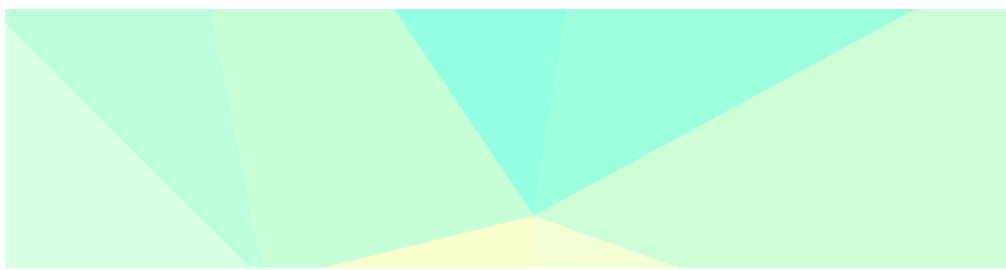




THE PRICE OF FIGHT AGAINST CORRUPTION

Podgorica, 14 March 2016.





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The Price of Fight Against Corruption

Introduction – why should we analyse the expenses?

The most common definition of corruption is created by the Transparency International and reads that it represents “abuse of entrusted power for private gain”.¹ Others define it as „symptoms and outcomes of institutional weakness, with potentially negative effects to state economic performances.”²

Many studies showed that corruption discourages investments, limits economic growth and changes structure of the budget expenses, most often damaging economic growth.³ Limiting economic growth, increasing social inequality and creating negative forms of behaviour and distorted system of values – are only few basic out of many corruption consequences, mentioned by many studies. Bearing this in mind, when we fight against corruption, one of the main goals is to decrease negative consequences of corruption, i.e. to prevent negative economic growth, illicit enrichment, possible direct damage to enterprises and state budget, decrease social inequalities and influence raising awareness about the noxiousness of corruption and decrease readiness of citizens to use it.

Taking into account the fact that Montenegro, led by the priorities of the Euro-Atlantic integrations, during the past several years, invested significant sum of money in the anti-corruption policies development and implementation, we have decided to analyse these policies on the basis of their project investment and its justification. Hence, this study aims at answering following questions:

- What is the annual investment sum for fight against corruption in Montenegro?
- How efficient is the fight against corruption, i.e. what is the return value that we receive out of these investments?
- Could we expect for improved results regarding the return value, based on the increased investing in the fight against corruption?

Corruption is a hardly measurable phenomenon, and impact of corruption on the economic growth and business environment is subject to numerous research and analysis, and we will only mention some, throughout this paper. Some forms of corruption are possible to precisely measure, such as real-life citizens’ corruption experiences and state budget expenses as an outcome of corruption in the public procurement sector (via implementation of the System of Following State Budget Funds to Final Users - PETS). Other consequences, such as effects of nepotism or cases of big corruption, are quite difficult to assess.⁴ Thus, economic effects of the anti-corruption policies are hard to measure. Bearing this in mind, we considered of utmost importance to clearly outline methodological boundaries and limitations of the scope of our study.

In the first part of the study, we analyse methodological limitations, and explain which institutions have been covered and to what extent.

1 <http://www.transparency.org/what-is-corruption/>

2 Mehmet Ugur, NadiniNasgupta: „Evidence on Economic Growth Impacts of corruption in low income countries and beyond“

3 Paolo Mauro: “Why Worry About Corruption?” IMF, 1997, str 2

4 Evidence paper: „Why corruption matters: understanding causes, effects and how to address them“ str. 80, UKAID, januar 2015

The second part of the study, we describe state investments in fight against, which include cash outflow from the state budget, human capital, and also authorities given to the institutions. We have compared the investing in 2015 and 2016, due to the change of institutional framework, which envisages establishing of new Prosecutor's Office, in charge of fight against corruption and organised crime, and Anti-Corruption Agency.

The third part of the study is focused on describing results in fight against corruption, expressed in measurable indicators – financial fines charged, remuneration for injured parties, decreased inequality, decrease in citizens' readiness to participate in acts of corruption, and in per cent of economic growth which can be attributed to fight against corruption, and causal connection between investing in fight against corruption and improvement of perception of domestic and foreign investors, who intend to do business in Montenegro.

The fourth part we compare investing in anti-corruption institutions among the countries of the region and their results. Furthermore, we analysed the differences which can affect improvement of efficiency, whilst in the fifth part of the study we present evaluation of efficiency of investments made in fights against corruption. At the end of the study we presented recommendations for advancing return value.

1. Methodological limitations

As it was mentioned above, investing in anti-corruption policies, as well as their concrete results are a very wide area, which is not possible to cover as a whole. For the needs of this study, it is necessary to set clear boundaries of what is considered to be state investment in anti-corruption, as well as a concrete definition of what is considered to be return value.

It is much easier to answer the first than the second question. However, it comes with certain limitations as well. Namely, investing in fight against corruption encompasses investments both in anti-corruption institutions and in institutions such as Tax Administration, institutions authorised to control public procurement, judiciary system etc. Additionally, investing in anti-corruption policies in Montenegro involve funds from the state budget, but also plentiful EU assistance in these issues. For the purposes of this study we decided to limit the research only to institutions which primary function is of anti-corruption character: Anti-corruption Agency in 2016 (for 2015 we used data of the Commission for Prevention of Conflict of Interest, Directorate for Anti-corruption Initiative and State Election Commission), State Audit Institution and Special Prosecutor's Office for corruption and organised crime. This was done for two key reasons:

- 1) Within other institutions, which have number of other competences, there are no specific budget units for fight against corruption, thus it is not possible to calculate which per cent of the budget is dedicated to these activities
- 2) These institutions implement set of key anti-corruption Laws and jointly have the competences: to initiate new legal solutions, to create strategic documents in this area, to launch administrative investigations and investigative acts in acts of corruption, and launching misdemeanour cases and criminal proceedings which should result in the imposition of fines or prison sentences.

It would come as very useful to extract the investments in courts which are ruling in the misde-

meanour and criminal cases of corruption. However, in judiciary system of Montenegro, there are no courts specialised for this type of crime. The Higher Court and his specialised departments for proceeding of organise crime cases and cases of corruption, terrorism and war crimes in Podgorica and Bijelo Polje, rules in cases with elements of corruption, according to the Act 18 of the Law on Courts. As corruption crimes, according to that Law, are recognised following cases: money laundering, infringement of the equality in conducting economic activity, abuse of monopolistic position, causing bankruptcy, causing fake bankruptcy, fake balance, abuse of assessment, disclosure of business secret, disclosure and abuse of stock market secret, bribing, taking bribe, etc. In the period of 2010 to 2015, as the study⁵ of the Centre for Democratic Analysis and Institute Alternative reads, specialised department for ruling in criminal cases of organised crime, corruption, terrorism and war crimes, brought verdict in 46 cases. Based on the responses of the analysed institutions, we concluded that information on these verdicts have not been sorted by the type of crime, and therefore it is not clear how many of them refer to corruption, and how many to organised crime and other crimes.

Furthermore, several institutions which are significant in fight against corruption have been omitted. Those are: Directorate for Public Procurement and Commission for Control of Public Procurement Process, Administration for Inspection Affairs, Administration for the Prevention of Money Laundering and Financing of Terrorism, Tax Administration and police, and for the reasons of numerous competences, which are not part of the scope of fight against corruption, and complicated expenses distribution allocated with this aim, as well as unclear incomes through ruled fines.

This study does not include incomes made through financial and other support to Montenegrin fight against corruption, of the European Union and other international partners. The reason for that decision is lack of exact data on projects financed by these institutions, funded by other states and international institutions, and because of lack of information about the financial value of twinning projects granted to Montenegro regarding this area.

Calculating efficiency and usefulness of anti-corruption policies is much more complicated. If the basic goal of the anti-corruption policy is to reduce harmful consequences, i.e. to prevent negative economic growth, reduce citizens' readiness to corrupt, reduce social inequality, influence raising awareness on harmfulness of corruption and reduce citizens' willingness to practice it, then it would be necessary to measure all these categories in order to show their level of success. Hence, economic benefit of anti-corruption policies has two sources: out of the damage refund and out of preventing the damage. Damage refund entails: confiscation and seizure of the property acquired through crime and effective management of that property, charging fines from crimes with elements of corruption,. Prevention of the occurrence of damage entails: charging fines for misdemeanour in the anti-corruption Law, prevention of negative economic growth, prevention of some enterprises closing or abuse of dominant position and monopoly in the market, inequality reduction and reduction of citizens' readiness to participate in acts of corruption. Additionally, to this group of prevention of corruption aftermath belongs increase of courage of individuals to report on any shortcomings which can point to existence of corruption, and when that reporting has as an aftermath thwart someone in making larger scale economic damage.

To calculate concrete financial income which has been harvested to the state budget as a result of implementation of anti-corruption laws, we used information acquired from the state authorities about initiated proceedings and imposed penalties.

5 *ibid*, str. 30.

In order to calculate reduction of citizens' readiness to corrupt, i.e. change of harmful behaviour patterns, we have used public opinion surveys conducted by CeMI in the period 2009 – 2014, and the corruption survey conducted by the Directorate for Anti-Corruption in 2015.

In calculating prevented damage/ drain caused by corruption for the economic growth, it was necessary to find adequate methodology. Namely, basic problems in measuring damage caused by corruption are: 1) different understanding of the term 'corruption'; 2) difference between perception and real prevalence of corruption; 3) gathering data from different surveys which show different results and 4) limited number of methodological solutions which can adequately show cause-effect relation between corruption and economic growth.⁶

Many authors tried to establish correlation between economic growth and corruption and their assessment on corruption damage range from 0.13% of negative economic growth (Dreher and Herzfeld, 2005), to 5% of negative growth (Haque and Kneller, 2008). For the purposes of this study we chose methodology created by Ugura and Nussupte, which was developed as a result of the widest and newest research in this field.

Majority of weighted and unweight estimates in empirical studies point out that corruption has negative direct and indirect influence on various aspects of economic growth including GDP as basic indicator used in majority of studies.

However, the studies differ significantly regarding method of estimation, data sourcing about corruption, measuring economic growth and number of indicators taken into account. That is the reason whz we have decided to use methods of UguranaNussupt (2011), who analysed 1002 studies from 43 countries. In their study they concluded that the direct corruption influence on economic growth in the low-income countries is relatively low and that corruption reduces economic growth 0.7% per one unit of increase in corruption index (or decrease of the clearness score). However, indirect negative influenc of corruption through public finances and human resourses is significantly higher, and so growth of index of corruption per 1 leads to reduction of economic growth per 0.52%. Hence, overall influence of corruption to GDP growth per capita in the low-income countries is -0.59% to the increase of corruption index per 1. They explain this as follows: increase of the corruption perception index per one unit is related to drop in economic growth per 0.59 per capita. For mid-income and high-income countries, i.e. countries with midd and high GDP, this percent is higher, 0.86%.⁷The authors concluded that, although the corruption is more present in the countries with lower growth rate, countries with mid and high level of economic growth get more out of fight against corruption.

As referren years we took 2015 and 2016, which provided us with opportunity to compare investments before and after change of institutional framework. Additionally, on basis of efficiency of earlier institutional framework (which has been altered and by number of amendments to legal framework in 2014 received same competences which are owned by the institutions within the new institutional framework, with slightly wider authority⁸), and increased investment in 2016, we tried to set estimated efficiency during 2016.

6 Evidence paper: „Why corruption matters: understanding causes, effects and how to address them“ str. 36, UKAID, januar 2015

7 Mehmet Ugur, NadiniNasgupta: „Evidence on Economic Growth Impacts of corruption in low income countries and beyond“

8 The Law on prevention of corruption, which came into power on 1 January 2016, new areas in the field of protection of whistleblowers and integrity were added, and implemetation of the new aw on lobbying started, all as part of Agency's competences.

2. Investments in the fight against corruption

In the first place it is necessary to calculate how much the very Montenegro annually invested in anti-corruption institutions.

2.1. Investments by 2016

The State Electoral Commission of Montenegro is responsible to⁹ monitor the implementation of the electoral legislation in Montenegro. According to the previous law on financing of political entities, its competence in the field of controlling the financing of political parties were:

- Has received the reports on budget funds spent for the election campaign of the local election commissions, and political parties and candidates, as well as reports on origin, amount and structure of collected and spent funds for the election campaign from private sources, with an accompanying audit report for assets greater than EUR 50 000;
- Has received the early reports on the amounts and sources of funds collected for the election campaign to 10 days before the elections of the candidates,
- Has received the reports of the candidates on income and assets for yourself, spouse or common-law spouse and children if they live in the same household, within 15 days of filing the nomination.
- Got the annual reports on the assets of parliamentary parties for inspection;
- Has published on the web site the names of physical and legal entities that donated funds for electoral lists, parties and candidates;
- It shall, within 10 days of receipt, publish reports in the “Official Gazette of Montenegro” and on the web site of the State Election Commission;
- Accepted it and published the annual final accounts of political parties.

Before the Agency for the Fight against Corruption formed, amendments to the Act in 2011, 2012 and 2014 SEC considerably expanded responsibilities and powers, which will later assume Agency. Thus, the SEC was required to¹⁰:

- Controls the annual reports of political entities as well as reports on financing election campaigns, the calculation of non-cash revenues, control of media advertising, control the use of official vehicles and premises, control and surveillance of respect prohibitions and constraints involved prescribed by law, control of employment in government, control debt relief and social benefits, controlling budget expenditures
- By the line of duty, based on their own knowledge or application of a natural or legal person shall initiate the procedure for deciding whether there is a violation of the law and in which measure imposed in accordance with this Law.

⁹ Law on Financing of Political Parties (“Official Gazette of Montenegro”, no. 42/11, 60/11, 1/12 and 10/14) and the Law on Financing of Campaigns for the President of Montenegro, Mayors and Presidents of Municipalities (“Official Gazette of Montenegro “No. 8/09

¹⁰ According to the Law on Financing of Political Parties and Election Campaigns Act was published in the “Official Gazette of Montenegro”, no. 52/2014 of 16.12.2014., entered into force on 24.12.2014 and shall apply as from 1.1.2015.

- Prescribes the manner of reporting and resolving complaints filed during the election campaign for suspected violations of this law and reports to party, candidate or other political entity that is the subject of these proceedings.

In the period from 2010 to today, the budget of the State Election Commission has significantly varied. These variations were most often the result of increasing the budget of the SEC in election years, as well as increased government investment to develop the administrative capacity of this body. Thus, in 2010 the SEC received nearly 48.5 thousand, and then the next two years by twenty thousand more. In 2013, the SEC has received from the budget 913,800 euros, but the election set aside 850 thousand, and to administer almost the same as the previous two years - 63,800. A year later, as a result of the parliamentary group to restore confidence in the electoral process and the recommendations of the EU, to administer the SEC has been allocated almost twice as much in order to establish a professional service and strengthen the capacities of these institutions. And then the sum is doubled again in 2015, so the SEC this year received 240 230 euros. How and competence and manner of functioning of the State Audit Institution change, the SEC this year for the administration receives a little bit increased amount of 270,711, but because of upcoming local and parliamentary elections, the SEC this year from the budget receives a certain amount of 1,894,700 euros.

The highest body that controls spending state and local budgets and the use of state and local assets of the State Audit Institution (DRI)¹¹. It prescribes the Constitution of Montenegro, defining the institution as an independent and supreme authority of the state audit, which “shall audit the legality and effectiveness of the management of state assets and liabilities, budgets and all financial affairs of subjects whose financial resources are public or issued by using state assets.”¹²

DRI tasks are to examine the documents, transactions, internal control, accounting and financial procedures and other records. This verification is done in the bodies and organizations which manage the budget and property of the state and local governments, foundations and other entities with which is the state founder or has majority ownership in shares or share. The aim of verification is determining whether the financial statements are accurate and in accordance with accepted accounting standards. Also, the audit entities and the Central Bank, but also all “who carry out part of the budget, manage state property, receive subsidies from the state or receive grants or guarantees, that do business with the audited entity or receiving EU funds and other international organizations or institutions for financing public needs “¹³.

Next, the DRI is determining whether the respected existing laws and regulations are in terms of the financial and other operations of the subjects of the audit. The DRI jurisdiction to examine the documents and actions that could impact revenues, expenditures, state assets, borrowing and issuing of guarantees and other use of state and local budgets and is obliged to annually audit the final accounts of the Republic budget. Also, DRI whether they successfully achieved business goals, or objectives of certain financial transactions, programs, projects, utilization of human, financial and other resources of the audited entities and the effects of implementation of the goals and the results compared to the plan.

11 The Law on State Audit Institution (“Off. Gazette of Montenegro”, no. 28/04 from 29.04.2004, 27/06 from 27.04.2006, 78/06 dated 22.12.2006, “Off. Gazette of Montenegro”, no. 17 / 07 dated 31.12.2007, 73/10 from 10.12.2010, 40/11 from 08.08.2011, 31/14 of 24.07.2014)

12 Article 144 of the Constitution of Montenegro

13 Article 4 of the Law on State Audit Institution (“Off. Gazette of Montenegro”, no. 28/04 from 29.04.2004, 27/06 from 27.04.2006, 78/06 dated 22.12.2006, “Off. Gazette of Montenegro” no. 17/07 from 31.12.2007, 73/10 from 10.12.2010, 40/11 from 08.08.2011, 31/14 of 24.07.2014), p. 2.

DRI provides professional assistance to state authorities, or specially represents data to Parliament on the state budget and state property, indicating the causes and consequences of any major irregularities and deficiencies and propose measures for their removal, at a time when the budget is adopted. When you finish checking, DRI submit a report to the audited entity, the Assembly and the Government, and if it contains some significant reports are received and the Ministry of Finance. Finally, “if the action of the audited entity has caused damage to state property, the institution shall, without delay, inform the public prosecutor.”¹⁴ This can result in compensation for the damage identified. The State Prosecutor informs the DRI, and those inform Parliament and Government as they decide not to initiate proceedings for damages. If there is a suspicion of a criminal offense in the audit findings, the SAI is obliged to file criminal charges.

According to the Law on Financing of Political Parties and Electoral Campaigns Political entity shall inform the DRI on determining the person responsible for purposeful spending of funds and for submitting reports¹⁵. DRI receives the annual accounts and annual consolidated financial statements no later than 31 March of the previous year of political entities, as well as their reports on the assets of legal entities and companies founded by or in which it has an ownership interest¹⁶. DRI is obliged to perform an audit of the consolidated financial statements of political entities whose total income exceeds 10,000 euros¹⁷, as well as reports on financing election campaigns, but also to give an opinion and recommendations to correct any irregularities and take other measures within its jurisdiction¹⁸.

The budget of the State Audit Institution, in the period 2010 - 2015, a treasure for years been increasing. Thus, 2010 was 1,051,850 euros, a year later, 100 thousand higher, but increased by 50 thousand a year later. 2013, 2014 and 2015 from the budget DRI receives something around 1.44 million euros. In 2016, the budget of this institution is more than twice larger, and so will the state auditors this year from the budget to get 3,958,655 euros. This increase was largely due to removing 2 million from the capital budget to build a new facility for DRI, so it can not be considered permanent and continuous investment.

Law on Conflict of Interests¹⁹ from 2004 defined the first jurisdiction, another anti-corruption body - the Commission for preventing conflicts of interest²⁰, and then expanded adoption of new and amendments to the Law on Prevention of Conflict of Interest 2009, 2011 and 2014. The Commission²¹ was authorized to:

- Establish a conflict of interest, or give an opinion on the existence of conflicts of interest and decide on possible breach of the Act;
- On its website publishes reports on incomes and property of public officials, but also checks the data from reports of public officials
- Monitor the financial condition of membership and public officials in administrative committees;

14 *ibid*, Article 22, p. 7

15 Article 19

16 Article 37

17 Article 43

18 Article 50

19 The law on conflicts of interest, OJ. 01- 623/4 Podgorica, 18 June 2004

20 The decision to establish the Commission for Conflict of Interest and the election of the President and Members of the Commission (“Official Gazette of the Republic of Montenegro”, No. 53/04 of 04.08.2004. Year)

21 Rules of Procedure of the Commission for Prevention of Conflict of Interest (“Official Gazette of Montenegro 80/09”) and the Law on Prevention of Conflict of Interest (“ Off. Gazette of Montenegro “, no. 01/09 from 09.01.2009, 41/11 from 10.08. 2011, 47/11 23.09.2011. year)

- Determine the value of the gift on the basis of appropriate expert opinion
- Give opinions or submit initiatives to amend the draft laws, other regulations and general acts, if it considers it necessary in order to prevent conflicts of interest and compliance with international regulations
- Cooperate with international organizations and institutions of other countries in this field.

The Commission is unable to submit the request for initiating criminal proceedings. Also, by duty line or at the initiative of the authorities in which public official exercises or has exercised a public function is initiated proceedings against officials for the purpose of decision-making, and decide whether there is a violation of this Act.

Further, the Commission could initiate a request to the competent authority to remove a public official if there is detected a conflict of interest or if an official fails to submit the report on time ;, and the authorities were obliged to act on the request and inform the Commission about the dismissal. If Commission judged that the official committed a criminal offense, Commission could submit an application to the state prosecutor. In addition to being based on the law of 2011. The Commission checked the data from the report on income and assets for a certain number and category of public official, comparing these data with the data collected on the assets and income of these officials, the authorities and legal persons who hold such data, Act of 2014 gives it the power to conduct administrative investigations. Time is prescribed obligation of a person to supply them with all the documents requested by the Commission in the process of verifying the assets of officials. This means that the authorities and legal persons are obliged to provide the requested information to the Commission, notification, required documentation. Furthermore, if the Commission during the verification establishes that the assets and income of public officials and persons associated with public officials higher than the real, it requires detailed information on the official grounds of acquisition. In addition, the Lawyer is given the opportunity to misdemeanor warrant.

Commission for prevention of conflict of interest since 2010 also recorded a slight increase of the budget over 5 years. Since 2010, when they determined the amount of nearly 226 thousand, for the next two years increased by almost 20 thousand. 2013 and 2014 budgets CPCI was over 272 thousand, and in 2015 the Commission has allocated from the budget of 285,550 euros.

The first anti-corruption body in Montenegro, the Directorate for Anti-Corruption Initiative²², established in 2001 by the Regulation establishing the Agency for Anti-Corruption Initiative. Its jurisdiction, with minor changes in 2004, 2007 and 2010, until termination of the institutions were:

- promotional and prevention activities, education and raising public awareness of the fight against corruption;
- conducting research on the extent, forms, causes and mechanisms of corruption;
- open telephone line for reporting suspicions of corruption and to forward to the competent authority, as well as cooperation with state bodies in proceedings under charges of corruption;
- cooperation with the competent authorities and all other institutions, with the aim of developing and implementing anti-corruption legislation, as well as assisting in the establishment of other anti-corruption institutions;

²² According to "The reform of the anti-corruption institutions in Montenegro: How to make the system more efficient?"; Mr Zlatko Vujovic, Mr Ana Selic, Mr Nikoleta Tomovic, Center for Monitoring, Podgorica, Montenegro., 2010.

- cooperation with NGOs and the private sector to combat corruption
- international cooperation in terms of: proposing the conclusion of the ratification and implementation of European and other anti-corruption international standards and instruments; coordination of activities and participation in the implementation of projects, initiatives, implementation of the recommendations and generally work with regional and international organizations, initiatives and projects with partners, including the Group of States against Corruption (GRECO), whose recommendations and implementation Management monitors.

In addition to these responsibilities, the Directorate for Anti-Corruption Initiative, had no control, no control authority, which means it could trigger infringement proceedings.

Only DACI year, the last 5 years recorded a slight reduction of budget funds. Thus, in 2010 the institution determined 392,230 euros, or 397,415 euros 2011 to 2012. This amount was 366,230 euros, 40 thousand lower next year, and then another 10 lower in 2014. In 2015, UAI from the state budget received 308 500 euros.

	State Election Commission	Directorate for Anti'corruption Initiative	Commission for Prevention of Conflict of Interest	State Audit Institution	Total
2010	48 480,00	392 232,63	225 891,96	1 051 855, 85	1 718 460,44
2011	65 570,00	397 415,06	242 828,57	1 174 250,43	1 880 064,06
2012	65 078,10	366 233,99	247 259,69	1 223 529,98	1 902 101,76
2013	913 800,00	325 241,59	271 986,02	1 442 878,26	2 953 905,87
2014	120 873,88	314 945,59	272 447,33	1 425 003,80	2 133 270,6
2015	240 232,15	308 449,00	285 553,74	1 446 554,68	2 280 789,57
Total	1 454 033	2 104 517,86	1 545 967	7 764 073	12 868 592.3

With the exception of election years, we see steady but small increase investment in anti-corruption institutions, which in the five-year period increased by 562,369 euros, or 32%.

In this period, several European aid programs, most notably the aforementioned EUROL, which from 2014 for a period of 30 months provided for an investment of 3 million euros, and the first quarter of 2016 is planned to extract the additional 3.6 million to support the fight against organized crime and corruption. Also, during the several international programs through which is invested or plan to invest 20.7 million euros. However, these data are not classified by age or by country, so we can not state with certainty how many of these benefits to help Montenegro and in which year.

2.2. Investment in 2016.

Special State Prosecutor's Office was formed on 3rd of July 2015, and it put prosecuting the perpetrators of organized crime as jurisdiction, regardless of the severity of the punishment, as well as works of high corruption. The law clearly classify works of high corruption in two areas: in the case when public official abuse his official position, committing fraud in service, illegally influence or inducement to such a criminal offense, when he received or gave bribes; or when the

material gain exceeds the amount of 40 000 euros by abuse of position in business operations and abuse of authority in economy. In the jurisdiction of the SDT are crimes of money laundering, war crimes and human trafficking. The investigative actions for the Prosecution are taken by Special Department of the police, and there can be employed people in administrative bodies that are responsible for taxes, customs affairs, the affairs of preventing money laundering and terrorist financing and inspection tasks. In the Criminal Procedure Code, for these crimes is provided the possibility of secret surveillance measures.

When the Special Prosecutor's Office was established in mid-2015, it worked within the budget of the State Prosecutor's Office for 2015. The SDT budget is determined in 2016, after planning the program budget of spending units in Prosecutor's Office, which even include the Supreme State Prosecutor's Office, the two higher, thirteen elementary and Prosecutorial Council. Prosecutors Council proposed budget schedules, but considering that the Ministry of Finance is not included in the division of the budget by budget units, in the Budget Law is not specified how much money states received in 2016 for its activities, the Special Public Prosecutor's Office for Organized Crime and Corruption. However, in response to CeMI's request for free access to information, VDT office calculated that SDT received 1,310,515 euros from the budget in 2016, using the percentage of participation of the Special Prosecutor's Office in the adopted budget draft. Therefrom, one million goes to the gross earnings.

At the beginning of the Agency for Fight against Corruption, the Directorate for anti-corruption initiative and the Commission for the Prevention of Conflict Interests are closed and their responsibilities and powers are transferred to the Agency. Also, the Agency assumes the role of the State Election Commission in implementing the Law on Financing Political Parties and electoral campaigns. In addition, through the Law on Prevention of Corruption, the Agency was added to the jurisdiction - protection of the whistleblower and the whistleblower act on such reports, as well as the implementation of the Law on Lobbying. In accordance with the provisions of the Law on prevention of corruption, the competences of the Agency are:

- determining the existence of conflicts of interest in exercising public functions and taking measures for its prevention;
- monitoring the restrictions in the exercise of public functions;
- exercising control for receiving gifts, sponsorships and donations;
- performing data verification from the report on income and assets of public officials;
- providing opinions on the existence of compromising the public interest which indicates the existence of corruption and making recommendations for the prevention of threats to public interest and the protection of whistleblowers;
- monitoring the adoption and implementation of integrity plans, providing recommendations for their improvement and to assess the efficiency and effectiveness of integrity plans in accordance with this Law;
- adoption of acts of the Agency in accordance with the law;
- providing the initiative to amend the laws, regulations and by-laws, in order to eliminate the possible risk of corruption or bring them in line with international standards in the field of anti-corruption;
- giving opinions on draft laws and other regulations and by-laws to comply with international standards in the field of anti-corruption;
- launch and implementation of the procedure for determining violations of the provisions of this Act and other laws which established the competence of the Agency;

- cooperation with the competent authorities, higher education institutions and scientific organizations and other entities in order to implement activities in the field of prevention of corruption;
- keeping records and registers in accordance with this Law;
- issue the misdemeanor warrant and the initiation of misdemeanor and other procedures;
- implementation of educational, research and other preventive anti-corruption activities;
- realization of regional and international cooperation in preventive anti-corruption;

The Agency is implementing measures to control the funding of political entities and electoral campaigns, which include control of the annual reports of political entities as well as reports on financing election campaigns, control of media advertising, controlling the use of official vehicles and premises, control and surveillance of respect prohibitions and constraints involved prescribed by law, control of employment government, control of budget expenditures. In the context of the implementation of this Act, the Agency also has the administrative investigation authority.

The Agency, in accordance with the Law on Lobbying: keeps a register of lobbyists, register lobbyists and deletion from the register of lobbyists, lobbying for the issuance of approvals, issuing certificates of examination for performing lobbying, a lobbyist issues legitimacy, initiated misdemeanor proceedings or misdemeanor warrant in case of lobbying, etc.

With the expanded jurisdiction, Agency receives expanded capacities - in addition to 23 employees from UAI and CPCI, another 32 jobs are systematized in the Agency. The budget of the Agency is defined by the Act fixed at least 0.2% of the current state budget.

After the revised institutional framework of funds allocated for anti-corruption institutions in Montenegro, from the budget, are:

Agency for Prevention of Corruption	1.545.113,54
Special Public Prosecutor's Office	1 310 515
State Audit Institution ²³	3.960.654,54 (from which 2 million for buildings)
Total 2016	6 816 283,08/4 816 283, 08

Appropriations for anti-corruption institutions in this year are 0.3% of the total budget for 2016.

In addition to the institutions that have abolished the establishment of the Agency, the State Election Commission was excluded because its jurisdiction that were related to anti-corruption policies (control of political entities and electoral campaigns) transferred to the jurisdiction of the Agency, and included the Special state Prosecutor's Office, which receives a separate budget within the Supreme state Prosecutor's Office. Even if we don't count the capital expenditure for the budget of 2 million magnify DRI, we can notice a significant increase in investment compared to the previous year, to over 2.5 million, ie. for 111%. If we count and capital expenditure increase was 4.5 million ie. to nearly 200%. Of the total budget percentage climbed from 0.11% in 2015 to 0.32% in 2016.

²³ In 2016, it is planned to 2 million of capital expenditures for the State Audit Institution, which makes a little more than half of the budget and is not a continuous investment in anti-corruption policy.

3. Results of Anti-Corruption Policies

As part of methodological limitations, we pointed out that this study focuses primarily on economic results of fight against corruption. Hence, we divided this chapter into three parts, in which we analyse how far the anti-corruption policies have reached in terms of:

- ✓ Charging fines for infringements
- ✓ Charging fines/ damage compensation for crimes
- ✓ Property confiscation acquired through crimes with elements of corruption and management of that property
- ✓ Reducing negative economic growth
- ✓ Change of people's attitudes towards corruption and readiness to corrupt

3.1. Charging for infringements, damage compensation, fines for crimes with elements of corruption and confiscation of material gain

To calculate this part of benefits out of fight against corruption is easiest aspect of the research, as it is expressed in absolute numbers. However, it was much harder to collect the concrete data necessary for calculating the overall sum.

According to the Law on Infringement, the overall goal of the infringements sanctions is not only to achieve citizens' respect to the legal system and express social condemn to the offender for the infringement committed, but also to affect all other people to restrain from committing the same infringement.

Those fines range from EUR 30 to 2,000 for individuals and from EUR 150 to 6,000 for entrepreneurs and 500 to 20,000 for legal entities.

The Law foresees that the infringements in certain areas, including protection of competitiveness in the market, constructing, informing of the public, public income, customs, foreign-trade and foreign exchange and traffic of securities, could be charged the double fine, and for the hardest felonies the fine in the form of 1 to 10 per cent of the value of the damaged protected value, marked by special minimum and maximum of the per cent of the fine. In addition, for the most severe form of violating competition, an offender can be fined with 1 to 10 per cent of the total annual income of the participants in the market of that fiscal year. Also, the Law foresees the possibility that the infringements committed out of greed, providing for material benefit, an offender can be punished even more severely, and that that fine can be twice as high as it is initially prescribed for that felony.

The Criminal Code²⁴ permits for possibility of fining, and that way of punishing can be ruled as a man and side part of sentencing. Fines sentenced by the Criminal Code cannot be smaller than EUR 200, not higher than EUR 20,000, and for crimes committed out of greed these fines cannot be higher than EUR 100,000. If the offender is only sentenced by a fine, it cannot be smaller than EUR 1,200. And for crimes committed out of greed, the Code allows for the possibility of fining, only as a side part of the sentence, even in the cases when it is not foreseen by the Law,

24 The Criminal Code of Montenegro published in Official Gazette of Montenegro (Službeni list CG) no 70/2003, 13/2004, 47/2006 and The Official Register no 40/2008, 25/2010, 32/2011, 40/2013 and 56/2013.

and the offender has been sentenced to jail; or in case when the Law foresees that the offender will be sentenced to jail and financial fine, and a court rules that the main part of the sentence is imprisonment. Apart from the fining, the criminal can be asked to compensate for the damage made or his property, acquired through the commitment of crime, can be confiscated.

The Criminal Code envisages option of confiscating material gain made through crime. The Article 113 foresees confiscation of money and any other material goods acquired through criminal offence, from a criminal, besides sentencing him and requiring compensation of the damage, in case when the convict undertakes the obligation to pay the amount of many equal to material gain. Additionally, in 2015, a new Law on confiscation of material gain acquired through crime has been adopted. Important provision of the Law is extended confiscation of property, i.e. confiscation of property when there is reasonable suspicion that it has been acquired through crime, if the offender does not prove its legal origin.²⁵ It means that for certain crimes with marks of corruption: abuse of authorities in economy, receiving bribe in economic management, giving bribe in economic management – there is reverse proving burden of the property origins, which enables for easier confiscation of property.

Fines out of all infringements are paid to the bank account of the state budget or to the banks accounts of the local self-government. Hence, the citizens do not have insight into the concrete spending of the money acquired through implementing anti-corruption laws. However, there are exemptions of this rule, such as managing funds of fines for grey economy, collected through the application “Be responsible”. Half of value of the ruled fines for grey economy which followed citizens reporting the infringements via the app, will be invested into project of wide social interest.²⁶

The Commission for prevention of conflict of interest and State Election Commission were authorised to file a misdemeanour charge. At the same time, Directorate for Anti-Corruption Initiative did not have authority that would lead to them filing misdemeanour charges, the State Audit Institution held the stance that they are not obliged to file misdemeanour charges, but only to check and mark financial reports. Thus, these two institutions did not achieve any financial results, in this sense.

2015	
Commission for Prevention of Conflict of Interest	50.045,00 €
State Election Commission	0
Total:	50.045,00 €

Although the State Election Commission was authorised to file misdemeanour charges, none of the filed cases during 2015 resulted in financial sentencing, and cases which did not reach ruling in 2016, have been terminated due to transfer of authorities from the State Election Commission to the Anti-Corruption Agency.

Special State Prosecutor’s Office launched 6 investigations for corruption crimes and two financial investigations. Additionally, they filed 2 prosecution files for abuse of terms in office. Courts ruled in 10 cases for corruption criminal cases, but there was no financial sentencing nor requests for permanent property confiscation.²⁷

25 Article 2 of the Law on confiscation of material gain acquired through crime
 26 <http://www.budiodgovorani.me/novosti.php>
 27 The State Special Prosecutor’s Office reply to the Request for Free Access to Information.

3.2. Reducing negative economic growth

Based on the methodological approach of Ugur and Nasgupta, we will calculate negative economic growth by following this formula: decrease of the clearance score by one unit directly correlates with drop of economic growth by 0.59% GDP per capita for the countries with small sum income, and for the countries with middle and bigger gross domestic product, this per cent is higher and amounts in 0.86%.²⁸

In the table below we displayed Montenegro CPI for the last four years²⁹:

Godina	Score
2012	41
2013	44
2014	43
2015	44

Hence, the biggest progress was recorded in 2013, when the clearance score grew by 3 points, which would, according to the Ugur and Nasgupta's methodology, for Montenegro as a middle-income country³⁰ equals 2.58% GDP growth per capita. Thus, in 2012 the GDB was EUR 3, 181, 477, 000³¹, we will divide this number by the number of Montenegrin citizens, 621 800 (according to World Bank) in order to calculate GDP per capita, which equals 5 116 €. Hence, this means that in 2013, thanks to anticorruption policies, Montenegro achieved increase of EURO 132 per capita, i.e. increase of EURO 82, 077, 600 € at the state level. However, this result has not improved since 2013, on contrary, in 2014. one point drop has been noticed, which in financial terms expressed by this methodology (taken that the 2014 GDP was EURO 3, 457, 992, 000, which is EURO 5, 561€ per capita) means that, the lost was EURO 47, and at the state level the lost was EURO 29, 738, 731€. These EURO 30 million were compensated in 2015, when Montenegro improved its clearance score by one point again.

For the needs of this study, we aim at comparing results in 2015, we will take as relevant data at the 'Result' side, achievement of gaining 30 million in economic growth.

However, by the methodology implemented by the Ministry of Internal, estimate corruption damage indicates that the country lost EURO 1.2 million in 2013, 1.3 million in 2014, 23.7 million in 2015 and 13 million during the first two months of 2016.³²

3.3. Reducing social inequality

Social inequality is another category that is hard to measure, and that is why we have decided to use GINIcoefficient, as universally accepted indicator. However, we found significant differences in the value of the data between those produced by the Montenegro National Statistic Agency –

28 Mehmet Ugur, NadiniNasgupta: „Evidence on Economic Growth Impacts of corruption in low income countries and beyond“

29 Transparency international: Corruption perception index

30 <http://data.worldbank.org/country/montenegro>

31 Podaci MONSTAT-a

32 Estimate Corruption damage assesment, Ministry of Internal in a response to the request for free access to information.

Monstat data and World Bank.

Year	GINI Index Monstat	GINI index WB
2011	25.9	30.6
2012	26.5	32.2
2013	26.2	33.2

Numerous studies about relation between social inequality and corruption³³ found correlation between corruption perception index and GINI coefficient, i.e. increase of the corruption perception level increases social inequality. However, there are no exact data about this correlation, as precisely how much increase or decrease of the corruption perception index influences GINI-coefficient.

Monstat and World Bank data differ significantly in the value of the GINI coefficient, which can be outcome of a different methodology of its calculation – as there are two ways of calculation – one being the calculation before the taxation and the other is after. Analysing Monstat's parameters, we found drop in GINI index in the year when the corruption perception index dropped (i.e. the clearance score increased) by three points (2013), which is in line with our earlier findings suggesting that decrease of corruption influences economic growth and consequently social inequality decreases. However, the three points jump caused only 0.3 point drop of the GINI coefficient, we can conclude it would be necessary that the level of corruption decreases to a greater extent in order to make decrease of the social inequality visible.

3.4. Reducing of citizens' readiness to corrupt and increase of trust in institutions

For the purposes of research of this part, we used CEMI's public opinion surveys conducted in 2009, 2009, 2012, 2013 i 2014, and public opinion survey conducted by the Directorate for Anti-Corruption Initiative in 2015. CEMI's polls showed quite high level of corruption perception during these years³⁴, and significant citizens' readiness to participate in corrupt practices.

Year	Corruption in Montenegro is widespread	Readiness to corruption at acquiring healthcare service	Readiness to corruption at employment
2009	59%	55%	47%
2012	61%	39%	34%
2013	76,5%	39.1%	38.5%
2014	72.2%	48.1%	40.3%

From the above table, we can see that the corruption perception has varied, and that there was no observable trend of decrease in these four years.

One of the categories which can be compared between the research results of CEMI and Direc-

33 E.G.: Michael A. Mehen, „THE RELATIONSHIP BETWEEN CORRUPTION AND INCOME INEQUALITY: A CROSSNATIONAL STUDY”, 2013 Christian Johansson, Kark Johan Lext “Corruption and Income Inequality A study of the impact from different legal systems”, 2013

34 The Survey on Corruption in Montenegro in 2014, Centre for Monitoring CeMI, available at cemi.org.me

torate for Anti-Corruption Initiative is Trust in Institutions which are authorised to fight against corruption. Answering the surveys' question which institution is the most trusted one and to whom they would report corruption, citizens replied:

Year	Directorate for Anti-Corruption Initiative	Police Directorate	Prosecutor's Office
2014 (CeMI)	12%	19.9%	16.1%
2015 (Directorate)	25.6 %	28.7%	12.4%

The fact that the survey conducted by the Directorate for Anti-Corruption Initiative, 15 years after this body was established (2001 – 2004 it worked as an Agency for Anti-Corruption Initiative, 2005 – 2015 as a Directorate for Anti-Corruption Initiative) showed that 18,2 citizens, i.e. almost every fifth citizen was not familiar with the existence of this institution, is devastating.³⁵ Additionally, one third of the citizens in the survey, 33.7 % said that they do not trust the institutions and 34% that they have a little trust in them.

One fifth of the citizens, 20.9% was at least once required by the state bodies or local self-government bodies to give a gift or money in order to achieve respect to their rights, while 4% of citizens were often required in this manner. 19.6% citizens at least once offered money or a gift on their own as an exchange to fulfilling their rights. Only 1% of questioned citizens reported corruption.³⁶

We cannot establish a trend of decrease of corruption perception level through local public opinion surveys, nor increase of trust in institutions. This indicates that during this period no significant steps forward were made, which would convince the general public in the efficiency of anticorruption policies.

35 The Directorate for Anti-Corruption Initiative: Public Opinion survey „Knowledge on work of Directorate for Anti-Corruption Initiative and public attitude towards corruption issue“, page 2, available at: http://antikorupcija.me/media/documents/rezultati_istrazivanja_decembar_2015.pdf

36 ibid

4. Comparative overview of investments and results

We will outline overview of the results of anticorruption institutions from the region, having in mind similarities and differences in their powers and responsibilities. This will provide us with the insight into possible outcomes of investments in 2016 and offer us grounds to propose amendments and adjustment which would contribute to efficiency.

4.1. Serbia

Agency for Fight Against Corruption, Council for Fight Against Corruption, Public Procurement Directorate and The Commissioner for Information of Public Importance and Personal Data Protection are in charge of fight against corruption in Serbia.

Out of these bodies, only the Agency for Fight Against Corruption is an an autonomous and independent body, which is only dealing with fight against corruption and is responsible for the work to the national parliament. It started working on 1 January 2010, when implementation of the Law on Agency started, although it was formally established in 2008.

The Agency is authorised to monitor the implementation and gives opinion on applying of the National Strategy for Fight Against Corruption and Action Plan for applying Strategy, as well as action plans of various sectors. Additionally, it is supposed to initiate change and adoption of rules within the field of fight against corruption. The Agency is obliged to monitor and conducts work related to organising coordinated work of state bodies in fight against corruption. Also, this institution gives instructions for providing integrity plans in public and private sector, implementation of education programs on corruption in line with the Law. Additionally, it introduces and implements education programmes about corruption, cooperates with other state bodies, and also with other academic institutions and civil society organisations in implementing activities for prevention of corruption.

Appart from this, the Agency's competencies are as follows³⁷:

- It decides in the cases of conflict of interest, manages the register of the public officials, and the register of property and income of public officials;
- It implements duties prescribed by the Law on Financing of Political Parties, publishes opinions and guidelines for implementing the Law;
- It runs a separate registrar in line with this Law;
- It acts upon remonstrance of legal bodies and persons;
- It acts upon reports of state officials and those employed by the public bodies of Republic of Serbia, autonomous provinces, local administrations and bodies of public companies, institutions and other organisations, founded by the Republic of Serbia, autonomous province or unit of local self-government, and bodies of companies funded by the Republic of Serbia, autonomous province or unit of local self-government and employees in state bodies and organisations.
- It organises surveys, monitors and analyses statistical and other data on corruption related issues;

37 The Law on Anti-Corruption Agency, <http://www.acas.rs/>, Article 5

- It is authorised to initiate proceedings and rule measures over the violation of the law. Similarly to Montenegro, state bodies and organisations, bodies of territorial autonomy and local self-governance, public services and other legal bodies conducting public competences, are obliged to hand in all the documents and information, upon Agency's request, needed for its work.

During the first year of its work, 2010, the Agency was allocated with budget of EURO 1, 295, 708.89. Last year the budget of the institution was significantly higher - EURO 2, 699, 649.30, whilst in 2016 they will work with EURO 150, 000 less in the budget, i.e. with 2, 551, 024.35.

During the first year of operative work of Agency (2010), there was a project supported by the UNDP, and the Agency was only one of beneficiaries. As they answered in a request for information, sent by CEMI, they are familiar with the total amount, but not the exact amount spent on activities of the Agency. The same document reads that apart from 'usual' projects, they received support for concrete activities from certain international actors, which are part of their wider portfolio and which are not financed through the Agency budget. Thus, implementation of the first project from the Norway bilateral support titled "Support to Agency for fight against corruption in fight against corruption" started in 2010, and lasted till June 2013. The project value was EURO 387,987 and its overall objective was strengthening capacities of the Agency, especially regarding the interns' network and IT sector development. In 2015, Agency implemented project titled "Support to strengthening mechanisms of corruption prevention and institutional development of the Agency for fight against corruption". The project will end in September 2016, and it started in September 2013 with the total budget of EURO 29.028.300 dinars. Apart from these projects, Agency was supported by other organisations, such as OSCE and USAID/JRGA for some activities and EU support through IPA and TAIEX missions.

Agency for Fight Against Corruption³⁸³⁹⁴⁰

Year	€ Investments
2010 ³⁸	1 295 708,89
2015 ³⁹	2 699 649,30
2016 ⁴⁰	2 551 024, 35

As part of the Republic Public Prosecutor's Office, aiming at more efficient fight against corruption, in 2008 the Department for Fight against Corruption was established. The internet page of the Prosecution shows that specialisation of other prosecutor's offices was conducted in 2010 by establishing departments for fight against corruption and money laundering in Appellate and Higher Prosecutor's Offices, in several biggest Serbian cities, but also by assigning Deputy Public Prosecutor, which will monitor situation in criminal cases in this area. In 2009 the competences have been widened,

The Prosecutor's Offices for Organised Crime deal with the cases of high corruption crimes and that is determined by the executors, i.e. "when the accused is public official or authorised person who is elected to the position, appointed or elected by the People's Parliament, Government, High Council of the Judiciary or Republic Prosecutors' Council and so called high corruption crimes of heavy corruption – for corruption crimes when the value of the acquired material gain is

38 The Law on Budget of Republic of Serbia in 2010

39 The Law on Budget of Republic of Serbia in 2015

40 The Law on Budget of Republic of Serbia in 2016

exceeds Dinar 200 million.”⁴¹. The Department for fight against corruption of the Republic Public Prosecutor shall monitor other prosecutor offices when acting in criminal cases of corruption and money laundering, following the Guidelines issued by the Public Prosecutor in 2010. According to those Guidelines all lower prosecutor offices’ have to send data on received criminal charges, decisions made by public prosecutors, first level trial verdicts, complaints of the prosecutors and second level decisions. That way not only that the Republic Prosecutor monitors work of the prosecutors’ offices, but also provides expert assistance, and to the web page of the institution they said that the specific emphasis has been put on cases and reports on implementation of the Law on confiscating property acquired through crime.

In 2013 the Department for fight against corruption published Mandatory Guidelines for acting in crimes of abuse of authority, due to the change of definition of these cases after the amendments to the Criminal Code have been adopted during the year.

The Department for fight against corruption is authorised to participate in drafting legal framework for fight against corruption and monitoring its implementation. It is also in charge of monitoring complaints filed against judicial officials, related to the corruption cases. This department cooperates with other state bodies in fight against corruption, especially with the Police, Tax Administration, Directorate for Prevention of Money Laundering, Customs, Directorate, Agency for Fight against Corruption and State Audit Institution.

The Department for Fight Against Corruption is not separate budget unit and the whole budget of the Republic Public Prosecutor, is much lower compared to other anticorruption bodies, thus in 2015 it was EURO 698,864.68, and in 2016 was even lower -EURO 688,512.89.

Year	Republic Public Prosecutors – investments - €
2015	698,864.68
2016	688,512.89

Another institution in charge of fight against corruption is the State Audit Institution, which is considered the highest auditing body of the public funds in Serbia since 2005, when it was established. The State Audit Institution is an independent and autonomous body, responsible only to the State Parliament, and the legal standing for its work it finds in the Constitution of Republic of Serbia, Law on State Audit Institution and the Code of Procedure of the Audit Institution. According to the Article 5 of the Law, the State Audit Institution provides opinions and public announcements about implementation of certain provisions of the Law, and also it provides for expert assistance to the Parliament, Government and other bodies of Republic of Serbia on important measures and projects, as well as the advices to the users of public funds. The State Audit Institution determines criteria and conducts validation of professional titles within the authority of the Institution, which have been acquired abroad. It also determines education programs, organises testing and plans testing programs for acquiring the title of state auditor and runs the Register of those who have acquired that title. State auditors cooperate with relevant international and other state institutions. Additionally, they participate by providing remarks to drafts of laws and other regulations, and they can give opinions on questions in the public financing field. Also, the competences of the State Audit Institution are⁴²:

- Planning and conducting auditing according to the Law;

41 <http://www.rjt.gov.rs/sr/organizacija/odeljenja/odeljenje-za-borbu-protiv-korupcije>

42 Law on State Audit Institution http://www.dri.rs/upload/documents/Opsti_dokumenti/zakon_dri.pdf

- It can provide recommendations for amending current laws based on the information acquired in the auditing process, and they can refer to findings that some of them can provide or can possibly provide negative consequences or lead to unplanned results;
- It adopts and publishes standards of auditing, in relation to public funds, which refer to carrying out responsibilities of the Audit Institution, to auditing manuals and other expert literature significant for improving auditing practice;

According to the Article 34 of Law on Financing of Political Parties, the Agency for Fight against Corruption can send the request to the State Audit Institution for conducting auditing of financial reports on political activities, but this is an exclusive obligation of the State Audit Institution, unlike in Montenegro.

In 2015 work of the State Audit Institution was financed by EURO 4 678 820.77⁴³, while this year's budget increased, and its amount is EURO 4 973 850.31⁴⁴.

State Audit Institution

Year	Investments in €
2015	4 678 820.77
2016	4 973 850.31

Bodies in Serbia dealing with implementation of anti-corruption policies, and which have not been included in the analysis are: Council for Fight Against Corruption, Directorate for Public Procurement and Republic Commission for Protection of Rights in the Public Procurement Procedures.

Year	Agency for Fight Against Corruption	State Audit Institution	Republic Public Prosecutor – Department for Fight Against Corruption	Total
2015	2 699 649,30	4 678 820.77	698,864.68	8 077 334,75
2016	2 551 024,35	4 973 850.31	688,512.89	8 213 387,55

In 2015 0.08% of the total state budget was invested in anti-corruption institutions, which we analysed, whilst in 2016 that investment was in the amount of EURO 8,213,387.55 eura, i.e. 0.09% of the total annual state budget of Republic of Serbia.

TI⁴⁵ results show that the Serbian score dropped by one point in a year.

Year	Clearance score
2014	41
2015	40

During 2015 the Agency was the most active institutions, and the biggest number of fines was charged from the political parties and other actors over the violation of the Law on political activities⁴⁶.

43 The Law on Budget of Republic of Serbia in 2015. 'Official Gazette of Serbia, no. 142/14 i 94/15

44 The Law on Budget of Republic of Serbia in 2016. (Official Gazette of Serbia, no. 103/15

45 TI Corruption perception index 2014 i 2015

46 The reply of the Agency for Fight against Corruption, at the request for free access to information on 18.02.2016.

Institution	Fines charged in 2015. in €
Agency for Fight Against Corruption	54,122.92
State Audit Institution	0
Total	54,122.92

Although the State Audit Institution based on their findings filed 14 criminal charges in 2015, and in 2016 7, there were no fines ruled by courts on these charges⁴⁷.

4.2. Croatia

In Croatia, several institutions under its jurisdiction has the fight against corruption and as it was explained on the website of the Ministry of Justice, they recognize that it is an appropriate and effective institutional framework, as well as adequate coordination, cooperation and supervision of the relevant institutions is of crucial importance for a successful fight against corruption. Thus, the anti-corruption commission to deal with monitoring the implementation of measures to combat corruption, the Anti-Corruption Sector of the Ministry of Justice, National Police Office for Suppression of Corruption and Organised Crime (PNUSKOK), USKOK - Office for Suppression of Corruption and Organized Crime, and the National Council for Monitoring the Implementation Strategy combating corruption.

The most famous Croatian institution for fighting against corruption is definitely a ***Special State Prosecution, specialized in the prosecution of corruption and organized crime, USKOK***. Croatia needed almost ten years to establish this organization, which has finally started operating in 2009. It is a complex system of criminal conducts against corruption and organized crime, which is made up from special courts, special prosecutors and specialized police services that are dealing with complex cases of corruption and organized crime at a high level. Thus, in Croatia, there are so-called “USKOK courts”, ie. judicial departments that are dealing with criminal offenses of USKOK’s jurisdiction in the county courts in Zagreb, Split, Rijeka and Osijek, as well as in municipal courts at the seat of the said county courts. USKOK has the power, capacities and resources to cover the entire country.

USKOK in accordance with the Law on the Office for Suppression of Corruption and Organized Crime, performs public prosecution in cases of criminal offenses under the Criminal Code. These are:

- bribery in bankruptcy proceedings, receiving bribe in economic transactions, bribery in economic operations, abusing position and authority if the offense is committed by an official, illegal preferential treatment, receiving bribes, giving bribes, trading in influence, giving bribes for trading in influence, bribery of MPs
- money laundering, tax evasion and customs, prevention of proof, according to the judicial official coercion, compulsion according to the official, the attack on the official, and the criminal offense of disclosing the identity of the person threatened or protected witnesses.
- illegal deprivation of liberty, kidnapping, coercion, trafficking in persons and slavery, the illegal transfer of persons across the state border, robbery, extortion, blackmail of, money

⁴⁷ The Reply of State Audit Institution of Serbia at the request for free access to information

laundering and protivpravne charge, if these offenses are committed by a group or criminal organization,

- conducting criminal proceedings against the organizers of a group or criminal organization to commit crimes of pimping, illegal trade in gold, and avoidance of customs control.

Office for Combating Corruption and Organized Crime in 2015 had a budget of 2,668,863 euros. This year is active “Decision on temporary financing activities”, functions and programs of government bodies and other budget users in Croatia in the first quarter of 2016, the budget USKOK published in the Official Gazette No. 109 of 2015, according to plan amounted to 733,955 euros, and projections for the full year are to be 2,670,299 euros.

USKOK has significantly increased powers and responsibilities, unlike the case with other anti-corruption bodies in the region.

Year	Investment
2015	2 668 863.75
2016	2 670 299.67

The National Audit Office of the Republic of Croatia, like other audit institutions in the region, following the revision of the law, provides that subject to state revenues and expenditures, the financial statements and financial transactions of government sector, local and regional self-government, legal entities that are funded from the budget and founded by the state or local government units, and legal persons in which the state or local governments have majority ownership, and use of funds of the European Union and other international organizations or institutions for financing of public needs. Every year it’s audit report on the execution of the state budget. Revision involves an examination of documents, papers, reports, accounting and financial procedures and other records in order to determine whether the financial statements are true financial position and results of financing activities, as well as the testing procedure of financial transactions in terms of legal utilizations of funds. At the end of the audit is an assessment of the efficiency and effectiveness of activities, as well as an assessment of the efficiency of the realization of business objectives or goals of individual financial transactions, programs and projects.

In accordance with the Law on the State Audit Office and the Law on financing of political activities and election campaigns, the SAO conducts audit of annual financial reports of political entities.

Year	Investment
2015	6 608 228
2016	6 396 352.21

In accordance with the authority of the institutions that we observe in Montenegro, it is necessary to mention the **Croatian State Election Commission**, which in accordance with Article 27 of the Law on financing of political activities and election campaigns, oversees the annual financial performance and annual financial reports of political parties, independent representatives and members the representative body of local and regional (regional) governments elected from a list of groups of voters and carries out other activities within its jurisdiction. The State Electoral Commission of the Republic of Croatia monitors compliance with the provisions of the Act relating to the election campaign, the financial accounts relating to the financing of the electoral campaign, collecting donations and costs of the election campaign, reporting on campaign

financing and other activities related to the financing of election campaigns of political parties, independent lists and candidates.

This institution, except the ability for administrative investigation into the implementation of the Law, has the opportunity for directly imposition of administrative sanctions.

Year ⁴⁸	Investment in €
2015	26 648 411 / 8 449 850
2016	4 577 321

We can notice a multiple difference in these two years. In 2015, even 25.3 million of the total amount for the financing of the committee have been set aside for the organization of the elections, of which 18,198,561 euros for the “other, unmentioned operating expenses” (materials, leaves, logistics). Regarding that this amount will not be linked to anti-corruption policies, it would cause a significantly distorted picture of the investments. So, it is necessary to subtract that from overall amount. In the end, for the business of State Election Commission in 2015. we get the amount of 8,449,850 euros.

The State Committee for Conflict of interest in accordance with the Law on Prevention of Conflict of Interests, independent and autonomous state body which performs the scope of work and responsibilities defined by this Law. The Commission for Conflict of interest consists of a chairman and four members. The Commission is responsible for instituting proceedings in the case of conflict of interest, decision making, collecting and verifying data from property records. In addition to these institutions, the fight against corruption in Croatia and the deal: National Police Office for Suppression of Corruption and Organized Crime, the Committee for Monitoring the Implementation of Anti-Corruption Division, Ministry of Justice to combat corruption.

Total investments:

Year	USKOK	The National Audit Office	The State Election Commission	The State Committee for Conflict of Interest	Total
2015	2 668 863.75	6 608 228	8 449 850*	726 726	18 453 667,75
2016	2 670 299.67	6 396 352.21	4 577 321		13 623 972,88

In 2015, Croatia is of the total budget, which amounts to something around 16 billion euros, 0.11% earmarked for anti-corruption policy, while of the planned 17.8 billion euros in 2016, plans to spend 0.7%

Results: Corruption Perceptions Index, indicating a better situation in Croatia than in Serbia and Montenegro.

Year	CPI
2014	48
2015	51

48 The special part of the State Budget for 2015 and projections for 2016 and 2017.

Unfortunately, we have no information about the fines collected by the Prosecutor's Office or the State Commission for keeping out of conflict of interest. The National Audit Office has submitted to the State Attorney's Office of the Republic of Croatia 12 notifications during 2015 and 2016. The State Audit Office has no data on imposed fines.

4.3. Slovenia

In Slovenia several institutions are dealing with the fight against corruption. These are the National Review Commission, the Officer for Information of Public Importance, the Court of Auditors and the Commission for the Prevention of Corruption.

The Commission for the Prevention of Corruption works since 2004 within three sectors: Integrity Division Sector, Sector for the prevention and Sector for the prevention of conflict of interests. It has the right to warn the public officials who are in conflict of interests, to abandon one of the functions they perform - in all cases so far, public officials followed the Commission's warnings and initiate proceedings and lawsuits against officials who have a conflict of interest. The Commission receives funds from the budget, on their suggestion, but the government decides whether it accepts the proposal, ie. which funds this institution receive. Since 2010, the Commission has the integrity and protection of whistleblowers in its mandate.

Responsibilities of the Commission are also to prepare expert basis for strengthening integrity and training programs, especially those who are responsible for integrity plans, but also gives advice to strengthen the integrity, to prevent and eliminate the risk of corruption in the public and private sectors. It gives an opinion in principle, views, recommendations and explanations on issues related to the content of the Law on integrity and prevention of corruption. The Commission also reminds the competent authorities of the Republic of Slovenia on the implementation of obligations under international instruments in the field of prevention of corruption and gives them suggestions on how to achieve that obligation. It is required to cooperate with the competent authorities in drafting regulations in the field of combating corruption, but it can give its opinion on draft laws and regulations prior to their consideration by the government, and the opinion on the compliance of the provisions of the draft law and other laws and regulations governing the prevention of corruption and the prevention and control of conflicts of interests. In addition, it can submit initiative to regulate a particular area through the adoption of laws or regulations to the National Assembly and the Government, in accordance to their duties and responsibilities. The Commission cooperates with similar bodies of other countries and international institutions and international non-profit organizations in the private sector in the field of prevention of corruption, but with scientific, technical, media and non-profit organizations in the private sector in the field of prevention of corruption.

Additional responsibilities of the Commission are related to the monitoring and analysis of data on corruption at national and international level, to propose amendments to the regulations of the Government regulating the prevention of corruption in Slovenia and propose them to the government, and submit them to the National Assembly; to give consent to the action plan for the implementation of the decision governing the prevention of corruption in Slovenia; keep records and conduct activities related to the plans of integrity and ethics.

After the RS budget revision for 2015, the Commission has provided 1,604,272 euros, which means 0.016% of the total state budget for the year. Confirmed state budget for the Commission,

for 2016, is 1,703,169 Euros, which means 0.018% of the total state budget for the year 2016. The Commission didn't have additional funding any year so far.

The Commission for the Prevention of Corruption

Year	Investment
2015	1.604.272
2016	1.703.169

According to the Constitution of the Republic of Slovenia, Article 150, the Court of Auditors - the Court of Auditors is the highest body for the control of state accounts, the state budget and overall public spending. Responsibilities of the Court of Auditors are the responsibilities of the audit. This means that the court shall audit the operations of users of public funds and it can verify the accuracy and efficiency of operations, including obtaining relevant and sufficient information to express their opinion about the business. The Court has jurisdiction to express an opinion on the economy, efficiency or thinking about the actions from all users of public funds, and in accordance with the law to the legal entities of public law or units; legal face of private law, if the subject is at least one of the following: if it has received assistance from the European Union budget, the state budget or the budget of the local community, if it performs a public service to the public goods through concessions if the business organization is a corporation, bank or society insurance in which the state and local self-government are majority owners; Person, if subject is at least one of the following: If it received assistance from the European Union budget, the state budget or the budget of the local community, if it performs a public service to the public goods through concessions. In the audit, based on this Act, will be considered that public funds of business customers consist of: all actions of users of public funds, which could affect their income and expenditure, the respective assets and liabilities (transactions in the strict sense), all actions of users of public funds, which could affect the condition of public property, public debt, the provision of public goods or the environment.

Year	Investment
2015	5.139.080
2016	5.327.338

Special Public Prosecutor's Office of the Republic of Slovenia is dealing with crimes which prosecution requires special organization and jurisdiction of state prosecutors and the highest level of activity, treated by the Special Prosecutor's Office of the Republic of Slovenia. It is responsible for prosecuting perpetrators for the following crimes:

- Against the economy, penalties of five years imprisonment or more severe punishment may be imposed, fraud in business, issuing bad checks and abusing of bank cards or credit cards, use of forged payment cards, which can impose a penalty of ten years in prison or more severe punishment if the criminal act has been committed in a criminal organization;
- Receiving a bribe, bribery, receiving compensation for illegal mediation, giving gifts because of illegal mediation, illegal acceptance of gifts, illegal donation;
- Terrorism, financing of terrorism, public incitement or support of terrorist acts, financing and training for terrorism;
- Enslavement and human trafficking.

SDT is authorized for the direct investigation, archiving and making proposals for temporary security and confiscation of assets of illicit origin, in accordance with the law. Further, in case of doubt about the appointment of a competent public prosecutor, it is considered that jurisdiction of SDT exist.

According to the response that CEMI received from this institution, during the 2015, the budget of the State Prosecutor's Office amounted to € 18,392,676, and € 19,285,360 in 2016. In that period this institution had not received donations and it was not one of the beneficiaries of projects, so it didn't earn assets.⁴⁹

Year ⁴⁹	Investment
2015	18.392.676
2016	19.285.360

Total investments for all institutions amounted to:

Year	KPK	Court of Auditors	SDT ⁵⁰	Total
2015	1.604.272	5.139.080	18.392.676	25 136 028
2016	1.703.169	5.327.338	19.285.360	26 315 867

According to the received information, in 2015, Slovenia from its total budget of 9.9 billion spent 0.25% on the functioning of the anti-corruption mechanisms, and from 9.5 billion in 2016, 0.28% is provided.

Slovenia is the best TI ranking country on the former Yugoslavia territory, with a score of cleanliness - 60.

Year	CPI
2014	58
2015	60

When it comes to the penalties imposed and unpaid in 2015, we were able to get the following information:

Commission for the Prevention of Corruption	13.533,31
Court of Auditors	0
Special State Prosecutor	1 803 506.51

Slovenian Prosecution provided us the information about the penalties imposed for corruption offenses, which amounted 114 896.95 euros in 2015. Also, another judgement has been adopted but it's not final yet, on 1 688 609.56 euros.

The Court of Auditors submitted information on violations of the law and filed criminal charges to the prosecutor's office, but does not lead to the classification of the cases, so there is no precise information about how many corruption offenses are among these applications.

⁴⁹ RS Budget for 2015 and 2016, special part

⁵⁰ The total budget for the prosecution, because Special Public Prosecutor's Office has no special funds

4.4. Comparative analysis

The powers and jurisdiction of the institutions that we were comparing in Montenegro, Croatia, Slovenia, Serbia are similar, although they are not entrusted with the same institution in every country.

Adoption the Law on prevention of corruption and the introducing of provisions which provide the obligation for legal entities and individuals to submit information to the Agency that are necessary for the implementation process, we joined the other countries in the region, which have this possibility for several years. Montenegrin Agency for prevention of corruption has even more advanced legal solutions in comparison to other countries, such as requesting information from individuals (which is not provided in Serbia and Croatia) and competence over areas of whistleblower protection and lobbying.

In addition, the powers and jurisdiction of the Special Public Prosecutor's Office in accordance with the Law on Special State Prosecution and the Criminal Procedure Code, correspond to the powers and responsibilities that have all prosecutors' offices in the region.

Number of offenses for which fines are imposed is by far the highest in Montenegro, where are even 170 offenses prescribed by the Law on Prevention of Corruption Act, the Lobbying Act on Financing Political Parties and electoral campaigns, and the Law on State Audit Institution.

Country	Investments in anti-corruption institutions in 2015 in percentage of the total budget	TI purity score	Billed civil and criminal penalties and confiscated property value
Montenegro	0.11%	44	50.045,00 ⁵¹
Serbia	0.08%	40	54,122.92 ⁵²
Croatia	0.11%	51	n/a-
Slovenia	0.25 %	60	1 817 039.51

As we have only managed to get the data for 2015 from bodies that are dealing with the prevention of corruption, the total return value we can count only for these bodies:

Institution	Investment	Billed misdemeanor penalties	Returns on investments in percent
The Commission for the Prevention conflicts of interest - Montenegro	285 553,74	50.045,00	17.2%
The Agency for fight against Corruption - Serbia	2 699 649,30	54,122.92	2%
The Commission for the Prevention of Corruption - Slovenia	1.604.272	13.533,31	0.8%

Also, we have received information from the Slovenian State Prosecutor's Office, which results indicate a refund value of 9%.

From the comparative analysis we can conclude several facts:

51 Data of the Prosecutor's Office missing

52 Data of the Prosecutor's Office missing

- ✓ Budgetary allocations for anti-corruption policy is not appropriate with the size of the state or budget, (Slovenia stands out more than Croatia)
- ✓ Countries in the region which invest more in anti-corruption policy have a higher score purity
- ✓ Greater investment does not necessarily mean a higher return on funds collected through fines
- ✓ Our prosecutors, as well as Serbian and Croatian, are not open enough when it comes to access to information on their results in the fight against corruption
- ✓ In each of these countries, the funds collected from fines go into the budget and there are alternative models of reinvestment in the fight against corruption
- ✓ Coordination between institutions in terms of providing information on the course of action that started from one institution and completed by the other (eg DRI and Prosecution) are at very low levels in all countries. In a slightly more favorable situation is Croatia, where USKOK has its own police and judicial departments, and the exchange of information possible at any moment.

5. Models of improving efficiency

Bearing in mind that exemption of certain funds out of total sum of fines which are paid into state or local self-government's budget has been already set in place (via the application 'Be responsible'), we think that it would be feasible to create conditions not only for establishing clear display of economic benefits of anti-corruption policies, but also for redirecting funds for further strengthening of the anti-corruption policies effects. These conditions could be met through improvement of registers and systemic sorting of data about charged fines for misdemeanour and crimes. The topics for further analysis could be the questions whether the whole sum of income from fines or only part of it would be invested in further improvements of anti - corruption policies, which institution account would the money be deployed to and by which procedure. Here we just want to point out one of the options.

Namely, protection of whistleblowers, as one of the most important parts of anti-corruption policies, has been in focus of many in Montenegro for years. In order to make concrete steps towards fulfilling principled commitments to protect people who report on cases of corruption in institution or company they work for, it would be necessary to not only change the culture in principles, but also provide for concrete legal and financial mechanisms.

The Open Government Guide, in one of the topics, discusses that whistleblowers often need support in reporting, keeping the job position, but also in seeking protection from malrelations at the work place. In extreme situations, they need their families protected as well. Thus, this platform suggests establishment of a Fund which will provide whistleblowers with the opportunity to seek for advice, and legal support if necessary. Additionally, fund could provide financial support in urgent circumstances, when whistleblowers are suspended from work and without living wage. Such fund would also honour everyone who point out to illegal operations endangering public interest.⁵³ There is an example of such fund, created as a Securities Exchange Commissions in the United States of America. It offers "monetary compensation in exchange for information on

53 <http://www.opengovguide.com/commitments/establish-a-public-fund-to-support-whistleblowers/>

violations of securities law in order to encourage whistleblowers to come forward”⁵⁴. The main remarks to it refer to the shift of the motivation away from the public interest to the personal gain of the whistleblower. Another example comes from South Korea, where the Anti-Corruption and Human Rights Commission offers compensation if the damage or any kind of expense occurs in relation to moving, lost of salary, trial etc. According to the Open Government Guide, they also proposed amendments to the Law aiming at providing awards for whistleblowers.

The Law on prevention on corruption in Montenegro envisages that whistleblowers have the right to reward and compensation in case of damage⁵⁵. However, both the reward and damage remuneration are paid only after the final verdict of the reported case has been reached, which means that a whistleblower is unprotected throughout the whole trial. As in contribution to this proposal, it is important to mention recommendations of the Committee of Ministers of Council of Europe from 2014, on whistleblowers, which propose availability of temporary measures till the end of the civic court procedure, which should provide victims of retaliation because of reporting and disclosing information in the public interest, and especially in case of job loss.⁵⁶

By creating transparent overview of anti-corruption policies’ income and through its clear directing to improvement of implementation of these policies, it would not only provide for strengthening of institutions and justification of the investments made into and expectations out of these policies. It’s more important that the trust of those who would report corruption grows, because they would learn that they can expect protection and/or reward. The trust of citizens would grow as well, because they would be informed via reports on incomes and expenses of these institutions and clearly see how efficient the system is, which what goal and which final result.

Conclusion and recommendations

First of all, we have to conclude that, despite significant investments in fight against corruption and somewhat risen sanctioning efficiency, in 2015 we still could not have noticed increase of citizens’ trust in institutions, nor significant drop in the percent of those ready to corrupt. However, this years’ preconditions for improved efficiency are notably better: investments have been increased to 0.32% of total amount of state budget – which is the highest percent in the region, the competences of the anticorruption institutions have been widened, and the list of 46 new fines for misdemeanours has been set.

Bearing in mind the experience in producing this study, as well as problems in acquiring data on fines ruled only for cases recognised as corruption, we find it necessary to improve systematic registers of these data.

Precisely we consider it necessary for every state body competent in running misdemeanour procedures, as well as every court, to have clear sorting of fines and crime penalties, making it easy to have insight into penalties solely ruled in misdemeanours and crimes related to corruption.

54 *ibid*

55 The Law on prevention of Corruption (Official Gazzete of Montenegro, no. 54/14), Article 67-69

56 The recommendation of the Council of Europe on protection of whistleblowers and explanatory memorandum, CM/Rec(2014)7, available at http://www.coe.int/t/dghl/standardsetting/cdcj/Whistleblowers/protecting_whistleblowers_en.asp

Before adopting any Law, it would be necessary to conduct clear Regulatory Impact Analysis(RIA). For set of anti-corruption laws, RIA was produced, but the part regarding the cost-benefit analysis does not rely on concrete data, but more on declarative society benefit.

This study entails only one part of anti-corruption policies, for the number of reasons, among which the most important are lack of open data for all institutions which are in charge of these issues. In order to have a whole picture of anti-corruption policies and properly estimate its efficiency it is essential to provide transparency of all data of their implementation and related financial results: starting with prescribed remunerations for the positions of integrity managers, budget of departments and sectors of every institution, ending with investments of international organisations and institutions. The segment of especial importance which lacks transparency is European Union assistance – the value of twinning projects, TAIEX experts' fees, financial assistance through EU IPA and EIDHR funds, both to state institutions and civil society organisations working in the area. Namely, although some data on this support are made public, the available information are quite partial. The stakeholders do not have all data on value of the invested funds and the EU does not publish proactively these data.

Also, at the income side, apart from improved sorting and systematisation of registers of data, it is necessary to publish information on material results of fight against corruption, i.e. data on amounts collected through fines for corruption.

When all these data are made publicly available, production of the Regulation Impact Analysis in the field of fight against corruption, will be significantly easier and objective. The assessment of efficiency of all actors in fight against corruption will contribute to individualisation of accountability for results and formulation of new solutions within laws and institutions, which respond to real needs.

Besides investments, competences and authorities, significant role in functioning of anti-corruption bodies has the management of these institutions. This can be observed within the example of Montenegrin Prosecutor's Office and Slovenian Anti-Corruption Agency, where without any change in competences, investments and authorities, results significantly vary over certain time period.

While in Serbia we have we have concrete criminal charges filed by the State Audit Institution, in Slovenia and Croatia filed informative and criminal charges to the State Prosecutors by auditing bodies, in Montenegro we still have auditors' reports only forwarded. However, in all countries, except for Serbia, State Audit Institution does not receive feedback in terms of data on final verdicts. Coordination of work of these institutions, not only during investigations in corruption cases, but also after the proceedings have ended, would contribute to improvement of these institutions' work. Namely, prosecutors should send information on verdicts, as well as suggestions for collecting data in future cases. This two-way exchange of information would solve problem faced by some prosecutors' offices in the region, that sent probes from anti-corruption agencies and auditing institutions were not of the proper quality and consequently the investigation has to be run all over again.

Hence, in line with the findings of this study, we propose following:

1. It is necessary to create an overview of investments in anti-corruption policies at the state level – with separated budget lines for each body, department or individual within the institutions, who are in charge of preventing, investigating or filing charges in cases of corruption. Hereby, we think that it would be necessary to provide overview of budgets of departments of Police in charge of fight against corruption, overview of investments

for integrity managers, budgets of inspections authorised to control implementation of anti-corruption policies (e.g. Public Procurement Inspection Administration), segments of institutions dealing with detection and suppression of corruption (e.g. segments of Tax Administration dealing with detection and suppression of grey economy) etc.

2. It is necessary to have publicly available data on investments from the EU and international community in anti-corruption policies, regardless whether it would be on the websites of beneficiaries or at the website of the international institutions providing the support.
3. It is necessary to conduct RIA for every anti-corruption law, especially concerning costs and benefits, to have them displayed precisely and by using economic indicators and not commonplaces.
4. Amounts of money collected from misdemeanour fines and crime penalties, confiscated material gain and reimbursement for damage have to be public. These data should be used further on for calculating efficiency of each anti-corruption institution.
5. Funds collected this way (besides reimbursement for damage) should go to a separate fund for protection and rewarding whistleblowers, via which they would be protected from a long-term unemployment or other sorts of retaliation and it would be available to them in the period before the verdict to the crime they have reported comes into power.
6. Coordination of institutions, i.e. sending data on results of ongoing investigations, should be improved. Every institution which sends information to the Prosecutor's Office or presses criminal charges, should be informed about the results of following their case or information.
7. It is necessary to follow efficiency indicators of each of these institutions and in case that any of them shows less efficient, whilst holding same competences and authorities and receiving same budget, it would be necessary to consider change of management staff.

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