

ANNEX

MONTENEGRO: 2006 EUROPEAN PARTNERSHIP

3. PRIORITIES

3.2. MEDIUM-TERM PRIORITIES

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.