

STABILISATION AND ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND MONTENEGRO

The Stabilisation and Association Council

Brussels, 28 June 2019
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COVER NOTE

Subject: Tenth meeting of the EU-Montenegro Stabilisation and Association
(Brussels, 27 June 2019)

Delegations will find attached the position paper of Montenegro tabled on the occasion of the 10th meeting of the Stabilisation and Association Council between the European Union and Montenegro.



European Integration Office

No: **01-**

Podgorica, 14 June 2019

POSITION OF MONTENEGRO FOR THE TENTH MEETING OF EU- MONTENEGRO STABILISATION AND ASSOCIATION COUNCIL

(Brussels, 27.VI 2019.)

Montenegro welcomes the holding of the **tenth meeting of EU-Montenegro Stabilisation and Association Council** and believes that this is an excellent opportunity to present the progress made after the publishing of the 2019 Report on Montenegro, the last meeting of the Stabilisation and Association Committee held in March 2019 and regular subcommittee meetings. Montenegro points out that the country smoothly continued the implementation of SAA commitments in line with the established dynamics and continued to conduct and develop institutionalised political dialogue with the European Union.

Item 3. Relations under the Stabilisation and Association Process

3.1. Enlargement strategy and the EC 2019 Report on Montenegro

Within seven years of the negotiating process, Montenegro opened negotiations **on 32 chapters, three of which have been provisionally closed.** As a result of hard work and commitment to the negotiating process, during the **Intergovernmental Conference** in Luxembourg on 25 June 2018, Montenegro opened Chapter **17 – Economic and Monetary Union**, while Chapter **27 – Environment** was opened during the last **Intergovernmental Conference** in Brussels on 10 December 2018. Montenegro met all obligations imposed by the EU through fulfilment of opening benchmarks for Chapter **8 – Competition**, the only one that remained unopened. In order to be prepared for the Opening Benchmarks Assessment Report, on 7 March 2019 the Government passed the Negotiating Position for Chapter 8 - Competition.

Montenegro continuously works on fulfilment of interim benchmarks for Chapters **23 – Judiciary and Fundamental Rights** and **24 - Justice, Freedom and Security**. So far, **most of interim benchmarks** (out of the total of 83 benchmarks for two chapters), which primarily refer to improvement of legislative and institutional framework in these chapters, have been fulfilled. Since the opening of negotiations, Montenegro substantially **improved legislative framework** in fields covered by Chapters 23 and 24 by passing the new laws and amending the existing ones. Besides constitutional reform in 2013, more than 70 reform laws were passed and amended. Furthermore, the **institutional framework** in this field was substantially strengthened through reinforcement of administrative capacities of the existing and establishment of new institutions. When it comes to the implementation of activities within other negotiating chapters, **Montenegro is oriented towards fulfilment of defined closing benchmarks in chapters in which the negotiations are ongoing, as well as monitoring of new EU policies in provisionally closed chapters.**

The Government appreciates and continuously promotes cooperation with nongovernmental organisations within the negotiating structure and through the SAA mechanisms. During the **twelfth meeting of the EU-Montenegro Civil Society Joint Consultative Committee**, which took place in Brussels on 18 December 2018, fields belonging to Chapter 3 – Right of Establishment and Freedom to Provide Services were considered and Montenegro’s progress and challenges in the field of migration were discussed. The state of play in Montenegrin civil society, as well as sustainable development goals and Chapter 27 – Environment were the topics of discussion during the **thirteenth meeting of the EU-Montenegro Civil Society Joint Consultative Committee** that took place in Podgorica on 7 June 2019.

When it comes to recommendations provided by the Stabilisation and Association Parliamentary Committee, particular emphasis was put on the following: **judiciary and fight against corruption and organised crime, fundamental rights, economic development, regional cooperation and environmental protection.**

Political criteria

In order to improve the electoral legislation, on 30 October 2018 the Parliament passed the Decision establishing the Committee for further reform of electoral and other types of legislation, while Decision on the appointment of president, his/her deputy and Committee members was adopted on 12 November 2018. Secretariat of the Committee drafted the analyses of the following: legal framework falling under the competence of the Committee, recommendations from OSCE/ODIHR final reports for the 2016 parliamentary elections and the 2018 presidential elections, as well as recommendations provided by the associate members of the Committee and competent public institutions. Part of the opposition, i.e. 11 out of 81 MPs does not participate in the work of the Parliament.

Local elections for councillors of the Municipal Assembly of Tuzi were held on 3 March 2019. They were organised in 30 polling stations in the Municipality of Tuzi and two separated polling stations in the Penitentiary Institute and Remand Prison. Six electoral lists took part in the mentioned elections and results were the following: Tuzi win DPS - Milo Đukanović (ten seats); For the sake of citizens of Malesija SNP CG (no seats); Aleksa Bečić - Democrats – Victory, not divisions (one seat); Social Democrats - Ivan Brajović – Consistently for Tuzi (one seat); Malesija unites us (16 seats); Bosniak Party ‘‘Wise choice‘‘ (four seats). The total number of voters in the Municipality of Tuzi was 11,904. Out of this number, 7,897 voters exercised their voting right. There were no national and foreign observers in these elections and no objections, i.e. complaints of participants in the electoral process were lodged.

On 25 October 2018, the Government passed the decision establishing the Appeals Commission, whose president and members fulfil their duties on professional basis. On 1 March 2019, the Parliament passed the Decision appointing the president of the State Electoral Commission. Parliamentary procedure for appointing the members of the Council of Radio and Television of Montenegro is underway, pursuant to the Law on the National Public Broadcaster Radio and Television of Montenegro. Parliamentary procedure for appointing the members of the Anti-Corruption Agency Council is also underway.

Montenegro continues the implementation of **Action Plans for Chapters 23 and 24**. The last semi-annual reports were adopted on 31 January 2019, while the level of fulfilment of implemented or continuously implemented measures is 86% when it comes to the Action Plan for Chapter 23 and 75% when it comes to the Action Plan for Chapter 24.

As regards the **freedom of expression**, the Government prepared the new draft Law on Media and the Law Amending the Law on the National Public Broadcaster Radio and Television of Montenegro. Following their harmonisation with expert comments, the mentioned laws were subject to public discussions, and they will be submitted to the EC, CoE and OSCE for expert review following final alignment with the national legislation.

In October 2018, the Minister of Interior established the team that will deal with investigations of severe criminal offences against life and body committed by anonymous perpetrators in the previous period on the territory of Montenegro, as well as investigations of attacks on journalists, other media representatives and their property. On 17 January 2019, the Government adopted the Information on the Plan for the implementation of recommendations provided in the Analysis of the Media Sector in Montenegro for the purpose of aligning with the CoE and EU standards.

As regards the work of the Commission for monitoring actions of competent authorities in cases of threats and violence against journalists, murders of journalists and attacks on media property, on 6 July 2018 the Government adopted the decision extending the mandate of the mentioned Commission to the period of two years. Prior to the adoption of the mentioned decision, the Government positively solved the issue of compensations for members of the Commission, which was one of obstacles in its work and enabled access to documents without hidden names. The last, sixth report of the Commission for monitoring actions of competent authorities in cases of threats and violence against journalists, murders of journalists and attacks on media property for the period 23 May 2018 – 23 February 2019 was adopted by the Government on 25 April 2019.

In 2019, there were no attacks on journalists and their property. In 2018, there were four attacks on journalists and four cases were opened. Three mentioned cases resulted in final and enforceable convictions, while misdemeanour proceeding was initiated in the remaining case against nine persons for the attack on journalist, and the investigation is ongoing.

Within the **public administration**, on 6 July 2018 the Government adopted the Public Administration Optimisation Plan for the period 2018-2020, according to which the number of employees should be lower until 2020 by 5% at the central level 10% at the local level. Implementation trends regarding the Optimisation Plan are reflected in reduction in number of employees at the local level by 475, while the employment trend at the state level was stopped without negative effects on overall employment in Montenegro. Implementation of the Public Administration Reform Strategy 2016-2020 has been continued and guidelines for monitoring and reporting on its implementation have been established, along with the Interministerial operational team for coordinating the implementation of activities from the Action Plan accompanying the 2018-2020 Public Administration Reform Strategy. On 22 November 2018, the Parliament passed the Law on the State Administration, which provided conditions for complete reorganisation of the state administration in the context of the public administration reform. Furthermore, on 28 December 2018 the Parliament passed the Law on Financing of Local Self-Governments, which contains substantially improved solutions that will secure stability of the local public finance system. On 10 June 2019, the Parliament passed the Law Amending the Law on Communal Police, which additionally improved the legal framework for their organising and actions.

As regards policy coordination and strategic planning, the role of the General Secretariat of the Government has been substantially strengthened, pursuant to Government's commitment to improving the strategic planning system and development of policies based on performance, verifiable data and transparency. The legal framework for strengthening the strategic planning by the central governmental authorities has been improved significantly, while strategic planning capacities have been strengthened; this will reflect positively on the quality of strategic documents and policy planning overall. The Directorate for good public administration and NGO actions, in which the tasks related to the public administration reform and NGO cooperation and actions were integrated, was established in October 2018 within the Ministry of Public Administration, thus strengthening coordinating role of the Ministry in development, implementation and monitoring of public policies in all fields.

Innovated and improved eParticipation portal has been established as well. It enables participation in public discussions via Internet – meaning that citizens and all the stakeholders can leave their comments on laws and strategies, which will be answered by the competent authorities within a short period of time. ePetition service has been renewed – citizens and stakeholders can launch initiatives for preparation and amendment of regulations – the required number of citizen’s signatures for dealing with initiative has been reduced from 6000 to 3000.

As regards the **public finance management**, on 12 November 2018 the Parliament passed the Law on Public Internal Financial Control. On 28 June 2018, the Government passed the updated version of the Public Finance Management Reform Programme for the period 2016-2020 with the accompanying Action Plan. On 23 May 2019, the Government adopted the 2018 Annual report on the implementation of the Public Finance Management Reform Programme 2016-2020. Following insight into the overall status of fulfilment of defined strategic goals, it can be concluded that most of the indicators point to a positive trend and that most of the activities planned for 2018 have been carried out.

When it comes to strengthening of cooperation with the **civil sector**, on 14 June 2018 the Government passed the Decree on the appointment of NGO representatives in the working bodies of the state administration authorities and conducting of public discussions with regard to preparation of laws and strategies, which entered into force on 6 July 2018. Legislative framework for financing NGO projects was completed on 13 September 2018 through adoption of the Decree on procedure and method of co-financing programmes and projects of NGOs supported by EU funds. On 15 November 2018, the Government passed the Decision defining priority fields of public interest and amount of funds for financing NGO projects and programmes in 2019 in 20 fields of public interest. The new Council for cooperation between the state administration authorities and NGOs has been established and consists of six representatives of NGOs and six representatives of the state administration authorities at the high managerial level.

Montenegro is continuously devoted to **regional cooperation** and has an active role in building of more stable and secure region through participation in approximately 35 regional organisations and initiatives. On 1 July 2018, Montenegro completed its participation in the Council of the UN Food and Agriculture Organisation after two years of membership (since 1 July 2016). During 2018 Montenegro presided over the A5 initiative, as well as Adriatic and Ionian Initiative and EU Strategy for the Adriatic-Ionian Region from 1 June 2018 until 31 May 2019 as a first non-EU Member State in charge of the macro- regional strategy. During its presidency, Montenegro hosted the meeting between the ministers of foreign affairs of the AII and EUSAIR Forum in Budva in the period 7-8 May 2019. The presidency was rated as successful, and our country showed once again that it is ready to actively participate in and initiate various regional activities, which will consequently strengthen its role and visibility in the region and abroad. The status of partner for inter-sectoral dialogue in the Black Sea Economic Cooperation Organization (BSEC) has been renewed for the period from 1 January 2019 until 1 January 2021.

Regional cooperation was particularly aimed at **activities within the WB6 and Berlin Process**. Montenegro continuously works on fulfilment of its obligations under the Berlin Process and it is devoted to strengthening of regional economic cooperation and implementation of the Multi-Annual Action Plan (MAP) for a Regional Economic Area (REA) in the Western Balkans Six (WB6) into the CEFTA legal framework. At the summit held in London on 10 July 2018, Montenegro signed the Joint Declaration on Regional Cooperation and Good Neighbourly Relations in the Framework of the Berlin Process, Joint Declaration on Missing Persons in the Framework of the Berlin Process and the Joint Declaration on War Crimes in the Framework of the Berlin Process and obliged itself to the implementation of anti-corruption activities. Montenegro also hosted the meeting of ministers of foreign affairs of the WB6 in Budva in the period 29-30 November 2018, as well as the Ministerial meeting on clean energy transition in the Western Balkans on 21 February 2019. On 20 May 2019, the Government adopted the Action Plan for the implementation of the Investment Agenda that represents comprehensive framework for specific reform activities, which will be taken by Montenegro at the national level for the purpose of achieving goals defined by the mentioned agenda.

Furthermore, Montenegro is **fostering good bilateral relations with its neighbours** and addresses the border issues by respecting international law and good neighbourly relations.

In March 2019, Montenegro signed the Agreement on Cooperation between the Government of Montenegro and the Government of the Republic of **Kosovo** in the context of accession to the European Union, thus fulfilling the obligation referred to in Article 15 of the Stabilisation and Association Agreement to conclude bilateral agreements with all countries where the SAA with the EU is in force.

Montenegro is implementing all **restrictive measures of United Nations Security Council and the EU**. As regards the **EU Common Foreign and Security Policy**, Montenegro accedes without exceptions to common positions of the EU, statements/declarations, communications and démarches (alignment rate 100%).

Economic criteria

On 24 January 2019, the Government passed the **Programme of Economic Reforms for Montenegro 2019-2021 (PER)**, which is the key strategic document for the medium-term macroeconomic and fiscal programming in Montenegro and contains the accompanying agenda of structural reforms important for the reduction and elimination of obstacles to economic growth and strengthening of overall competitiveness of the country. Strategic developmental goal of Montenegro defined by the PER is a sustainable and inclusive economic growth which will contribute to reduction of developmental gap in the country in relation to the EU average and increase of life quality of all of its citizens.

Public finance management

For the purpose of achieving the previously mentioned goal, **in the medium-term the economic policy will combine two groups of measures, the first one being related to strengthening of macroeconomic, fiscal and financial stability, while the other group is directed at the implementation of structural reforms, i.e. removal of key obstacles for improvement of country's competitiveness and increase in possible economic growth for the medium and long-term period.**

In 2018, the amount of the **source budget revenues**¹ was EUR 1,746,0 million, recording an increase of 11.5% when compared with 2017, as a consequence of increase in VAT by 12.4%, (due to increase in economic activities and increase in general VAT rate by 2 p.p.) and increase in contributions by 6.0%, due to enforcement of the Law on Re-programming of Tax Claims.

The amount of **budget expenditures** in 2018 was EUR 1,914.9 million, of which EUR 1,671,6 million were used for financing the current budget spending, while EUR 243.4 million were used for the capital budget. When compared with 2017, the amount of expenditures is 6.2 % and 0.8% higher than planned.

The cash **budget deficit** for 2018 amounts to EUR 168.9 million or 3.65% of the GDP and it is 28.7% lower in comparison with 2017. If we exclude the amount of expenditures for development projects from the amount of budget spending, there was a cash surplus of 3.3% of GDP, which indicates that current expenditures were financed from current revenues.

The average **number of employed persons** in April 2019 was 200,595, which is 9.0% higher when observed at the annual level. The average number of unemployed persons was 38,102, which is 15.3% less when compared with the same month of 2018. The registered unemployment rate was 16.3%, which is 3.0 p.p. lower when compared with the same day of the previous year. The average **gross wage** was EUR 767, which is 0.3% higher, while the amount of the net wage was EUR 511 and it is at the level similar to the one in 2018.

¹ Data according to Proposal for the Law on the 2018 Final Account of Budget of Montenegro.

The external sector in the period January-March 2019 was characterised by increase in the current account deficit up to the level of 6.6% of GDP, which is a consequence of increase in trade in goods deficit and reduction of surplus at the primary income account. **The current account deficit** was EUR 317.6 million and increased by 4.6% when compared with the same period of 2018. During 2018, **the net inflow of foreign direct investments (FDIs)** was EUR 322.5 million, which represents 33.4% decrease in comparison with 2017. The net inflow of FDIs is financing 40.7% of the current account deficit in 2018.

The foreign trade exchange in the period January–April 2019 amounted to EUR 890.4 million, which is 4.5% increase at the annual level. Export of goods in the amount of EUR 125.2 million was lower by 3.3%, mainly due to decrease in export of aluminium by EUR 3.9 million and bauxite mineral ore by EUR 3.0 million. The value of import of goods was EUR 765.1 million, which is 5.8% increase at the annual level. Increase in import is mostly determined by increase in electricity import by EUR 13.7 million, metallic products and non-metallic minerals by EUR 12.0 million and medical and pharmaceutical products by EUR 7.1 million.

According to preliminary data, in the period January-March 2019, **the net foreign direct investments** amounted to EUR 82.7 million, which is a 62.9% increase in comparison with the same period of the previous year.

Financial sector development

During 2019, the stability and resilience of the financial sector in Montenegro has been improved by amending of the regulatory framework, measures of the Central Bank and risk management in banks. Timely recapitalisation supported the risk profile of every bank in the system and defined solvency standards have been met. Furthermore, during 2019, the issue of 2 minor non-systemic banks was successfully solved without negative impact on the stability of the banking sector. The recovery trend in lending activities of the banks, as well high liquidity and good solvency of the banking system has been continued. Upon cessation of work of non-systemic banks, since April 2019, 13 banks are operating in Montenegro, which resulted in calculative reduction in certain balance positions in comparison with the end of 2018 and also led to improvement of quality parameters of assets at the system level and strengthening of the system stability.

In April 2019, the amount of bank deposits was EUR 3.3 billion, which is 1% higher in comparison with April 2018. The annual growth of total deposits was achieved despite exclusion of one bank from the total deposits coverage and points to maintenance of trust in the banking sector and their retaining in the system. When compared with the same period of the previous year, other balance positions increased as well: assets by 4.05%, loans by 4.32% and capital by 4.71%.

In April 2019, in comparison with the end of 2018, the banking system assets, due to exclusion of one bank from the coverage, the assets of which amounted to EUR 200.8 million recorded decrease of only 1.58% or EUR 69,6 million. Furthermore, during the same period, deposits also decreased at the system level in the amount of around EUR 110 million, which represents a net effect of exclusion of EUR 190 million of deposits belonging to the bank undergoing the liquidation procedure (it was their amount on the date of beginning of the liquidation procedure) and circa EUR 80 million increase of deposits in other banks. During this period, the total amount of bank loans and capital increased by 0.56%, i.e. by 2.69%.

Bank loans represent the most important item in the aggregated bank balance. The total amount of gross loans and claims in the system is EUR 2.9 billion, which makes 68% of total assets. Loans to natural persons prevail in the mentioned system with 44% share in the total portfolio, while economic loans make 36% of the total loans. In the one-year comparative period, loans to citizens increased by 9.67%, while loans to companies increased by 2.03%.

Loan portfolio quality has been significantly improved. **The value of the non-performing loans coefficient (NPL)** is 4.74%, which represents substantial decline in comparison with the end of the previous year when its value was 6.72%, particularly when compared with its value of 7.10% in the same period of the previous year. This result is even more significant due to the fact that it was achieved during the year in which the implementation of the demanding MSFI 9 standard in banks started. Partial contribution to resolution of the issue of NPL was also provided via systemic approach made through the implementation of the Law on Financial Restructuring of Debts towards Financial Institutions (until May 2019). Gross loans and claims that are more than 30 days overdue make 5.28% of the loan portfolio, while loans that are more than 90 days overdue make 2.96% of total loans. During the same period of the previous year, the value these two coefficients was 7.62%, or 5.06% respectively.

Bank liquidity is at the satisfactory level. Liquid assets make 21,54% of total assets. The value of loan and claims coefficient in comparison with deposits is 88.6%, which means that the deposit potential is EUR 378.1 million higher when compared with claims for approved loans. All the banks in the system meet the minimum daily and decade amounts of liquid assets coefficients in relation to short-term liabilities.

The total bank deposits amount to EUR 3.3 billion, of which the natural person's deposits prevail with 51% share in total deposits. In the annual comparative period, the legal person's deposits record the increase of 5.46%, while citizen's deposits recorded decrease by 2.98%. Deposits of companies decreased in the same period by 11.25%. The demand deposits prevail with 67.51% in total deposits.

The average weighted effective interest rate for total loans is constantly declining and its value was 6.19% in April 2019.

In 2019, the banking system obtains the profit in the amount of EUR 19.4 million. Only one bank suffered losses. The solvency coefficient of banks at the aggregate level is 15.29%.

Acquis

Montenegro achieved progress and it will continue alignment of legislative and institutional capacities with European standards in accordance with obligations defined by trade provisions from the Stabilisation and Association Agreement. In this respect, Montenegro actively works on filling in od the administrative capacities for efficient enforcement of the acquis.

When it comes to the field of ***free movement of goods***, Montenegro continued with activities with a view to aligning its legislation with the relevant acquis. Pursuant to the Action Plan for aligning with Articles 34 - 36 of the Treaty on the Functioning of the European Union (TFEU), Montenegro passed 17 bylaws in the field of metrology. As regards the field of the New Approach Directive, rulebooks related to gas fuels and aerosol dispensers were passed, while a set of bylaws with regard to the Law on Construction Products and the Law on Spatial Planning and Construction of Facilities was passed for the field of construction products. **Law on Medical Devices** has been passed as well. As regards the 'Old Approach' legislation, in March 2019 Montenegro passed the National Strategy for Chemicals Management 2019-2022, with the accompanying Action Plan for the same period, and obtained the observer status in meetings of HelpNet, which largely contributes to building of mutual trust regarding requirements that refer to REACH regulation. In addition, Montenegro passed the **Law on the Ratification of the Minamata Convention on Mercury**. As regards the field of fertilizers, **Law Amending the Law on Plant Nutrition Products** has been passed, as well as the **Law Amending the Law on the Protection of Cultural Goods** in the field of culture. Montenegro also passed the **Law on Cosmetic Products**. As for market surveillance, Environmental and Sanitary inspectorates continuously perform the supervision, particularly when it comes to import of chemicals and biocidal products, as well as the safety of toys.

As regards the field of the **right of establishment and freedom to provide services**, the 2017 Report on the implementation of the Action Plan for transposition of Directive on services in the internal market was adopted on 14 June 2018, while the 2018 Report was adopted on 18 April 2019. In addition, a set of bylaws has been passed, thus ensuring the alignment with Services Directive, including: **Law on Freshwater Fisheries and Aquaculture, Law Amending the Law on Plant Nutrition Products, Law Amending the Law on Mediation, Law Amending the Law on the Protection of Cultural Goods, Law on Employment Mediation and Unemployment-Related Rights, Law on Detective Activities, Law Amending the Law on Tourist Organisations and Law Amending the Law on the Efficient Use of Energy**. Furthermore, the Working Team was established on 31 October 2018 for the purpose of implementing the IPA 2016 project that refers to establishment of a Single Contact Point (SCP). Activities have been initiated for the purpose of establishing the mentioned point, which will, inter alia, contain integral information on regulated professions. Network of contact points at the local level has been established as well, while all the local self-governments were informed on the recent and future activities related to establishing of a SCP. In order to further implement the activities regarding the plan for development of qualifications for regulated professions, **Law on the Recognition of Professional Qualifications for Performing of Regulated Professions** was passed on 27 May 2018, while the Government passed the Decision establishing the List of regulated professions on 22 November 2018.

The National Coordinator was appointed in accordance with the Law on Recognition of Professional Qualifications for Pursuit of Regulated Professions. The Strategy for Development of Postal Services in Montenegro for 2019-2023 was adopted, along with the accompanying Action Plan for 2019-2020. By adopting the **Law amending the Law on Mediation** of 6 March 2019 and the **Law on Detective Activities** on 4 April 2019, Montenegro adopted a set of legislation aimed at removing the citizenship requirement for access and enjoyment of the freedom to provide services.

In the area of **public procurement**, the preparation of the new Law on Public Procurement is in the final stage. The comments and opinion on the draft law were obtained from the EC and efforts are being made to achieve full alignment. In addition, Montenegro has prepared the Action Plan relating to the public procurement and public-private partnership reform agenda for the period June 2019 - December 2020, which includes a set of measures for the improvement of these policies. As regards the administrative capacity, Montenegro has the support of the European Bank for Reconstruction and Development (EBRD) for the public- private partnership policy through a capacity-building project and the development of project implementation guidelines, as well as the special support of the International Monetary Fund (IMF) for the fiscal part of public-private partnership projects. Furthermore, Montenegro has two technical assistance projects with the EU, which are implemented in order to further modernise the work of the electronic system of public procurement and strengthen administrative capacities, implementation of regulations, monitoring of public procurement and improvement of the central purchasing system in Montenegro. During the reporting period, two inspectors were employed; hence, the Public Procurement Authority currently employs eight inspectors.

In the field of **intellectual property rights**, there is continued cooperation with the **World Intellectual Property Organization (WIPO)**, as well as with the **European Intellectual Property Office (EUIPO)**. The Draft Memorandum of Understanding was prepared on bilateral cooperation between the Ministry of Economy of Montenegro and EUIPO, which is expected to be signed by mid-July 2019. Cooperation continued with the **European Patent Office (EPO)**, through the implementation of a number of activities under the Plan of Bilateral Cooperation 2018-2019. Activities have been continued on the alignment of legislation in the field of copyright and related rights with the *acquis*.

In the area of **competition**, Montenegro has fulfilled all the activities and achieved full internal readiness to open the chapter. In addition, on 7 March 2019, the Government **adopted the Negotiating Position of Montenegro for the Intergovernmental Conference on the Accession of Montenegro to the European Union for Chapter 8 - Competition**. The agency carried out an unannounced direct inspection of the business premises of one market participant, following an ex officio procedure aimed at the review of the existence of acts or actions contrary to the Competition Law. In addition, activities were continued in the area of protection of competition, in particular as regards concentrations, prohibited agreements and abuse of dominant position. In the process of amending the Law on Protection of Competition, with the aim of achieving alignment with the Law on State Administration, the possibility will be considered of introducing a direct imposition of penalties by the Agency.

In the part referring to state aid, in accordance with the Law, the Agency took over six employees of the Ministry of Finance who had previously worked on state aid control tasks.

In the field of **financial services**, under the Twinning project “Support to Regulation of Financial Services”, working versions of the following laws have been drafted: Law on Credit Institutions (alignment with Directive 2013/36/EU and Regulation (EU) 575/2013) Law on Resolution of Credit Institutions (alignment with Directive 2014/59/EU (BRRD)) and the Law amending the Law on Bankruptcy and Liquidation of Banks. Following the adoption at the session of the Council of the Central Bank of Montenegro, these laws, as well as the Deposit Protection Law, have been submitted to the Commission in the draft form. On the basis of the Law on Capital Market, the Capital Market Commission adopted twenty-three by-laws, and following the adoption of the Law amending the Law on Investment Funds and the Law amending the Law on Voluntary Pension Funds, the Commission adopted five by-laws regulating in more details the implementation of this legislation.

In the field of **information society and media**, on 4 April 2019, the Government adopted the **Action Plan for Implementation of the Strategy for the Development of the Information Society of Montenegro by 2020 for 2019** and the **Action Plan for the Implementation of the Montenegro Cyber Security Strategy 2018-2021** for 2019. A single information system for electronic data exchange between state authorities and state administration bodies has been established with the aim of creating better conditions for efficient public administration and eliminating barriers for further development of electronic administration in Montenegro.

Montenegro has prepared the **Media Law** and the **Law amending the Law on National Public Broadcasters Radio and Television of Montenegro**, which are in the phase of inter-sectoral alignment and which should be adopted by the end of June. The **Draft Law on Audio-Visual Media Services** was also prepared, in which the revised AVM Directive was transposed, and it is planned to be adopted in the fourth quarter of 2019. The agreement on the reduction of roaming charges in public mobile communications networks among the countries of the Western Balkans was signed on 4 April 2019. On 5 April 2019, the Government of Montenegro and the Government of the Republic of Serbia signed the **Agreement on Mutual Recognition of Certification Services for Electronic Transactions offered in Montenegro and Qualified Trust Services offered in the Republic of Serbia**.

In the field of **agriculture and rural development**, alignment with the EU acquis has continued. A significant number of by-laws have been adopted. With a view to preparing their implementation, training of the administration and producers was continued in the period from February 2019 to the present. The development of the **Integrated Administrative and Control System (IACS)** was also continued and the development of a single aid application, which is an integral part of it, has begun. With the aim of strengthening the administrative capacity of the Directorate for Payment, in early May 2019, nine new employees were recruited. Pursuant to the **Law on Wine**, three designations of origin were protected in May 2019: "Crmnica", "Podgorica sub-region" and "Ulcinj sub-region". All wines produced according to the appropriate Product Specification in these areas can be designated with the traditional expression: "Protected designation of origin name of one of these three areas". In accordance with the Law on Quality Schemes of Agricultural and Food Products, the Ministry of Agriculture and Rural Development has registered two additional designations of origin: "Durmitor's skorup", on 25 March 2019, at the request of the NGO "Association of Durmitor's skorup producers" and "Kolašin leafy cheese" on 6 May 2019 at the request of the NGO "Association of Kolašin's leafy cheese producers". A contract was signed in March 2019, between the UNFAO and the Ministry of Agriculture and Rural Development for the implementation of the Technical Assistance Project for the establishment of the FADN system in Montenegro. Also, in May 2019, the calculation of the Standard Output Coefficient (SO2013) was completed, which is an important tool for establishing the FADN system. By 6 June 2019, agreements were signed on the award of grants with 142 beneficiaries for Measure 1 and 20 beneficiaries for Measure 3 of the IPARD II program. Realisation of contracted investments through all four calls of IPARD like 2 project is still ongoing, and by June 2019, 23 projects were implemented with the total value of 1.6 million EUR, VAT excluded. In line with the conclusions of the fourth meeting of the IPARD II Monitoring Committee, which adopted the Proposal for changes to the IPARD II programme (Programme for the Development of Agriculture and Rural Areas under IPARD II 2014-2020 version 1.2), on 17 April, the European Commission officially accepted the modification of the IPARD II program.

In the area of **food safety, veterinary and phytosanitary policy**, Montenegro has worked intensively on further **implementation of the adopted Strategy for Transposition and Implementation of the EU acquis** for Chapter 12, with the General Action Plan and the Special Action Plan for the suppression and eradication of classical swine fever. As regards **alignment with the EU acquis and for the purpose of implementation of the Strategy, 44 legal acts were adopted in the second half of 2018, and six acts were adopted in the first quarter of 2019.** Following the transfer of the food inspectorate and veterinary and phytosanitary inspectorate to the Food Safety Administration, Veterinary and Phytosanitary Affairs in order to further achieve the goals defined by the Strategy and organisation of official checks, plans for official checks were adopted and implemented. Montenegro has continued to implement the **National Plan for the Improvement of Non- Compliant Facilities** in accordance with approved Adaptation Plans. Montenegro also continued with the implementation of the **National programme for improvement of quality of raw milk with the strategy for the use of non-compliant milk with the Action Plan** as well as the **Management Plan for by-products of animal origin that are not intended for human nutrition with the Action Plan.** The **National plan for sustainable use of plant protection products** has been implemented in accordance with the Action Plan.

In the field of **fisheries**, following the completion of implementation of the IPA II project "**Strengthening Control and Management of Fisheries**", which significantly developed the Fisheries Information System - FIS, i.e., a system of more efficient control of fishing activities, Montenegro continued with significant and numerous activities in the implementation and improvement of mechanisms of monitoring, control and checks at sea. In the part relating to the alignment with the EU acquis, following the adoption of the **Law on Freshwater Fisheries**, 14 by-laws were adopted, which regulate the area of freshwater fishery and freshwater aquaculture in more detail. Montenegro continued to carry out the activities provided for by the **Montenegro Fisheries Strategy 2015-2020** and the **Action Plan for the Transposition and Implementation of the EU Acquis**. The focus is on the drafting of the **Law on Structural Measures and State Aid in Fisheries and Aquaculture** and the **Law on the Regulation of the Market in Fisheries and Aquaculture**, which are in the final stage of cross-sectoral alignment, after which they will be sent to the EC for opinion, and work is being done on the Law on Marine Fisheries and Mariculture, which will be a subject of the public debate at the end of June. A revision of the **Action Plan for the transposition and implementation of the EU acquis in line with the EC request** is underway. The implementation of the **Annual Montenegrin Fisheries Data Collection Program (DCF - DCRF)** was continued in 2019, and it was revised in June 2019. Research expeditions continued in the territorial and international waters of the South Adriatic (biomass estimation of pelagic and demersal resources), on the basis of which the capacity of the fishing fleet, expressed in kW and GT, and the maximum permitted annual catch shall be determined. The state aid register in the marine fisheries sector was established, whose implementation had been foreseen for 2019 under the Action Plan.

Montenegro continues to be an active participant in the activities carried out by the General Fisheries Commission of the Mediterranean, as well as all similar regional bodies aimed at real and deep reform of fisheries management.

In the area of **transport**, the Ministry of Transport and Maritime Affairs received a positive opinion from the European Commission on the Transport Development Strategy 2019- 2035 and Action Plan 2019-2020. The Government's work program provides for the adoption of the Transport Development Strategy 2019-2035 and the 2019-2020 Action Plan for the second quarter. In March 2019, the Parliament adopted the Law amending the Law on Working Time and Breaks during Working Time and Recording Equipment in Road Transport. Since 1 October 2019, in accordance with the new Law on State Administration, the Railway Directorate has changed its official title to the "Railway Administration" and is now an independent state administration body (not a part of the Ministry of Transport and Maritime Affairs). The new laws on railway and safety and interoperability in railway transport are in the draft form, and will be adopted this year and implemented as of January 2020. In addition, the Ministry of Transport and Maritime Affairs plans to prepare the Draft Law amending the Law on Maritime Safety, whose adoption, in accordance with the Government's Work Program, is foreseen for the fourth quarter of 2019. In March 2019, the Parliament adopted the Law on Ports.

In the field of **energy**, on the basis of the Law on Energy, seven by-laws were adopted in the field of renewable energy sources, along with two by-laws in the field of supply of electricity purchasers. Pursuant to the Law on Cross-Border Exchange of Electricity and Natural Gas, two by-laws have been adopted. On 3 April 2019, the Parliament adopted the Law amending the Law on Efficient Use of Energy, which improves the legal framework in the field of energy efficiency, primarily through: alignment with the requirements of relevant EU directives (Directive [2012/27/EU](#) and Directive [2006/123/EC](#)), a clearer definition of the manner of establishing an energy management system and the establishment of a special energy efficiency inspection. On 18 December 2018, the Parliament adopted the Law ratifying the Joint Protocol Relating to the Application of the Vienna Convention and the Paris Convention, and on 20 December 2018, the Government adopted the Radon Protection Program with the Action Plan for the implementation of the Program for 2019-2023 with the Report on the organised public debate.

As regards **taxes**, on 11 April 2019, the Government adopted the Information on the need to sign the Multilateral Convention to implement tax treaty related measures to prevent, base erosion and profit shifting. In this information, the deadline for signing the Convention was not specified. OECD representatives proposed a visit to the Ministry of Finance in the coming period when they will be familiarised with the degree of alignment of national legislation with the EU legislation and the level of readiness of tax authorities. In the course of the visit, further activities are expected to be specified as regards the signing of the Multilateral Convention and the accession to the Inclusion Framework.

With regard to the **customs union**, implementation of the IPA 2014 project "Support to the Customs Administration" relating to the fulfilment of conditions for Montenegro's accession to the Common Transit Convention and the Convention on Facilitation of Trade in Goods, under which the NCTS Phase 5 will be implemented, for which the EC will draft and publish technical specifications by the end of 2019. In addition to the NCTS, during the project, other modules will be developed as well, without which the NCTS could not be applied, such as the Risk Management System, the Guarantee Management System, the Authorisation System, the Help Desk, the Business Portal.

CEFTA parties defined the text of the Decision establishing the validation procedures for the mutual recognition of authorised economic operators (AEO) relating to safety and security (AEOS), whose adoption is expected at the CEFTA meeting on 21 June 2019, followed by the adoption in CEFTA parties in accordance with national procedures. In March 2019, the Customs Administration adopted the "Guidelines on organisation and mandatory procedures for risk management in customs procedures", which covers the entire system and process of risk analysis and ensures the single application of work procedures in this area at each customs office. In the period from 14-17 May 2019, the Expert Mission was conducted on the topic "Prevention and Fight against Smuggling and Illicit Trade in Cigarettes", during which it was confirmed that great progress has been made over the past five years in the field of prevention and fight against smuggling and illicit trade in cigarettes. They commended the efforts of the Customs Administration in their day-to-day work activities and the commitment to the prevention and fight against smuggling and illicit trade in cigarettes.

In the field of **statistics**, significant progress has been made in the implementation of EU legislation and further development of official statistics, through the adoption of amendments to Article 35 of the Law on Official Statistics and the System of Official Statistics. The amendments to this article allow the use of necessary data from administrative sources, including identifiers and the right to integrate administrative sources into the official statistics in order to develop, produce and disseminate official statistics. In addition, an issue is being addressed regarding collision of national legislation when using the necessary data with identifiers from administrative sources for statistical purposes and alignment of legislation with international standards, which is particularly important in the context of the upcoming Population Census in 2021. In April 2019, a pilot census was conducted of population, households and dwellings, based on a traditional method, aimed at testing instruments and methodology for the implementation of the Census of Population, Households and Dwellings in 2021.

In the field of **social policy and employment**, the Law on Social Council was adopted on 26 June 2018. The Law on Labour is in the final phase of alignment. Social partners take active part in the working groups for the drafting of all regulations in the field of labour legislation. The Law on the Labour Fund received a positive opinion from the European Commission; however, the adoption of this regulation is conditioned on the adoption of the new Law on Labour. The Law amending the Law on Protection and Health at Work was adopted by the Parliament on 26 August 2018, and it is being implemented. In the field of **employment policy**, the Law on Mediation in Employment and Rights during Unemployment was adopted and it came into force on 30 April 2019. A new Law on Vocational Rehabilitation and Employment of Persons with Disabilities is being prepared. In the field of **social inclusion**, on 21 March 2019, the Government adopted the following: Report on the implementation of the Action Plan for Implementation of the Strategy for the Integration of Persons with Disabilities in Montenegro for 2016-2020 for 2018, Report on the Implementation of the Action Plan for 2018 for the Implementation of the Strategy for the Development of the Social and Child Care System for 2018-2022, and the Report on the Implementation of the Action Plan for 2018 for the Implementation of the Strategy for the Development of the Protection of the Elderly for 2018-2022. At the same session, the Government adopted the Strategy for the improvement of the quality of life of LGBTI persons in Montenegro for 2019-2023, with the Action Plan for 2019. The families with one parent exercise all the rights from social and child care, in accordance with the prescribed conditions, while in some segments, when exercising his/her rights, a single parent enjoys larger benefits than other beneficiaries of the right. In this regard, a single parent in the process of exercising the right to material support (monthly social allowance) may exercise that right, even if he/she does not meet the conditions prescribed by the law as regards income, property, etc., provided that the commission of the Centre for Social Work gives that assessment.

In the area of **judiciary and fundamental rights and justice, freedom and security**, Montenegro continues to improve the legal and institutional framework, as well as the results in the reform implementation.

In order to **reform the judiciary**, on 26 June 2018 the Parliament adopted the Law amending the Law on Judicial Council and Judges, and on 18 December 2018 the Law amending the Law on Notaries. On 1 November 2018, the Government defined the Proposal for the Law amending the Law on Public Bailiffs, while on 22 November 2018 it defined the Proposal for the Law amending the Law on Mediation. Reporting is done at the semi-annual level on the implementation of the measures from the Action Plan for the implementation of the Judicial Reform Strategy 2017-2018, including the Third semi-annual report on the implementation of measures from the Action Plan for the Implementation of this Strategy (for the period from 1 July to 31 December 2018), which was adopted by the Government on 11 April 2019. The drafting of the new Judicial Reform Strategy for 2019-2022 is underway, along with the action plan for its implementation.

In July 2018, the President of Montenegro declared the composition of the new Judicial Council. Administrative capacity-building of key institutions was continued. In the Secretariat of the Judicial Council, out of 54 positions, 42 have been filled. A total of 20 employees are employed in the Secretariat of the Prosecutorial Council.

In July 2018, the head of the High Public Prosecutor's Office in Bijelo Polje was appointed. In September 2018, the Prosecutorial Council elected a public prosecutor in the High Public Prosecutor's Office in Bijelo Polje, according to the promotion system and one candidate for the public prosecutor in the Basic Public Prosecutor's Office, who was sent for initial training to the Basic Public Prosecutor's Office in Podgorica. On 29 March 2019, the Prosecutorial Council elected a public prosecutor in the Basic Public Prosecutor's Office in Podgorica, based on promotion system.

With a view to strengthening the accountability of the judiciary, at the session held on 25 July 2018, the Judicial Council adopted the Decision on the appointment of the Disciplinary Panel, and at the session of 2 September 2018, the new Commission for the Code of Ethics was appointed. All courts have adopted integrity plans, which have been entered into the application of the Agency for the Prevention of Corruption and published on their websites. In December 2018, at the working meeting of the president and members of the Commission for the Code of Ethics of the Public Prosecutors and the Commission for the Code of Ethics, common guidelines were adopted for the implementation of the Code of Ethics of Public Prosecutors and the Code of Ethics of Judges. In the period from March to June 2019, the Commission for the Ethics Code of Judges received seven initiatives, three of which were solved (one violation was established, two were rejected), four proceedings are ongoing.

In the area of strengthening professionalism and competence, assessment of 71 judges with 3-5 years of judicial service has started, and six judges have been graded. The process of evaluation of 14 judges/court presidents has been completed. There were 15 councils for (regular) evaluation of 57 state prosecutors.

As regards efficiency, the implementation of the ICT Justice Strategy for 2016-2020 was continued. There are ongoing tender procedures for the procurement of a part of services and equipment. A separate Directorate for Information and Communication Technologies in the Judiciary and Data Security was established. With a view to implementing all the measures provided for by the Action Plan, a successful cooperation with a number of donors was established (IPA 2018, US Embassy, EUROL2, Government of the Kingdom of Norway).

Regarding the handling of war crimes cases, the Special Prosecutor's Office has prosecuted a total of seven cases known as: "**Štrpci**", where indictments were brought against one person for the criminal offense of war crimes against civilians; "**Klapuh family**", where indictments were brought against five persons for the criminal offense of war crimes against civilians, "**Bukovica**", where indictments were brought against seven persons for the criminal offense of crimes against humanity; "**Deportation**", where indictments were brought against nine persons for the criminal offense of war crimes against civilians; "**Morinj**", where indictments were brought against six persons for the criminal offense of war crimes against civilians and war crimes against prisoners of war; "**Kaludjerski Laz**", where indictments were brought against eight people for the criminal offense of war crimes against civilians; "**Zmajević**", where indictments were brought against one person for the criminal offense of war crimes against civilians.

All indictments were upheld by the High Courts in Podgorica and Bijelo Polje. In the cases "**Štrpci**" and "**Klapuh family**", the court issued convictions; in the "**Morinj**" case, four persons were found guilty while two persons were acquitted due to lack of evidence, while in the cases "**Bukovica**", "**Kaludjerski Laz**" and "**Deportation**" acquittals were issued due to lack of evidence. In the "**Zmajević**" case, following the completion of the main hearing, on 5 June 2019, the High Court in Podgorica issued a judgment finding the defendant guilty of committing the criminal offense of war crimes against civilians and sentencing him to 14 years of imprisonment.

There are four pending war crimes cases before the Special Public Prosecutor's Office, which are in the phase of investigation, concerning the events that occurred on the territory of Bosnia and Herzegovina and Croatia, and there are suspicions that the perpetrators are Montenegrin citizens. In all of these cases, international cooperation was established with the judicial authorities of the states in the region, as well as with the Residual Mechanism (The Hague Tribunal). In the course of 2019, the Special Public Prosecutor's Office acted upon the letter rogatories of the prosecutor's offices of the neighbouring countries regarding the collection of data and evidence relating to the identification of certain persons who may have knowledge of committed war crimes or have participated in them. In January 2019, the Memorandum of Understanding was concluded between the Supreme Public Prosecutor's Office of Montenegro and the Residual Mechanism, which established guidelines for future cooperation.

All cases of compensation for victims of war crimes before the Montenegrin courts have been settled in a final settlement. A total of EUR 5,714,656.20 was awarded as compensation for damages. Five claims were rejected, four procedures were suspended, while in 20 cases claims were withdrawn.

As regards **corruption prevention**, the new Rulebook on Internal Organisation and Job Descriptions of the Agency for Prevention of Corruption was adopted at the Council of the Agency held on 30 October 2018. Out of the total of 60 positions, 55 have been filled, and the Agency continuously undertakes activities related to the filling of the remaining positions. Activities continued on the improvement of the information system as regards control of political subjects and election campaigns, especially regarding the control of regular activities of political subjects. The drafting of the module for filling out the questionnaires for assessing the effectiveness and effectiveness of the integrity plan is in the final stage. In order to further strengthen the transparency of work, the Agency regularly published press releases in the reporting period.

In the field of **repression of corruption and fight against organised crime**, pursuant to the Decree on organisation and manner of work of state administration, and in accordance with the Law on State Administration, a new organisation of ministries and administrative bodies was established. This way, the Police Administration became an independent body, and on 4 April 2019 the Government adopted the Rulebook on internal organisation and job descriptions of the Police Administration. According to the Rulebook, the Special Police Department is within the newly formed Sector for the Fight Against Organised Crime and has 32 positions, which is significantly more than twenty positions previously provided for by the Rulebook.

As regards **corruption offenses** under the jurisdiction of the Special Public Prosecutor's Office, in the period from 1 March to 5 June 2019 an indictment was brought against two persons - against one person for the criminal offense of abuse of position in commercial affairs by way of instigation, and against one person for the criminal offense of abuse of position in commercial affairs. The indictment was upheld by the High Court in Podgorica, after which, on 31 May 2019, the Special Public Prosecution concluded a plea agreement with one defendant and the proceedings regarding this agreement are ongoing before the High Court in Podgorica. During this period, investigations were launched in three cases: in one case against two persons for the criminal offense of abuse of office; in the second case against two persons for the criminal offense of abuse of position in commercial affairs, the obtained unlawful gain amounts to EUR 3,000,000.00; in the third case against one person for the continued criminal offense of abuse of office, with an unlawful gain in the amount of EUR 186,780.44. Criminal investigations were launched simultaneously with financial investigations against a total of five persons.

In the period from 1 March to 5 June 2019, the Special Department of the High Court in Podgorica received five indictments against seven persons for criminal offenses of high- corruption. There were a total of 35 cases against 92 natural and three legal persons. Out of that number, 11 cases were completed against 30 natural and one legal person: three cases with non-final rulings and seven cases with final decisions, while one case was returned for amendments. On 5 June 2019, there are 24 pending cases in the field of high corruption, against 62 natural and two legal persons.

As regards the **fight against organised crime**, according to the data of the Special Public Prosecutor's Office, in the period from 1 March to 10 June 2019, orders were issued to conduct investigation in five cases against 28 persons for the criminal offenses of organised crime, indictments were brought in two cases against 12 persons, and sentences were given (of imprisonment) on the basis of plea agreement against three persons. An order was issued to extend the investigation for the criminal offense of money laundering, the creation of a criminal organisation and evasion of taxes and contributions against 35 natural and 55 legal persons. An indictment was brought against one person for the criminal offense of money laundering, and this person was given a prison sentence and a fine as a secondary penalty on the basis of a plea agreement, and one indictment was brought against one natural person and one legal person for the criminal offenses of money laundering and evasion of taxes and contributions. During this period, no financial investigations were launched, and no case was formed according to the notifications of the Administration for the Prevention of Money Laundering and Financing of Terrorism. A temporary measure of injunction (freezing of assets) was imposed, along with the restraint on alienation and encumbrance of the real estate with the entry of the restraint in the real estate cadastre.

In the period from 1 January to 5 June 2019, the High Court in Podgorica received six indictments for organised crime against 49 natural and one legal person. In the reporting period, there were 32 cases against 174 natural and two legal persons. Out of this number, five cases against 14 persons were completed. In one case, the court delivered a judgment, which is not final and enforceable. As of 5 June 2019, there are 28 cases in the area of organised crime, against 161 persons and two legal persons. As regards the seizure of assets, there are two pending cases upon requests for permanent seizure of property.

Regarding **fundamental rights**, with regard to the reform of the prison system, in March 2019 the Parliament adopted the Law on Amendments to the Law on Execution of Imprisonment Sentences, Fines and Security Measures and the Law on Amendments to the Law on the Execution of Suspended Sentence and Community Service Sentence. Concerning the construction of the Prison for the Northern Region of Montenegro, the project team of the Ministry of Justice submitted a project application "Preparation of the Preliminary and Principal Project for the Prison in the Northern Region of Montenegro - Municipality of Mojkovac", and on the occasion of the 20th Invitation to Support Project Preparation (WBIF TA 20) , which was filed on 6 November 2018 and adopted so that the Ministry of Justice received TA grant, non-refundable funds in the amount of 1,200,000 euros. Since April 2019, a new Guidelines on the health protection of detainees and convicts have been applied, which is in line with the guidelines of the Council of Europe experts. Regarding the ban on torture, the improvement of legal framework continued with the adoption of a set of by-laws. The Code of Ethics of Civil Servants and State Employees of the Institute for the Execution of Criminal Sanctions was adopted, which is in application from 1 January 2019, and the Ethics Committee was established with the task of monitoring compliance with the provisions of the Code of Ethics. The preventive role and visibility of the Ombudsman's work have been strengthened, especially in the field of protection against discrimination and prevention of torture. Regarding the rights of persons with disabilities, on 27 December 2018, the Government adopted a new Action Plan for adapting facilities in public use for the access, movement and use of persons with disabilities and persons with reduced mobility. As for the implementation of the Action Plan for adapting facilities in public use to persons with reduced mobility and persons with disabilities, out of the total of 13 facilities for which adaptation is planned, 12 facilities have been adapted so far, the one which is not yet realized is the facility of the Ministry of Finance. In March 2019, the Government adopted the Action Plan for the Implementation of the Strategy for the Protection of Persons with Disabilities from Discrimination and Promotion of Equality for the period 2017-2021, for 2019 and 2020, as well as the Report on the Implementation of the Action Plan for 2017 and 2018. Also, the Report on the Implementation of the Action Plan for the Implementation of the Strategy for the Integration of Persons with Disabilities in Montenegro for the period 2016-2020 for 2018 has been adopted.

Regarding the protection of LGBTI rights, on 27 December 2018, the Government adopted the Law on Life Partnership of Same-Sex Partners. In March 2019, the Government adopted the Strategy for Improving the Quality of Life of LGBTI People in Montenegro 2019-2023 with the Action Plan for

2019, as well as the Final Report on the Implementation of the Strategy for the Improvement of the quality of life of LGBT people in Montenegro 2013- 2018. In April, a new Trust Team of the LGBTI community and the Police Directorate was established and which will work in an expanded composition. Members of the Trust Team are representatives of the Ministry of Interior and Police Directorate as well as representatives of the NGO sector dealing with the issues of the LGBTI community in Montenegro. The Ministry of Human and Minority Rights has signed a Memorandum of Understanding on measures to combat discrimination based on sexual orientation or gender identity and promote tolerance towards LGBTI people with the following municipalities: Rožaje, Gusinje, Andrijevica and Pljevlja. So far, the Memorandum has been signed by 20 out of 23 municipalities in Montenegro.

When it comes to gender equality and domestic violence, the final version of the Protocol on the Treatment, Prevention and Protection against Violence against Women and Domestic Violence was signed on 28 September 2018. In December 2018 a unique electronic database for domestic violence was created, which links the Ministry of Labor and Social Welfare, Social Welfare Centers and the Ministry of Interior. In March 2019, the Government adopted the Program for the Implementation of the Action Plan for Achieving Gender Equality for 2019-2020, as well as the Report on the Implementation of the Action Plan for Achieving Gender Equality for 2018. In May 2019, the Government adopted the Report of Montenegro on the Implementation of the Beijing Declaration and Platform for Action (Bpfa) and the Agenda for Sustainable Development 2030 (AGENDA 2030), which was forwarded to the relevant contracting authority of the United Nations for action. In March 2019, the Ministry of Labor and Social Welfare, in cooperation with UNDP, prepared the Analysis of Priority Support Services for Victims of Violence against Women and Domestic Violence in accordance with the Istanbul Convention. In accordance with this Analysis, the preparation of the National Plan for the Promotion of General Support Services for Victims of Violence and the National Plan for the Promotion of Specialized Support Services for Victims of Violence has been initiated. The Operational Team for Combating Domestic Violence continued to work on improving the capacities of competent authorities when it comes to responding to domestic violence cases.

Regarding the rights of the child, on 30 May 2019 the Government adopted the Strategy for the Exercise of the Rights of the Child for the period 2019-2023 with the Action Plan for the period 2019-2020. On 31 January 2019, the Government adopted the Report for 2018 on the Implementation of the Strategy for the Prevention and Protection of Children against Violence with the Action Plan 2017-2021, and on 30 May 2019 it adopted the Strategy for the Realization of Rights of the Child 2019-2023 with the Action Plan for the period 2019 - 2020.

As regards the minority rights, on 12 November 2018 the Parliament adopted the Decision on the selection of seven members of the Commission for Evaluation of Projects submitted to the public competition for the allocation of funds for financing projects in support of activities important for the preservation and development of national or ethnic particularities of minorities and other minority national communities and their members in the field of national, cultural, linguistic and religious identity. In April 2019, the Government adopted the Action Plan for Implementation of the Strategy for Social Inclusion of Roma and Egyptians in Montenegro 2016-2020 for 2019, as well as the Report on the Implementation of the Action Plan for the Implementation of the Strategy for Social Inclusion of Roma and Egyptians 2016-2020 for 2018.

In the area of **migration**, in order to improve the business environment the Law on Amendments to the Law on Foreigners was adopted on 28 December 2018, and its implementation started on 23 January 2019. The Protocol between Montenegro and Greece on readmission was signed on 7 March 2019. During the negotiations between the delegations of the Government of Montenegro and the delegation of the Government of Georgia, held on 28 and 29 March 2019, have agreed upon the Agreement between the Government of Montenegro and the Government of Georgia on the readmission (return and acceptance) of persons who are without a residence permit. The Protocol between the Government of Montenegro and the Government of the Kingdom of Spain on readmission entered into force on 22 May 2019.

In the field of **asylum**, the Law on Amendments to the Law on International and Temporary Protection of Foreigners was adopted on 26 December 2018. The reason for adoption of this law is, above all, the creation of preconditions for the full integration of foreigners with approved international protection into a Montenegrin society. The tasks of accommodation and assistance in the integration into the Montenegrin society of persons with approved international protection were transferred to the competence of the Ministry of Interior from the previous jurisdiction of the Ministry of Labor and Social Welfare, which created formal conditions for the unification of competencies for all persons from the system of international protection. The law is fully compliant with European legislation in the field of international protection.

In the area of **visa policy**, the trend of a small number of visas issued at border crossings has continued (in total, one from March 2018). The inclusion of the Embassies of Montenegro in the Visa Information System has continued and it has been installed in 25 of out of 26 diplomatic and consular missions so far. From 1 March 2019, the Visa Information System has been installed in the embassies of Montenegro in Athens, London and Madrid. The decision on temporary abolishment of visas for citizens of Armenia, Kazakhstan and the Russian Federation came into force.

In the area of **external borders and Schengen**, the transitional Action Plan for the continuation of the implementation of the measures envisaged in the Integrated Border Management Strategy 2014-2018 for 2019, with the Report on the Implementation of the Action Plan for 2018, was adopted on 21 February 2019. The Parliament adopted on 6 March 2019 the Law on Amendments to the Law on Border Control. The reason for adoption of this law is, primarily, the need for harmonization of the implementation of border control with the EU acquis. The agreement on the opening of the joint border crossing Ckla-Zogaj was signed on 3 July 2018 in Shkodra, during a joint session of the governments of Montenegro and Albania. On 1 July 2018 a set of agreements on border crossings and border traffic were signed with Serbia, creating a good precondition for efficient border management. An agreement between Montenegro and the European Union on the activities carried out by the European Border and Coast Guard Agency (FRONTEX) was initialed on 5 February 2019 in Brussels. The protocol on the determination of the three-border point between Montenegro, Bosnia and Herzegovina and the Republic of Serbia was signed on 15 May 2019 in Sarajevo.

In the area of **judicial cooperation in civil and criminal matters**, on 18 December 2018 the Parliament adopted the Law on Judicial Cooperation in Criminal Matters with EU Member States. On 4 April 2019 the Parliament adopted the Law on Amendments to the Law on Enforcement and Security. On 13 November 2018, Montenegro approached the EU Justice Program by the entry into force of the Memorandum of Understanding between the European Union and Montenegro on Montenegro's participation in the EU Justice Program. The first out of the three planned meetings in this year's, third, Regional forum on judicial cooperation was organized on 30 and 31 May in Podgorica with the aim of revising bilateral agreements on judicial cooperation.

In the area of anti-money laundering, on 26 June 2018 the Parliament adopted the Law on Amendments to the Law on the Prevention of Money Laundering and Financing of Terrorism.

In the area of **anti-money laundering**, on 26 June 2018 the Parliament adopted the Law on Amendments to the Law on the Prevention of Money Laundering and Financing of Terrorism. On 4 April 2019 the Government adopted the Rulebook on Internal Organization and Systematization of the Police Directorate. The Rulebook, inter alia, foresees the Department for the Prevention of Money Laundering and Terrorist Financing consisting of the Division for Analytics and Suspicious Transactions and the Division for the International Exchange of Intelligence and Information. The total number of foreseen job positions in the Department is 30.

In the field of **combating trafficking in human beings**, on 28 February 2019, the Government adopted a Strategy for the Fight against Trafficking in Human Beings for the period 2019-2024 and the accompanying Action Plan for 2019. On 4 April 2019, the Government adopted the Second Semi-Annual Report on the implementation of the Strategy for the Fight against Trafficking in Human Beings 2012-2018 and the Action Plan for 2018. Criminal proceedings against two persons for the criminal offense of trafficking in persons and criminal offense of rape were prosecuted before the High Court in Podgorica, and according to the indictment of the Higher Public Prosecutor's Office of 6 July 2017. By the judgment of the High Court in Podgorica of 16 January 2019, the Accused K.D. for the criminal offense of Trafficking in Human Beings and the Extended Criminal Offense of Rape, was sentenced to a single prison sentence of 17 years, while the accused R.M. for the criminal offense of Trafficking in Human Beings and the Extended Criminal Offense of Rape through Assistance, was sentenced to a single imprisonment sentence of 15 years. After the verdict was pronounced, the accused were further detained. The indictment of the Higher State Prosecutor's Office in Podgorica was confirmed on 11 February 2019, by which the Accused S.A. was charged with the commission of a criminal offense of trafficking in human beings. The hearing, on which the defendant presented the defense, was held on 10 April 2019 and the next one was scheduled for the 19 June 2019. Police officers - Department for the Suppression of Trafficking, Smuggling and Illegal Migration in cooperation with the Higher Public Prosecutor's Office, through the work of the Operational Team to combat trafficking in human beings, have been undertaking the activities in relation to four cases in trafficking of human beings.

In the field of **fight against terrorism**, Montenegro proceeds with the continuous implementation of the Strategy for the Prevention and Suppression of Terrorism, Money Laundering and Terrorism Financing 2015-2018. Thus, in July 2018, the Government adopted the XIV Report on the implementation of AP 2017-2018, for the period January - June 2018. In February 2019, the Government adopted the XV report on the implementation of AP 2017-2018, for the period July - December 2018.

In the area of **drug cooperation**, Montenegro proceeds with the continuous implementation of the Strategy for the Prevention of Drug Abuse 2013-2020, through the new Action Plan for the period 2019-2020. There is ongoing communication with the EU Early Warning System on the emergence of new psychoactive substances (EWS) and monitoring of the national at the national level. When it comes to repression, the constant trend of a large seizures of drugs continues. During 2018, 3.248,4 kg of narcotic drugs were found and seized in the territory of Montenegro, as follows: marijuana (3,203.4 kg), heroin (1.7 kg), cocaine (34.8 kg), hashish (8.1 kg). In the period from 1 March to 31 May 2019, in the territory of Montenegro 1,018.9 kg of narcotic drugs were found and seized in the territory of Montenegro, including: marijuana (925.1 kg), heroin (2.1 kg), cocaine (91, 7 kg).

As regards **customs cooperation**, the Customs Administration issued in March 2019 Instructions on organization and binding procedures for risk management in customs procedures, which covers the entire system and process of risk analysis and ensures the unique application of work procedures in this area at each customs office. Intensive work was also performed on strengthening the quality of risk profiling, focusing on risks in the area of excise products. In the period from 1 March to 10 June 2019, 76 information was exchanged with OLAF through the AFIS system, which the Customs Administration has access to the level of the candidate country. Also, 34 requests from partner services and other international organizations were answered. In line with new powers in the field of customs investigations, the Customs Administration intensified cooperation with the state prosecutor's office. In the previous period, 15 criminal reports were submitted independently and in cooperation with other state bodies, eight of which were for excise goods. Also, two information were provided on the existence of a reasonable suspicion that a criminal offense was prosecuted ex officio, and five information was exchanged. In the same period, 12 information were exchanged with the Police Directorate and the Administration for the Prevention of Money Laundering and Financing of Terrorism.

In the field of **science and research**, Montenegro continued the process of developing the Smart Specialization Strategy - S3 (2019-2024), with the support of the European Commission's Joint Research Center (JRC). For the needs of S3, the Government adopted the Guidelines for the Smart Specialization Strategy (2018-2024) in December 2018. Adoption of the S3 is expected by the end of June 2019.

Montenegro played a leading role in creating a new large research infrastructure, the International Institute for Sustainable Technology in South East Europe (SEEIIST) - "Hadron cancer therapy and research in the field of biomedicine through protons and heavier ions". Activities on strengthening and building human resources for the SEEIIST regional project were carried out, through technical support from the IAEA, and several project applications for competitive funds (H2020, COST and MC IPA 2019) were also submitted in order to build capacities. On 17 January 2019, the Government adopted the Contract on the Founding of the Scientific and Technological Park (NTP). In October 2018 Montenegro became a member of pan-European infrastructure for social research, European Social Research, European Consortium of Research Infrastructures (ESS-ERIC), and for the first time conducts this research in the country. The EU Policy Support Facility has been implemented to create an incentive innovative environment for startups and other key actors in the innovation system financed by the Horizon 2020 program. In December 2018, the Program of Incentives for Innovative Startups (2019-2021) with the Action Plan was adopted.

In Montenegro, 14 projects from the H2020 program are implemented, where participants from Montenegro have the status of beneficiaries, as well as several projects with the status of "third party". In the course of 2018, 93 projects were implemented in the field of bilateral scientific cooperation. For the first time, an improved bilateral cooperation program with Italy was agreed, within which 4 projects are implemented. Montenegro became a full member of the European Organization for Molecular Biology - EMBO and joined the European Molecular Biology Laboratory - EMBL.

In the field of **education**, the coverage of children aged from 3 years to beginning of school with pre-scgool education and and in the school year 2018/2019 has increased in the past period and amounts to 72.60%. Activities continued to raise awareness of the significance of the pre-school level, as well as the inclusion of children from vulnerable categories.

In March 2019, the Law on Academic Integrity was adopted. The Government adopted the Report on the perception of employers on the relevance of higher education in Montenegro on 5 May 2019, after conducting the research through the HERIC project.

The realization of the Program for vocational training of persons with higher education, which is being realized for the seventh year in a row, is under way.

In the field of ***environment and climate change***, the First Semi-annual Report on the Implementation of the Action Plan of the National Strategy for Transposition, Implementation and Application of the EU Acquis for the Environment and Climate Change (NEAS) for the period 2018-2020 for the reporting period July - December 2018 was adopted on 27 December 2018. For the reporting period from July to December 2018, the implementation of 125 commitments was planned (71 in the part of the transposition and 54 in the implementation part), out of which 60 (48%) were realized, 32 in the part of transposition (45.1%) and 28 in the part of implementation (52%). The development *Second Semi-annual Report on the implementation of the NEAS Action Plan* for the period 2018-2020 is underway. In order to provide part of the necessary funds for the fulfillment of obligations in this area, on 22 November 2018 the Government adopted the Decision on the establishment of the Environmental Protection Fund, the establishment of which is envisaged by the Law on Environment. In March 2019, the Government adopted a Decision on the appointment of the Board of Directors of the limited liability company, the "Environmental Protection Fund".

There is a dialogue with civil society through various forms and it is continually improving.

Also, regular monitoring of the state of the Tara River ecosystem is carried out, as well as monitoring the implementation of the measures from the Environmental Impact Assessment Report for the Bar - Boljare Highway, as well as the Proposal for Remedial Measures and the Environmental Monitoring Program after the implementation of remedial measures.

From October 2018 to April 2019, all remaining activities envisaged within the IPA project, "**Establishment of the NATURA 2000 Network**", were finalized in April 2019 by submitting database to the Agency for the Protection of Nature and the Environment (APNE). Through the state budget for 2019, funds in the amount of € 200,000 have been allocated for continuation of fieldwork activities that will be launched by APNE according to the methodology previously mentioned in the IPA Project. Mapping will continue in 2019, on which no previous activities were investigated, in the Alpine biogeographical area. Up to now, in accordance with the Habitats Directive, 14% of the territories has been mapped, in accordance with the Directive on the regulation of the whole territory of Montenegro for 73 species of birds, on the basis of which framework areas were identified by extrapolation that will be determined in more details the further territory. In addition, through the support of the German Government through the cross-border project "Preservation and Sustainable Use of Biodiversity in Prespa, Ohrid and Skadar Lake (CSBL), implemented by the GIZ, in Albania and Montenegro, mapping of the Skadar Lake habitat (Montenegrin part) will be carried out in 2019. The project "Promotion of Protected Areas Management through Integrated Protection of Marine and Coastal Ecosystems in the Coastal Region of Montenegro", initiated by the Ministry of Sustainable Development and Tourism (MRT) and financed by the National Allocation of the Global Environment Facility (GEF), will contribute during 2019, to a certain extent, to data collection according to the Natura 2000 methodology in the land coastal (up to 400 m above sea level) and marine region (3 future marine protected areas - Platamuni, Katič and Island Old Ulcinj).

The Municipality of Ulcinj submitted on 20 May 2019, the MSDT submitted a final Proposal for the decision on the proclamation of Ulcinj Solana a Nature Park, to which the Ministry gave its consent on the same day.

On 9 April 2019, the Ministry of Agriculture and Rural Development gave a positive opinion on the Proposal of the decision on the proclamation of the Ulcinj Solana Nature Park.

In the period from May 2015 until the end of 2018, Montenegro invested € 1,019,727 in preserving and protecting ecosystems and restoring infrastructure on Solana. The SPSP for the coastal area was adopted by the Parliament in July 2018. MSDT also completed activities to fulfill the Ramsar Form for the nomination of Solana as Ramsar area (a wetland of international significance). Within the project "Capacity Building for Climate Change Policy in the Western Balkans, Central and Eastern Europe and Central Asia - (GIZ-CDCP III)", a long-term integration of energy and climate planning in Montenegro has begun. Through this project, Montenegro will be given technical assistance with the aim to prepare the National Plans for Energy and Climate Change by 2030 - NECPs, and its duration is planned by June 2020. Montenegro submitted the EC Proposal for the Law on Protection against Negative Impacts Climate change in April 2019.

In the area of **consumer protection**, the Government adopted on 27 December 2018, the National Consumer Protection Program 2019-2021 with the Action Plan for the implementation of this program for 2019. In December 2018, the Coordination Body for Market Surveillance adopted the General Product Control Program for the market for 2019. The **Proposal for Amendments to the Consumer Protection Law**, harmonized with the EC, was prepared and will be determined by the Government by the end of the second quarter of 2019. In the area of **health**, the Government adopted, on 27 December 2018, the **Proposal for the Law on Medically Assisted Fertilization**, and on 21 March 2019, adopted the **Action Plan for the Implementation of the National Strategy for the Control of Bacterial Resistance to Antibiotics (2017-2021), for 2019 and 2020**.

Furthermore, on 13 June 2019 the Government adopted **Proposal for the Law on Limiting the Use of Tobacco Products. Pursuant to the Law on Protection of Population from Infectious Diseases, four bylaws** have been adopted for its implementation, thus achieving full compliance with the EU acquis in this area. Also, in relation to the **Law on Blood Provision**, two regulations were adopted that are in line with the relevant EU regulations.

As regards **financial control**, in addition to the fact that with the new Law on Management and Internal Controls in the Public Sector more clearly defined the responsibilities of the head of the entity and heads of organizational units for achieving the goals and establishing internal controls, the obligation to establish a system for detecting and acting upon suspicions of fraud in the entity. Montenegro will prepare bylaws arising from the said law by the end of the third quarter of this year.

With respect to external audit, the State Audit Institution of Montenegro within the IPA II Project - "Development and Capacity Building of the State Audit Institution and the Audit Authority" is working on the preparation of the Manual for performing financial audit and regularity audits with experts from the State Audit Office of Croatia. The mentioned manual is planned to be adopted by the end of April 2020. At present, the Instructions on the methodology for conducting financial audits and regularity audits and the Instructions on methodology for performing the audit of success are in force.

Regarding the protection of the financial interests of the EU, Montenegro, ie the Department for the Suppression of Irregularities and Fraud (AFCOS Office), completed the Twinning Light Project entitled "*Strengthening the Capacities of the Department for the Suppression of Irregularities and Fraud*" on 3 March 2019, which lasted six months. At the Department for the Suppression of Irregularities and Fraud there are currently three employees, but there is room for increasing the capacity of the AFCOS office as well as increasing the scope of work.

Under the *Instrument for Pre-Accession Assistance* (IPA), the IPA 2018 program was approved, with over 70% of the available funds for the period 2014-2020 being programmed. The programming process for programmatic 2019 and 2020 has been successfully completion. Particular efforts are being invested in the implementation of programs in indirect management, given their importance and preparation for the use of European Structural and Investment Funds after EU membership, which is why strengthening capacities of contractual bodies and the rest of the structure for managing programs and projects is prioritized by the Government. An additional step forward in this direction is the submission of a request for entrusting the execution of budget tasks for the IPA 2019 and IPA 2020 programs in early June 2019, which additionally increased the share of funds managed by the operating structures in Montenegro, i.e. in indirect management.

3.2 Bilateral relations under the Stabilization and Association Agreement

Persistent implementation of the Stabilization and Association Agreement and the implementation of comprehensive political, economic, legal, institutional and structural reforms continue. In line with the estimates of the First Review of Montenegrin Trade Policies by the World Trade Organization of April 2018, Montenegro made progress in the implementation of trade and economic policies, both through respect for the rules of the World Trade Organization and the reforms undertaken in the process of accession to the European Union. When it comes to the area of state aid control, Montenegro will continue its activities and make additional efforts aimed at improving the capacities and the results of the Competition Protection Agency, with a special emphasis on state aid control.

The eighth meeting of the **Stabilization and Association Committee** was held on 12 December 2018 in Brussels. In addition, **two meetings of the Parliamentary Stabilization and Association Committee were held, and the dynamics of holding sectoral subcommittees continues.**

Meetings of joint committees with countries in the region

The Agreement on Cooperation between the Government of Montenegro and the Republic of Kosovo in the context of the accession to the European Union was signed in March 2019, with which Montenegro concluded the signing of bilateral agreements with all of the Stabilization and Association Partners.

Joint Committees

The fifteenth Parliamentary Committee meeting of the EU and Montenegro on Stabilization and Association was held on 16 December 2018 in Podgorica. **The sixteenth meeting of the Parliamentary Committee on Stabilization and Association of the European Union and Montenegro** was held on 14 and 15 December 2018 in Strasbourg.

The Eleventh Meeting of the Joint Advisory Committee was held between the European Committee of the Regions and Montenegro on 18 October 2018 in Nikšić, focusing on local level human resources management and the protection of natural and cultural heritage.

Sectoral subcommittees

There were **8 regular meetings of sector subcommittees** held between Montenegro and the European Union: **Subcommittee on Transport, Energy, Environment and Regional Policy** on 28 June 2018. in Brussels, **Subcommittee on Innovation, Human Resources, Information Society and Social Policy** of 18-19 September 2018 in Podgorica, **Subcommittee for Agriculture and Fisheries** of 20 September 2018 in Podgorica, **Subcommittee on Justice, Freedom and Security** of 25-26 September 2018 in Podgorica, **Subcommittee on Trade, Industry, Customs, Taxes and Cooperation with Other Member States** of 23 October 2018 in Podgorica, **Subcommittee for Economic and Financial Affairs and Statistics** of 22 November 2018 in Brussels, **Subcommittee for the Internal Market and Competition** of 12 July 2019 in Podgorica and the **Subcommittee on Transport, Environment, Energy and Regional Development between Montenegro and the European Commission** of 13 June 2019 in Podgorica.

The sixth meeting of the Special Working Group on Public Administration Reform (PAR) formed between the European Commission and Montenegro was held on 27 and 28 September 2018 in Podgorica.

Based on the experience with the previous Union programmes dating since 2008, and after considering the opportunities and benefits that the participation in the Union programs provides, Montenegro has so far made the decision to participate in ten Union programs: Horizon 2020, Erasmus +, Creative Europe, Cosme, Europe for Citizens, Customs 2020, European Employment and Social Innovation Program (EaSI), Fiscalis 2020, Interoperability Program and Common Framework for European Public Administration, Economy and Citizens - ISA and the Justice Program. Annual participation fee for participation in these programs was paid in accordance with the dynamics of the receipt of obligations and requests for payment received by the EC, while the Instrument for Pre- Accession Assistance shall provide part of the funds for refunding participation costs.

Point 4 - Exchange of views on the situation in the Western Balkans

During the previous year, the efforts of the administration and potential beneficiaries were continued in order to make the most efficient use of available funds through the mentioned programs.

Montenegro is committed to developing good neighbourly relations and determined to continue contributing to the preservation of stability in the region. In the new capacity as the NATO member state and the most advanced country in the negotiations process, the practice of sharing knowledge and experience gained in the accession processes is to be continued.
