

Weekly Brief

Weekly Brief is a collection of news and information concerning events that happened in Montenegro, published on weekly basis. This publication is free of charge.

POLITICS

Monitor: DPS operates as an NGO

Montenegro's long term ruling party, Democratic Party of Socialists, has been declaring as an NGO in tax reports, reveals weekly *Monitor* in the latest issue.

According to tax declarations for 2009, DPS has paid 6,534€ as the "cash paid in respect of VAT", and 1,344€ for VAT itself. *Monitor* poses the question of whether NGO DPS has been granted a tax relief.

Podgorica weekly stated that DPS' profit enormously exceeds the legally allowed commercial revenue for NGOs, which amounts to 4,000 euros.

According to *Monitor*, DPS reported a profit of 369,823 euros for the period of 2008 and 2009.

ANB: Journalists and politicians are not being wire-tapped

National Security Agency (ANB) has responded to the

request of twenty journalists, politicians and NGO activists, arguing that they are not being eavesdropped and that ANB has not undertaken measures to collect data about them, nor does it keep secret records of their personal data.

Bulatović: What is happening in Afghanistan?

Member of the Parliamentary Committee for security and defense Predrag Bulatović (SNP) expects the Defense Minister Boro Vučinić and Chief of Staff Dragan Samardžić to request scheduling session of the Committee, following a recent Taliban attack on a convoy of Hungarian armed forces, with the Montenegrin contingent commander, Major Saša Jovanović, present as well.

Bulatović said that he expects Vučinić and Samardžić to inform the Montenegrin Parliament and the general public about the situation in Afghanistan and risks that await members of the Army of Montenegro, deployed in the ISAF mission.

"Montenegro can do without the participation of the Army

of Montenegro in peace support missions and I think that further participation in the ISAF mission should be put to an end. That does not mean we are against participation in peacekeeping missions with different mandate, that are not as perilous," said Bulatović.

He noted that a significant part of the Montenegrin public does not have the sensibility or will to perceive the bad consequences of certain decisions of the authorities, such as the decision to send troops to Afghanistan.

During the Taliban attack on a convoy of Hungarian Armed Forces, near the town of Pol-e Khomri, one soldier was killed while three soldiers were wounded. Major Jovanović was unharmed, reported the Ministry in a press statement.

Radović: Platform for negotiations with Serbia next week

Ministry of Justice received the proposed platform for negotiations on the extradition of nationals accused of seri-

ous crimes from their Serbian counterparts, stated Minister of Justice Miraš Radović.

He announced that next week Montenegro will propose its platform, which will be on the agenda of the Government, adding that such an agreement will be negotiated with Croatia as well.

SNP to get the position of third vice president of the Parliament?

Vasilije Lalošević from SNP has announced that the third vice president of the Parliament is likely to be elected in the autumn sessions, noting that SNP MP should be appointed to this position.

The Parliament now has two vice presidents - Željko Šturanović (DPS) and Rifat Rastoder (SDP). Rules of Procedure stipulate that one vice president position belongs to the opposition.

The ruling coalition representatives have repeatedly reiterated that they will not support any candidate from the opposition that does not respect national symbols.

Constitutionality of the Law on Higher Education questioned

Serbian National Council (SNV) in Montenegro has filed an initiative to institute proceedings of reviewing the

constitutionality and legality of the amended Law on higher education and upbringing, and announced a lawsuit against the state institutions.

The SNV believes that the provision of the aforementioned law in conflict with the Constitution and guaranteed prohibition of discrimination. The particularly point out the fact that the last census in Montenegro (2003) showed that 63% of the population opted for Serbian as their mother tongue.

SNP also submitted a proposal to review the constitutionality of the same Law to the Constitutional Court. Content of the SNP initiatives is still unknown, but they have however announced that the reason for its submission is not only the controversial Article 11 which provides that Montenegrin language in educational institutions, but also some other provisions of this act.

ECONOMY

Complex negotiations concerning WTO

Ukrainian Ambassador in Podgorica Oksana Slusarenko said that negotiations over Montenegrin accession to the World Trade Organization (WTO) represent a complex process in which both countries are trying to defend na-

tional interests, and reconcile positions.

Slusarenko points out that she still believes the process of negotiations would be finished soon, explaining that Ukraine insists on reduction in customs duties because of its agricultural production.

She urged that official Podgorica soon open a diplomatic mission in Kiev, claiming that unlike political, economic cooperation between the two countries is not satisfactory.

"Entrepreneurs, scientists, ordinary citizens of Ukraine want to learn more about Montenegro, to develop their business, to carry out joint humanitarian projects, to spend holidays here. In this respect, there are plenty of problems. The trade turnover between our countries is not in accordance with existing potentials and opportunities", said Slusarenko.

Severances for 32 miners paid

The Management of Rudnici boksita Niksic paid severances for 32 workers which, according to the recent agreement on the termination of the protest, it had to ensure until August 25.

President of the independent union Borisav Bojanovic said that those workers had already signed an agreement on voluntary termination of employment. Bojanovic said that

the management ensured EUR 380,000 or 83.4 percent of that payment, while the remaining EUR 80,000 16.6 percent should be paid by the Government in the next few days. He reminded that the union amount of severances for those workers would be ensured by the employer by September 25 on the basis of the debt for the housing fund.

Keković: Labor Act should be changed

Discussion on amendments to the Labor Act will start in September, at the initiative of the Ministry of Labor and Social Welfare. Union representatives are expecting that certain solutions that have proven to be harmful to the workers' interests.

Secretary General of the Union of Free Trade Unions Srđa Keković believes that the existing Labor Act is neoliberal with contradictory, confusing and not worker-friendly solutions and does not meet European standards.

Citing numerous issues present in the Act, Keković said that "in Europe, only we have a norm that allows the employer to hire employees on the basis of a contract for fixed period, for an indefinite period of time". This allows the employer to change the structure of the workforce, adapt it to the market, but on the other hand there is no security for the workers. Annex

of the employment contract is determined by the employer unilaterally, without the consent of workers, giving the employer a possibility to fire the worker if he does not accept the conditions which were determined afterwards, said Keković

MONSTAT: Coverage of import by export only 18.5%

According to the preliminary data of Monstat, the foreign trade of Montenegro in the period from January to July 2010 amounted to EUR 1.1m, which implies an increase of 2.2 percent regarding the same period last year.

Exported goods were worth EUR 171.8m, which is 9.3 percent more than in the same period last year, while the goods in the amount of EUR 925.1m were imported, which is 1 percent more than in the same period last year. The export-import ratio amounted to 18.57 percent and is higher than the ratio in the same period last year, when it amounted to 17.15 percent.

In exports, the main foreign trade partners of Montenegro are, respectively, Serbia (€ 41.8 million), Greece (36 million €), Italy (18.1 million €). In imports, the main foreign trade partners were: Serbia (€ 237.8 million), Bosnia and Herzegovina (€ 67.8 million) and Germany (67.7 million €). Foreign trade was the largest

with the signatories of CEFTA and the EU.

Aktor-HCH negotiating with EIB

Greek-Israeli consortium Aktor-HCH is still negotiating with the European Investment Bank (EIB) regarding the closing of the financial construction for the construction of two and a half sections of the future motorway Bar-Boljare.

The negotiations are about the bank warranties for the construction of the motorway, worth EUR 1.57bn.

Aktor-HCH won the job of construction of 63.5 out of the total of 170 kilometres of the motorway, after the Croatian consortium, headed by Split-based Konstruktor, lost the job because it did not ensure the bank warranties in time.

Serbia and Montenegro will in the meanwhile try to declare the Belgrade-Bar route as a European corridor, in order to facilitate getting financial support for the project.

Montenegrin Ministry of Transport is optimistic that Aktor-HCH will succeed in providing guarantees by the deadline. Minister of Transport Andrija Lompar said that the Ministry has still not received the final response of Aktor HCH regarding the outcome of negotiations, while the final deadline is 20 October.

Economic citizenship on hold

The Montenegrin Government informed the potential investors that the project of economic citizenship would start only after the harmonisation of instructions for the application for citizenship with the European Commission. With this the Government of Montenegro informed the public that the realisation of the project of economic citizenship would wait until the final approval from the authorities in Brussels.

The Montenegrin Ministry of Internal Affairs has still not received any requests for the obtaining of the so called economic citizenship. According to the proposal of the Government, the citizenship of Montenegro could be given to foreigners who will invest at least 500,000€ in the country.

Aleksandar Damjanović (SNP) stated that the economic citizenship programme, which will enable businesspeople to acquire Montenegrin passports by investing in the country, is basically a good idea, but the way in which the Government publicly boasted with that project is definitely not.

He said that the economic citizenship is a practice in many modern countries and makes sense if two preconditions are fulfilled. The first is that it is not given for a promised investment, but on the basis of a degree of realisation

of the investment. The second condition is that the state facilitates the procedures for obtaining passports to regular citizens.

Pešalj from Tax Administration to DRI?

The long-term head of the Tax Administration Mirjana Pešalj will likely be offered a position in the Senate of the State Audit Institution (DRI), reports Montenegrin press citing unofficial sources.

Pešalj is known for "introducing order and almost iron discipline in the Tax Administration and providing the new rules of conduct of civil servants in the institution.

The most serious candidate for the new director of the Tax Administration is the current Deputy Minister of Finance Milorad Katnić, reported *Portal Analitika* citing "well informed sources in the ruling coalition".

CBCG: Banks are solvent

The solvency coefficient of the Montenegrin banking system was above the statutory minimum in May, according to data from the Central Bank of Montenegro (CBCG).

Average solvency assets in May amounted to 429.3 million euros and were 43% higher than in the same month last year, while com-

pared to April remained unchanged.

In May, the nine banks used the opportunity to use part of required reserves in the form of treasury bonds.

"Banks are at the end of May isolate a total of 36.4 million required reserves in the form of treasury bills," stated the report CBM.

Total assets of banks at the end of May was about 2.94 billion euros and was 1% higher than in April, while in comparison with the same month last year decreased 7.5 percent. Total capital of banks at the end of May amounted to 282.5 million euros and was 6.8% higher in comparison with April last year.

SOCIETY

Implementation of the Criminal Procedure Code began

Application of the revised Criminal Procedure Code (CPC) in part related to the crimes of organized crime, corruption, terrorism and war crimes has begun.

The Ministry of Justice had previously announced that the Montenegrin judiciary is ready to implement the new CPC.

"According to reports we have received regarding plan of implementation of the new CPC,

representatives of the judiciary and police reported they are fully prepared to apply this act," said agency Assistant Justice Minister Branka Lakočević.

"One of the main reasons for adoption of the new Criminal Procedure Code is the introduction of a faster, more efficient, effective and economical procedure against crime, especially when it comes to the most severe forms - organized crime and corruption", pointed out Lakočević.

Civil servants indicted for bribes and abuse of office

Department of the Supreme Court of Montenegro for combat against organized crime, corruption and war crimes filed an indictment against 21 persons, including a 15 civil servants for abuse of office, giving and receiving bribes.

The Supreme Court announced that the indictment was raised against 15 officers of the Customs Administration of Montenegro, three officials of the Police Directorate, one employee of the Phytosanitary Administration of Montenegro, as well as against six citizens of Montenegro.

The indicted persons are accused of unlawful exploitation of official position and official duties, obtained gain for themselves and third parties, while damaging the budget of

Montenegro for more than 20,000 euros.

Cetinje: Marking the anniversary of kingdom

Five exhibitions and promotion of special editions will be organized in Cetinje, on Saturday, 28 August, within centenary celebration of the proclamation of the Kingdom of Montenegro, it was announced from the Ministry of Culture and Media.

Organizers of the event on Saturday are the Government of Montenegro and the Ministry of Culture, together with the National Museum of Montenegro, the State Archive of Montenegro and the Central National Library of Montenegro.

The Kingdom of Montenegro was proclaimed by Knjaz Nikola in Cetinje, on 28 August 1910.

Prince Nikola Petrović, the only living direct male descendant of the Montenegrin dynasty, will definitely miss out on the celebration. In a letter to the Government of Montenegro, he repeated dissatisfaction with the proposed Law on the status of the descendants of Petrović dynasty and said he was "feels enormous sadness, humiliation and disappointment".

EU INTEGRATION

Maurer: Montenegro has achieved remarkable results

Montenegro has achieved remarkable results on its European path, said the Head of EU Delegation to Podgorica Leopold Maurer at a meeting with the Minister for European Integration Gordana Đurović.

Ambassador Maurer expressed the expectation that the dynamics shown so far will continue in the future, in order to enable Montenegro not only the EC *avis* in the fall, but also preparation of all structures for future accession negotiations.

Đurović pointed out that the Montenegrin government fully committed to fulfilling the commitments undertaken by Montenegro by the entry into force of the Stabilisation and Association Agreement, whose key activities are placed in a separate action plan which is regularly monitored. By 06 September 2010, the Ministry of European Integration will, at the request of the European Commission, submit a factual reports on all activities accomplished since the delivery of responses to additional questions from the EC Questionnaire.

Dan: Montenegro will become an EU candidate in March 2011

Montenegro will be granted candidate status for membership in the European Union at the March summit of heads of diplomatic corps, reports daily *Dan*, citing diplomatic sources. According to these sources, the negotiations will start at the end of 2011.

Opinion of the European Commission, expected in 09 or 10 November will be positive for Montenegro, *Dan* learns list and finds that the process of negotiations with the EU will be conditioned by the strengthening of the fight against organized crime and corruption, and that the country needed to strengthen the rule of law.

Dan notes that, unlike Montenegro, Albania will not get a positive *avis*, but will be invited to continue reforms and strengthen the state institutions.

Spokesman of the EU Delegation to Montenegro Dragan Mugoša dismissed this information as speculation, "because no one knows when the Member States will decide upon the issue".

Mugoša said that it cannot be known when the membership negotiations will begin, adding that the contents of the EC's *avis* are still not known.

Westerwelle missed out on Podgorica during visit to Balkans

German Foreign Minister Guido Westerwelle has toured the Balkans this week to promote a peaceful resolution of the Kosovo issue and reforms sought by the European Union. The three-day trip had began on Wednesday in Croatia, continued in Serbia and Bosnia Hercegovina on Thursday and wrapped up in Kosovo on Friday. German Embassy in Podgorica confirmed that the Westerwelle would not visit Montenegro during his Balkan tour due to the tight schedule.

Westerwelle meet with political leaders, business executives and non-governmental organisations in each country and visit German troops stationed with the NATO-led KFOR mission in Kosovo.

German foreign minister underlined the great importance of security and stability in the Western Balkans for Europe as a whole during the trip. In Belgrade, he meet with young graduates and discussed Serbia's outlook and in Priština, he spoke to MPs and stressed Germany's backing for "Kosovo's democratic, independent development".

Electronic media have to be digitalised by 2012

All electronic media in Montenegro have to be digitalised

by 2012. Montenegro has already received funds for that project from the European Union. The problem is that the state has not participated with the amount it planned for that project so, if nothing changes, many media will have to use their own funds in order to become digitalised. The radio-diffusion centre has to publish a tender for the digitalisation of electronic media.

We hope that you found the contents of our Weekly Brief useful. Any suggestions, comments, remarks or opinions regarding the design and contents of this newsletter are welcome.

Please note that the previous editions of Weekly Brief are available at IA's website.

Editorial team

GLOSSARY

This glossary contains the most commonly used abbreviations. It is subject to revision.

ANB	Agency for National Security
ARD	Broadcasting Agency
BS	Bosniak Party
CGO	Centre of Civic Education
CRNVO	Centre for the Development of Non-Governmental Organisations
CFSP	Common Foreign and Security Policy of the EU
CoE	Council of Europe
DC	Democratic Centre
DPS	Democratic Party of Socialists
DSCG	Democratic Alliance in Montenegro
DSS	Democratic Serbian Party
DUA	Democratic Union of Albanians
EC	European Commission
EMIM	European Movement in Montenegro
EU	European Union
IA	Institute Alternative
IPA	Instrument Pre-Accession Assistance
LSCG	Liberal Alliance of Montenegro
LP	Liberal Party

MANS	Network for the Affirmation of Non-Profit Sector
MOC	Montenegrin Orthodox Church
NATO	North Atlantic Treaty Organisation
NS	People's Party
NSD	New Serb Democracy
NSS	People's Socialist Party
PZP	Movement for Change
SAA	Stabilisation and Association Agreement
SDP	Social Democratic Party
SL	Serbian List
SNP	Socialist People's Party
SNS	Serbian National Council
SOC	Serbian Orthodox Church
SRS	Serbian Radical Party
SSR	Party of Serbian Radicals
UN	United Nations
UNDP	United Nations Development Program
UNSC	United Nations Security Council
OSCE	Organisation for Security and Cooperation in Europe

DISCLAIMER

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Institute Alternative

Founded in September 2007, Institute Alternative is a Montenegrin-based think tank. Founders are prominent individuals with civil society, public administration and business sector background.

IA's mission is to strengthen democratic processes in Montenegro by identifying and analyzing policy options.

IA's strategic objectives are to increase quality of public policy development, to contribute to human rights protection in Montenegro, to contribute to development of democracy and rule of law.

The values we share are commitment, independence, learning, networking and team work.

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