agencies;</p>	<p>the integrity plans on their implementation</p> <p>Reports on implementation of the Action Plan for the implementation of the Programme for fight against corruption and organised crime issued by National Commission.....</p> <p>Reports of RTA and STEs</p> <p>Annual report of the Directorate for Anti-Corruption Initiative to the Ministry of Finance</p> <p>Annual report of the Commission for the prevention of conflict of interests to the Parliament of Montenegro</p>	<p>authorities</p> <p>Human resources sustainability and availability</p>
--	---	--	---

	<p>A monitoring system is established and functioning and information are available at the Commission for the Monitoring of the Strategy for the fight against corruption and its Action Plan,.</p> <p>A Programme for the computerization, development and protection of Prevention of Conflict of Interest Commission's database in accordance with the new Law is established and operational.</p> <p>A case management system for the Commission for the Prevention of Conflict of Interest is established and operational</p> <p><u>Result 4:</u> No. of laws, regulations prepared, adopted and enforced (including the Amendments to the Law on Prevention of Conflict of Interest)</p> <p><u>Result 5:</u> At least 1 awareness-raising campaign and 2 round-tables on the issue of lobbying conducted</p> <p>At least one series of TV programmes and 1 guide-book on the role of the Commission for Prevention of Conflict of Interest produced.</p> <p>A survey (opinion poll) carried out and indicating that the public at large understands the role and importance of the Commission for Prevention of Conflict of Interest and that the civil society, the private sector and the public officials are informed about the website</p>		
--	---	--	--

	<p>of the institution, with an increase of at least 20% in comparison to the baseline provided under Section 3.7 Lessons learnt.</p> <p><b>Reports from International Organisations (Transparency International, OECD, Council of Europe, UNODC), and from EU Institutions confirm that the perception of corruption is reduced</b></p>		
Activities	Means	Costs	Assumptions
<p>1.1 Support the preparation and implementation of integrity measures, including the preparation and implementation of guidelines and questionnaires for vulnerability assessment of corruption</p> <p>2.1 Develop and deliver a capacity building/training programme for staff from DACI and the Commission for the Prevention of the Conflict of Interest on relevant subjects, including preventive measures (the implementation of the provisions on integrity in the public sector), as well as coordination and monitoring measures</p> <p>2.2 Organise three regional workshops with the aim of familiarising the public sector bodies with the foreseen measures to build/strengthen integrity (national co-financing)</p> <p>2.3 Develop and implement a training programme for public sector bodies employees, authorised for the preparation and implementation of integrity measures</p> <p>2.4 Develop a programme of mandatory education,</p>	<p>Twinning contract (IPA) (1.1; 2.1; 2.3; 2.4; 2.5; 2.6; 2.7; 3.1;3.3; 4.1; 4.2; 5.2; 5.3; 5.4; 5.5; 5.6; 5.7.; .</p> <p>National service contract (NC) (2.2; 5.1).</p> <p>National service contract (NC) (3.2)</p>	<p><b>700,000 €</b></p> <p><b>25,000 €</b></p> <p><b>12,000 €</b></p> <p><b>Total: 737,000 €</b></p>	<p>Adoption of by-laws with clearly defined procedures for the implementation of the legislation on integrity in the public sector by Ministry of Finance</p> <p>Participation of the entities covered by the scope of the legislation on integrity in the public sector and Law on Prevention of the Conflict of Interests and civil society organisations in the training programme</p> <p>Dedication of the target groups to the implementation of the laws</p>

<p>including new standards in the fight against corruption, primarily systems and integrity measures for newly recruited civil servants and state employees</p> <p>2.5 Conduct study visits for DACI staff on EU Member States experiences in the implementation of provisions regarding lobbying</p> <p>2.6 Establish and carry out a training programme for public officials (politicians, members of government, parliamentary officials, judges, prosecutors, judges for violations, deputies, ministers, assistant ministers, directors of public companies and agencies, etc) NGOs and media on, inter alia, preventive measures and enforcement of conflict of interest rules</p> <p>2.7 Conduct workshops for training of the members of Commission for the Prevention of conflict of interests</p> <p>3.1 Support DACI to prepare and implement a monitoring system,so as to be able to provide full expert and administrative support to the National Commission</p> <p>3.2 Support the preparation and functioning of a Programme for computerization, development and protection of Prevention of Conflict of Interest Commission's database in accordance with the new Law (national co-financing)</p> <p>3.3 Support the preparation and functioning of a case management system for the Commission for the Prevention of Conflict of Interest</p> <p>4.1 Conduct a gap needs analysis of the domestic legal and regulatory framework (including the Law on Prevention of Conflict of Interest) with</p>		
--	--	--

<p>recommendations for alignment with EU and international standards</p> <p>4.2 Support drafting, adoption and implementation of the necessary laws and regulations</p> <p>5.1 Organise at least two national conferences on the analysis of the implementation and results/impact of the integrity measures (national co-financing)</p> <p>5.2 Support to prepare and implement a public awareness campaign strategy/programme (targeting the public sector, the private sector and citizens at large) on ethics, integrity, and anti-corruption measures</p> <p>5.3 Introduce the public with the provisions of integrity measures in the public sector and regulating lobbying (private sector, civil society, experts), through campaigns and round tables</p> <p>5.4 Implement promotional activities through presentation and usage of logotype and sign of the Commission for the Prevention of conflict of interests, TV video production and broadcasting, survey, guide-book on the conflict of interests, press and TV clipping</p> <p>5.5 Develop a website of the Commission for the Prevention of conflict of interests in English</p> <p>5.6 Organise regional seminars, study visits in the region, joint press conferences on the issue of conflict of interests in order to enhance regional cooperation and share integrity standards</p> <p>5.7 Organise at least 2 high-level workshops in order to explore ways to apply the Law on Prevention of Conflict of Interest to the politicians, i.e. high-level public officials</p>		
---	--	--

**Preconditions** Adoption of the anti corruption strategy - Full establishment of the Commission for the Prevention of conflict of interests

**ANNEX II: IPA amounts (in M€) Contracted and disbursed by quarter for the project**

<b>Contracted</b>	<b>Q3 2010</b>	<b>Q4 2010</b>	<b>Q1 2011</b>	<b>Q2 2011</b>	<b>Q3 2011</b>	<b>Q4 2011</b>	<b>Q1 2012</b>	<b>Q2 2012</b>	<b>Q3 2012</b>	<b>TOTAL</b>
Contract 1 (Twinning - IPA)			700,000							700,000
<b>Cumulated</b>			<b>700,000</b>	<b>700,000</b>						<b>700,000</b>
<b>Disbursed</b>										
Contract 1 (Twinning - IPA)			560,000				140,000			700,000
<b>Cumulated</b>			<b>560,000</b>	<b>560,000</b>			<b>700,000</b>			<b>700,000</b>

### ANNEX III Description of Institutional Framework

Within the framework of general democratic reform processes in Montenegro, which included changes to the political, economic and legal systems, the anti-corruption efforts played a significant part. The idea that evolved in 2000, when Montenegro signed SPAI Compact and Action plan, was to establish a body that would be oriented to prevention of corruption. This was due to the fact that at the time the criminal legislation was not suitable to effectively tackle this phenomenon. Thus, two parallel processes were ongoing – one being the reform of criminal legislation, other the adoption of preventive mechanisms. The process that supported the beforehand was, of course, the public administration reform in the Montenegro.

**The Directorate for Anti-Corruption** Initiative was established by the Governmental Decree. In accordance with the latest amendments of Directorate ("Official Gazette of Montenegro" No. 16/07), it performs duties in light of:

- On promotional and preventive activity such as the increasing of the level of public awareness of corruption problems and conducting the research on scope, forms, causes, and mechanisms of corruption;
- cooperation with relevant state bodies aimed at drafting and implementing of the legislative and programmatic documents that are important for prevention and combating corruption;
- cooperation with non-government organizations and private sector towards combating corruption;
- cooperation with state authorities related to the corruption reports that Directorate receives from the citizens and other subjects;
- proposing to Government the adoption and implementation of European and other anti-corruption international standards and instruments;
- monitoring the implementation of recommendations of GRECO (Group of States of the Council of Europe against corruption);
- the coordination of activities that arise from the applying of UN Convention against corruption;
- performing other activities that arise from the membership in Stability Pact for the South-Eastern Europe and other international organizations and institutions, and,
- other activities delegated to its competence.

The Ministry of Finance is the supervising body regarding the legality and efficiency of the Directorate's work.

DIRECTOR		
SECTOR FOR PROMOTIONAL AND PREVENTIVE ACTIVITIES	DEPARTMENT FOR INTERNATIONAL COOPERATION	GENERAL AFFAIRS AND FINANCE SERVICE



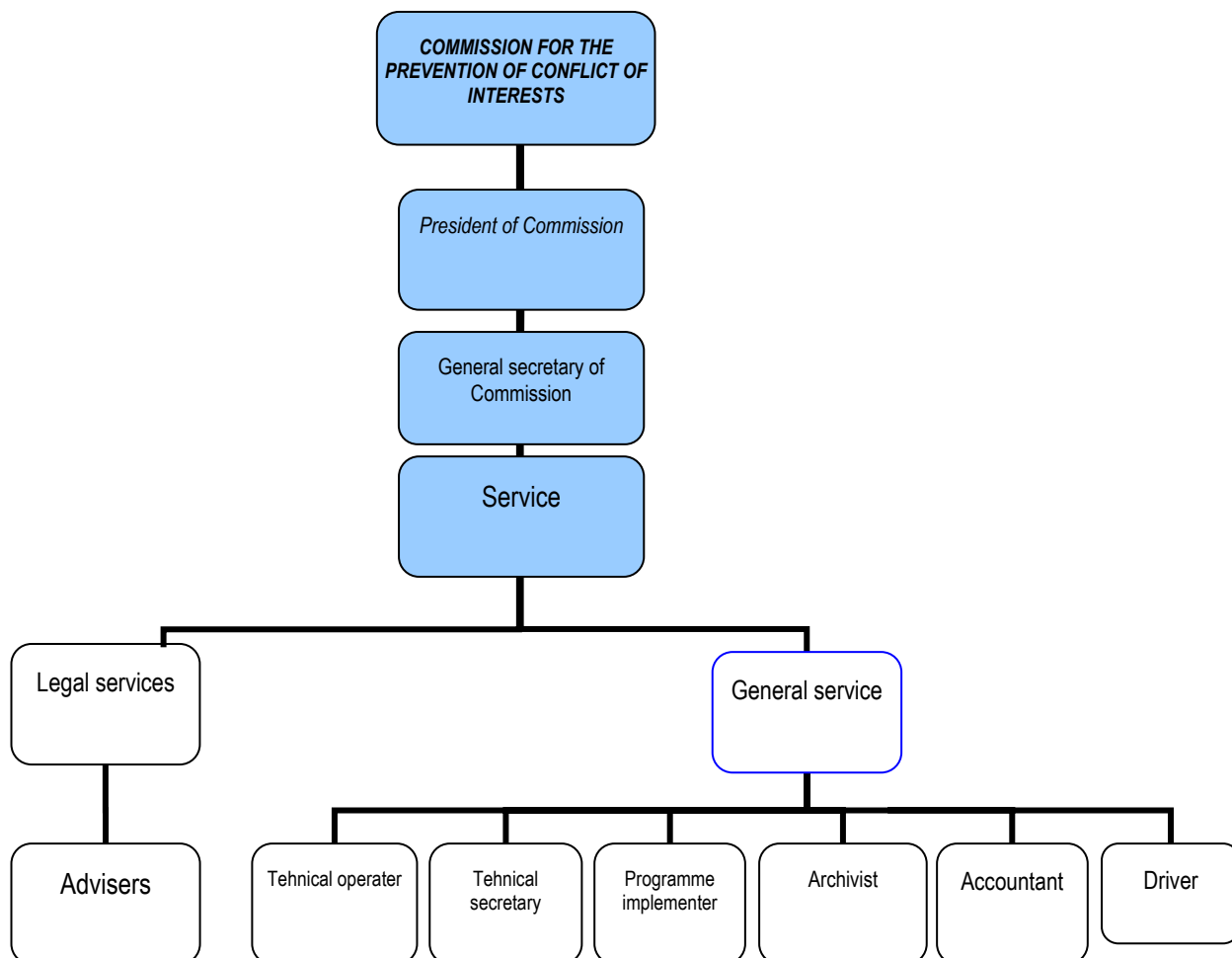
Deputy director	Head of the department	Head of the department
Senior advisor II	Senior advisor II	Civil servant IV
Senior advisor II	Senior advisor III	Civil servant IV
Senior advisor II		
Senior advisor II		
Senior advisor II		
Senior advisor III		
Senior advisor III		
Senior advisor II		
Senior advisor II		

The Directorate for Anti- Corruption Initiative participates in the education sessions of the Commission for the Prevention of Conflict of Interests, dedicated to the public officials at the national and local level aimed at preventing the conflict of interests. Also, the Directorate via its regular education sessions promotes new institutes in the Law on Prevention of the Conflict of Interests such as “pantouflage”, value of gifts, etc.

The Parliament elects the Commission for Prevention of Conflict of Interest as an independent body. A Chairman and six members are elected for a period of 5 years and may not be members of bodies of political parties. The Commission submits an annual report on the work of the Assembly of Montenegro. The Commission provides opinions and decisions of the existence of a conflict of interest. The opinions are binding for the public officials. Treatment contrary to regulations is considered to be a violation of the Law on prevention of conflict of interest and other related regulations. Proceedings before the Commission can be initiated by the Commission on its own initiative, by a government authority in which a public official performs or has exercised a public function, by the bodies responsible for the selection and appointment of public officials, other state bodies or bodies of the municipalities, other legal or physical persons (Article 24 of the Law and Rules Article 18). The aim is to record the property of state public officials and his family at the beginning and at the end of the mandate. The Commission has an active cooperation with the National Commission for the implementation of the Program of fight against corruption and organised crime, especially in promoting the new strategy and Action Plan.

**Pursuant to the Law on the Prevention of Conflict of Interest, the Commission has competencies of:**

1. conducting the procedure and making decisions regarding violation of this Law;
2. giving its opinion on the existence of a conflict of interests;
3. establishing the value of the gift referred;
4. passing rules and rules of procedure for the operation of the Commission,
5. giving its opinion on draft laws, other regulations and general acts, if the Commission considers it necessary for the purposes of preventing conflict of interests;
6. launching the initiative for changes and amendments to the laws, other regulations and general acts for the purposes of their alignment with European and other international standards in the field of anti-corruption initiative and transparency of business operations;
7. submitting a request for initiating misdemeanour procedure;



The Commission has not yet adopted a new Regulation on Internal Organisation and Systematisation.

#### **ANNEX IV Reference to laws, regulations and strategic documents:**

Montenegro in the recent few years has adopted all relevant laws regarding prevention and suppression of corruption. In this framework are the Law on Public Procurement, Law on Prevention of the Conflict of Interests, Law on the Prevention of Money Laundering and Terrorism Financing, Law on State Auditors Institution, Law on the Protector of human rights and freedoms, Criminal Code, Criminal Procedure Code, etc. The anti-corruption legislative framework will be completed with the adoption of the legislation on integrity in the public sector.

One of 309 measures in the Innovated Action plan (IAP) which is the national strategic document in the area of fight against corruption, within the part *Political and International Obligation to Act*, refers to the drafting process of the Legislation on integrity in the public sector in Public Sector during 2009. Also, the IAP envisages the obligations to educate the public officials, NGOs and media with regard to the implementation of the Law on Prevention of the Conflict of Interests and efficient monitoring of this implementation.

#### **ANNEX V: Details per EU-funded contract (\*) where applicable:**

IPA resources will be used for one twinning contract. In addition there will be 2 service contracts funded from the national co-financing.

Contract number	Type of contract	Amount in EUR	Number of the activity or activities financed by the contract	Source of financing
Contract 1	Twinning	700,000	1.1; 2.1; 2.3; 2.4; 2.5; 2.6; 2.7; 3.1;3.3; 4.1; 4.2; 5.2; 5.3; 5.4; 5.5; 5.6; 5.7	IPA
Contract 2	service	25,000	2.2, 5.1	National co-financing
Contract 3	service	12,000	3.2	National co-financing

Under the twinning contract experts will be engaged to support the implementation of the legislation on integrity in the public sector in terms of: producing necessary procedural guidelines and the template of integrity plan; strengthening DACI's capacities, as the state body responsible for the implementation of provisions regarding both integrity and lobbying, as well as all public sector bodies, to which the Law applies; designing comprehensive educational and

promotional activities regarding this Law. The second component refers to the conflict of interest and main activities are devoted to a revision of the recently approved law and the provision of training for public employees.

#### Profile of the Resident Twinning Advisor (RTA)

- a) A legal expert with at least eight years of professional experience, including some experience in the key areas set forth in the logical framework matrix
- b) Sound knowledge of EU standards on those issues
- c) Strong written, oral and inter-personal communication skills
- d) Excellent oral and written English
- e) Knowledge of one of the languages from the region will be an asset
- f) Experience in managing teams and strong organisational skills
- g) Experience in similar technical assistance or Twinning assignments in third countries will be considered an asset

In addition to the RTA, the Member State Partner (MSP) must have quick and flexible access to a pool of short-term experts from the EU MS. These experts shall either work as advisors and trainers or perform specific studies or assignments within the scope of the twinning project. Experts engaged in the project should have previous experience in the capacity building programmes, and should have thorough understanding of the issues pertinent to the conflict of interest. Moreover, experts should have extensive knowledge of the applicable international conventions in this regard. Knowledge of one of the languages from the region will be an asset.

#### Profile of short-term experts:

- a) University degree in Law, or other social sciences
- b) Minimum of 5 years theoretical and practical experience in implementation of integrity plans/lobbying provisions
- c) Experience in similar technical assistance assignments in the country with similar legislative framework as Montenegro will be considered an asset
- d) Good written and oral command of English
- e) Knowledge of one of the languages from the region will be an asset

The beneficiary shall establish a steering committee with a large representation of the stakeholders, including civil society and non-governmental organisations with observer status.