










Procedure file

Basic information		
INI - Own-initiative procedure	2018/2144(INI)	Procedure completed
2018 Commission report on Montenegro		
Subject 8.20.01 Candidate countries		
Geographical area Montenegro, from 06/2006		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Foreign Affairs		16/05/2018
		 TANNOCK Timothy Charles Ayrton	
		Shadow rapporteur	
		 KOVATCHEV Andrey	
		 ANDROULAKIS Nikos	
		 RADOŠ Jozo	
		 ŠOLTES Igor	
		 CASTALDO Fabio Massimo	
European Commission	Commission DG Neighbourhood and Enlargement Negotiations	Commissioner HAHN Johannes	

Key events			
19/04/2018	Non-legislative basic document published	SWD(2018)0150	Summary
05/07/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
18/10/2018	Committee report tabled for plenary	A8-0339/2018	Summary
28/11/2018	Debate in Parliament		

29/11/2018	Results of vote in Parliament		
29/11/2018	Decision by Parliament	T8-0482/2018	Summary
29/11/2018	End of procedure in Parliament		

Technical information

Procedure reference	2018/2144(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 87-p4
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	AFET/8/13815

Documentation gateway

Non-legislative basic document		SWD(2018)0150	19/04/2018	EC	Summary
Committee draft report		PE623.854	02/07/2018	EP	
Amendments tabled in committee		PE627.007	03/09/2018	EP	
Committee report tabled for plenary, single reading		A8-0339/2018	18/10/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0482/2018	29/11/2018	EP	Summary
Commission response to text adopted in plenary		SP(2019)92	26/03/2019	EC	

2018 Commission report on Montenegro

PURPOSE: to present a Commission staff working document on the Montenegro 2018 report in the context of EU enlargement.

BACKGROUND: Montenegro is currently the most advanced in the negotiation process. Accession negotiations with Montenegro were opened in June 2012. To date 30 negotiating chapters, including the chapters on the rule of law, have been opened, three of which, i.e. science and research, education and culture and external relations, have been provisionally closed.

In June 2017, Montenegro became a member of NATO. Montenegro continued to broadly implement its obligations under the Stabilisation and Association Agreement. Progress towards meeting the interim benchmarks set in the rule of law chapters will be key for further progress in the accession negotiations.

CONTENT: concerning Montenegro's ability to assume to the obligations of membership, important work on alignment and preparation for the implementation of the *acquis* has taken place in most areas. The country has a good level of preparation in areas such as company law and foreign, security and defence policy. It is moderately prepared in many chapters, such as free movement of goods, agriculture, food safety, veterinary and phytosanitary policy. It is at an early stage of preparation regarding fisheries and budgetary and financial provisions, and at some level of preparation in the area of environment and climate change, statistics, social policy and employment.

Good progress has been made in the areas of company law, agriculture and rural development, food safety, veterinary and phytosanitary policy.

Looking ahead, Montenegro should focus in particular on competition policy, environment and climate change and public procurement.

Strengthening the administrative capacity for ensuring the application of the *acquis* remains a substantial challenge for Montenegro. Montenegro has continued to align with all EU common foreign and security policy positions and declarations

IPA II: Montenegro is currently benefitting from pre-accession assistance with an indicative allocation of EUR 270.5 million for the period 2014-2020.

A summary of the main chapters of the report is as follows:

Political and economic dialogue: regular political and economic dialogue between the EU and Montenegro has continued through the SAA structures. However, the reporting period has been marked by the low level of trust towards the electoral framework. The political scene remains fragmented, polarised and marked by lack of political dialogue, notably in the democratic institutions. The parliamentary legislative capacity and the oversight of the executive needs to be further enhanced.

As regards governance, there is a need to strengthen transparency, stakeholders' participation, and the government's capacity to implement reforms.

As regards the economic criteria, Montenegro has made some progress and is moderately prepared in developing a functioning market economy. Macroeconomic and fiscal stability were strengthened but further efforts are required to address persistent challenges, especially the high public debt burden. The financial sector has improved its solvency and liquidity. However, the export base needs to improve in scope and in quality to reduce the trade deficit. Rule of law weaknesses, including unfair competition from the informal economy, negatively impact on the business environment. The labour market faces structural challenges, reflected in low participation and high unemployment rates. SMEs remain confronted with numerous challenges, such as access to finance or regulatory complexity.

Visa liberalisation: further to the adoption of the Schengen action plan in February 2017, Montenegro continued to align its legislation with the EU acquis on visas. Amendments to the Decree on the visa regime were adopted in March 2017, waiving short-stay visa requirements for stays of up to 90 days for nationals of seven Pacific nations that are included in the EU visa-free list. Montenegro needs to align its visa policy progressively with the EUs.

The Commission has been regularly assessing the progress made by the country in implementing reforms introduced under the visa roadmap. The monitoring mechanism also includes an alert mechanism to prevent abuses, coordinated by the European Border and Coast Guard Agency. The Commission has regularly submitted its post-visa liberalisation monitoring reports to the European Parliament and the Council. A readmission agreement between the European Union and Montenegro has been in force since 2008.

Judicial system and corruption: Montenegro's judicial system is moderately prepared and some progress has been made. The legislative framework on the judiciary aimed to increase its independence and professionalism has yet to be fully implemented. Institutional capacity has been strengthened. Montenegro has achieved some level of preparation in the fight against corruption. Despite some progress, corruption is prevalent in many areas and remains an issue of concern. Financial investigations and seizure and confiscation of assets remain to be improved.

In the fight against organised crime, there is an initial track record of prosecutions in the fight against smuggling of migrants and against drug trafficking. However, further results are needed to produce a convincing track record, in particular in the fight against money laundering and trafficking in human beings.

Fundamental rights: Montenegro further aligned its legislation with EU standards. Following the progress made on anti-discrimination legislation, Montenegro now needs to ensure that adequate institutional mechanisms are in place to protect vulnerable groups from discrimination. Implementation of the legislation remains weak and institutional capacity on human rights needs to be increased. The Roma minority remains the most vulnerable and most discriminated community. Gender-based violence and violence against children remains a serious concern in the country.

Freedom of expression: Montenegro has achieved some level of preparation on freedom of expression, but no progress was made in the reporting period. There have been no notable developments regarding investigations into old cases of violence against journalists. Recent political interference in the national public broadcaster Council and the Agency for Electronic Media are a matter of serious concern. The media scene remains highly polarised and challenges in understanding the role of free media persists.

2018 Commission report on Montenegro

The Committee on Foreign Affairs adopted an own-initiative report by Charles TANNOCK (ECR, UK) on the 2018 Commission report on Montenegro.

Members welcomed the continued engagement of Montenegro in the EU integration process and the Commission's assessment in its [Communication](#) of 6 February 2018 on the Western Balkans that, with strong political will, real and decisive reforms and the settlement of disputes with its neighbours, Montenegro could potentially be ready for membership by 2025.

Democratisation: Members welcomed the fact that most opposition parties have returned to parliament after a long parliamentary boycott. They invited all other political parties to return to parliament and to make more concerted efforts to bring about genuine political dialogue in order to ensure that it has the means to fully play its role of legislator and oversight, thereby restoring a functioning democratic process.

Members called for the implementation of legislation on the public and political participation of women and minorities, in particular Roma, and called on political leaders to focus as a matter of priority on the persistent challenges in tackling problems relating to the rule of law, freedom of the media, corruption, money laundering, organised crime and the resulting violence.

Rule of law: Members considered that the prevention of corruption, including through appropriate sanctions, should be encouraged and remaining obstacles removed in order to make the institutions responsible for corruption fully independent. They invited Montenegro to:

- improve trust in the anti-corruption agency and improve its reputation;
- improve the transparency of public administration and the exchange of information for a more citizen-friendly, professional and de-politicised public administration;
- strengthen the independence, transparency, accountability, professionalism and efficiency of judicial institutions through the establishment of safeguards against political interference, the application of codes of conduct and disciplinary measures;
- take forward judicial proceedings concerning the allegations of the attempted October 2016 coup by ensuring full judicial cooperation with third countries;
- adopt more robust preventative action, including the use of non-conviction-based asset forfeiture;
- step up efforts to ensure the effective protection of property rights.

Border management and migration: the report encouraged Montenegro to work more closely with the European Border and Coast Guard Agency to improve border management in line with European standards, combat irregular migration and disrupt migrant smuggling networks. It calls for intensified efforts to prevent and dismantle organised criminal networks related to trafficking in human beings and drug or tobacco trafficking. Particular attention should be paid to the prevention of forced and organised prostitution and child begging.

Media: concerned about the situation regarding freedom of expression and freedom of the media, Members called for the implementation of new measures guaranteeing the independence of the media and journalists as well as the introduction of safeguards against unwarranted

political and commercial influences and ensuring full transparency in state advertising in the media.

Civil society and human rights: the report strongly condemned recent acts of intimidation against Civil Society Organisations (CSOs) and called for increased attention to be paid to the development and implementation of legislation in areas related to civil society space.

Members called for effective implementation of fundamental rights policies, particularly in the field of gender equality, the right of people with disabilities to be included in society, childrens rights and the rights of Roma people.

They called for necessary measures to prevent forced child marriages and to ensure free legal aid to women victims of gender-based violence. They also called for respect for the multi-ethnic identity of Kotor Bay and for additional efforts to protect it.

Economy, social policy, employment and education: Members welcomed Montenegro's progress on macroeconomic stability and fiscal consolidation, and called for budgetary transparency and the creation of a good employment and business environment. They also called for accelerating the roll-out of broadband access for businesses and households and reducing the currently high long-term youth unemployment rate and amongst women.

Environment, energy and transport: recalling that, in accordance with Article 1 of its Constitution, Montenegro is an ecological state, Members welcomed the positive development of the continued alignment of Montenegro's national legislation on environment and climate change with the acquis. They welcomed the possibility of opening Chapter 27 of the acquis again this year under the negotiations with Montenegro but called on the authorities to better protect the most valuable areas, including biodiversity, and to review in particular hotel and hydropower projects.

Members welcomed Montenegro's intention to set up the European Union's Emissions Trading Scheme (ETS) over the next three years and the adoption of secondary legislation on fuel economy and emissions from new cars.

Regional cooperation and good neighbourly relations: Members welcomed Montenegro's continued efforts to ensure constructive regional cooperation and good bilateral relations with its neighbours. They welcomed the ratification of the State border agreement between Montenegro and Kosovo and called for the speedy conclusion of agreements to settle outstanding border disputes with other neighbouring countries.

Members called on Montenegro to step up its efforts to prioritise and punish war crimes and clarify the fate of missing persons. They also called for increased cooperation between Montenegro and the European Union in the fight against cybercrime and cyber defence.

2018 Commission report on Montenegro

The European Parliament adopted by 484 votes to 80 with 63 abstentions a resolution on the 2018 Commission report on Montenegro.

Members welcomed the Commission's assessment in its [Communication](#) of 6 February 2018 that, with strong political will, real and decisive reforms and the settlement of disputes with its neighbours, Montenegro could potentially be ready for membership by 2025. They underlined, however, that the implementation and application of reforms remain a key indicator of successful integration. Montenegro was asked to ensure the timely implementation of interim benchmarks for chapters 23 and 24. Parliament called on the Commission and the Council to ensure adequate provision in the next multiannual financial framework (MFF) to cater for Montenegros possible accession to the European Union.

Democratisation: the resolution welcomed the fact that most opposition parties have returned to parliament after a long parliamentary boycott and invited all other political parties to do the same and to make more concerted efforts to bring about genuine political dialogue in order to ensure that it has the means to fully play its role of legislator and oversight, thereby restoring a functioning democratic process.

Members called for the implementation of legislation on the public and political participation of women and minorities, in particular Roma, and called on political leaders to focus on the persistent challenges in tackling problems relating to the rule of law, freedom of the media, corruption, money laundering, organised crime and the resulting violence.

Rule of law: Parliament considered that the prevention of corruption, together with appropriate sanctions, should be encouraged and remaining obstacles removed in order to make the institutions responsible for corruption fully independent. It expressed concern about the increasing instances of violence and assassinations linked to organised crime, calling for more robust preventative action, including the use of non-conviction-based asset forfeiture. Montenegros track record on high-level corruption cases, whilst improving, must be further strengthened, particularly in money laundering and human trafficking. In addition, particular attention should be paid to the prevention of forced and organised prostitution and child begging.

Parliament invited Montenegro to:

- improve the transparency of public administration and the exchange of information for a more citizen-friendly, professional and de-politicised public administration;
- strengthen the independence, transparency, accountability, professionalism and efficiency of judicial institutions through the establishment of safeguards against political interference, the application of codes of conduct and disciplinary measures;
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Border management and migration: Parliament encouraged Montenegro to work more closely with the European Border and Coast Guard Agency to improve border management in line with European standards, combat irregular migration and disrupt migrant smuggling networks. It calls for intensified efforts to dismantle organised criminal networks related to trafficking in human beings and drug or tobacco trafficking.

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Economy, social policy, employment and education: Members welcomed Montenegro's progress on macroeconomic stability and fiscal consolidation, and called for budgetary transparency and the creation of a good employment and business environment. They also called for accelerating the roll-out of broadband access for businesses and households and reducing the currently high long-term youth unemployment rate and amongst women.

Environment, energy and transport: Parliament welcomed the positive development of the continued alignment of Montenegro's national legislation on environment and climate change with the *acquis*. They welcomed the possibility of opening Chapter 27 of the *acquis* again this year under the negotiations with Montenegro but called on the authorities to better protect the most valuable areas and to review in particular hotel and hydropower projects.

The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) were asked to review its support for hydropower plant projects, and to withdraw funding for all projects which are undertaken in protected areas or lack sound ex-ante environmental impact assessments. In addition, Parliament stressed the need for timely and accurate information on the impact of the highway construction on the river Tara to be made available to a wide public, as well as for the cessation of all activities of waste dumping and riverbed alteration.

Regional cooperation and good neighbourly relations: Parliament welcomed the ratification of the State border agreement between Montenegro and Kosovo and called for the speedy conclusion of agreements to settle outstanding border disputes with other neighbouring countries.

It called on Montenegro to step up its efforts to prioritise and punish war crimes and clarify the fate of missing persons, stressing that, despite adopting four documents on war crime investigation strategy, the state prosecution service has not opened new inquiries, started new proceedings, or brought new charges. Parliament underlined its support for the initiative to establish the Regional Commission for the Establishment of Facts about War Crimes and Other Serious Violations of Human Rights Committed in the Former Yugoslavia.