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## Opening Statement of the Minister of European Affairs Mr. Aleksandar Andrija Pejović

Montenegro has been deeply engaged into the process of EU accession negotiations, which is a direct result of its independence regained in 2006, but also of numerous and continuous preparatory activities undertaken by the public administration. The fact that Montenegro found itself into such an important, demanding and comprehensive process indicates that reforms and development dynamics have been running smoothly and within a high quality framework and defined path towards the membership in the most important and most sophisticated organizations of the states in the world.

Montenegrin accession to the European community involves the entire society and it is a success of every single citizen, because of which I would like to underline as a special value the cooperation and effort of the people of Montenegro and the consolidation of knowledge, experience and energy. At present, the Montenegrin negotiation structure consists of more than 1400 members - representatives of all three branches of the government, executive, legislative and judicial, academic community, civil sector and participants from all sectors of the society. The successes of Montenegrin administration and of the entire society are a confirmation of a dedicated work and a motif for all of us to work harder and better.

EU membership will present numerous opportunities before our citizens and our country as a whole. We need to be prepared in time and be informed in the right way. For this reason, the Ministry of European Affairs started its first magazine, the "Eurokaz", which is the result of our desire to present to the citizens of Montenegro, to our

friends and partners the activities and mission of this sector of the Government and to familiarize the citizens with the EU accession process and to keep them informed of the development along that path.

We have not been alone in this task either. The participants of the accession negotiations, civil sector representatives and journalists, through the articles published in this magazine, will be able to offer to our citizens accurate, timely and comprehensive information about where our country is on the path towards the EU, as well as about what lies ahead of us in that process.

Every six months, the "Eurokaz" will testify to the dedication and decisiveness of the society to take Montenegro to the group of the most developed countries of the European continent, point out to the remaining but also to the fulfilled tasks and commitments from all negotiation fields.

The first issue of the magazine will mark an important date - first anniversary of the Ministry of European Affairs, which has successfully coordinated the negotiation process during the first year of its work. Comprehensive preparations for the EU membership had started a lot earlier, and the establishment of this ministry gave an additional impetus to the cooperation between Montenegro and the EU.

Montenegro undoubtedly faces the continuation of a serious work and big challenges, and Montenegrin administration will continue to be equally responsible and committed to progress, ready to work, learn and mature. Thanks to high quality reforms and good dynamics of the work done so far Montenegro has justified current expectations, and I am convinced that we will continue our journey towards the EU in the same spirit.

# MEA - Our Role and Mission

**Author: Bojana Mučalica, MEA**

**N**ew stage of Montenegrin EU accession process, during which majority of negotiation chapters were open, with temporarily closed three, imposed the need for the new method of coordination of the European integration of our country. As of 28th November, the Ministry of European Affairs, headed by the Minister Aleksandar Andrija Pejović, was entrusted a coordinating role in this process.

The Ministry, thus, continued with the implementation of the commitments from the European agenda with the intention to confirm the recognition of Montenegro as a reliable partner in the EU accession process and to sustain the leading role in the area of European integrations.

The MEA is not only in charge of the negotiations. It has got broad responsibilities in directing Montenegro towards the EU. It monitors these activities quite ambitiously, coupled with the realistic expectations of the Government for the negotiation process to be completed by the end of its term of office.

The MEA was established with the idea to be a well-organized, efficient, dynamic and open sector, ready to take up the entrusted role and gather people around the same vision and task - for Montenegrin society to live in accordance with the European standards, as a part of the community of the most developed European countries.

This year, within the newly founded units and with the committed work of all the employed the Ministry has started with the establishment of the system for more efficient harmonization of the strategic planning of public policies, by virtue of establishing a regulatory framework which will define the content and procedure for the development of strategic documents by means

of which public policies are determined, especially in sectorial policies of importance for the EU accession process.

The activities of the Ministry, with a view to carrying out the tasks efficiently, are organized within five directorates, as follows: EU Accession Directorate, EU Acquis Directorate, European Funds Directorate, Directorate for Coordination, Conformity Monitoring and Strategy Implementation Monitoring, and Directorate for Information and IT support. In addition to that, the activities of the Ministry are also organized through the Minister's Cabinet, General Affairs, Human Resource and Finance Service, and Chief negotiator Support Office.

The EU Accession Directorate coordinates the EU accession process by means of monitoring the implementation of the Stabilization and Association Agreement and the process of accession negotiations permanently cooperating with all Montenegrin state institutions, all the participants of the Montenegrin negotiation process and EU institutions.

The task of the EU Acquis Directorate is to coordinate the processes of the approximation of the national legislation with the Acquis Communautaire and to prepare national versions of the EU Acquis.

The competence of the European Funds Directorate is to coordinate the programming, supervision and assessment of the EU financial grants (IPA), as well as to keep the citizens informed about the available EU funds and to work on the strengthening of the capacities for the absorption of EU funds.

The duty of our Directorate for Coordination, Conformity Monitoring and Monitoring of the Implementation of the Strategies by means of which public policies are determined is to take care of the harmonization of strategic documents and their better quality, as well as to monitor their coherence with key strategic documents of Montenegro, priority objectives of the Government and crucial European policies and their implementation.

In order for the citizens to be timely informed about all new developments related to the Montenegrin EU accession process it is the task of the Information and ICT Directorate to offer the necessary IT support to the Negotiation Team in order for the same to be able to conduct efficiently the EU accession process.

The desire of all the employees of the MEA is to build a modern and well-organized Ministry ruled by the team spirit, since this is the only way to keep everyone committed to successful and responsible management of European affairs in cooperation with other institutions, focused on the strengthening of the

ties with the institutions and EU member states.

In order for Montenegro to continue being a leading country in the process of European integrations and, according to the assessments of the European officials, a success story in the Western Balkans, the Ministry of European Affairs will continue working diligently on maintaining current dynamics of the negotiation process, in the interest of furthering the process in its current extent and with the same quality of cooperation maintain current dynamics of the negotiation process with the institutions and EU member states.





Author: Bojana Mučalica, MEA

# Jubilee of Reforms and Progress

Official negotiations on the accession of Montenegro to the European Union started five years ago. Our country has achieved even more than what this, relatively short, timeframe allows. The fact that Montenegro has opened 30 chapters testifies to the success of the reforms being undertaken. In this way, the country has made a step into the new stage which comprises the closing of the negotiation chapters.

At the Intergovernmental conference held in Luxembourg on June 20th, Montenegro managed to temporarily close the Chapter 30 - Foreign Relations. In this way, together with the Chapter 25 - Science and Research and Chapter 26 - Education and Culture, the total number of temporarily closed chapters has risen to three. At the same conference two new negotiation chapters were opened, Chapter 1 - Free Movement of Goods and Chapter 22 - Regional Policy and Coordination of Structural Instruments. Successful European year of our country ended with yet another important event - at the Intergovernmental Conference in Brussels held in December, two more chapters were opened in the negotiations with the EU, Chapter 2 - Freedom of Movement for Workers and Chapter 3 - Right of Establishment and Freedom to Provide Services.

The Minister of European Affairs of Montenegro, Mr. Aleksandar Andrija Pejović, is convinced that we stand ready for the opening of the last remaining chapter. "Having in mind the internal readiness and firm commitment of the Government to intensify reform processes in the forthcoming period, I am convinced that soon we will have the opportunity to fulfil the final benchmarks and create conditions for the closing of some more chapters, like the ones related to company law, intellectual property law, information society and media, entrepreneurship and industrial



policy, trans-European networks. In parallel with that, we will continue working on the fulfilment of the final benchmarks in other chapters, in order to be able to finalize the negotiations and prepare ourselves for the membership during the term of office of this Government”, communicated Pejović at the recently held conference on the occasion of the fifth anniversary of the opening of negotiations with the EU. One might say that this five-year period has been mostly marked by the work done in the chapters 23 - Judiciary and Fundamental Rights and 24 - Justice, Freedom and Security. The implementation of the action plans resulted in the complete legislative framework which is aligned with high quality European regulations and keeps up with good standards. In the recently published working paper issued by the European Commission on the current state of affairs in these two chapters, Montenegro was commended for everything good that had been done. This document also contains a series of recommendations for the additional progress to be made in several areas.

Despite good results, a dominant issue that is being imposed is whether Montenegrin administration and

the entire society could have done more and better. “It is always possible to do more and to do things better, but in the conditions in which Montenegrin negotiations progress, I am certain that in many areas we have done everything possible, and that in some others we have learnt our lessons and gained experience for better work in the future. Let me remind you that we are the first country negotiating according to the new approach the focus of which is on the rule of law and that, in relation to the previous enlargements, the emphasis is currently more on the implementation of the policies and on achieving specific measurable results, which makes this process more demanding and complex for the Western Balkan countries”, clarified Mr. Pejović.

Montenegro is at the stage of EU accession process in which it does not negotiate solely on mere transposition of the Community acquis, drafting and adoption of legislation, but it also shows that the system reaps results in practice, which requires time. One should have in mind different dynamics in the progress of the regional countries towards the EU, as well as the fact that the Western Balkan countries do not fulfil their commitment

towards the EU at the same pace, in order to be able to speak about having a balance in the regional approach. Montenegro, for sure, wishes for its neighbours to progress towards the EU membership as fast as possible and with as high a quality as possible.

The EU rejoices their common future with Montenegro, underlines Ambassador Aivo Orav, Head of the EU Delegation to Podgorica, saying that the enlargement process brings new strength to the Union. “Stable progress that the country achieves in the enlargement negotiations testifies to the fact that committed work pays and that reforms guarantee the continuation of the process”, says Ambassador Orav, indicating that the EU, its Acquis, as well as the enlargement policy have evolved with the passing of time, and that the result of it is a more demanding negotiation process.

Common things for every country striving to join the European family, regardless of the Union accession timeframes, is a unique system of values, which is reflected in the stability of the institutions, rule of law, observance of human rights and minority protection, as the pillars of the modern EU.

The Stabilization and Association Agreement constitutes a legal framework for gradual approximation to the European standards. This year Montenegro celebrated an important jubilee - ten years since the signing of the SAA, which was the starting point for the comprehensive preparations for the Montenegrin EU membership. It is with the signing of the SAA by the former Montenegrin Prime Minister Željko Šturanović, in the presence of the Minister of Foreign Affairs, Mr. Milan Roćen, and the Minister for European Integrations, Mrs. Gordana Đurović, on 15th October 2007 that Montenegro entered into its first comprehensive contractual relation with the Union. The entering into force of the Agreement on 1st May 2010 marked a new EU integration stage, which formally obliged Montenegro to harmonize its national legislation with the EU Acquis, as well as to the alignment of the attitudes and policies in all the areas of cooperation. The

signing of the Agreement made it possible for Montenegro to submit the application in 2008 for the EU candidate status, and to start the EU accession negotiations in June 2012. The cooperation followed with Albania, Bosnia and Herzegovina, Macedonia and Serbia in the area of European integrations and the accession process made it possible for our country to use pre-accession financial grants in the amount of € 620 million for the period from 2007. Montenegro managed to conduct high quality preparations for the challenges of the EU membership in the area of legislation, but also to become a member to numerous international organizations - NATO, World Trade Organization, CEFTA, and other global and regional organizations. The framework and system of work was reformed in the fight against corruption and organized crime, administrative procedures were simplified and the number of judicial backlog cases was reduced, as well as the duration of judicial proceedings. In 29 European states, members to the Schengen zone visas were abolished for Montenegrin citizens.

The progress of Montenegro in the implementation of key reforms and in meeting EU membership conditions was commended by the European partners, who called for the continuation of good dynamics of reform processes in the area of European integrations. The Director for Western Balkans in the Directorate General for neighbourhood policy and enlargement negotiations, Henoveva Ruis Kalavera, communicates that further intensification of work on the integration of the entire region is a strategic priority of the EU, and that accession progress is based on the merits of each individual country. Her message is clear: every country holds a key to the EU in its hands and that the EU membership is not only the goal of the Montenegrin nation, but also a firm and unquestionable intention of the EU. On the other hand, the employed in the Ministry of European Affairs of Montenegro are determined to face the big EU accession challenge for such a small administration with motivation and desire for progress, with one goal - for Montenegrin state to become a part of the community which shares European values.





# Programme of Accession of Montenegro to the EU 2018 – 2020



**Author: Marina Vujačić**, State Secretary at MEA

Amongst its numerous commitments during the first year of its four-year term, the Ministry of European Affairs in September got down to coordinating the development of the new Programme of Accession of Montenegro to the EU (PAMNE) the adoption of which is planned for January 2018.

The Accession Programme constitutes a plan for the creation and establishment of the legal framework (laws and bylaws), strategic plans (strategies and action plans), but it also expresses the needs for administrative capacities and plans and needs for the strengthening of the personnel or for the reorganization of the existing staff within the system involved in the activities important for the European integration of our country during the next three-year period. Adequate implementation of the legal framework and of the strategic plans is impossible without the strengthening of administrative capacities, and/or the staff which is capable and ready to respond to all the demands and challenges entailed by the accession process and the subsequent membership.

Programme of Accession of Montenegro to the EU (PAMNE) 2018 - 2020 is a comprehensive document which is focused on the transposition of the EU Acquis, covering the commitments from 33 negotiation chapters, which are being negotiated by Montenegro.

Its adoption is planned in parallel with the adoption of the Mid-term Government Work Programme 2018 - 2020 and the Programme of Economic Reforms etc. By its structure, the Accession Programme is defined as a tabular presentation offering a high quality overview of the relevant legislation for the chapters, institutions entrusted with its implementation, degree of alignment with

the EU Acquis and the deadline for thorough alignment in case of partial or lacking alignment. It contains several segments, as follows: introduction to a chapter, current state of play, and/or the status in the legislative and strategic framework, administrative capacities, as well as future activities, i.e. plan for the adjustment to the EU Acquis.

During the past years, i.e. since 2014, through the implementation of the Accession Programme we have been diligently building legal and strategic framework and strengthening administrative capacities in relation to the commitments from the negotiation process with a view to transposing the European standards in numerous areas of life and achieving higher quality of life of our citizens. The Accession Programme enables clearer and faster and more operative monitoring, coordination and perceiving of all the activities of all key actors in the process.

In order to be able to define in a strategic, comprehensive and clear way the commitments, scope and dynamics of the reforms that are necessary for further adjustment of Montenegro to the EU Acquis, we have got down to developing the new Accession Programme 2018 - 2020 because of the necessity for as precise planning as possible and mutual coordination among various institutions. Although the task of three-year planning is not at all straightforward, this document will determine indicative commitments which need to be fulfilled by 2020 with the purpose of reaching internal readiness for the EU membership. These commitments comprise further work on the harmonization of domestic regulations with European, and more importantly, on the strengthening of the capacities for their high quality implementation which brings visible and measurable results, and/or crucial and measurable changes for the citizens.

The Accession Programme is, one might say, the first document which consolidates all significant regulations that are linked to the EU directives so as to make a whole, enabling mutual and better planning and coordination for the institutions especially if one has in mind that some laws and strategic documents include the commitments from several negotiation chapters, the implementation of which therefore involves

several institutions. Nevertheless, it is important to understand that the Accession Programme is not a document that covers the entire European agenda, but that it represents a need for streamlining the commitments in the coming years for the sake of balanced negotiations, and/or fulfilment of the commitments.

Large number of institutions are involved in drafting the document, including four directorates from the Ministry of European Affairs, the competences of which are the Acquis, EU accession, strategic planning and monitoring of the implementation of strategies, information and IT support. Reflecting the commitments in all negotiation chapters, and the fact that it concerns a large number of institutions points out to the importance of this document the implementation of which concerns all citizens, from entrepreneurs, farmers, business and academic community. This is, concurrently, one of the reasons for the importance of the participation of a broader structure including civil sector, and/or nongovernmental organizations. In this way, citizens are able to exert direct influence on decision making and/or on the policies that concern them, making thus the whole process transparent and public.

The NGO representatives who are at the same time the members of the working groups who will also be involved through the work of sectorial working groups that will be dealing with the issues according to the topics of related chapters, at the earlier stage of planning the PAMNE after the first draft document has been made. This approach constitutes a novelty introduced because of the need to involve the interested civil sector representatives in the drafting one of the most important strategic documents literal and efficient implementation of which will ensure successful continuation of reforms and further progress towards the EU membership. The proposals of the NGO representatives during earlier consultations are also welcome.

Because of all this, we believe that high quality and comprehensive preparation followed by a dedicated and thorough implementation of the Programme will bring us significantly closer to European standards and consolidate the already traced path towards the EU membership.





# Freedom of Movement for Workers

**Author: Melita Rastoder Ljaić, MEA**

In actual fact, millions of EU inhabitants do not live in the country of their origin. The majority of migrants do not even come from the EU member states. Lack of knowledge of the nature and of the foundations that the EU rests upon would raise the question for many, especially our fellow citizens and neighbours with long history of "fear from others and from the unknown", as to "whose the European Union is." The EU belongs to all its citizens, of different origin, education level, language, profession and orientation.

The EU, based on the principles of an open society, promotes peace, its values and wellbeing of all its peoples. Basic values which the European society rests upon are equality, observance of human rights and the rule of law. The member states are aware of the importance of their mutual „intertwined” ties, thus use the EU exactly as a platform for cooperation in order to achieve greater common good.

The freedom of movement for workers is, in that context, one of the most important modalities of their cooperation, which, besides functional sense, encourages tolerance, mutual knowledge and understanding "of the other". In fact, freedom of movement for workers is - together with free movement of goods, services and capital - one of the four fundamental principles of the EU guaranteed by the Treaty of Rome from 1957. This, essentially, means that the EU citizens can live and work in any EU member state. Many Europeans, despite various crises, perceive the freedom of movement for workers as the biggest success of the Union, even ahead of peace, single currency and students exchange programmes.

Let's remind ourselves that the initial initiative towards enabling free movement of workers was started with the establishment of the European Community for Coal and Steel in 1951, when restrictions were lifted for the employment of workers based on citizenship in coal and steel industry. With the concept of "European citizenship" introduced in the Maastricht Treaty, the principle of free movement belongs to every citizen of the Union.

Taking into consideration that the freedom of workers is one of the most complex categories within the framework of this fundamental right, the objective is to abolish any form of discrimination related to employment, wage and other working and employment conditions of the EU workers. In accordance with this, the citizens of the EU are able to look for jobs in any EU member state, need no permit to work and stay in the chosen country, they are entitled to be treated equally as the nationals of that country with regards access to employment, working conditions and other social benefits. EU citizens can have certain models of health and social insurance transferred to the country where they look for employment. Finally, even the family members of the workers from the EU may enjoy benefits in this respect in the sense that they are entitled to the same rights and advantages as the citizens of the chosen country. It is important to emphasize that the right to free movement of workers without discrimination belongs to all the workers of the member states irrespective of the fact if they are employed on the basis of a fixed-term contract or permanent contract, seasonal or cross-border workers who provide services. Nevertheless,

the rules on the free movement of workers are not applied to seconded workers, temporarily sent abroad by their employers, using the freedom of service provision, who are in turn protected by another legal basis.

What used to constitute a challenge in exercising the right to free practicing one's profession in various member states is practical implementation of that principle, having in mind differences in national conditions for the practicing of certain professions in the host country. This is the reason that led to reforms of the system of recognition of professional qualifications, in order for the labour market to become more flexible, inciting in that way automatic recognition of qualifications.

In this context, the cooperation network was established - EURES (European Employment Services Network). The network includes the Commission, public employment services of the EU member states and other partner organizations, as well as Switzerland. Besides that, the EU has invested great efforts in encouraging workers' mobility, especially through the European health insurance card, coordination of social security system, securing the grounds on minimum requirements





for the improvement of workers' mobility among the member states by improving the acquisition and preservation of rights to supplementary pension, as well as for easier exercise of the rights accorded to workers in the context of free movement of workers.

By enabling the workers to move freely, the Community should have increased economic efficiency in such a way that it will allow to workers to look for jobs best suited to their skills and experience, concurrently allowing to enterprises to hire the most adequate workers.

Nevertheless, after almost 60 years EU faces one of the biggest crises in its history. In fact, despite a still strong influence of global economic and financial crisis, the Union faces worrying challenges like immigration crisis, growing trend of radicalism and extremism, consequential rise of rightist parties and Brexit. Labour migration is, probably, one of the most controversial aspects of economic integrations in Europe. There is a widespread attitude in many countries on the responsibility of immigrants for high unemployment rate, abuse of social programmes, crime and endangered security. It is evident that certain countries, like Great Britain, are concerned because of the consequences of the migrations of population and workers, especially from the poorer East European countries. Great Britain was particularly vocal in taking the attitude that free access to labour market must not lead to "mass migration".

The history of EU enlargement has proved that the fear that enlargement would lead to big migration of workers from the new member states to the labour markets of the existing member states was not founded. It turned out, however, that migrations following the EU enlargement show fall rather than rise. Despite that, certain EU member states keep requiring transitional period (most often lasting up to seven years) for the free movement of workers from the new member states for certain professions, depending on the demand for certain jobs. However, the reality has shown that the freedom of movement for workers and mere workers' migration improves the overall efficiency of the EU economy and produces profit due to the existing differences between the host and foreign country which are greatly caused by the difference in the achieved productivity. The experiences both with enlargement waves and other worker movement impetuses show that immigration most often raises the level of employment and national revenue

and that the restriction of that freedom would slow down the economic recovery and weaken the overall economic strength and influence of the EU.

Finally, the freedom of movement for workers is a right which enables the covering of labour market needs especially in the countries where certain professions are in short supply or where labour force in certain areas is insufficient. Besides that, the obligatory argument for encouraging workers' mobility is the fall in the number of European inhabitants capable to work which could result in the shortage of certain skills and labour force, which can than further impact economic development of the EU.

Irrefutable facts for the "two-way" benefit of the freedom of movement for workers lie, exactly in the provisions of the EU Acquis according to which the following is secured: right to work without work permit (except for workers from the new member states which are covered by the transitional period), equality of treatment in employment area with the citizens of the country in which work is carried out; right to social security; right of family members to join the worker and to receive family allowance; thorough coordination of the social security systems (right to retirement benefit and social security contributions) and mutual recognition of qualifications.

The goal of the stated rights is also to encourage labour force mobility among the EU member states, which is an important factor for achieving internal market. Despite the guaranteed rights, labour force in the EU is characterized by small spatial and professional mobility. Therefore, guaranteed freedom of movement for workers and experts in the EU has not been broadly utilized. As the low degree of labour force mobility in the EU has negative consequences on economic growth, employment and professional development of the labour force, the European Union, being aware of this problem, endeavours to remove the abovementioned barriers by adopting different measures which are aimed at improving the area of employment and encouraging labour force mobility.

The European Union traditionally sets certain restrictions in the area of free movement of workers from the new member states, so called transitional period. For example, Spain and Portugal faced seven-year transitional period, during which the workers from these countries had limited access to employment, and the freedom of their movement was being gradually

achieved. Also, restrictions for the employment of Croatian workers in the EU was envisaged according to the formula "2+3+2", which means that the initial two-year restriction for the access to labour market, may be extended by the member states following a review for another three years, and with justified reason for the additional two years. Transitional measures, in case of the Republic of Croatia shall irrevocably cease to be in force in June 2020.

The decision on transitional period for the new member states is passed by every old EU member state individually, depending on the condition in the national labour market and demand for labour force in certain professions. If in the future transitional period be agreed for Montenegro, the rule of precedence will be applied. This means that the employers from the old member states will have the duty to give precedence during employment to the workers from the acceding countries (for example, Montenegro) as compared to the workers from the third countries (non-member states).

Having in mind that Montenegro truly represents a good example of success of the enlargement policy, as well as that the enlargement process itself is one of the most important strategic objective of the entire Western Balkans, despite the challenging moment which the EU is in, Montenegro remains patient and decisive in its orientation towards the process of European integration.

Along that line, all the criteria for the opening of negotiations in this area were met at the internal level and Montenegro with its 600 000 inhabitants does not constitute a "threat" for the labour markets of the member states. Montenegro submitted its position paper to the European Union in July 2014 and the European Commission did not set the initial benchmark. Upon the request of the Commission the updated version of the Position Paper was forwarded in September 2016, as well as its Addendum in October 2017. Although, in certain sense, due to the political momentum in the EU and the British migration policy, Montenegro stagnated when it comes to progressing towards the opening of negotiations in this chapter, in the meantime it invested significant efforts in aligning its legislation with the EU Acquis covering the Chapter 2 - Freedom of Movement for Workers. In that context, activities were being done on amending the Law on Foreign Nationals, by which obstacles were eliminated for the employment of foreign nationals, like the issuing of

special permits for foreign nationals by the Employment Agency with no persons in the records meeting the requirements to take up employment which the offer refers to, or if the person from the records of the Employment Agency refused to take up that particular job. In this way the Law was harmonized with the Directive on the unified procedure to issue residence and work permit which prescribes that there may not be dual restrictions when it comes to the employment of foreign nationals, but only one. Thus, one of the main reasons was eliminated that led to the negative EC assessment for this chapter in the Report on Montenegro for 2015.

On 28th December 2015 the Parliament enacted the Law on Health Insurance. The same law recognized the European Health Insurance Card and defined that the content, form and manner of issuing and utilizing of this card would be prescribed by the Health Insurance Fund. On 23rd February 2017 the Government of Montenegro adopted the Strategy for Integrated Migration Management in Montenegro for the period 2017-2020, with the Action Plan for its implementation for 2017. The main objective of the Strategy is thorough harmonization and establishment of the legal framework, as well as additional strengthening of the institutional framework which offers the possibility for effective implementation of migration movement control policy in accordance with the rules and standards of the Acquis, including the establishment of the Strategy monitoring system and the monitoring of the implementation of the action plans.

With Montenegro joining the EU the Employment Agency of Montenegro will become part of the European Network of Public Employment Services (EURES) and Montenegrin citizens will have access to the services of mediation during employment in other EU member states. For the purpose of organizational adjustment of the Employment Agency of Montenegro to the needs of the EURES network, in 2013 the Department for EURES and mediation in employment was established in the Agency.

Finally, since Montenegro has proved to be dedicated to the enlargement process and to fulfilling the commitments from the European agenda in this area, as well as that its work and effort has been highly recognized in Brussels, it is beyond any doubt that labour market in Montenegro will change and that this process will offer an opportunity for Montenegro to improve life and business opportunities for its citizens and workers.



# Right to establish company and freedom of service provision

**Author: Danica Mijatović, MEA**

Service provision freedom is one of four fundamental freedoms which enable the functioning of the EU single market, together with the freedom of movement of goods, people and capital. The legislative framework which enables free service provision is considered within the framework of the third negotiation chapter - Right to establish a company and service provision freedom, the opening of which is expected by the end of the current year.

This complex area covers three domains, as follows:

- Mutual recognition of professional qualifications for the performance of regulated professions (horizontal competence of the Ministry of Labour and Social Welfare and of the Ministry of Education);
- Right to establish a company and service provision freedom (horizontal competence of the Ministry of Economy);
- Postal activity (horizontal competence of the Ministry of Economy).

Other institutions involved in this negotiation chapter are: Ministry of Justice, Ministry of Interior, Ministry of Finance, Ministry of European Affairs, Ministry of Educa-

tion, Ministry of Culture, Ministry of Economy, Ministry of Transport and Maritime Affairs, Ministry of Agriculture and Rural Development, Ministry of Sustainable Development and Tourism, Ministry of Health, Ministry of Public Administration, Ministry of Labour and Social Welfare, Ministry of Science, Ministry of Sport, Chamber of Economy of Montenegro, Chamber of Engineers, Bar Chamber, Medical Chamber, Inspection Administration, Intellectual Property Institute, Directorate for the Development of Small and Medium Sized Enterprises, Civil Aviation Agency, Environment Protection Agency and Energy Regulatory Agency.

Having in mind that Montenegro is a small market which cannot boast significant production volume, as well as the circumstance that we encounter obvious deficit of certain professions, it is important to emphasize numerous benefits that the alignment of Montenegrin legislation with the EU Acquis through the third negotiation chapter will bring to our citizens. In fact, it is through this area that the opening of the EU member states' borders is made possible for the services of all companies and individuals and the equality is ensured in relation to the acquired education certificates for all regulated professions. This contributes to greater mobility and participation in the EU labour market and improvement of functioning of the single services market. In specific terms, this means that local companies and legal enti-

ties will be able to provide services all over Europe freely and without discrimination, as well as that the acquired qualifications will be recognized and that our citizens' diplomas will be accepted in all EU member states, which will make it possible for our citizens to work within the framework of the European economic market. Also, this will make it possible for tourists, students, business people who travel to use products and services of the single EU market in an easier way, with the possibility of providing their services on an equal footing to the citizens of all EU member states. Finally, the improvement of the functioning of the single services market will contribute to the growth of the economic strength of the

companies, SMEs in particular, increase the competitiveness of services, simplify the regulatory framework and contribute to the creation of a more favourable business environment and investment increase, as well as ensure the quality in performing the activities which influence citizens' health and security.

Montenegro is in the process of the adoption of the European vision and regulations related to the freedom of service provision and it can proudly say that in the elapsed period it worked diligently on the preparation and adoption of regulations which will ensure citizens' security with regards to the provision of services and







the protection of their economic interests from the moment of acceding to the EU. This is testified by the fact that Montenegro, first of all in 2014 adopted the National Plan for the Development of Qualifications for Performing Regulated Professions with its Action Plan for the period 2013-2018. It concerns a comprehensive strategy for the harmonization with the EU Acquis on professional qualifications, with special emphasis on the legislation and institutional alignment and adjustment to the Directive 2005/36/EC on the recognition of professional qualifications. It is important to mention that, in the area of mutual recognition of professional qualifications, the legislative framework has been largely completed with the enactment of the Law Amending the Law on National Professional Qualifications, as well as of the Law Amending the Law on the Recognition of Foreign Educational Documents and Equalization of Qualifications in 2016. Also, in relation to the regulated professions, which will be automatically recognized in the EU, significant result was achieved in the elapsed period in the context of harmonization of study programmes with the completion of which qualifications are acquired for the performance of such regulated professions. In fact, relevant institutions have fully innovated and aligned the study programmes for Architecture, Medicine, Pharmacy, Dentistry and High Medical School with the requirements of the Directive 2005/36/EC and its relevant amendments. Already the first generation of students has been enrolled who will study according to the new curricula for these newly accredited study programmes. The study programme for Veterinary Medicine and the programme for the acquisition of the title of midwife are not organized in Montenegro, since the programme for the education of midwives in Montenegro is implemented at the level of secondary school, and for the time being there are no initiatives for the establishment of the study programme of Veterinary Medicine.

In order to achieve thorough alignment with the Directive 2005/36/EC on the recognition of professional qualifications, as amended by the Directive 2013/55/EU, it remains to enact the Law on the recognition of professional qualifications for the performance of regulated

professions during the first half of 2018. A List of Regulated Professions will be established on the basis of that law. In order for the policy related to the right to establish companies and service provision freedom to be on the sound foundations, Montenegro implements continuous reforms with a view to preventing discrimination and simplification of administrative procedures so as to facilitate the establishment of companies and the provision of cross border services between Montenegro and the member states. According to the Services Directive, in order for some activity to be considered a "service", it must be provided by a natural person or a legal entity for an economic fee, i.e. it must be of commercial nature. This is of special importance for an open and euroized economy of Montenegro, firmly oriented to the services sector and with the model of development based on the attraction of foreign investments through continuous improvement of business environment by reducing business barriers. In order to achieve this, it was necessary to adopt the Action Plan for the transposition of the Services Directive, as well as to enact the Law on Services. Therefore, in 2015 the Government of Montenegro adopted the said Action Plan for the period 2015-2018, according to which annual reports are

created and the implementation of the Directive into the national legislation is monitored. So far, that process unfolds according to the planned dynamics. Then, as a novelty in the Montenegrin legislation, the umbrella Law on Services was enacted in 2017, which lays down the general principles and the conditions for the performance of service activities that the Law refers to. Other regulations related to service activities will also be aligned with the Directive 2006/123/ EU on the services in the internal market, and in view of the dynamism of services market, it ensures the rules for new services which might occur in the market. The Law lays down the functioning of the single point of contact for services - SPC, via a web page where in two languages (Montenegrin and English) all interested persons are informed about the procedures and conditions for access or provision of services in Montenegro which are the subject matter of the regulation of this law. The Law on Services also contains the legal basis for the adoption of the bylaw which will define the method of cooperation and exchange of information with the countries from the EEA, and especially the cooperation related to the supervision over the provision of services, by undertaking precautionary measures and the working

method of the Ministry of Economy when it comes to the IMI system.

In the more recent period, amendments to the national legislation have been implemented with the purpose of abolishing the application for citizenship for the access and enjoyment of the service provision freedom (except for the application for citizenship justified by the Article 51 of the Treaty on the Functioning of the EU. This implies the fact that the following regulations have been enacted: Law Amending the Law on Public Enforcement Officers, Law Amending the Law on Notaries, Law on Legal Profession, Law on Court Interpreters and Decree on the Conditions for Performing the Activities of Representation before Customs Authority. These amendments imply that an EU citizen may be appointed a public enforcement officer, a lawyer, a court interpreter and a representative, as of the moment of acceding to the EU.

As regards the area of postal services, it is important to underline that liberalized market of postal services offers to Montenegrin citizens access to cheap services of the Universal Postal Operator, with secure flow of such services through the EU borders. Montenegro largely aligned its legislation in this area during 2016 and 2017 with the EU Acquis, by enacting the Law on Postal Services and the Regulation on Postal Services.

Through negotiations in this extremely interesting chapter Montenegro will continue to focus not only on further alignment of legislation with the European one up to the accession date, but also on acquiring general readiness to participate as equals in the activities which are under the aegis of the single EU market, once when we become a member state. This will create numerous opportunities for our citizens, especially with regards to the service provision freedom in the narrow sense, i.e. cross border service provision which is envisaged by the Article 56 of the TFEU which is, perhaps, most attractive from the angle of our economic operators, as it implies the possibility for any legal entity or natural person to offer and provide services without the change of the seat and/or residence.

# Strategic look into the future

**Author: Mila Brnović,  
ICE Associate at MEA**

The coordination of policies and high quality strategic planning are some of the priorities of the Government of Montenegro and undeniably important elements of the development of a society. Nevertheless, we are not always aware in our practice what the planning process and prioritization involve. Having in mind the experience to date in the coordination of European affairs, the role in the negotiation structure and the interaction with other institutions in Montenegro the Ministry of European Affairs was entrusted with the competence of establishing and developing the system of coordination and monitoring the alignment and implementation of the strategies by means of which public policies are determined. In that sense, it is our objective not only to clarify all the stages for everyone, but also the benefits of strategic planning for every individual sector, as well as for the state as a whole.

As of March 2017, the Ministry of European Affairs has been working diligently on creating conditions for high quality strategic planning, which will enable efficient spending of budgetary funds in accordance with realistic and measurable objectives.

Several months' long work of the MEA on the analysis of the entire existing strategic framework, although very often invisible, resulted in a series of initiatives we have started on the basis of an expert critical assessment related to the current planning method. Above all, the analysis of more than

one hundred strategic documents, among which there are 119 strategies, led us to conclude that there was a significant disproportion among them with regards to the methodology, duration, budget planning, implementation measures, as well as with regards to the alignment with the Government priorities. We have understood that a large number of strategies without the aligned and clear priorities might challenge the issue of efficiency of the implementation of public policies, because of which special attention has been paid to the establishment of a single coordination mechanism for the uniform planning of strategic documents.

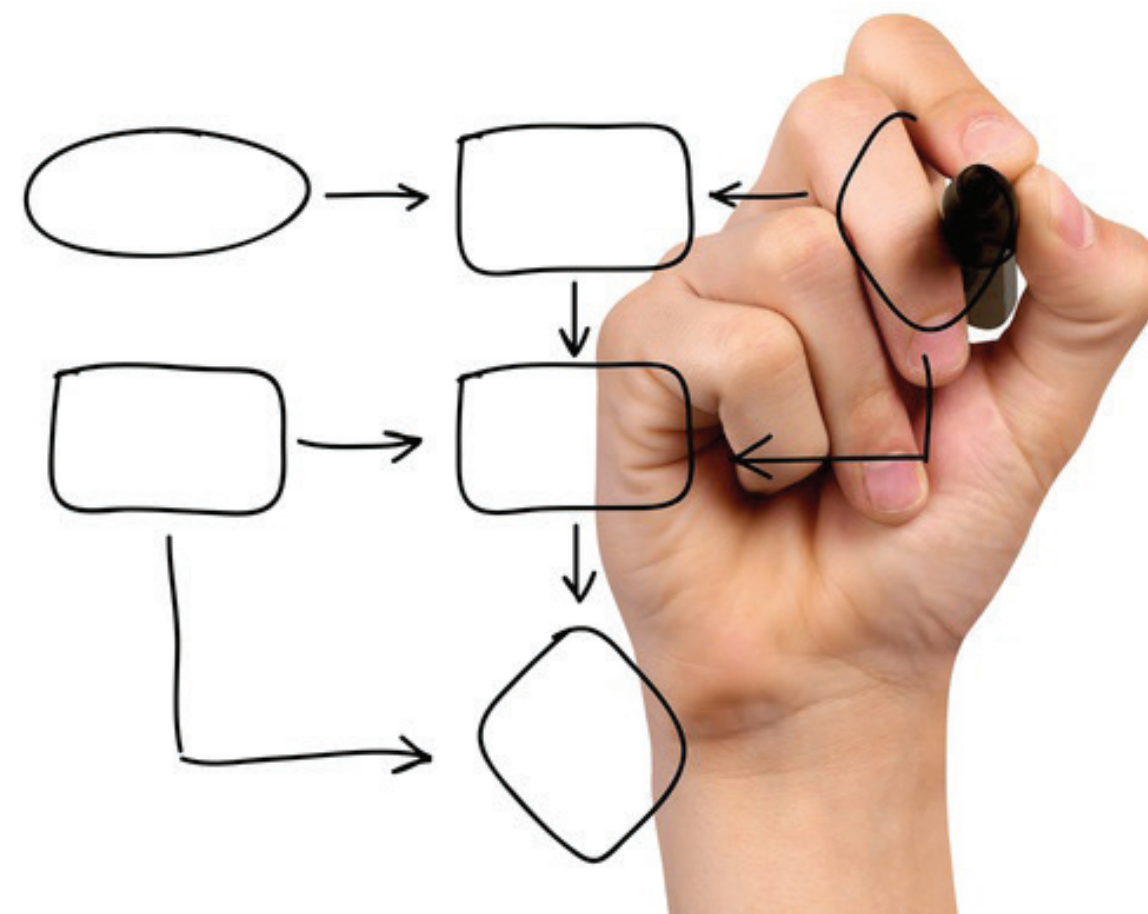
In parallel with the national strategic documents we analyse strategic objectives and indicators at the level of European Union and every directorate, as it is of exceptional importance to pay attention not only to the alignment at the level of Montenegro, but also with the EU principles whose model we pursue. It is exactly with the purpose of reacting to these challenges that the MEA, Secretariat General of the Government and the Ministry of Finance work on formulating the legal framework which will define more precisely and categorize strategic documents, their mutual relation and implementation method. The objective of precise formulation of the legal framework is the strengthening the quality of strategic documents, with gradual reduction of the number of the same, in order to improve the effects and efficiency of the implementation and linking budgetary projections with the priorities of the Government and the sectors. In addition to that, with the purpose of better policy coordination with the key Government priorities, the MEA

offers expert support to the Commission for Development and Monitoring of the Mid-Term Government Work Programme 2018-2020. As an example of good practice and the basis for mid-term planning in other sectors, we are developing the mid-term work programme of the Ministry of European Affairs.

The development of the manual for the drafting of strategic documents and formulation of training programmes for strategic planning points of contact in all sectors are the processes that accompany the formation of the legal framework for strategic planning. Both processes are extremely important, since they will constitute the basis for the transfer of knowledge to the entire network of strategic planners which is about to be established: training plan is in the process of accreditation, while the manual is at the development stage. Strategic planning process must be commonly owned. The MEA coordinates one part of this process, but through constant communication and coordination with all stakeholders it serves as the contact point not only for the exchange of information, but also for the provision of useful suggestions in every stage of strategic planning process. We therefore received questions and su-

ggestions from foreign and domestic independent experts, but also those for reviewing draft strategies, action plans and reports on the implementation of these documents. Finally, the most important segment of this process are Montenegrin citizens - who we are accountable to and whose interest we protect. It is important exactly because of them to plan jointly, sustainably, responsibly, transparently, both in the legal sense and in practice and to always have in mind the results, contrary to mere fulfilment of the form.

In the months to come the first visible fruit of the work of the MEA is expected in the form of the established legal framework, published manual, implementation of a series of training sessions for civil servants for the drafting of strategic documents, but also formal beginning of the coordinated work with the colleagues from the Secretary General of the Government and the Ministry of Finance on the improvement of the system of strategic planning in Montenegro. We face years of adjustment to a different system of planning and thinking about the future and, although this may sound as rendering everyday duties complicated, it is the best tool for the achievement of sustainable results and progress.







Interview with the Head of the Delegation to the EU-Montenegro Stabilisation and Association Parliamentary Committee (POSP) David Martin

# 2025 is not a fixed deadline, Montenegro could join EU even earlier

**Author: Marija Jovičević,** Daily Pobjeda

The principle of own merit remains the guiding principle, so the pace of progress really is in the hands of Montenegro. On this basis, Montenegro and Serbia should not necessarily accede at the same time and 2025 should not be considered as fixed deadline - said the Head of the Delegation to the EU-Montenegro Stabilisation and Association Parliamentary Committee (POSP) David Martin.

**EUROKAZ: How do You estimate progress of Montenegro ten years after Montenegro signed The Stabilization and Associations Agreement with EU?**

- The Stabilisation and Association Agreement (SAA) marked a new phase for Montenegro. Looking back, a lot has been achieved under this framework of cooperation and gradual alignment, not least the opening of, and progress in, the EU accession negotiations. Montenegro, upon declaring independence, stated two strategic foreign policy goals, accession to

NATO and to the EU. The former has been achieved. As for the latter, we are making very steady progress in the accession negotiations with Montenegro. Today 30 of the 35 negotiating chapters are already open, with 3 of them being provisionally closed. The EU is Montenegro's most important investment and trading partner - overall 47% of total trade in 2016 and the biggest donor in grant funding. The SAA offers duty free access to the large EU internal market but the trade potential could still be developed further.

**EUROKAZ: Can You give a comment on new Strategy of European Union for Western Balkans? That strategy allegedly notes that Serbia and Montenegro will join EU together by 2025. Do You think it is clever for Montenegro to wait until Serbia solves all issues with Kosovo? Also, Montenegro has already opened 28 chapters, while Serbia opened 8.**

- Montenegro's accession to the EU is not only its stated strategic goal, but also the EU's firm and unquestionable objective. It has been reaffirmed numerous times, most recently by the President of the European Commission in his State of the Union spee-

*The Montenegrins have clearly expressed their wish to join the European Union, which is a union of common values and economic integration among many other things. By adhering to NATO Montenegro has clearly chosen the Western Alliance over Russia*

ch. The EU's strategic priority is to further intensify our work with the entire region including Montenegro and Serbia, the current frontrunners, to ensure their successful accession to the EU. Montenegro should seize the opportunity of the positive momentum created by the State of the Union, deliver on commitments on its EU path and intensify reforms to keep its "frontrunner" position. Montenegro will need to intensify its work on achieving tangible results on rule of law to address the interim benchmarks for Chapters 23 and 24, which will continue to determine the overall pace of negotiations. The principle of own merit remains the guiding principle, so the pace of progress really is in the hands of Montenegro. On this basis, Montenegro and Serbia should not necessarily accede at the same time and 2025 should not be considered as fixed deadline.

**EUROKAZ: What do You see as a main challenge of Montenegro in European integration process? Do you think that institutions and society are strong and devoted enough to fight against organized crime and corruption?**

- The expected results do not come overnight. They can only be produced in an envi-

ronment where there is a clear consensus in society about the importance of the European path, where we have a strong and broad political commitment towards the necessary and sometimes also difficult reforms and where the independent institutions are provided with all the necessary support and resources to fully and proactively use their powers.

**EUROKAZ: How do you perceive our administrative capacities, specially capacities of Ministry of European Affairs?**

- Public Administration Reform is one of the fundamentals of the accession process, and is key to ensuring Rule of Law and improving economic performance. Good governance forms the basis for sustainability of sector reform, socio-economic development and growth - this is therefore important. Thus I welcome the fact that the draft law on civil servants and state employees would allow for progress in several areas, including merit-based recruitment and selection, which should enhance the professionalization and de-politicisation of Montenegro's public administration. I look forward to the adoption and implementation of this important element of Montenegro's civil service reform.

**EUROKAZ: Western Balkans is a very interesting region for Russia, Turkey and China. On the other hand, EU integration is the only way to stabilise this region. Do you think that enlargement policy is strong and devoted enough to keep this region on the right track?**

- The Montenegrins have clearly expressed their wish to join the European Union, which is a union of common values and economic integration among many other things. By adhering to NATO Montenegro has clearly chosen the Western Alliance over Russia. There is a strong wish to join the European family and the EU will not be complete without the Western Balkans. In 2018, the Western Balkans will be high in the EU agenda and we would hope that all Western Balkans countries will use this momentum to advance on their path towards EU membership. This region has a great potential which should be enhanced further also through initiatives such as the regional economic area.

## I am afraid we have lost the US as an important ally

**EUROKAZ: How do You see the future of the European Union after Brexit, as well as future of EU-US relations, with president Trump's administration?**

- As a British MEP who campaigned for remain, I am deeply saddened by the decision taken by the British Government following the result of the referendum. I still hope that British people will be given the possibility to vote on the final Brexit deal and therefore to choose to remain in the EU, which is what some polls appear to suggest anyway. Despite that, I continue to believe in the European project and its values. I see no alternative to the EU. More integration is the only answer to the nationalism as we see it emerging in some member states. As for EU-US relations, I am currently quite worried. The US used to be a reliable partner for the EU in crucial areas such as security, foreign affairs and trade. I regret to say this is no longer the case. I am afraid we have lost an important ally.





## INTERVIEW

Hungarian Minister of Foreign Affairs and Trade,  
Mr. Peter Szijjarto

# Montenegro to finish negotiations by 2021

Author: Marija Jovičević, Daily Pobjeda

*Bulgaria, Romania and Austria are very much committed to enlargement and we have to use the presidencies of these countries over the European Union to accelerate Montenegrin EU accession process. The countries of the "Višegrad Group" keep this objective high on the agenda*

Accelerated Montenegrin accession to the EU is a strategic issue for Hungary and we keep "pushing" that strategy in order for the remaining three chapters to be opened in the first half of the coming year. Also, we keep insisting on the fact that we will not accept the period of negotiations longer than four years - commented for Eurokaz the Hungarian Minister of Foreign Affairs and Trade, Mr. Peter Szijjarto. He emphasizes that Montenegro is the leader in integrations.

**EUROKAZ: High representative of the EU, Ms. Federika Mogerni said during the meeting with the Prime Minister Marković that the enlargement policy is one of the most important policies in the Union. Does it seem to you, as a direct participant of numerous meetings in Brussels, that the enlargement policy is indeed a priority?**

- From the perspective of the future of the European Union enlargement policy is a strategic issue for Hungary. The European Union faces historical challenges - migration, terrorism, Ukraine, energy matters. We think we can overcome all this if we look forward, beyond the horizon and if we work on the strategic partnerships and friendship. The best, in fact the only way to achieve that is through the enlargement process. The more members the Union has the more powerful it will be. We

are not glad to see the number of member states going down, we wish for this number to grow. We do not want EU 27, we want to see EU 30 plus. Since we come from the region which is in the neighbourhood of the Western Balkans we are quite sensitive towards this region as compared to some other friends from the western countries. We are trying to explain to them what it means for Europe to have a peaceful and stable Balkans, and what it would mean for Europe if it erupted again. The best way to create sustainable stability and peace is accelerated process of European and Euro-Atlantic integrations. I think that Montenegrin membership to the European Union is something which both sides would benefit from. The accession of a new member with the population of 620 thousand poses no risk in comparison to millions who make the EU. Since Montenegro is already a NATO member and since it understands the security structure, its economic performances are also being improved. For us, this is the right way. Accelerated Montenegrin EU accession is a strategic issue and we are "pushing" that strategy in order for the remaining three chapters to be opened in the first half of the coming year. We, also, keep insisting on the fact that we will not accept the negotiation period exceeding the period of four years. For us, the year 2025 is too far, our deadline is 2021 or maximum 2022.

**EUROKAZ: What progress has been made in the key chapters 23 and 24?**

- Nobody can object to the results achieved in that area. We can see great level of dedication of the Government and a very precise timeframe. We can also see that the timeframe is adhered to. On the other hand, the European Union must react ever so positively to your efforts. The more positive their reaction is the better the performance will a candidate country have. I think that the reforms you have been implementing are successful. I can also see that there is a growing trust in investing in Montenegro. We now have three big Hungarian companies wishing to invest again and in case this happens we will be in the first place by the level of investment in Montenegro. Also, we have very good feedback regarding regulatory environment and the overall investment climate. I think that there are no problems with the negotiations, the only important thing is to keep up this momentum. The Minister for European integrations asked me to extend the term of office of the Hungarian human rights expert. Our diplomat will remain here for additional two years. It is exactly these days that the Hungarian Embassy to Podgorica has provided certain assistance to the General Hospital in Nikšić.

**EUROKAZ: Montenegro has for years enjoyed great support from Hungary in the integration processes. Now, when we are partners in the Alliance, can the cooperation be even better?**

- One should not question that. We were amongst the louder advocates of Montenegrin NATO integration. We were NATO contact embassy in two terms, and as regards the European integrations I have to be clear - Bulgaria, Romania and Austria are very much committed to enlargement and we have to use the presidencies of these countries over the European Union to accelerate Montenegrin EU accession process. The countries of the "Višegrad Group" keep this objective high on the agenda. I had several meetings with the colleagues from the "Višegrad Group" from the Western Balkan countries and I was told that the EU was sure to make a big mi-

stake should it fail to accelerate the integration of this region. This should not happen. In case the EU does not enlarge to the Western Balkans soon we will face additional security threats and economic challenges.

**EUROKAZ: According to Juncker's strategy there is no such acceleration. How do you comment current policy of the Union in this area?**

- I am not satisfied! Enlargement procedures must be a lot faster. The President of the European Commission was quite negative on this issue couple of years ago. He is quite positive but not enough. Five to eight years for negotiations is too long a period. We accept four years as a reasonable deadline for negotiations. Many things can happen and these procedures need to be as short as possible. I can feel that there is enlargement fatigue among the western countries. This is something we need to get rid of. I am convinced that the best way to overcome the challenges is to make it possible for those who wish to accede to the European Union to accomplish it as soon as possible. There are countries, like mine, which are in favour of enlargement and which exert institutional pressure not to behave as bureaucrats, since this is a political issue.

**EUROKAZ: This means that you are in favour of regatta principle?**

- Completely! This is not a team competition for the Western Balkans; this is a race which is based on individual achievements. We are in favour of enlargement, but we have to admit that there are countries which are at the forefront of this process and which are the best ones. Montenegro is certainly a leader. We also support the integration of Serbia and we play the role of a partner and friend in the stabilization of the Balkans. If we are talking about who is going to be first, Montenegro or Serbia, nobody can be slowed down because of the lack of progress of others. This means that Montenegrin accession to the EU must be based solely on the achievement of Montenegro.





# Key reforms close chapters 23 and 24



*I am convinced that all 83 interim benchmarks related to the chapters 23 and 24 will be fulfilled during the coming year so as to be able to receive final benchmarks for the closure of these two important chapters*



Author: Marko Vešović, Daily Dan

Four years have elapsed since the opening of negotiations with the EU in the most challenging chapters 23 and 24 - which are related to judiciary, fundamental rights, justice, freedom and security. It is the impression that Montenegro is ever so closer to receiving the final benchmarks.

A member of the negotiation group entrusted with the chapters 23 and 24 and the Secretary of the Ministry of European Affairs, Mr. Miodrag Radović, recalls that Montenegro is the first country to negotiate EU membership according to the new approach. This approach, as he explained, comprises considerably stricter criteria in relation to the preceding enlargement stages, with the constant focus throughout the negotiations on the chapters 23 and 24, which were the first to be opened and will be the last one to be closed.

- The strictness of the criteria is reflected in the fact that the total of 83 interim benchmarks were set in these chapters. Majority of the activities from the interim benchmarks concern the establishment of legislative and institutional framework, while significantly smaller number of benchmarks is dedicated to the establishment of the initial balance of results in the areas of importance. In that sense, I wish to underline the satisfaction with the fact that Montenegro has managed to finalize the legislative framework in the area of the

reform of judiciary and the fight against corruption and organized crime, with the enactment of 65 reform laws and, along the line of international experiences, established new institutions which will contribute to more efficient fight against these negative social phenomena - said Radović.

He mentioned, in the first place, the Agency for the Prevention of Corruption and Special State Prosecution. The results achieved by these institutions as of their establishment, he says, justify the claims that the reform activities were implemented in the right direction and that we are close to meeting the expectations that the European Union has in this stage of the negotiation process.

- We rightfully hope that our estimates will soon be confirmed in the final benchmarks to be defined for these chapters. I am taking this opportunity to underline that these results are a fruit of dedicated work of a relatively small Montenegrin administration, which gives them greater weight and importance - emphasized

*The results achieved by the Agency for the Prevention of Corruption and Special State Prosecution as of their establishment justify the claims that the reform activities were implemented in the right direction and that we are close to meeting the expectations that the European Union has in this stage of the negotiation*



## Parliament enacted important laws related to the chapters 23 and 24

Referring to the way in which the Parliament and the Committee for European Integrations contribute to the progress in the area of integrations, Adrijan Vuksanović said that since the moment of the opening of the negotiations the Parliament had enacted a large number of laws related to the chapters 23 and 24.

- I would particularly emphasize key laws related to the reform of judiciary - Law on Judicial Council and on the Duties of Judges, Law on Courts, Law on State Prosecution Service, Law on Special State Prosecution Service with the enactment of which Special State Prosecution Service was established, Law on Constitutional Court of Montenegro, Law on Seizure of the Proceeds of Crime. Also, the most important anticorruption laws were enacted - Law on the Prevention of Corruption with the enactment of which the Agency for the Prevention of Corruption was established, Law on Lobbying, Law Amending the Law on Public Procurement. I would add here important laws from the area of electoral legislation - Law on the Election of Councillors and Members of Parliament, Law on Financing Political Entities and Election campaigns, and Law on Electoral Register - Mr. Vuksanović emphasized.

He singled out the Law on Foreign Nationals and Law on International and Temporary Protection of Foreign Nationals, as well as the amendments to the Criminal Code which enable the application of the Protocol to the UNTOC Convention on the Smuggling of Migrants, then numerous ratified agreements of readmission with the third countries and Cooperation Agreement between Montenegro and EU-ROJUST.

Mr. Radović.

Since Montenegro has received 45 interim benchmarks from the chapter 23 and 38 from the chapter 24 was asked to point out to the most challenging of them. Mr. Radović told that it was difficult to single out benchmarks from the group of 83, because essentially

- I would particularly like to emphasize that the European Integrations Committee gave the proposals for the amending as many as seven positions, which was accepted by the Government. Among these there was our amendment proposal for the chapter 23. With the purpose of increasing the degree of information of public on the process of integrations, improving the transparency and quality of negotiations, including in relation to the current chapters, the Committee carries out the activities aimed at informing all the citizens of Montenegro about this process - organizes public discussions on negotiation chapters, public discussions with secondary school students in Montenegro, as well as the meetings with the representatives of local self-governments at the topic of the utilization of IPA funds. I would particularly like to mention the public discussions that precede the abovementioned sessions where negotiation positions are considered, where valid information is considered and "exhausted" for a given position - says Mr. Vuksanović.

He also emphasizes regular oversight activities of the Committee in the forms of the sessions at which reports are considered on the implementation of the action plans for the negotiation chapters 23 and 24.

- Finally, I always like to mention international activities of the Committee which are reflected in regular participation of the MPs at the meetings of the Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC) and the Conference of the European Integration/Affairs Committees of States Participating in the Stabilisation and Association Process of the South-East Europe, at which opinions can be exchanged and described on the state of play in individual chapters, primarily those most demanding ones, in direct communication with parliamentary colleagues - said Mr. Vuksanović.

the fulfilment of all of them makes the entirety of the reform, thus each of them constitutes a challenge.

- However, perceiving the work done so far, we can consider that a large number of them have been fulfilled. The remaining ones may be considered provisionally challenging, because the results in them have

## Voice of the opposition and civil sector is significant

Commenting the assessments of the opposition and civil sector that we have limited results in the sense of the implementation of the legislation, Mr. Miodrag Radović said that the voice of the opposition and of the representatives of the civil sector is the voice which is very much respected in our common interest.

- In relation to that, I would confirm that we are aware that there are still challenges in certain areas the bridging of which has been continuously worked on, but I would also like to point out to the huge progress that has been achieved so far on the implementation of legislative reform under the aegis of the rule of law, which should by no means be neglected. In relation to that, I would commend the result embodied in the finalized legislative framework which directly concerns independence and impartiality of judiciary, as well as diligent work on its further implementation - stated Mr. Radović.

He said that the first term of office of the Agency for the Prevention of Corruption was successful and that according to the opinion of the Agency 20 public officials resigned by the end of the first half of 2017; 210

already been achieved, and it is a matter of assessment as to the sufficient quantity of the results which would satisfy the criteria of the European Commission. In concrete terms, these benchmarks refer to financial investigations, seized property, prevention of money laundering and similar, where it is necessary to show appropriate balance of the achieved results. Newly established institutions I have come to mention invested considerable effort in establishing the system and have already achieved satisfactory results - underlines Mr. Radović.

He states that the difficulty lies in the fact that a large number of new legal solutions have created the

asset declaration submitted by the public officials were reviewed, which makes 13% of the annual plan based on priorities. He also states that the Agency instituted misdemeanour procedure for failure to submit asset declaration or declaration on revenues against as many as 269 public officials.

- In the corpus of the results in the area of the fight against corruption, I would also emphasize that the integrity plans have so far been adopted by 681 (out of 700) public authorities, and that 676 of them have appointed Integrity Managers. Also, the Special State Prosecution Office issued the orders for investigation to be conducted in 12 cases for alleged corruption crime, while indictments were issued in eight cases, and in three cases official accusations were made. Five injunctions were passed in corruption cases according to the Law on the Seizure of the Proceeds of Crime. When it comes to asset confiscation there is one pending case - says Mr. Radović.

He thinks that these results deserve very much to be mentioned.

- As I have already said, for big steps forward and for the overall progress time and patience are needed, and the stated results testify to the existence of the awareness and political will for Montenegro to remain totally committed to further reforms - Mr. Radović pointed out.

need for the strengthening of administrative capacities, both quantity-wise and in technical sense with a view of modernizing the fight against the most contemporary forms of criminal activity.

- So far, we have proved to be successful in overcoming the stated challenges, thus we hope that our administrative capacities will concurrently be strengthened on the basis of the lessons learned - assesses Mr. Radović.

Parliamentary Committee for European Integrations plays an important part in the process of integrations, especially for the chapters 23 and 24. Current Chair to the Committee, Mr. Adrijan Vuksanović said that a





## Committee to oversee the negotiation process

Speaking about the ways in which the parliament and the Committee for European Integrations (CEI) contribute to the progress in the area of integrations, Mr. Radunović says that the Committee for European Integrations should oversee the entire negotiation process on behalf of the Parliament, as well as to ensure the protection of interests of the citizens of Montenegro, and not to be "forwarding service" for the proposals of the Government.

- Because of that the Rules of Procedure of the Parliament envisages that it be chaired by an opposition representative, so as to ensure critical relation towards the reports on negotiation chapters, as well as to scrutinize every negotiation position of Montenegro. As the first chair to this Committee, I insisted on securing the possibilities for the Committee to block the adoption of the negotiation position which it would considered contrary to the interests of our citizens. We have, thus, come up with the solution according to which "the Committee for European Integrations" shall issue the opinion on negotiation position by means of simple majority of votes of its members. In case of a negative opinion on the draft negotiation position, the Government shall respond within eight days. No later than within five days after the response of the Government, the Committee for European Integrations shall issue final opinion to the Draft negotiation position."

- I think that this is a key competence of the CEI. As regards the monitoring of the progress in the chapters 23 and 24, the Committee should organize very frequent hearings of the most responsible people in the country, especially those who are thought to be hindrance to the implementation of the rule of law - said Mr. Radunović.

lot has been done since 2013 when the negotiations were opened in the chapters 23 and 24. This is not, as he said, only his opinion, as the Chair to the Committee, but also the view of the European Commission.

- I need to underline, above all, that the progress achieved so far in the chapters 23 and 24 is reflected in the fact that considerable progress has been made in the area of legislative reform and the strengthening of the institutions. Therefore, the parliament enacted almost all important laws and the country is now to embark upon a more demanding part of the process, namely - proper implementation. It is the assessment of the European Commission that the initial results have been achieved in the area of suppressing high level corruption, and in the area of some forms of organized crime, which stimulates us to continue with the empowering of our institutions. Furthermore, the reforms in the area of migrations and asylum have been going on well according to the evaluation of the representatives of the European Commission - considers Mr. Vuksanović.

According to his opinion, big challenge in the forthcoming period will be further strengthening of the administrative capacities and the organization of practical training, for the purpose of valid implementation.

- I have to remind ourselves that the involvement of civil society organizations in the working groups for both chapters is a good thing, and I also think that we need to intensify the dialogue and consultations with the civil society. I am convinced that all 83 interim benchmarks related to the chapters 23 and 24 will be fulfilled during the coming year so as to be able to receive final benchmarks for the closure of these two important chapters. It is very important to show strong political will and decisiveness in the fight for the rule of law, but also in the fight against corruption and organized crime - points out Mr. Vuksanović.

Chapters 23 and 24 in the negotiations with the EU were opened in December 2013, on which occasion all 83 interim benchmarks were presented. Former chair of the EU Integrations Committee, Mr. Slaven Radunović, considers, however that the progress achieved so far is of cosmetic nature.



## Brussels does not have special requirements for the progress in chapters 23 and 24

Asked if Montenegro received from Brussels special requirements with regards to progress in all areas, since the chapters 23 and 24 are considered the most difficult in the negotiation process, Mr. Miodrag Radović said that "the colleagues from the European Commission have been continuously monitoring the results achieved by Montenegro in the chapters 23 and 24, which also implies specific recommendations with regards to the achievement of further progress in these areas."

- There are several mechanisms for checking the situation in the field in the area of the rule of law: expert missions in the first place, as well as several established forms through which Montenegro reports periodically to the European Commission on the progress achieved. The recommendations of the European Commission are always treated with the necessary attention and they serve to us as the guidelines for further improvement of the condition in the areas of concern - said Mr. Radović.

He explained that the non-paper of the EC on the state of play in the area of the rule of law was shared with the Montenegrin public, thus everyone can see how demanding the recommendations from the Brussels are with regards to progress in these areas in comparison to the current situation.

- Therefore there are no special requirements, apart from regular monitoring of the implementation - claims Mr. Radović.

- This is logical, since those who should be at the forefront of the fight against corruption and organized crime are concurrently the most interested in not achieving real progress in that fight. The best example for that is the Agency for the Prevention of Corruption, the establishment of which was preceded by long lasting and joint efforts of the opposition, civil sector and EU representatives.

Infrastructural projects within the framework of the Connection Agenda

# Incentive to more dynamic economic growth and development of Montenegro and the region

**Author: Bojan Vujović, MEA**

During the period when after the previous global recession even the economies of the most developed countries face difficulties in achieving real growth rates, Montenegro quite certainly experiences even greater challenge - finding the source of long-lasting, adequately structured and sustainable growth and development which would, in parallel with the intensified process of European integrations, position Montenegrin economy into European and global market. Neither economic theory nor practice, as a rule know of a universal and successful response to this challenge, but basic economic postulates indicate that the efficient use of natural resources in combination with effective economic policy, increasing the competitiveness of small and medium-sized enterprises and stimulating investments contribute considerably to the success of the process.

The example of intensified development of the post-transition economies of the Eastern Europe clearly showed that good infrastructural connection is one of the basic prerequisites for a more dynamic economic growth and development, especially of smaller countries like Montenegro. On the other side, infrastructural improvement is a time consuming and above all expensive process, the finalization of which without the support of the EU and other international partners is uncertain in the near future. Aware of the restrictions and reduced capabilities of the countries of this region to invest individually in the development of their infrastructure, for the past eight years the European Union has been supporting the preparation and implementation of infrastructural projects through the Western Balkans Investment Fund (WBIF). Recognizing the importance of new investments,

especially in the new infrastructure, within the framework of the new financial perspective 2014-2020 the EU earmarked about one billion euros grants to be allocated through this instrument to the infrastructural projects which contribute to better regional connectivity. Overall concept of the improved infrastructural connectivity, both through the development of physical infrastructure and through the implementation of numerous reform measures which should contribute to more efficient utilization of infrastructure, got the title "Connectivity Agenda".

Although originally designed as a special platform for joint preparation and implementation of infrastructural projects through grants provided by the EU and other international financial institutions, the WBIF has become principal mechanism by means of which the EU supports the implementation of the infrastructural projects within the Connectivity Agenda. These projects are additionally promoted in the context of the Berlin Process, as a well-shaped initiative through which the EU offers political and financial support to the Western Balkans in the EU accession process and improvement of the key aspects of regional cooperation. It is exactly the project orientation of the Berlin Process which makes this new form of cooperation between the EU and the Western Balkan countries a unique source of new investments in the infrastructure which will connect the countries of the region amongst themselves as well as with the remainder of Europe, but also contribute to more dynamic economic growth and development.

In order for the funds for co-financing of the investments for specific projects by means of the WBIF, at the end of 2014 the EU defined the Methodology for Co-financing the Implementation of Priority Regional Infrastructural Projects. The Methodology foresees for the EU to co-finance the investment in the implementation of projects up to the level of a predefined



percentage for certain sector or sub-sector, while the countries provide the remaining amount from the credit arrangement and/or alternative funding source. In addition to that, in the context of the implementation of the new methodological approach of the WBIF, a complex and thorough process has been initiated in Montenegro on the creation of a Unified List of Priority Infrastructural Projects. In accordance with the recommendations of the European Commission, at the beginning of 2015 and at the end of 2016 the Government issued the Decree on Establishing National Investment Committee, an umbrella body in charge of the promotion of systematic planning of infrastructural investments, coordination of the activities related to the preparation of the Unified List of Priority Infrastructural Projects and consideration of different opportunities for the financial support to the preparation and/or implementation of projects from the area of infrastructure. On the basis of detailed methodological instructions for the assessment of the strategic importance and readiness of projects, the Unified List was adopted at the end of 2015. The List was then updated in mid-2017. The updated List contains the total of 57 projects with the indicative value of approximately € 5 billion. Such systematic overview of infrastructural projects reflects the priorities of the general development policy of Montenegro and it is the basis for proposing projects for financial support of the WBIF and other sources of funding in the forthcoming period.

Recognizing EU grants within the Connectivity Agenda as a significant opportunity for the co-financing of the implementation of important projects, as early as during 2015, the first year of the application of such approach by the WBIF, Montenegro managed to submit two successful project proposals which were approved by the European Commission. As a result of the invested efforts, these projects were presented at the Vienna Summit in July 2015. For the first project, the EU support amounts to € 20 million, or half of the total of € 40 million worth works on the replacement of the signalling system in Podgorica railway station, remediation of six critical slopes and the reconstruction of concrete bridges along the railway line from Bar to Vrbnica. The EU allocated additional € 25 million

to co-finance 20% out of the total of € 127 million worth works on the construction of the Montenegrin section of 400kV electrical grid which connects Montenegro, Bosnia and Herzegovina and Serbia. Total value of the investments for the implementation of these two projects is € 167 million, of which the EU provided grants in the amount of € 45 million.

Besides indisputably important investments in infrastructure in the area of transport and energy, in accordance with the priorities of the EU accession process, Montenegro has also recognized the importance of infrastructural development in the area of environment protection. Because of that, Montenegro has for the first time within the framework of the Connectivity Agenda been approved the co-financing of the project "Construction of wastewater treatment plant in Podgorica, stage One". This project, which was presented at the Trieste Summit in July 2017, was awarded € 10,5 million, out of the total value of € 50 million.

Without the intention to review or confirm the effectiveness of the model of aggregate spending, it is obvious that the investment in the implementation of these, as well as future infrastructural projects, will have multiplicative effect on the GDP growth. It would also partially affect positive correction of other macroeconomic indicators in Montenegro. Such projects quite certainly create prerequisites for a more intensive development of tourism, agriculture, hospitality activities and small and medium-sized enterprises, as fundamental long-term sources of growth and development of Montenegrin economy. In the long run, the fulfilment of this scenario is even more certain, especially if one counts on the EU support through the funds of structural instruments in the period after acceding to the EU.

Finally, and quite justifiably, the infrastructural projects being implemented with the support of the WBIF can be rightly qualified as a significant factor for the achievement of long-term, dynamic and sustainable economic growth and development of Montenegrin economy, as well as the proof of the long-term benefits brought about by the EU accession process.





# Museum Cultour

**Author: Jasna Bulatović, MEA**

Citizens of Podgorica and, above all, children of preschool and school age, have until recently had a very useful and illustrative exhibition at the Natural History Museum of Montenegro, which provided them with an opportunity to supplement knowledge and often experience both curricu-

lum and encyclopaedia content. This exhibition, divided into ten thematic units, showed exhibits from the Natural History Museum's depot, which, due to the lack of space and other capabilities, have been kept closed since the Great Earthquake in 1979, almost unknown to the general public.

The cave room, offering a karst cave experience, a geological and paleontological room with exhibits illustrating the evolution of life on the territory of Montenegro, the sea world room, the Skadar Lake room, the mountain room, the forest room, all filled with characteristic items and the Montenegrin fauna specimen exhibits set in their natural habitats.







These are just some of the recognizable elements of this exhibition, which, due to its digitized content and interactive character, was especially receptive to the younger population.

It is known to the public that the exhibition was prepared by the custodians of the Natural History Museum, in cooperation with the Ministry of Culture, and yet it is less well known that all had been done with the support of the European Union funds, which were allocated to the project through the IPA Adriatic 2007-2013 Cross Border Cooperation Programme, i.e. the project Museum Cultour - Enrich Cultural Tourism.

Namely, it all started when the Natural History Museum biologists decided to join an initiative that provided them with the opportunity to share knowledge, experience and expertise with their colleagues across the Adriatic: from Italy, Slovenia, Croatia and Albania. A large number of museums

in the Adriatic have faced almost the same challenges: lack of adequate modern equipment and accommodation capacities, which was significantly reflected in the quality and impact of their services. Thus, museum capacities remained unused and therefore insufficiently competitive to become part of the tourist offer of their area.

Therefore, the network of Adriatic museums was an opportunity to promote cultural tourism, through market-oriented programs and activities, and create a new, cross-border tourism product that would be promoted through a common marketing and communication strategy that would contribute to the linkage of the Adriatic cultural heritage. Starting from the assumption that cultural tourism is the basis for sustainable development and familiarization with the heritage of each Adriatic country, all project participants tried to improve the existing offer by setting new and refurbishing existing, permanent and temporary exhibitions.

Thanks to this initiative, a karst exhibition was set up at the Notranjska Museum in Postojna; a three-part collection was prepared in the Postojna park-cave; at the Natural History Museum in Rijeka there is a mobile exhibition Diversity is Significant, and a part of the permanent exhibition on marine biodiversity of the Kvarner region has been restored. The project included several museums in the province of Ferrara: The Forest and Deer Museum in Mesola, the Ostellato Territory Museum, the Ardennes Ecomuseum, the San Alberto Museum of Natural History in Ravenna, and the most interesting exhibits of the Museum of the Sea in San Benedetto del Tronto (province of Ascoli Piceno) and the National Museum in Berat (Albania) were restored.

The project implemented a number of joint activities focused on museum operators: market research based on existing and potential visitors, training for museum staff, joint communication strategy,

and new tourist offers that could complement the experience of the Adriatic culture.

Through this project, the Natural History Museum of Montenegro had an opportunity to develop its first ever permanent exhibition and present the natural and cultural values of characteristic ecosystems of Montenegro. The exhibition called Joined by Nature, which was set from June 2014 to December 2016 in Podgorica, achieved remarkable success and was presented as a completely innovative segment of the tourist offer of the Capital City.

The contribution of this exhibition was recognized by an independent review of the Ministry of Culture of Montenegro as part of the project "Tourism Valorization of Museums in Montenegro", which demonstrated that the exhibition also met the international museum standards in terms of adequate organization of space, installation of museum materials and business policy.



# Successful EU Projects in Local Communities through Networking

**Authors: Vanja Starovlah and Darko Mrvaljević,** Union of Municipalities of Montenegro

Local self-governments play an important role on the path towards the EU and the implementation of European values in local communities. In these endeavours, financial support provided by the European Union is of paramount importance. Nevertheless, the support of the central authorities and the positive perception of previous results by the citizens, as well as a good response to the challenges facing the society as a whole at the next integration stages, are key prerequisites for success in the accession process. Local governments are proactive in their efforts to make their contribution to concrete pro-

jects, but also as an integral part of all strategic plans and activities in the accession process, and a partner in their efficient and high quality implementation.

In the 2014-2020 Financial Perspective, Montenegro receives financial support from the European Union through the Instrument for Pre-Accession Assistance (IPA), which is designed to help candidate countries and potential candidates to better align their systems, policies and standards with EU legislation. In this financial perspective, local governments have significant non-refundable funds available for realizing capital and strategic projects in the interest of citizens and the local community.

Over the past period, Montenegrin local governments have gone through a program of strengthening the capacity to use EU funds. The experience gained and the established partnerships with foreign partners are a good precondition for the active participation of our municipalities in the newly initiated cross-border and transnational EU cooperation programs as well as other EU programs.

At the same time, Montenegrin municipalities have gained experience in the preparation and implementation of projects funded by the EU. However, there is still a need for further capacity building and coordination of local governments in the EU fundraising. After EU accession, a large part of the ERDF and Cohesion Funds should be used by local governments for their investment projects.

Bearing this in mind and aiming at contributing to the EU accession process and facilitating the use of structural and cohesion funds in the future through active participation in the programming process, provision of expert advice to local governments or other local actors acting in the field of local development, and in the implementation of joint inter-municipal activities and cross-border projects, the Union of Municipalities of Montenegro (UMM) has established the Network of Municipal Project Managers.

There are no regional authorities in Montenegro, so inter-municipal cooperation is crucial for the regional development and implementation of EU projects of regional significance with the support of national authorities. Given the size of Montenegro and a small number of muni-

cipalities (23), the Network of Municipal Project Managers with experience in implementing EU projects represents an efficient way of exchanging experience, using existing knowledge and rapid implementation of partnerships needed for successful use of available EU funds.

The network of municipal project managers acts as a unique platform for inter-municipal cooperation to facilitate the absorption of EU funds at the local level. Integration of the Network of municipal project managers with other initiatives of the Union of Municipalities (Knowledge Centre, Work Groups, etc.) contributes to achieving a sustainable improvement of human resources and absorption capacity at the subnational level of governance.

The main tasks of the Network of Municipal Project Managers include:

Assistance to the UMM Secretariat in programming EU funds in Montenegro includes

- Identifying and initiating project ideas for municipalities
- Identifying relevant partnerships
- Capacity building through constant exchange of information and experience, and provision of expert support to all municipalities in the preparation and implementation of projects.

Over the past period, the Network has provided substantial support to local self-governments in Montenegro, including organizing a series of trainings on the pre-





## The Network's results shown in numbers:

- Eight training sessions were organized for the employees of local governments, public companies and institutions founded by the municipalities - More than 170 employees were trained;
- In open calls for the new financial perspective, municipalities have applied with 170 projects;
- In the new financial perspective, municipalities have so far withdrawn nearly 3 million euros, and the results for three programmes more are expected;
- Support provided in the preparation of 20 applications;
- Mediation provided in setting up 40 partnerships;
- Nearly 100 notifications on all calls (both EU and other donors), amendments to relevant European and national documents, calls for partnerships, examples of a large number of projects, relevant information from other municipalities, etc.
- Participation at several national and international conferences, Info Days and other events
- Prepared and adopted an initiative to establish a Revolving Fund for Municipalities (for project pre-financing)

paration and implementation of projects funded by the EU, supporting municipalities in identifying project ideas and establishing partnerships for open call for proposals, organizing an info day on open calls for local government bodies, public services and institutions, etc.

The biggest success of the Network over the past period was the adoption of the Initiative for establishing the Revolving Fund for Municipalities by the Government of Montenegro, with major support by the Ministry of European Affairs and the Committee for European Integration of the Parliament of Montenegro, which was financially reflected in the 2018 Budget Proposal of Montenegro. Additionally, the Ministry of Finance, while drafting the Law on Local Self-Government Financing, acknowledged the initiative and stipulated special provisions in the Law rela-

ting to the establishment and operation of the Revolving Fund for Municipalities.

The need for the initiative originated from the fact that pre-financing of up to 90% of the funds was required for the implementation of projects in a large number of available EU programmes. Given the difficult financial situation of most Montenegrin municipalities, project pre-financing is a major burden to their budgets, which ultimately reflects on their capacity and willingness to apply for EU funds.

Consequently, the adoption of this initiative is a great incentive for local self-governments to develop own capacities to the fullest extent and apply for available funds.

On several occasions, UMM has had an opportunity to inform the Committee for European Integration about the Initiative, the results achieved in the previous period, and other challenges faced by municipalities in the preparation and implementation of EU projects. Continuity of cooperation through the form of consultative hearings and participation in reviewing the key documents related to EU funds is a positive example of joint efforts to address issues at the local level. Additionally, conclusions and recommendations in line with the needs of local governments are an additional affirmation of activities undertaken by the UMM and the Network of Municipal Project Managers.

Over the past period, the Network of Municipal Project Managers has been validated through concrete and measurable results. Key achievements include a significant contribution to the development of inter-municipal cooperation, high-quality preparation of project proposals, support for the implementation of approved projects and the establishment of financial support mechanisms for municipalities.

In the future as well, the Network will strongly affirm the improvement of internal staff resources in local self-governments in order to prepare in a good way for the next intensive stages of Montenegro's path towards the EU. By relying on valuable, ambitious and committed local officials, with the support of policy makers and decision-makers at all levels, the Network creates a solid basis for efficient and effective use of the currently available support instruments and future EU structural funds.

# European Union Cultural Policy

Author: Ana Savjak, MEA

What is the main objective of European integration? Creating only the Europe of business people and businessmen, or the Europe of citizens? More than 30 years have passed since the speech of Jacques Delors at the first Intergovernmental Conference in Luxembourg, when the Eighth European Commission President warned that Europe could turn into an unidentified political facility in the future if it did not take responsibility for managing not only economic and monetary issues but also social policies, the culture and the desire of its citizens for a common life. From the model of co-operation in coal and steel, the common market, agrarian policies and competitiveness policies, the European Union is increasingly developing into a model for the organization of effective supranational democracy; however, the fact is that the European project is not close enough to the citizens of the Union. Efficiency, management and professional consensus, in one word - technocracy, cannot in themselves produce meaning. They can be in the service of democracy, but they are not a "horizon of common sense," which is built solely by individuals through dialogue and awareness, not fear of diversity, thus creating a sense of belonging to the community. The EU is often seen as necessary evil, too complex, cold and distant to be understood, loved, and influenced; even though its critics are intuitively proud of their "European identity" when they leave Europe and face the dangers of simplified systems and reality beyond it.

After the Maastricht, when culture was directly mentioned for the first time in the EU acquis, in Article 128 of the Treaty on European Union, and when the cultural dimension of European integration was formally recognized, it was increasingly shaped through two registers - economic and social/ political one, and the opportunity to connect them. On the one hand, it is necessary to create new European stories that counter the politics of fear and, on the other hand, to invest in cultural policies that contribute to the creation of a common space in which European narratives can work.

European narratives are necessarily multifaceted since the culture and cultural policies at the Union level are not so much about the logic of identity or exclusivity, whose natural ideal is the national state, but rather to the logic of diversity or inclusion that is inherent in multicultural communities. This results in the slogan "united in diversity" which speaks of the unique cultural and linguistic wealth of the EU. The goal of a common policy in the field of culture is not to harmonize cultural identities but to protect and enhance the richness of European culture.

This is also witnessed by the two main components of the EU acquis in the field of culture - the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, ratified by the EU in 2006 (and Montenegro in 2008), and the Commission Communication on the European Agenda for Culture in a globalized world that introduces the principle of open method of co-ordination, i.e. cooperation between Member States in the field of culture, with a special emphasis on cultural diversity and intercultural dialogue, and culture as a key component in international relations. When it comes to culture in the EU accession negotiations, the 2005 UNESCO Convention and the Communication from the Commission, together with participation in the Union's programmes for culture support, the most important section of Chapter 26 - Education and Culture, was opened and temporarily closed by Montenegro at the Intergovernmental Conference session on 15 April 2013.

Speaking of the importance of culture for the European integration process, the aspirations to support and shape the European cultural collectivity are recognized even before the Maastricht Treaty. The Delors Commission, for example, adopted the "Operating Programme for the Creation of the Nations of Europe" in 1985, when the blue flag with twelve yellow stars started to be used as the official flag of the European Community, and subsequently the EU, Beethoven's Ode to Joy became an official anthem, and May 9, as the anniversary of the historic Schuman Declaration, started to be celebrated as the Day of Europe.

The same year, at the initiative of the then Minister of Culture of Greece and the famous actress Melina Mercury, the European Capitals of Culture Programme was established



(Athens was the first, in 1985), with the intention of presenting the diversity of cultural heritage and creation of European cities and supporting cultural tourism, thus also strengthening the cultural ties, mutual understanding and sense of Europe. Although it does not necessarily imply direct financial support, the European Capitals of Culture Programme has proved to be very important for branding cities and their symbolic but also socio-economic relocation from the "periphery" to the central cultural and tourist flows of Europe. The Programme was later covered by some major instruments of EU cultural support, such as the Culture 2000 programme and its successors, and in 2014 an opportunity was created for the title of the European Capital of Culture, as of 2021, to be awarded to the cities of candidate countries or potential candidates for EU membership, including the cities of Montenegro.

In the mid-nineties, several cultural support programs were set up, divided into artistic areas: Kaleidoscope for Performing, Visual and Applied Arts, Rafael for Cultural Heritage and Ariane for Literature and Encouragement of Literary Culture. These programs, after the Amsterdam Treaty, were integrated into the Culture 2000 Programme, an instrument that the EU wanted to use to encourage cooperation between Member States to improve knowledge of the culture and history of their peoples, the preservation and protection of cultural heritage, cultural exchanges and the promotion of literary and artistic creativity (Article 167 of the Treaty on the Functioning of the EU). The programme continued as the Culture 2007-2013 programme, and in the perspective of 2014-2020 the activities of cultural and creative sectors, including audio-visual sector, are supported through the Creative Europe Programme.

The initiatives that became part of these programmes include the European Capital of Culture, the European Heritage Label,

the European Heritage Day, as well as five European awards: Cultural Heritage (Europa Nostra), Literature, Contemporary Art and Film, EU Prix MEDIA and Pop and Rock music (European Border Breakers Award).

Considering the development of the culture support programmes since the Maastricht Treaty to the present day, it is noted that the economic aspects of culture gradually gain space as much as the symbolic ones, and sometimes even more. This is particularly emphasized in the Creative Europe programme, since the EU, through that programme, attempted to create an instrument to support its position as a world leader in the export of the creative industries product - recalling the demand for European design products or, for example, an opera, on the markets of China, the United States of America, India, and in recent years, Japan and Brazil. Also, in response to the 2009 economic crisis, the programme insists on an important cultural contribution to the EU economy; the sectors of culture and creative industries account for up to 4.5% of gross national product of the EU and 4% of employment (8.5 million jobs but many more if their impact on other sectors is taken into account).

The programme will support tens of thousands of artists, cultural workers and organizations in the field of stage and visual arts, publishing, film, television, music, interdisciplinary arts, cultural heritage and the video game industry, with a budget of 1.46 billion euros. These funds will enable them to work all over Europe, reach new audiences, and acquire the knowledge and skills necessary for the development of culture in the age of globalization and digital technologies. It would be reductive, however, to believe that the programme logic is solely profit-oriented, i.e. that it contributes to the commodification of culture: the importance of the Aerowaves platform cannot be ignored, for example, which enables young dance choreographers across Europe to show their performances in 32 partner countries, for the promotion of contemporary dance in Europe, as well as numerous grants for literary translations from smaller to larger European languages for the promotion of cultural and linguistic diversity, as well as the improvement of the market position and the visibility of the role of European translators.

More than half of Creative Europe's funds are committed to

audio-visual sector support activities. The MEDIA programme (an acronym of French Mesures pour l'Encouragement et le Développement de l'Industrie Audiovisuelle), now a sub-programme of the Creative Europe, was launched in 1991 to stimulate co-operation between film and television professionals throughout Europe and strengthen the European film-audio-visual industry, and in 26 years it has supported many award-winning films such as *The Fabulous Amazing Destiny of Amélie Poulain* (Amélie), *The Life is Beautiful* (La Vita è Bella), *Breaking the Waves* and *Dogville*, *Trainspotting* and *No Man's Land*.

Since the beginning, the EU culture support programmes have enabled the participation of countries in the process of accession as well as a number of third countries that Montenegro has been using since 2007, i.e. since the conclusion of the EU Stabilization and Association Agreement. Participation in the Culture 2007-2013 programme has led to the establishment of long-term partnerships between Montenegrin cultural workers and cultural organizations/institutions, such as the strengthening of communication and the level of education within the creative sector. The Children's Theatre Festival in Kotor has been supported; the Music Centre of Montenegro has promoted the international visibility of its artists and programs through the projects *Lutherie* and *No Borders-No Nations*. Exhibition and Concerts, the non-governmental organization *Expeditio* from Kotor has received funds for organizing the *PARK* (ing) Day for the first time in Montenegro, when parking areas are transformed into public places in the most creative ways by the people around the world. In addition, Andrej Nikolaidis was awarded the European Prize for Literature for the novel *Son* (in 2014, Ognjen Spahic was also awarded for his collection of stories *The Head Full of Joy*), the books of numerous Montenegrin writers have been translated into Slovenian, Italian and English, and a new wave of Montenegrin literary criticism has been supported through the project *Criticize this!*, by the cultural association of *Plima* (high tide).

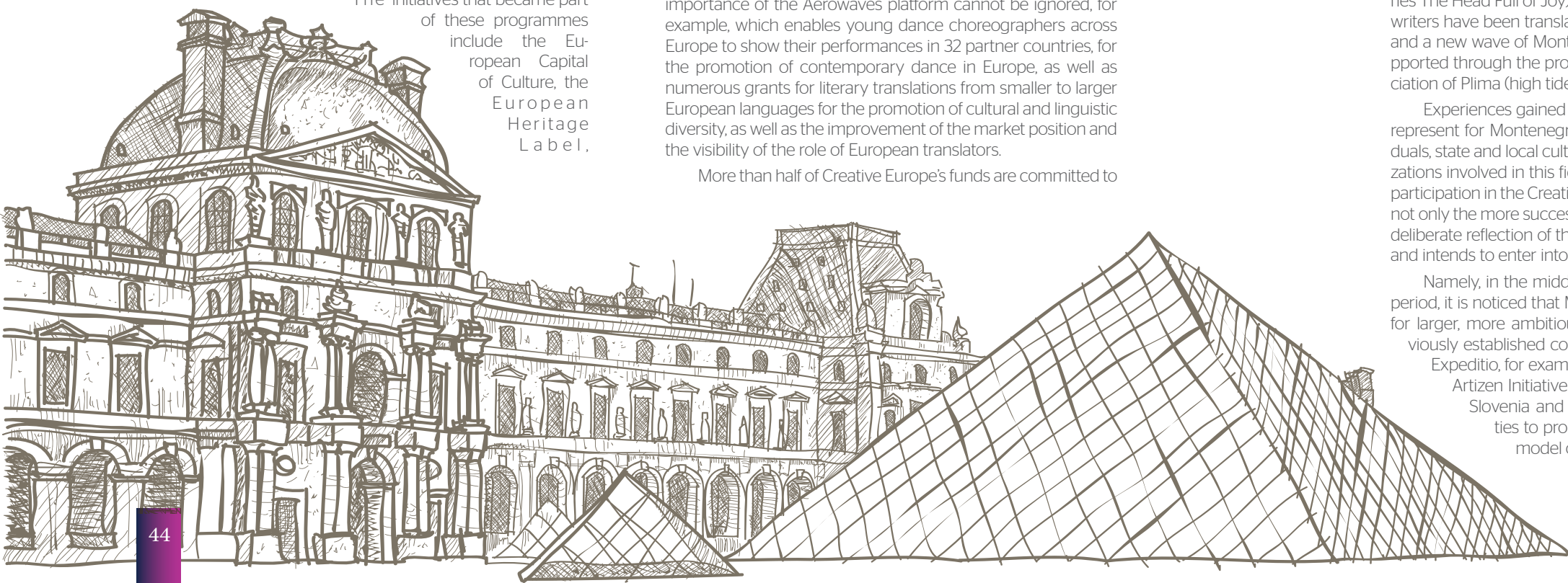
Experiences gained in the 2007-2013 financial perspective represent for Montenegrin artists and cultural workers - individuals, state and local cultural institutions and civil sector organizations involved in this field - a basis for developing a model of participation in the Creative Europe programme that will enable not only the more successful use of available funds but also the deliberate reflection of those cultural which Montenegro wants and intends to enter into the European Union.

Namely, in the middle of the Programme implementation period, it is noticed that Montenegrin users are more prepared for larger, more ambitious projects that often arise from previously established cooperation with EU partners. The NGO *Expeditio*, for example, continues as part of the European Artizen Initiative project, with its partners from France, Slovenia and Romania, carrying out cultural activities to promote civic engagement, developing a model of joint artist and community creativity

resulting, inter alia, in the documentary theatre performance *KoTo(R)* of Kotor, whose production was participated, both as authors and as performers, by the citizens of that Montenegrin city. The Music Centre of Montenegro participates in the *Music Up Close* Network project, within which it has been supported for the design of special concerts, meetings and discussions with audiences, music workshops, composing and performing new orchestral works, and training of young musicians in partner orchestras of the Dutch Symphony Orchestra, The Symphony Orchestra of the Barcelona, the Lille National Orchestra, the State Academy "Santa Cecilia" from Rome, the Sarajevo Philharmonic, the Slokar Academy from Ljubljana and the International Foundation "Jehudi Menuhin" from Brussels.

Institutions such as the Municipality of Herceg-Novi have also been successful, which in cooperation with Herceg Fest has received support for the *Operosa Montenegro Opera Festival* (OMOF), or for bringing this art closer to the young audience through the modern production of traditional opera and the Royal Theatre "The Zetski dom" which participates in the *EU Collective Plays* project and promotes multi-faceted action at the theatre - a multi-faceted drama of different nations that cooperate with experimental theatre pieces, then creating space for voices of European citizens to be heard at the theatre, as well as stories and experiences of the profit sector successfully applied in the promotion of theatre art. The activities of the Montenegrin audio-visual sector should also be emphasized, since in 2017 support through the MEDIA sub-programme was also given to the first Montenegrin film scenario "After Winter", the successful achievement of Ivan Bakrač. Although still much has to be done in terms of the skills and capacities for international cooperation of the Montenegrin cultural sector within this programme - which is partly contributed by the work of the Desk for Creative Europe, established in the Ministry of Culture precisely to that end, and even by reviewing projects with Montenegrin participation the basic course of action of the EU cultural policy can be noticed, which is embodied in the Creative Europe programme.

This direction, in spite of possible, often hasty conclusions, is not of commercial nature. In recent years, the focus has increasingly been on the role that European citizenship had to have in shaping the idea of communion and common sense. Recommendations and strategies of communication and cultural policy experts, just like the aspirations of political parties advocating a united Europe, will only be fruitful if citizenship is more actively involved in the production of common narratives - not just content but also new forms of collective imaginary Europe through advocacy of differences and diversity, the deconstruction of stereotypes and the fight against ignorance. Starting from the local one, and thus hoping for a stronger transnational community, the European Union's cultural policy today seeks to support democratic narratives and the artistic and aesthetic forms in which these narratives are expressed and transmitted through dialogue and cooperation that is inherent in civic engagement.





# The Civil Sector is a Partner in Achieving the EU Standard

Montenegro is the first country in the negotiating team to include representatives of civil society. Bearing in mind the role of the civil sector in reforming Montenegrin society and the fact that demanding negotiations with the EU imply the merging of all the structures of society, today in the negotiating structure of Montenegro, which has more than 1400 people, civilian representatives account for a third. Representatives of the Centre for Democratic Transition, the European Movement in Montenegro, the Network for Affirmation of the NGO Sector, the Politikon Networks and the Disability Youth Association for Eurokaz, speak of the success of Montenegro during the five-year EU negotiations, challenges, and also contributions of their organizations in the process of the EU integration of Montenegro.

## Milica Kovačević, Centre for Democratic Transition:

Despite the headlines and announcements that outline the deadlines, the pace of negotiations and the number of open chapters, I believe that the key success of the current process should be sought in the related changes undergone by the Montenegrin society. That's where the key challenges lie. In the previous five-year period, legislation has been improved in various areas, thus creating the basis for institutional development and improvement of practices. However, the reforms carried out still do not yield measurable results. In the areas monitored by CDT monitors - the fight against corruption and organized crime, the protection of human rights, the guarantee of freedom of the media, the reform of the judiciary and the public administration - our analyses show that only a half of the road has been travelled. In fulfilling the political criteria, a harder part of the job is ahead of us, to bring Eu-

ropean standards into practice. Only when we all begin to feel the benefits and advantages of living in a democratized and well-organized society, when professional and independent institutions overcome clientelist relationships and networks, and when citizens begin to recognize legal certainty and security, we shall be able to talk about the success and transformative effect of the integration process.

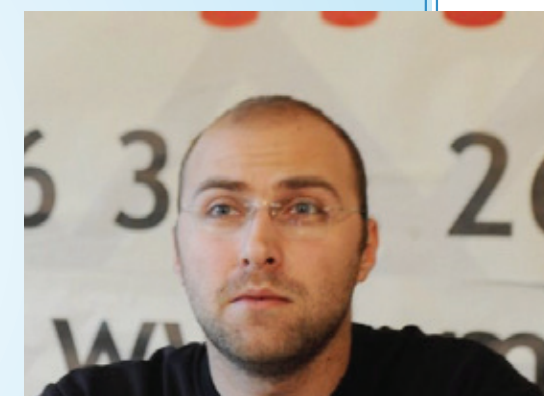
Almost all CDT activities are aimed at contributing to the European integration process, and even when there is no such label in the title. Our monitoring activities of institutions and processes, advocating for public policy improvement, and raising awareness of social actors are in full agreement with the content and goals of the integration process. In the recent period, I would highlight activities aimed at monitoring the fulfilment of political criteria, and providing institutions with concrete recommendations for improving the situation. Not all of our activities are visible, but we carefully analyse the success of our advocacy activities, and we know exactly how much we contribute to making changes in society.



## Vuk Maraš, Network for Affirmation of the Non-Governmental Sector:

The key success of Montenegro lies precisely in the fact that a large number of chapters are open, and that the reform process is irreversible and that at some point it will have to produce very concrete results. On the other hand, the key challenge remains the lack of political will to process high-level corruption cases, which significantly undermines reforms in the area of rule of law.

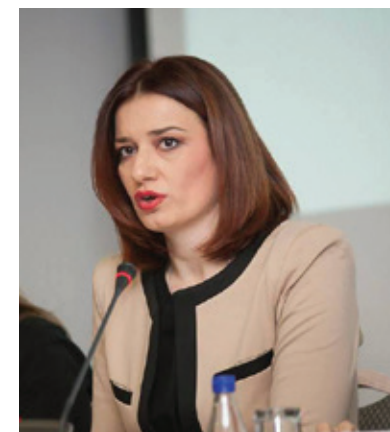
MANS, as the largest and most active non-governmental anti-corruption organization in Montenegro, has contributed enormously to the suppression of this plague, and thus fulfilling the key priorities of the European integration process. We continually detect and process the major cases of corruption, improve laws and policies related to the fight against corruption, monitor the work of the institutions and provide concrete recommendations for improvement, all with the aim for the competent authorities to finally initiate effective proceedings against corrupt officials, ending in adequate convictions.



## Jovana Marović, Politikon Network:

The key success is meeting the conditions for opening 30 and temporary closure of 3 negotiating chapters. The key challenge is building strong and independent institutions that should ensure equality of all citizens before the law. At present, there is a strong political influence on the institutions and as such they cannot fight corruption and organized crime, provide and guarantee the freedom of the media, fair elections, and meaningful participation of stakeholders in the decision-making process.

The Politikon Network (PIN) was established 12 months ago. During the first year of its existence, PIN was continuously dealing with the enlargement process, i.e. the directions for improving reporting on the process of integration of the Western Balkan countries, evaluation of the achieved results and priority setting. Given that I am a member of the working group for Chapter 23, Judiciary and Fundamental Rights, since March 2012, together with other members from the non-governmental sector, I have insisted on the transparency of the negotiation process from the very beginning.

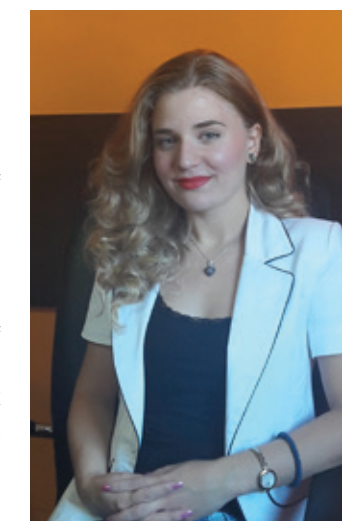


## Aleksandra Pavićević, Association of Youth with Disabilities:

As a key success, I see the aspirations of the Government of Montenegro, especially the Ministry of European Affairs, to incorporate all the structures of society and "transfer" the process from the political to the social level, which concerns every citizen of Montenegro. In this context, I would particularly emphasize the opportunity to support and promote human rights, i.e. core values, through the support provided to Montenegro in raising the capacity of institutions and the transfer of best practices, as well as in the implementation of laws which is increasingly insisted upon.

We recognize identification of weaknesses in administrative capacity of as one of the key challenges the administration has to face, assess and really create high-quality of staff that can "carry out" this process or contribute to a successful membership.

We would certainly highlight the promotion of the human rights of people with disabilities through all the areas we have dealt with in the past period, in particular through accessibility, higher education, employment, and advocacy for the creation of conditions for independent life of persons with disabilities. In a number of campaigns and activities we have used opportunities to promote European values, but also to point out, name and demand a significantly different approach and attitude of institutions and the whole society towards persons with disabilities.



## Momčilo Radulović, European Movement in Montenegro:

Thanks to the EU negotiations and the whole European integration process, Montenegro is no longer the same country. Its institutions have strengthened, the value system has somehow recovered from the shocks inflicted upon it in the 1990s, and the general social atmosphere is much more advanced when it comes to different social values. It is difficult to distinguish some detail from this puzzle of the European integration process, but opening this chapter is definitely a compliment for all of us - the Government and its institutions, as well as the civil society that contributed significantly through direct participation in the process. Co-operation in this process between the Government and NGOs is something that has distinguished Montenegro from other Western Balkan countries.

The National Convention on the European Integration of Montenegro is something that makes us in the European Movement the extremely proud, on the one hand, and on the other hand, it is the process of involving the entire civil sector in the negotiation process. These two points were something that meant to us the most and caused the most social changes, because our vision of the need for direct involvement of the civil sector in the negotiation process through the working groups was well received by Prime Minister Igor Luksic and Foreign Minister Milan Rocen. Our initiative was accepted and as a result we have a large number of NGOs involved in the negotiation process today. On the other hand, the National Convention was the one that created a new narrative in the whole relationship between the Government and the civil sector - with more than 400 people, experts coming from public administration and the civil sector in six working groups, we proved that the Government and the civil sector could cooperate well when things were done at a professional and expert level, and it resulted in the fact that some recommendations of the National Convention were incorporated in the Constitution and the laws.





## The “Spreadability” of Nutella as a European Value

# How the Issue of Different Product Quality in the Eastern and Western Europe has Escalated

**Author: Radovan Bogojević,** Prva TV

“The Slovaks deserve the same fish in their fish sticks like everyone else, and the Czechs deserve to have the same cocoa in their chocolate,” European Commission President Jean-Claude Juncker said in his speech to the European Parliament in September and earned a loud applause. It was, however, extinguishing the fire, and by involving the head of the Commission, the story of different product quality in the Western and Eastern Europe reached its peak. “In the Union of Equals there can be no second class consumers. I shall not accept that food in some parts of Europe is of poorer quality than in other countries, although packaging and branding are identical,” Juncker said. He said there were already rules that prohibited that and those had to be implemented, so the Commission had committed € 1 million to help national food agencies combat such practice. Since the EU law permits different products if the composition is clearly marked on the declaration, it remains unclear to what exact rules were referred to by the head of the European Commission.

### European trash can and food racism

The suspicion that the Eastern Europe is a “dumpsite” of the EU, where goods of inferior quality are disposed

of, has existed since the fall of the Berlin Wall, and consumers from eastern countries have been shopping in the neighbouring Austria and Germany for years, believing that their products were of better quality.

But until last year, such suspicions were not supported either by serious scientific research or by the highest ranking politicians. Recently, however, countries in eastern and southern Europe have implemented a range of different volume and quality tests, but with the same result: product differences existed. And then sharp political reactions followed, especially from the Visegrad Group. Prime Minister of Hungary Viktor Orban described the situation as “the biggest scandal in the recent past”, while Bulgarian Prime Minister Boyko Borisov called the difference in products a sort of apartheid. The Czech Minister of Agriculture said that the countries felt as “a European trash can” while the Polish newspaper called the situation “food racism”. In the end, Slovak Prime Minister Robert Fico said that the countries had to defend themselves and threatened to boycott the products if the European Union failed to do something. It was one of the rare cases that the Visegrad countries requested to give powers to Brussels, because they had recently insisted on more freedom of decision-making for national governments.

What exactly did research show? In Slovakia, fish sticks contain less fish than in Austria. In the Czech Republic, it was found that canned sliced meat contained mechani-

cally chopped chicken, while in the German version there was only pork. In Hungary Nutella is not equally creamy, and the biscuits are less crispy than in Austria. Even the quality of detergents is not equally good for washing at low temperatures in the Czech Republic. Of the 32 products whose Slovenian and Austrian versions were tested, ten were of inferior quality in Slovenia, including Milka Chocolate with different taste, fruit yogurt with less fruit and Coca Cola with more sugar. And then the youngest member of the European Union conducted extensive research in whi-

ch 26 products were tested, i.e. their versions in Croatia and Germany, while the results were supported by the Croatian Food Agency. According to the study, 54% of products were of lower quality in Croatia while 60% were more expensive. Only 4 out of 26 products tested, has the same price and quality. Hot dogs contained deboned meat, though they should not be labelled as meat. Infant food Hippo contains a significantly smaller share of vegetables and a higher share of rice than the German product. Mash has less reed oil in Croatia, being a source of omega 3 fatty acids, impor-





tant for the development of children. Nutella contains whey and in Germany only skim milk, and fruit yogurt Activia has less strawberries and more sugar than in Germany. "Some of them were manufactured in the same factory, which showed that there were two production chains there," said Croatian representative at the European Parliament, Biljana Borzan, who was one of the initiators of the research. Borzan said she was bothered to hear someone banalising the issue claiming that it was important for Croatia how many nuts there were in Nutella. "It is not about this, but about the political issue of equality of all citizens, which at this time does not exist," Borzan concluded.

#### They like it sweeter in the East

FoodDrinkEurope, a lobby group representing the interests of the food industry in Brussels, said that the differences that existed in products were the consequence of a number of factors, including adapting to local tastes, suppliers and purchasing power. The producers have come forward with similar arguments. From Coca Cola, they argued that their beverage contained more fructose-glucose syrups in the Czech and Slovenian versions because they adapted the original recipe to the local taste. A similar statement was made by SPAR, whose fruit yoghurt in Slovenia contained 40% less strawberries and more sugar than in Austria, and the same was with the company producing fish sticks with less fish for the Slovak market. And even Henkel, detergent producer, whose Czech version was not equally good for washing at low temperatures in the Czech Republic, claimed that it was about adapting to local habits, because, according to them, Czechs washed their laundry on higher temperatures. Milka denied that there were any differences in their chocolates, despite the findings of Slovenian experts.

One of the explanations was related to national legislation, because for example Austria had the law on the minimum amount of fish in fish sticks, while the countries of Eastern Europe did not have it. One of the chain stores explained to Croatian media that they could not do much because, even when they attempted to purchase products directly from the manufacturers, they got prevented by multinational companies that allowed purcha-

sing goods only through a particular country distributor. Representatives of Eastern European countries see such explanations as very hypocritical, recalling that research has shown that very often disputed products were actually more expensive in Eastern and Central Europe.

#### EU on the move

The EU tasked Vera Jourova, the European Commissioner for Justice, Consumers and Gender Equality, to address the issue and allocated a million euros for national testing and an additional million to establish a clear methodology for product testing. "When I say that I understand this problem very seriously, I really mean it," Jourova said, adding "for the first time we intend to say clearly: this is unfair commercial practice." The European Commissioner hopes that product testing and publicizing the names of companies which have different versions of the product will embarrass such companies, or at least make them fear boycotts. Although there is no announcement of legal amendments for now, Croatian parliamentarian Biljana Borzan believes that the issue would not have existed had the law been good. The Czech Prime Minister agrees: "The current law in the EU does not provide for prosecution for misleading practices. We have to amend it," said Bohuslav Sobotka. The Czechs have earlier announced that they would request a ban on different versions of product of the same brand, with the same logo, font and packaging. Some manufacturers have already taken some related actions. Dr Oetker put a label "special edition" on a pizza that was sold in Eastern Europe, which contained less potato than those from Austrian supermarkets. Tulip, which puts machine-cut deboned chicken in canned sliced meat in the Czech Republic, has similar plans. To avoid allegations of deceptive branding, they announced that the packaging of the Czech and German products would look completely different. There are also quite different examples. After the criticism, Bahlsen and Pepsi decided that their products would be absolutely the same in all EU countries. In the first half of 2018, the Joint Research Center (JRC) is expected to establish a unique methodology to test the products.

What a Single European Market Without Borders Means for Montenegrin Businessmen

# A Major Business Opportunity with Unlimited Access to over 500 million Consumers



Author: Marija Mirjačić, ND Vijesti

When the country joins the EU, Montenegrin companies will have unrestricted access to markets with more than 500 million inhabitants, as well as access to the largest integrated economic area in the world covering 30 percent of the global GDP. In order to create this unique European market, numerous legal, technical and bureaucratic recommendations have been removed for free trade and free movement of capital. In order to take advantage of this important business opportunity, local businesses must be competitive.

This means that they need to timely adopt EU standards, devise a good marketing strategy, adapt to busi-

ness and market conditions, modernize, develop quality brands, examine in detail the market...

Aivo Orav, Head of the EU Delegation to Montenegro, Ljiljana Filipović, Vice Chairperson of the Chamber of Economy of Montenegro, and Goran Šćepanović, Assistant Minister of Economy, spoke for Eurokaz about many advantages of an open EU market, the competition it entailed, preparing to enter that market, the related costs, the benefits of that market, the security mechanisms for business and other important issues.

Aivo Orav, Head of the EU Delegation to Montenegro, stressed that a single market with 500 million consumers and 21 million small and medium-sized enterprises was the highest EU achievement which boosted economic growth and made everyday life of European companies and consumers easier and safer.



Orav



Filipović



Šćepanović



"It encourages competition and trade, improves efficiency, raises quality and helps reduce prices", Orav said.

He explained that the benefits for Montenegrin companies from that market were enormous. Gradually aligning with EU rules, for example, in the area of product standards will make it easier for Montenegrin companies to sell their products in EU Member States, and customs

formalities will be completely abolished when Montenegro joins the EU. Furthermore, Montenegrin products and services can be freely sold throughout the EU, and Montenegrin companies will be able to profit from the dozens of free trade agreements concluded between the EU and partner countries.

"In fact, businesses can now benefit from the compre-



hensive reforms Montenegro is undertaking on the EU path. Montenegro gradually improves the efficiency of the judiciary and strengthens the rule of law. These are key factors that enable a better business environment and an investment climate. Along with the ongoing convergence of EU regulations, the EU promotes macroeconomic policy geared towards stable and sustainable public finances, complemented by significant structural reforms. These are the key conditions for achieving lasting economic or social transformation, but, obviously, a strong voluntary will is needed to make it a success", Orav said.

Ljiljana Filipović, Vice-President of the Chamber of Economy, explained that the open market brought numerous benefits through intensified and liberalized trade, more efficient allocation of resources, the effect of accumulation, lower interest rates and higher inflow of foreign investment, and what motivated the emergence of those economic effects was the free flow of goods, services, workers and capital, as well as an immeasurable degree of political and legal security provided by EU membership.

"Numerous potential benefits for Montenegrin businessmen from the European market include market growth, elimination of tariff and non-tariff barriers, easier transfer of technology, the application of the same trade regime and custom rules. After the accession of Montenegro to

the EU, the economic position of the producers can be changed for the better or worse, depending on how successful and competitive the company is on the market. Exporters who will benefit the most are those who are capable of attracting new investment and providing funding from structural and cohesion funds. Small private companies with highly qualified workforce can be winners", said Filipović.

She explained that after the abolition of borders by entering the EU, domestic businesses would face the pressure of competition, and that farmers and agricultural enterprises could face serious challenges, but the overall effect of accession on them also largely depended on domestic agricultural policy.

"Those who can expect their economic position to deteriorate after joining the EU, and also during accession, are currently part of non-competitive sectors. Sectors and companies that failed to restructure on time, which enjoyed domestic protection against foreign competition, some of which still expect that, are the main losers of the EU integration", said Filipović.

The benefits of joining the EU, among other things, include a series of subsidies for Member States, a reputation gained by a country after joining the EU, and no visa regime. The economy benefits from progress in legislation,

## Montenegro will establish a single window for services

Šćepanović said that local companies had to be competitive in order to take advantage of the single EU market and they would be able not only to establish their business presence in the EU but also provide their cross-border services without establishing themselves in the EU.

"Registration of companies will be possible through a single window for services, where easy access to information is provided electronically with an option to access such information without any hindrance, as well as to complete all formalities at one place. Single window for services was established in all EU countries, so that service providers would not waste much time and incur financial costs caused by frequent visits of relevant bodies in order to complete all procedures and formalities. Montenegro is obliged to establish it by the date of EU accession. This is automatically reflected in the cost reduction for our companies", Šćepanović explained.

Preparing for entry into the EU market also implies costs for businessmen in the process, and the most serious costs are related to the adoption of EU standards and threats to the market position of domestic producers due to competition. Filipović also said that costs could also arise as a result of free movement of labour and capital.

"Namely, students and scientists who do not see the future in their own country can undoubtedly go to another EU member state. In this way, the country (businessmen) does not lose only potential work force, but also potential innovations and new ideas that it could use in its development. In the pre-accession period, significant assistance is provided by IPA funds. Their effects will depend on the ability of Montenegro to prepare and manage high-quality projects", Filipović said.



stability, security, and the opening of new markets.

The EU accession also has a very important financial aspect through cash transfers from the EU budget to the poorly developed regions (structural fund), as well as financial assistance to EU farmers, which is funded from the common budget (agricultural fund). Both types of aid are available to EU members who are considered undeveloped and agricultural countries. Each region, which has a GDP per capita of less than 75 percent of the EU average, has the right to use these funds.

One of the important questions is how Montenegrin businessmen should be preparing for entry into European markets. According to Filipović, the EU rules are very precise when it comes to the standards that certain products need to meet, and businessmen must be familiar with all the demands of that market.

“Through quality protection schemes, manufacturers are given the opportunity to protect a product for which there is a well-defined traditional recipe and production process, which opens new possibilities for product placement on the domestic and EU markets. Entry into the European market implies that the products are competitive. This requires the application of appropriate marketing strategies that are now based on cost leadership (production costs must be lower than those of the competitors), having a product/service whose characteristics better match the wishes and needs of customers, or focusing on the selection of a segment within a branch”, Filipović explained.

Assistant Minister of Economy Goran Šćepanović pointed out that a larger market was a bigger chance for every businessman, not just for the placement of own products but also for the purchase of more favourable raw materials and new technologies. Additionally, the labour market should not be neglected either, especially in the areas lacking sufficiently trained staff.

“In order to create a single market, hundreds of technical, legal and administrative barriers to free trade and free movement between EU Member States have been removed. Thanks to this, companies expanded their business, which contributed to a drop in prices and enabled consumers to choose from a wider selection. Larger markets offer greater chances and it will most depend on businessmen themselves whether they will succeed in timely preparation for entry into a larger market. First of

all, preparations imply adapting business practices and products to market conditions in terms of technical regulations, standards of operation and access to consumers”, said Šćepanović.

He explained that after entering the EU, Montenegro would apply free trade agreements concluded by the EU with third countries, while the Free Trade Agreements concluded by Montenegro would cease to apply.

Šćepanović stressed that a larger market also posed a threat, as it opened up access of foreign companies to the domestic market. That is why, according to him, it is important to work on modernizing capacities, track events in developed markets and transfer positive trends.

“Every entry on a larger market does not have to be successful, but it is necessary also there to review the developments and learn from the mistakes of others in order to avoid repeating them. The Montenegrin market is regarded as a small market. Observed within the borders of Montenegro, it could even be a good thing, because there is no major interest of large companies to expand, which gives our companies a chance to adapt. There is a rule in the economy that a company must constantly develop and grow to survive on the market, precisely because the competition does not stay still and new trends create new needs. That is what poses a threat, because there is still an opinion that after achieving a certain level that meets our personal ambitions, no further company development is necessary”, said Šćepanović.

Assistant Minister of Economy said that the market was already fully open for certain products, and that in order to enter the European market companies were recommended to invest in staff and technology development, use contemporary advertising methods, introduce standards, attempt to strengthen their position through clustering, and follow amendments to the current legislation and passing new laws aimed at timely alignment with the EU rules.

Šćepanović stressed that the use of EU funds, such as the Framework Programme for Competitiveness and Innovation Horizon 2020 and the Programme for the Competitiveness of Enterprises and Small and Medium Sized Enterprises (COSME) and venture capital funds, are particularly important for domestic companies. He explained that with the help of European funds enterprises should focus on increasing own innovative capacities, in order to

## Local companies will not lose the market share in Montenegro after joining the EU.

Orav said it would be wrong to believe that local companies would necessarily lose market share in Montenegro after EU accession.

“When competition increases in the Montenegrin market, consumers are likely to benefit from cheap products. But, as is usually the case in small countries, the Montenegrin economy is highly liberalized, with local companies already competing with those from abroad in many fields. The development of the regional economic area in the Western Balkans, as decided last summer by the regional political leaders in Trieste, represented an opportunity for preparing the Montenegrin economy for the accession. Companies will get used to EU rules at regional level and will be able to strengthen regional economic ties. Those would be key elements of the success of previous EU accessions”, Orav explained.

The Head of the EU Delegation to Montenegro added that through the coordination of Montenegro's economic policy with the EU, through the application of state aid and EU competition rules, Montenegro would gradually ensure the true level of equality that provided the same level of protection to all market participants.

produce and export products with higher value added, where they would earn more.

“Facilitating trade and access to a single EU market and improving exports of goods at a higher level of processing is one of the major benefits of EU membership. Entering the EU market does not only benefit enterprises, but also contributes to the improvement of institutional capacities through EU technical and financial assistance, above all for the opportunities offered by using the EU funds”, said Šćepanović.

According to Orav, it is known from previous enlargements that the integration has led to an increase in trade and business opportunities for all sides. It is estimated that the process of joining the EU has increased economic growth in the member countries that joined in 2004 by about 1.75 percentage points per year in the period of 2000-2008.

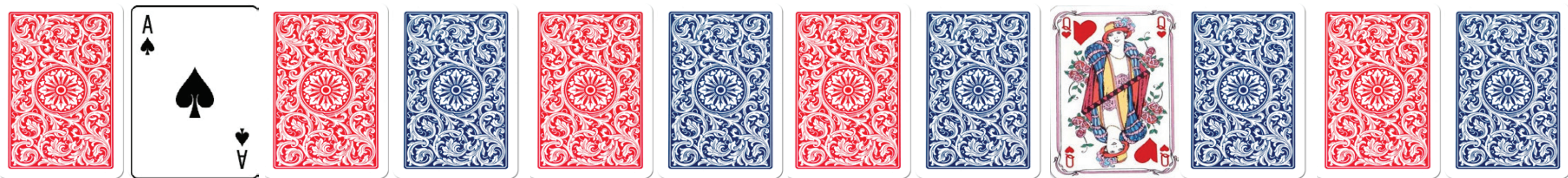
“The EU is the most important trading partner of Montenegro and an investor accounting for 47 percent of total trade and 32 percent of total foreign direct investment in 2016. The use of euro provides a stable monetary framework that further helps attract investors from the EU and other countries. The constantly high level of private investment from the EU is complemented by significant financial and technical assistance, especially through direct grants under the pre-accession instrument”, Orav said.

He added that after the EU accession, Montenegro would be part of the most successful and most integrated economic and trade bloc in the world and would be able to participate in EU cohesion and agriculture policy as a new member, resulting in a multiplicity of investments co-financed by the EU. Orav said that the Montenegrin economy should become more competitive in order to compete on a single European market.

“Enterprises need to modernize, diversify and increase production. They also need to build quality brands, explore new business networks and joint ventures with EU companies in a fast access to market and ensure that they meet EU standards and comply with European consumer protection and European rules. In addition, there is a huge potential for reducing imports in certain sectors, and closer co-operation within the region...”

The modernization process will enable Montenegrin companies to successfully commercialize their products wherever they are in demand in the EU market. Montenegro can count on continuous support in this process. The EU is the largest donor of Montenegro without any possible comparison - EU assistance represented nearly 90 percent of the country's total aid in 2015. The EU is trying to prepare Montenegro for the management of structural and cohesion funds when it becomes a member”, Orav explained.





# Bridge and Procedure

**Author: Vanja Dabižinović,**  
ICE Associate at MEA

About a month ago at the now-ritual morning inspection of EUR-Lex, I was surprised by some unusual news. At the place where the most important news was published, in bold blue letters, there was the title reading that “The Court of Justice of the European Union decided that the card game bridge was not a sport in the sense of the VAT Directive”. Interesting, I thought ... and with a single click I went down the rabbit hole of the decision 62016CJ0090.

It was about a case initiated by the English Bridge Union (EBU) which had initially applied to the UK Tax Administration (HMRC) to have the “Double Bridge” card game exempted from the VAT payment, stating that it was a sport subject to exemption from payment in accordance with Article 132 (1) (m) of the VAT Directive 2006/112, stipulating that: “Member States shall

exempt the following transactions: (...) (m) “providing certain services closely related to sport or physical education provided by non-governmental organizations to individuals participating in sport or physical education”; (...) “The case soon found itself in front of the Upper Tribunal - Tax Chancery Chamber which had to interpret the EU legal act in the form of a preliminary question to be able to render a judgment. The Court left open the possibility for interrupting the proceedings and referring the case to the Court of Justice of the European Union (CJEU) because it considered that the concept had to be autonomously interpreted and applied uniformly in all Member States.

This is one of the reasons for the very existence of CJEU. If the national court is in doubt about the interpretation or application of EU law, the case may be referred to the CJEU for clarification. In this case, the United Kingdom Upper Tribunal referred the following questions:

1. “What are the mandatory basic characteristics of an activity to be regarded as a “sport” within the meaning of Article 132 (1) (m) of Directive 2006/112? More

specifically, must an activity have a significant (or not insignificant) physical element that is relevant to its outcome or is it sufficient to have a significant thought element that is relevant to its outcome? and

2. Is the double bridge a “sport” within the meaning of Article 132 (1) (m) of Directive 2006/112?”

### Advocate General Maciej Szpunar

The Court of Justice of the European Union has 28 judges meeting in plenary sessions and in chambers of 3, 5 and 15 judges depending on the importance of the case. Their work is assisted by 11 advocates general who are tasked to provide their legal opinions in the cases received from the Court for review (since 2003 they have been obliged to give opinions only when the Court found that the case opened a new legal issue). The role of these advocates general is to provide independent and impartial opinions on the Court cases. The opinion of advocates general is of advisory nature. It is a paper produced by a single author which is not binding on the Court, but it is still very influential and is followed in most cases.

Advocate General Maciej Szpunar was in charge of the case. Mr. Szpunar originally found that the term “sport” was not defined in the Directive itself and that at the Union level there was no comprehensive definition of “sport” which would apply throughout the Union for any act of primary or secondary law. In such

cases, in order to establish a good starting point, advocates are using the interpretation technique.

After analysing the previous case law, the usual meaning of the term “sport” according to the recognized European dictionaries, the very structure of Article 132, the legislative history of the VAT Directive and the aims of those exceptions to the general rule, Mr. Szpunar found that the activities commonly referred to as sports had the following in common:

“... (1) they require a certain effort to overcome the challenges or obstacles (and therefore not only recreational), whether the challenge is in competing against the rival or in exceeding the limits of the body or mind, (2) overcoming such obstacles: (a) promoting a particular physical or mental skill and (b) thereby contributing to the physical or mental well-being of sporting persons; and (3) they are not practiced solely in a commercial context. Finally, (4) public perception or international recognition refers to the existence of “sport”. In other words, “sport” in the sense of the directive must be understood as implying the advancement of a mental or physical form in a way that is generally beneficial to the health and well-being of citizens.”

Accordingly, he proposed: “... to answer the first question in such a way that, in addition to the features which an activity must have in order to be “sport” within the meaning of Article 132 (1) (m) of the VAT Directive, a physical element which is relevant to its outcome is





not necessary. It is enough that the activity has a significant thought element that is relevant to its outcome.

Regarding the second question he stated that: "Bridge is not a game of chance, and its classification as a sport is contrary to the foregoing principles. According to what the court that submitted the request stated, the fact that tournaments are held at international level and that the results of the game directly depend on the skills and training invested in the activity indicates that bridge is a sport. Significant effort and training is needed to be able to compete in double bridge", as well as: "... the double bridge is internationally widely recognized as a sport, certainly because of the fact that the International Olympic Committee decided to classify it as such in 1998. Today it also has

an Olympic status which means it could be present at the 2020 Olympics." Conclusion: "The double bridge, the activity being considered in this case, is a "sport" within the meaning of Article 132 (1) (m) of the VAT Directive."

#### Decision

Satisfied with the positive opinion, the EBU had the reason to celebrate. The 2016 study, which measured the impact of Advocate General's judgment on Court decisions, indicated that it was 67% more likely that the Court would rule in a certain direction if it was the Advocate General's opinion. However, a few months later just the opposite happened.

The Court, among the first points, stated the

following: "It must be stated in the foreword that, as is apparent from the case submitted to the Court, dual bridge is a card game which implies intellectual efforts and skills whose physical element looks negligible", as well as that: "The court is not called upon to establish the meaning of the term "sport" in general, but to interpret it within the framework of Directive 2006/112 on VAT, and in particular its provisions concerning exemptions."

The decision is based on several arguments, first of all paragraph 23 of the Advocate General's opinion which points out that, in the absence of any definition of the term "sport", that concept, in accordance with the case-law in the past, should be established in accordance with its usual meaning in the everyday language:

"Definitions in generally recognized dictionaries are consistent with our institutions, in that they necessarily require a physical element. It is enough just to look at the definitions which, from this side of the Atlantic, are contained in dictionaries of the Oxford Advanced Learner's Dictionary ("activity that people undertake for pleasure and which requires physical effort or skill, usually takes place in a special space in accordance with fixed rules"), Cambridge Dictionary ("game, competition or activity that requires physical effort and skill, played or conducted in accordance with rules, for enjoyment and/or work"), Polish Słownik języka polskiego (Polish Language Dictionary) PWN - Polskie Wydawnictwo Naukowe ("exercises and games intended to improve the physical form and competition to achieve the best possible results"), French Larousse ("physical activity intended to improve the physical condition"), or German Duden ("physical activity aimed at physical recreation, as a result of enjoying a move and game, and in accordance with certain rules [at competitions]").

It is further stated that "... the fact that the activity promotes physical and mental health is by itself insufficient to conclude that the activity is covered by the term "sport" in the sense of the same provision ..." and

that "the competitive character of an activity is not in itself sufficient to serve as the basis for qualification as "sport" in the absence of a physical element that is not negligible." It concludes that for these reasons the interpretation of the Advocate General was in fact broad in the sense of this provision, which is contrary to the principle of a narrow interpretation of the exceptions to the general rule.

The Decision is worded as follows:

"Article 132, paragraph 1, subparagraph (m) of Council Directive 2006/112/EC of 28 November 2006 on a common system of value added tax has to be interpreted in such a way that an activity like double bridge, characterized by a physical element that appears to be negligible is not included in the term "sport" in the sense of that provision."

The Court, however, leering its eye, stated in the last points of the decision, that such an interpretation did not call into question whether an activity that contained a physical element that appears to be negligible, if necessary, be included into the term "services in culture" within the meaning of Article 132 (1):

"Member States shall exempt the following transactions: (...) (n) the provision of certain services in culture and closely related goods, provided by public law bodies or other bodies recognized by the Member State concerned; (...) "What remains now is to follow the developments in the future. Since this decision has resolved the previous issue, we can assume the judgment of the Upper Tribunal of the United Kingdom. On the other hand, the question that remains unclear is how this decision will affect bridge associations in Austria, Belgium, Denmark, France and the Netherlands, where the double bridge is treated as a sport with the exception of Article 132 paragraph 1 item (m) of the VAT Directive? For interested parties: Decision (celex: 62016CJ0090) Advocate General Opinion (celex: - 62016CC0090)

It is worth having a look!





# Primary School Children Demonstrated their Knowledge about the EU

Cana Bulatović, a pupil of the eighth grade of Podgorica Primary School "Savo Pejanović", only in one minute correctly answered all 15 questions about the European Union in the contest "How much do you know about the EU?". Almost equally successful were Jovan Popović and Relja Savić, attending the ninth grade of primary schools "Vuko Jovović" from Danilovgrad and "Sutjeska"

from Podgorica.

The Ministry of European Affairs, in the framework of the project "EU4ME", funded by the European Union, implemented by UNDP, conducted a competition for the final grade primary school pupils in December. During a 15-minute online quiz, 115 primary school children across Montenegro demonstrated their knowledge about the European

Union, but also the speed and skills in using modern technologies.

The top three were presented valuable awards – Cana was awarded a laptop, Jovan a bicycle, and Relja a Kindle electronic reader of books. Minister of European Affairs Aleksandar Andrija Pejović presented the awards at the Ministry of European Affairs and said that the results achieved by the primary school pupils in the competition showed that young people not only had knowledge about the EU, but also knew how to use the most up-to-date technologies.

"What you have demonstrated in the competition confirms that you know what Montenegro strives for, that is the European Union a part of which you are going to be, within which you will move, study and finally work. You will be the beneficiaries of everything we are doing today. I congratulate you on an excellent result, which shows that we have a great future." Minister Pejović told the best participants of the competition.

Cana, Jovan and Relja said that their friends knew a lot about the EU, but also tried to enrich their knowledge with new information. Asked what the EU meant for them, the winners of the competition answered - the unity of European states, the abolition of borders and the freedom of movement.

Through many programmes, the European Union has already enabled young people in Montenegro to educate themselves beyond the borders of their state, to improve their knowledge and to prepare themselves for life challenges. Through its policy and activities, the EU promotes youth mobility, education and intercultural dialogue, and influences the development of solidarity and tolerance among them. Young Europeans have the right to live and work in each EU country, and their diplomas are recognized anywhere within the borders of Europe. The right to live in the European Union without frontiers will soon be enjoyed by Relja, Jovan, Cana and thousands of their peers from Montenegro.











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EU4ME – A project funded by the European Union and implemented by UNDP.