

CASE STUDY: SUBSIDIES FOR ELECTRICITY IN ELECTION YEAR €4.5 MILLION



Image: Paying electricity bills

I: INTRODUCTION: In the election year the government projected a sum of two million for electricity subsidies for the socially vulnerable. After the parliamentary elections¹ the revised budget doubled that figure, so by the end of 2016 a total of €4.5 million will be paid for this purpose.

II: BUDGET ENVISAGES TWO MILLION FOR ELECTRICITY SUBSIDIES: Budget Law for 2016² envisaged paying electricity subsidies of 2.1 million to the socially vulnerable. According to the official data of the Ministry of Economy³ nearly the entire sum, i.e. almost €2 million⁴ was paid out in late April and early May 2016, just before the entry of the opposition representatives into the Government of Electoral Trust.

Budget Law for 2016 envisaged paying electricity subsidies of 2.1 million

III: OPPOSITION MINISTER'S REVISED BUDGET DID NOT ENVISAGE INCREASE IN ELECTRICITY SUBSIDIES:

In late May 2016, the Government of Electoral Trust was elected so as to prepare the free parliamentary elections⁵, and according to the Law on the Implementation of the Agreement on Creation of Conditions for Free and Fair Elections, an opposition candidate from the Social Democratic Party filled the position of the Finance Minister.

In early July 2016, the Ministry of Finance, led by the opposition candidate, prepared a Draft Law on Amendments to the Budget Law of Montenegro for 2016, in order to regularly pay gross salaries, pensions and social benefits, since the necessary resources were lacking. This Draft Law was submitted for approval to the Commission for Economic Policy and Financial System of the Government of Montenegro, and was then supposed to be delivered to the government for adoption. However, this was never actually realized.

According to the Draft Law on Amendments to the Budget Law of Montenegro for 2016, which is in the possession of MANS, an increase in the electricity subsidies for the socially vulnerable was not planned.

IV: POSTELECTION REVISED BUDGET INCREASES ELECTRICITY SUBSIDIES FROM 2.1 TO 4.6 MILLION:

In November 2016, after the parliamentary elections, the government established a different Proposal for Amendments to the Budget Law for 2016,⁶ which was adopted at the end of the same month.⁷

¹ Parliamentary elections in Montenegro were held on 16 October 2016

² Budget Law of Montenegro for 2016, Official Gazette of Montenegro 79/15; link:

<http://www.sluzbenilist.me/PravniAktDetalji.aspx?tag={8AF90021-7610-4C09-89EC-7C232F5177C1}>

³ Ministry of Economy's budget for subsidies aimed at production and providing of services to the Program: Development of Energy, Mining and Economy, approved to the non-governmental organization MANS by the Decision of the Ministry of Economy on 17 May 2016 under number 16/87363-87364

⁴ Exact sum is €1,991,430

⁵ Link: <http://www.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/1076/1129-7289-23-3-16-1.pdf>

⁶ Proposal for the Law on Amendments to the Budget Law of Montenegro; link:

<http://www.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/3/1276-8323-33-16-5.pdf>

⁷ The Parliament of Montenegro adopted the Proposal for the Law on Amendments to the Budget Law of Montenegro at the session held on 25 November 2016; link: <http://www.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/3/1276-8356-.pdf>

According to this proposal, the subsidies for electricity increased by €2.5 million in the period from March to December 2016, which means that as much as €4.6 million will be paid by the end of 2016 for this purpose.

REVISED BUDGET FOR 2016 INCREASES ELECTRICITY SUBSIDIES TO 4.6 MILLION

V: NUMBER OF BENEFICIARIES OF SUBSIDIES FOR ELECTRICITY INCREASED BY 1,200:

According to the Ministry of Labor and Social Welfare, the number of the socially vulnerable beneficiaries of the subsidies for electricity in the first ten months of the election year of 2016 increased to 1,200.⁸

Specifically, in January 2016, there were 18,782 registered beneficiaries, while by the end of August, the number increased to 19,982.

MONTH	Number of beneficiaries
January 2016	18,782
August 2016	19,982

Tabel 1: Number of beneficiaries increased by 1,200

By the end of November 2016, based on the Law on Free Access to Information, MANS has not yet received the information on the number of users of the subsidies for September 2016.

*Author: MANS Investigation Center
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⁸ Decision of the Ministry of Labour and Social Welfare to the NGO MANS dated 9 November 2016 under the number 16/99074