

# THE FIRST PROGRESS REPORT ON THE IMPLEMENTATION OF THE NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY OF MONTENEGRO

for the period April 2007 - March 2008







GOVERNMENT OF MONTENEGRO  
Office for Sustainable Development

**The First Progress Report on the  
Implementation of  
the National Sustainable Development  
Strategy of Montenegro**

for the period April 2007 – March 2008

June 2008



## TABLE OF CONTENTS

### Part I – Progress report on the NSSD implementation

List of abbreviations and acronyms .....	3
1. THE PROCESS OF PREPARATION OF THE FIRST PROGRESS REPORT IN THE IMPLEMENTATION OF THE NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY .....	6
1.1 National sustainable development strategy: basic principles, adoption and importance of the document .....	7
1.2 Steps in the preparation of the Report.....	8
1.3 Structure of the Report.....	11
2. OVERVIEW BY NSSD AREAS .....	12
2.1 Economic development.....	13
2.1.1 Macroeconomic trends.....	13
2.1.2 Regional development and employment.....	14
2.1.3 Transport .....	16
2.1.4 Tourism.....	17
2.1.5 Agriculture and rural development.....	19
2.1.6 Energy sector.....	20
2.1.7 Industry .....	22
2.1.8 New technologies.....	23
2.2 Environment and natural resources.....	25
2.2.1 Protection of biodiversity and preservation of natural values (especially in the protected areas).....	25
2.2.2 Water.....	26
2.2.3 Air .....	28
2.2.4 Land.....	29
2.2.5 Forests .....	30
2.2.6 Environmental management system.....	31
2.2.7 Spatial planning .....	32
2.2.8 Sea and coastal zone.....	33
2.2.9 Climate change and protection of the ozone layer .....	35
2.2.10 Waste .....	36
2.3 Social development.....	37
2.3.1 Governance and public participation in decision-making.....	37
2.3.2 Education.....	40
2.3.3 Health .....	42
2.3.4 Equality and social protection.....	43
2.3.5 Culture and media .....	45
2.3.6 Urban development.....	46
3. DEVELOPMENT OF THE PARTICIPATORY PROCESS AND MONITORING OF NSSD IMPLEMENTATION .....	47
4. FINANCING OF NSSD IMPLEMENTATION .....	51
5. OVERVIEW OF THE PROGRESS ASSESSMENTS AND RECOMMENDATIONS FOR FURTHER PROCESS OF NSSD IMPLEMENTATION.....	55
Appendix 1: Sources used in the preparation of inputs .....	60
<b>Part II - Overview of the implementation of measures from the Action Plan.....</b>	<b>63</b>



## LIST OF ABBREVIATIONS AND ACRONYMS

- ADA – Austrian Development Agency
- AMIS – Agrarian Market Information System
- AP – Action Plan
- CAMP Montenegro – Coastal Area Management Program Montenegro
- CB – Central Bank
- CDM – Clean Development Mechanism
- CGF – Credit Guarantee Fund
- CETI – Center for eco-toxicological research
- CFC – Chlorofluorocarbon
- CFCU – Central Financing and Contracting Unit
- CHF – NGO Cooperative Housing Foundation
- DIS – Decentralized implementation system
- DUP – Detailed urban plan
- EA – Employment Agency
- EAR – European Agency for Reconstruction
- EBRD – European Bank for Reconstruction and Development
- EC – European Commission
- EE – Energy efficiency
- EEA – European Environment Agency
- EIA – Environmental Impact Assessment
- EIB – European Investment Bank
- EMAS – Eco-Management and Audit Scheme
- EPCG – Electric Power Company of Montenegro
- EU – European Union
- FDI – Foreign Direct Investments
- FODEMO – Project for forestry development in Montenegro, implemented by the Government of Luxemburg
- FP7 – EU Seventh Program for research and technological development
- GEF – Global Environmental Fund
- GDP – Gross Domestic Product
- GIS – Geographic Informational System
- GTZ – German Agency for Technical Cooperation
- HACCP – Hazard Analysis and Critical Control Points

HPP – Small hydropower plants  
HRMA – Human Resource Management Agency  
IBRD – International Bank for Reconstruction and Development  
IMF – International Monetary Fund  
IPA – Instruments for Pre-accession Assistance (EU)  
IPARD – Instrument for Pre-accession Assistance for Rural Development  
IPPC – Integrated Pollution Prevention & Control  
IRD – NGO International Relief and Development  
IUCN – International Union for Conservation of Nature  
KAP – Aluminum Factory Podgorica  
MAP – Mediterranean Action Plan  
MAFWM – Ministry of agriculture, forestry and water management  
MAP – Multi Annual Plan  
MARPOL – International Convention for the Prevention of Pollution from Ships  
MCSM – Ministry of culture, sports and media  
MED – Ministry of Economic Development  
MES – Ministry of education and science  
MHLSW – Ministry of health, labor and social welfare  
MMTT – Ministry of maritime, transport and telecommunications  
MoF – Ministry of Finance  
MEDPOL – The marine pollution assessment and control component of MAP  
Monstat – Statistics Bureau of Montenegro  
MTEP – Ministry of Tourism and Environmental Protection  
NATO – North Atlantic Treaty Organization  
NCSD – National Council for Sustainable Development  
NF – National Fund  
NGO – Non-governmental organization  
NMMN – National Museum of Montenegro  
NPI – National Program for Integration to the EU  
NSICZM – National Strategy of Integrated Coastal Zone Management  
NSSD – National Sustainable Development Strategy  
ODA – Official Development Assistance  
OSD – Office for Sustainable Development  
PE – Public enterprise  
REC – Regional Environment Center



SAA – Stabilization and Association Agreement  
SEA – Strategic Environmental Assessment  
SME – Small and medium size enterprises  
SPM – Spatial plans of the municipalities  
SPMN – Spatial Plan of Montenegro  
SPSPA – Spatial plan for the special purposes areas  
UN – United Nations  
UNCCD – United Nations Convention to Combat Desertification  
UNDP – United Nations Development Program  
UNECE – United Nations Economic Commission for Europe  
UNESCO – United Nations Educational, Scientific and Cultural Organization  
UNFCCC – United Nations Framework Convention on Climate Change  
UNIDO – United Nations Industrial Development Organization  
UNWTO – United Nations World Tourism Organization  
USAID – United States Agency for International Development  
VAT – Value Added Tax  
WFD – Water Framework Directive  
WIPO – World Intellectual Property Organization

# 1.

THE PROCESS OF  
PREPARATION OF  
THE FIRST  
PROGRESS REPORT  
IN THE  
IMPLEMENTATION  
OF THE NATIONAL  
SUSTAINABLE  
DEVELOPMENT  
STRATEGY



## **1.1 National sustainable development strategy: basic principles, adoption and importance of the document**

The National sustainable development strategy (NSSD) was prepared through the participatory process, based on global values and principles defined in the Rio Declaration and Agenda 21, Johannesburg Declaration and Implementation plan, as well as the UN Millennium Declaration. The Strategy is compatible with the EU and the Mediterranean sustainable development strategies. NSSD was adopted by the Government of Montenegro in April 2007.

Some of the key principles of the Strategy, as well as challenges for sustainable development of Montenegro, which were identified in this document, are presented in the following two quotations of the text of the NSSD:

“One of the key challenges is implementation and acceleration of economic reforms and ensuring a balanced economic development; closely related are challenges of improving the living standard and reducing poverty. Integration of the sustainability requirements into development policies will represent a special challenge, given the poor experiences so far. In some cases, this challenge will be more pronounced due to the uncertainty and lack of information necessary for the decision making process. Raising the awareness and capacity building for the implementation of the concept of sustainable development are, for these reasons, of the utmost importance. Changes in the governance system (improved co-operation, co-ordination and consultations between various sectors – within the government, as well as between the government and the private and civil sectors), represent another important challenge (at the same time, this is a prerequisite for sustainable development of the society). Besides these, significant challenges are also related to the processes of European integration and globalization, and there is a need to improve regional co-operation so that it contributes to the achievement of the sustainable development goals”.

“In order to secure sustainable development of a society, it is necessary to take a comprehensive approach in managing complex social processes, and to provide for a careful balancing of economic, social and goals related to the protection of the environment and natural resources. Sustainable development also requires engagement of all the stakeholders and permanent dialogue in order to overcome/avoid the patterns of unsustainable growth and development while securing final results that will be of the highest benefits to the society as a whole, taking into account the future and the next generations”.

Starting from this understanding of sustainability, the Montenegrin development context and the principles and visions of sustainable development, the Strategy defined the following general goals:

1. Accelerate economic growth and development, and reduce regional development disparities;
2. Reduce poverty; ensure equitable access to services and resources;
3. Ensure efficient pollution control and reduction, and sustainable management of natural resources;
4. Improve governance system and public participation; mobilise all stakeholders, and build capacities at all levels;
5. Preserve cultural diversity and identities.

The importance of the Strategy is primarily the fact that it represents an expression of a consensus among a wide circle of social actors regarding the priorities of sustainable development in Montenegro, and the fact that its implementation can contribute to the realization of the goals of the country in the EU integration process. For most of the areas, for example, the priority objectives and measures identified in the Strategy are the same as the recommendations contained in the European Partnership<sup>1</sup> for Montenegro. Within the recommendations related to the environment, the European Partnership document says, among other things, that it is necessary to do the following:

- Initiate the implementation of the Sustainable Development Strategy and sector strategies (integrated coastal zone management, biodiversity, climate change); and
- Secure sustainable financial framework for implementation of the mid-term and long-term environmental protection policy.

The Second UNECE<sup>2</sup> overview of the situation in the field of environment for Montenegro speaks also about the importance of NSSD:

“If the National Sustainable Development Strategy is given high legal and political profile, it could play an important role in strategic planning and ensuring efficient use of limited resources. In that case, as a strong framework starting point, the Strategy could ensure the principle of long-term sustainability not to be subjected to short-term economic interests, which is a concern that the Montenegrin non-governmental organizations have expressed”.

UNECE Overview of the situation in the environment sector recommends to the Government of Montenegro to harmonize sector strategies and action plans with the NSSD priorities and objectives.

## **1.2 Steps in the preparation of the Report**

Besides the general goals, NSSD defined the priority tasks for each of the 24 areas which are analyzed in detail within the three components (pillars) of sustainable development: economic development, environment and natural resources, and social development. The measures for realization of the priority tasks are contained in the first Action plan (AP) of the Strategy that relates to the period 2007-2012.

NSSD stipulates that the progress in the achievement of the sustainable development objectives will be monitored through regular annual reports, which will be prepared by the Office for Sustainable Development (OSD), with the support of the Ministry of Tourism and Environmental Protection (MTEP), and in cooperation with the other relevant ministries and other Government authorities and institutions. It is projected that the reports will be deliberated by the National Sustainable Development Council and then delivered to the Government. In the end of the three-year period (late 2010), it is projected to prepare a detailed progress report about NSSD implementation, with changes to and amendments of the Action plan. Thorough document review is planned for late 2012.

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1) See, e.g. recommendations of the Partnership regarding civil service, judiciary, anti-corruption policy, agriculture and fishery, environment, and others.

2) United Nations Economic Commission for Europe.

One of the NSSD recommendations in the part related to the monitoring and evaluation of implementation was to appoint in the key ministries, other Government authorities and institutions, as well as the public institutions that act as the bearers of a larger number of measures defined in the NSSD Action Plan, the contact persons that would have continuous communication with the Office for Sustainable Development and monitor together the progress in Strategy implementation.

Having in mind that such a network of contact persons is not established during the first year, and stemming from the projected responsibility for the preparation of the progress report regarding the Strategy implementation, in early February 2008, OSD initiated this process by contacting several ministries (key implementers of the measures contained in the Strategy AP), and asking for appointment of the Coordinators for the preparation of the First Progress Report regarding the NSSD implementation. The Office also hired an external consultant to assist in the preparation of the Report.

During the month of February 2008, the coordinators for the areas covered by NSSD and for the financial issues were appointed. Their role was to ensure the collection of information and preparation of materials for the Report, in accordance with the agreed methodology and pace. The Ministry of Economic Development (MED) appointed three coordinators for: 1) macroeconomic issues, regional development and employment, and industry; 2) energy sector and 3) spatial planning and urban development; while the Ministry of agriculture, forestry and water management (MAFWM)/ the Water Directorate appointed the coordinators for: 1) agriculture and rural development; 2) forests and 3) water. MTEP appointed two coordinators, who organized the preparation of inputs for the areas of: 1) tourism and 2) biodiversity and nature protection, air, land, environmental management system, sea and coastal zone, climate change, waste and new technologies (as well as part of the inputs regarding industry related to the environmental protection). Other ministries appointed one coordinator each, and those were the Ministry of health, labor and social welfare (MHLSW) for the areas of equality and social protection and health; the Ministry of maritime, transport and telecommunications (MMTT) for the area of transport; the Ministry of education and science (MES) for the area of education; and the Ministry of culture, sports and media (MCSM) for the area of culture and media. The coordinator from the Ministry of Finance (MoF) processed the issue of Strategy financing and delivered information regarding the macroeconomic trends and a certain number of general indicators. In the field of governance and participation, as well as the other general areas in the Strategy (participatory process development, monitoring and evaluation of implementation, etc), the initial materials for this Report were prepared by the consultant, OSD and MTEP.

The methodology, that is, the directions for the manner of preparation of the individual reports were defined by the external consultant, OSD and MTEP. It was suggested that the individual reports should contain a short narrative part and the tabular overview, with the assessment of status/ progress in implementation of AP measures, with available indicators and relevant comments. Regarding the narrative part of the Report, it was suggested to make it concise, objective (unbiased) and informative, and to present the achieved progress with regarding to the tasks defined in the Strategy (to identify success), that is, to indicate lack of progress (to identify problems and challenges). Among other things, the narrative part was supposed to give answers to the following questions:

- Which projects and measures have been implemented and initiated in order to realize the projected tasks?
- Which measures or issues did not result in any progress, and which ones are being delayed or which one caused drawbacks (if there are any), with the short, but clear explanation of the reasons?
- What are the main problems in the implementation of NSSD tasks and what are the challenges in the upcoming period?

It was also proposed, whenever possible, to include for the NSSD areas the statistical data and indicators that can support the assessments made.

Regarding the Action plan, it was proposed to assess the status of each measure in the Action plan with one of the following five categories: fully implemented, mostly implemented, implemented to a small extent, preparations and no activities. The intention with the use of these categories was to get the assessment for the reporting period (April 2007-March 2008). Again, in case of the Action plan the emphasis was put on the indicators, by suggesting to the persons preparing individual reports to give values to the indicators defined in the Strategy AP (that is, to the alternative indicators if the first ones are not available or if better ones exist).

Such an approach that involves the so-called “quick assessment” has some shortcomings, but in the given circumstances, it was considered to be the most appropriate, in order not to miss out the opportunity to implement the recommendations of the Strategy regarding the pace of preparation of the regular annual reports. Certainly, this type of progress appraisal should be improved for later reports, that is, the detailed report in 2010 (at least) should apply a more detailed and more thorough analysis.

Overview of the implemented activities in the preparation of the Report is given in the table below:

Activities	March 2008 (weeks 1-4)				April (weeks 1 - 5)					May	June
	1	2	3	4	1	2	3	4	5		
Meeting with the coordinators regarding the manner of preparation of the Report		X									
Preparation of individual contributions			X	X	X						
Preparation of the unified Report						X	X				
Translation of the Report, preparation of the Council session						X	X				
Session of the SD Council								X			
Consultations/Comments of the Council members								X	X	X	
Final version of the Report										X	X
Council session/adoption											X

The contributions for individual areas have been collected as of the first week of April. For a minor number of measures from the Action plan, complete information has not been provided.<sup>3</sup> Synthesis of individual contributions into the Draft Report has been

3) These measures are marked in the tabular overview as “No information” or “No assessment”.

made by the OSD consultant; the consultant analyzed also the materials collected and gave recommendations for the future process of NSSD implementation. The Draft Report was presented at the XIII session of the National Council for Sustainable Development (NCSD) in April 2008.

Consultations regarding the Draft Report with the Sustainable Development Council members and other stakeholders lasted until mid-May 2008. In this period, the OSD did not receive any comments/suggestions regarding the presented draft Report, and it proceeded to the preparation of this final draft Report, which will be presented at the June session of the NCSD and, subsequently, submitted to the government for adoption.

### **1.3 Structure of the Report**

The introductory remarks regarding the NSSD and the description of the process of preparation of the Progress Report regarding the implementation, are the subject matter of this first chapter. Chapter 2 contains an overview of the main activities and the development of situation regarding each of the 24 NSSD areas, while Chapter 3 gives the assessment regarding the implementation of the Strategy recommendations regarding the development of the participatory process and monitoring and evaluation of the implementation. NSSD financing is topic of Chapter 4 of the Report, while Chapter 5 gives a short analysis of the Strategy implementation progress appraisal, with the recommendations for the upcoming period.

The overview of the implementation of measures from the Action plan, with assessment, indicators and comments, is presented in Part II of the Draft Report.

The sources used in the preparation of the Report (for areas in which this kind of information was provided) are given in Annex 1.

# 2.

## OVERVIEW BY NSSD AREAS





The overview of the progress made in the NSSD implementation, given in this Chapter, has been prepared on the basis of the individual contributions submitted by the coordinators; part 2.3.1 - governance and public participation in decision-making – has been prepared by the OSD consultant on the basis of the available information.

## **2.1 Economic development**

### **2.1.1 Macroeconomic trends**

#### **Priority NSSD task**

- 1. Stimulate the development of service economy (tourism, maritime transport, etc) (general goal 1)**

In 2006, **positive** macroeconomic trends have been achieved. According to the preliminary Monstat data, nominal GDP for 2006 is 2.148,9 mil. €, or 3.442 € per capita. Real GDP growth has been achieved at the rate of 8,6%, the inflation rate is low - 2,1%, and the total public debt represents only 32,63 % of GDP. There is also a low unemployment rate of 14,6% (based on the officially registered number of the unemployed). The consolidated public expenditures are 841,21 mil. €, which is 39,15% of GDP.

According to data from the Bulletin (for January 2008) of the Central Bank of Montenegro, positive trends continued in 2007. Estimated GDP was 2.278 mill €, further reduction of unemployment took place and the budgetary surplus was achieved. The inflation was a bit higher than in previous years – average rate (measured by the living costs index) was 4,2%.

Regarding the priority NSSD task for this area and the measures stipulated in the AP, especially relevant is the data<sup>4</sup> regarding the increase in tourism turnover and inflow of foreign direct investments. The total number of tourist arrivals to Montenegro in 2007 was 1.13 million and increased by 18.8% as compared to 2006; the number of overnight stays increased by approx. 23% (to 7,29 million). According to the preliminary data, total inflow of foreign direct investments (FDI) in 2007 was 1.007,7 million EUR, which is 56,4% more than in 2006. Out of the total inflow, 51% of investments were real estate investments. Net foreign direct investments (inflow minus outflow) amounted to 524,9 million EUR, which is an increase of 12,5% as compared to 2006.

Among the concrete implemented measures that lead to the realization of the priority NSSD task in this area, reduction of VAT rate for tourism accommodation services from 17% to 7% (through the changes and amendments to the Law on VAT adopted in 2006) should be especially emphasized, as well as the introduction of tax relieves for entrepreneurs (from the beginning of 2008). It was assessed that the reduction of VAT rate resulted in the increase of competitiveness of the Montenegrin tourism sector, and worked as an incentive for tourism development. Share of tourism in GDP increased to approximately 20%.

4) Podaci u ovom pasusu su iz Biltena Centralne banke.

When it comes to measures to encourage the development of maritime activities, the Government prepared and adopted the Study of economic justification of investments into purchase of ships for the Shareholding company “Crnogorska plovidba”, the Program of restructuring of the Port of Bar has been delivered to the Government for adoption, and the activities regarding the purchase of ships for “Crnogorska plovidba” have been defined in more concrete terms.

Activities regarding the attraction of FDI have been implemented continuously and represent one of the most important instruments that the national economy uses to encourage production, imports of know-how, increase in employment, development of infrastructure, poverty reduction, etc. The FDI characteristics in Montenegro, in the previous period, have been mostly compatible with the investments in the region, from the aspect of investment structure, as well as from the aspect of investors origin and type of investments. These were investments made mostly through various forms of privatization, with a small share of “Greenfield” investments, as well as a significant FDI inflow in the telecommunications sector (infrastructure) and the banking sector. In the past few years, with the reduction of the political risks and the establishment of clearer framework of property rights, it can be noted that there has been an FDI increase in all sectors, especially in the service and real estate sectors.

### 2.1.2 Regional development and employment

#### Priority NSSD task

1. SME development and increase of employment; priority is the northern region, i.e. the development of mountain and eco-tourism, food production (especially the healthy food), and sustainable forestry
2. Improving the infrastructure (transport, water supply and sewage, electricity supply) as a precondition for development.<sup>5</sup>

Incentives for entrepreneurship, development of small and medium size enterprises (especially in tourism and agriculture), the self-employment and employment programs are provided through the activities of the Directorate for SME development, which managed the following projects so far:

- Encouraging competitive capacities of the local companies (project fully implemented in 2004/2005; 53 projects supported, with the total value of credits amounting to 5,136 mil. €);
- Incentives for entrepreneurship (project fully implemented in 2006, 102 projects supported, total value of 3,392 mil. €);
- Incentives for competitiveness and exports (project fully implemented in 2007, 41 projects of the total value of credits amounting to 3,133 mil.€);
- Incentives for successful companies has been renamed into the Selection of the best company and has been fully implemented in 2005 and 2006 (1 first-ranking company and 10 best companies in 2005, and 3 first-ranking companies out of 12 short-listed ones in 2006), implementation of the project for 2007 is underway.

5) The measures that fall under this task are discussed in detail in other areas such as transport, water (water supply), and similar.

MTEP supports a set of projects and activities, including the project “Hiking and biking” that is in the final stage, as well as the projects in the implementation phase or the planning phase, related to the development of summer sports and “light winter” activities, establishment of info-centers in the national parks, organization of thematic/natural trails, revitalization of summer pastures, development of various regional products, construction of the mountaineering house in Kolasin, training of tourist guides, reconstruction of restaurants in Zabljak, and other.

The human resource development is especially accentuated within the project “Labor market reform and labor force development”, and in the document “Development of human resources – Montenegro 2017”. This document defines the strategic steps that need to be undertaken by 2017 regarding the development of human resources and needs of the labor market. The concrete contribution to the development of human resources is also given by the projects implemented by MES together with GTZ (German Agency for Technical Cooperation), aimed at improving vocational education, as well as numerous training programs organized by the Employment Agency, for the identified employer, as well as within the preparations for the labor market. According to the Employment Agency (EA) data, number of the unemployed with university education in the end of 2006 was 1.843, and in the end of 2007 it was 2.149. The training process in 2006 included 571 unemployed persons and last year – 734 persons.

The program for employment of trainees has been mostly implemented. The number of employed trainees in 2006 was 1.223 (with the additional 327 trainees according to the program “Chance for youth”), and in 2007 – 1.182 trainees. The number of employed persons through the public works program in 2006 was 896, and in 2007 it was 993.

The program of employment of persons with disability was implemented to a small extent. The approval of credits for self-employment in 2006 resulted in the employment of 12 persons, and in 2007 – 7 persons were employed in this way.

Creation of new jobs and increase in adaptability of companies – solving the problem of technological and economic redundancies was mostly implemented. In 2006, there were 2.043 self-employment credits approved, employing 3.354 unemployed persons, and out of that number 83 credits were approved to the workers who were fired as technological surplus workers (143 persons employed). The number of these credits in 2007 was 528 (out of that, 14 were approved to the workers fired as technological redundancies), and the number of persons employed through this type of support to self-employment was 805 (out of which 23 were registered as technological surplus workers).

### 2.1.3 Transport

#### Priority NSSD task

1. Improvement of transportation connections, especially in the northern region, through better maintenance of the existing and construction of new infrastructure; development of combined transport.
2. Full integration of environmental requirements in the development of infrastructure projects and in the adoption of regulations in the field of transport; reduced pollution from transportation and increased transportation safety.

One of the basic strategic goals defined in the Draft Strategy of Transport Development of Montenegro, from 2006, (the adoption of which had to wait for the national Spatial plan to be adopted), is quality integration into the regional, and wider into the European transport network. Priorities in the field of transport defined in this document have been mostly implemented in the previous period.

The draft Strategy of Transport Development defines the criteria for selection of priorities, and when it comes to the Basic transportation network, the priorities are defined in more detail through MAP<sup>6</sup>. As a result of further implementation of such plans and priorities, the short-term Program for elimination of bottlenecks in the transport network in Montenegro (2007-2009) has been developed. The Program relates to the elimination of 16 bottlenecks in the Basic transportation network and its implementation is underway.

When it comes to concrete activities that contribute to the realization of the first priority NSSD task, it is necessary to emphasize especially the intensive preparations of the project documentation, including the following:

- Feasibility study for two highways in Montenegro, with the Strategic environmental impact assessment;
- General project for the Adriatic-Ionian highway and two missing parts of the highway Bar-Boljari;
- First design of the part of the road from Smokovac to Matesevo;
- Study of possible options for public-private partnerships for highways in Montenegro;
- Draft Study for the Bar-Boljare highway;
- Transaction stage in the realization of construction of the Bar-Boljare highway, there are ongoing negotiations with IFC for the transaction stage – preparation of the legal tender, concession act and agreement for the construction of the highway.

Through the Instrument of Pre-accession Assistance (IPA), in order to improve the infrastructure and management in the transport sector, the project will be implemented (approximately 1.2 mill EUR, project duration is 15 months), with the primary aim to build the capacities of the institutions responsible for transport management. The activities regarding the harmonization of the national legislation with the EU legislation and the provisions of the multilateral agreements that Montenegro acceded or plans to accede to, have been intensified.

The implementation of the legal framework in the field of transport gave a clear division of responsibilities between the state and local government authorities, institutions and

6) MAP or Multi Annual Plan represents a regional strategy and identifies a significant number of regionally important reforms and management measures in the transport sector, and it is also important from the aspect of financial sustainability and economic stability of the region.

associations in the procedure of enforcement of the regulations, which influenced the increase in the level of education and professional training of the drivers and transporters and creation of a sound basis for the signing of international agreements. The overburdening of freight vehicles is also the issue of implementation of the existing regulations.

The Strategy of restructuring of the Railway of Montenegro was aimed at separating the operational part from the infrastructure part of the company. The activities were intensified regarding the implementation of the European safety and security standards and the precise definition of responsibility of all the actors, resolving the critical points where the transport is slowed down and achievement of projected technical network standards, coordination of activities with the railway of Serbia and Albania, and prevention of further deterioration of the network, promotion of international transport from Bar to the border with Serbia, as well as connection of the railway Bar-Belgrade into the Trans-European transport network.

The draft Law on ports has also been prepared (delivered to the Government for consent), and the activities have been intensified regarding the preparation of the Proposal of the Law on sea protection against the pollution from ships. The system of control of security and safety in ports is becoming increasingly important through the definition of the legal framework, HR and administrative capacity building and harmonization with the EU recommendations and directives and the conventions of the International Maritime Organization.

In the previous period the possibilities for the establishment of combined transport have been analyzed, as this is one of significant forms of transport through which, according to the Draft Transport Strategy, Montenegro plans to connect to the Trans-European transportation network. The combined transport, mostly railway and maritime, represents a good alternative to the road transport, but it is less flexible and requires support through some incentives provided by the state.

#### **2.1.4 Tourism**

##### **Priority NSSD task**

1. Diversification of tourist offer (development of village, agro-, eco-, mountain, cultural, sports and other forms of tourism, especially in the northern part of the Republic) in support of the extension of tourist season and attraction of guests with the higher purchasing power (the final aim being increase of direct and indirect revenues from tourism)
2. Integration of sustainability criteria in sanctioning tourism development projects (i.e. for the adoption and assessment of plans), especially when it comes to coastal and winter mountain tourism.

A whole set of activities have been implemented regarding the development of the project that shapes the tourism product based on the sustainable use of natural resources and minimization of negative impacts on the environment. Primarily, the projects “Eco-lodge concept in Montenegro”, “Architectural heritage of the Skadar Lake basin”, “Skadar lake – cross-border development concept”, “Contemporary expression of the traditional houses in Montenegro”, “Along the wine roads through Montenegro”, and similar

have been developed. The report “Development of sports tourism in Montenegro” has also been prepared, special attention was given to the promotion and development of cultural /religious tourism, wellness/spa offer in hotels, development of MICE tourism – organization of congresses, seminars, events, etc, as well as the improvement of the programs of excursions.

There have been 18 local and one regional tourist organization established (the regional one covers the municipalities of: Kolasin, Bijelo Polje, Berane, Mojkovac and Andrijevica). The Montenegrin tourism association has been established, and within it there are sectors for hotels, restaurants, tourist agencies, rooms and suites, camps and transport. Early this year, the new web portal of the National Tourism Organization has been presented, and cooperation has been established with the global TV networks – CNN, Euronews, Travel channel and Eurosport.

In order to encourage the development of tourism in the rural areas and to diversify the tourist offer, the project “Hiking and biking” has been initiated (it is in the final stage). The implementation of the project includes also the MMTT, the national parks, the associations of cyclists and mountaineers, as well as the donors – GTZ, CHF and Austrian-Montenegrin partnership. The offer in the national parks has been improved, as well as the wellness/spa offer in the hotels.

In 2007, the Ministry of tourism and environmental protection approved the amount of 75.000 € as financial support for the implementation of 32 tourist projects proposed by the NGO sector, while the amount of 120.000 € has been approved for 2008. The Directorate for SME development, in cooperation with banks, will secure credit lines for the implementation of “start up” projects. The donors (ADA, GTZ, UNDP, USAID) for a large number of projects plan to invest significant amount of money in the upcoming five years.

The Strategy of human resource development in the tourism sector has been adopted in May 2006; there are ongoing preparations for the introduction of the dual system of education in tourism and hotel management, establishment of public-private cooperation (establishment of the hotel-management educational center), etc.

At the proposal of the Ministry of Tourism, at its 7<sup>th</sup> session, held in March 2006, the National Sustainable Development Council analyzed and adopted the documents of UNWTO (United Nations World Tourism Organization) – “Principles of sustainable development” and “Guidelines for management of the maximum carrying capacity of the area”. The final activities regarding the drafting of the new version of the Master Plan for Tourism Development in Montenegro by 2020 are underway (adoption by the Government of Montenegro is planned for the 3<sup>rd</sup> quarter of 2008).

As of January 2008, for all the tourism development projects, within their feasibility studies, the environmental impact assessments are being prepared; it is planned to prepare the SEA of the Master Plan of Tourism Development of Montenegro by 2020.

## 2.1.5 Agriculture and rural development

### Priority NSSD task

1. Provision of a stable and good-quality food offer through the increase in competitiveness of local producers and sustainable management of resources
2. Rural development and provision of adequate living standard for the rural population

The Strategy of Fishery and the Law on freshwater fishery have been adopted; the new Law on sea fishery is in preparation and activities are undertaken in order to harmonize further our regulations with the EU Common Fishery Policy. As of April 2007, an EAR financed project is being implemented (1,1 mil. €) with the aim to strengthen the institutional and legislative framework for the adoption and implementation of the main EU regulations for resource management in fishery, capacity building of the laboratories and creation of the favorable climate for investments into the fishing sector.

The agro-budget in 2007 has been increased by 24% as compared to 2006, to the total amount of 12,3 mil. €. Out of that amount, approximately 8 mil. € was spent on the implementation of market-pricing policy and support to rural development. For the upcoming years, it is also planned to increase the budgetary support for agriculture, awaiting the co-financing opportunities and capacity building for the use of EU funds.

With the EAR support, the establishment of the Credit Guarantee Fund (CGF) is being considered, with special window for agriculture; the purpose of CGF would be to ease the access to credits for farmers and agricultural processing industry. During the year 2007, the share of funds for agriculture in the total commercial bank portfolio has increased.

The adoption of the Law on cooperatives is planned for 2008.

The agrarian marketing information system (AMIS) in agriculture has been introduced in 2006, in order to collect and distribute quality and consistent data regarding the prices of the agricultural products. On the basis of AMIS, weekly bulletins are published (180 of them so far), containing data about the prices of fruits and vegetables and livestock, analysis of market trends in the region, as well as advice for producers.

The Law on food safety was adopted in 2007. It is necessary to establish the phyto-sanitary administration, to improve laboratory and inspection capacities (including the training for HACCP procedures control), as well as to assign responsibilities of the state authorities responsible for specific issues of food safety (veterinary, phyto-sanitary, sanitary inspections). Regarding the responsibilities of MHLSW, it is necessary to strengthen further the Institute for Public Health – including the laboratories, accreditation and professional training of staff, as well as to strengthen the sanitary inspection, etc.

For the realization of the priority NSSD tasks, the following projects (in preparation) are significant:

- The project of agricultural reform in Montenegro (supported by the World Bank through favorable credit arrangement of 15 mil. US\$ and donation of 5 mil. US\$); and

- EU/ EAR projects:
  - a. IPA support – establishment of the integrated food safety system in Montenegro (4 mil. €);
  - b. Identification and registration of small ruminants (1,4 mil. €);
  - c. Preparation of documentation necessary for the IPARD rural development program.

Development of organic agriculture is in the initial phase. Previous activities were mostly focusing on the creation of normative and institutional prerequisites, and support with the funds from Agro-budget (within the measures for encouragement of rural development through the Program of development of organic agriculture) is directed towards the provision of assistance to the producers in adapting their technologies, partial coverage of the cost of certification and capacity building for the development of organic agriculture.

In 2007, the certification body “Monteorganica” issued 7 certificates to the producers who fulfilled the prescribed requirements: 3 for organic production, and 4 for the transition period to organic agriculture. The areas used for organic agriculture (in transition and with organic production) last year were only some 50 ha of arable land and multi-year crops, while significantly larger areas were registered as pastures and meadows (approximately 25,000 ha) and self-growing medical herbs and forest fruits (133.800 ha). In cooperation with the Italian institute C.I.H.E.A.M. from Bari, the project called “Training of experts in organic agriculture as support to rural development in the Balkan region” has been implemented.

### 2.1.6 Energy sector

#### Priority NSSD task

1. Rational use of electricity with the increase of at least 10% in energy efficiency by 2010 in comparison to 2005
2. Reduction in energy import dependence through optimal use of available national resources and with priority to utilization of renewable sources

The Action plan for implementation of the Strategy of energy efficiency was adopted by the Government in April 2007. The annual action plan for 2008 and the long-term Action plan for energy efficiency by 2012 have also been prepared, and their adoption is planned for the 2<sup>nd</sup> quarter of 2008.

Losses in the transmission network of EPCG in 2006 were 156,6 GWh (2,7% gross consumption in the transmission network), while the losses (technical and non-technical ones) in the distribution network were 693,3 GWh (29,1% of the total consumption of the electro-distribution consumers). The resulting total electricity losses in transmission and distribution in 2006 were approximately 850 GWh or 14,9% of gross consumption in the transmission network, which is a very high level of electricity losses. EPCG is implementing successfully the long-term program of electricity losses reduction in the distribution network. Besides the activities that EPCG is implementing in order to reduce the commercial losses, it is planned to reconstruct the facilities and recover the network. The electricity losses in 2007, due to the activities and measures introduced



by EPCG, were reduced to below 20%, and by 2010 it is planned to make a further reduction to 10 - 12%.

Through the EAR project (that also supported the preparation of the annual Action plan and the Action plan for EE by 2012) the Action plan for increase of EE in the public sector has been prepared, as well as the Strategy for heating, cooling and EE in the residential sector, and a whole set of technical documents. The adoption of these documents and their implementation are planned for the upcoming period.

In mid-2007, the process of preparation of the Program for energy database development was initiated, with the aim to develop a statistical system that will enable monitoring of implementation of the Strategy of EE, as well as the analysis, projections and planning of policies and measures in the field of EE. Within all that, the requests for data and other information sufficient for the preparation of the energy balance in accordance with the Eurostat methodology will be considered. The end of the Program is planned for early 2008, and after that the Program should be adopted and implemented.

During the year 2007, the initiatives were raised to introduce financial incentives for EE, primarily in the form of tax and customs relieves; this issue will be regulated in more detail in the future Law on EE, the adoption of which is planned for 2008.

Intensive cooperation with the World Bank has been established regarding the preparation and financing of projects aimed at EE increase in the public sector buildings (primarily schools, hospitals and social institutions), and the planned budget for their implementation is 10 mil US\$. Since 2006, the activities are implemented (on the basis of an agreement between the Directorate for SME development and the German development bank KfW), regarding the implementation of the program "Energy efficiency and renewable sources of energy in Montenegro", which involves possible support to the Montenegrin companies to save energy and thus make their products and services more competitive. The total fund for implementation of this project is 3 mil €. In October 2007, the implementation of the project "Capacity building in the field of energy audit of edifices" started, and it is financed by the Government of Norway. The aim is to improve the local capacities for energy audit/ control of buildings and to provide support to Montenegro in the implementation of the EU Directive 2002/91/EC on energy performances of the buildings.

With regard to the institutional capacity building, the establishment of the Agency for energy efficiency and renewable sources of energy is being considered. Cooperation with GTZ has been established regarding the project "Improvement of energy efficiency in Montenegro" (total budget of 1.5 mill EUR), which will support the preparation of regulations in the field of EE and RSE (renewable sources of energy), education and professional development of the expert staff, identification of pilot projects, etc.

The Strategy of energy sector development in Montenegro by 2025 was adopted in December 2007. There are ongoing activities regarding the preparation of the five-year Action plan, and its adoption is planned in the Government Work Plan for the 3<sup>rd</sup> quarter of 2008.

Previously, (in 2006) the Strategy of development of small hydropower plants (HPP) with the Action plan was adopted; during the year 2007, the bylaws significant for implementation of the Strategy were also adopted. The research in 15 potential locations for small HPP construction have been finalized, and in November 2007, public invitation was sent to the interested investors for assignment of concessions according to the combined DBOT arrangement for research and construction of small HPP's on 43 water courses. During the year 2007, the cooperation with the Government of the Republic of

Italy continued in assessing the RSE potential and the possibilities for implementation of CDM projects in Montenegro.

In accordance with the obligations accepted by the signing of the Agreement on establishment of the Energy community, the Program of subsidies for the socially most vulnerable citizens was adopted, with the aim to satisfy the minimum needs for electricity and heating. The amount of subsidies was defined at the level of 30% of the amount of minimum monthly bill for the household with four members (37,23 €), which is equal to 11,2 € per month. The payment of subsidies is done every three months since October 2007.

The regulatory agency for energy issues adopted in December 2007 the new tariffs in accordance with the Rulebook on electricity tariffs. The strategy of energy sector development initiates an active program of decisions of the regulatory body in the field of energy regarding the gradual tariff increase, with the aim to bring them closer to the market prices, but it is emphasized that this process must be implemented having in mind the socially vulnerable categories of consumers.

In October 2007, Montenegro signed the Memorandum on social aspects in the context of the Agreement on establishment of the Energy Community. The Memorandum recognizes the high importance of the social dimension, presents the principles and the context for social dialogue in the energy sector at the national and regional level.

### **2.1.7 Industry**

#### **Priority NSSD task**

##### **1. Improvement of industry's environmental performance**

Regarding the measures planned for the realization of the NSSD priority task, it was assessed that the activities regarding the exchange of information and establishment of dialogue between the public sector and the industry have not been fully implemented. Meetings were held with the local self-governments and continuous contact has been established, but it cannot be considered that the plan has been realized. IPPC Law (Integrated Pollution Prevention and Control) came into effect in January 2008; bylaws were adopted that define the requirements for the issuance of integrated permit, monitoring requirements, marginal emission values, etc. However, there has been no organized work to strengthen the administrative capacities for the implementation of this law.

The “polluter pays” principle is implemented on the basis of the Decree on the amount of compensations, manner of calculation and payment of compensations for pollution of the environment (Official Gazette no. 26/97, 9/00, 52/00). In 2007, the collection rate on the basis of the Decree regarding the air emissions and creation of hazardous waste has increased. The new Law on Environment (exists in the form of a draft) contains the provisions on the basis of which bylaws will be adopted regarding the transposition of the EMAS regulations, as well as for the introduction of the eco-sign.

The Strategy of energy sector development recommends to support the energy analyzes of the companies and preparation of studies of justification for investments into the

EE, provision of financial incentives for specific sectors and introduction of adequate EE measures. As mentioned in the part 2.1.6, the Directorate for SME development is implementing the project “Energy efficiency and renewable sources of energy in Montenegro”, which is providing credit support to the small and medium size companies in Montenegro for EE increase. It is planned that the Government of Montenegro should soon secure the additional subsidies in order to increase the interest of the companies in this project (so far, out of 5 projected ones, one project was implemented). EBRD is in the process of structuring the framework for sustainable energy in the region of the Western Balkans, which is financed by the EU. The credit lines will be expanded to the local banks, to provide credits to the final users and, among other things, to the investments in the energy efficiency in industry.

The recovery of the tailings impoundment in Mojkovac is implemented as planned. The Government fulfilled the obligations regarding the disposal of the already accumulated hazardous waste prior to the sale of KAP – export of the equipment with pyralene oils, contaminated land, and similar, and the preparatory activities are underway regarding the definition of the solution for the hazardous waste landfill. The project documentation for the recovery of the tailings impoundment Gradac nearby Pljevlja has been submitted to MTEP – its review will be undertaken in the upcoming period.

The initiation of activities regarding the disposal of the hazardous waste from the KAP landfill is late because the agreement with KAP management has not been reached regarding the joint participation in defining the contents and types of waste in the landfill. It is necessary to hire specialized institution that will define the level of hazard of the accumulated waste (hazardous and non-hazardous). New discussions are planned to take place in the upcoming period. Besides, the drafting of the detailed urban plan (DUP) for KAP location is underway and it will define the landfill location, as well.

The establishment of the commission for review of project documentation for the tailings impoundment in Gradac is late. After the sale of the Lead and Zinc Mine “Suplja stijena”, the new owner – the company Gradir-Montenegro is not interested in obtaining the decision on location from the Ministry of Economic Development. Only after the provision of the decision on location, it is possible to establish the review commission.

### **2.1.8 New technologies**

#### **Priority NSSD task**

##### **1. Stimulating research, development and innovations**

Implementation of the priority task is planned through a set of seven measures. Some progress has been made in the implementation of five measures, as presented in the tabular overview in Part II of this Report.

Montenegro did not initiate the preparation of the Strategy for development, innovations and technology. The Strategy of scientific-research activity, prepared by the Council for scientific-research activity deals with this issue, to a smaller extent (the Strategy

will be submitted to the Government by May 2008, followed by the public hearing). Innovations, development and technologies are recognized as one of the basic elements of the knowledge based society. In accordance with the draft Strategy of scientific-research activity, the Ministry of education and science prepared the new Rulebook for financing of scientific-research projects.

Within the FP7 a new project has been initiated within the “Capacities: instrument, and it is named ERANet Innovation; it represents networking of bodies from the 23 consortium members (including, among others, all the countries of the Western Balkans), with the aim to look into the current situation, preparation of the SWOT analysis in the field of innovations, recognition of possibilities and needs, and, as the most important thing, preparation of the national plans for implementation in the field of innovations.

In 2007, the Institute for intellectual property has been established, but it is still not operational (February 2008). Montenegro is a member of the World Intellectual Property Organization (WIPO) since 2006, and since then, all the conventions and protocols in this field that the state union of Serbia and Montenegro signed are being implemented. The Directorate for SME development is implementing two credit lines (start-up and incentives for entrepreneurship) in which the credits are approved, among other things, for the non-tangible investments (purchase of patents, licenses, special knowledge and skills, know-hot or unpatented knowledge).

Statistical data regarding public expenditures for research and development do not include classification by program funds (salaries of the employees and continuous financing of ongoing programs) and project funds that are obtained through the scientific-research work. Available data shows that there has been a small increase in the amount of funds for research and development from public sources in 2007 (from 0.18% of GDP in 2006, to 0.26%)<sup>7</sup>. There is no statistical data regarding the participation of MES and the private sector in financing research and development.

There has been an increase in applications of the Montenegrin scientists to the public competitions of the international funds, primarily FP7 and NATO Science for Peace. In the first invitations for the “Capacities” instrument, in March 2008, approximately 15 groups/individual institutions applied. Within the NATO network Science for Peace, the Seismological Institute is coordinating the project on seismic projections, worth over 0,6 mil. €.

The Agreement on acceding to FP7, signed by Montenegro in January 2008, is a very important event for the Montenegrin scientific public. Through this Agreement, Montenegro received the status of associated member of the framework program, which involves equal participation in all events and possibility for the Montenegrin teams to take the roles of project coordinators. Participation fee for FP7 has been paid, amounting to 130.000 €.

The projects of higher education reform (including the technological education) and curricula adjustments were financed mostly by TEMPUS program. In 2007, through the TEMPUS program, Montenegro/ University of Montenegro was approved the amount of 0,56 mil. €, while the funds for 2008 are approximately 50% higher.

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7) The Lisboa strategy projects investments into science in the EU member states in the amount of 3% of GDP.

The pilot-phase of introduction of the UNIDO program of cleaner production through the use of methodology that involves the analysis of the material and energy balance of the production process in order to achieve the reduction of emissions of polluting substances into the environment was implemented successfully. This stage of the project included 4 companies, and the savings on the basis of emission reduction were approximately 50.000 € per year. There are ongoing preparations for the three-year project that will enable the involvement of an additional number of 20 companies. The project plans for the establishment of the National center for cleaner production within the Faculty of metallurgy-technology.

## **2.2 Environment and natural resources**

### **2.2.1 Protection of biodiversity and preservation of natural values (especially in the protected areas)**

#### **Priority NSSD task**

1. Increase national nature protected areas to 10% of the territory and protect at least 10% of the coastal zone by 2009; in identifying protected areas, European classification of habitats significant for protection purposes (EMERALD, Natura 2000) should be used, making sure that all the representative ecosystems are included
2. Establish an efficient system for managing nature protected areas (the system should be harmonized with the IUCN management categories and provide for participatory approach to management)
3. Improve the legal framework for the protection of biodiversity; strengthen human resources and develop an effective system for biodiversity monitoring

In order to increase the territory of the nationally protected areas, activities regarding the proclamation of the fifth national park Prokletije are underway. The feasibility study has been prepared, as well as the changes and amendments to the Law on national parks by which the park will be proclaimed. The Law exists now in the form of a draft, and after the public hearing and incorporation of the accepted opinions and suggestions, it will be sent to the Government for adoption.

For the protected areas in the coastal zone, a step forward was made by raising the initiative to proclaim Solila in Tivat as the strict nature reserve. Within the Memorandum of understanding between MTEP and the Regional center for specially protected areas, the preparation of the feasibility study for marine protected areas will start in 3 locations projected in the Strategy (the island of Katicic, Platamuni and the old town of Ulcinj) that will serve as pilot projects for the establishment of the protected marine areas in Montenegro.

Regarding the projected measures for improvement of the legislative framework, the proposal of the Law on nature protection has been prepared and it is harmonized with the Directive on habitats and the Directive on birds. According to the Government Work Plan, the adoption of this Law is planned for the 2<sup>nd</sup> quarter. After that, the preparation of bylaws will start and they will be finalized by the end of the year.

There is an ongoing GEF/UNDP project regarding the preparation of the National Strategy of Biodiversity with the Action plan. The finalization of the Strategy is expected in late May this year, and the Study of biological diversity in Montenegro has already been prepared, as a basis for the Strategy and the Action plan. In the upcoming period, updates of SAP/BIO program will be made, with special focus on the climate change impact on biodiversity and possible new, national, sub-regional and regional priorities.

The implementation of measures related to the following have not started yet:

- Establishment of an efficient system of management over the protected areas of nature;
- Definition of a network of protected areas and putting the new ecosystems under the protection regime; definition of managers for all the protected areas of nature;
- Setting up of management units for all nature protected areas;
- Adoption of new management plans (in accordance with the IUCN recommendations) and consistent implementation of the existing (capacity building in the responsible institutions);
- Strengthening of human resource capacities; and
- Development of an effective system for biodiversity monitoring.

### 2.2.2 Water

#### **Priority NSSD task**

1. Ensure sufficient quantity of good quality drinking water
2. Introduce integrated river basin management, with necessary legal and institutional changes and improvements in the quality control and monitoring of waters

In order to realize the priority NSSD tasks, it is necessary, first of all, to create the legal basis in accordance with the recommendations contained in the EU directives, to adopt strategic documents, plans and programs that will result in the improvement of the current situation, and all that with the adequate public participation in the process of their preparation and implementation.

In the previous period, the new Law on waters (Official Gazette of RoM no. 27/07) was adopted, and it is harmonized with the recommendations of the Waters Framework Directive (WFD 2000/60/EC), and some bylaws that are derived from the law. There are ongoing activities regarding the preparation of the remaining bylaws and the Law on water management financing.

Having in mind that the basic guideline of WFD is water management at the level of the water basins, the activities are underway to establish the framework for implementation of this recommendation. Communication with the institutions from Norway has been established, and they are ready to provide technical and financial support for the implementation of the pilot project of managing a smaller basin, which could later serve as a model for other basins. The Terms of Reference have been prepared for the basin of the Cehotina river and will be proposed to the Government of Norway for support in the upcoming budgetary year.

Regarding the provision of sufficient quantities of potable water, the activities are underway regarding the implementation of the project for regional water supply for the Montenegrin coast. The funds for this purpose, in the amount of approximately 52 mil €

will be provided by the international financial institutions (World Bank 9 mil €, IBERD 15 mil €) and from the local sources (Government 14 mil €, Regional water supply company 6 mil €). In the previous period project documentation has been prepared and the legal tendering procedure for execution of works has been organized. The finalization of works is expected by June 2009.

Another priority activity is the reduction of losses in the water supply systems, which currently range from 36 to 80%, and to rationalize the use of potable water (currently, the consumption varies from 200 to 2000 l/per capita./per day). In that sense, in the previous period, significant funds were invested to detect the losses and to recover the detected breakdowns. This activity was especially intensive on the coast, with the use of funds from KfW bank, while in the north of Montenegro this project was supported by CHF. Measures that stimulate the establishment of the economic water prices should result in the reduction of water consumption, so that it comes down to the standards acceptable at the European level, ranging from 150 to 200 l/per capita/per day.

Water supply for the rural areas is a continuous activity of the MAFWM and the Water Directorate. In the period 2003-2007, approximately 6 mil € were spent for this purpose, and it is planned to continue with the activities in the upcoming period (for 2008 – it is planned to spend 1,5 mil.€).

In the area of wastewaters, the basis for ongoing and upcoming activities are the adopted strategic master plans for sewage and wastewater processing. In the past some progress has been made in this area: loan has been obtained from EIB in the amount of 30 mil € for implementation of priorities in the northern part of Montenegro; feasibility studies and EIA have been made for Niksic, Bijelo Polje and Pljevlja (first group of priorities); and reconstruction of the wastewater processing plant in Podgorica has been undertaken (1,6 mil € using the EAR funds). Significant activities regarding the recovery and construction of the sewage systems are taking place in the coastal region, as well (more details given in the tabular overview).

The enforcement of IPPC Law started in January 2008, thus, more intensive activities are expected in this area in the upcoming period.

Regarding the water monitoring, regular activities are implemented, in accordance with the adopted water quality monitoring plans. In the upcoming period, new bylaws, programs and plans will be adopted on the basis of the new Law on waters, and the funds will be allocated for this purpose.

MHLSW emphasized that, although the Strategy projects the introduction of continuous potable water quality monitoring in all the water supply systems for the period 2007-2009, the Institute for Public Health is implementing for several decades now the program of continuous water quality monitoring and monitoring of sanitary correctness of potable water.

### 2.2.3 Air

#### Priority NSSD task

1. Preserve, and if possible improve air quality, especially in urban areas

The Law on air quality has been adopted (Official Gazette of RoM, no. 48/07) and it is harmonized with the Framework Directive on air quality (1996/62/EC). All the bylaws (12 in total) will be adopted by the end of 2009, and then it will be possible to fully implement this law, and there are ongoing activities regarding the drafting of two bylaws<sup>8</sup>. MTEP is also receiving technical assistance regarding the drafting of bylaws from the Italian Ministry of environment, land and sea, through associated institutions.

There are ongoing activities regarding the ratification of eight Protocols to the Convention on long-ranging cross-border air pollution (on heavy metals, permanent organic pollutants and reduction of acidification, eutrophication and ground ozone). The remaining five protocols will be ratified by the end of 2010. There are ongoing activities regarding the national inventory of emissions, according to this Convention, with the expert assistance provided by Techne Consulting from Italy. The inventory should be finished by late 2008. The preparation of the Strategy of air quality management with the Action plan is planned for 2009.

Proposal of the Decree on quality of liquid fuels of oil origin is prepared, and its adoption is planned for the 2<sup>nd</sup> quarter of 2008. When this decree comes into effect, the motor fuel with lead contents exceeding 0.005 g/l and diesel fuel with sulphur content exceeding 50 mg/kg (50 ppm) will not be sold in the local market. As of January 1, 2011, the marginal value of the total sulphur content in diesel fuel will be maximum 10 mg/kg, which is in accordance with the EU directives in this field

The IPPC Law came into effect on January 1, 2008, and no integrated permit has been issued so far.

Adoption of the Decree on definition of locations for measurement points of the state network for continuous air quality monitoring is planned for 3<sup>rd</sup> quarter of 2008. Preliminary air quality measurements are underway and they will serve as a basis for the selection of the most representative locations for stationary measurement points for air quality monitoring in the territory of Montenegro. The preliminary measurements are made by the Institute for atmospheric pollution from Italy, in cooperation with CETI and the Hydro-meteorological Institute, within the project "Implementation of the air quality monitoring system in Montenegro" that is implemented since August 2007. The air quality measurements in the stationary measurement points will be complemented by a mobile station that Montenegro will receive as a present within the mentioned project.

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8) The Decree on marginal values of polluting substances in air and the Decree on ozone in air; the decrees will be adopted by late June 2008, and will be fully harmonized with the relevant EU directives.



## 2.2.4 Land

### Priority NSSD task

#### 1. Improvement of soil management and prevention of the causes of land degradation and damages

Regarding the first measure defined in the NSSD Action plan (improving the monitoring and preparation of maps on contents of hazardous and harmful substances in land), the Government Work Plan for 2008 projects the overall environmental monitoring program (including the land) review, in order to harmonize the indicators with the standards of the European Environmental Agency. There have been no activities regarding the preparation of maps on contents of hazardous and harmful substances in land. The main reason is the lack of adequate knowledge and programs, that is, the lack of adequate staff to support the implementation of this measure. The general problem for implementation of the NSSD priority task in this field is primarily the lack of institutional capacities, and their strengthening represents a significant challenge for the upcoming period. It is planned to draft a new Law on agricultural land, that will be harmonized with the EU standards.

UN Convention on Combating Desertification was ratified in March 2007 (Official Gazette of RoM no.17/07). The new Law on Environment (adoption planned for 2<sup>nd</sup> quarter of 2008) defines the duty to prepare the National plan for combating desertification and prevention of effects of drought. The same Law plans for the preparation of the Action program of fight against desertification and prevention of effects of drought, as well as its Implementation plan.

The issue of land protection has not been given adequate attention in the past, and one of the important reasons for that is the lack of institutional capacities. In support of that statement are the assessments from the project of Independent assessment of the national capacities for implementation of the three global conventions<sup>9</sup> in the field of environment.

The Bio-technical Institute and the Center for Land and meliorations are controlling every year the land fertility. However, the control takes place by individual crops, thus, it is necessary to harmonize the land control system with the EU standards. In the budget for 2008, the amount of 40,000 EUR is allocated for land fertility control. The law on fertilizers was adopted in July 2007, and the bylaws derived from it will define in more detail the manner of use of the fertilizers.

There is no information about the activities undertaken regarding the measure from the NSSD Action Plan that plans for the gradual implementation of re-cultivation of the damaged land.

The erosion mapping should be preceded by data collection and analysis regarding the presence and degree of erosion processes, because the available data regarding this phenomenon are obsolete. Creation of conditions for erosion mapping is related to monitoring that should include monitoring of erosion processes as one of the indicators

9) This involves the mentioned UNCCD, then, the UN Convention on biological diversity and the UN Convention on climate change.

of the land status. The main reason for an insufficient number of activities in this area is the lack of understanding of the importance of land as a limited resource. MAFWM initiated the preparation of the bylaws that will define in more detail the activities in the fight against land erosion, especially in case of agricultural land.

### 2.2.5 Forests

#### **Priority NSSD task**

1. Obtaining of sustainable forestry certificate (in accordance with Forest Stewardship Council - FSC methodology)
2. Renewal and restoration of degraded forests

The national forest policy is prepared and sent to the Government commissions; it is expected that this document will be analyzed in the session of the Sustainable Development Council. The preparation of the new Law on Forests is underway. After the adoption of the National Forest Policy, the activities regarding the drafting of the Law will be finalized. The Law on game and hunting is in the final stage of preparation, the public hearing took place, the report has been made, so now it is expected that the Government will analyze the proposal and send it to the Parliament for adoption.

The Monitoring and Planning Unit has been established within MAFWM. In the previous period the staff education programs were implemented and the technical equipment for the unit was provided. Adoption of acts defining the responsibilities of the system of monitoring as well as the control and implementation of the system itself is expected after the adoption of the National Forest Policy through the legal regulations in the field of forestry and hunting.

The improved methodology for forest inventory is implemented in practice. The Monitoring and Planning Unit has five trained forest engineers. For all the estate units where the preparation of plans for forest management is underway, data are collected using an improved methodology. So far, in 11 estate units (surface area of approximately 60.000 ha) the forest inventories according to this methodology have been prepared. For these purposes, the software has been purchased in the Ministry, as well as in the Forest Directorate and one part of the regional offices, depending on the level of technical equipment. In parallel with that, the training of staff of the Forest Directorate is underway so that they learn how to use the software and the new devices and instruments (training is implemented by the monitoring unit and experts of the UNDP Office in Podgorica). A total of 25 forestry engineers from the Forest Directorate have been trained, as well as part of the expert staff employed by the companies contracted to perform these activities.

The development of capacities for implementation of the new planning methodology in the forestry sector is based on the principles of sustainability, economic thrift and the concept of ecological forest industry, and is implemented in parallel in MAFWM and the Forest Directorate. Training for the use of new forest inventory methodology, use of software, GIS and definition of the new process of preparation of the Management Plan that looks at the forest ecosystems in a multifunctional manner, including the environmental, economic and social elements, represents a good basis for definition of

the new planning methodology. By the end of 2008, full definition of the new planning methodology should take place, as well as the preparation of the Guidelines for the use of new methodology.

The central database and GIS in forestry and hunting areas is being developed in MAFWM within the unit for monitoring and planning. The unit is partially equipped through the FODEMO project (project implemented with the Government of Luxembourg) and UNDP project, and it partially uses their project equipment. So far, all the available maps of the estate units have been scanned (76 maps), out of which 19 are digitalized. For 36 estate units there are management plans in electronic form, which were developed using the old methodology. In 2008, the activities should be undertaken to strengthen the administrative capacities and to raise the level of technical capacities.

The National Forest Inventory is supported by FODEMO project. The first phase – preparatory works is underway.

In 2007, the new Law on reproductive materials from forest trees was adopted; there are ongoing activities regarding the preparation and adoption of the bylaws. Review of existing and separation of new seed contents have been undertaken. During the year 2008, the process of recognition of seed contents will take place, as well as the execution of projects on the basis of which the measures for crop raising and other measures will be implemented.

The activities regarding the monitoring of the health state of the forests (definition of bio-indicative points) should continue this year through the work of the Forest Directorate. Within the activities for the establishment of the fire-protection system in forests (video-surveillance), the Forest Directorate established contacts with the Ministry of Interior (system of fire-protection is coordinated in the unit of the Ministry of Interior for natural disasters), and the local self-government units. There are ongoing regular activities regarding the implementation of the planned construction/reconstruction of forest roads.

A joint project with MTEP is in preparation and it relates to the establishment of the Emerald network, that precedes Natura 2000.

### 2.2.6 Environmental management system

#### **Priority NSSD task**

1. Establishment of efficient legislative and institutional framework for environmental protection (particularly in respect to free access to information, implementation of EIA, SEA and IPPC legislation and strengthening of other regulatory and market instruments for environmental management)

The new Law on environment has been prepared; its adoption is planned in the 2<sup>nd</sup> quarter of 2008. Five bylaws that support the Law on environmental impact assessment have also been adopted.

In the period 2007 – 2008, the number of staff in the Sector for environmental protection has increased by 14. When it comes to the assignment of responsibilities in the field of environment, no significant progress has been made with regard to the EU standards and practice, so there are still some overlaps of responsibilities between the ministries and an unclear assignment of responsibilities for individual segments of the environment; MTEP has no responsibility for some parts of the EU *acquis* regarding the environment. The establishment of the Agency and the Fund for Environment is planned for the 2<sup>nd</sup> quarter, that is, the end of 2008, respectively.

In order to secure a more efficient implementation of the Law on strategic environmental impact assessment and capacity building for the use of SEA, a workshop will be held in April 2008, focusing on the implementation of SEA in spatial planning. Besides, there are preparations underway regarding the initiation of implementation of the six-month project “Capacity building for efficient enforcement of EIA, SEA and IPPC laws in Montenegro”, financed by the Government of the Netherlands. One of the results of this project will be the preparation of the Guidelines for the implementation of the law on strategic environmental impact assessment, which will ease significantly its implementation, especially at the local level. Besides, two workshops will be organized to train the staff on how to use those laws – one for environmental inspectors, and the other one for staff at the state and local level. In 2007, there were no training programs organized, but during the year 2006 three workshops were organized for the staff at the state and local level regarding the enforcement of the laws on EIA, SEA and IPPC (in cooperation with the REC Office in Podgorica).

Access to information, public participation in decision making regarding the environment and access to judiciary, in accordance with the requirements of the Aarhus Convention will be regulated in the new Law on Environment, and the ratification of this Convention is planned to take place by the end of 2008. With the adoption of the Law on ratification of these two conventions, a significant step forward will be made towards the greater public participation in the decision-making process, adequate access to information and more complete legal protection regarding the issues of environment.

The new laws in the field of environment have recently come into effect (January 1, 2008), or will come into effect during the year. A significant number of laws and bylaws are in preparation, so it is still not possible to make some conclusions regarding their efficient enforcement, especially at the local level.

### **2.2.7 Spatial planning**

#### **Priority NSSD task**

1. Adoption of new and updating of the existing spatial plans at all levels (from the national spatial plan to municipal detailed urban plans), and integration of sustainability requirements into spatial plans and documents
2. Protection of natural and cultural landscape

The most significant progress in this area is surely the adoption of the Spatial Plan of

Montenegro (March 2008) and the adoption of the Spatial plan for the special purpose areas (SPSPA) for the Protected Coastal Zone (May 2007).

The upcoming activities are related to the harmonization of SPSPA and the spatial plans of the municipalities (SPM) with the Spatial Plan of Montenegro (SPMN). With the adoption of the SPMN the conditions have been created to initiate the review of all the planning documents the adoption of which is mandatory.

The municipalities of Budva, Danilovgrad and Savnik have adopted their municipal spatial plans simultaneously with the preparation of the proposal of SPMN and have harmonized them with it. Besides, three municipalities have updated their General urban plans: Budva, Bar and Savnik. Further activities to harmonize the spatial-planning documentation at the municipal level will surely be intensified in the upcoming period.

Implementation of SPSPA for the Protected Coastal Zone has started well, with the announcement of the legal tender for the preparation of 17 location studies, and their mandatory part will be the preparation of the Strategic environmental impact assessment.

There are ongoing activities regarding the preparation of the Study “Instruments for implementation of the SPMN, with regionalization, that is, decentralization of implementation of the SPMN at the local level”, and the Study “IT support to SPMN”. The Study “Instruments for SPMN implementation” will look into all the implementation mechanisms necessary for implementation of SPMN, and the ways to connect them with the existing legislation will be defined. It will also define the tasks for individual government sectors regarding the issues of implementation of SPMN at the sector level and inter-sector harmonization.

The Study “IT support to SPMN” should secure, among other things, definition of classes of data, primarily the systems of indicators, for preparation, adoption and monitoring of implementation of the Plan. Besides, it should also define the strategic directions in implementation of information technologies in spatial management, use of natural resources and environmental protection in Montenegro within the information system of the Electronic Government (e-government).

### **2.2.8 Sea and coastal zone**

#### **Priority NSSD task**

1. Protection of natural and cultural landscape
2. Reduction of pollution of the sea and coastal zone

Some progress has been made regarding the implementation of five measures within the first NSSD task in this area. The Barcelona Convention was ratified, as well as four supporting protocols (in October 2007), and in January 2008, the new Protocol on integrated Mediterranean Coastal Zone Management, the ratification of which is planned for the fourth quarter of 2008. Membership in UNEP/MAP was renewed in early 2008. Coastal zone is defined in the National Strategy of Integrated Coastal Zone Management

(NSICZM, it exists in the form of a proposal), but is not integrated in the Spatial plan of Montenegro. Introduction of the line of prohibited construction (which represents one of the Protocol requirements) is not recognized as a strategic guideline in planning the use of space in the coastal zone. There are ongoing preparations (feasibility study) for the implementation of the Program of integrated coastal zone management (Coastal Area Management Plan – CAMP Montenegro).

Regarding the fulfillment of obligations according to the MARPOL convention, the capacity building process is underway, which was initiated with the establishment of the Department for prevention of sea pollution from ships, within the Directorate of Maritime Safety. However, legal regulations and technical capacities still do not provide the minimum necessary framework for an efficient response to the pressures of pollution from vessels and protection of marine ecosystem.

With regards to the implementation of measures for the improvement of the institutional framework for integrated management (with clearly defined responsibilities) and the review of the Law on Protected Coastal Zone, certain progress has been made through the drafting of the Proposal of the NSICZM.<sup>10</sup>

In order to implement the second priority NSSD task, since 2008 improved sea monitoring will take place in accordance with MEDPOL methodology, supported by MTEP. Activities have started regarding the improvement of technical capacities, but not regarding the establishment of GIS database about the sea and coastal zone. The activities regarding the preparation of the National plan of interventions in case of accidental sea pollution from ships, as the basis for accession to the Sub-regional plan for the Adriatic, have started in 2005, in cooperation with REMPEC. Adoption of the Plan is delayed (it exists in the form of a draft) because it was decided that the legal basis for the adoption of the Plan should be created through the Law on sea protection against pollution from vessels, which is still in preparation. Review of the National action plan for combating pollution from the land will be undertaken in the upcoming period, through the review of the Budget Baseline at the national level in accordance with the pace defined at the international level; the review has not been finalized in the previous year, because it did not fit into the action plan and pace of UNEP/MAP.

The main obstacle for a more complete implementation of measures defined in this area is the non-existence of an effective coastal zone management system and the lack of capacities, which represent also the main challenges for the upcoming period. Another important challenge is the improvement of the system of sustainable development indicators (generally, and specifically for this area). Initiation of work of the Environmental Agency should contribute significantly to the definition and monitoring of sustainable development indicators, thus improving the information system and creating the basis for a more reliable assessment of progress regarding the degree of harmonization of the national programs with the principles and requirements of sustainable development.

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10) Until the time of writing of this Report, the NSICZM proposal had not been adopted by the Government. Based on the principles and goals of integrative coastal management instruments defined in the relevant international multi-lateral agreements, the model for institutional organization of the integral coastal management of Montenegro which has been proposed by NSICZM had not been accepted by the MTEP during the deliberation of this document at the session of the Coordination body for integrated coastal zone management.

## 2.2.9 Climate change and protection of the ozone layer

### Priority NSSD task

1. Fulfillment of obligations under the international agreements on climate change and reduction in the use of ozone depleting substances

Project proposal “Activities for capacity building regarding the preparation of the First National Report of Montenegro to UNFCCC” has been delivered to the Global Environment Fund (through UNDP as the implementing agency). Approval of funds in the amount of approximately 400.000 US\$ is expected by late May 2008, and after that a two-year project implementation period will start (until May 2010), with the First National Communication as the final result. Through the previous initiatives and projects within this measure, draft GHG inventories have been prepared for 1990 and 2003 (with the expert assistance of the Ministry of environment, land and sea of Italy) and the Project Management Committee has been established to manage the preparation of the National Communication.

The Law on ratification of the Kyoto Protocol (Official Gazette of RoM, no. 17/2007) was adopted as planned, and this measure in the NSSD Action Plan should be reformulated into “Implementation of the Kyoto Protocol”. The Council for Clean Development Mechanisms (CDM) has been established, and it acts as an authorized national authority for approval of CDM projects, thus creating the prerequisites for implementation of the Kyoto Protocol in Montenegro. With the expert assistance of the Ministry of environment, land and sea of Italy, the assessment of the potential CDM projects in the field of renewable sources of energy, energy efficiency and forest management has been made, and the first Invitation for expression of interest for potential projects has been announced. Within the Memorandum on cooperation between the ministries of environment of Italy and Montenegro, there are ongoing preparations for the project that will support the establishment of the team and office for implementation of CDM projects, capacity building of the Council for CDM, identification and preparation of CDM projects, and similar.

In September 2007 the Government adopted the National program for elimination from use of the substances that harm the ozone layer, which includes institutional strengthening and the Plan of elimination of CFC in Montenegro. Implementation of the Program started in January 2008 and will contribute to the reduction of use of substances that damage the ozone layer and fulfillment of obligations from the Montreal Protocol (to bring down the CFC consumption/imports to zero by 2010). It is necessary to establish the system that will enable even after January 1, 2010, the maintenance and servicing of devices containing CFC substances, which have still not been put out of use, and this will be secured through the implementation of the Plan for final CFC elimination.<sup>11</sup> The Multilateral fund for implementation of the Montreal Protocol approved the amount of 270.295 US\$ to Montenegro for the implementation of the Plan. Through the component of institutional strengthening the Office for Ozone has been established in MTEP; establishment of the Office was supported by the Multilateral fund with 30.000 US\$.

11) In accordance with that, the deadline for implementation of the measure contained in AP should be the year 2010, and not 2012.

## 2.2.10 Waste

### Priority NSSD task

1. Further harmonization with the EU legislation, together with strengthening capacities for proper waste handling and enhancing the waste database

The activities regarding the development of bylaws on the basis of the Law on Waste Management (which will come into effect in November 2008) are underway<sup>12</sup> or in preparation; it is planned to adopt the bylaws derived from this Law during this year. This Law plans for the adoption of the national and local waste management plans, as well as management plans for companies that produce waste in quantities exceeding 40 tons of non-hazardous and 200 kg of hazardous waste. The Waste management plan in Montenegro for the period 2008 – 2012 has been adopted in February, and when it comes to the local self-government units, preparation of the plan has started in Podgorica (local plans should be adopted within one year from the adoption of the national plan).

In early 2008, only the sanitary landfill in Podgorica has been in use (temporary sanitary landfill “Lovanja” is not in use as of January 01). The locations for the construction of other inter-municipal (regional) sanitary landfills have been defined, and due to the insufficient financial resources in the local self-governments, the Government is financing the preparation of the project documentation. There are ongoing activities regarding the development of the feasibility studies and the environmental impact assessments.

Regarding the selective collection of waste and recycling, several projects have been implemented, such as the purchase and installation of recycling equipment of the “Lovanja” landfill (equipment will be transferred to the location of the new landfill) and selective collection of waste in Herceg Novi (in cooperation with IRD). The Construction of the new regional recycling center and installation of the line for treatment of vehicles out of use in Podgorica will be undertaken in the upcoming period (the project is supported by the Government of Spain).

MTEP financed the procurement of over 600 containers for the pilot-project of selective waste collection in all the municipalities in Montenegro. The Project will be followed by an adequate media and educational campaign (TV add, brochure). The Ministry has also initiated the activities to reduce the use of plastic bags, and the public is regularly informed about the ongoing activities, whereas special attention is given to the proper treatment of waste.

No progress has been made regarding a number of measures from the AP, or their implementation is delayed. In the regulatory-planning affairs there are delays in the adoption of bylaws, due to the insufficient capacity of the Ministry to prepare and implement the procedure for a large number of regulations in a short period of time. With the adoption of the national plan of waste management, the conditions were created for the preparation of local plans, and with the exception of Podgorica, there has been no progress made in this respect; lack of capacities could be a limiting factor in this respect.

In the previous period, no significant results were made regarding the preparations for the construction of a hazardous waste landfill (the construction is planned in the Action

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12) Draft Rulebook on landfills and draft Rulebook on types and methods of waste analysis (containing the waste catalogue) have been prepared.



plan for the year 2009). The quantities of hazardous waste produced have not been defined precisely and the location for the construction of landfill has not been specified yet. Besides, the decision has not been made yet on whether to construct the landfill for permanent or temporary disposal of hazardous waste (until it is exported). The planned feasibility study should give an answer to all these questions.

Raising the awareness on importance of proper waste treatment and incentives for recycling programs represent a continuous task and must continue more aggressively in the upcoming period.

It is expected that the main problems in NSSD implementation will be related to the provision of funds for implementation of the planned activities.

## **2.3 Social development**

### **2.3.1 Governance and public participation in decision-making**

#### **Priority NSSD task**

1. Improve enforcement of laws and implementation of strategic documents, plans and programs; ensure adequate public participation in the process of their preparation
2. Prevention of corruption
3. Decentralization

Regarding the realization of priority NSSD tasks in the field of governance and public participation in decision-making, there has been certain progress made.

The Stabilization and Association Agreement (SAA) between the European Community on the one hand, and Montenegro on the other, was signed in Luxemburg on October 15, 2007. In parallel, an Interim agreement on Trade and trade-related matters was signed, and the Parliament of Montenegro adopted Laws on ratification of both of these agreements on November 13, 2007 (published in the Official Gazette of Montenegro no. 07/07). The European Parliament gave its approval on these Agreements on December 13, 2007, which created conditions for the Interim Agreement and SAA ratification to enter into force in all 27 parliaments of the EU member states. The Stabilization and Association Agreement has, until March of 2008, been ratified by two EU member states, in addition to the Montenegrin and EU parliaments' ratification. Prompt ratification have been announced by several EU member states.

The Interim Agreement on Trade and Trade-related matters between the European Committee and its member states and Montenegro entered into force on January 1, 2008. In January 2007, an Interim Committee was established as a joint body of the European Community and Montenegro and its the first sessions was held, while five interim subcommittees were set up. The Implementation of the Interim Agreement is monitored through the meetings of the interim subcommittees as well as through the Permanent Enhance Dialogue.

The adoption of the National Program for Integration of Montenegro to the EU 2008 – 2012 (NPI) has been planned for the second quarter of this year. The NPI will represent a plan

for the implementation of the SAA, which, based on the SAA Article 72, is Montenegro's obligation. The NPI will also encompass several other documents, prepared regularly by the Montenegrin administration, such as the Action Plan for the Implementation of the European Partnership Recommendations and Action Plan for the Strengthening of the Administrative Capacity for the SAA implementation.

After the initialing of the SAA on March 15, 2007, a new phase in the European integration process started, which required new models and mechanisms of the process coordination. Being aware of the needs for the public administration modernization and its continuous institutional adjustments to the process of European integration, the Government of Montenegro established three institutional mechanisms for the EU integration process coordination: 1) *Collegium for European integration*, as the highest government political body, which leads the EU accession and deals with political and strategic matters, and is headed by the Prime Minister; 2) *Commission for European Integration*, lead by the deputy Prime Minister for European integration, which is the main expert body for the horizontal coordination of the accession process and deals with the pre-accession assistance coordination. The deputy Prime Minister for European Integration is at the same time the National IPA coordinator – NIPAC; 3) *Groups for European integration* as the fundamental expert coordinative bodies in charge of the different areas of the Acquis, which correspond to the SAA subcommittee structure. Seven groups for European integration, which also represent the Montenegrin part of the SAA Committee have a key role in the drafting as well as future implementation of the NPI.

In 2008, it is planned to adopt the Strategy for training of civil servants and state employees in the period from 2008-2012. A regional conference 'Professionalizing and depoliticizing of civil service' was organized (as a result of cooperation between HRMA, UNDP Office in Podgorica and the Association of practitioners in the field of human resource management). There are numerous ongoing programs for training and capacity building of public administration.

The number of public hearings and other forms of consultations in the process of adoption of regulations, policies and plans has increased significantly in 2007.

Progress has been made in the establishment of the strategic and institutional framework for the combating corruption. The National Commission for implementation of the Action plan for the fight against corruption and organized crime has been established, and the implementation of the Action plan is regularly monitored. In July 2005, the Government adopted the Fight against Corruption and Organized Crime Program, and in September 2006, the Action Plan for the implementation of this Program, which includes all the international obligations Montenegro has, as well as the principles of the international documents in this area: The EU Council Decision on the principles, priorities and conditions contained in the European Partnership; United Nations Convention against Transnational Organized Crime (Palermo Convention); UN Convention against Corruption; European convention for the protection of human rights and fundamental freedoms; Resolution (97) 24 on the Twenty Guiding Principles for the Fight Against Corruption; and Ten principles for improving the fight against corruption in acceding, candidate and other third countries. The Government of Montenegro has, hitherto, adopted two reports of the National Commission on the implementation of measures of the Action plan for the Fight against Corruption and Organized Crime Program. Both of these reports are published and publically available on the website of the Anticorruption

Initiative Directorate: (<http://www.gom.cg.yu/files/1186062653.doc>; and <http://www.gom.cg.yu/files/1204640240.doc>). The Government also announced the preparation of the Innovated Action Plan for the implementation of the Fight against corruption and organized crime program.

The Government adopted the Strategy of judiciary reform 2007-2012, as well as the Action plan for its implementation. Representatives of judicial bodies and international organizations participated in the process of Strategy drafting. It should be particularly highlighted that the Draft Strategy was subject to Council of Europe's expert analysis within the CARDS 2003 project for the area of justice.

The Criminal Procedure Code is in the procedure of adoption, and it is expected that it will be sent to the Parliament for adoption in the first half of 2008. The new Law on courts and the Law on State Prosecutor are being developed.

During 2007, in the processing of corruption cases, 45 charges were filed against 68 individuals, 25 verdicts have been made against 26 persons, of which 11 verdicts against 11 individuals are legally binding.

The Law on free access to information is continuously being implemented. All state bodies and institutions act in accordance with the Law, and in this way are contributing to the strengthening of their work transparency (the quantitative data is available in individual reports of the institutions, [www.vlada.antikorupc.cg.yu](http://www.vlada.antikorupc.cg.yu)). The new Law on conflict of interest is being prepared. After the Public hearing, the Law will be sent for the Government's consideration.

The responsible state institutions have been implementing an intensive public campaign with the goal of fighting corruption and organized crime, which also encompassed periodic lectures in the high schools and at the universities. The Customs Administration has published 7 brochures for private and legal persons, which contained necessary information about the customs procedures for goods. The Anticorruption Initiative Directorate has, within a public campaign, published 27 advertisements in the daily newspapers calling upon the citizens to report corruption and actively take part in its containment. With the goal of familiarizing citizens with customs regulations, on the Customs Administration's website ([www.poreskauprava.cg.yu](http://www.poreskauprava.cg.yu)) a new material "Say NO to Corruption" was published. This material has also been distributed in 870 copies to the local Custom Administration units, as well as to a number of economic subjects and public administration and local government bodies.

Although a certain progress has been made, it is necessary to continue with the implementation of all measures that were planned for 2008 in various anti-corruption documents and processes, which will contribute to a more efficient implementation of measures projected in the NSSD Action plan.

Regarding the implementation of measures within the priority task related to decentralization, it is very important to mention that in late 2007 the Government defined the proposal of the Law on changes and amendments of the Law on local self-government financing.

Another positive thing is that the Work Program for better local self-government has been adopted and a number of training programs have been implemented, especially in

the area of strengthening technical capacities and human resources at the level of the local self-government. Cooperation between municipalities is becoming increasingly important.

### 2.3.2 Education

#### Priority NSSD task

1. Providing quality education for all children; attainment of Millennium Development Goals and the goals of the National Action Plan for Children
2. Increase of sustainable development topics and contents in the educational curricula from pre-school to university levels

In recent years, the educational system in Montenegro has been changing systematically, as a response to the social reality characterized by a dynamic development of new technologies and the process of globalization. One of the important goals of the current reform in the education sector is to use the regular system of education (pre-school, primary and high school education), in order to develop the student personality that will respect and, in the future, observe, understand and implement the basic principles and the adopted concept of sustainable development. Education plays a key role not only in the implementation of the goals of sustainable development in Montenegro, but also in the process of EU integration.

During the previous year, significant results were achieved in NSSD implementation, as well as the implementation of the Strategic plan of education reform in Montenegro. Besides, MES adopted a special Action plan for integration of the issues of sustainable development into the educational system 2007 – 2009, as an addendum to the Strategic plan of education reform for the period 2005 – 2009.

Significant investments into the creation of preconditions for quality implementation of the reformed educational programs have been made. During the year 2007, MES invested the amount of 5 million EUR into the reconstruction, building and equipping of schooling facilities from its own resources, and additional sum of approximately 1.1 million EUR of the donor funds. Besides, the credit funds were used to finance the construction of one new high school (3,9 mil. €) and the administrative building for educational institutions (2,9 mil. €). The amount of approximately 2.5 million EUR has been invested in the purchase of new ICT equipment (computers, scanners, projectors and alarm systems) in the previous year. The total of 1,650 new computers were purchased for primary and high schools, and 95 teachers from 53 schools have been trained to use the ICT program.

The rate of enrollment in primary schools is relatively high, and according to the Monstat data for 2003, it was 96.9%; in accordance with the Millennium Development Goals, the goal for 2015 is 99%. Number of Roma children enrolled in primary schools is increasing (from 1.195 in the school year 2005/06 to 1.236 in 2006/07). For the children whose parents receive family allowance, distribution of free textbooks has continued this year. The free textbooks are also distributed to the children with special needs within the inclusive program, children in special-care facilities, children without parental supervision and children of soldiers who died in combat.

NOTE: several indicators of implementation of this measure and other measures (described below) from NSSD Action plan are given in the tabular overview (in Part II of this Report).

The implementation of new educational programs takes place in accordance with the pace of the reform plan, so in 2007, most of the primary and high schools were included. By the year 2007, a total of 3,551 teachers in primary schools and 1,396 teachers in high schools were trained for new educational programs.

In order to increase the contents related to sustainable development in the curricula, the following optional programs were developed:

- For primary schools: Characteristics of the marine ecosystem, Interesting Geography, Entrepreneurship, Healthy living styles, Humanitarian law research, Chemistry through experiments and Medical herbs;
- For high schools: Civil education, Ecology, Biodiversity, Chemistry and life, and Research methods and techniques in chemistry.

Through the programs of inclusive education, 185 children with special needs were included in pre-school education; 1,591 children in primary education and 196 children in high school education. Training of teachers and care givers regarding the work with children with special needs and implementation of new educational programs has taken place, and mobile support teams were introduced.

Cooperation between the NGO sector and MES in 2007 resulted in 11 projects that were implemented in primary and high schools, with the contents related to sustainable development. Besides, the international program RAVE Space “Raising the awareness regarding the value of space through the education process” has been implemented.

Among the measures prescribed in NSSD, during the previous year, significant progress has not been achieved regarding the creation of 20% of optional contents in the existing programs. It should be mentioned, however, that, creating 20% of optional content can, apart from defining it, be also looked at as being implemented through the work organization of the teachers during the classes; and that, for this reason, it is not possible to determine exactly how much of the progress has been achieved.

Some of the noted difficulties/unfavorable indicators related to the education sector are the low level (20%, or 29% if the children attending private institutions that specialize in this field of education, and whose licensing is in progress, are included) of inclusion of children into pre-school education and modest results achieved in the international PISA testing of 15-year old students (undertaken in late 2007). (*N.B. PISA testing did not include children attending classes based on the new educational program; hence the results of the PISA research should, rightfully, be interpreted as a verification of the necessity for educational reform*).

### 2.3.3 Health

#### Priority NSSD task

1. Improve the health-related quality of life (while promoting healthy life styles)
2. Preservation and improvement of public health with particular emphasis on vulnerable groups

In order to realize the NSSD priority goals, a whole set of measures in the health sector have been implemented or initiated. The Strategy of smoking control has been developed for the period 2003-2007, so the preparatory activities are underway regarding the drafting of the new Strategy and Action plan, and activities are also underway regarding the establishment of the National Commission for tobacco control. There is an ongoing review of the Law on limitation of use of tobacco products and the ratification of the Framework Convention for tobacco control is expected soon. The new Global research on tobacco consumption is being finalized, and the prevalence study, economic and legal study have been prepared, many national conferences were organized, as well as the education on implementation of campaigns in the field, promotional materials have been developed, etc.

In May 2007, the Institute for Public Health initiated the development of the National strategic response to drugs 2008-1012 and the Action plan for implementation of activities contained in the Strategy for the prevention of drug-use for the period 2008 - 2009. The development of the documents was undertaken by the inter-sector working groups, consisting of the representatives of 23 institutions and organizations. Both documents were prepared and submitted to MHLWS, and the adoption will be preceded by the public hearing that will include all the stakeholders. In late March 2008, the Strategy for prevention of drug use has been finalized<sup>13</sup>.

The Strategy of safe food has been adopted in 2006. After the adoption of the Strategy, the preparation of the Law on food safety was initiated, and it was adopted in December 2007.; development of bylaws is underway (adoption planned by late May of this year). In accordance with the Strategy recommendations, the expert teams were established and visited the laboratories responsible for food safety control. A report has been prepared and on the basis of it the review of responsibilities should have been undertaken, but has not taken place yet.

Within the work of the Council for General Education of Montenegro, and coordinated by the Institute for Education, the Curriculum has been developed for the new elective/optional subject "Healthy living styles", which will be studied in the 8<sup>th</sup> and 9<sup>th</sup> grade of primary school. The textbook for teachers has also been developed (authors are the representatives of the Institute for Schooling, Institute for Public Health, and the Clinical Center), and it is currently undergoing a pilot stage of use by the educated teachers.

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13) In Montenegro, this area has been defined through several documents. The expert team of the Government of the Republic of Montenegro prepared in 2001 the five-year plan "Plan and program for the fight against addiction diseases in Montenegro". Afterwards, the Government of the Republic of Montenegro adopted the "Long-term plan and program for the fight against addiction diseases in Montenegro". And after that, the "Action plan for prevention of drug-use among children and youth in Montenegro" has been adopted and it defined the activities regarding the fight against drug-use for the period 2002 – 2006.

The cooperation between the Institute for Public Health, the Institute for Schooling and NGO “CAZAS” resulted in the preparation of the manuals for drug-use prevention in high schools. The program was implemented by the NGO “CAZAS”, through peer education.

The program of mandatory immunization has been continuously implemented for several decades. In the upcoming period, in accordance with the epidemiological situation and WHO recommendations, the introduction of the new vaccines is expected, which will contribute to the better control of individual contagious diseases, for which there are currently no specific primary prevention measures.

MHLSW and the Institute for Public Health believe that the formulation and the measure contained in the NSSD Action plan regarding the “...treatment and rehabilitation of the mentally ill who can endanger themselves and the surroundings in which they live” is unacceptable. It was assessed that this approach contributes to stigmatization of the persons suffering from mental disorders and is not consistent with the current reforms in this area. Contrary to this measure, and in accordance with the international standards, the reform in the field of mental health is aimed at increasing the level of involvement of the persons suffering from mental health disorders in the community they live in, that is, provision of assistance through the Centers for mental health in the community (contrary to placement into special institutions). It was suggested strongly to change the term “mentally ill persons” and to harmonize the contents of this measure with the strategic commitments of the health sector reform.

Action plan for control of smoking has not been fully implemented, due to the lack of resources, although numerous activities have taken place; one part of the implemented were supported by the Institute for Public Health, and the other part by the donors. Despite the fact that there is no precise data on the number of smokers, it is estimated that this number is at the level of around 50% of the population.

### **2.3.4 Equality and social protection**

#### **Priority NSSD task**

1. Enhancing the quality of social protection services and economic empowerment of needy persons
2. Strengthening of gender equality

In order to fulfill the NSSD task related to the improvement of the system of social protection, it is important to mention the improvement of the strategic framework, achieved last year. In July 2007, the Strategy for combating poverty and social exclusion 2007-2011 has been adopted. This document is compatible with NSSD, the Action plan for European Partnership, the National Strategy for Permanent Solution to the Problem of Refugees and Internally Displaced Persons, and the National Action Plan for the Decade of Roma Inclusion 2005-2015. In December 2007, the Strategy of development of social and child protection has been prepared, as well as the Strategy of development of social protection of the elderly and the Strategy of integration of the disabled.

In accordance with the Action plan of the Strategy of development of social and child protection 2008-2012, next year special attention will be given to reviewing the value of financial benefits in the field of social and child protection, decentralization of the system, development of the IT system, and protection of children without parental care and children with behavioral difficulties. In order to protect the children with development difficulties, activities regarding the opening of daycare centers in Berane, Niksic and Pljevlja will continue, and there are ongoing preparatory activities in Herceg Novi and Bar. These programs are implemented in cooperation with the local self-governments and NGO sector. An important segment of the social and child protection is ratification of the international conventions that treat this area and their implementation, as well as reporting to the relevant institutions about the implementation of the ratified documents.

Priorities of the Strategy of development of social protection of the elderly 2008 – 2012 are as follows: definition of standards, support to local self-governments in adoption of plans and programs of social protection of the elderly, finding a sustainable solution to the program of home care, as well as the continuation of activities regarding the construction of facilities for palliative care.

The main goal of the Strategy of integration of the disabled 2008-2016 is to improve the status of the disabled in Montenegro and their equal participation in all aspects of the society. In order to implement this Strategy, it is planned (for 2<sup>nd</sup> quarter of 2008) to adopt the Action plan for the period 2008 – 2010. The Law on movement of blind persons with the help of the guide dog has been adopted. This year, the Law on protection of the disabled against discrimination will be adopted, as well as the Law on privileges of the disabled in internal (national) passenger transport.

In the upcoming period, special attention will be given to improvement of the accommodation facilities in the Special Institute “Komanski most” that provides care for persons with moderate and severe mental development difficulties. There are ongoing activities regarding the preparation of the project documentation for the construction of a new building for the placement of children only.

This year, the programs will be implemented in accordance with the Strategy for permanent solution to the issues of the refugees and internally displaced persons. Montenegro will participate actively in the process of implementation of the Sarajevo declaration, aimed at providing permanent solution to the refugee issue. Protection of asylum seekers, from the aspect of responsibility of MHLSW, will be implemented through the adoption of the Law on social protection of these persons. Implementation of various programs for the protection of Roma is also one of the areas that will be implemented in the upcoming period, in accordance with the Decade of Roma Inclusion.

The municipalities are increasingly recognizing their role in providing services to the socially vulnerable persons in their territories and their activities are continuously developing and improving. The activities are encouraged by the increasing cooperation between the Government and the municipalities in all segments of mutual interest.

No information has been obtained regarding the implementation of measures related to the strengthening of gender equality for the needs of the First progress report in the implementation of NSSD.



### 2.3.5 Culture and media

#### Priority NSSD task

1. Preservation of cultural heritage and cultural diversity
2. Increasing professionalism of the media and providing for a more substantial contribution to raising public awareness on sustainable development and to free access to information

Preparation of the National Strategy of cultural policy has been undertaken in 2007, but because of the fact that several persons processing the materials had to give up, certain areas have still not been finished. The Government Work Plan for 2008 projects the finalization of the National Strategy in the 3<sup>rd</sup> quarter of the year. In 2007, the working groups in charge of preparing the laws (planned in NSSD) have prepared draft law on museum activity (adoption planned in the 2<sup>nd</sup> quarter), draft law on archiving activity (4<sup>th</sup> quarter) and the draft law on librarian activities (2<sup>nd</sup> quarter). There are ongoing activities regarding the preparation of the draft Law on cultural resources (planned for 4<sup>th</sup> quarter). Besides, the Ministry of Culture, Sports and Media (MCSM) initiated the preparation of the Law on Culture (planned for 4<sup>th</sup> quarter).

The Republican Institute for the protection of cultural monuments engaged in digital data processing for each of the 357 legally protected immovable cultural monuments during 2007. The digital file contains all the basic normative and expert data regarding the cultural monument, but the central database has not been established yet. In the National Museum of Montenegro (NMMN), within the INFO System NMMN DATA (NMCG DATA in Montenegrin language), in order to round up the electronic documentation in the museum, 4,500 museum units were recorded and entered into the digital database. The unified information system for networking of the institutions in the field of protection of cultural heritage has not been established yet.

Preparation of the archeological map of Montenegro has been initiated. The Program of recognition of the terrain has been developed as a precondition for the development of the archeological map. Recognition of the terrain took place in the territories of the following municipalities: Plav, Berane, Andrijevica, Kotor and Herceg Novi.

MCSM developed the proposal of the Law on ratification of the convention on protection and promotion of cultural expression diversity, that the Government adopted in February 2008. The Management plan for the protected areas of World Heritage in Kotor has been prepared and delivered to UNESCO. The Report was adopted at the 31<sup>st</sup> session of the World Heritage Committee, and the recommendations were given regarding its further implementation.

When it comes to the second priority NSSD task in this field, progress has been achieved regarding the first two measures (related to the adoption of the law and training). In 2007, draft Law on prohibited media concentration has been prepared, and its adoption is planned for the 1<sup>st</sup> quarter of 2008.

The Media Institute, in cooperation with MCSM and the Association of Young Journalists, organized three seminars (in Bijelo Polje, Becici and Podgorica) dedicated to the education of citizens and NGO's about the implementation of the Law on free access to information. In Podgorica, in the organization of the Institute, two seminars were also organized dedicated to the education of media in the field of corruption and organized crime and research journalism.

It was not possible to assess precisely the level of implementation of the third measure projected in the AP, because Montenegro currently has several hundred registered printed media and several dozens electronic media, whereas there is no organization collection, collating and statistically processing the data regarding the presence of topics related to sustainable development in those media. Due to the importance of the Strategy and the issue of sustainable development, it was recommended to establish a body (possibly a commission) that would monitor and promote this segment in the media programs. In this way, at the time of preparation of the Second annual report on NSSD implementation, it would be possible to obtain exact data (e.g. number of articles and number of hours in radio and TV shows dedicated to sustainable development issues).

### 2.3.6 Urban development

#### Priority NSSD task

1. Halting illegal construction and legalization of buildings by observing the principles and goals of the Vienna Declaration and by using positive experiences of other countries in combating illegal construction
2. Improving the quality of life and safety in urban areas, focusing on the living conditions of specific (marginalized) target groups; establishing a responsible attitude of the citizens towards the urban environment

The Minister of environmental protection and spatial development signed, on behalf of the Government of Montenegro, the Vienna Declaration in September 2004. In the same period, the Ministry initiated the development of the Action plan for housing policy in Montenegro, which incorporates the recommendations and principles of the Vienna Declaration, and which was adopted at the Government session in late April 2005.

Matrix 4: Illegal neighborhoods, presents the parameters for implementation of the Action plan in this field. This matrix projected the preparation of the Law on legalization, which was initiated in cooperation with UNDP. Draft version of this law has been prepared.

Having in mind the experiences of the countries in the region that show that the number of illegal builders has increased significantly with the preparation of this document, the Government of Montenegro decided to incorporate illegal edifices in the new legal regulations in the field of physical planning and construction of edifices. The bylaws following the new Law on planning and construction of edifices, which is in preparation, will regulate the manner and requirements for definition of status of illegally constructed edifices, at the state and local level, depending on which level of authority has the responsibility for those edifices.

# 3.

DEVELOPMENT  
OF THE  
PARTICIPATORY  
PROCESS AND  
MONITORING OF  
NSSD  
IMPLEMENTATION



Through various forms of consultations, the process of development of NSSD Montenegro involved a wide spectrum of stakeholders. The Strategy gave recommendations to make additional efforts in the implementation phase to maintain the interest and the active role of the actors who participated in the preparation of the Strategy, that is, to ensure the involvement of those actors who did not participate significantly in the process of formulation of the document. There is a strong need to establish continuous dialogue and partnership between the public and the private sector regarding the realization of NSSD goals. The Office for Sustainable Development and the National Sustainable Development Council were emphasized as the institutions/bodies with a special role in ensuring continuous and improved participation and cooperation of all the actors in NSSD implementation.

During the process of NSSD development, in accordance with available capacities, significant efforts were made in order to present the process and the results to the public, through various forms of communication. It is recommended to increase these activities in the stage of implementation of the document.

During the first year of NSSD implementation, however, no significant progress has been made in the level of cooperation and involvement of the social actors in the realization of the sustainable development goals, and some elements were noted that could weaken the existing cooperation and involvement of the civil sector (this relates primarily to the failure to resolve conflicts in the process of deliberations and adoption of individual strategic documents in the Council for Sustainable Development). Exception to this are the initiatives for the creation of the public-private partnerships for sustainable development, whereas the effectiveness of these efforts will only be tested in the upcoming period. The previous year is also characterized by lack of efforts to promote the Strategy and present it to the public.

Regarding the coordination and monitoring of implementation, as well as the recommendations that the Strategy has given to these issues, the following can be noted:

- The system of coordination and continuous monitoring of implementation has not been established (through the appointment of contact persons in the institutions that represent the key implementers of the NSSD Action plan or in some other manner); inter-sector groups that were established have not become operational in practice;
- The Office for Sustainable Development did not work in full capacity for a while; some weaknesses in the manner of organization and work of the Council for Sustainable Development have been noted (and activities are undertaken to overcome them), and the capacities of one part of the administration dealing with environment have not been improved significantly;
- It is still not possible to speak about a more significant progress in the level of coordination between various parts of administration (horizontally and vertically), although an increase in the number of mechanisms and processes for the implementation of all this has increased.

When it comes to the assessment of implementation of measures from the Action Plan and their effectiveness, the Strategy itself recognizes that a special problem will be the weakness in the system of data collection and processing that exist in Montenegro in almost all the areas of importance for NSSD. For that reason, it is recommended to pay special attention to the further reform of the statistical system and harmonization with the EU standards in all the

areas (strong need to harmonize the system in the field of environment with the EEA system). Despite the initiatives implemented in individual sectors<sup>14</sup> and the current/ planned improvements of monitoring and IT system in most of NSSD areas<sup>15</sup>, it can be said that in 2007 no significant progress has been made regarding the availability of indicators for NSSD implementation assessment. This is especially obvious in the tabular part (Part II) of this Report, where the indicators projected in the NSSD Action plan (or some other indicators) are stated only for a small number of measures. The overview of available general indicators projected in NSSD (for the last two or three years for which the data exists), is given in the table below:

NSSD goal	Indicator	2007 (or last available year)	2006 (or last available year.)
Accelerate economic growth and development, and reduce regional development disparities	GDP per capita	3.443 € (2006)	2.912 € (2005)
	GDP by regions	n/a	n/a
	Unemployment rate	29,6 (2006)	30,3 (2005)
	Contribution of SME to GDP	n/	n/a
	Trade deficit	1.535,39 mil.€	855,2 mil.€
	Foreign Direct Investments and ODA	1.007,7 mil.€	644,33 mil.€
	Annual investments in infrastructure		
	International revenues from tourism	367 mil.€	216 mil.€
	Share of beds not located in the coastal region in the total number of tourist beds	4%	4%
	Public and private expenditures for research and development	0,26%	0,18%
	Energy consumption per capita	-	55,48 GJ
	Energy consumption per GDP unit (total and by sector)	n/a	n/a
	Share of energy generation from renewable sources in the total energy generation	65% <sup>5)</sup>	-
	Reduce poverty; ensure equitable access to services and resources	Poverty rate and inequality indicators (Gini coefficient, decile ratio), total and by regions and vulnerable groups	-
Enrolment rate in primary school		96,9% <sup>7)</sup>	-
Literacy for 15 – 24 age group			
Infant mortality rate		11,0 (2006)	9,5 (2005)
Children under 5 mortality rate		12,1 (2006)	11,1 (2005)
Women unemployment rate		30,1 (2006)	35,5 (2005)
Ensure efficient pollution control and reduction, and sustainable management of natural resources	Percentage of the territory protected to preserve biodiversity	7,72%	7,72%
	Area of marine protected areas and coastal zone	-	-
	Water consumption per capita	-	86,1 m <sup>3</sup> (2005)
	Share of wastewater being treated	-	18,86 % (2005)
	Territory under forests	-	44,6% (2005)
	Tourism density at the coast	95% of the total no of nights	96% of the total no of nights
	CO <sub>2</sub> emissions per capita	-	-
	Consumption of substances damaging for the ozone layer	-	-
Improve governance system and public participation; mobilise all stakeholders, and build capacities at all levels	Share of tax revenues of local governments expressed as the share of total tax revenues	-	8,4%

14) For example, in the tourism sector efforts are made to define and monitor the sustainability indicators. In other sectors, such as education, have a developed system of indicators to monitor the ongoing process and reforms.

15) Including energy sector, spatial planning, environment, forestry and other areas.

NOTES:

1. Source of the unemployment data is the Labor Force Survey.
2. Data relates only to gross value of the foreign direct investments (according to the CB bulletin), without the official development assistance (ODA). The net foreign direct investment in 2007 were 524,8mil €. According to the MTEP data, tourism investments as net FDI in 2007 were 142 mil. € (2006) and 90 mil. € (2007).
3. data available for civil works for 2006 – 57,013 mil.€.
4. Final energy consumption in 2006 was 34,4 PJ (population: 620.000).
5. Data applies if the renewable sources of energy include big hydro power plants.
6. Data is from 2002; no recent data.
7. Source: Strategy for combating poverty and social exclusion; Government of Montenegro, July 2007. According to UNICEF data for that year the rate was 98%.
8. According to the 2003 Census, out of the total number of 98.350 persons in this age category, 580 were illiterate.
9. Source of data is the Labor Force Survey.

# 4.

## FINANCING OF NSSD IMPLEMENTATION



## Financing of NSSD implementation

The budgetary expenditures policy in 2006 was aimed at increasing original revenues and financing expenditures from real sources, increase of capital expenditures to finance infrastructure and purchase of equipment, reduction of the share of expenditures for gross salaries and reduction of the state debt. In the implementation of these goals special importance was given to the consistent implementation of the fiscal policy that moved within the limits defined in the Economic Reforms Agenda, and the key parameters that define it are harmonized with the frameworks and goals agreed with the IMF and the World Bank.

Total budgetary expenditures in 2006 were 587,39 mil.€ (increase from 439,24 in 2004, that is from 581,02 mil.€ in 2005), and total investments were 31,63 mil.€. As compared to 2004, the investments increased 2.5 times. Surplus in the Budget of the Republic for 2006 was equal to 80,13 mil.€ that is 3,7% of GDP. The surplus was used to finance repayment of the state debt and increase in state budget deposits. Overview of use of budgetary resources for 2005 and 2006 is given in the table below:

Organizational classification	Ministry or agency	size of the budget expenditure (2005)	Share of total expenditures (2005) -%	size of the budget expenditure (2006)	Share of total expenditures (2006) -%
<b>240-244</b>	Ministry of the Environment	3,24	0,56%	3,24	0,55
<b>200-204</b>	Ministry of health	7,67	1,32%	9,32	1,59
<b>290</b>	Directorate for public works	9,34	1,61%	8,99	1,53
<b>280</b>	Directorate for public procurement	6,83	1,18%	7,98	1,36
<b>160</b>	Judicial system	7,54	1,30%	8,42	1,43
<b>190 - 195</b>	Ministry of culture	7,51	1,29%	8,80	1,50
<b>120</b>	Ministry of agriculture, forestry and water management	8,04	1,38%	9,62	1,64
<b>110</b>	Ministry of transportation	20,37	3,51%	10,21	1,74
<b>660</b>	Directorate for state roads	-	-	15,44	2,63
<b>470</b>	Ministry of defense	40,61	6,99%	39,58	6,74
<b>480</b>	Republic pension fund	45,88	7,90%	54,57	9,29
<b>090 - 091</b>	Ministry of labor	43,87	7,55%	45,05	7,67
<b>100 - 102</b>	Ministry of interior	49,73	8,56%	57,41	9,77
<b>080, 085</b>	Ministry of education and science	82,70	14,23%	87,19	14,84
<b>070 -072</b>	Ministry of finance	159,58	27,47%	134,82	22,95
	Total expenditures of listed subjects	489,66	84,84%	500,62	85,23
	Total budget expenditure	<b>581,02</b>	100,00%	<b>587,39</b>	100,00%

Source: Law on Final Statement of the Budget of the Republic of Montenegro for 2006

In 2006, the Ministry of Finance was the biggest user of budgetary assets (22,95% of the total budget). Share of this Ministry in the total budget was reduced by 4,5% as compared to 2005, as a result of lower repayment of the mature debt, due to reduction of the level of indebtedness of the state. Another significant user of the budgetary resources was the Ministry of education and science, in the amount of 87,19 mil.€. In 2006, it increased slightly its share in the budget to almost 15%. The Ministry of Interior participated in the budget with almost 10%, the Pension Fund with 9%, the Ministry of Labor and Social Welfare with 7.67%, and the Ministry of Defense with 6.74% (with slight reduction as compared to 2005).



The amount of 3,24 million EUR were planned to finance the environmental protection, that is 0.55% of the total expenditures. Most of that money was used for environmental protection through the Ministry of environmental protection and spatial development (2.6 mil. €). The amount of 0,44 mil. € was spent on the protection of flora and fauna, through the PE (public enterprise) National Parks of Montenegro.

NSSD gave a whole set of recommendations regarding the implementation financing. Some of those recommendations are mentioned in the text below, with a short comment about the activities that were undertaken in order to implement them.

**NSSD recommendation:** The Government should secure program budgeting that will support the strategic priorities

**Comment:** Activities aimed at improving the quality of public finance in Montenegro in the previous year have been taking place in two directions. The first one involves the changes in the legislative framework, and the second segment represents the implementation of various activities aimed at improving the quality of work and the procedures related to programming and execution of the public finances.

In 2007, the Changes and amendments to the Law on budget were adopted and they defined integration and transformation of the extra-budgetary funds into state funds; a more detailed procedure for the adoption of budgets of the local self-governments was defined, as well as the control of the use of funds at the local level, and the implementation of the Capital budget was defined, as well.


Besides the amendments to the legislative framework, there is an ongoing continuation of implementation of the program budget. In the implementation of the program budget in Montenegro, the model of Budget program is used, which represents the main activity (program) or group of activities (sub-program and), and it is executed through the consumption units. Two levels of implementation/execution of the program budget are introduced, and they are expressed through the programs and sub-programs. The reform of the program budget involves the introduction of the logical program classification for the overall budget, as well as the preparation of IT system for monitoring and execution of the budget according to the program structure. The transition from line to program budget is planned in 2008, so that the budget for 2009 would be prepared with the program structure. Full implementation of the program budget, including the indicators and the full implementation of the “top-down” method in the process of budget preparation and planning, is planned to take place in the midterm.

**NSDS recommendation:** It is especially important to access the EU support funds in the process of stabilization and association

**Comment:** Montenegro has a status of a potential EU membership candidate and the introduction of DIS (decentralized implementation system in the use of EU pre-accession funds) is in preparation<sup>16</sup>. In that respect, in the Ministry of Finance there are ongoing activities regarding the establishment of CFCU (Central Financing and Contracting Unit)

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16) So far, a centralized system was used, where the EAR acted as an implementing agency for the use of pre-accession funds of the EU (CARDS, ISPA, SAPARD etc.).



and NF (National Fund), as well as the necessary infrastructure for the introduction of DIS. In the period 2007-2009, it is projected that Montenegro will use the funds from IPA (Instrument for pre-accession assistance) in the amount of over 30 mil. € per year.

With the introduction of IPA, Montenegro will participate in the distribution of European funds in a unique manner, together with the countries of the Western Balkans. Having in mind that Montenegro has the status of a potential candidate, it is necessary to emphasize that it can participate in the first two IPA components: *Transition support and institution building* and *Regional and cross-border cooperation*. The assets are aimed at increasing the level of harmonization with the *acquis* and creation of the basis for the use of IPA components that become available with the candidate status (Regional development; Human Resource Development; Rural Development).

# 5.

OVERVIEW OF THE  
PROGRESS  
ASSESSMENTS AND  
RECOMMENDATIONS  
FOR FUTURE  
PROCESS OF NSSD  
IMPLEMENTATION



On the basis of the overview of information and assessments collected in the process of preparation of the First Progress Report on NSDS implementation, and starting from the goals, tasks and recommendations of the Strategy, the analysis has been made and certain conclusions and recommendations were derived. Conclusions and recommendations are presented in the text below.

In the reporting period, numerous activities, projects and measures were initiated and partially or fully implemented, which can be classified within priority tasks and measures projected in the Strategy Action plan. For majority of the areas elaborated in the Strategy, there are obvious improvements in the creation of the legislative and strategic framework, as the necessary structural prerequisites for the achievement of the aims of sustainability, and there is also an obvious progress in the preparation of projects and project documentation. This progress is somewhat less obvious (and for a smaller number of areas) in the development of the institutional framework. The progress is least visible when it comes to administrative capacity building and reform of the system of civil service, which are necessary in order to introduce a coordinated action and achieve the defined goals in the shortest period and with the lowest costs. Regarding the capacities, it is also obvious that the enforcement of new regulations, strategies and plans will represent a big challenge in the upcoming period of Strategy implementation.

The ongoing activities or the ones that are already implemented, however, are mostly implemented as part of the regular work of the administrative authorities and the relevant institutions/ other actors and there are practically no indications that these activities are the result of organized and coordinated effort to implement NSDS of Montenegro. An exception are some sectors/areas where comprehensive reform processes have been taking place for a long time, and where the sector priorities coincide to a great extent with the ones defined in the Strategy. Such a situation has its good and bad sides: the good thing is that NSDS “fits into” the current plans and programs, but the worrying thing is that such an approach causes a significant risk that in those measures where NSDS does not coincide with the sector approaches, could result in a significant departure from the projected sustainable development goals.

The total lack of or insufficient coordination between various sectors, which existed in the process of preparation of this Report, as well, represents again an important risk for Strategy implementation. And all this despite the fact that some progress has been made, but still unsatisfactory, in the integration of policies and principles of sustainable development into sector policies. It seems that the integration of sustainability issues into sector policies (and generally, an integrated approach to formulation and adoption of development policies) in the previous period was more in the form of verbal support, than in the form of implementation of policies and programs using the top (goals and principles)-down (operational mechanisms and instruments) approach. One of the obstacles for a more significant progress in this field is the lack of parameters and indicators to assess more precisely whether certain policy or program is sustainable or not, thus leaving room for various interpretations. Another significant problem for the implementation of the sustainable development goals is the lack of open and efficient mechanisms to resolve conflicts that arise in the process of policy creation and implementation.

In the process of compiling individual inputs into this report, some common characteristics of the delivered materials were noted (textual inputs and tabular overviews, with the assessment of status of the measures from the Action plan, which represent Part II of

this Report). Considering them relevant for the better understanding of this Report and creation of a comprehensive impression about progress in NSDS realization, some of those characteristics are presented in the paragraph below:

- It was noted that the level of implementation of some measures was assessed as very low, although the legal preconditions have been created or the project documentation for the implementation of the relevant measure has been prepared.
- A significant number of inputs for individual areas spoke about the achievements from the period prior to NSDS adoption, and in most of them, significant attention has been given to the plans (mostly for the period until late 2008, and sometimes even longer); such an approach is, naturally, acceptable, but one should not forget that the purpose of the progress report is exactly to identify the achievements made in the observed period.
- It was noted that there were numerous inconsistencies in the assessment of the level of implementation, which can partially be justified by the weaknesses in the methodology used (which, by its character does not ensure a fully objective and precise picture). However, this can be partially explained by the attempt to recognize what has been done through the obviously significant efforts and work of the administration, that is, to emphasize the achievements. Such an approach is understandable and acceptable to some extent – achievements should surely be emphasized, but, at the same time, one should not underestimate the problems and possible failures.
- The narrative inputs mostly describe projects, programs and measures that are being undertaken (or are planned): only in the case of a few inputs for individual areas the effort has been made to identify problems and their causes, that is, to recognize the challenges for the upcoming period.
- The assessments regarding the implementation of measures from the Action Plan, in most cases, are not supported by indicators (especially not the ones that are stipulated in the Strategy).
- Regarding the assessment of measures with several implementers, there has been no coordination, or insufficient coordination, in the preparation of inputs for the report (which gives grounds to the conclusion that there is a lack of coordination in the implementation of those measures, as well). In certain areas it is clear that the institutions recognized as the main implementers assessed only the elements of measures within their own responsibility, without making an effort to coordinate that with others and to give a comprehensive assessment (although there have been some examples of the administrative bodies/ institutions that covered the areas that were not within their own direct responsibility).
- For a certain (small) number of measures there have been no assessments made or no information has been provided.

It is important to mention that in case of a number of measures there were some suggestions to rephrase some aspects or to change their contents<sup>17</sup>, and in a number of cases, there were proposals to correct the deadlines (to move them ahead when it comes to delays, or to correct them in some other way); regarding a small number of measures it was noted that they are not projected in any other planning documents<sup>18</sup> or that they have been abolished. These examples, although not numerous, raise the issue whether the Action

17) The most important example of such suggestions is the measure in the area of health, which was assessed as improper and non-harmonized with the standards and principles that the reform in the field of mental health is based upon.

18) It is possible to interpret these examples in two ways: a) it shows that the implementation of NSDS measures is mostly done through the activities related to the implementation of other plans and strategies; or b) there is an ungrounded and unnecessary measure.

plan of the Strategy should be corrected (and in what way/by whom) after the adoption of the Report, or is it better to note down such suggestions and make the corrections at the time of the planned Action plan review (in 2010).

Although it is not possible to give a detailed assessment<sup>19</sup> whether the NSDS implementation contributed to the realization of sustainability goals in the previous year and to what extent, having in mind the general goals of the Strategy, a certain number of positive developments and concerns has been noted. The positive developments are as follows:

- A very high level of economic growth and significant reduction of unemployment (measured by the number of registered unemployed persons) have been achieved;
- The sustainable development concept has been widely accepted, although not always integrated in a consistent manner;
- When it comes to the development of infrastructure (roads, regional water supply system, construction and/or reconstruction of sewage systems on the coast), a significant progress has been made in the preparation of the project documentation and provision of funds; some infrastructure projects are already underway;
- In solving the issue of previous pollution, a significant progress has been made in the recovery of the tailings impoundment Mojkovac;
- Some progress has been made in waste management;
- With regard to natural resource management, modest progress has been made (adoption of the new Law on waters and the draft Strategy of ICZM, as the main achievements in 2008, and somewhat more significant progress in planning forest management and development of the IT system);
- The education reform is in a developed stage and is successfully implemented;
- It was noted that there has been an increase, although only a slight one, in spending for research and development;
- Significant progress has been made in the development of the strategic framework for improvement of the system of social protection in the implementation of the principle of equality in access to services and resources; implementation remains a big challenge.

Among the negative developments that represent the reason for concern, and direct us to the actions that need to be undertaken in the future period, the following should be mentioned:

- There are no clear indicators of whether the achieved economic growth is sustainable and to what extent; there are warnings regarding the possible economic non-sustainability and even the non-sustainability regarding the protection of the environment and natural resources; besides, there are no clear indicators of whether the growth is socially sustainable, i.e. to what extent its benefits have been equally distributed to all the members of the society.
- With regard to regional development, there are no clear indicators that special efforts are made to develop the Northern region (e.g. through the support for SME development, support in finding employment, etc).
- Slow progress or no progress at all in the areas such as biodiversity and culture.
- There are no significant improvements in the use of mechanisms and principles of sustainable development (such as SEA, EIA, concept of integrated management, principle of cautiousness in decision-making, evaluation of resources not only

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19) Due to the fact that the reporting period is short, as compared to the longer processes characteristic for the Strategy goals, because of the lack of indicators, because of the inability to define trends in a short period of time, etc.

from the economic aspect, but also from the aspect of other values, etc) in order to resolve conflicts between various goals. This can be especially important having in mind that the strategic documents that will significantly influence the use of the most important natural resources of Montenegro (space/land, water, forests, sea and coastal zone) have been adopted or are about to be adopted.

- There is no information showing that the budget<sup>20</sup> supports more significantly the NSDS implementation. There were no particular efforts made to ensure additional international development assistance for the implementation of the sustainability programs.

What creates special concerns is the lack of a more significant progress in the development of capacities of the institutions, especially the ones responsible for environmental management, water management and spatial planning, at the national and local level. To illustrate this, it is useful to mention that all the general strategic documents (starting from the Economic reforms agenda, onwards) projected the establishment of the Environmental Agency and Fund, which have still not been established. The lack of progress in governance and participation (including the fight against corruption) are also causing concerns when it comes to NSDS implementation and the prospects for sustainable development in general.

Despite the recognized limitations in the use of methodology, some weaknesses in the process and a relatively short time available (as well as limited resources in the sense of the number of people working on this report and the time they could spend to do this), the First Progress Report on NSDS implementation gives a picture of the existing situation in the reporting period that can serve as a good basis for future monitoring of the process and improvements in the use of principles, realization of goals and tasks and implementation of NSDS measures. On the basis of the previous deliberations, the following recommendations can be made:

1. Efforts should be made to define more precisely the key problems in NSDS implementation (that is, to check/ confirm the ones that have already been identified), in order to be more successful in the attempt to overcome them during the upcoming year. It is also necessary to decide on possible corrections of the Action plan.
2. For the next report, and towards the planned review of the Action plan in 2010, it is necessary to establish a continuous system for monitoring and assessment of NSDS implementation.
3. Having in mind that the reform of the statistical system and establishment of adequate monitoring structures and databases represent long-term processes, it is necessary to define a number of indicators of sustainability in the key sectors and to increase the efforts to monitor them in a systematic manner.
4. It is necessary to increase the efforts in the areas that were recognized in this chapter of the Report as the ones where small progress has been made, that is, regarding the issues that were assessed as concerning from the aspect of Strategy implementation and achievement of sustainable development goals.
5. It is necessary to reorganize the Sustainable Development Council and to secure necessary resources for the work of the Office for Sustainable Development, having in mind the key role of this body/institution in the process of NSDS implementation; it is necessary to develop further the mechanisms for coordination and integration of sustainability principles into sector policies.
6. NSDS communication activities should be intensified in the upcoming period.

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20) In case of financing, due to the pace of the budgetary cycle, the analysis has been made for the period prior to the Strategy adoption (2005 – 2006); analysis of 2007 data will be the subject matter of the next Report.

APPENDIX 1:  
SOURCES USED IN  
THE PREPARATION  
OF INPUTS





## **New technologies**

Draft Strategy on scientific-research activity  
Application of the project towards EC  
Documentation and data from the ministries for economic development, education and science, tourism and environmental protection, scientific-research institutions, University of Montenegro, TEMPUS Office for Montenegro, Monstat's Annual Overview,  
Draft Project: Establishment of the National Center for cleaner production

## **Water**

Water-management basis of Montenegro  
Law on waters ("Official Gazette of RoM", no.27/07)  
WFD 2000/60/EC,  
Master plan of waste water collection and processing in the Montenegrin coast and in Cetinje  
Strategic Master plan for sewage and waste waters in the central and northern part of Montenegro  
Reports on use of budgetary assets of the Ministry of agriculture, forestry and water management for the period 2003-2007  
Reports on the use of budgetary assets of the Water Directorate for 2007

## **Sea and coastal zone**

National Strategy of integrated coastal zone management in Montenegro  
Study of the impact of ratification of the Barcelona convention and the supporting protocols on the national legislation  
National Program of Integration into the EU

## **Governance and participation**

Report on implementation of the Action plan for implementation of recommendations from the European Partnership in the period May-November 2007, SEI  
Second Information about implementation of the Action plan for improvement of administrative capacities for implementation of the Stabilization and Association Agreement in the period June 1 – November 30, 2007, SEI  
Report on implementation of the Action plan for the fight against corruption and organized crime, September 2006-August 2007, MANS  
Montenegro 2007 Progress Report, EC  
European Partnership with Montenegro, EC 2007

## **Health**

Sources used for the part related to prevention of smoking:  
Strategy for the control of smoking and the Action plan  
Law on limitation of use of tobacco products  
Law on tobacco  
GYTS, studies: prevalence, economic and legal study  
Framework Convention on tobacco control, and similar

## **Culture and media**

In the preparation of the Report the data from the following institutions were used:

- Ministry of culture, sports and media
- Republican Institute for the protection of cultural monuments
- Regional Institute for the protection of cultural monuments
- Center for archeological research of Montenegro
- National Museum of Montenegro
- Media Institute of Montenegro

OVERVIEW OF THE  
IMPLEMENTATION  
OF MEASURES  
FROM THE  
ACTON PLAN



Priority objectives	Measures	Deadlines	Responsible agencies	Status	Progress indicators	Comments
<b>MACROECONOMIC DEVELOPMENTS</b>						
Stimulate the development of service economy (tourism, maritime transport, etc) (general goal 1)	Further development and implementation of instruments of credit and fiscal policy in order to develop the service sectors	2007 – 2012	Government of the Republic of Montenegro; Ministries of Finance, Tourism, Maritime and Transportation; Central Bank and commercial banks	Mostly implemented	GDP per capita in 2006 - € 3.442; FDI in 2007 - € 1 billion Share of tourism in GDP - 20,7% Trade deficit - 32,2% of GDP	Estimate relates to tourism; reduced VAT rate for accommodation services in tourism from 17% to 7%
	Attraction of Foreign Direct Investment	2007 – 2012	Ministry of Foreign Economic Relations and European Integration; Agency for the Promotion of Foreign Investments	Mostly implemented		
	Long term plan for revitalization and incentives for naval industry and its phased implementation	2007 – 2012	Ministry of Transport, Maritime and Telecommunications	Mostly implemented		Adopted Study on justification of investment in purchase of ships;
<b>REGIONAL DEVELOPMENT AND EMPLOYMENT</b>						
SME development and increase of employment; priority is the northern region, i.e. the development of mountain and eco-tourism, food production (especially the healthy food), and sustainable forestry (general goal 1)	Stimulating entrepreneurship, SME development (especially in tourism and agriculture), self-employment and employment; priority should be given to the northern region (programs: Program for continuous stimulation of employment and entrepreneurship, Banking sector support, Incentives for dynamic entrepreneurship, Fund for Diaspora, Increase in competitive capacities of local producers, Incentives for the successful ones, etc.)	2007 - 2012	Local self-governments, especially from the northern region; Directorate for SME Development; Development Fund; Fund for the Development of Northern Region (FORS Montenegro); Employment Agency; Ministry of Tourism and Environment; MAFWM	Fully implemented	Encouraging competitive capacities: 53 projects with 5,14 mill € (2004/05) Entrepreneurship incentives: 102 projects with 3,4 mill € (2006) Competition and export incentives: 41 projects with 3,13 mill € (2007)	Assessment made by MoED/ <b>Directorate for SME development, on the basis of credit programs (Incentives for competitive capacities, entrepreneurship, competitiveness and exports) implemented in the period 2004 - 2007.</b> No interest was shown for the project "Fund for Diaspora". The Directorate is implementing the project "Selection of the best company" Assessment by MTEP: the project "Hiking and biking" - mostly implemented, other projects in preparation

	Development of human resources	2007 - 2012	Local self-governments; Employment Agency; Ministry of Health, Labor and Social Welfare	NO ASSESSMENT	No. of the unemployed with university education: 1843 (2006); 2149 (2007) No. of the unemployed included in the training process: 571 (2006); 734 (2007)	MHL/SW/ Employment Agency were unable to give an estimate about one of the proposed categories, because this is a measure that involves a process, a wide circle of participants, various possible outcomes, etc. The activities regarding the implementation of this measure are emphasized within the project "Labor market reform and labor force development", especially in the document Human Resources Development - Montenegro 2017
	Development and implementation of regional policies through improved co-operation between municipalities	2007 - 2012	Local self-governments, Association of Municipalities, Government of RoM	NO INFORMATION		
	Employment programs for the unemployed persons; special attention should be paid to the population categories where the unemployment rates are higher than the average (programs such as employment of trainees, public works, etc.)	2007 - 2012	Employment Agency; Ministry of Health, Labor and Social NGOs	Mostly implemented	No. of employed trainees: 1223 (2006) 1182 (2007)	No. of employed persons through the program of public works in 2007 was 993.
	Employment programs for persons with disabilities	2007 - 2012	Ministry of Labor and Social Welfare Employment Agency Local self-governments NGOs	Implemented to a small extent	No. of the employed with disability 12 (2006) 7 (2007)	Persons with disability employed through self-employment credit approval
	Creation of new jobs and increase in flexibility of the companies; solving the problem of technological surplus workers	2007 - 2012	Employment Agency	Mostly implemented	No. of credits (self- employment) for technologically surplus (redundant) workers: 83 (employed 143 persons) in 2006 14 (employed 23 persons) in 2007	Total no. of credits for self-employment is 2043 (employed 3354 persons) in 2006 and 528 (employed 805 persons) in 2007.

## TRANSPORT

<p><b>Improvement of transportation connections, especially in the northern region, through better maintenance of the existing and construction of new infrastructure; development of combined transport</b></p> <p><b>(general goal 1)</b></p>	<p>Full realization of the program budget of the Ministry of Transport, Maritime and Telecommunications, based on short term and long term plans of the individual sectors (with the aim to better maintain the existing and invest into new infrastructure)</p>	<p>2007 – 2012</p>	<p>Ministry of Transport, Maritime and Telecommunications Ministry of Finance Transport Directorate</p>	<p>Fully implemented</p>		
	<p>Co-operation with international financial institutions and provision of support for the construction of highways (priority: highway/ parts of the highway Podgorica – border with Serbia) and reconstruction of regional and main roads</p>	<p>2007-2012</p>	<p>Ministry of Transport, Maritime and Telecommunications, Transport Directorate</p>	<p>Fully implemented</p>	<p>Financing project documentation: MTMT - 1,3 mil € Directorate for transport - 1.5 mil € Also, financing by IFC</p>	<p>Finished: feasibility studies for two roads, SEA; general projects for the highway Bar-Boljare and Adriatic-Ionian highway; first design for part of the highway Smokovac-Veruša; study of possible options for PPP's for highways; transaction phase of implementation of construction of the highway Bar-Boljare</p>
	<p>Provision of financial and economic relieves for combined transport, mainly through the support to railway and maritime transport</p>	<p>2007-2009</p>	<p>Ministry of Transport, Maritime and Telecommunications, Railway of Montenegro Port of Bar</p>	<p>Mostly implemented</p>		<p>Workshops and seminars held within the Twinning program</p>
	<p>Protection of road infrastructure from further degradation caused by overweight freight vehicles</p>	<p>2007-2008</p>	<p>Ministry of Transport, Maritime and Telecommunications, Transport Directorate Crnogoraput</p>	<p>Preparations</p>		<p>Rulebook on requirements and manner of performance of extraordinary transport</p>
	<p>Strengthening the process of implementation of the legal framework in the field of safety and security of transport and increase in efficiency of control in accordance with the legal regulations and international standards for all types of transport</p>	<p>2007-2012</p>	<p>Ministry of Transport, Maritime and Telecommunications, Ministry of Interior and Public Administration and Public Administration Transport Directorate Department for Maritime Safety</p>	<p>Mostly implemented</p>		<p>Rulebook on total duration of driving a vehicle, rests for drivers and manner of work of double crews in vehicles</p>
<p><b>Full integration of environmental requirements in the development of infrastructure projects and in the adoption of regulations in the field of transport; reduced pollution from</b></p>						

<b>transportation and increased transportation safety</b>  <b>(general goal 3)</b>	<p>Familiarization of all the participants in transport sector with the EU norms related to environmental protection; preparation of the plan for phased introduction of the EU standards related to motor vehicles</p>	<p>2007 -2008</p>	<p>Ministry of Transport, Maritime and Telecommunications, Ministry of Tourism and Environment, Transport Directorate, Department for Maritime Safety</p>	<p>Mostly implemented</p>	<p>EURO 3 standard applied</p>	<p>The Decision on conditions that imported used motor vehicles must satisfy (EURO 3), AND IT IS PLANNED TO ADOPT the Decision which will introduce the minimum standard EURO 4</p>
	<p>Increase the efficiency of technical control of vehicles</p>	<p>2007 -2008</p>	<p>Ministry of Transport, Maritime and Telecommunications, Ministry of Interior and Public Administration and Public Administration</p>	<p>Mostly implemented</p>		<p>Decision on requirements that must be satisfied by the imported used motor vehicles</p>
	<p>Adopt the best international standards that define the guidelines for feasibility studies in the transport sector with the aim of protecting the environment</p>	<p>2007-2008</p>	<p>Ministry of Transport, Maritime and Telecommunications, Ministry of Tourism and Environment, Transport Directorate, Department for Maritime Safety</p>	<p>Mostly implemented</p>		<p>Development of the legal framework in accordance with the recommendations and standards of the EU and international organizations in the field of transport and maritime activities</p>
	<p>Strengthen the organizational and physical capacities for the protection of sea from pollution from ships in accordance with international agreements (MARPOL Convention and other relevant agreements)</p>	<p>2007-2008</p>	<p>Ministry of Transport, Maritime and Telecommunications, Ministry of Tourism and Environment, Department for Maritime Safety, PE Morsko dobro (coastal zone management)</p>	<p>Mostly implemented</p>		<p>More intensive activities to draft the Law proposal on sea protection against pollution from ships (Law Proposal is planned to be made in the second half of the year), prescribed responsibility of the Directorate for Maritime Safety to perform sea protection against pollution from ships. Ongoing seminars, capacity building of the staff in the Directorate for Maritime Safety</p>

	Increasing the level of environmental protection in ports	2007-2008	Ministry of Transport, Maritime and Telecommunications Ministry of Tourism and Environment Department for Maritime Safety PE Morsko dobro (coastal zone management) Ports, shipyards, marinas	Mostly implemented		Sent to the Government to define the Proposal of the Law on ports and the program of restructuring of the Port of Bar sent to the Government for adoption
<b>TOURISM</b>						
<b>Diversification of tourist offer (development of village, agro-, eco-, mountain, cultural, sports and other forms of tourism, especially in the northern part of the Republic) in support of the extension of tourist season and attraction of guests with the higher purchasing power (the final aim being increase of direct and indirect revenues from tourism)</b>  <b>(general goal 1)</b>	Preparation of pilot projects for locations identified in development studies; priority to be given to projects that create a tourist product based on sustainable use of natural resources, i.e. on minimizing negative effects on environment	2007 - 2010	Directorate for the Development of SMEs Ministry of Tourism and Environment Private sector International organizations NGOs	Implemented to a small extent	International tourism revenues: 367 mil € (2007) from 216 mil. € (2006) Share of the number of beds not located in the coastal zone in the total number of tourist beds: 4% (2007), no change compared to 2006 Share of the number of overnight stays in the coast in the total number of overnight stays: 95% (2007) from 96% (2006)	Planned projects: "Eco lodge concept in Montenegro", Architectural heritage of the Skadar Lake basin", Skadar Lake – cross-border development concept" and "Contemporary expression of the traditional houses in Montenegro"
	Establishment of tourist organizations in municipalities that still don't have them; establishment of regional tourist organizations	2007 - 2010	Local self-governments Tourist Organization of Montenegro	Mostly implemented	18 local and one regional tourist organizations established (including the municipalities of: Kolašin, Bijelo Polje, Berane, Mojkovac and Andrijevica)	
	Establishment of associations of tourism companies in order to plan joint appearances in the tourism fairs and organize other forms of informative and promotional activities in order to attract tourists of higher purchasing power (especially foreign ones)	2007 - 2010	Tourism companies Ministry of Tourism and Environment National and local tourist organizations	Mostly implemented	Montenegrin tourism association established, and within it there are sectors dedicated to hotels, restaurants, etc. New web portal of the NTO, cooperation with global TV networks - CNN, Euronews, Travel channel and Eurosport.	



	Provision of funds and credit lines for implementation of projects	2007 - 2010	Ministry of Tourism and Environment Commercial banks Foreign investors	Mostly implemented		Directorate for SME development approves funds for development of entrepreneurship. In 2007, for the implementation of tourism projects through the NGO's € 75.000 allocated  Project "Hiking and biking", with the marketing campaign
<b>Integration of sustainability criteria in sanctioning tourism development projects (i.e. for the adoption and assessment of plans), especially when it comes to coastal and winter mountain tourism (general aim 3)</b>	Implementation of media campaign on possibilities and importance of development of tourism in rural areas according to the principles of sustainable development – diversification of the tourist offer and development of other complementary forms of tourism  Education of staff	2007 – 2012 (continuously)	Tourist organizations NGOs	Mostly implemented		"Strategy of development of human resources in the tourism sector in Montenegro" developed, implementation underway
	Adoption and implementation of the principles and guidelines that define sustainable development of tourism, in accordance with good international practice and standards (starting point are UNWTO principles of sustainable tourism)	2007 – 2012 (continuously)	Ministry of Education and Science Ministry of Tourism and Environment Tourist industry Centre for Vocational Training, scientific-educational institutions, international partners	Mostly implemented		Principles and guidelines of sustainable tourism development adopted, organization of workshops for definition of indicators of sustainable development
	Review of the Master plan for tourism development in Montenegro and its harmonization with the principles of sustainable development	2007	Ministry of Tourism and Environment Local and international experts NGOs	Mostly implemented		Adoption of the renewed version of the Master plan planned for 3rd quarter of 2008.

	Consistent implementation of impact assessment in the implementation of big development projects (especially in order to protect biodiversity and sensitive eco-systems, accessibility of space on the coast and protection of the authentic appearance of the coast and the coastal region)	2007 – 2012 (continuously)	Ministry of Tourism and Environment Local self-governments Private sector/ investors PE Morsko dobro (coastal zone management), expert institutions	Preparations		As of January 2008, all the tourism development projects, within the preparatory activities, have the obligation to prepare the environmental impact assessment (EIA)
<b>AGRICULTURE AND RURAL DEVELOPMENT</b>						
<b>Provision of a stable and good-quality food offer through the increase in competitiveness of local producers and sustainable management of resources</b>  <b>(general goals 1 and 3)</b>	Harmonization of policy and regulations in the field of fishery with the EU Common Fishery Policy; strengthening of capacities for development of fishery	2007 - 2010	MAFWM EC programs	Preparations	Strategy of fishery adopted, as well as the Law on freshwater fishery, etc.	
	Increased budgetary support (in relation to the scope, as well as in relation to effectiveness) to the development of agriculture and fishery, especially for young producers	2007 -2012 (continuously)	Government of RoM	Implemented to a small extent		In the NPI, the increase in financial and budgetary support for 4 main segments in agriculture is outlined for the period 2007-2012. EAR is financing the project of reform of fishery 1,1 mil € (2007 - 2010). The programs already nominated for IPA 2009 in this sector amount to 1 mil €. The program for young producers was cancelled, it was not sustainable
	Providing for a better access to credit funds for producers in primary agriculture and fishery	2007 -2012 (continuously)	MAFWM Directorate for SME Development Commercial banks	Preparations	Increased percentage of credit portfolio in commercial banks dedicated to agriculture	The establishment of the Credit Guarantee Fund (CGF) is considered, and its establishment is supported by EAR. The initial capitalization for CGF is EUR 4,000,000 (proposal), where the potential partners would be the commercial banks, MAFWM, the Directorate for SME development, and EC, with special window for agriculture. The essence of CGF operations is to ease the access to loans for farmers and agricultural processing industry

Establishment of business connections among farmers (co-operatives and other forms) in order to eliminate shortcomings of the small scale production (economy of scale)	2007 – 2010 (and onwards)	MAFWM Association of agricultural producers Co-operatives Expert services	Preparations		It is planned to adopt the Law on agricultural cooperatives in the 3rd quarter
Development of agricultural market infrastructure and strengthening of the vertical integration of primary agriculture and processing industry	2007 – 2012 (continuously)	MAFWM Associations of food processors International organizations	Preparations	180 bulletins with prices for live stock, fruit and vegetables	The AMIS (agricultural marketing information system) program implemented, with the support of USDA. Data are collected from the regional centers, and are accessible in the web site of MAFWM. It is planned to increase the budgetary support to these measures, and investments through WB loans
Attraction of foreign capital to the sector of food production and support to investments into processing facilities and distribution channels	2007 – 2012 (continuously)	Agency for the Attraction of Foreign Investments Directorate for SME Development	Fully implemented	49 projects supported, with 2,43 mil €	Assessment relates to the support through the projects of the Directorate for SME development: "Increase of competitive capacities of the local companies", "Entrepreneurship incentives" and "Greenhouse production"
Construction and continuous improvement of the food safety control system	2007 – 2010 (and onwards)	MAFWM - Responsible inspections - Laboratories (veterinary, phyto-sanitary, milk laboratory) Ministry of Health EC programs (TAIEX and twinning)	Mostly implemented		It is planned to establish a phyto-sanitary directorate and to continue investing in the laboratory capacity building <b>MHL SW: Law on food safety adopted in 2007, it is necessary to strengthen further the PHI (Public Health Institute) - including laboratories, accreditation, strengthening of the sanitary inspection, etc.</b>
Development of organic agriculture (improved legal and institutional framework, vocational training, incentives)	2007 – 2010 (and onwards)	MAFWM Certification Agency (Monteorganica) International organizations Expert services	Preparations	14 first producers of organic products registered	

	Promotion of specificity of Montenegrin food production (high value and specific products, products with protected geographic origin, products of organic agriculture, etc.)	2007 – 2010 (and onwards)	MAFWM Directorate for SME Development Associations of producers and processing companies Tourist organizations	Preparations		Montenegrin food products received 250 medals for quality (130 gold ones) in the international fairs (Frankfurt, St. Petersburg, Novi Sad, etc).
	Preparation of guidelines/ manuals for integration of environmental protection (protection of waters, agricultural land, fish, biodiversity, and genetic resources) into the technological development of agriculture and processing industry, and promotion of good practice of the EU countries	2008 - 2009	MAFWM Expert institutions (Bio-technical institute) International organizations EC programs NGO sector	Preparations		This measure requires strengthening of the consultative service in agriculture, with the provision of adequate financial resources (budget, WB loan, and bilateral donations)
<b>Rural development and provision of adequate living standard for the rural population (general goals 1 and 2)</b>	Provision of special support to the areas where working and production conditions are aggravated	2008 - 2010 (and onwards)	MAFWM Secretariat for Development International organizations EC programs	Preparations	Currently, 6.1 mil EUR (41% of the budget of the Ministry) is allocated for rural development, i.e. 6 times more than in 2002	Increased support is planned when the EU candidate country status is obtained. Strategy of rural development adopted, the National program of rural development is in preparation
	Improvement of living conditions in rural areas through improvement of village infrastructure	2007 – 2010 (and onwards)	MAFWM Secretariat for Development International organizations EC programs Local communities	Implemented to a small extent	90 km of countryside roads (cut through, covered with gravel and cleaned up); 300 km of water supply pipes installed in countryside areas, 63 facilities recovered (tanks, captures and reservoirs)	Within the Agro-budget for 2008, 1,8 mil € for the construction and refurbishment of the countryside infrastructure. Credit line is opened for the purchase of irrigation equipment (MAFWM finances 30% of the loan in the form of a grant). Special program was established for the protection of rural schools (100,000 €)

	<p>Promotion of traditional and sustainable production technologies, as well as maintenance of aesthetic and tourism development functions of landscapes in agricultural areas</p> <p>Diversification of economic activities and sources of revenues in rural areas, with special emphasis on various forms of tourism</p>	<p>2007 – 2012 (continuously)</p> <p>2007 – 2012</p>	<p>MAFWMAssociations of producersInternational organizationsLocal communities</p> <p>MAFWM Ministry of Tourism and Environment Secretariat for Development Directorate for SME Development Local communities</p>	<p>Preparations</p> <p>Preparations</p>		<p>It is planned to support a set of pilot projects (WB loan announced). Increased financing is expected through access to IPARD funds.Measures will be implemented through investments/ support for farm management in a sustainable manner, respecting the environmental principles, protecting the biodiversity, introducing organic production, establishing connections with the adequate distribution channels, etc, introduction of FADN register (the register of the network of accounting data in agriculture) etc</p>
<b>ENERGY SECTOR</b>						
<p><b>Rational use of electricity with the increase of at least 10% in energy efficiency by 2010 in comparison to 2005 (general goals 1 and 3)</b></p>	<p>Preparation of the annual Action Plan for the implementation of the Energy Efficiency Strategy</p> <p>Reduction of technical and commercial losses in all the segments of electrical power sector</p>	<p>annually</p> <p>2007 - 2010</p>	<p>Ministry for Economic Development – Office for Energy Efficiency</p> <p>Ministry for Economic Development EPCG AD Nikšić</p>	<p>Preparations</p> <p>Implemented to a small extent</p>	<p>Losses in the transmission network have been significantly decreased, and are currently at the 20% of losses defined by the plan.</p>	<p>AP for implementation of the Strategy of Energy Efficiency adopted by the Government in April 2007. Adoption of the five-year AP (2008-2012) planned for the 2nd quarter of 2008.</p> <p>Reduction of losses to 12% is planned by 2010. EPCG initiated the implementation of the long-term program "Reduction of electricity losses in the distribution network," and is also undertaking a series of activities in the framework of Energy Efficiency project, which is coordinated by the Ministry for Economic Development.</p>

<p><b>Reduction in energy import dependence through optimal use of available national resources and with priority to utilization of renewable sources (general goal 1)</b></p>	<p>Promotion and implementation of projects for increase in energy efficiency in the public sector (e.g. public lighting system, schools, hospitals, administration) and in households</p>	<p>2007 – 2010 (and onwards)</p>	<p>Ministry for Economic Development – Office for Energy Efficiency</p>	<p>Implemented to a small extent</p>	<p>Final energy consumption in 2006 was 34,4 PJ.</p>	<p>Data on final energy consumption and consumption of electricity per GDP unit is not currently available. AP for energy efficiency increase is prepared; in 2008 the World Bank established the credit line to improve the energy efficiency in the public sector</p>
	<p>Establishment of energy related data base, which would be consistent with EUROSTAT system of presentation of national energy data</p>	<p>2007</p>	<p>Ministry for Economic Development – Office for Energy Efficiency</p>	<p>Preparations</p>		
	<p>Provision of incentives (institutional and financial) for implementation of programs of energy efficiency</p>	<p>2007 – 2010 (and onwards)</p>	<p>Ministry for Economic Development</p>	<p>Implemented to a small extent</p>		<p>The preparation or implementation of a set of projects supported by EU, EAR, Norwegian Government, KfW and the World Bank is underway</p>
	<p>Adoption of the Energy Sector Development Strategy of the Republic of Montenegro until 2025 and preparation of the Action Plan for its implementation</p>	<p>2007</p>	<p>Ministry for Economic Development</p>	<p>Mostly implemented</p>	<p>In 2006, net production was 2818 GWh, imports were 1706 GWh, electricity consumption was 4685 GWh</p>	<p>Strategy of energy sector development by 2025 adopted in December 2007. Activities are underway to draft the AP for the five-year period</p>
	<p>Creation of legislative, institutional, financial and regulatory framework for greater participation of the private sector and larger investments in sustainable development of the energy sector, with simplification of the procedures for the issuance of adequate permits</p>	<p>2007 – 2010 (and onwards)</p>	<p>Government of RoM Ministry for Economic Development Regulatory Energy Agency</p>	<p>Implemented to a small extent</p>		<p>Public invitation to the interested investors for assignment of concessions using a combined DBOT arrangement for research of water courses and construction of small HPP's published on 19.11.2007. for 43 water courses</p>
	<p>Maintenance, revitalization and modernization of the existing and construction of new infrastructure for the needs of production and use of energy</p>	<p>2007 – 2012 (and onwards)</p>	<p>Government of RoM EPCG AD Nikšić</p>	<p>Implemented to a small extent</p>		<p>There is a set of ongoing projects in EPCG, regarding production, as well as transmission and distribution facilities</p>

	Providing for the operation of the electrical power system according to market principles with the introduction of tariffs that would reflect real costs	2007 – 2010 (and onwards)	Ministry for Economic Development Regulatory Energy Agency EPCG AD Nikšić	Mostly implemented	There were two electricity price increases for households in 2007: first one in July for 9,3% and the second one in October for 5,8%; now the price for households is 6,65 cEUR/kWh.	Regulatory agency for energy issues is working on the adoption of the Market rules (in accordance with the Agreement on EC); it adopted the Decision on definition of tables with electricity prices
	Harmonization of national legislation in energy sector with the EU legislation	2007 – 2010 (and onwards)	Ministry for Economic Development	Mostly implemented		In accordance with the Agreement on establishment of the EC, Montenegro must implement the EU Directives in the energy sector according to the defined time schedule
	Creation of preconditions for greater use of renewable energy sources, combined production of electricity and heat (CHP), and use of fossil fuels with clean technologies; analysis of possibilities for the implementation of projects within the Clean Development Mechanism (CDM) of the Kyoto Protocol	2007 – 2012 (and onwards)	Ministry for Economic Development	Implemented to a small extent	Share of energy from renewable sources (RSE) in total energy production in 2007 was approx. 65% (big HPP's included)	Public invitation for small HPP's announced. Cooperation with the Italian partners regarding the assessment of potential of the OIE and the capacity to implement CDM projects continues. It is planned to introduce regulations for the use of co-generations (CHP), according to the Directive 92/42/EEC (2004/8/EC).

	Ensuring energy availability to all the population groups (determining the energy pricing and tariff policies and preparation of programs for subsidizing socially most vulnerable population groups)	2007	Government of RoM Ministry for Economic Development	Fully implemented	Subsidy defined at the level of 11,2 € monthly (30% of average minimum energy bill for the family of four); payments made quarterly as of 1.10.2007.	9.5
<b>INDUSTRY</b>						
<b>Improvement of industry's environmental performance (General goal 3)</b>	Exchange of information and dialogue between the public sector and industry about the obligations specified in the newly adopted and planned laws on environment in the context of EU integration (especially the IPPC law); preparation of plans for gradual implementation of EU standards	2007 - 2009	Ministry for Economic Development Ministry of Tourism and Environment Industrial companies and business associations International organizations	Implemented to a small extent		The exchange of information with the industry was not implemented. A meeting with all local governments was held and a permanent contact was established.
	Implementation of obligations from the IPPC law (obtaining integrated permit, monitoring and harmonization of emissions with the standards)	2008 - 2009	Industrial companies Ministry of Tourism and Environment	Mostly implemented		The Law is in force as of 1.1.2008.
	Implementation of the «polluter pays» principle in industry	2007 – 2009	Ministry of Tourism and Environment MAFWM Eco-fund Water Administration	Implemented to a small extent		Increased collection on the basis of the Decree on the amount of compensations, manner of calculation and payment of compensations for the pollution of the environment (Official Gazette no. 26/97, 9/00, 52/00) regarding the air emissions and production of hazardous waste



<p>Encourage and stimulate business sector (especially industrial companies) to introduce voluntary mechanisms for improvement of environmental performance (EMAS, ISO standards, environmental label)</p>	<p>2007 – 2009</p>	<p>2007 – 2009 Ministry for Economic Development Ministry of Tourism and Environment Business associations</p>	<p>Implemented to a small extent</p>	<p>13 enterprises are using quality based standards</p>	<p>Euro 50,000 was allocated for certification and implementation of international quality based standards: EMS, QMS and HACCP (protection of environment, quality management system and food safety). The number of enterprises that used the subsidies was 13 for 2007, while the process is in progress for 2008. In addition, one lab was helped in the process of accreditation, as a confirmation of competencies in international standards.</p>
<p>Analysis of possibilities for the development of incentives for introduction of cleaner and more energy-efficient technologies and implementation of feasible solutions (possible forms of incentives: subsidies, soft loans, tax relieves)</p>	<p>2007 - 2010</p>	<p>Ministry for Economic Development Ministry of Tourism and Environment Ministry of Finance</p>	<p>Implemented to a small extent</p>	<p>5 MSP involved in implementation of the project for energy efficiency increase</p>	<p>The Directorate for SME development is implementing a credit line "Energy efficiency and renewable sources of energy" as of mid-2007 (out of 5 projects, one has been implemented).</p>
<p>Further development and implementation of the system of water recycling in industrial plants</p>	<p>2007 - 2008</p>	<p>Industrial companies (big water consumers) MAFWM Ministry of Tourism and Environment University</p>	<p>NO INFORMATION</p>		
<p>Clean-up of the past pollution by the state (obligations accepted for the aluminum plant – KAP, and for the mining tailings in Mojkovac and Pljevlja)</p>	<p>2007 2010</p>	<p>Government of RoM</p>	<p>Mostly implemented</p>		<p>Recovery of the tailings impoundment Mojkovac implemented as planned. Exports of equipment with pyralen oils, contaminated soil and similar from KAP has been executed. The preparatory activities are underway in order to define the solutions and resolve the issue of placement of hazardous waste from the landfill created prior to KAP privatization. Project documentation for the recovery of tailings impoundment Gradac has been prepared.</p>

NEW TECHNOLOGIES						
<b>Stimulating research, development and innovations</b>  <b>(General goals 1 and 3)</b>	Preparation of the strategy for development, innovations and technology	2007 - 2008	Ministry of Education and Science Ministry for Economic Development Secretariat for Development	Implemented to a small extent	Draft Strategy of scientific-research activity (public hearing in May 2008)	Implementation of the project ERANET INNOVATION initiated within the Seventh Framework Program of the European Commission-FP7
	Creation of economic instruments (compensations and subsidies for new projects, improvement of technologies, patents) which would stimulate research and development	2007 - 2009	Ministry of Tourism and Environment Ministry for Economic Development University	Implemented to a small extent	Increase in public expenditures for research and development from 0,18 % of GDP in 2006 to 0,26 % in 2007	Activities underway include preparation of regulations, establishment of the Fund for intellectual property, increased no of applications within FP7 and NATO Science for Peace, and others. Estimate by MED that the activities within its responsibility are fully implemented through the credits for non-material investments of the Directorate for SME development
	Investing in reform of technological education to develop human resources for introduction and implementation of new technologies	2007 - 2012 (continuously)	University Ministry of Education and Science	Mostly implemented		Intensified participation in TEMPUS program; funds approved by TEMPUS: 500.000 € for 2007 and 800.000 € for 2008
	State support in the initial phases of transition to «clean technologies» through: - Technical assistance, demonstration projects and training; and - Establishment of the Centre for Cleaner Technologies	2007 - 2010	Ministry for Economic Development Ministry of Tourism and Environment Ministry of Education and Science University International organizations	Implemented to a small extent		Four companies participate in the support project for introduction of clean technologies. Establishment of the National center for clean technologies is underway
	Increased financing of research and innovations by SMEs and by the industrial sector	2007-2012	Business sector	Preparations		Initiation of development of legal and institutional frameworks in the field of innovation; Law on SME fully supports the implementation of this measure

	<p>Increase in budgetary funds for scientific and research work and development</p>	<p>2007 – 2009</p>	<p>Government of RoM University</p>	<p>Implemented to a small extent</p>	<p>Increase in public expenditures for research and development from 0,18 % of GDP in 2006 to 0,26 % in 2007</p>	<p>Rulebook on financing of scientific-research fundamental, applied and development projects and research in the stage of adoption</p>	<p>Participation paid (130.000 €) to join FP 7; For RECPOP 1 there were 6 applications submitted by March 2008</p>
	<p>Mobilization of international resources through securing part of the funds for participation in international projects</p>	<p>2007 – 2012 (continuously)</p>	<p>Ministry of Education and Science University</p>	<p>Mostly implemented</p>			

Priority objectives	Measures	Deadlines	Responsible agencies	Status	Progress indicators	Comments
<b>PROTECTION OF BIODIVERSITY AND PROTECTION OF NATURAL VALUES (especially in the protected areas)</b>						
<p>Increase national nature protected areas to 10% of the territory and protect at least 10% of the coastal zone by 2009; in identifying protected areas, European classification of habitats significant for protection purposes (EMERALD, Natura 2000) should be used, making sure that all the representative ecosystems are included (general goal 3)</p>	<p>Definition of the network of nature protected areas – projections</p>	2007 - 2010	<p>Ministry of Tourism and Environment RIPN Faculty for Biology Natural Museum; Institute for Marine Biology; Bio-technical Institute; Municipal secretariats/ departments for environmental protection NGOs</p>	No activities		
	<p>Designation of new protected areas to achieve 10% of the territory of the Republic (priorities: NP Prokletije; regional parks Komovi and Bioč, Maglić and Volujak)</p>	2008 - 2009	<p>Ministry of Tourism and Environment RIPN Municipal secretariats/ departments for environmental protection Faculty of Biology; Institute for Marine Biology; NGOs</p>	Mostly implemented		<p>Solila in Tivat proclaimed to be a strict nature reserve. The activities are underway regarding the proclamation of the fifth national park Prokletije: feasibility study was prepared, as well as changes and amendments of the Law on national parks, by which the national park will be established (the law exists as a draft, public hearing should take place now)</p>
	<p>Designation of 10% of the coastal zone territory as protected area (priorities: Tivat's Solila; areas in the municipality of Ulcinj - Solana, Šasko Lake, Knete and Ada Bojana; Buljarica); designation of protected areas in the sea (zones by Platamuni, Old Ulcinj and Katiči islands)</p>	2008 - 2009	<p>Ministry of Tourism and Environment PE for coastal zone management (Morsko dobro) RIPN Municipal secretariats/ departments for environmental protection Institute for Marine Biology; NGOs</p>	Preparations		<p>In cooperation with the Regional center for specially protected areas, the preparation of the feasibility study will start for 3 locations in the marine protected zones (Ostrvo Katčić, Platamuni and the old town of Ulcinj)</p>

<p><b>Establish an efficient system for managing nature protected areas (the system should be harmonized with the IUCN management categories and provide for participatory approach to management)(general goal 3)</b></p>	<p>Establishment of managers for all the nature protected areas and development of adequate human resources</p>	<p>2007 - 2009</p>	<p>Municipal secretariats/ departments for environmental protection/Ministry of Tourism and Environment/PE for coastal zone management (Morsko dobro) RIPN</p>	<p>No activities</p>	
	<p>Adoption of management plans for all the nature protected areas through the participatory process and in accordance with the IUCN guidelines</p>	<p>2007 - 2009</p>	<p>Managers of nature protected areas PE National Parks RIPN Ministry of Tourism and Environment PE for coastal zone management (Morsko dobro) Municipal secretariats/ departments for environmental protection</p>	<p>No activities</p>	
	<p>Consistent implementation of the existing management plans (development and protection programs) and prevention of events that can harm the integrity of the nature protected areas (such as unplanned construction, uncontrolled use of biodiversity and uncontrolled forest cutting in the protective and border zones), especially in the NPs Durmitor and Skadar Lake; capacity building in the PE National Parks and in other parts of the administration tasked with the protection of nature and biodiversity</p>	<p>2007 - 2010</p>	<p>PE National Parks Municipal secretariats/ departments for environmental protection Ministry of Tourism and Environment MAFWM NGOs International organizations</p>	<p>No activities</p>	

<p><b>Improve the legal framework for the protection of biodiversity; strengthen human resources and develop an effective system for biodiversity monitoring (general goal 3)</b></p>	<p>Adoption and implementation of the National Biodiversity Strategy and Action Plan</p>	<p>2007 - 2009</p>	<p>Ministry of Tourism and Environment (in co-operation with UNDP) RIPNPE National Parks PE for coastal zone management (Morsko dobro) Municipal secretariats/ departments for environmental protection Faculty of Biology; Natural Museum; Institute for Marine Biology; Bio-technical Institute; NGOs</p>	<p>Mostly implemented</p>		<p>Within the GEF/ UNDP project "National biodiversity strategy", the Study of biological diversity in Montenegro has been prepared, on the basis of which the National strategy will be prepared, with the Action plan, by the end of May of this year</p>
<p>Review (harmonization with the EU legislation) and implementation of regulations on biodiversity protection, nature protected areas and protection of nature in general</p>	<p>2007 - 2010</p>	<p>Ministry of Tourism and Environment RIPN PE National Parks Municipal secretariats/ departments for environmental protection NGOs</p>	<p>Mostly implemented</p>		<p>Proposal of the Law on nature protection has been prepared and it is harmonized with the Directive on habitats and the Directive on birds; adoption is planned for 2nd quarter of 2008.</p>	
<p>Implementation of priority actions and national action plans from the SAP BIO report</p>	<p>2007 - 2012</p>	<p>Ministry of Tourism and Environment RIPN PE National Parks PE for coastal zone management (Morsko dobro) Municipal secretariats/ departments for environmental protection Faculty of Biology Institute for Marine Biology; NGOs</p>	<p>Preparations</p>		<p>In the upcoming period, updating SAP/BIO program will take place, with special emphasis on the influence of climate change on biodiversity.</p>	
<p>Training and employment of new staff for the areas of specialization in the field of biodiversity protection and protected areas management where competent staff is currently lacking</p>	<p>2009 (and onwards)</p>	<p>Ministry of Tourism and Environment RIPNPE National Parks PE for coastal zone management (Morsko dobro) Municipal secretariats/ departments for environmental protection</p>	<p>No activities</p>			

				departments for environmental protection Faculty of Biology/Institute for Marine Biology; Bio-technical Institute; NGOs				
	Review of the program for biodiversity monitoring and provision of necessary financial resources for its implementation	2007		Ministry of Tourism and Environment RIPN PE National Parks PE for coastal zone management (Morsko dobro) Municipal secretariats/ departments for environmental protection	No activities			

### WATERS

<b>Ensure sufficient quantity of good quality drinking water</b>  <b>(general goals 3 and 2)</b>	Protect and adequately control springs/sources for water supply for the cities; prevent devastation of forests in the zones of springs used for water supply	2006 – 2012	MAFWM Local self-governments	Mostly implemented	Preparation of bylaws derived from the Law on waters (Official Gazette of the RoM no. 27/07) is underway and they will define this area in detail
	Identify new springs/sources of drinking water and protect them adequately	2007 - 2012	MAFWM Local self-governments	NO ASSESSMENT	Measure is not regulated by any of the relevant documents. The water management base defines water springs that are currently used for water supply (by 2011), as well as the ones that will be used in the period until 2022.

	Preparation of plans for provision of drinking water to rural areas	2007 – 2010	MAFWM Water Administration Public Companies for Water Supply and Sewerage	NO ASSESSMENT		It is not projected to draft special water supply plans for rural areas, but this should be a continuous activity of the Ministry and the Directorate, in accordance with the available resources
	Reduction of losses in water supply systems for 20% by 2008 and halting the use of drinking water for other purposes, in order to bring the use of drinking water closer to the EU standards	2007 – 2010	MAFWM Water Administration Public Companies for Water Supply and Sewerage	Implemented to a small extent	Water losses in the water supply systems vary from 36% to 80%, and water consumption goes from 250 to 2000 l/inhabitant/day	It was assessed that this measure must be implemented continuously in order to achieve the EU standard of 200 l/inhabitant/day.
	Introduce continuous monitoring of drinking water quality in all the water supply systems	2007 - 2009	Public Companies for Water Supply and Sewerage Ministry of Health, Labor and Social Welfare, Institute for Public Health	Preparations		Ongoing drafting of bylaws derived from the Law on waters (Official Gazette of RoM, no. 27/07). Deadline for implementation of this measure is assessed to be optimistic. MHLWS assessed that the Institute for Public Health is implementing for several decades the program of continuous monitoring of quality and sanitary correctness of waters from city water supply systems, in accordance with the currently applicable Rulebook on sanitary correctness of potable water



	Set the water prices at the level of cost recovery (first of all of economic costs, and then/ gradually of environmental costs, as prescribed by the EU Water Framework Directive – WFD)	Do 2009	Ministry of Tourism and Environment Local self-governments Public Companies for Water Supply and Sewerage	Implemented to a small extent		Prices of water currently cover the economic costs, but the level of prices has not been introduced yet so as to enable investments into the development of the system and coverage of environmental costs. It was assessed that the projected time for implementation of this measure is too short
	Investments in maintenance of city water supply systems in order to ensure good quality of drinking water; identification of bodies responsible for management of rural water supply systems and improvements in managing these systems	2007 - 2010 (and onwards)	Local self-governments Public Companies for Water Supply and Sewerage			It was assessed that this is a continuous task, the assessment has not been made for one of the projected categories
	Construction of regional water supply system for the coastal region	2007 – 2010	Government of RoM International financial organizations Local self-governments PE Regional Water Supply			It was assessed that implementation is underway: project documentation prepared, funds from IFI's obtained (WB 9 mil € and EBRD 15 mil €). Grade has not been given to one of the projected categories
	Program of use of potential springs for the implementation of water bottling projects	2007 -2008	MAFWM Ministry of Tourism and Environment Ministry for Economic Development	Mostly implemented		Study of potential water springs in the territory for commercial purposes adopted in 2000

<p><b>Introduce integrated river basin management, with necessary legal and institutional changes and improvements in the quality control and monitoring of waters (general goal 3)</b></p>	<p>Adoption of the new Law on Waters, harmonized with the EU Water Framework Directive; adoption of the plan for protection of waters; adoption of the Law on Financing of Water Management and of relevant bylaws</p>	<p>2007 - 2010</p>	<p>MAFWM Water Administration Ministry of Tourism and Environment</p>	<p>Mostly implemented</p>	<p>Law on waters adopted in May 2007</p>	<p>Adoption of bylaws, plans of water protection and the Law on financing of water management is underway</p>
	<p>Signing and ratification of international conventions (Helsinki, Stockholm, Protocol on water and health, and others)</p>	<p>2007 - 2008</p>	<p>Parliament of the RoM; other responsible bodies and institutions</p>	<p>Preparations</p>		<p>Barcelona convention ratified (2007)</p>
	<p>Capacity building for the implementation of integrated river basin management and improvement of horizontal and vertical coordination between various segments of administration</p>	<p>2007 – 2009</p>	<p>MAFWM Water Administration Ministry of Tourism and Environment Future Environmental Protection Agency Ministry for Economic Development Ministry of Transport, Maritime and Telecommunications Ministry of Health, Labor and Social Welfare PE for coastal zone management (Morsko dobro) Local self-governments</p>	<p>Preparations</p>		
	<p>Preparation and implementation of projects for integrated management of Tara and Lim river basins and of Skadar Lake eco-system</p>	<p>2007 – 2012</p>	<p>MAFWM Ministry of Tourism and Environment World Bank</p>	<p>Implemented to a small extent</p>		
<p>Implementation of wastewater Master Plans: - Reconstruction and construction of priority sewage systems - Reconstruction of pumping stations (PS) - Construction of priority plants for wastewater treatment (Nikšić, Podgorica, coast) - Connection of big generators of wastewater to the sewage network</p>	<p>2006 – 2012</p>	<p>Local self-governments Public Companies for Water Supply and Sewerage Ministry of Tourism and Environment/ future unit for the implementation of communal infrastructure projects</p>	<p>Implemented to a small extent</p>		<p>Sewage network for Tivat constructed (4 mil €); rehabilitation of pumping stations (2 in Bar, 1 in H. Novi - 0,5 mil €; 2 in Ulcinj, 2 in Budva - 0,6 mil €); reconstruction of WVPP in Podgorica (1,65 mil €); feasibility studies and EIA for WVPP for Nikšić, Bijelo Polje, Pljevlja (0,6 mil €)</p>	

	(after the construction of the treatment plants) and ensuring adequate pre-treatment in industry				Ministry of Tourism and Environment/ future Agency/Private/ business sector	Implemented to a small extent		Regulations that define this field came into effect on 1.1.2008.	
	Consistent implementation of the IPPC Law (with phased implementation of BAT requirements: immediately for the new facilities, until 2015 for the existing ones)	2008 – 2009 (and onwards)			Ministry of Tourism and Environment MAFWM	Mostly implemented			
	Consistent implementation of water quality monitoring, in accordance with the EU regulations encompassed under the WFD (Water Framework Directive); provide adequate funds for implementation of the monitoring program	2007 - 2009 (and onwards)							
<b>AIR</b>									
<b>Preserve, and if possible improve air quality, especially in urban areas (general goal 3)</b>	Harmonize national regulations with the EU directives in the field of air quality	2007 - 2008			Ministry of Tourism and Environment	Implemented to a small extent	Law on air quality adopted (Official Gazette of the Republic of Montenegro, no. 48/07)	All bylaws (total of 12) will be adopted by the end of 2009	
	Ratification of relevant (non-ratified) supporting protocols of the Convention on Long-range Transboundary Air Pollution	2007 - 2008			Parliament of RoM, other responsible bodies and institutions	Preparations		Preparatory activities for ratification of three of eight protocols with this Convention are underway; the remaining five by 2010 Planned for 2009	
	Preparation of a long term strategy for air quality management; preparation of an action plan	2007 - 2008			Ministry of Tourism and Environment Environmental Protection Agency	Preparations			
	Phasing-out of leaded petrol and reduction in sulphur content of diesel fuel and oil	2007 - 2009			Ministry of Tourism and Environment Ministry for Economic Development	Mostly implemented		Proposal of the Decree on quality of liquid fuels originating from oil prepared	

	Introduction of integrated permit in accordance with the IPPC Law	2008	Ministry of Tourism and Environment Future Environmental Protection Agency	Preparations	Law on IPPC came into effect on 1.1.2008. So far, no integrated permits issued
	Establishment of a national network for monitoring of air quality in accordance with the EU standards	2007 - 2008	Ministry of Tourism and Environment Future Environmental Protection Agency	Implemented to a small extent	Adoption of the Decree on definition of locations for measurement points within the state network for continuous monitoring of air quality planned for the 3rd quarter of 2008
<b>SOIL</b>					
<b>Improvement of soil management and prevention of the causes of land degradation and damages</b>  <b>(general goal 3)</b>	Improved monitoring of soil in relation to the content of hazardous and harmful materials; preparation of maps on the contents of hazardous and harmful substances in the soil	2007 – 2010	Institutions responsible for soil monitoring/ future Environmental Protection Agency University of Montenegro – Bio-technical Institute CETI	Preparations	Assessment relates to land monitoring (existing Monitoring program must be harmonized with EEA requirements). Regarding the preparation of maps about contents of hazardous and harmful substances in the soil, the assessment is that there were no activities
	Prevention (reduction to the lowest possible level) of the conversion of agricultural land through the definition of agricultural land use policy, improvement of the legal framework (adoption of the Law on Agricultural Land) and consistent implementation of regulations and spatial plans	2007 – 2010 (permanently)	MAFWM Ministry for Economic Development Local self-governments	Preparations	
	Ratification of the UN Convention on Combating Desertification (UNCCD); Preparation of the national action program for prevention of land degradation in accordance with UNCCD	2007 2008 - 2009	Parliament of the RoM MAFWM, Ministry of Tourism and Environment	Fully implemented Preparations	UNCCD ratified  The Law on nature protection contains the obligation to draft the National action plan; preparations underway

	Introduction of the system of soil fertility control and control of the rational use of fertilizers on cultivable land for as many households as possible	2007 – 2010 (permanently)	MAFWM University of Montenegro – Bio-technical Institute Users of soil/land resources	Implemented to a small extent		
	Gradual re-cultivation of damaged land, primarily in the municipality of Pijevlja	2007 – 2012	Ministry of Tourism and Environmental protection Companies whose activities caused soil damages University of Montenegro – Bio-technical Institute	No activities		
	Erosion mapping according to the type and degree of erosion; development of programs and measures for the protection and mitigation of eroded areas	2007 – 2012	MAFWM Ministry of Tourism and Environmental protection Agency University of Montenegro – Bio-technical Institute	Implemented to a small extent		The first step is to identify eroded areas
<b>FORESTS</b>						
<b>Obtaining of sustainable forestry certificate (in accordance with Forest Stewardship Council - FSC methodology)</b>	Preparation of National Forestry Policy of Montenegro	2007	MAFWM	Fully implemented	NFP prepared, proposal submitted to the Government	
	Preparation of the new law on forests, law on hunting, as well as preparation of supporting bylaws	2007	MAFWM	Implemented to a small extent		Proposal of the Law on game and hunting submitted to the Government; the Law on forests is planned in the Government Work Plan for the 4th quarter

<b>(general goal 3)</b>	Improvements in the system of monitoring and controlling plans and management practices in forestry and hunting, while providing for an adequate basis for these activities in the relevant laws and bylaws	2007 - 2008	MAFWM	Implemented to a small extent	Guideline for the preparation of plans developed. The adoption of the Law on forests is awaited, in order to implement it fully
	Development of institutional capacities for the implementation of improved methodology of forest inventories	2007 - 2008	MAFWM Forest Agency	Mostly implemented	25 engineers from the Forests Directorate trained, training organized also for contractors
	Development of institutional capacities for the implementation of improved methodology of forestry planning (based on the principles of sustainability and economic efficiency, and on the concept of ecological forest industry)	2007 - 2008	MAFWM Forest Agency	Mostly implemented	Ongoing training of staff and preparation of plans for 11 farming estate units
	Establishment of a central data base and GIS in forestry / hunting and provision of necessary equipment and training	2007 - 2008	MAFWM Forest Agency	Preparations	
	National forest inventory: - Preparatory actions - Field work - Data processing	2007 2008 – 2009 2009	MAFWM Forest Agency	Preparations	Ongoing training of staff

	Production of seeds from autochthonous genetic resources - Review of the existing and identification of new forests for seed production - Implementation of nursery and other measures in identified forests - Purchase of equipment, training and construction of facilities	2006 – 2007 2007 – 2008 2007 – 2008	MAFWM Forest Agency	Fully implemented	18 new seed contents isolated and registered	Assessment relates only to the first phase in implementation of this measure - review of existing and isolation of new seed contents
	Monitoring of the health state of forests – establishment of bio-indicating points	2007	MAFWM Forest Agency	Fully implemented		
	Establishment of the protection system against forest fires (video surveillance)	2007 - 2008	MAFWM Forest Agency	Preparations		
	Construction of 50 km of forest roads (10 km/year) and reconstruction of 50 km of forest roads (10 km/year)	2007 – 2012	MAFWM Forest Agency	Fully implemented	16,85 km of roads	Direct costs of concessionaries - work with own assets - amounted to 337.000 €.
	Identification and protection of autochthonous dendro-flora and fauna, with special emphasis on endemic and relic species	2007 - 2010	MAFWM Forest Agency Users of hunting areas	Preparations		
<b>Renewal and restoration of degraded forests (general goal 3)</b>	Preparation of planning documentation	2007	MAFWM Forest Agency	Fully implemented	96 ha of bare land forested	Other works executed regarding the care for, recovery and rehabilitation of forests, with the total value of 642.000 €.
	Implementation of planned activities (500 ha total or 100 ha/year)					

## ENVIRONMENTAL MANAGEMENT SYSTEM

<p><b>Establishment of efficient legislative and institutional framework for environmental protection (particularly in respect to free access to information, implementation of EIA, SEA and IPPC legislation and strengthening of other regulatory and market instruments for environmental management)</b></p> <p><b>(General goal 3)</b></p>	<p>Change and amend the Environment Law in accordance with the ongoing reforms of environmental legislation, and continue with harmonization of national legislation with the EU regulations</p>	<p>2007 - 2008</p>	<p>Ministry of Tourism and Environment</p>	<p>Mostly implemented</p>	<p>Adoption of the Law on environment planned for 2nd quarter of 2008</p>
	<p>Development of administrative capacities for harmonization of environmental legislation</p>	<p>2007 – 2010</p>	<p>Ministry of Tourism and Environment</p>	<p>Implemented to a small extent</p>	<p>Increased no. of staff in the Sector for environmental protection with 14 new employees. No significant steps were made towards the harmonization with the EU standards regarding the assignment of responsibilities in the field of environment</p>
	<p>Provide for training and professional development of staff for the implementation of new laws (EIA, SEA and IPPC) as well as for the other environmental regulations that are currently being drafted (that is, for the ones that will be prepared by 2008 at all levels)</p>	<p>2007- 2008</p>	<p>Ministry of Tourism and Environment</p>	<p>Preparations</p>	<p>No trainings took place in 2007; in 2006, three workshops were organized to train the staff at the republican and local levels. There are ongoing preparatory activities to organize several workshops (to train environmental inspectors, staff at the republican and local level, and prepare guidelines for SEA, as well as for the implementation of the Law on SEA in case of physical planning documents).</p>
	<p>Prepare bylaws for the law on impact assessment, law on strategic impact assessment and law on integrated pollution prevention and control</p>	<p>In 2008</p>	<p>Ministry of Tourism and Environment</p>	<p>Mostly implemented</p>	<p>5 bylaws with the Law on EIA</p>



Prepare plan of implementation for the IPPC Law	In 2008	Ministry of Tourism and Environment Local self-governments	Preparations		
Efficient implementation of the existing environmental laws (and in time, of the ones the adoption of which is forthcoming)	2007 – 2008 (and onwards)	Ministry of Tourism and Environment	Preparations		
Establish Environmental Protection Agency and create preconditions for efficient work of this institution	2007	Ministry of Tourism and Environment	Mostly implemented		The Agency will be established with the Law on environment in the 2nd quarter of 2008
Harmonize the program of monitoring and system of reporting with EEA standards and thus create preconditions for establishment of a comprehensive information system in the field of environmental protection	2007- 2008	Ministry of Tourism and Environment MAFWM CETI Hydro-met Institute Health Institute RIPN	Mostly implemented		Establishment of a comprehensive information system in the field of environment is planned in the new Law on environment
Prepare joint program for exchange of information and their dissemination among republican and local authorities, non-governmental organizations and other local organizations, with the aim to encourage and stimulate public participation in environmental decision making process, especially at the local level	2007 - 2008	Ministry of Tourism and Environment Local self-governments NGOs	Mostly implemented		The new Law on environment will regulate access to information, public participation in decision-making regarding the environment and access to judiciary, in accordance with the Aarhus convention
Ratification of Aarhus Convention	2008	Responsible authorities in the RoM Ministry of Tourism and Environment	Preparations		Ratification is planned to take place by the end of 2008
Adopt the Law on Eco-fund and establish eco-fund, while strengthening the role of economic instruments and implementing the «polluter pays» principle consistently	2006 - 2007	Ministry of Tourism and Environment Ministry of Finance	Mostly implemented		By the end of 2008 it is planned to adopt the Law on establishment of the eco-fund

SPATIAL PLANNING						
<b>Adoption of new and updating of the existing spatial plans at all levels (from the national spatial plan to municipal detailed urban plans), and integration of sustainability requirements into spatial plans and documents (general goal 3)</b>	Adoption of the national Spatial Plan (SP) and integration of sustainability requirements into the SP through the strategic impact assessment	2007	Ministry for Economic Development Parliament of the RoM	Fully implemented	Spatial plan adopted	
	Adoption of the Spatial Plan for Special Purpose Area Morsko dobro (coastal zone)	2007	Parliament of the RoM	Fully implemented	Spatial plan for the special purpose areas adopted	
	Harmonization of spatial plans for special purpose areas and of municipal spatial plans with the Spatial Plan of the Republic	2007 - 2009	Ministry for Economic Development Local self-governments	Implemented to a small extent	Changes and amendments to 3 municipal spatial plans adopted	Budva, Danilovgrad and Šavnik, prepared in parallel with the Spatial plan of Montenegro
	Adoption/ update of municipal general and detailed urban plans (GUP and DUP); priority to be given to coastal and municipalities that comprise some of the national parks	2007 - 2009	Local self-governments Ministry for Economic Development Responsible expert institutions	Implemented to a small extent	3 GUP's adopted	Adoption-update of municipal and detailed urban plans is being implemented in an improved manner.  Budva, Bar and Šavnik, prepared in parallel with the SP of MN.
	Provision of timely and effective access to information and public participation in drafting spatial and urban planning documentation	2007 - 2010	Ministry for Economic Development Local self-governments NGOs	Implemented to a small extent		New Law on spatial planning and development is in preparation, which will ensure transparency.
Capacity building (especially at municipal level) for continuous planning and implementation of modern trends, and integration of sustainability requirements (through environmental impact assessment of plans )	2007 – 2012 (continuous)	Local self-governments Ministry for Economic Development Domestic expert institutions	Preparations			

<p><b>Protection of natural and cultural landscape</b> <b>(general goals 3 and 5)</b></p>	<p>Establishment of a regional planning centre (for municipalities in the northern region)</p>	<p>2007</p>	<p>Local self-governments</p>	<p>Due to the planned beginning of the World Bank supported Municipal capacity building project, the decision was made to abandon the implementation of this concrete measure. The Ministry of economy emphasized that under the new Law on local self-governance these types of activities could potentially be supported, but that, at this point, there is no opportunity for adopting a regional approach. <i>This should be corrected when the NSSD Action Plan is revised.</i></p>
	<p>Establishment of an integrated information system with adequate sub-systems (cadastre, spatial planning, urban planning, infrastructure)</p>	<p>2007 – 2012 (continuous)</p>	<p>Ministry for Economic Development Local self-governments</p>	<p>Implemented to a small extent</p>
	<p>Capacity building in relevant inspections for implementation of laws and plans; improvements in coordination and separation of responsibilities, and consistent implementation of punitive measures in case of non-compliance with regulations / plans</p>	<p>2007 – 2012 (continuous)</p>	<p>Ministry for Economic Development Local self-governments</p>	<p>Implemented to a small extent</p>
	<p>Adoption of the policy for landscape protection in accordance with the Council of Europe Convention</p>	<p>2008</p>	<p>Ministry for Economic Development</p>	<p>Implemented to a small extent</p>
<p>Identification and evaluation of landscapes and integration of landscape protection into spatial planning, environmental protection policy, cultural and other relevant policies</p>	<p>2007 - 2010</p>	<p>Ministry for Economic Development Ministry of Tourism and Environment Responsible local self-government institutions</p>	<p>Implemented to a small extent</p>	<p>The new Law on spatial planning and development is being prepared</p>

					Expert institutions (for urban planning and design, protection of cultural heritage, protection of nature, Faculty of Architecture)				
<b>SEA AND COASTAL ZONE</b>									
<b>Introduction of integrated coastal zone management (general goal 3)</b>	Define the border of coastal zone according to the guidelines of Barcelona Convention, supporting protocols and draft ICZM protocol; recognize the border of the coastal zone in the Spatial Plan of the Republic	2007		Government of RoM Ministry for Economic Development Ministry of Tourism and Environment PE for coastal zone management	Implemented to a small extent	Coastal zone defined in the proposal of NS ICZM			
	Prepare and adopt National Strategy for Integrated Coastal Zone Management in Montenegro - NS for ICZM in Montenegro	2007		Government of RoM Ministry of Tourism and Environment Co-ordination body for ICZM	Mostly implemented	Proposal of NS ICZM prepared			
	Define the line beyond which there is no construction or establish parameters according to which this line will be defined in the plans of a lower rank	2007		Government of RoM Ministry of Tourism and Environment PE for coastal zone management Municipalities Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj	Preparations				Protocol on ICZM signed
	Change the Law on Morsko dobro (coastal zone) or adopt the new Law on Coastal Zone; the law should be harmonized with Barcelona Convention, supporting protocols and other international conventions	2007		Government of RoM Ministry of Tourism and Environment Ministry for Economic Development	No activities				

	<p>Create institutional framework (institution, agency or similar) for the implementation of new regulations and National ICZM Strategy</p>	<p>2008</p>	<p>Government of RoM Ministry of Tourism and Environment Ministry for Economic Development</p>	<p>No activities</p>		
<p>Secure implementation of Barcelona Convention and supporting protocols, MARPOL Convention and other relevant international agreements (through the adjustment of national regulations, adoption and implementation of relevant strategies, action plans and measures)</p>	<p>2007 - 2012 (phased, long term)</p>	<p>Parliament of RoM Government of RoM Ministry of Tourism and Environment Ministry of Transport, Maritime and Telecommunications</p>	<p>Mostly implemented</p>		<p>Assessment relates to the implementation of the Barcelona convention and four of its protocols that were ratified in 2007; the implementation study prepared (as appendix to the Law on ratification), NAP and SAP BIO, as well as the proposal of NS of ICZM. The feasibility study for CAMP is being prepared. Activities related to MARPOL conventions were implemented to a small extent</p>	
<p>Recognize and clearly separate responsibilities for integrated management at the local, regional and national level</p>	<p>2007 - 2008</p>	<p>Government of RoM Ministry of Tourism and Environment PE for coastal zone management Municipalities Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj</p>	<p>No activities</p>			
<p>Prepare CAMP Montenegro (Program of integrated coastal zone management)</p>	<p>2008 - 2009 (and onwards)</p>	<p>UNEP MAP PAPI/RAC Government of RoM Ministry of Tourism and Environment PE for coastal zone management</p>	<p>Implemented to a small extent</p>		<p>Ongoing drafting of the Feasibility study for CAMP; CAMP implementation is planned for first half of 2009</p>	

<b>Reduction of the sea pollution and coastal zone (general goal 3)</b>	<p>Prepare a comprehensive program of continuous monitoring of oceanographic, physical-chemical, biological and other parameters of the sea and coastal area (monitoring) that will integrate individual programs, and identify new financing sources; implementation of the program from 2007</p> <p>Provide necessary equipment for monitoring of all the parameters in the sea; establish GIS data base on the sea and coastal zone, provide mechanisms of continuous financing and identify institutions for maintenance of the data base.</p>	<p>2007-2008</p> <p>2007 - 2012</p>	<p>Government of RoM Ministry of Tourism and Environment MAFW Ministry of Transport, Maritime and Telecommunications PE for coastal zone management Municipalities: Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj Hydro-meteorological Institute CEIT Institute for Marine Biology, other relevant institutions</p>	<p>Mostly implemented</p>	<p>Assessment relates to the monitoring program: final activities regarding the agreement for implementation of MED POL monitoring of status of sea ecosystem are underway, including the financing plan. The grade regarding the part of this measure related to equipment and GIS database is - implemented to a small extent</p>
	<p>Adoption and implementation of the National plan of interventions in case of accidental pollution of the sea from the ships, as a basis for accession to the Sub-regional Plan for the Adriatic</p>	<p>2007 -2008 (and onwards)</p>	<p>Government of RoM Ministry of Transport, Maritime and Telecommunications Agency for Naval Safety and other relevant institutions</p>	<p>Implemented to a small extent</p>	<p>The first draft of the plan prepared</p>
	<p>Adoption of the Law on Protection of the Sea from Pollution from Vessels, Law on Ports, Law on Sea, Law on Hydrographic Activities, Law on Sea Navigation, Law on Safety and Security of Navigation</p>	<p>2007</p>	<p>Government of RoM Ministry of Transport, Maritime and Telecommunications</p>	<p>Mostly implemented</p>	<p>Law on sea adopted; proposals of the law on protection against sea pollution from vessels, law on ports, law on marine shipping, law on security and safety of navigation, were prepared</p>
	<p>Provide mechanisms for efficient distribution and co-ordination of competencies for the control of activities in the coastal zone (which implies cross-sectoral co-operation and co-operation of local and national inspections)</p>	<p>2007 -2008</p>	<p>Government of RoM Responsible ministries PE for coastal zone management Municipalities of Herceg Novi, Kotor, Tivat, Budva, Bar, Ulcinj</p>	<p>Implemented to a small extent</p>	<p>The proposal of NS of ICZM does not define fully the mechanisms of institutional coordination</p>

	Adopt the National Action Plan for Reducing Pollution from Land Based Sources in accordance with the goals stated in the Strategic Action Plan adopted in 1997 within UNEP/MAP	2007	Ministry of Tourism and Environment and other ministries and institutions involved in the implementation of Barcelona Convention and its protocols on the operational level in Montenegro	Implemented to a small extent	Review has not been fully undertaken, because this measure did not fit into the action plan and pace of UNEP/MAP; in 2008, it is planned to start the review of Budget Baselines, which represented the basis of NAP drafting
<b>CLIMATE CHANGE AND PROTECTION OF THE OZONE LAYER</b>					
Fulfillment of obligations under the international agreements on climate change and reduction in the use of ozone depleting substances (general goal 3)	Preparation of the National Communication on Climate Change (including the inventory of greenhouse gases, the plan for reduction of emissions and the program to mitigate the consequences of climate change)	2007 - 2008	Ministry of Tourism and Environment Future Environmental Protection Agency Hydro-met Institute	Implemented to a small extent	Draft national inventories of gases with greenhouse effect prepared for 1990, 1998 and 2003; GEF approved funds and the Committee for project management regarding the preparation of the first national report has been established
	Ratification of Kyoto Protocol	2007	Parliament of the RoM	Fully implemented	The Council for clean development mechanism established and it acts as an authorized national body for approval of CDM projects; assessment of potential CDM projects made
	Implementation of the program for phasing out the ozone depleting substances	2007 - 2012	Parliament of the RoM Ministry of Tourism and Environment Environmental Protection Agency	Mostly implemented	National program for putting out of use the substances damaging the ozone layer adopted

<b>WASTE</b>						
<p><b>Further harmonization with the EU legislation, together with strengthening capacities for proper waste handling and enhancing the waste database</b></p> <p><b>(general goal 3)</b></p>	Adoption of by-laws pursuant to the Waste Management Law	2007	Ministry of Tourism and Environment Future Environmental Protection Agency Relevant state and local bodies	Implemented to a small extent		Drafts of two bylaws prepared; ongoing preparations for the drafting of the remaining 18 bylaws that should be finished by the end of 2008.
	National Waste Management Plan	2007	Ministry of Tourism and Environment	Fully implemented	The waste management plan for the period 2008 - 2012 adopted	
	Municipal Waste Management Plans	2008	Local governments	Preparations		Podgorica is preparing the plan, plans in other municipalities in preparation. Development of local plans should be expected by late 2008 - early 2009
	Construction of regional sanitary landfills (priority: landfills in the coastal region)	2007 – 2012 (and onwards)	Local governments Public Utility Companies Future unit for the implementation of communal infrastructure projects	Implemented to a small extent		Landfill constructed in Podgorica; there are ongoing preparations for the development of feasibility studies and environmental impact assessments for other landfills (already done for landfill in Berane). Construction of other landfills and putting them to use can be expected as of November 2009
	Construction of a landfill for hazardous waste	2009	Ministry of Tourism and Environment	No activities		Activities are undertaken in order to find the solution for the landfill location for temporary hazardous waste disposal



	<p>Keeping data records on waste generation, solid waste management and issued permits (pursuant to Article 44 of the Waste Management Law)</p>	<p>2009</p>	<p>Ministry of Tourism and Environment Ministry of Health, Labor and Social Welfare Local governments</p>	<p>No activities</p>		<p>Issues regarding register keeping will be regulated by bylaws. MHL:SW: Ongoing activities to draft the strategic document that will define management of medical waste, that will also result in the Rulebook on managing medical waste</p>
	<p>Raising awareness on the importance of proper handling of wastes</p>	<p>2007 - 2012</p>	<p>Ministry of Tourism and Environment Public Utility Companies NGOs</p>	<p>Implemented to a small extent</p>		<p>Pilot project is implemented regarding the selective collection of waste in all cities in Montenegro; campaign to put out plastic bags from use initiated. The activity "Let's make it clean" is implemented for four years already</p>
	<p>Stimulation of recycling programs</p>	<p>2007 - 2012</p>	<p>Ministry of Tourism and Environment Ministry for Economic Development Local governments Private sector</p>	<p>No activities</p>		

Priority objectives	Measures	Deadlines	Responsible agencies	Status	Progress indicators	Comments
<b>GOVERNANCE AND PUBLIC PARTICIPATION IN DECISION-MAKING</b>						
<p><b>Improve enforcement of laws and implementation of strategic documents, plans and programs; ensure adequate public participation in the process of their preparation (general goal 4)</b></p>	Consistent application of sanctions in case of non-compliance	2007 permanently	Public administration bodies, especially inspectorates and courts	Implemented to a small extent		<p>The adoption of the National Program for Integration of Montenegro to the EU 2008 – 2012 (NPI) has been planned for the second quarter of this year. The NPI will represent a plan for the implementation of the SAA, which, based on the SAA Article 72, is Montenegro's obligation. The NPI will also encompass several other documents, prepared regularly by the Montenegrin administration, such as the Action Plan for the implementation of the European Partnership Recommendations and Action Plan for the Strengthening of the Administrative Capacity for the SAA implementation.</p> <p>The number of public debates and consultations in the process of policy-making has been significantly increased in 2007.</p>
	Gradual overcoming of the gap between the existing laws and strategic documents and the level of their implementation, primarily through institutional capacities building and by creating a favorable environment	2007 - 2010	Government and other executive bodies, judiciary, prosecutors and courts NGOs (through proper monitoring and critical attitude towards the authorities)	Implemented to a small extent		
	Continuation of public administration reform and improvement of administration's efficiency in line with the requirements resulting from the EU integration processes; improved vertical and horizontal coordination within public administration	2007 – 2010	Government and other executive bodies, with the assistance of public agencies and institutions University	Implemented to a small extent		
	Further steps on the establishment of a decision-making process that is transparent	2007 – 2010 (and onwards)	All state administration bodies Political parties Civil sector	Implemented to a small extent		

<p><b>Prevention of corruption (general goal 4)</b></p>	<p>and open for the public</p>	<p>2007</p>	<p>Adoption of anti-corruption policy with specific measures to prevent corruption in certain areas, especially in privatization, urban planning and construction industry, judiciary and natural resources management as the areas where corruption may substantially jeopardize the public interest</p>	<p>Parliament Government and other executive bodies Civil sector (NGOs, media)</p>	<p>Mostly implemented</p>	<p>Action plan for the fight against corruption adopted</p>	<p>The Government of Montenegro has, hitherto, adopted two reports of the National Commission on the implementation of measures of the Action plan for the Fight against Corruption and Organized Crime Program. Both of these reports are published and publicly available on the website of the Anticorruption Initiative Directorate: (<a href="http://www.gom.cg.yu/files/1186062653.doc">http://www.gom.cg.yu/files/1186062653.doc</a>; and <a href="http://www.gom.cg.yu/files/1204640240.doc">http://www.gom.cg.yu/files/1204640240.doc</a>). The Government also announced the preparation of the Innovated Action Plan for the implementation of the Fight against corruption and organized crime program.</p>
<p>Consistent application of the Law on Free Access to Information</p>	<p>2007 permanently</p>	<p>All state administration bodies Civil sector (NGOs, media)</p>	<p>Implemented to a small extent</p>	<p></p>	<p></p>	<p></p>	<p></p>
<p>Anti-corruption campaigns</p>	<p>2007 - 2010</p>	<p>Government Civil sector (NGOs, media)</p>	<p>Implemented to a small extent</p>	<p></p>	<p></p>	<p>Mostly through the activities of the NGO sector</p>	<p></p>
<p>More active contribution of the judiciary to anti-corruption programs</p>	<p>2007 - 2010</p>	<p>Judiciary and prosecution Civil sector (NGOs, media)</p>	<p>No activities</p>	<p></p>	<p></p>	<p></p>	<p>In 2007, there were no cases of corruption processed in courts</p>
<p>Further improvement of the legislation in the fight against corruption,</p>	<p>2007 permanently</p>	<p>All state administration bodies Political parties Civil sector (NGOs, media) Education system at all</p>	<p>No activities</p>	<p></p>	<p></p>	<p></p>	<p></p>

	strengthening institutions for the implementation of anticorruption policy and increase in the efficiency of the judicial system (changes and amendments of the Criminal Code, especially in the field of capacity building of the Prosecutor's Office and introduction of secret surveillance measures)		levels			
<b>Decentralization (general goal 4)</b>	Consistent implementation of the Law on Local Self-government	2007 - 2008	Local self-governments Government Judiciary	Mostly implemented		
	Institutional and financial strengthening of local authorities, especially in the fields where the new laws devolve significant and demanding responsibilities to municipalities	2006 - 2008	Government, in particular Ministry of Finance Local authorities	Implemented to a small extent	Share of tax revenues of local self-government in total tax revenues - 8,4% (2006)	The total budget revenues for all municipalities for 2007 amount to EUR 305,33 million, which compared to 2006 (EUR 164,75 million) represents a 85,33% increase. Within the revenue structure, the local revenues represent 83,05% (of which 55,40% are fiscal revenues - taxes, fees and compensations), earmarked revenues from the State Budget 11,91 %, Equality fund means 3,56 %, Conditional matching funds from the State Budget 0,52% and State Budget Subsidies 0,96 %. (Ministry of Finance Newsletter, number XI)

	Capacity building at the local level, particularly in the fields in which local bodies have significant and demanding responsibilities (including, but not limited to, water supply, water management, waste, spatial planning)	2007 - 2012	Government, executive bodies, public agencies and institutions University NGOs International organizations and programs	Preparations		A small number of training programs implemented; no data regarding the significant strengthening of technical capacities or human resources
	Strengthening of inter-municipal co-operation and of regional approaches in resolving problems	2007 - 2009	Union of Municipalities Local self-governments Government, executive bodies, public agencies and institutions	Implemented to a small extent		
<b>EDUCATION</b>						
<b>Providing quality education for all children; attainment of Millennium Development Goals and the goals of the National Action Plan for Children (general goals 1 and 2)</b>	Provide for all children (especially Roma) of primary school age to enroll and complete primary education	2007 - 2010	Ministry of Education and Science Institute for Education	Mostly implemented	96,9% of children included in mandatory primary education; 1236 RAE children in primary schools.	
	Provide free textbooks for Roma children and children from disadvantaged families	2007 - 2010	Ministry of Education and Science Institute for Education	Mostly implemented	Literacy rate at the age of 10 and older - 97,5%. No. of primary school students who received free textbooks (beneficiaries of social assistance and RAE) - 2863 (out of	

					that 232 were RAE). No. of high school students who received free textbooks - 63.	
	Implement inclusive education	2007 – 2010	Ministry of Education and Science Institute for Education	Mostly implemented	No of children involved in inclusive education: 185 - pre-school 1591 primary schools and 196 high schools. No of schools where technical capacities were created for inclusive teaching: 36 primary and 6 high schools	
	Conduct teaching process based on the new curricula	2007 - 2010	Ministry of Education and Science Institute for Education Centre for Vocational Education and Training Schools	Fully implemented	No of primary schools involved in reform: 119 (74%); ratio student/PC: 29,6. No of high schools involved in reform: 49 (100); ratio student/PC: 21,6.	
<b>Increase of sustainable development topics and contents in the</b>	Preparation of syllabi for optional subjects for elementary schools	2007 – 2010	Ministry of Education and Science Institute for Education	Mostly implemented	No of primary schools where elective programs are	

<b>educational curricula from pre-school to university levels (general goal 3)</b>	Preparation of syllabi for optional subjects for general secondary schools	2007- 2010	Ministry of Education and Science Institute for Education	Mostly implemented	implemented: 47; no of students studying elective subjects: 12.250  No of high schools where elective programs are implemented: 21 + 2 private ones: no of students taking elective subjects: 4.138	
	Quality implementation of the syllabi with sustainable development topics	2007 - 2012	Ministry of Education and Science Institute for Education Centre for Vocational Education and Training	Mostly implemented	No of primary school teachers trained in workshops and seminars: 2006 - 874 2007 - 902 No of high school teachers trained in workshops and seminars: 2006 - 337 2007 - 319	
	Designing 20% of the free syllabi (from pre-school to university levels ) in a way to incorporate sustainable	2007 - 2012	Ministry of Education and Science Institute for Education Schools	Preparations		

	development topics	2007 - 2010	NGOs Schools	Implemented to a small extent	No of projects implemented in cooperation with the Ministry: 11	
	Realization of specific projects offered by NGOs and relating to sustainable development and Environment through the schools					
<b>HEALTH</b>						
<b>Improve the health-related quality of life (while promoting healthy life styles)</b> <b>(general goals 1 and 2)</b>	Promotion of healthy lifestyles to change behaviors (Smoking Control Strategy, Safe Food Strategy, Violence Prevention Strategy and the Action Plan for Prevention for Drug Abuse) and improvement of health-related safety measures	2007 - 2012	Ministry of Health, Labor and Social Welfare Institute for Public Health Ministry of Education and Science Ministry of Interior and Public Administration Local self-governments NGOs	Mostly implemented	Curriculum prepared for the new elective subject "Healthy Living Styles"; Manuals for drug-use prevention prepared; Studies prepared, conferences held, promotional materials for control of smoking	Strategy and Action plan for prevention of drug use prepared. Manuals for drug-use prevention prepared, the program of peer education is implemented. The teacher's guidebook for the subject "Healthy living styles" has been prepared. The new Strategy for control of smoking is being prepared (previous one was prepared for the period until 2007). There is an ongoing review of the Law on limitation of the use of tobacco products. The new Global research on tobacco consumption is being finalized, and the prevalence study has been finished, as well as the economic and legal study; numerous national conferences were held; education for implementation of campaigns in the field, promotional materials designed and produced, etc.



						<p>prepared: around 20 - 30 lectures on smoking control are held annually; annual campaigns on the World Day against smoking are being regularly implemented.</p>				
							<p>Law on food safety adopted</p>			
							<p>Mostly implemented</p>			
							<p>Relevant inspection services Institute for Public Health CETI</p>			<p>Inter-sectoral teams Ministry of Health, Labor</p>
							<p>2007 - 2010</p>			<p>2007 -2010</p>
						<p>Improvements in the control of health safety of food and consumer goods, drinking water quality and other parameters that affect health; harmonization with the EU standards</p>				<p>Development of multi-sectoral</p>
										<p>Safe Food Strategy from 2006 projected the establishment of expert teams for visits to laboratories engaged in control of food safety; report of the expert teams prepared. The Institute for Public Health has been implementing the program of continuous monitoring of quality and sanitary correctness of water from city water supply systems for several decades.</p>
										<p>Preliminary plans for the implementation of this measure exist (within the Ministry of Work, Health and</p>

	<p>programs with the aim of establishing the importance of the influence of external factors on health and the development of national environment and health action plan</p>		<p>and Social Welfare Ministry of Tourism and Environment Expert institutions (Institute for Health, CETI, etc.), International organizations</p>			<p>Social welfare and the Ministry of tourism and environment protection, in cooperation with the World Health Organization)</p>
<p><b>Preservation and improvement of public health with particular emphasis on vulnerable groups (general goals 1 and 2)</b></p>	<p>Development and enhancement of programs aimed at raising the level of knowledge as a tool for prevention of diseases (particularly for children and other vulnerable categories)</p>	<p>2007-2010</p>	<p>Ministry of Health, Labor and Social Welfare Ministry of Education and Science Institute for Health Relevant health institutions</p>	<p>Mostly implemented</p>		<p>New elective subject "Healthy living styles" is yet to be implemented, Activities regarding children and Roma population from the Action plan are being implemented.</p>
	<p>Prevention, timely detection, treatment and suppression of contagious, chronic non-contagious and malignant diseases, including the immunisation against main contagious diseases, as well as prevention and control of local endemic diseases</p>	<p>2009 - 2012</p>	<p>Ministry of Health, Labour and Social Welfare Institute for Public Health Relevant health institutions</p>	<p>In preparation (deadline is 2009-2012)</p>		<p>Program of mandatory immunizations is continuously implemented for several decades. In accordance with the epidemiological situation and recommendations of the WHO, introduction of new vaccines is expected that will contribute to better control of some infectious diseases. Eradication of child paralysis and elimination of diphtheria have been implemented; good control over all the diseases that can be prevented by vaccination has been achieved, especially pertussis, measles and rubella.NB: The status "In preparation" refers to the implementation of measures which deal with larger capital investments in this area (e.g. opening of a laboratory within the Institute for Public Health, signing of the Memorandum of Understanding with the laboratories for the viral infection detection abroad and the construction of an infective clinic), the start of which is planned for the period after 2009.</p>

	<p>Health protection of general population, whereas priorities are protection of children and the young, protection of women in relation to family planning, pregnancy, delivery and maternity, as well as protection of the elderly</p>	2009 -2012	<p>Ministry of Health, Labor and Social Welfare Relevant health institutions</p>	<p>No assessment (deadline is 2009-2012)</p>		
<p>Increasing the level of mental health in general population, treatment and rehabilitation of mentally ill persons, and special accommodation and treatment of mentally ill persons who may cause harm to themselves or to the environment in which they live, in accordance with the Strategy of mental health improvement</p>	2007 -2012	<p>Ministry of Health, Labor and Social Welfare Relevant health institutions International institutions</p>	<p>No assessment</p>		<p>Strong disagreement with the manner in which this measure is formulated, especially because it is considered that it does not contribute to destigmatizing (on the contrary) of the persons suffering from mental health disorders and that it is not consistent with the reform of mental health in Montenegro. Change of AP for NSSD proposed with regards to the use of term "mentally ill" and emphasizing of the possibility that these people "may cause harm to themselves or to the environment in which they live."</p>	
<p>Proper treatment of traumatized people, especially in cases of traumas caused by car accidents</p>	2007 -2012	<p>Ministry of Health, Labor and Social Welfare Relevant health institutions</p>	<p>No assessment</p>			

EQUALITY AND SOCIAL PROTECTION						
<p><b>Enhancing the quality of social protection services and economic empowerment of needy persons (general goal 2)</b></p>	<p>Adopt the strategy for development of social and child protection (the strategy consists of programs that need to be implemented to enhance social and child protection)</p>	<p>2007</p>	<p>Government of the RoM Ministry of Health, Labor and Social Welfare</p>	<p>Fully implemented</p>	<p>Strategy adopted</p>	<p>Implementation of the Action plan for the Strategy is ahead. The priorities are: review the amount of material benefits, decentralization of the system, definition of standards, development of the IT system</p>
	<p>Adoption of the "Network of institutions of social and child protection" – an act to establish the types, the number and distribution of these institutions in Montenegro</p>	<p>2007</p>	<p>Government of the RoM Ministry of Health, Labor and Social Welfare</p>	<p>IT WAS DECIDED TO GIVE UP ON THE IMPLEMENTATION</p>		<p>Having in mind the decentralization process, it was decided not to implement this measure. <b>The Strategy of development of social protection of the elderly</b> has been adopted (which was not planned in NSSD), together with the Action plan. Priorities: define standards in services, support to local self-government in this area, finding a sustainable solution for the program of homecare.</p>
	<p>Adoption of the Strategy for integration of people with disabilities into the Montenegrin society</p>	<p>2007</p>	<p>Government of the RoM Ministry of Health, Labor and Social Welfare NGO sector</p>	<p>Fully implemented</p>	<p>Strategy adopted</p>	<p>Strategy has been adopted, and ahead is the adoption and implementation of the Action plan. Priorities: adoption of the Law on protection of persons with disability from discrimination and the Law on privileges for the disabled in national passenger transport, opening of daycare centers</p>

	<p>Establishment of centre for local integration of displaced persons within the Commissariat for Displaced Persons</p>	<p>2007</p>	<p>Ministry of Health, Labor and Social Welfare Commissariat for Displaced Persons International organizations NGOs</p>	<p>Implemented to a small extent</p>		<p>In this area an especially important element is the adoption (July 2007) of the <b>Strategy for suppression of poverty and social exclusion 2007 - 2011</b>, which is compatible with the Strategy of sustainable development, the Action plan for European Partnership, the National strategy for permanent solution to the problem of refugees and internally displaced persons, and the National Action Plan for the Decade of Roma Inclusion. The Strategy focuses on four main areas: health, education, social protection and employment, as the improvement of the social and economic position of the vulnerable groups of population depends on them. It incorporates 161 projects from the listed priority areas.</p>
<p>Employment programs for displaced persons</p>	<p>2007 - 2010</p>	<p>Ministry of Health, Labor and Social Welfare Ministry of Education and Science Employment Agency Directorate for Development of SMEs NGOs International organizations</p>	<p>Implemented to a small extent</p>			
<p>Programs for provision of basic housing for displaced persons</p>	<p>2007 - 2010</p>	<p>Ministry of Health, Labor and Social Welfare Ministry for Economic Development Local Governments Commissariat for Displaced Persons International organizations</p>	<p>Mostly implemented</p>			
<p>Access to social and child protection system financial assistance for displaced persons</p>	<p>2007 - 2012</p>	<p>Ministry of Health, Labor and Social Welfare Centers for Social Work Commissariat for Displaced Persons Red Cross NGOs International organizations</p>	<p>Implemented to a small extent</p>		<p>Drafting of the law is underway</p>	

	Improving employment of RAE (Roma, Ashkella, Egyptians) population	2007 - 2012	Ministry of Health, Labor and Social Welfare Ministry of Education and Science Union of Employers Roma Associations Local self-governments	Implemented to a small extent		
<b>Strengthening of gender equality (general goal 2)</b>	Adopt Gender Equality Law	2007	Government of the RoM Parliament of the RoM	NO INFORMATION		
	Adopt the National Action Plan for Gender Equality	2007	Government of the RoM Gender Equality Office	NO INFORMATION		
	Implement the National Action Plan for Gender Equality	2007 - 2009	Ministries Gender Equality Office Local self-governments NGOs	NO INFORMATION		
	Ensure mechanisms for equal participation of women and man in decision-making regarding the economic development and distribution of benefits	2007 - 2012	Government of the RoM	NO INFORMATION		

CULTURE AND MEDIA						
<b>Preservation of cultural heritage and cultural diversity</b>  <b>(general goal 5)</b>	Development of the National Strategy on Cultural Policy	2008 - 2009	Ministry of Culture, Sports and Media	Implemented to a small extent		A greater number of relevant institutions and individuals in the field of culture are involved. Preparation of the Law on culture started
	Drafting a set of laws on cultural heritage: - Law on Cultural Heritage - Law on Museums - Law on Archives - Law on Libraries	2007 - 2008	Ministry of Culture, Sports and Media	Preparations		Draft versions of three laws prepared
	Development of data base on cultural heritage (movable and immovable)	2007 - 2009	National Institute for Monument Protection National Museum of Montenegro	Preparations	357 digital files established regarding immovable monuments of culture in RIMP and 4.500 museum units recorded and entered into NMCG DATA	RIMP - Republican Institute for the protection of the monuments of culture; NMCG DATA - Information system of the National museum of Montenegro
	Development of archaeological map and the archaeological sites data base	2007 - 2012	Centre for Archaeological Research of Montenegro	Implemented to a small extent	5 municipalities recognized	Municipalities in which recognition of terrain took place are: Andrijevica, Plav, Berane, Kotor, Herceg Novi
	Media campaigns on cultural diversity	2007 - 2008	Ministry of Culture, Sports and Media Local self-governments	Implemented to a small extent		Proposal of the Law on ratification of the convention on protection and promotion of diversity of cultural expressions prepared
	Development of the Management Plan for the World Heritage Site - Kotor	2007	Regional Institute for Monument Protection Kotor	Mostly implemented	Management plan developed and adopted by the UNESCO World Heritage Committee	

<p><b>Increasing professionalism of the media and providing for a more substantial contribution to raising public awareness on sustainable development and to free access to information (general goals 3 and 4)</b></p>	<p>Preparation and adoption of the Law on Illicit Media Concentration</p>	<p>2007 - 2008</p>	<p>Ministry of Culture, Sports and Media Parliament of the RoM</p>	<p>Mostly implemented</p>	<p>Draft Law prepared and sent to the relevant Government bodies for deliberations</p>
	<p>Training for journalists (particularly on "research journalism", contribution to free access to information and sustainable development issues)</p>	<p>2007 - 2008</p>	<p>Media associations Media</p>	<p>Implemented to a small extent</p>	<p>3 seminars for education of citizens and NGO's and 2 seminars for education of journalists</p>
<p>Increase of programs dedicated to sustainable development issues in the printed and electronic media (especially in the programs of Public Broadcasting Service)</p>	<p>2007 - 2012</p>	<p>Public broadcasting services and other electronic and printed media</p>	<p>No assessment</p>	<p>It was assessed that, due to the importance of the Strategy and the issues of sustainable development, it would be good to establish a body (e.g. commission that would monitor presence of contents related to sustainable development in the media), in order to have precise data in the preparation of the Second annual report on NSSD implementation.</p>	



## URBAN DEVELOPMENT

<p><b>Halting illegal construction and legalization of buildings by observing the principles and goals of the Vienna Declaration and by using positive experiences of other countries in combating illegal construction</b></p> <p><b>(general goals 2 and 4)</b></p>	<p>Development of the national strategy to address the issue of illegal construction</p> <p>Development of a data base of illegally constructed buildings, tracking and recording the changes; enable full public availability of these data</p> <p>Conduct legalization of illegally constructed buildings while observing criteria set in advance and respecting human rights</p>	<p>2007 - 2008</p> <p>2007</p> <p>2007 - 2008</p>	<p>Ministry for Economic Development</p> <p>Ministry for Economic Development Local self-governments</p> <p>Ministry for Economic Development Local governments</p> <p>Local self-governments Ministry for Economic Development</p>	<p>Fully implemented</p> <p>Mostly implemented</p> <p>Implemented to a small extent</p> <p>Fully implemented</p>	<p></p> <p>Database established</p> <p></p>	<p>Planned in the new Law on spatial development and construction of edifices</p> <p></p> <p>These obligations do not derive from the Law on spatial planning and construction, but are, instead, dealt within the spatial planning documentation. <i>This correction should be made when the NSSD Action plan is revised.</i></p>
<p><b>Improving the quality of life and safety in urban areas, focusing on the living conditions of specific (marginalized) target groups; establishing a responsible</b></p>	<p>Remove architectural barriers (curbstones) to enable access for disabled people to public and educational institutions</p> <p>Provide minimum level of infrastructure and utilities (drinking</p>	<p>2007 - 2009</p> <p>2007 - 2010</p>	<p>Government of RoM Responsible ministries and institutions Local self-governments</p>	<p>NO INFORMATION</p>	<p></p>	<p></p>

<b>attitude of the citizens towards the urban environment</b>  <b>(general goals 2 and 5)</b>	water, sewage, power), particularly for refugee, IDPs and Roma neighborhoods	2007 - 2009	Local self-governments Ministry of Interior and Public Administration	NO INFORMATION		
	Increase security in urban areas	2006 - 2012	Local self-governments Local communities Centers for Culture	NO INFORMATION		
	Provide space, programs and activities for gathering of certain categories of population (youth, elderly, women, etc) in order to create better quality amenities for these target groups; encourage activities of NGOs, businesses, community-based organizations, associations of artists and others to develop programs aimed at "activating" public areas such as the squares, parks, etc.					





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