

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

Krivokapić's visit to Belgrade postponed

Serbian Parliament Speaker Slavica Đukić Dejanović informed her Montenegrin counterpart that their previously arranged meeting had to be postponed and will not take place on 18 and 19 May, reports daily *Vijesti*.

The meeting was canceled 48 hours after the program of visits was agreed and Đukić Dejanović justified the cancellation with "extraordinary involvement of the Serbian parliament in order to meet its European agenda".

This was declared by some media to be the beginning of another crisis in the relations between Montenegro and Serbia.

President of the Montenegrin Parliament's advisor for European integration Ivan Vujović stated that it is "inappropriate to persistently call for a meeting, only to dismiss it with lame formal reasons afterwards and thus violate the basic rule of international law - non-interference in in-

ternal affairs of other countries".

It was agreed that the President of the Montenegrin Parliament, among else, should have met President and Prime Minister of Serbia. The next day he was supposed to travel to Novi Sad and talk with local officials and visit Lovćenac, town where most residents are descendants of settlers from Montenegro.

"All this, unfortunately, reminds of our relations and painful historical experience prior to the renewal of Montenegrin independence", stated Vujović.

According to media speculations, the real reason for postponing the visit should be sought in the fact that the visit of Montenegrin officials to Serbia, ahead of local elections in Montenegro scheduled for 23 May, may be seen as a sign of support for certain parties.

This is the second time that the Serbian Parliament's speaker cancels visit of Krivokapić. The first time it was done after Montenegro established diplomatic relations with Kosovo.

The Economist article on 'Šarić case' and Montenegro

'Šarić case' has damaged the reputation of Montenegro, concludes *The Economist* in an article published in the latest issue. The article stresses that 'Šarić case' happened in a bad moment for the Montenegrin economy, when the gross domestic product fell for 5.5% in 2009 after 10.7% growth in 2007 and 7.5% growth in 2008.

The article gives opinions of main political stakeholders on the overall situation in Montenegro and states that the 'Šarić case' and problems in the economy may increase the chances of the joint opposition list in the upcoming local elections.

The complete article, entitled 'A Balkan imbroglio', can be read at:

http://www.economist.com/world/europe/displaystory.cfm?story_id=16063930

Vujanović conditions the exchange of ambassadors

Montenegrin President Filip Vujanović announced that he will not sign the documents

on the exchange of ambassadors between Montenegro and Priština, until the position of the Montenegrin community in Kosovo is improved.

Regarding the expectations of the Montenegrin National Democratic Party of Kosovo, Vujanović informed them that he had already reiterated his intent not to sign the documents on the exchange of ambassadors, until the position of the Montenegrin community in Kosovo is resolved, and while the Montenegrins are provided with the possibility of authentic representation.

Krivokapić: Parliament cannot resolve VDT

Network for Affirmation of Nongovernmental Sector (MANS) has requested dismissal of Supreme State Prosecutor (VDT) Ranka Čarapić for allegedly presenting untrue facts. MANS rejects as false Čarapić's statement at the session of the National Council for European Integration, where she said that MANS did not provide her with articles from the media about the possible crimes of the owner of Niksic Steel Plant.

The Parliament has no legal possibility to consider MANS initiative to resolve Ranka Čarapić, announced the Parliament Speaker Ranko Krivokapić.

The procedure for dismissal of the VDT may initiated by the Ministry of Justice, and approved by the Prosecutorial Council, before the Parliament can give its decision, explained Krivokapić.

Who will be the next head of ANB?

According to daily *Vijesti*, Director of the National Security Agency (ANB) Duško Marković lobbies that a professional from the service should replace him, while DPS still wagers whether it will be a political figure or someone from the security sector. Marković's mandate as the head of ANB ends early in August this year.

Prior to his current position, Marković served as the Secretary General of the Government, DPS deputy and member of the Central Committee of DPS. Marković was appointed head of ANB five years ago, at the suggestion of the Prime Minister Milo Đukanović. This was preceded by a dispute in the ruling coalition because DPS proposed that the right to appoint directors of ANB belongs exclusively to the Government, while SDP requested that it should be approved by the Parliament. Finally, a compromise solution has been adopted according to which the Parliament gives its non-binding opinion on the Government's proposal for the ANB director.

Montenegro chairs Adriatic-Ionian Initiative

12th meeting of the Council of Ministers of the Adriatic-Ionian Initiative was held in Ancona, Italy. The Council brings together the foreign ministers of Montenegro, Albania, Bosnia and Herzegovina, Greece, Croatia, Serbia, Slovenia and Italy.

Serbia and Montenegro joined the group of six countries in 2002 as a single member, with both countries maintaining membership in the Initiative after they became independent in 2006.

The main goals of the Initiative include the strengthening of regional cooperation among Adriatic coastal countries, fostering common solutions to common problems with focus on security and stability, as well as the environmental protection of the Adriatic and Ionian Seas.

At this year's meeting in Ancona, Montenegro has taken over the one-year presidency of the regional initiative.

Boland: Montenegro modernizes its armed forces

Director of Force Planning Directorate at NATO Defence Policy and Planning Division, Frank Boland stated that Montenegro is "moving towards modernization" of its armed forces. Boland led the NATO

delegation that visited Montenegro, which for the fourth time estimates process of the Strategic Defense Review (SPO), one of the key strategic documents of the Montenegrin defense system.

Boland said that Montenegro creates a defensive structure that is sustainable and designed in accordance with its needs. He explained that the Montenegrin defense system must primarily serve the needs of Montenegro, but it should also be appropriate for participation in international peacekeeping missions.

Modernization and professionalization of the police, as announced, is also important for the overall process of preparing the state for NATO membership.

No control hearing regarding events in ZIKS

The parliamentary Committee for Human Rights and Freedoms has adopted the report of the Institute for Execution of Criminal Sanctions (ZIKS) on actions taken on the recommendations of the Ombudsman, alleging that the ZIKS officers violated the rights of the detainees Igor Milić and Dalibor Nikezić on 27 October last year. ZIKS management has launched disciplinary action against three officers.

The Committee did not support the initiative of the SNP

to conduct a control hearing of ZIKS Director Milan Radović and Minister of Justice Miraš Radović concerning their actions regarding this incident. This Committee will also discuss the opinion of the Ombudsman concerning the situation in the public institution for people with special needs *Komanski most*, and the authorized Ministry's Information concerning the state of this institution. support to the implementation of the Law on Public Procurement. The aim of the agreement is also prompt informing each other about the audit findings concerning public procurement and timely adoption of decisions on appeals filed in these proceedings. the High Court in Bijelo Polje with a request for the arrest and detention of all seven persons indicted. High Court in Bijelo Polje ordered a one-month detention at the request of prosecutors.

Bukovica is an area in the northwest Montenegrin region of Sandžak, and includes 37 villages, with mostly Muslim population. Human rights groups claim that at least eight people were killed and several hundred civilians expelled from the area of Bukovica during the Bosnian war, while hundreds of their houses were destroyed.

ECONOMY

Krgović: Greek crisis does not directly affect Montenegro

Governor of Central Bank of Montenegro (CBCG) Ljubiša Krgović has said that the Greek financial crisis cannot affect Montenegro directly, because there is only one small Greek bank in Montenegro (covering less than one percent of the market). Krgović also said that the export of aluminum, which is a stock exchange commodity, may be routed to another country, other than Greece.

Krgović said that, having in mind that Montenegro does not have its own currency, all the money currently in circulation represents foreign exchange reserves in addition to around 300 million euros that CBCG has on its accounts.

Lukšić began blogging

Montenegrin Vice Prime Minister and Minister of Finance Igor Lukšić is the first Montenegrin official to begin blogging. Lukšić's first blog has been published on the new official Government's portal.

Lukšić wrote that after the first quarter of 2010 it is possible to talk about stabilization of the economy and projections of a slight recovery. The main objective of economic policy for 2009 remains unchanged and stays

providing the full stabilization of the economy, writes Lukšić. This requires securing full solvency of the state budget, continuing restructuring of large companies as a condition for their survival, enabling a start of a new investment cycle which will continue in the years to come and putting into operation the new Investment and Development Fund.

Strengthening of banking activities is one of the necessary conditions to achieve these goals, writes Lukšić and underlines that the Government has a limited opportunity for action in the banking sector. The problem of small and medium enterprises is mainly a problem of solvency, which implies the necessity of creating alternative mechanisms in the banking sector.

Lukšić wrote about the possible arrangement with IMF as well. The situation with the public finances of individual EU member states is concerning and "it indicates a caution and sheds new light on a potential deal with the IMF", wrote Lukšić in his blog, to the Irish Commercial Court, while the trial is scheduled for 20 May writes Irish Times.

CBCG: Net foreign investment down by 8.8%

Net foreign direct investment (FDI), which is the difference between their inflow and outflow, amounted to 55 million

euros in the first two months of 2010, which is 8.8% less than in the same period last year.

According to preliminary figures from the Central Bank of Montenegro (CBCG), the total FDI outflow in the first two months was 7.9 million euros, while the inflow amounted to 63 million euros, 8.1 percent less than the same period last year.

Conditions for the Steel Plant's loan created

Montenegrin Government adopted the Information on modifications of the draft Guarantee Treaty to Credit Suisse Bank for a loan to Nikšić Steel Plant, in the amount of 26.3 million euros.

The amendments have created conditions for the realization of the loan and full control of expenditure of funds, earmarked exclusively for acquiring new equipment and restructuring of the company.

PzP: Stop the farce and altering the route

PzP will offer their projections about the modalities and potential partners in the project of building the Bar-Boljare highway, in the form of amendments to the draft Law on Ratification of Agreement on Economic Cooperation Between the Governments of Montenegro and Serbia.

Emphasizing that the project, as put forward by the regime, takes upon on the shape of a farce, vice president of PzP Branko Radulović said that time showed that all previous projections of PzP concerning the highway construction were correct.

Radulović said that in the hitherto procedure not even minimum professional standards are respected, nor is the basic situation in Montenegro and the overall international financial situation recognized. "Without proper documentation and analysis, tens of kilometers are being added and deleted, along with roundabouts, bridges, intersections, facilities infrastructure and access roads", said Radulović. He added that the Government did not consider environmental protection and the protection of national parks during the construction of the highway.

It is necessary to establish a mixed commission for the construction of the highway, with common principles and details of its activities and work.

Radulović added that it is quite possible that the talk about the construction of the highway is deliberately intensified because of local elections. The "Government is planning on deceiving the electorate in the northern municipalities with the highway story once again", said Radulović.

Negotiations concerning KAP

The realization of social programs for workers of Aluminum Combine Podgorica (KAP) was the main topic of the meeting of Government and KAP Trade union representatives.

Daily *Dan* writes that the meeting concluded that the remaining issues envisaged in the agreement that ended the strike of KAP workers will be resolved by the trade union representatives and the KAP management. It was agreed that in the case of problems in negotiations, the aid of the Minister of Economy Branko Vujović will be asked.

Representatives of trade union emphasized that they will not urge workers to apply for voluntary redundancy. They noted that until the beginning of strike, 73 workers have applied for social program, and that the administration will once again invite employees to apply for voluntary redundancies, according to the social program.

Head of the KAP management Viacheslav Krylov said that the employees of the Aluminum Plan will be offered additional funds along with severance pays, since this facility must be shutdown.

Blue flags for 19 Montenegrin beaches

The international jury of the Blue flag programme, with its

headquarters in Copenhagen, has awarded 19 beaches on the Montenegrin coast with the Blue flag.

Blue flags are awarded annually to the beaches that meet 32 criteria, most of which are binding. This year 3450 Blue flags will be awarded to beaches and marinas in 41 countries of the northern hemisphere.

SOCIETY

Continuation of the health care reform

Health care reform and improving its quality will be continued, announced Minister of Health Miodrag Radunović, after the Government adopted a Master plan for the development of health care for the 2010 – 2013 period.

Master Plan represents the continuity of reforms and policies in the primary health care reform and implementation of 'selected doctors' in all health centers in the territory of Montenegro. "With this document we want to continue the reform of the second and third levels" said Radunović.

This document, as he explained, contains a situational analysis of human and physical resources and equipment, and plans activities for reali-

zation numerous new goals that are outlined.

"Through the monitoring and evaluation of the reform of primary care, dental care and the 'selected doctor' will see did they achieve positive progress in the implementation of this segment of the reform", said Radunović.

Radulović said that the strategic documents also define a possible increase of income of the Fund for health insurance, recalling that the total funding for health care in 2010 amounts to 169 million euros.

Only three verdicts for illegal construction

Since the entry into force of the Law on Amendments to the Criminal Code, from 06 July 2008 until 31 December 2009, the prosecution has received 352 criminal charges for illegal construction, 51 persons were sentenced and but only three cases concluded with valid and binding verdict.

This data comes from the first joint report of the Ministry of Spatial Planning and Environment, Ministry of Justice, Supreme State Prosecution and the Police Directorate.

These institutions signed a Memorandum on cooperation in preventing, detecting and prosecuting perpetrators of crimes against the environment at the end of September 2009.

War criminal could be extradited to Montenegro

According to the first instance decision of the Spanish court, Veselin Vlahović Batko, known as "monster from Grbavica", should be handed over to Montenegro. However the process concerning Vlahović extradition has not been completed since the court has not yet heard the Serbian and Bosnian cases requesting his extradition.

At the hearing before the Central Investigation Court on 20 April, Vlahović expressed objection to being extradited to the authorities of Bosnia and Serbia. In Montenegro Vlahović, also known as Batko, is wanted after escaping from prison in 2001, where he was being held after convictions for robbery.

Spanish police arrested Vlahović in early March this year for a number of crimes, including armed robbery and police assault. In Bosnia, Batko is wanted in relation to alleged war crimes committed in the Sarajevo district of Grbavica in the 1990s. Upon his arrest in Spain, Batko reportedly confessed that he had tortured or killed at least 100 persons.

EU INTEGRATION

Kukan: Montenegro, a country with fewest issues

Chair of the European Parliament's delegation for the Western Balkans Eduard Kukan said that Montenegro is a country with the fewest issues problems in the Western Balkans. He said that Montenegro has a great chance to overtake Macedonia and is the second country in the region on the concerning progress in the process of European integration.

Saying that he will not engage in predictions, Kukan explained that it would be fair to say that Montenegro has a good chance to be one of the first, if not the first country that will follow the path of EU accession after the Croatia. He expects the *Avis* (opinion) of the European Commission on whether Montenegro is ready to become a candidate country to be positive and issued by the end of 2010.

Eduard Kukan met with the Montenegrin Minister for European Integration Gordana Đurović and exchanged views on steps that Montenegro should take on the road to EU.

New EBRD facility to support private sector in Western Balkans

The European Bank for Reconstruction and Development is scaling up its support

for the growth of the private sector in the Western Balkans with a new 110 million euros facility aimed at boosting the competitiveness of local enterprises through improved operations and higher quality products.

Under the new Western Balkans Private Sector Support Facility (WBPSSF), the EBRD will provide credit lines to local banks for on-lending to the private sector. The new framework includes a Sustainable Energy Financing Facility and a Small and Medium Enterprise (SME) Competitiveness Support Facility.

The funding will be used to finance investments in energy efficiency and renewable energy by enterprises and households and to support SMEs' investments necessary to comply with EU health and safety, environment, and product safety and quality standards.

The project will increase the availability of financing to the real economies in the Western Balkans, enabling local business to improve the quality of their operations and their energy efficiency, thus strengthening their competitiveness and ability to gain access to and successfully compete in the EU single market. The project will also help households become more energy efficient, which is particularly important as the prices for natural resources are rising, and will lead to more comfortable housing standards.

The facility is supported by grant funds totaling €22.5 million provided by the EU as part of the 2009 Instrument for Pre-Accession Assistance Crisis Response Package, which includes a comprehensive technical assistance programme to assist sub-borrowers to identify and structure these much needed investments.

“The new Western Balkans Private Sector Support Facility underscores the EBRD’s commitment to supporting environmentally sustainable economic growth in the Western Balkans. The EBRD funds will contribute to setting higher business and environmental standards in the region, supporting these countries’ EU integration objectives,” said Henry Russell, EBRD Director for Small Business Finance and Energy Efficiency.

Rumbold: Fight against corruption and organized crime - a key priority for European integration

An EU-funded twinning project managed by the EU Delegation to Montenegro to help Montenegro to strengthen its capacity to fight organised crime and corruption has been successfully completed after 15 months of project activities.

The overall objective of the completed twinning project worth 1.2 million Euros was

to strengthening the capacity the Montenegrin government to deal with organised crime and corruption. It at the same time helped make significant improvements within the police, Anti-Money Laundering Administration and Directorate for Anti-Corruption Initiative (DACI).

The key results which were achieved include improved inter-agency cooperation in the fight against organised crime, corruption and money laundering, the establishment of surveillance systems, enhanced police efficiency and effectiveness in investigations as well as the establishment of a new anti-money laundering database and integrity plan for the DACI.

Acting Head of the EU Delegation Clive Rumbold said the EU will provide further support to the fight against organised crime and corruption, explaining that this issue is a key priority for the European integration of Montenegro. “Under the IPA 2009 programme the EU will shortly be launching another twinning project with a budget of 1.25 million euro, to give further support to the police in fighting corruption and organised crime,” Rumbold said.

“In addition, under the IPA 2010 programme, the EU will support the implementation of an action plan for the fight against corruption and organized crime. It will be another twinning project with a

budget of 700 thousand euros,” Clive Rumbold said.

The project ‘Fight against Organized Crime and Corruption’ was financed as part of the IPA 2007 programme and implemented by EU partners from Northern Ireland – the Police Service, the Police Ombudsman and Serious Organised Crime Agency officials from Northern Ireland. Fight against organized crime and corruption a key priority of the European Partnership with Montenegro

Head of the Police Directorate Veselin Veljović said that the project was important for the improvement of intelligence and investigation capacity of the criminal police.

He denied accusations that the Montenegrin police deals only with “small fish” in the fight against organized crime and corruption, claiming that even the activities of high ranking government officials were inspected. “That story about large and small fish is simply worn out and has no foundation in real facts”, said Veljović.

He said it was clear that there is political will in the authorized state institutions in Montenegro to eliminate organized crime and corruption.

Đurović: SAA provides conditions for joining the EU by 2014

Minister for European Inte-

Integration Gordana Đurović said that the Stabilization and Association Agreement (SAA) between Montenegro and the European Union which came into force on 01 May, envisages Montenegro to be ready for becoming a member in a five-year period, by 2014.

In an interview to *Portal Analitika*, Đurović said that the ratification process of the Montenegrin SAA lasted less than two and a half years, “which - given the complex parliamentary procedures - can be seen as the success of the Montenegrin foreign policy”.

“SAA was published in the Official Journal of the European Union - L108, with all its provisions, through which we finally become an integral part of the international agreements section of the EU primary legislation and acquired legal status as a state-associate member”, said Đurović.

Asked whether the rapid ratification of the SAA means that Montenegro will soon become EU member, Đurović said that the criteria of accession have become more demanding since the adoption of the Lisbon Treaty and that, although a final decision on accession of new states is a political one, there are numerous measurable results that need to be achieved beforehand.

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

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

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Institute Alternative

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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, team work.

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