

Institutional Profile of the Agency for Construction and Investment of Bijelo Polje, Montenegro

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1. Basic information

Country:	Montenegro
Official name or designation of the institution:	Agency for Construction and Investment of Bijelo Polje (from 1990-1993: Fund for Local Roads and Construction Territory)
Website address of the institution:	Agency does not have a website
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2. Background and Objectives of the Institution

The *Agency for Construction and Investment* (hereinafter the Agency) of the Local Self-Government Bijelo Polje, Montenegro, as it exists today has gone through different institutional restructuring phases in the past 15 years. These changes, however, reflect its scope of work and the sectors under the local level management of the Municipality of Bijelo Polje. From 1993-1996, the Agency was the *Department for urban planning and investment*, as part of the Directorate for Urban Planning, Housing, and Communal Affairs of the Local Self-Government of Bijelo Polje. With the intensification of reform processes in Montenegro, on both levels the national and local directorate were transformed into the Section for Urban Planning and Investment (from 1996-2006). From 1 January 2007, the Section was transformed into the Agency as it is today. It has 20 employees.

The Agency undertakes actions related to:

- Constructing and reconstructing works; use and management of roads within or in the vicinity of places of special purpose, and with the former approval of the national government institution in charge; conducting construction and reconstruction works, as well as investments on the protection of roads of local importance; participating in the assignment of a construction plot; undertaking investments that benefit the municipality individually or with a partner and in accordance with legislation; acquiring construction permits; admission and lending for use of constructed roads and other objects; performing activities related to pulling down the existing objects and clearing the place; displacing existing underground and aboveground installations; organizing expert and quality control of undertaken work; preparation of public hearings as well as undertaking the process of tendering for preparation of technical documentation; public procurement for Agency purposes and needs, and if needed and required, for the benefit of other institutions.

- Monitoring the construction and maintenance work, as well as protection of municipal roads and communal objects followed by proposing and undertaking relevant measures; participation in preparation of annual programs for construction and maintenance of road infrastructure; participation in preparation of urban plans concerning the road infrastructure; preparation in decrees and other acts concerning the development, construction, reconstruction, maintenance, usage and management of roads (local roads and streets in communities); setting fee levels for usage of municipal roads as well as measures for categorization of municipal roads, and declaring non-categorized roads and the manner of their financing, maintenance, construction, reconstruction and usage;
- Preparing rules that set conditions and the manner of conducting communal affairs and organization of communal activities as well as the condition for using communal services/products; preparation of rules of use, protection and maintaining of communal objects, maintaining the cleanliness, town planning and community planning;
- Undertaking communal works, supplying drinking water and collecting wastewater and storm water; public cleanliness, public lighting, planning and maintaining public parks and other public surfaces, planning and maintaining cemeteries;
- Monitoring works of public interest; participation privatization programmes of communal organizations and preparation of programmes and developmental plans of communal sector;
- Initiating processes to resolve property questions; preparation of financial documentation and monitoring the investments/expenditures; investment in profitable projects that benefit the municipality; managing database of properties included in roads of local importance; managing database of construction plots; preparation of information and other materials for the Municipal Assembly and the Mayor, and conducting other business under the auspices of the Local Self-government and the Mayor of the Local Self-government.

3. Management and Administration

The Agency is headed by a director. When necessary, the director authorizes the formation of a temporary or permanent commission or working body of a few employees when an activity or task to be performed needs rationalization of human resources.

The Agency's work is based on the *Public Works Programme*, which also defines its priorities and projects. The Programme defines the Agency's activities for a single year. The Director is in charge of the implementation of the Programme and its achievements. The Agency has a bank account for the implementation of the activities from its scope of duties and responsibilities. The main financial source for the Agency is the budget of Municipality of Bijelo Polje, from which the sources are allocated according to the Public Works Programme.

The Agency's *annual revenue* is EUR 2.5 million.

In the 2002-2007 period, the Agency had few financial sources that supported its activities, projects, or the Public Works Programme. These were as follows:

- Budget of the Municipality of Bijelo Polje;
- Ministry of Transport and Telecommunication of the Government of Montenegro;
- Ministry of Agriculture, Forestry and Water Management of the Government of Montenegro;
- Directorate for Public Works of the Government of Montenegro;
- Directorate for Roads of the Government of Montenegro;
- Certain donors such as the European Agency for Reconstruction (EAR) and the Cooperative Housing Foundation (CHF) have co-financed specific projects in water supply, sewerage and bridges.

For further details see table 3 below.

The crucial change in 2008, as compared to previous years, is related to the Law amending and supplementing the organic law on the Budget. Namely, as of 1 January 2008, the former extra-budgetary funds (Fund for Pension and Disability Insurance of the Republic, Fund for Health Insurance of the Republic, Employment Agency of Montenegro, Fund for Restitution, and Development Fund of the Republic of Montenegro) will become state funds and will be included in the State Budget. Up to now, the social insurance funds (Fund for Pension and Disability Insurance of the Republic, Fund for Health Insurance of the Republic, and Employment Agency of Montenegro) were included in the consolidated balance of public spending. The other two funds are for the first time included in the balance of public spending.

In accordance with this change, the former extended structure of public finances comprised: the central budget, the budgets of the social funds and of local self-governments, together with the budgets of the Development Fund and Fund for Restitution. This has been transformed into the following structure:

- Budget of the Government of the Republic of Montenegro; and
- Local self-governments budgets (city of Podgorica and 20 municipalities).

The local-self governments are financed from the following sources of revenues: own revenues (local taxes, fees and compensations), delegated revenues from the Republic Budget (10% of the PIT, 50% of the tax on real estate transactions and 30% of compensations for concession), the Equalization Fund, borrowings and loans and revenues from privatization.

4. Spending strategies

The Agency drafts and adopts a long-term investment strategy. The Strategy is defined through the collection and analyses of the communities within the Municipality and its correspondence to the budget. The budget possibilities are derived from the analyses of the previous five-year period and the envisioned increase of GDP in following 5 years. The budget is being adopted in the Municipality Assembly, in first instance as draft, followed by the budget proposition.

The Investment Strategy has the following sections:

- general geographic data;
- environment;
- population;
- economy;
- employment;
- infrastructure;
- public investments;
- needs and possibilities of further development of the Municipality (land and property structure);
- cattle stock (forests, crops, water);
- agriculture development; and
- development of services.

Special objectives include:

- urban planning;
- road infrastructure;
- water supply infrastructure;
- other infrastructure;
- environmental protection;

- support to SMEs development;and
- service in rural area development.

5. Evaluation, Reporting and Public Information

Citizens are informed of the work and activities of the Agency through electronic and printed media. Public hearings are compulsory and are organized before the adoption of the Public Works Programme. The prescribed duration of public hearings is 1 month. Citizens receive certain information by filing out personal requests, based on the Law on Public Access to Information.

During the implementation of projects, expert control is undertaken, whereas the controlling organization undertakes financial control. The auditing organization controls the municipal budget and the resources transferred to Agency's bank account.

6. Major Achievements

The Agency has made major achievements during the review period (2002-2007), among which the most important are:

- 80,389 m of roads and pavements in 137 projects;
- 219,57 km of levy-level roads in 181 projects;
- 6 bridges in 6 projects;
- 7,215 m of new roads and old roads cleaned in 204 projects;
- 39 interventions in water supply system or sewerage system construction/reconstruction, in 40 projects;
- 30 interventions, on the territory of municipality Bijelo Polje, in river beds or banks cleanings and canals construction, in 30 projects (see Table 4 below);
- 351.57 km of levy (road) level constructed, through 283 projects;

In the period of five years, the Agency has invested in, implemented and approved 1018 projects in different areas falling within the scope of its duties and responsibilities.

7. Challenges and Future Prospects

Montenegro is in a transition period toward European Union membership, building its human, institutional and administration capacities in order to be able to meet the requirements and obligations of membership. One mechanism that has been recognized for immediate reform and strengthening by the second UNECE Environmental Performance Review conducted in 2007 ([click to view report](#)) is the establishment and administration of eco-finance instruments. With the ongoing decentralization, the enforcement (as of 1 January 2008) of three new laws on SEA, EIA and IPPC on the national and local level, as well as the non-existence of any institution administering eco-finance instruments, the Agency's major challenge will be assuming the obligations resulting from new Laws and use of funds that will be collected with a clear set-up for eco-finance instruments and their enforcement on the local level.

The Government of Montenegro is undertaking necessary actions to establish an Eco-Fund, an instrument that will serve as a mechanism for supporting/ financing environmental protection projects and for which the Ministry of Tourism and Environmental Protection has prepared a draft law that needs to undergo an administrative procedure of approval and adoption by the government and the National Assembly.

8. Statistical data

Table 1: Expenditures (projects), by topics (data in EUR)							
Area of work	2002	2003	2004	2005	2006	2007	TOTAL
Road and pavement works	856,296	469,298	653,221	1,232,993	633,156	2,118,541	5,963,506
Levy level of road construction	404,647	87,750	272,696	245,349	254,823	346,593	1,611,857
Bridges	1,250,000	2,430,000	102,000	241,000	3,500,000	130,000	7,653,000
Installing culverts on new roads and cleaning old ones with bulldozer	74,980	33,605	85,871	89,535	88,164	126,008	498,163
River stream regulation, cleaning river bed and banks	40,715	1,874	20,291	68,955	99,810	89,272	320,918
Water supply system and sewerage system	83,936	-	383,861	-	-	490,991*	958,787
TOTAL 2002 - 2007	2,710,573	3,022,528	1,517,939	1,877,832	4,575,954	3,301,404	17,006,230

* Figure reflects three projects that have started in 2004, 2005 and 2006.

Table 2: Environmental sector expenditures and projects, by results, topics and year							
Table 2a: River stream regulation, cleaning of river bed and banks							
	2002	2003	2004	2005	2006	2007	TOTAL
# of projects	4	2	3	6	2	11	28
Results (m; km; ha; stream flow regulated or stream banks cleaned)	2 regulations; 2 cleaning	2 cleaning	3 cleaning	2 regulations; 4 canal construction	2 regulations; 2 canal construction	10 regulations; 1 cleaning;	16 regulations; 8 cleaning; 6 canal constructions
Investment (EUR)	40,715	1,875	27,335	68,955	99,820	220,682	459,382
Table 2b: Water supply and sewerage system							
	2002	2003	2004	2005	2006	2007	TOTAL
# of projects	13	-	23	-	-	4	40
Results (m; km; ha; stream flow regulated or stream banks cleaned)	13 Participation in system construction	-	Participation in system construction			1 project doc. preparation; 1 reconstruction; 2 construction;	38 constructions; 1 project doc. preparation; 1 reconstruction
Investment (EUR)		-	404,395			557,379	961,774

Table 3: Agency financial sources by topic (data in EUR) incl. percentage of total

Area of work	Municipality	DPW*	DfR*	MoT*	MoAFWM	EAR	CHF	TOTAL
Road and pavement works	3,540,809 (59.37%)	675,676 (11.33%)	1,450,000 (24.31%)	116,206 (1.94%)	-	-	180,816 (3.03%)	5,963,506 (100%)
Levy level of road construction	1,611,857 (100%)							1,611,857 (100%)
Bridges	2,954,000 (38.60%)	4,494,000 (58.72%)				205,000 (2.68%)		7,653,000 (100%)
Installing culverts on new roads and cleaning old ones with bulldozer	498,163 (100%)							498,163 (100%)
River stream regulation, cleaning river bed and banks	309,115 (96.32%)						11,803	320,918 (100%)
Water supply system and sewerage system	756,797 (78.93%)				90,000 (9.38%)		111,990 (11.68%)	958,787 (100%)

Notes: * DPW = Directorate for Public Works of the Government of Montenegro; DfR = Directorate for Roads of the Government of Montenegro; MoT = Ministry of Transport and Telecommunications; MoAFWM = Ministry of Agriculture, Forestry and Water Management

Table 4: List of river stream regulation, cleaning of river bed and banks projects 2002-2007, investments in EUR

No	Project	Investor	Amount (EUR)	Year
1.	Regulation of a stream in Nikoljac (Rogojevići)	Munic. Bijelo Polje	10,602	2002
2.	Regulation of a stream Nedakusi (kod Rahovića)	Munic. Bijelo Polje	20,236	2002
3.	Cleaning of Lipnice River bank	Munic. Bijelo Polje	2,477	2002
4.	Cleaning of Lješnice River bed	Munic. Bijelo Polje	7,400	2002
5.	Cleaning of Boljanske River bed	Munic. Bijelo Polje	959	2003
6.	Cleaning of Lješnice River bed	Munic. Bijelo Polje	915	2003
7.	Cleaning of Boljanske River bed	Munic. Bijelo Polje, CHF	7,749 3,943	2004
8.	Cleaning of Ljuboviđe River bed through Ravnu River	Munic. Bijelo Polje CHF	3,116 3,929	2004
9.	Cleaning of Bistrice River bed	Munic. Bijelo Polje CHF	4,668 3,931	2004
10.	Construction of an open canal Buturići	Munic. Bijelo Polje	5,000	2005
11.	Construction of atmospheric sewage system in Rakonjama to the bridge	Munic. Bijelo Polje	23,000	2005
12.	Regulation of storm water near the chapel in Nikoljac	Munic. Bijelo Polje	7,323	2005
13.	Regulation of a canal behind the Ministry of Internal Affairs branch on the road B.Polje-Bistrica	Munic. Bijelo Polje	6,822	2005
14.	Concrete canal near Rahovića-Nedakusi	Munic. Bijelo Polje	13,943	2005
15.	Concrete canal near Klapija-Nedakusi	Munic. Bijelo Polje	12,868	2005
16.	Regulation of water bed on right bank of Lješnice River	Munic. Bijelo Polje	39,665	2006
17.	Regulation of water bed in Lješnici near Kljajevića	Munic. Bijelo Polje	21,639	2006
18.	Concrete canal in Srđevcu	Munic. Bijelo Polje	12,672	2006
19.	Concrete canal in Rasovu	Munic. Bijelo Polje	25,843	2006
20.	Regulation of Lim River in Dobrakovu (bulldozer)	Munic. Bijelo Polje	11,393	2007
21.	Regulation of Bistrica River in Buturićima	Munic. Bijelo Polje	14,400	2007
22.	Regulation of Ljubovidje River (bulldozer)	Munic. Bijelo Polje	3,580	2007
23.	Regulation of Trnoše River trough Loznu (bulldozer)	Munic. Bijelo Polje	1,995	2007
24.	Regulation of canal Duboki potok – Gornje Loznice	Munic. Bijelo Polje	10,461	2007
25.	Regulation of stream near Muslim graveyard on Loznica	Munic. Bijelo Polje	19,900	2007
26.	Cleaning Boljanska River from school in Boljanini to the junction of Lim River (machine activities)	Munic. Bijelo Polje	1,575	2007
27.	Regulation Bistrica River in Kahvama	Munic. Bijelo Polje	7,250	2007
28.	Construction of sewage system in Klanac	Munic. Bijelo Polje	12,719	2007
29.	Regulation of a canal on Medanovićima, behind the hospital	Munic. Bijelo Polje	6,000	2007
30.	Regulation of Lješnica River bed on from old bus station to intake – Lim River junction	Munic. Bijelo Polje	131,410	2007
		TOTAL:	459,382.30	

Annex: Abbreviations used in this profile

CHF	Cooperative Housing Foundation
DfR	Directorate for Roads of the Government of Montenegro
DPW	Directorate for Public Works of the Government of Montenegro
EAR	European Agency for Reconstruction
EIA	environmental impact assessment
EUR	Euro (currency)
GDP	gross domestic product
IPPC	integrated pollution prevention and control
MoAFWM	Ministry of Agriculture, Forestry and Water Management
MoT	Ministry of Transport and Telecommunications
PIT	personal income tax
SEA	strategic environmental assessment
SME	small and medium sized enterprise
UNECE	United Nations Economic Commission for Europe