

ANNEX

MONTENEGRO: 2006 EUROPEAN PARTNERSHIP

3. PRIORITIES

3.2. MEDIUM-TERM PRIORITIES

Political criteria

Democracy and the rule of law

Constitutional issues

- Fully implement the new constitution adopted in line with European standards.

Elections

- Continue providing for high standards regarding the organisation of elections; enforce a transparent framework for campaign financing.

Parliament

- Continue strengthening the capacity of the parliament in all areas, in particular in relation to the adoption of the EU *acquis*.

Public administration

- Further strengthen European integration units in the relevant ministries and coordination mechanisms on EU matters including on SAA and IPA.
- Develop principles, procedures and relevant administrative capacity in view of establishing a decentralised implementation system for management of EU assistance in line with EU requirements.
- Further strengthen the authority for human resources management. Strengthen policy-making process. Continue implementing decentralisation reform.
- Further strengthen transparent recruitment, professionalism and accountability, including through codes of ethics and guidelines.
- Continue the process of restructuring and reform of the armed forces, including, as appropriate, reducing their numbers.

Judicial system

- Ensure adequate functioning of the judicial training centre. Implement the IT strategy for the judiciary.
- Complete the strategic framework for judicial reform; implement the reform plans; implement transparent recruitment and career management procedures; continue upgrading the resources of the judicial system.
- Continue upgrading the efficiency of the prosecution system.
- Continue upgrading the capacity of the Ministry of Justice for international judicial cooperation.

Anti-corruption policy

- Continue with determination the prevention of and fight against corruption at all levels, and provide increased means for prevention and suppression of corruption. Ensure full compliance with the UN Convention on the fight against corruption and with the relevant Council of Europe conventions.
- Establish effective procedures for the detection, treatment and follow-up of cases of suspected fraud and other irregularities affecting national and international funds, including EU funds.

Human rights and the protection of minorities

- Implement the anti-discrimination legislation and legislation on minority rights.
- Continue improving prison conditions.
- Prevent and address ill-treatment by enforcement agencies.

- Ensure the inclusion of disabled or minority children in mainstream education; reform the childcare system.
- Continue to promote integration of minorities and good inter-ethnic relations.
- Continue cooperation with NGOs at government and municipal level.

Regional issues and international obligations

- Facilitate integration for refugees who choose not to return. Implement the national strategy on refugees as part of a comprehensive strategy on social inclusion and social integration.
- Continue implementing regional cooperation arrangements.

Economic criteria

- Strengthen macroeconomic stability by continuing fiscal adjustment and consolidation to further reduce external imbalances.
- Increase efficiency of government expenditure, notably by improving the budgetary process and financial management at central and local government level. Increase capacity for budget preparation and execution to enable prioritisation.
- Ensure a more flexible labour market through a gradual liberalisation.
- Strengthen the business environment to promote the development of the private sector and employment. In particular streamline judicial procedures in commercial matters, especially for bankruptcy cases.
- Design and start applying an integrated research policy to support research and development activities.

European standards

Internal market

Free movement of capital

- Fully liberalise capital movements and payments in line with EU principles.

Free movement of goods

- Further develop standardisation, in particular through the adoption of European standards. Continue transposing the New and Global Approach and Old Approach directives. Establish a market surveillance structure as required by the *acquis*.

Customs and taxation

- Ensure continued approximation of Montenegrin customs and taxation legislation to the *acquis*, and further increase the administrative capacity to implement customs legislation, and to fight against corruption, cross-border crime and fiscal evasion.
- Improve transparency and the exchange of information with the Member States of the European Union in order to facilitate the enforcement of measures preventing the avoidance or evasion of taxes.
- Establish a transparent exchange of information with Member States of the EU and with the Commission of the European Communities in order to strengthen the enforcement measures preventing tax fraud, evasion and avoidance.

Competition

- Continue strengthening the competition authority, including its functional independence.
- Continue strengthening the state aid framework and establish state aid control in line with the requirements of the Stabilisation and Association Agreement.

Public procurement

- Continue strengthening the public procurement regime, including in the utilities sector and in relation to concessions, by further aligning domestic legislation with the *acquis* and by upgrading the administrative capacity of the public procurement agency, the review body and of contracting entities.

- Continue ensuring full transparency of procedures, regardless of the value of the contract concerned, and non-discrimination between Montenegrin and EU suppliers.

Intellectual property law

- Ensure a level of protection similar to that provided by the EU, by aligning fully domestic legislation with the *acquis* on intellectual property rights, and by continuously strengthening administrative capacity and enforcement by all relevant public authorities, including border services, law enforcement agencies and the judiciary.

Financial services

- Establish a comprehensive regulatory and supervisory framework for financial institutions and markets in line with EU principles.

Company law

- Start aligning financial reporting requirements with the *acquis* and ensure their effective enforcement.

Employment and social policies

- Further upgrade the policy formulation and monitoring capacities of the Ministry of Labour and Social Welfare, with emphasis on labour market integration of young people, women and vulnerable groups and on modernising social policies; further upgrade performance management of active employment measures implemented by the Montenegrin employment service.

Sectoral policies

Industry and SMEs

- Ensure the European Charter for Small Enterprises is fully implemented.
- Start introducing regulatory impact assessments. Further improve access to finance and develop business support structures (clusters, incubators, business and technology parks).

Agriculture and fisheries

- Further administrative capacities for policy formulation and implementation in the agricultural and rural development sector. Design and start implementing a rural development policy.
- Strengthen institutional capacity for food safety. Prepare a programme for upgrading food processing establishments to meet EU requirements. Start action with a view to identification of sheep and goats and registration of their movements. Start action to ensure efficient control of domestic plant production, in particular for products subject to specific EU requirements.
- Take measures to ensure that the fisheries policy moves closer to EU standards, in particular in the areas of resource management, inspection and control and in market and structural policies.
- Continue ensuring protection of the geographical indications and designations of origin registered in the Community pursuant to Council Regulation (EC) No 510/2006 and its subsequent amendments. Update the list of protected geographical indications and designations of origin in line with developments of the EU *acquis* in this area.

Environment

- Continue the approximation of Montenegrin legislation to EU legislation and standards, notably legislation on air pollution, water and chemicals.
- Begin implementing the land use plan and the overall environment protection strategy. Begin implementing the sustainable development strategy and other sectoral strategies (integrated coastal zone management, biodiversity, climate change). Ensure a viable financial framework for implementing a mid- to long-term environmental protection policy.
- Ratify and start implementing the Kyoto protocol.

- Continue strengthening the administrative capacity of ministries and bodies in charge of environmental planning, permitting, inspecting, enforcement and monitoring, as well as project management.

Transport policy

- Strengthen capacity building, including project preparation for large investments. Continue to earmark sufficient resources for the maintenance of transport infrastructures and institutions.
- Implement international commitments under International Maritime Organisation Conventions and improve maritime safety conditions of the fleet in the light of the Paris Memorandum of Understanding.

Energy

- Adopt and implement a long term strategy for an environmentally sustainable energy policy.
- Continue to implement regional and international commitments in this area in view of establishing a competitive regional energy market.
- Become party to international nuclear safety conventions to which Euratom is already a Contracting Party.

Information society and media

- Finalise transposition into national legislation of the EU 2002 framework for electronic communications.
- Establish a competitive electronic communications market through progressive implementation of legislation, and by applying competitive safeguards and addressing any existing market entry barriers.
- Maintain the independence of the regulatory authorities and ensure there are sufficient resources and expertise to execute their tasks.
- Fully align legislation to the audiovisual *acquis*.

Financial control

- Develop and implement the principles of decentralised managerial accountability and functionally independent internal audit in accordance with the internationally accepted standards and EU best practice.
- Strengthen the operational capacity, and the functional and financial independence of the State audit Office.
- Develop procedures and administrative capacities to ensure effective protection of the EU's financial interests.

Statistics

- Continue developing reliable economic statistics. Build up institutional capacity to produce and publish basic statistical data harmonised with European standards in the area of business statistics, labour market statistics and national accounts.
- Fully include local government in general government accounts.

Justice, freedom and security

Visa, border control, asylum and migration

- Develop the technical infrastructure and human resource capacities to implement the Integrated Border Management policy, including strengthening the border police and the customs services. Improve cross-border facilitations through new border posts.
- Further align visa policy with EU legislation and practice.

Drugs

- Strengthen inter-agency and international cooperation and further develop the capacity of relevant law enforcement authorities to combat drug trafficking.

Police

- Continue restructuring; ensure accountability; reform police education; ensure cooperation among law enforcement agencies.

Fight against organised crime and terrorism

- Develop an effective system of witness protection, which also incorporates regional elements.
- Reinforce the fight against economic and financial crime (including money-laundering and counterfeiting of currencies), fraud and corruption, and improve the relevant legislation.
- Facilitate the placement of liaison officers, seconded from EU Member States in the relevant state bodies involved in the fight against organised crime. Implement the Palermo Convention and its Protocols on transnational organised crime and the applicable international standards on financial and economic crime.
- Increase administrative and judicial capacity to implement the criminal code as regards organised crime. Further strengthen the unit for the fight against organised crime in the Ministry of the Interior, and ensure coordination of all the enforcement bodies, including the further development of appropriate criminal intelligence capacity.
- Reinforce the fight against economic and financial crime (including the fight against counterfeiting of both cash and non-cash means of payment) and upgrade institutional and administrative capacity to deal with related challenges.

Protection of personal data

- Ensure the smooth functioning of the data protection supervisory authority.
- Ensure the capacity of State authorities, in particular law enforcement bodies, to implement the legislation on protection of personal data.