

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

Proposal of the opposition - unconstitutional

Parliamentary Committee for constitutional issues and legislation has rejected opposition's proposal of amendments to the electoral legislation by a majority vote. According to the opposition's proposal, the suffrage should be granted to all citizens of Montenegro, while the ruling coalition earlier offered its proposal according to whom this right belongs only to nationals of Montenegro.

Opposition proposal would ensure that the voting right is granted to over 60,000 citizens who do not have Montenegrin citizenship and therefore have no right to participate in elections. These people, however, under the earlier decision of the Government, have been granted a period of one year to resolve their status.

Amendments to the Law on Election of MPs, as a system of law, should be adopted by a two-thirds majority in the Parliament, but the current

balance of power does not allow it. Harmonization of the electoral legislation with the new Constitution has lasted for three years now, with the deadline shifted several times because of lack of consensus among the parties.

Another four soldiers to Afghanistan

Four more members of the Army of Montenegro will be sent to Afghanistan in support of the second contingent of the Army of Montenegro, which was deployed in the province of Baglan in the framework ISAF mission.

The second contingent, which consists of 31 members was sent to Afghanistan in the framework of the ISAF mission, in early September for a period of six months.

Also, another officer has extended his engagement at the headquarters in North Mazer e Sharif, which means that a total of 36 members of the Montenegrin Army are currently engaged in Afghanistan.

According to the Parliament's decision on approving the engagement in ISAF, Ministry of

Defence can deploy up to 40 soldiers to Afghanistan.

Krivokapić invited the Pope to visit Montenegro

Speaker of the Parliament of Montenegro Ranko Krivokapić with Pope Benedict XVI in Vatican. Krivokapić has invited Pope Benedict to visit Montenegro, to which the Pope thanked, saying that there are many reasons for the first visit of the Holy See.

A statement from the office of Speaker of the Parliament told that a "shared commitment" was expressed to open a preparatory office for the Holy See to Montenegro in due time, which would eventually turn into Nunciature - Embassy of the Holy See of regional significance.

New US ambassador to Montenegro nominated

President Obama announced his intent to nominate Sue K. Brown as the nominee for Ambassador to Montenegro, Department of State.

Sue K. Brown is a career member of the Senior Foreign

Service with the rank of Minister Counselor. She has served since 2009 as Office Director for Southern African Affairs in the Bureau of African Affairs. Previously, Ms. Brown served as Deputy Chief of Mission at the U.S. Embassy in Accra, Ghana and Asmara, Eritrea. Other overseas postings include Indonesia, France, Liberia, Kenya, Nigeria and Cote d'Ivoire.

E.U. will we be able to celebrate. Likely no more than five more years are required. Until then, we need to keep the Balkans on track, ensuring that Bosnia, Kosovo and Macedonia remain on the train", conclude Jessen-Petersen and Serwer.

ECONOMY

NYT: "The Balkans can still be lost"

According to the [article](#) by Soren Jessen-Petersen and Daniel Serwer published on the New York Times website, Balkan states still have the potential to "spoil the party" as NATO, the United States, the European Union and the Organization for Security and Cooperation in Europe prepare for summit meetings this fall. They list three issues as crucial for the region: ethnic tensions in Bosnia-Herzegovina, unsettled relations between Serbia and Macedonia's name dispute with Greece.

"Failure in the Balkans is still a possibility and would embarrass Europeans and Americans alike", write the authors of the article. "The peace-building mission in the Balkans is not yet accomplished, even after 15 years of often close US/EU cooperation. Only when all the region's countries are irreversibly on a course toward the

IA's Public-Private Partnership research presented

During 2010, Institute Alternative conducted research in the field of public-private partnerships in Montenegro and prepared an analysis of the legal framework and practices in connection with this concept, entitled "Public-private partnerships in Montenegro - accountability, transparency and efficiency".

The research was conducted in the framework of the "EU Matrix - Monitoring the process of European integration with a focus on the implementation of the National Program for the integration of Montenegro into the EU". This project is being implemented in partnership with the Monitoring Centre and the European Movement in Montenegro, with the support of the Foundation Open Society Institute - Representative Office Montenegro.

A round table event was organized in order to present the working version of the research paper to the relevant stakeholders. Presentation of studies on public-private partnership aimed to draw attention to the legislative framework and current PPP projects implemented in Montenegro, through a comprehensive insight into the strengths and weaknesses of the legal framework and practice. Via this round table, Institute Alternative wanted to provide an opportunity for interested stakeholders to give their comments, suggestions and recommendations and contribute to improving practice in the field of public-private partnerships.

The study showed that the Public-private partnerships (PPP) in Montenegro are increasingly becoming an instrument to mitigate the budget deficit, without the transparency of the overall process being limited and a noticeable lack of democratic control of the whole process.

Research has shown that the realization of the PPP projects is "substantially burdened by violation of legal procedures in favor of certain private companies."

Despite the relatively large number of actual PPP projects, access to information about the concluded contracts is extremely difficult. IA notes that there is "an obvious need for the central registry that would contain all existing PPP

contracts. The public has no access to the annual plans of PPP projects obligations payment, with the financial statements of the implemented projects also unavailable.

IA, among else, suggests that an institutionalization of a body specialized in the area of PPP is necessary, as it would make a coordinated and controlled action in this area possible.

A working version of the study can be downloaded [here](#). (version in Montenegrin only)

A state development bank in plan

Montenegro is considering setting up a state development bank next year if commercial banks do not ease their lending practices to the European Union applicant country, Vice Prime Minister Vujica Lazović said.

In the margins of the Vienna Economic Forum, Lazović stated that the Government is considering the idea of founding the state development bank next year if commercial banks do not facilitate the procedure of loan approval.

He said that this is an attempt to send a special signal to commercial banks that a development bank has to be formed if they continue practicing restrictive loan policy.

Lazović said western-owned banks were adopting "a very restrictive approach". "It is the main reason for the establishment for development of a state development bank, because we want to support small and medium enterprises."

Loan for protection from bankruptcy

The European Bank for Reconstruction and Development said on Wednesday it is providing a 30 million euro (\$41 million) sovereign guaranteed loan to the Deposit Protection Fund of Montenegro (DPF) aiming to strengthen the country's financial sector.

The loan will be used only if any of the Montenegrin banks goes bankrupt. The project aims to help Montenegro improve its deposit insurance scheme by offering greater protection to small depositors. It will enable DPF to achieve a similar level of protection to its neighbouring countries, which have recently increased their deposit insurance coverage.

Acting director of the Deposit Protection Fund Predrag Marković explained that a part or all of the EUR 30m from this stand-by arrangement will be available for withdrawal in the next seven years in case any of the Montenegrin banks goes bankrupt. Marković explained that he

did not expect any of the banks to go bankrupt, but added that it was better to insure them.

SAI presented its Annual report

Annual report on performed audits and activities of the State Audit Institution of Montenegro for period October 2009 - October 2010 was presented at a press conference this week.

On behalf of State Audit Institution participated Miroslav Ivanišević, President of Senate, as well as members of Senate, Milan Dabović and Branislav Radulović.

Tax Administration claims the collection is better than planned

During October, the Tax Administration collected and amount of EUR 10,069,813.00 on the basis of the so-called delinquent debt. The Tax Administration informed that the analysis of the structure of unpaid delinquent according to types of taxes showed that more was collected than planned, on the basis of VAT, tax on income from independent business, concessions, tax on personal incomes and contributions. Bigger collection was realised in Herceg Novi (by 4.12%), Podgorica (by 43.40%), Nikšić (by 68.90%), Bar (by 57.23%), Berane (by 92.57%), Pljevlja (by

150.74%) and Budva (by 16.72%).

Lukšić announces a fight against gray economy

In recent years, the Government of Montenegro has made extensive efforts to suppress grey economy, including amendments to labour legislation, signing General Collective Agreement, defining minimum wage and conducting regular inspections, said Vice President of the Government and Minister of Finance Igor Lukšić at the meeting with the Minister of Labour and Social Welfare, chief labour and tax inspectors, representatives of the Trade Union, Montenegro Business Alliance, Employers Union and Chamber of Commerce.

Lukšić pointed out that there is practically no economic system that does not face the problem of gray economy and the Government of Montenegro has carried out many activities in order to fight it.

Minister Lukšić also stated that the labour market grey economy was directly detrimental to employees, who, apart from being denied the compulsory social insurance, are also faced with the impossibility to exercise their labour and other rights. At the same time, grey economy has a negative impact on public revenues, because it causes the loss of significant budgetary funds. Although the adop-

tion of the new General Collective Agreement reduced labour market grey economy, it is necessary to continue with efforts to suppress it, said Minister Lukšić.

Aktor-HCH has until 10 December

Montenegrin Government has decided to extend the deadline for submission of bank guarantees for Greek-Israeli consortium Aktor-HCH to 10 December.

Montenegrin Prime Minister Milo Đukanović said, despite the fact that Montenegro is in a hurry to realise the project of Bar-Boljari highway, it should be understood that the economic crisis makes it very demanding. He said that there is no doubt that the motorway would be built, but stressed the need of potential creditors to do the assessments before they give support to the project. He said that the European Investment Bank is taking its time in deciding over the project because it is assessing whether the small economy of Montenegro can guarantee regular repayment.

The Greek-Israeli consortium, which has proposed to build a 63.5-kilometre motorway section for 1.57 billion euro, has sought the extension of the deadline for submission of bank guarantees. In May this year, the Government the offer of Aktor-HCH to build three sections of the planned 169-

kilometre Bar-Boljare motorway. The Greek-Israeli consortium had offered to build the entire length of the highway for 3.92 billion euro.

SOCIETY

Mihailo accepted CORECOM's apology

Coalition for Regional Commission for establishing the facts about war crimes in former Yugoslavia (CORECOM) delegation led by its coordinator Nataša Kandić met with the Head of Montenegrin Orthodox Church (CPC) Metropolitan Mihailo and repeated the apology for the recent incident in Sarajevo. Metropolitan has accepted the apology. At the CORECOM consultations with religious leaders in Sarajevo last week, Mihailo was asked to leave the event because of the protest of representatives of Serbian Orthodox Church and Catholic Church.

It was indicated that CPC will continue to be invited to all meetings of the Coalition for establishing Regional Commission for establishing the facts about war crimes in former Yugoslavia.

Houses for refugees from Bukovica built

The construction of 32 houses in Bukovica (Pjevlja) has been concluded, providing conditions for the return of Muslims and Bosniaks who fled the area in 1992 and 1993 before the Yugoslav Army and paramilitary groups.

The Montenegrin government has announced that over two million euros have been invested in creating conditions for the return of refugees. Around 18 years ago, more than hundred Bosniak-Muslim families, fled Bukovica, mostly to Sarajevo.

Montenegrin State Prosecution has earlier this year filed an indictment against seven members of the former Yugoslav Army and Ministry of Internal Affairs of Montenegro who are charged with crimes against humanity in Bukovica.

Montenegro ranks 49th out of 169 countries on the Human Development Index

The 20th anniversary edition [The Real Wealth of Nations: Pathways to Human Development 2010](#) was launched on November 04 by UN Secretary-General Ban Ki-moon, UNDP Administrator Helen Clark and Nobel laureate Amartya Sen. The Human Development Index (HDI) is a composite index which measures levels of health, education and income. The Human

Development Reports and the HDI challenged purely economic measures of national progress calling for consistent global tracking of progress in health, education and overall living standards.

[Montenegro](#) ranks 49th on the index with HDI value of 0.769, out of a total 169 countries. This ranking places Montenegro in the "high human development" category making it ahead of all countries of former Yugoslavia except Slovenia (which ranks 29th and hence falls into the category of "very high human development"). Comparable 2010 HDI data show that Montenegro HDI dropped compared with 2007 when HDI value (0.771) was strongly influenced by GDP index growth. Norway, Australia, and New Zealand fill the top three positions in 2010, while Niger, Democratic Republic of the Congo and Zimbabwe are at the bottom of the annual rankings.

Ombudsman responded

Protector of human rights and freedoms Šučko Baković started the procedure regarding the complaint of the Association of Youth with Disabilities, which refers to discrimination against Andrija Samardžić. Association has announced that the owner of the Podgorica-based restaurant banned Samardžić and his guide dog from his premises.

"The institution of the Protector of Human Rights and Freedoms of Montenegro expressed the view that such conduct is contrary to the provisions of article eight of the Constitution of Montenegro, which refers to the prohibition of discrimination on any basis," reads the statement of Ombudsman. "Such behavior is inconsistent with any provisions of the Act prohibiting discrimination, as well as Law regulating the movement of persons with sight impairment with the help of a guide dog", concludes the statement.

Around a month ago, Samardžić experienced the same discriminatory behaviour from the staff of a different Podgorica restaurant. The owner later publicly apologized and said that similar problems will not happen again.

EU INTEGRATION

EC issues a positive opinion on Montenegrin application

On 09 November, the European Commission adopted its 2010 Enlargement package. It is comprised of a Strategy paper, the Opinions on the membership applications by Montenegro and Albania and seven Progress Reports on the

other candidate countries and potential candidates. On Montenegro, the Commission concluded that Montenegro is ready to become a candidate country to EU membership, while further reforms are needed in a number of key areas, as set out in the opinion, before the country is ready to start accession negotiations.

On Wednesday, November 10, European Commissioner for Enlargement Stefan Füle presented to Montenegrin Government officials, opposition leaders and civil society representatives. Commissioner Füle stated: "I commend Montenegro's efforts in the last 12 months. They brought the country to the status of a candidate country. The sooner the country proceeds with the necessary reforms, the sooner it will be ready to move to the negotiating table with the EU".

Prime Minister Milo Đukanović said that this was a big day for Montenegro and the region. He welcomed the opinion of the European Commission, the objective consideration of the progress of Montenegro and the realistic recommendation. He said that he was

optimistic in terms of set goals, which will be fulfilled because they are crucial for improving life in Montenegro.

While the EC recommended that Montenegro is granted candidate status, its progress report does not mention a start date for accession talks. Montenegro, like Macedonia, is being given more time to improve its institutions.

The Commission expresses most concern about shortcomings in the rule of law. The report notes: "The main concerns are related to the politicization of the judiciary and shortcomings in the functioning of law enforcement institutions, in particular in fighting organized crime and corruption. There are also concerns over efficiency and accountability of the judiciary."

Although the country is considered a parliamentary democracy, parliament's control of the government remains weak, the report says. And although there is broad consensus on the fundamentals of economic policy, the Commission does not

believe that the country is a functioning market economy.

Commissioner Füle said that the Parliament of Montenegro

has a crucial role in the preparation of the country for accession to the European Union, especially in the reform of the politicised justice system and strengthening the electoral legal framework. While addressing the representatives of the Montenegrin Parliament, Füle pointed out that the depolitisation of the justice system and strengthening of the responsibility and efficiency of the justice system are of crucial importance for the accession. Füle repeated that corruption and organised crime represent serious challenges and that laws should be strictly applied.

To continue to be successful, the EU's enlargement policy needs to remain credible. Credibility is the hard currency that we need to invest in order to give aspirant countries the incentive to reform to an extent much deeper and larger than they would do it otherwise", stated Commissioner Füle.

- EC Opinion on Montenegro's application for membership of the European Union can be found at: http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/mn_opinion_2010_en.pdf

- Analytical report accompanying the EC's Opinion can be found at: http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/mn_rapport_2010_en.pdf

EU- MONTENEGRO: KEY DATES

- October 2007: signature of the Stabilisation and Association Agreement (SAA) with the EU
- 22 February 2008: Visa liberalisation dialogue with Montenegro.
- 15 December 2008: Montenegro applied for EU membership
- 19 December 2009: Montenegro obtained visa-free travel to the Schengen countries
- 1 May 2010: the SAA entered into force.

Đukanović: Economic citizenship is not abandoned

Prime Minister Milo Đukanović said that the Government did not withdraw the decision on the economic citizenship. According to him, it has not even started to be applied so that it could be assessed, in cooperation with the European partners, whether there are realistic reasons for fear in a part of the public. Đukanović said that no original solution was created since this is used in many other countries, including the EU member states. He added that this issue should be put on hold for a month or two. "Montenegro is now a part of Schengen and it is clear that its citizenship cannot be given to somebody Europe does not want", said Đukanović.

IPA 2010 worth over EUR 28m

The European Commission and Montenegro have signed an agreement under which the EU will provide more than €28 million to Montenegro. "The financial agreement, the Instrument for Pre-accession Assistance (IPA) 2010 national programme, will mainly support projects which improve environmental protection, the railway infrastructure, the development of municipalities, and social issues", explained the head of the EU Delegation to Montenegro, Ambassador Leopold Maurer. Regarding the social issues, he

said that focus will be on gender equality and large social inclusion projects, helping to promote inclusive education, social welfare reform and child care. Ambassador Maurer added that the programme also includes a series of projects mainly in the *acquis*-related areas, and also support activities through smaller projects, technical assistance or ad-hoc supply contracts.

"We are providing funds under component one, which mean transitional assistance and institutional building – or in other words help in building Montenegrin laws, structures and the staff it needs to make and implement the necessary reforms on the road to the EU", explained Maurer.

"With the TEMPUS programme for students and the multi beneficiary programme, the EU will provide in total nearly €30 million", explained the Ambassador. He added that due to the EU's wanting projects to be co-financed, Montenegro will provide €18 million for these projects, meaning that in total around € 50 million will be spent in the framework of IPA 2010 projects.

He stressed that Montenegro is receiving assistance from the EU in order to prepare the best possible way for EU membership, and since 2007 it has provided €126.5 million for various projects.

Minister for European integration Gordana Đurović ex-

plained that this is the fourth financial agreement within the national IPA programme, which supports democratic and economic reforms in the country. She added that since 2007, in every IPA year, the main focus has been on projects which support the fight against crime and corruption, reform of the judiciary, local government, as well as strengthening social policy, public health care and further development of the economy.

The greatest part of the national component of the IPA is implemented with the support of Delegation of European Union to Montenegro within the model of a centralized system for managing the funds. When Montenegro is granted the candidate status, independent and decentralized management of IPA funds will be an additional step in the process of responsibility for further reforms of Montenegro.

Podgorica and Belgrade to cooperate for EU funds

In the future, the city governments of Podgorica and Belgrade will compete for the funds of the pre-accession funds of the European Union together. This was agreed in the meeting of member of the City Council of Belgrade Miroslav Čučković and city manager of Podgorica Pavle Radulović, which was held in Podgorica. Representatives of Belgrade and Podgorica con-

cluded that this would improve the living standard of their citizens and total economic relations of Serbia and Montenegro. Čučković said that the two cities are the biggest construction sites in the region, adding that most of the construction work done in Podgorica is carried out by Belgrade-based companies.

BiH and Albania to get visa-free regime, EU warns Balkan states over migrants

The EU is introducing stricter monitoring mechanisms to slow the influx of economic migrants and asylum seekers from Serbia, Macedonia and Montenegro, which were granted visa free travel in December last year, reports Balkan Insight

EU justice and interior ministers on Monday decided to boost the border safety supervision for these countries, demand stricter checks of their passports, and to increase the exchange of intelligence. "We wish to warn these countries about the consequences of the misuse of visa liberalisation," Belgian Minister for Migration Melkior Wattelet told media.

The move comes after several EU countries in the past year reported drastic increases in the number of migrants from the three states, most of whom applied for asylum but were rejected.

The EC has repeatedly stressed that visa liberalisation does not mean that economic migrants will be granted a prolonged stay, and that the regime only allows tourist travel.

In a move perceived as hugely symbolic both by Brussels and the countries in the region, the European Union has agreed to lift its visa requirement for Albania and Bosnia and Herzegovina from next month. With Montenegro, Serbia and Macedonia already on the EU visa-free list since December 19, 2009, this leaves Kosovo as the only part of the Western Balkans to be denied the opportunity of visa-free travel.

Regional School of Public Administration opened in Montenegro

Commissioner for Enlargement and Neighbourhood Policy Stefan Füle and Prime Minister Milo Đukanović officially opened the Regional School of Public Administration (ReSPA) in Danilovgrad this week.

The aim of ReSPA is to reinforce regional cooperation and strengthen administrative capacities in the Western Balkans. It follows the principles of the 'European Administrative Space' in which public servants in European countries meet to exchange views and best practices on the implementation of EU legisla-

tion. The task of ReSPA, to train civil servants from candidate countries and potential candidates, was first discussed at the Thessaloniki Summit in June 2003.

The EU has provided more than € 7 million in technical assistance and equipment and is planning to finance another € 7 m of technical support, adding to the foreseen contributions of national authorities. Commissioner Füle stated that the opening of ReSPA "marks the beginning of a new phase in the development of human resources in the region". The official opening of the premises is part of a week of activities including ReSPA training and a Multi-Beneficiary Coordination meeting on the Instrument for Pre-Accession assistance (IPA). The meeting will bring together representatives from the Commission and national authorities to discuss EU projects. Đukanović reiterated the importance of meeting the priorities outlined by the EU and added that a well-educated administration is one of the most important pillars of a society. ReSPA's mission is promoting regional cooperation in the field of public administration in the Western Balkans. ReSPA is a therefore dubbed a unique historical endeavour, established to support the creation of accountable, effective and professional public administration systems for the Western Balkans on their way to EU accession.

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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