Montenegro

by Jovana Marović

Capital: Podgorica
Population: 0.62 million
GNI/capita, PPP: US$15,250

Source: World Bank World Development Indicators.

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

As a candidate for European Union (EU) membership since 2010, Montenegro has recorded gradual steps toward transformation and democratization. Progress has taken place mostly at the level of legislation, however, and institutions are still too weak in practice to cope with widespread corruption, a fragile economy, and, above all, political pressure from authorities that have remained untouchable for a quarter century. Abuse of power, misuse of public resources for party purposes, and excessive employment within the public administration remain common issues.

In 2015, Montenegro’s EU accession negotiations continued, with modest progress in crucial areas relating to the rule of law and fundamental rights and the opening of four new negotiating chapters. At year’s end, 22 chapters had been opened out of the 35 needed for accession, but a persistent lack of results in practice and sluggish modernization of the administration, which is still highly politicized, are slowing down the pace of reform. The process also suffers from a lack of transparency caused by a change in the negotiating structure and establishment of the Rule of Law Council, which consists of state authorities and whose sittings are closed. The lack of public access to European Commission (EC) opinions on key legislation and reports from its expert missions also contributes to the opacity of the process.

Montenegro took action to strengthen the legislative framework and establish new institutions to fight corruption, but several anomalies surrounded these measures. During the summer, a new Agency for Prevention of Corruption was established in line with previously adopted laws. The director of the new agency, however, was criticized for alleged close ties to the vice president of the ruling Democratic Party of Socialists (DPS), and a civil sector candidate’s appointment was blocked. Additionally, while the legal framework prescribes enhanced criteria for the appointment of prosecutors, the public was unable to review the professional qualifications of new appointees due to claims of personal data protection. Investigations into high-level corruption and organized crime have generated substantial public attention, but the year did not see any final judgments.

Although 2015 was not an election year, it was turbulent in terms of intraparty dynamics. Four parties—the Social Democratic Party of Montenegro (SDP), Socialist People’s Party of Montenegro (SNP), Democratic Front (DF), and Positive Montenegro—experienced splits, and four new parties—the Social Democrats of Montenegro, Democrats of Montenegro, DEMOS, and United Reform Action (URA)—were formed. A crisis in the ruling coalition of DPS and SDP culminated in July, when Prime Minister Milo Đukanović of DPS refused to dismiss two ministers despite calls from the SDP board. The ministers then sided with SDP leader Ranko Krivokapić’s rival during elections for party leader, a division that led to the establishment of a new party. After the split, Krivokapić said the government would become “technocratic,” with his party remaining part of the coalition until a decision is made on the country’s application to the North Atlantic Treaty Organization (NATO).

The opposition DF organized protests in September and October calling for free and fair elections and the establishment of an interim government involving all political parties. According to DPS, however, the central aim of the protests was to prevent an invitation from NATO. Earlier, in July, DF deputies refused to participate in the work of a newly formed committee that would monitor the implementation of electoral legislation because the committee had rejected their requests. The fall protests, which shook the Montenegrin public, were marked by an absence of clearly articulated demands by the opposition, and an excessive use of force against protesters and abuse of power by the authorities. There were attacks on the media, and the intensifying atmosphere of intimidation and censorship during the protests continued after their conclusion. During the year, there were 16 new attacks against journalists, with no progress in resolving previous cases.

As expected, Montenegro received an invitation to join NATO on December 2. While there were positive signs throughout the year that an invitation would be extended to the country, part of the opposition argued that the question should be put to a referendum. The political division around accession is based on the so-called referendum bloc: almost 90 percent of opposition parties that opposed
Montenegro’s independence are now against joining NATO. Opposition politicians insist on holding a referendum because opinion polls usually show less than 50-percent support for NATO accession.

Numerous problems, ranging from large financial debts to surplus employees, continue to burden local governments. Violations of public procurement procedures, problems with concessions contracting, and misuse of public resources are common issues at the local level. The poor financial situation has spurred most municipalities to take out new loans.

Changes:
- **Local Democratic Governance rating declined from 3.25 to 3.50** due to the chaotic financial situation of local governments, their high dependence on the central level, the continuing increase in number of local government employees, and pervasive violations of the law.

As a result, **Montenegro’s Democracy Score declined from 3.89 to 3.93.**

**Outlook for 2016:** Next year, Montenegro will hold regularly scheduled parliamentary elections. A series of activities intended to build trust in the process and establish a political dialogue, as well as conditions necessary for full implementation of electoral legislation, will precede the polls. With a vote of no confidence scheduled for early 2016, parliamentary parties are expected to switch around their political allegiances. The government will have to undertake a series of measures to stabilize the economy and reduce the total number of employees within the public administration. The consolidation of finances at the local level is expected to pose a particular challenge in this regard.
**MAIN REPORT**

**National Democratic Governance**

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- Splits within four political parties and the emergence of four new parties in 2015 roiled Montenegro’s political scene. The shakeup began in February when the opposition Socialist People’s Party (SNP) split following the resignation of Aleksa Bećić, a modernizer who had competed for leadership of the party but eventually fell into disfavor. Bećić went on to form the new Democrats of Montenegro party in April alongside a group of SNP members. In March, Miodrag Lekić, leader of the opposition coalition Democratic Front (DF), and Goran Danilović, vice president of coalition partner New Serb Democracy (NOVA), left DF and helped to form DEMOS in April. The smallest coalition partner, the Social Democratic Party of Montenegro (SDP), split in June after Ivan Brajović and Vujica Lazović, two of its eight members of parliament (MPs), left the party to form the Social Democrats of Montenegro (SD CG). Finally, Dritan Abazović, one of the MPs who left Positive Montenegro during its split in 2014, joined the newly founded United Reform Action (URA). These new parties emerged onto an already complicated political landscape with 43 politically active parties, functioning often along blurred ideological lines. It is unclear how much they will be able to distinguish themselves from their predecessors in practice.¹

- The ruling Democratic Party of Socialists of Montenegro (DPS) enjoyed continuous support during the year, polling around 45 percent, while the newly formed DEMOS party ended up the second most popular party by December, with 13-percent support.² In July, Prime Minister Milo Đukanović refused to dismiss two ministers who had formed a new party after a split within SDP,³ which led to a crisis in the governing coalition. After SDP leader Ranko Krivokapić said that the government would continue as caretaker until an invitation from the North Atlantic Treaty Organization (NATO), Đukanović in December announced that he will initiate a vote of no confidence.⁴ At year’s end, all eyes were on the Positive Montenegro party, which had been growing closer to Đukanović’s DPS and announced that it would provide the missing support.⁵

- Following positive signs during the year, NATO extended Montenegro an invitation to join the alliance on December 2. Several opposition parties were against membership, with protests organized by DF taking place in September and October. Although DF leaders identified the official reasons behind the protests as the fight for free and fair elections and formation of an interim government—not objections to NATO integration—the ruling DPS still portrayed the protests as an attack on the country’s independence and an attempt to undermine its invitation for NATO membership.⁶ During the protests, organizers from DF struggled to articulate political demands and define the wider social significance of the protests in relation to centralized power structures. Moreover, excessive use of force and abuse of authority by the police as it arrested demonstrators and journalists sparked public outcry both domestically and abroad, with calls for investigations. Especially prominent was the case of Miodrag Martinović, who was brutally beaten by more than 20 police officers in October while his car was destroyed.⁷

- Montenegro opened four new chapters⁸ in the negotiations for European Union (EU) membership in 2015, but progress in chapters related to rule of law and fundamental rights came only in fits and starts. As of year’s end, Montenegro had 22 chapters open out of 35 and 2 temporarily closed. Experts argue that the structure of negotiations has become less transparent since the July 2014 establishment of the Rule of Law Council, which is tasked with overseeing Chapters 23 and 24—Judiciary and Fundamental Rights; and Justice, Freedom and Security, respectively.⁹ The European Commission (EC) itself contributes to the lack of transparency by withholding some reports from expert missions.
or comments on legislation; this hinders the preparation of public policy by giving interested parties no possibility for effective participation.

- Public administration reform stalled, especially in the areas of depoliticization and downsizing. Although work on a new strategic document started in June, the current pace of preparation shows a lack of constructive attitude toward stakeholder proposals. A report after the September public hearing included only proposals that the responsible ministries deemed acceptable, while the final roundtable was attended by invitation only. Moreover, the final document is not in line with citizen needs, and some of the suggested changes to the evaluation process remained unaddressed. Although additional public consultations were organized in December, Montenegro has yet to significantly improve the strategic document for public administration reform.

- High-level staff members in state administration continue to be politically active, although the Law on Civil Servants and State Employees prohibits such practice. This is a major topic of discussion for local nongovernmental organizations (NGOs), but it is unclear whether the working group formed in September will address the issue as it prepares legislative changes.

- The State Audit Institution (SAI) continues to be the sole positive example of control over the executive, despite its limited administrative and financial capacity, incomplete composition of its senate, and low level of implemented recommendations. During the year, SAI initiated important audits, such as the inspection of the concession contracts register in May and funds used for the professional rehabilitation and employment of people with disabilities in October. Findings show that since 2009, the state has shifted over €34.5 million (approximately $40 million) allocated in the budget for the latter purpose to other projects.

- According to official data from the Statistical Office of Montenegro, the unemployment rate was 14.6 percent in September, which is higher than the overall average for the period 2002–15. The annual inflation rate was 1.9 percent, while the average gross salary in July was 0.8 percent higher than in the same period last year.

### Electoral Process

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- A 2014 report by the Council of Europe’s Group of States against Corruption (GRECO) criticized several irregularities in Montenegro’s electoral practices, including increased budgetary spending during campaigns in part to hire new employees to the already burdened state apparatus. It also highlighted Montenegro’s lack of progress in preventing misuse of public resources or creating adequate conditions for genuinely free and fair elections.

- In July, the parliament established a committee to monitor implementation of laws and regulations aimed at building public trust in the electoral process. These include laws on the election of Montenegro’s representatives, voter lists, political party financing, and election campaigns, as well as Criminal Code provisions on election law violations. The opposition DF refused to participate in the work of the committee since the parliament had rejected its proposals for removing citizens living abroad from the electoral lists in July.

- DF then announced protests as the “only form of political battle against the numerous corruption scandals and election irregularities that impaired conditions for a fair political fight.” The protest organizers called for the formation of an interim government followed by early parliamentary elections, the “first free and fair elections ever held in the country.” After police broke up the protests for the first time in October, the ruling DPS urged for political dialogue on the electoral process and said it was ready to call an election after receiving an invitation from NATO. The continuation of the protests, however, led the government to abandon the idea.

- Politicians initiated a new round of talks to overcome the political crisis in late November.
Representatives from all political parties except DF, as well as Dukanović and Mitja Drobnič, head of the EU Delegation to Montenegro, participated. The opposition insisted on the presence of EU representatives, while the government maintained that the dialogue should have an internal character. Participants in the meeting agreed to form a working group with a mandate to address electoral legislation, abuse of state resources, and the role of the media, but the group had not made significant changes by year’s end.21

- Independent experts continue to point to problems in implementing the 2014 election legislation,22 as verification of voter residence information has yet to be completed. In addition, the process for establishing electronic voter identification suffered delays. The first 300 electronic voter ID devices arrived in November, with the remaining 900 expected to arrive in 2016.23 The State Election Commission still lacks effective capacity to control political party financing. There is little hope that the 2016 parliamentary elections will remove the aforementioned issues without proper monitoring mechanisms.24

### Civil Society

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- Montenegro’s poor institutional framework and financing for nongovernmental organizations (NGOs) remains a significant obstacle to civil sector sustainability. Amendments to the Law on Nongovernmental Organizations were put to a public hearing in September. A significant number of NGOs, led by the coalition “By cooperation towards a goal,” proposed the allocation of 0.5–1.5 percent of the state budget for NGO financing, but the hearing rejected the suggestion, arguing that it is not in line with the draft law that aims to finance the sector based on its needs.25 According to the draft, the government, at the proposal of relevant ministries, determines the priority areas for funding of NGO projects and programs each year, and thereby also defines the scope of projects.

- With the new legal framework defined, work on regulating state co-financed projects began. There has been no shift, however, toward decentralized and transparent state funding of NGO projects. In May, the government appointed a new committee for the allocation of lottery revenue, a source of funding for the sector, but the allocated €2,819,637 (approximately $3.2 million) was issued on the basis of previously established criteria, and within a limited number of areas.26

- Progovernment media continued smear campaigns against prominent civil society representatives. The NGO sector condemned the constant and unfounded attacks, filing criminal charges against the outlets and launching a number of important joint initiatives to counter the harassment. In March, Human Rights Action (HRA) filed a lawsuit against TV Pink due to “false and offensive allegations placed in January and February in its news program.”27 TV Pink had called for the imprisonment of HRA director Tea Prelević. In a separate case, the Basic Court of Podgorica dismissed Prelević’s complaint against the tabloid Informer in April, ruling that as a public figure she must regard criticism with a higher level of tolerance.28

- The Centre of Security Policy canceled the Niksic Academic Walk of Pride scheduled for September 18 due to an increased “security risk and danger of violence.”29 Shortly thereafter, the organizers of Montenegro Pride decided to postpone the 2015 parade because of “political and party dynamics.”30 The parade eventually took place on December 13 and was attended by the mayor of Podgorica, the minister for human and minority rights, and numerous representatives of the diplomatic corps.31 No violent incidents took place.

- An alleged nontransparent allocation of land and tax exemptions for the construction of a civil society building in Podgorica spurred strong criticism from a number of groups. The Civil Society House is a project of three NGOs—Center for Democratic Transition (CDT), Civic Alliance, and Fund for Active Citizenship (FAKT)—and the Rockefeller Foundation, which agreed to build office
and conference space for NGOs. Several organizations claimed that conditions were unfair for NGOs that could not compete with and implement similar projects. Many also argued that the state had no legal basis to grant the NGOs land in the capital. A September agreement between the government and the organizations involved did not specify under which conditions the building would be available for use by other NGOs, prompting worries that not everyone in the civil sector would benefit from its construction.  

- The role of civil society in public policymaking is still limited due to selective availability of important documents and information, incomplete reports from public hearings, and failure to include civil society representatives in the monitoring of strategic reform documents. The Council for the Development of NGOs, a governmental body consisting of an equal number of representatives from government and civil society, has had very limited impact due to lack of government responsiveness.

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- The Montenegrin media landscape features a national public radio and television (RTCG); 14 public and 37 private radio stations with local coverage; three local television services; and four private television broadcasting services with national reach. In addition, there are five daily newspapers, a news agency, and several online news portals and weekly magazines.

- Attacks on independent media, including vandalism of vehicles, continued to be an issue, with at least 16 attacks registered in 2015. Infringement of freedom of expression as well as violence escalated further during the October protests, with public threats to editors on social media and arrests of journalists while simply performing their professional duties. The independent media was not targeted exclusively—protesters stoned the headquarters of the progovernment station TV Pink as well. EU representatives and the diplomatic corps in Montenegro called on state institutions to investigate the incidents but with few results. Late in the year, DPS leader Mirko Đraganić received a court sentence of three months in prison for making threats to Marijana Bojanić, director of TV Vijesti, on social media.

- There was no progress in sanctioning attacks on the media. In early November, the prosecution closed an eight-year investigation into the brutal beating of journalist Tufik Softić without results. Softić has been under constant police protection since February 2014, and his beating continues to negatively affect media freedom. Many other cases came to similar conclusions. In Kolašin, the case of Zorica Bulatović, a reporter whose windshield was shattered in May, was closed after only three weeks without determining the offender. Faced with threats, attacks, and other forms of intimidation that hinder their work, journalists are burdened by the constant fear of reprisals and feel pressured to find more secure employment. Such patterns cause the decline of professional standards, forcing media outlets to hire less experienced staff.

- A commission was tasked with monitoring investigations into intimidation and violence against journalists, but in June, the Agency for Personal Data Protection and Free Access to Information blocked access to the personal data of people covered by the investigation. The agency stated that the Police Directorate should not provide information on these cases to the commission, and decided that access to personal data should be permitted only in cases of an indictment or prosecution.

- In August, the Ombudsman and the Ministry of Human and Minority Rights strongly condemned an opinion piece titled “Rules of a Brothel” written by editor-in-chief of the daily Vijesti, Željko Ivanović. They argued that the article insulted female journalists from the public broadcaster RTCG and the leader of the opposition SNP. NGO activists criticized state institution reactions as one-
sided, noting that they remained silent when progovernment media relentlessly campaigned against NGO activists.

- Independent media continued to struggle with funding, while the government put financial support behind select outlets. The account of privately owned Vijesti television was blocked in 2015 because of tax debts. The state supported €2.4 million ($2.76 million) in RTCG projects in 2014, and, according to a recently published study from the Centre for Civic Education, the government took responsibility for €2.8 million ($3.2 million) that then state-owned daily Pobjeda owed in taxes and salaries, while it reallocated only minor funds to independent media projects.\textsuperscript{45}

Local Democratic Governance

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- At the end of 2014, the total debt of Montenegro’s 23 municipalities amounted to €166.94 million ($191.75 million), or 4.92 percent of the estimated gross domestic product (GDP), down from 5.13 percent at the end of 2013.\textsuperscript{46} Despite its significant financial problems, the country has not made progress in reducing the ranks of government employees at the local level. The staff rolls have increased by more than 1,200 in the last two years despite announcements that the numbers would be rationalized in accordance with previously established quotas.\textsuperscript{47} As a result, Montenegrin municipalities are left with over 2,000 redundant employees.\textsuperscript{48}

- No municipality has adopted a plan to reduce its number of employees or performed an analysis to determine its optimum number, even though they are required to do so by the end of 2014. Moreover, the Ministry of Finance restricted access in July to the most recent report on the state of public finances at the local level, which includes relevant data on the state’s total number of employees.\textsuperscript{49} Because of inaction and lack of access to data, it is possible that the number of employees has increased even further.

- Municipalities continue to violate the Law on Public Procurement while contracting goods and services. Excessive use of nontransparent procedures and unrealistic planning are just a few of the problems identified by local organizations. Thirteen municipalities have violated the legal norm for use of direct agreement in procurement of goods, led by the Andrijevica municipality with 90.98 percent use of direct agreement.\textsuperscript{50} The law provides a maximum of 10 percent for this procedure.\textsuperscript{51} Moreover, a recent poll shows that one in two respondents believes public procurements are carried out in accordance with political influence.\textsuperscript{52}

- SAI continued to perform only one local budget audit annually, and this year selected Budva municipality. The report highlighted abuses of benefits by municipal officials, including nonpayment of mobile phone bills, misuse of official vehicles, unrealistic planning of public procurements, and incomplete recording of assets. The report also noted that paying employees for overtime was often carried out on the basis of ad hoc, nontransparent municipal regulations instead of in accordance with applicable law.\textsuperscript{53}

- In May, SAI expressed concerns about the compliance of the register of concessions with the Law on Concessions, noting a number of irregularities in the way the records are kept. The report states that local authorities in Podgorica and the old royal capital Cetinje neither brought forward annual plans for granting concessions nor executed the agreements on concessions.\textsuperscript{54}

- Due to its multimillion-euro debts, creditors blocked the budget account of the Kolašin municipality, leading to an employee strike lasting several months.\textsuperscript{55} In July, the parliamentary Committee on Economy, Finance, and Budget rejected SDP’s proposal to amend a budget bill that would provide €107 million ($123 million) to municipalities that use money from the Equalization Fund. The fund was established to improve financial conditions in less developed municipalities. Under the bill, €7 million ($8 million) would be directed to the Kolašin municipality to refinance debts and unblock its
account. The government did, however, support the proposal in October, guaranteeing financing to Bijelo Polje, Kolašin, and Cetinje.

- In June, the government awarded conditional grants from the state budget to seven municipalities: Bar, Berane, Danilovgrad, Mojkovac, Kolašin, Kotor, and Podgorica. The grants were awarded transparently and amounted to a total of €198,000 ($227,470), ranging from €5,336 ($6,070) for Mojkovac to €59,233 ($67,386) for Danilovgrad. Conditional grants are state transfers to local governments for financing special-interest investment projects, mainly projects funded by the EU under the grant program for development of local governments.

Judicial Framework and Independence

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- In June, the Prosecution Council appointed the special prosecutor and eight prosecutors who make up the core of the Special Public Prosecutor’s Office established in February to combat corruption and organized crime. The public call to fill two remaining places had yet to be announced at year’s end. The selection procedure was accompanied by a call to investigate allegations against candidate Mišivoje Katnić for involvement in war crimes. The Interior Ministry eventually named Katnić special prosecutor without issuing an explanation about the allegations. The public was also prohibited from reviewing the professional qualifications of the selected prosecutors on the grounds of protecting the candidates’ personal data, even though the law clearly outlines criteria for ranking and selecting candidates.

- During the year, the government adopted new legislation to compensate victims of crime, arbitration, and litigation, as well as laws on the State and Special State Prosecutor’s Offices. However, the new provisions that foresee the general reelection of state prosecutors do not adequately assess their prior professional performance. According to the 2015 EC Progress Report, strengthening the judiciary’s independence and professionalism through full implementation of the new recruitment, appraisal, and promotion systems, alongside the reduction of trial length and number of pending cases, remain top priorities.

- In February, Montenegro adopted the Law on the Constitutional Court, which, among other things, established the institution’s financial independence. With the Law on Courts entering into force in March, the Commercial Court in Bijelo Polje was abolished, while the court based in Podgorica took over its jurisdiction and cases. This is intended to allow courts to better share information.

- Based on data published in July by the Center for Democratic Transition, the prosecution has been vastly more proactive in disclosing information about its activities. The prosecution published 99 percent of its data in 2015, compared to 4 percent in 2014. The data included in this study incorporates a set of documents that state bodies are required to publish based on the Law on Free Access to Information, including work plans, reports on the work, and lists of civil servants. After the NGO Institut Alternativa submitted an initiative for the proactive publishing of criminal charges in November 2014, the prosecution made brief summaries available on its website. An announcement in April that “significant” trials will be audio recorded indicated a move toward greater transparency in courtrooms, as well.

- In practice, however, prosecutorial results are still not satisfactorily available to the public. Five NGOs submitted another request for information to the prosecution to determine what had been done with the eight SAI reports referred earlier for further investigation. Only after this initiative was made public did the prosecution state that investigative actions had been carried out for each of the cases but that most were dismissed and no charges were brought.

- The deputy prime minister chairs the council that monitors the judicial reform strategy, and its additional nine members come from the prosecution, courts, professional associations, and the Ministry of Justice. The council, however, is closed to civil society representatives who would be able
to contribute to a more impartial evaluation of implementation. The October annual report covering the period through July showed a very low level of reform implementation (24 percent), and indicated that more than half of the measures are in “continuous realization.”

- Problems with cooperation between police and prosecutors came to the fore once again when the prosecution disclosed it had not received information on the Martinović case requested from police.

**Corruption**

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- During the year, work continued toward completing the legal and institutional framework to combat corruption in Montenegro. The government adopted anticorruption legislation, including laws on the State and Special State Prosecutor’s Office, in February and amendments to the Criminal Procedure Code in July. Also in February, a new Law on Courts placed a special division of the High Court in Podgorica in charge of organized crime, high-level corruption, money laundering, terrorism, and war crimes.

- In the summer, council members and a director were appointed to the Agency for the Prevention of Corruption, with plans for the agency to start work by January 2016. The council and director will be the agency’s executive bodies. The council makeup drew public criticism, mainly due to the selection of an auditor as a member despite a legal ban, as well as the blocking of an independent candidate. Moreover, Sreten Radonjić, the new agency director, allegedly has close ties to the vice president of the ruling DPS.

- Despite significant problems associated with lack of access to information and documents on government actions, the government decided to prepare only semiannual reports (rather than quarterly as before) on the implementation of its anticorruption measures. This change will hinder the government’s ability to communicate results to the public.

- The prosecution yielded thin results during the first half of 2015. The appointment of a new special prosecutor, however, marked the launch of hearings in several “big cases” that had been the subject of long-term investigative actions. But most of the current cases of abuse of office did not reach a resolution in 2015. Although courts made a conviction in the Zavala case against the former mayor of Budva municipality, the judgment was not yet final at year’s end. The mayor of Budva and his deputy were charged with abuse of office to obtain benefits for the private company Zavala Invest. Hearings also began in three new affairs, Auto-moto, TQ Plaza, and Vještica against the same and associated employees in Budva. In September, the High Court of Podgorica reached a verdict in the Košljun trial, sentencing the former president of Budva municipality to six years in prison for abuse of office surrounding the sale of municipal land, while two of his associates received six months and one was acquitted.

- In addition to the Budva cases, new investigations began in September against Žarko Pavićević, former mayor of Bar municipality. He is accused of abuse of office over a longer period of time, draining the local budget of almost €3 million ($3.42 million). Moreover, after several years, the investigation of the former Crnogorski Telekom director Oleg Obradović and board member Miodrag Ivanović, who are suspected of illegally obtaining more than €2 million during the company’s privatization, began in November.

- In April, after citizens filed an application based on SAI’s negative findings on Cetinje municipality operations, the deputy public prosecutor initiated a hearing in the case against mayor Aleksandar Bogdanović and his associates, but little information about the investigation had been reported by year’s end.

- The past year brought no progress in regulating areas at high risk for corruption, such as public-private partnerships and concessions. Although the Ministry of Finance put a public-private
partnership legal framework proposal to a public hearing in March, it has yet to solve a single key issue among the problems contributing to years of disorganization in this area. Poor payment of concession fees has already depleted the budget of close to €20 million ($22.8 million). In May 2014, SAI indicated that public contracts in Montenegro are repeatedly awarded to concessionaires who do not meet their contractual obligations. In 2015, the Commission for Concessions, which is responsible for registering complaints on concessionary procedures and updating the register of awarded concessions, did not publish its report on the previous year, and its website had not been operational for over a year.

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