

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

Prime Minister in the Parliament

At the session of the Parliament devoted to "Prime Minister's Hour", leader of Movement for Changes Nebojša Medojević criticized the Government's way of conducting economic policy, explaining that Montenegro meets with a unique risk because the majority of Đukanović's strategic partners are faced with criminal charges. Prime Minister denied that information and then resorted to criticizing Medojević. Prime Minister, among else, said that Medojević should be careful when visiting Belgrade, because of the writing he did for a newspaper directly associated with the notorious Zemun clan, responsible for the murder of Serbian Prime Minister Zoran Đinđić.

Leader of Movement for Changes Nebojša Medojević said that Prime Minister directly threatens his security. A year earlier in the Parliament, Prime Minister accused Medojević of creating an atmosphere for his assassination.

Medojević asked Parliament's Speaker Ranko Krivokapić to react because of what he deemed as 'mafia-style threats' of the Prime Minister directed at MPs. "Last time, he implied that we are drug addicts, and now he says that it would be good if someone from the Zemun clan 'sends me a message' ", complained Medojević. However, Krivokapić assessed that there was no threats in Đukanović's answer, deeming the communication between the two as 'usual'.

Leader of NSD Andrija Mandić asked the Prime Minister when will Montenegro finally get to grips with organized crime, "such as the neighbouring states are doing". Mandić said that no 'big fishes' or high level criminals are being arrested or prosecuted, since they are being protected by Montenegrin security services, giving them logistical support and concealment.

The Prime Minister reiterated that Montenegro was not an asylum for persons with criminal warrants and that Montenegrin state agencies are not servicing criminal structures. He accused "certain political figures and me-

dia in Montenegro and the surrounding states of continuously working to create a distorted image of Montenegro and stop the integration of Montenegro into the EU and NATO".

Vice Prime Minister Svetozar Marović said that the Government is ready to comply with international obligations when it comes to extradition of suspects in organized crime. Medojević asked whether the Government investigates the relationship between National Security Agency (ANB) and some criminals from the region. Marović replied that according to his information, such cooperation does not exist.

Rasmussen: Montenegro achieved rapid progress

Since becoming a member of the Partnership for Peace in 2006, Montenegro has achieved rapid progress, said NATO Secretary General Anders Fogh Rasmussen.

At the beginning of the session of the North Atlantic Council (NAC), Rasmussen said that satisfactory progress has been made in reforming

the defense system, as well as the consolidation of institutions. NAC, chaired by Rasmussen, adopted a second report on the implementation of commitments under the Individual Partnership Action Plan (IPAP). Explaining the activities of Montenegro in the two-year period, the Council was addressed by Montenegrin Foreign Affairs Minister Milan Roćen and Defense Minister Boro Vučinić. During the meeting, NATO allies have thanked Montenegro on its contribution to NATO's ISAF mission in Afghanistan, as well as constructive role in achieving regional peace and stability in the Balkans.

"I assure you that we do not only appreciate the Euro-Atlantic aspirations of your country, but are also determined to continue to offer you support," said Rasmussen.

Roćen: Relations with Belgrade could be better

Foreign Affairs Minister Milan Roćen said that Podgorica is not satisfied with the current scale and intensity of political contacts with Serbia, but that he hopes that this issue will be resolved in near future, in the interest of both countries.

"We can not be satisfied with the level and intensity of political contacts at this stage, but we are confident that it can not threaten our own, hopefully mutual, willingness and need to build better rela-

tions in the common interest and strengthen regional stability," said Roćen.

He recalled the invitation of Parliament Speaker Ranko Krivokapić to visit Belgrade and then its cancellation due to unexpected reasons.

Speaking about the reasons for such relations between the two countries while answering the questions of the MPs in the Parliament, Roćen said that Belgrade is, to some extent, slowly getting used to the fact that Montenegro is an independent state.

Answering the question of MPs from SNP to comment on Prime Minister Milo Đukanović's claims about Serbia's interference in the internal affairs of Montenegro, especially during the election process, Roćen said that "the Prime Minister has never spoken about something without a reason, without grounds and arguments".

Roćen deputies said that Montenegro and Kosovo do not have border issues, and to the media have given recent events a tone that does not match the real situation.

He announced that the Ministers of Internal Affairs of Montenegro and Kosovo will meet next week and jointly find a solution for border demarcation.

ECONOMY

Concession for the port in Bijela

The Government will in the near future announce tender for awarding concessions for economic use of the port in Bijela for a period of 30 years, announced the Minister of Transport, Maritime Affairs and Telecommunications Andrija Lompar.

"The Government has adopted the proposal of the Concession Act, which will be available to all investors interested in obtaining long-term concession for the use of the port", said Lompar. Earlier, the Government had several times published tenders for the privatization of the Shipyard in Bijela, offering shares in the company and the concession for the use of infrastructure. However, to no avail, explained Lompar.

Kisenkov: April salaries could be the last

CEO of the Bauxite Mine Igor Kisenkov announced the workers of that company will probably be paid their April salaries. However he said that "in a situation where the company does not work, there is no influx of money, or opportunities for obtaining credit, it is very difficult to resolve everything". It is possi-

It is possible that the April salaries could be the last, said Kisenkov in an interview for *Pobjeda*.

He added that it is possible that some of the suppliers or banks initiate bankruptcy of the Bauxite Mines, because the company is not settling obligations, does not work and the workers are on strike. "If you do not manufacture or sell, but only illegally protest, then I am afraid that we are not far from bankruptcy", said Kisenkov.

The workers of the Bauxite Mines have been on a periodical strike for several months now, and they have recently taken over the administration building, demanding that the employer settles his financial obligations toward them.

The Government enters KAP in July

Minister of Economy Branko Vujović said that the Montenegrin Government will finally enter into the ownership structure of the Aluminum Combine Podgorica (KAP) by the end of July.

In an interview for *Portal Analitika* Vujović revealed that the first move by the Government representatives in the administration of KAP will be tackling the question of long-term and stable supply of electricity.

"The government will suggest owners of KAP to construct

their own source of energy or take one into, but the question is whether the investor is able to provide money for implementation of such a project. We believe that there is no better solution than long-term contracts on supplying KAP with electricity, and certainly the best solution is to have its own source of energy. The existing electricity supply contract between KAP and Montenegrin Electric Enterprise (EPCG) is valid only until 2012. After that, KAP will be left to the market", said Minister of Economy.

According to unofficial sources, EPCG is dissatisfied with the fact that KAP is not paying the bills on time. The total debt has allegedly grown to about 20 million. State annually subsidizes KAP with about 15 million, on account of lower electricity prices compared to the price determined by the Regulatory Agency for Energy.

According to the treaty on settlement, Central European Aluminum Company (CEAC) and the Government will have the same percentage share in the ownership structure of KAP - 29.365%. CEAC will manage KAP's and Bauxite Mines' business and the Government will have a representative in the Board of Directors with the right of veto.

According to unofficial data, KAP owes about 300 million euros, which means that it is in extremely difficult economic situation and it is quite

certain that the it would not be able to maintain production without the support of Montenegrin Government. Budget for 2010 envisaged that the Government issues a guarantee of 85 million for KAP, of which 22 million is for maintaining production, and 63 million to reprogram debts from the previous period.

Resolving the long-term electricity supply for KAP would show that it has a future, concluded Vujović.

Unification of the two stock markets in two months

President of the Atlas group Duško Knežević said that the unification of two Montenegrin stock markets will be completed in the next two months

"We have completed all the formal requirements and now we need to convene the shareholders Assembly and form a single stock market - said Knežević, whose business group controls both Montenegrin stock exchanges.

Shareholders of Nex and Montenegro stock exchanges have adopted a decision on merger in January. Knežević said that after the formation of a single stock exchange, a centralization of capital market will be established, along with better control of the state and greater investor confidence. He added that the stock market will have better contacts

contacts with the region and foreign investors.

Lukšić: We will not issue bonds before September

Vice Prime Minister Igor Lukšić said the state will not issue euro bonds before September because the market remains unstable due to the crisis in Greece and several other European countries.

"In the meantime, we will probably be able to provide an alternative financing that would allow regular servicing of obligations until the issuance of bonds", said Lukšić. He added that the Government is carefully analyzing the situation on the capital market as a result of crisis, together with agents and banks.

Lukšić believes that the best solution is providing funds on the capital market. He believes that this is the way we show that this is a country with a credible economic policy and an attractive destination. Support of the International Monetary Fund to such a policy can additionally reduce risks, said Lukšić.

He has not expressed concern about the public finances, stressing the view that it is most important to implement medium-term budgetary framework, retain public spending and reduce the budget deficit to zero.

SOCIETY

Trafficking in persons report 2010

The U.S. Department of State has published its 10th annual Trafficking in Persons Report. This year's report, which for the first time includes a section on situation in U.S. as well, highlights several key trends, including the suffering of women and children in involuntary domestic servitude, the challenges and successes in identifying and protecting victims, and the need to include anti-trafficking policies in response to natural disasters.

In the section concerning Montenegro, the report states that "Montenegro is a transit, source, and destination country for men, women, and girls who are subjected to trafficking in persons, specifically conditions of forced prostitution and forced labor".

"Trafficking victims are mostly females from Ukraine, Moldova, Serbia, Albania, and Kosovo, who migrate or are smuggled through the country en route to other destinations and subjected to conditions of forced prostitution in Montenegro. Roma children are coerced into organized street begging in the country. According to NGOs and international experts, mainly foreign men and boys are subjected to

forced labor in Montenegro's growing construction industry. Montenegrin women and girls are subjected to forced prostitution within the country and in other Balkan countries; anecdotal reports indicate at least one Montenegrin girl was subjected to conditions of forced prostitution in Serbia during the reporting period. Anecdotal reports in 2009 also indicated some women and girls from Kosovo and other countries in this region are subjected to conditions of forced prostitution in Montenegro. Criminal networks operating in Montenegro's expanding tourism industry are reportedly engaged in trafficking for the purpose forced prostitution."

Questioning Montenegrin Government's official stance that Montenegro does not have a considerable trafficking problem, the Report indicates that the Government does not fully comply with the minimum standards for the elimination of trafficking. "However, it is making significant efforts to do so. Montenegro made some important progress during the reporting period and, for the first time, publically acknowledged a trafficking problem in Montenegro. During 2009, the government improved the referral of some potential victims to providers of victim assistance, took initial steps to address trafficking-related complicity, and implemented anti-trafficking prevention programs aimed at vulnerable

populations in Montenegro.”

Complete text of the Report concerning Montenegro can be found at: <http://www.state.gov/g/tip/rls/tiprpt/2010/142760.htm>

New Head of Internal Control

Minister of Internal Affairs and Public Administration Ministry of Internal Affairs Ivan Brajović decided that the new Head of Department for Internal Control of the Police Directorate is Veselin Šaranović, a long-time, prominent official of the Ministry.

"Veselin Šaranović spent the most of his service working at the Department of State Security, where for many years he was the head of the Administration, while also managing the Special Team for Combating Human Trafficking", was communicated from the Ministry of Internal Affairs.

Agreement between employment agencies of Montenegro and Germany

Cooperation Agreement, which was signed by representatives of the Montenegrin Employment Agency and Employment Agency of Germany, is the right way for Montenegro to prepare for EU membership, said German Ambassador to Montenegro Peter Plate.

He reminded of the good co-operation between the two countries and said that Montenegro has so far been a good partner of Germany. "German Chamber of Commerce supports activities in Montenegro, as well as the German agency for technical cooperation. All these institutions offer Montenegro part of a package of assistance and the better this aid is utilized, the sooner Montenegro will become a candidate country and EU member", said Plate.

Head of the Montenegrin Employment Agency Zoran Jelić said the agreement involves vocational training courses and knowledge innovation, creating new jobs, stimulating entrepreneurship and youth employment. It also deals with the employment of persons with disabilities, minorities and ethnic groups, redundancies and older unemployed persons, said Jelić at the press conference.

Jelić believes that the signing of this agreement is an important event for Montenegro, because its Employing Agency is establishing co-operation with one of the leading recruitment services in the European Union. "By signing this agreement, we become a part of European labor market in the implementation of employment policies with EU standards," explained Jelić.

Member of the Board of the German Agency for Employment, Heinrich Alt, said that many European recruitment

agencies are faced with similar problems. "There is no alternative for employment of persons with disabilities and migrant and our colleagues will work together to achieve better results in this area," said Alt.

'Monster from Grbavica' will be extradited to BiH

Senior Spanish court issued a decision and recommended to the Government of Spain that the war criminal Veselin Vlahović Batko be extradited to Bosnia and Herzegovina.

Veselin Vlahović Batko, who was arrested in Spain after years on the run, has admitted to police that he committed a number of war crimes in Bosnia. Vlahović admitted to the killings of more than 100 persons. Reportedly he also admitted that he tortured and raped victims in Grbavica, a district in Sarajevo.

He was arrested in Spain where he committed a number of crimes, including armed robbery and assault police, as well as using false documents.

Montenegro had also requested Batko's extradition both because of the ongoing war crimes investigation in Bosnia, and because he is on the run after having escaped from prison in Montenegro in 2001. At the time of his escape he was serving a sentence for banditry and violent behavior

related to crimes committed in 1998.

EU INTEGRATION

Montenegro a part of the EU in ten years?

Since its declaration of independence in 2006, Montenegro has made considerable progress towards EU integration and the country's use of the euro has helped it become economically stable and attractive to investors, Zdeněk Sychra, a European studies expert at Masaryk University, told EurActiv portal in an interview.

Sychra expressed doubts that Montenegrin accession to the EU will happen in near future. "The EU has still not absorbed its Eastern enlargement, there are problems connected with absorption capacity and there is also a general distaste among the member states for another quick enlargement. Moreover, Montenegro will be accepted as part of the group of Balkan states, not independently, so it is supposed to wait for other, less-prepared candidates. In my opinion, it will be in about ten years' time."

Stating that Montenegro has achieved unquestionable progress since the the declaration of independence, Sychra said that there are significant issues yet to be resolved. He listed the influence of political

elites upon judicial bodies and public administration; insufficient administrative capacity; organised crime; extensive corruption and insufficient success in the fight against it; excessive centralisation of the decision-making process; the shadow economy; etc.

"Despite the progress, there is still a problem with the practical implementation and application of new reform laws", stated Zdeněk Sychra.

Sychra stated that Montenegro has a good image in the eyes of the member states. "It is appreciated for its gradual and calm transition towards independence, economic reforms, political stability and cooperation so far. In terms of public opinion in the EU, Montenegro is considered as good a candidate as Serbia or Macedonia. It is not viewed like Croatia, which is unequivocally preferred, or Albania, which is not."

He also commented on the issue of Montenegrin unilateral decision on use of euro as a currency: "Euro helped the Montenegrin economy to reach macroeconomics stability and low inflation, and the country has become more attractive and safer for foreign investment". "The European Union does not like to see a unilateral 'euro-isation' process, but can not really do anything to stop it. But I am convinced that EU leaders will not force Montenegro to return to a national currency because this would negatively

affect its economic system", concluded Sychra.

First meeting of the EU – Montenegro SA Council

The Stabilisation and Association Council (SA Council) between the European Union and Montenegro held its first meeting on 14 June 2010. The meeting was chaired by the Spanish State Secretary for the European Union Diego Lopez Garrido, on behalf of the High Representative Catherine Ashton. Montenegro was represented by Foreign Affairs Minister Milan Roćen. The meeting was also attended by Commissioner for Enlargement Stefan Fuele.

The European Union welcomed the holding of the first meeting of the Stabilisation and Association Council between the EU and Montenegro, following entry into force on 01 May 2010 of the Stabilisation and Association Agreement (SAA).

The SA Council reviewed developments related to the political criteria. It noted that Montenegro has continued to make progress in addressing issues related to democracy and the rule of law stating that the Constitution is on the whole implemented effectively. The EU called for further efforts to meet the recommendations of the 2009 ODIHR report, including on minority representation and for the completion of the

2009 ODIHR report, including on minority representation and for the completion of the alignment of the electoral legislation with the Constitution.

The EU encouraged Montenegro to focus particularly on the implementation of legislation enacted and further improve administrative capacity, which remains limited, including for the non-trade related provisions of the SAA and for its implementation. The EU encouraged Montenegro to step up its current efforts on improving administrative capacity and establishing a professional, accountable, transparent and merit-based civil service free of political interference.

The SA Council also reviewed progress on judicial reform, and the EU called upon Montenegro to step up efforts to ensure independence of the judiciary and the prosecution from political influence, as well as to enhance the accountability and efficiency of the judicial system.

The EU considers that corruption and organised crime continue to be particularly serious concerns and called on Montenegro to step up its efforts to effectively implement legislation, strengthen investigation capacities and coordination of law-enforcement agencies. It recalled that greater efforts to establish and empower independent supervisory authorities are necessary.

The EU further highlighted the need to improve awareness of the judiciary about all aspects of human rights violations and added that further efforts are needed in the area of fighting ill-treatment and torture as well as ensuring access to justice for all citizens.

The SA Council noted that Montenegro has achieved some progress on freedom of expression. It welcomed drafting of a set of laws in accordance with the recommendations and conclusions of the EC as well as Montenegro's commitment to further step up its efforts in this area.

The EU encouraged Montenegro to take action to progress on children's rights, to improve trade union representations and social dialogue and to combat discrimination against LGBT persons in line with EU and international standards.

The SA Council was informed by the EU that the bilateral non-surrender agreement of Montenegro with the United States of America is still not in line with relevant EU guiding principles concerning arrangements between a State Party to the Rome Statute of the International Criminal Court and the USA.

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.

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, team work.

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