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negotiating team

NEGOTIATING TEAM



EUROPEAN UNION



British Embassy
Podgorica



Montenegro
Ministry of Foreign Affairs
and European Integration



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NEGOTIATING TEAM



* This brochure uses gender-sensitive language.

Chief Negotiator's Opening Word

Montenegro has successfully entered the fourth year of the accession negotiations. The results that we have achieved represent a solid foundation for pursuing new European successes. They are the proof that efforts made and work done have paid off and they motivate us to continue moving forward with the same vigour.



The special value of the first three years of negotiations is that we have managed to strengthen our internal dialogue and cooperation as regards the EU membership. The idea of the European integration as a national task and objective, whose achievement will provide benefits for all our citizens, has pooled together all the human capital available in the country by gathering required knowledge, experience and energy.

The first year of negotiations was marked by the establishment of the negotiating structure, comprising over 1300 individuals, and also by explanatory and bilateral screenings that took place between March 2012 and 27 June 2013. The screening process helped take stock of the state of play in all areas and identify the biggest institutional, legal and investment challenges for Montenegro.

The Montenegrin society and administration made notable success over the past two years by opening and provisionally closing negotiations on Chapters 25 – Science and Research and 26 – Education and Culture, and by opening negotiations on additional eighteen negotiating chapters: Chapter 4 – Free Movement of Capital, Chapter 5 – Public Procurement, Chapter 6 – Company Law, Chapter 7 – Intellectual Property Rights, Chapter 9 – Financial services; Chapter 10 – Information Society and Media, Chapter 18 – Statistics, Chapter 20 – Enterprise and Industrial Policy, Chapter 21 – Trans-European networks, Chapter 23 – Judiciary and Fundamental Rights, Chapter 24 – Justice, Freedom, and Security, Chapter 28 – Consumer and health protection, Chapter 31 – Foreign, Security, and Defence Policy, Chapter 32 – Financial Control and Chapter 33 – Financial and budgetary provisions.

The successes achieved are a testimony of dedicated work and good results, and represent an incentive for even better performance.

In the forthcoming years of negotiating, we will continue to implement reforms aimed at improving political and democratic stability, creating an environment conducive to economic growth and development that would bring about better living standards of our citizens and produce concrete positive outcomes in all areas.

In addition to aligning our legislation in all areas to European standards and applying it adequately, our focus will be on further strengthening of our administrative capacities and building of new institutions.

The membership in the Union provides for many possibilities, but a country needs to prepare itself for them on time by strengthening its capacities, developing expertise by improving knowledge, skills and capabilities, strengthening competitiveness and improving quality. That is why the accession negotiations should be understood as a mechanism that will gradually prepare us for commitments and advantages stemming from the EU membership.

Today, we are richer for a three-year experience and better prepared for new European tasks.

Podgorica, October 2015.

Chief Negotiator Ambassador Aleksandar Andrija Pejović

On 9 December 2011, the European Council adopted the European Commission recommendations of 12 October 2011 to open negotiations with Montenegro in June 2012.

“The European Council welcomes the Commission’s assessment of the good progress made by Montenegro, which has achieved satisfactory results overall. With a view to opening accession negotiations with Montenegro in June 2012, the European Council tasks the Council with examining Montenegro’s progress in the implementation of reforms, with a particular focus on the area of rule of law and fundamental rights, especially the fight against corruption and organised crime, on the basis of a report to be presented by the Commission in the first half of 2012. It invites the Commission to present without delay a proposal for a framework for negotiations with Montenegro in line with its December 2006 conclusions and established practice, also incorporating the new approach proposed by the Commission as regards the chapters on the judiciary and fundamental rights, and justice, freedom and security. The Commission is, in this context, also invited to initiate the process of analytical examination of the acquis with Montenegro on the above-mentioned chapters.”

Following the European Council’s decision to start accession negotiations with Montenegro, the Government appointed Ambassador Aleksandar Andrija Pejović as the Chief Negotiator for the negotiations on accession of Montenegro to the European Union on 29 December 2011, while the Decision establishing the Negotiating Structure for accession of Montenegro to the European Union was adopted on 2 February 2012.

This was followed by the establishment of 33 working groups for negotiations on individual chapters of the acquis and the appointment of 10 negotiators – Members of the Negotiating Group.

The Negotiating Structure now gathers about 1300 members, including representatives from all areas of our society, state institutions, academic community and the civil society. One third of the total number of members of the Negotiating Structure is composed of the representatives of civil society, while 55% of the members are women. Pursuant to the negotiation process stages, the negotiating structure participates both in preparations and meetings on analytical examination of legislation (screening), technical meetings, preparation and drafting of the negotiating positions of Montenegro, and in the fulfilment of commitments arising from the negotiating documents.

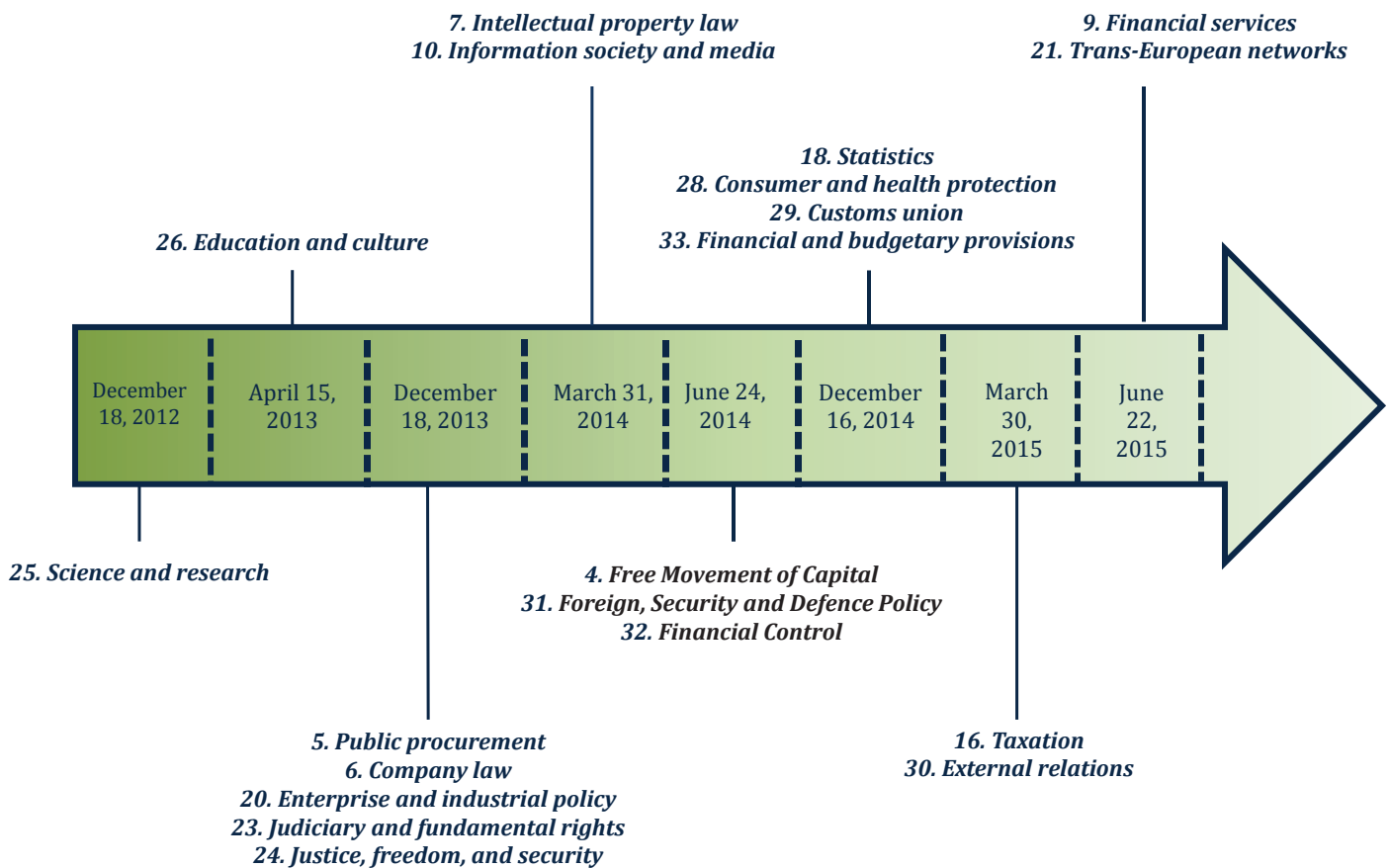
The Intergovernmental Conference between Montenegro and the EU, which took place in Brussels on 29 June 2012, marked the formal opening of the accession negotiations. The Montenegrin delegation was headed by the Minister of Foreign Affairs and European Integration **Milan Roćen**, while Commissioner for Enlargement and Neighbourhood Policy, **Štefan Füle**, and Danish European Affairs Minister and the Council Chairman, **Nicolai Wammen**, attended the conference on behalf of the EU.



Opening of accession negotiations, Brussels, 29 June 2012

THE PROCESS OF OPENING NEGOTIATIONS – CHAPTER BY CHAPTER

DECEMBER 2012 – JUNE 2015



CHAPTER OVERVIEW

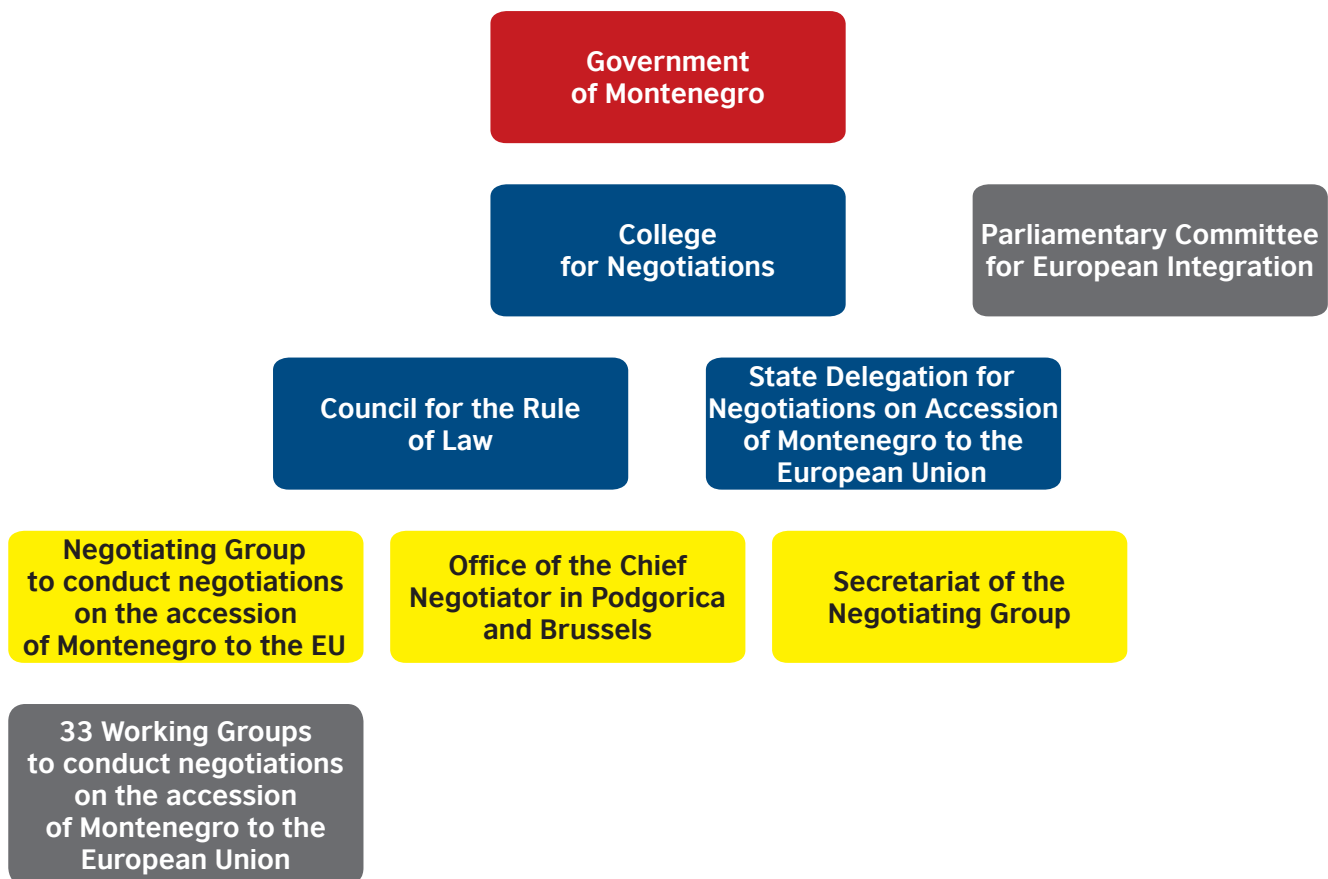
25. Science and research	28. Consumer and health protection	8. Competition policy
26. Education and culture	29. Customs union	1. Free movement of goods
4. Free movement of capital	30. External relations	17. Economic and monetary policy
5. Public procurement	31. Foreign, security and defense policy	27. Environment
6. Company law	32. Financial control	34. Institutions
7. Intellectual property law	33. Financial and budgetary provisions	35. Other issues
9. Financial services	2. Free movement for workers	
10. Information society and media	3. Right of establishment and freedom to provide services	Chapter provisionally closed
16. Taxation	14. Transport policy	Chapter opened
18. Statistics	15. Energy	Negotiating position submitted
20. Enterprise and industrial policy	11. Agriculture and Rural Development	OBM report is being drafted
21. Trans-European networks	13. Fisheries	Chapter with opening benchmark
23. Judiciary and fundamental rights	19. Social policy and employment	
24. Justice, freedom and security	22. Regional policy and coordination of structural instruments	
	12. Food safety, veterinary and phytosanitary policy	

**NEGOTIATING
STRUCTURE
FOR ACCESSION
OF MONTENEGRO
TO THE EU**

The structure for negotiations on the accession of Montenegro to the European Union was established by a Government decision of 2 February 2012. This decision was later, on 6 March 2014, amended by the Decision amending the Decision establishing the Negotiating Structure for accession of Montenegro to the European Union.

The aforementioned decision established the following bodies:

- College for Negotiations
- State Delegation of Montenegro for Negotiations on Accession of Montenegro to the European Union
- Rule of Law Council (established on 6 March 2014 by the Decision amending the Decision establishing the Negotiating Structure for accession of Montenegro to the European Union)
- Negotiating Group
- Working Groups for Preparation of Negotiations
- Office of the Chief Negotiator
- Secretariat of the Negotiating Group.



College for Negotiations

A working body of the Government that discusses the proposals for the negotiating positions and that, following a procedure within the competent working body of the Parliament of Montenegro, submits them to the Government for adoption.

The College for Negotiations discusses all the matters related to the negotiations and decides on the most sensitive issues arising from the negotiation process. Nine College sessions have taken place so far.

The College consists of:

1. Prime Minister
2. Deputy Prime Minister and Minister of Foreign Affairs and European Integration
3. Deputy Prime Minister for Political System, Internal and Foreign Policy
4. Deputy Prime Minister for Economic Policy and Financial System
5. Deputy Prime Minister for Regional Development
6. Chief Negotiator for Negotiations on Accession of Montenegro to the European Union

Other ministers can also participate in the College's work.

State Delegation of Montenegro for Negotiations on Accession of Montenegro to the European Union

The State Delegation conducts direct political talks and negotiations with the EU Member States and institutions and is responsible for ensuring the smooth course of negotiations on all chapters of the acquis. The State Delegation is accountable to the Government and it acts in accordance with the negotiation guidelines adopted by the Government. The State Delegation submits a report to the Government on the state of affairs of negotiations following each meeting of the Intergovernmental Conference between Montenegro and the EU Member States at the ministerial level, as well as special reports at the Government's request.

Members of the State Delegation are: the Head of State Delegation – Minister of Foreign Affairs and European Integration, Deputy Head of State Delegation – Chief Negotiator, deputy chief negotiators, Head of the Mission of Montenegro to the EU and the Secretary of the Negotiating Group.

The State Delegation has so far participated in six Intergovernmental Conferences at ministerial level and three Intergovernmental Conferences at deputy level.

At the first Intergovernmental Conferences at ministerial level, held on 29 June 2012 on the occasion of the launching of the negotiation process with Montenegro, the State Delegation was headed by the then Minister of Foreign Affairs and European Integration Milan Roćen. The delegation members were Chief Negotiator Ambassador Aleksandar Andrija Pejović, Ambassador to the EU Ivan Leković, and Secretary of the Negotiating Group Milivoje Jurišić.

At the second Intergovernmental Conference at ministerial level, held on 18 December 2012 on the occasion of the provisional closure of negotiations on Chapter 25 – Science and Research, the State Delegation was headed by the Minister Igor Lukšić, while other delegation members were Minister of Science Sanja Vlahović, Chief Negotiator Ambassador Aleksandar Andrija Pejović, Ambassador to the EU Ivan Leković, and Secretary of the Negotiating Group Milivoje Jurišić.



Opening and provisional closure of Chapter 25 – Science and Research, Brussels, 18 December 2012

At the first Intergovernmental Conference at deputy level, held on 15 April 2013 on the occasion of the provisional closure of negotiations on Chapter 26 – Education and Culture, the State Delegation was headed by the Chief Negotiator Ambassador Aleksandar Andrija Pejović, while other delegation members were: Ambassador to the EU Ivan Leković, member of the negotiating group for Chapter 26 Professor Anđelko Lojpur, Head of the working group for Chapter 26 Mubera Kurpejović, and Secretary of the Negotiating Group Milivoje Jurišić.



Opening and provisional closure of Chapter 26 – Education and Culture, Brussels, 15 April 2013

At the third Intergovernmental Conference at ministerial level, held on 18 December 2013 on the occasion of the opening of negotiations on five chapters, including the two on the rule of law, the State Delegation was headed by the Minister Igor Lukšić, while other delegation members were Minister of Justice Duško Marković, Minister of Interior Raško Konjević, Chief Negotiator Ambassador Aleksandar Andrija Pejović, Ambassador to the EU Ivan Leković, and Secretary of the Negotiating Group Milivoje Jurišić.



Opening of chapters 5, 6, 20, 23, and 24, Brussels, 18 December 2013

At the second Intergovernmental Conference at deputy level, held on 31 March 2014 on the occasion of the opening of negotiations on Chapter 10 – Information Society and Media and Chapter 7 – Intellectual Property Law, the State Delegation was headed by the Chief Negotiator Ambassador Aleksandar Andrija Pejović, while other delegation members were: Ambassador to the EU Ivan Leković, Head of the working group for Chapter 7 Novak Adžić, Head of the working group for Chapter 10 Ružica Mišković, and the Secretary of the Negotiating Group Milivoje Jurišić.



Opening of Chapter 7 – Intellectual Property Rights and Chapter 10 – Information Society and Media, Brussels, 31 March 2014

At the fourth Intergovernmental Conference at ministerial level, held on 24 June 2014, on the occasion of the opening of negotiations on three more chapters, the State Delegation was headed by the Minister Igor Lukšić, while other delegation members were: Chief Negotiator Ambassador Aleksandar Andrija Pejović, Ambassador to the EU Ivan Leković, and the Secretary of the Negotiating Group Milivoje Jurišić.



Opening of Chapter 4 – Free Movement of Capital, Chapter 31 – Foreign, Security and Defence Policy and Chapter 32 – Financial Control, Brussels, 24 June 2014

At the fifth Intergovernmental Conference at ministerial level, held on 16 December 2014, on the occasion of the opening of negotiations on four chapters, the State Delegation was headed by the Minister Igor Lukšić, while other delegation members were: Chief Negotiator Ambassador Aleksandar Andrija Pejović, Ambassador to the EU Ivan Leković, member of the negotiating group for Chapter 18 Nikola Fabris, and the Secretary of the Negotiating Group Miodrag Radović.



Opening of Chapter 18 – Statistics, Chapter 28 – Consumer and health protection, Chapter 29 – Customs union, and Chapter 33 – Financial and budgetary provisions, Brussels, 16 December 2014

At the Intergovernmental Conference, the State Delegation was headed by the Chief Negotiator Ambassador Aleksandar Andrija Pejović, while other delegation members were: Head of the working group for Chapter 16 Novo Radović, Head of the working group for Chapter 30 Goran Šćepanović, and the Secretary of the Negotiating Group Miodrag Radović.



Opening of Chapter 16 – Taxation and Chapter 30 – External relations, Brussels, 30 March 2015

Deputy Prime Minister and Minister of Foreign Affairs and European Integration Igor Lukšić headed the Montenegrin delegation at the Intergovernmental Conference on the Accession of Montenegro to the European Union, at which two negotiating chapters were opened: Chapter 9 – Financial Services and Chapter 21 – Trans-European Networks. Other delegation members were: State Secretary for European Integration and Chief Negotiator Ambassador Aleksandar Andrija Pejović, Head of the Mission of Montenegro to the European Union Ivan Leković, Director-General for European Affairs at the MFAEI Snežana Radović, and the Secretary of the Negotiating Group Miodrag Radović.



Opening of Chapter 9 – Financial Services and Chapter 21 – Trans-European Networks. Luxembourg, 22 June 2015

Committee for European Integration

The Parliament of Montenegro plays an important oversight role in the EU accession negotiations process and the alignment of Montenegrin legislation with the *acquis*.

With a view to strengthening the Parliament's role in the EU integration process, the Parliament adopted the Decision amending its Rules of Procedure in May 2012. Pursuant to the aforementioned decision, two new committees were established – Committee on International Relations and Emigrants and the Committee for European Integration, which is a key parliamentary body for monitoring the EU negotiations, replacing the previous Committee on International Relations and European Integration.

The Committee monitors the accession negotiations, supervises and assesses the course of negotiations, gives opinions and guidelines on behalf of the Parliament on the prepared negotiating positions, considers information on the negotiation process, and considers and gives opinions on issues arising from the negotiations, as well as consideration and assessment of activities of the negotiating team. The Committee has a chairman and twelve members. The Chairperson is Mr. Slaven Radunović.

The adoption of the Resolution on the manner, quality, and dynamics of the process of Montenegro's integration into the European Union in December 2013 has additionally defined the role of the Parliament of Montenegro and the Committee on European Integration in the negotiation process.

Rule of Law Council

By opening negotiations on Chapters 23 and 24, Montenegro has entered a new and a more demanding phase, which requires continuous work and efficiency in coordinating the activities in the rule of law area. Therefore, a need was recognised for establishing a body that will be responsible, within the existing negotiating structure, for monitoring the work of state authorities, public administration bodies, as well as of other bodies and institutions in the rule of law area, with a view to improving the fulfilment of priority commitments in the negotiation process in this area.

The Rule of Law Council, as a body in charge of monitoring the negotiations in the area of Rule of Law, i.e. on Chapters 23 and 24, was established by the amendments to the Decision establishing the Negotiating Structure for accession of Montenegro to the European Union, adopted by the Government on 6 March 2014.

The Council comprises the president, deputy president and 39 members. The president of the Council is the Deputy Prime Minister for Political System, Internal and Foreign Policy. Deputy President of the Council is the Minister of Interior. Council members are: Secretary General of the Parliament of Montenegro, Secretary General of the Government, Minister of Defence, Minister of Finance, Minister of Foreign Affairs and European Integration, Minister of Justice, Special Public Prosecutor, Anti-Corruption Agency, President of the Council of the Anti-Corruption Agency, Minister of Education, Minister of Culture, Minister of Economy, Minister of Sustainable Development and Tourism, Minister of Health, Minister for Human and Minority Rights, Minister for Information Society and Telecommunications, Minister of Labour and Social Welfare, Chief Negotiator for Negotiations on Accession of Montenegro to the European Union, President of the Supreme Court of Montenegro, Supreme Public Prosecutor, President of the Judicial Council, Protector of Human Rights and Freedoms, Director of the Police Administration, Director of the Customs Administration, Director of the Administration for Inspection Affairs, Director of the Administration for Anti-Corruption Initiative, Director of the Public Procurement Administration, Director of the Administration for Prevention of Money Laundering and Terrorism Financing, Director of the Human Resources Administration, Director of the Real-Estate Administration, Director of the Public Property Administration, President of the Commission for Prevention of Conflict of Interest, Director of the Agency for Personal Data Protection and Free Access to Information, Director of the PI Secondary Vocational School “Police Academy”, President of the State Electoral Commission, President of the Senate of the State Audit Institution, Executive Director of the Judicial Training Centre, Secretary-General of the Union of Municipalities, Head of the Office for Cooperation with Non-Governmental Organisations.

Competences of the Council include monitoring of fulfilment of commitments under Chapter 23 – Judiciary and Fundamental Rights and Chapter 24 – Justice, Freedom and Security, examination of the reasons for delays in the fulfilment of commitments and putting forward recommendations to the state authorities, state administration bodies and other bodies and institutions for prompt action so that the commitments in these chapters could be met. Moreover, the Council performs other tasks defined under the Decision establishing the Negotiating Structure.

So far, five meetings of the Rule of Law Council have been held.

Negotiating Group

The Negotiating Group is in charge of the expert and technical level of negotiations with the institutions of the EU and its Member States in all the negotiating chapters – chapters of the *acquis*.

The Negotiating Group considers and adopts the proposals for the negotiating positions and is accountable for its work to the Head of the State Delegation and the Government. The Negotiating Group performs its duties in accordance with the guidelines and instructions of the Head of the State Delegation. The Negotiating Group submits the reports on the state of play in negotiations after each inter-governmental conference to the Head of the State Delegation and to the Government, as well as special reports if requested by the Head of the State Delegation and the Government.

The Negotiating Group is composed of the Chief Negotiator, ten members of the Negotiating Group in charge of individual chapters, Head of the Mission of Montenegro to the EU and the Secretary of the Negotiating Group. The Negotiating Group has thus far held 15 meetings and has discussed 27 negotiating positions, 2 reports on fulfilled commitments under chapters, as well as 11 reports on the negotiating chapters.

Appointment of Montenegrin negotiators went in parallel with the establishment of working groups for negotiations, from February 2012 until April 2013. During this period, eleven negotiators were appointed for 33 chapters of the *acquis*, who comprise the Negotiating Group.

Each of eleven negotiators is in charge of at least two chapters. Even though they vary in size and complexity, each of the chapters bears significant weight and value in overall transformation of the society. If the *acquis* as a whole is viewed as a mosaic of its own kind, than each of the 33 parts represent an invaluable important segment for creation of the whole picture.

The Negotiating Group is chaired by the Chief Negotiator Ambassador Aleksandar Andrija Pejović.



Aleksandar Andrija PEJOVIĆ

Chief Negotiator and member of the Negotiating group for Chapters 22, 31, 34 and 35



Nikola FABRIS

Chapters 4, 9, 17 and 18



Anđelko LOJPUR

Chapters 10, 25 and 26



Arijana NIKOLIĆ VUČINIĆ

Chapters 2 and 19



Igor NOVELJIĆ

Chapters 1, 8 and 30



Daliborka PEJOVIĆ

Chapters 27 and 28



Svetlana RAJKOVIĆ

Chapters 23 and 24



Vladimir SAVKOVIĆ

Chapters 3, 6, 7 and 20



Danijela STOLICA

Chapters 11, 12 and 13



Nikola VUKIĆEVIĆ

Chapters 5, 16, 29, 32 and 33



Angelina ŽIVKOVIĆ

Chapters 14, 15 and 21

WORKING GROUPS FOR PREPARATION OF NEGOTIATIONS

1

Chapter 1

Free Movement of Goods



Negotiator



Head of the WG



Secretary of the WG

The working group was established in December 2012.

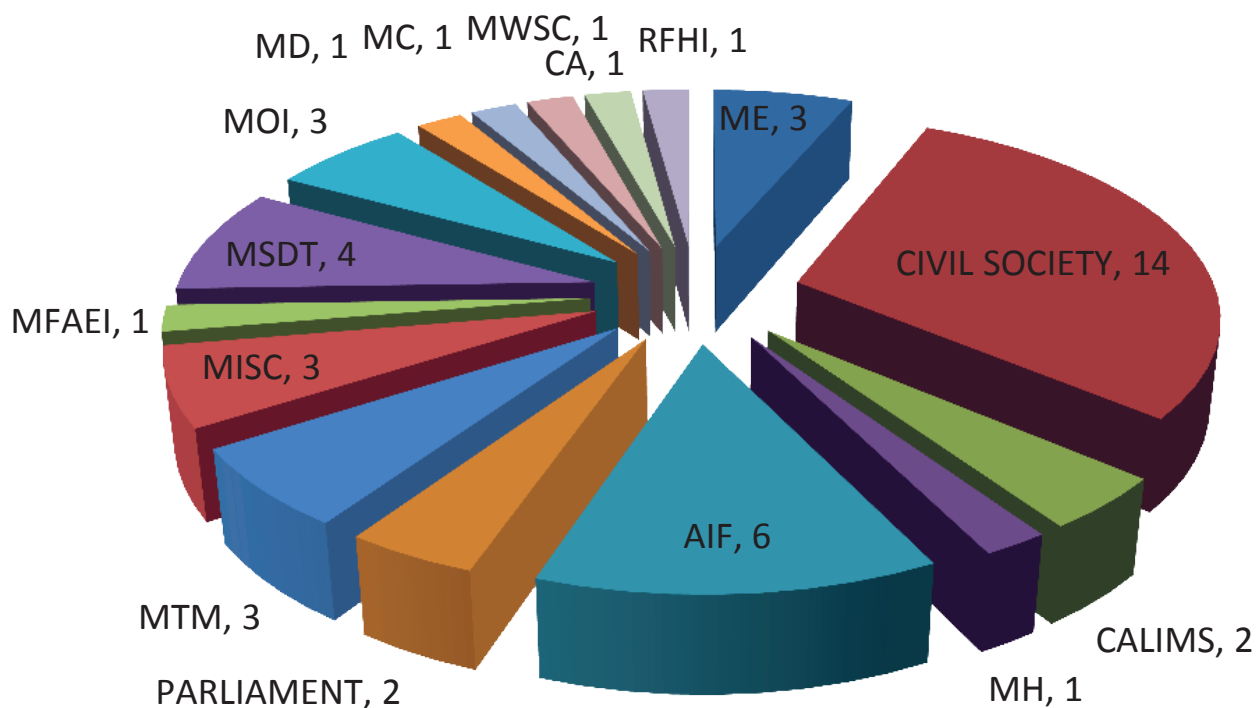
The negotiator for this Chapter is **Igor Noveljić**,

Secretary of the Ministry of Economy.

The head of the working group is **Nina Vujošević**, Assistant Prime Minister.

Secretary of the working group is **Tatjana Tomić**, MFAEI.

The working group consists of 47 members – 27 women and 20 men (33 from the state institutions, 14 from the civil sector).



Free movement of goods represents one of the four fundamental freedoms that ensure the efficient functioning of the internal, i.e. single market of the EU. This chapter refers to removal of all barriers to trade that prevent the placement of the products originating from other Union Member States into national markets. This is achieved through alignment of the national legislation in the areas of standardisation, accreditation, metrology, market surveillance, procedural measures and Directives of “old” and “new” approach.

Aligning with the EU acquis in this chapter means adjusting domestic economy so as to ensure free access to the market for more than 500 million consumers and 23 million companies.

On 18 October 2014, the Government adopted the Strategy of Montenegro for the implementation of the acquis in the field of free movement of goods for the period 2014–2018, by which Montenegro has met the first of the three conditions for entry into the next phase of negotiations, i.e. the opening of this chapter.

In February 2015, Montenegro met the second benchmark – regulation of the legal uncertainty in terms of use of the European “CE” mark of quality, and the elaboration of the Action Plan for compliance with Articles 34–36 of the Treaty on the Functioning of the European Union is underway. The adoption of that Action Plan will create conditions for opening of the negotiations in this chapter.

2

Chapter 2

Freedom of Movement for Workers



Negotiator



Head of the WG



Secretary of the WG

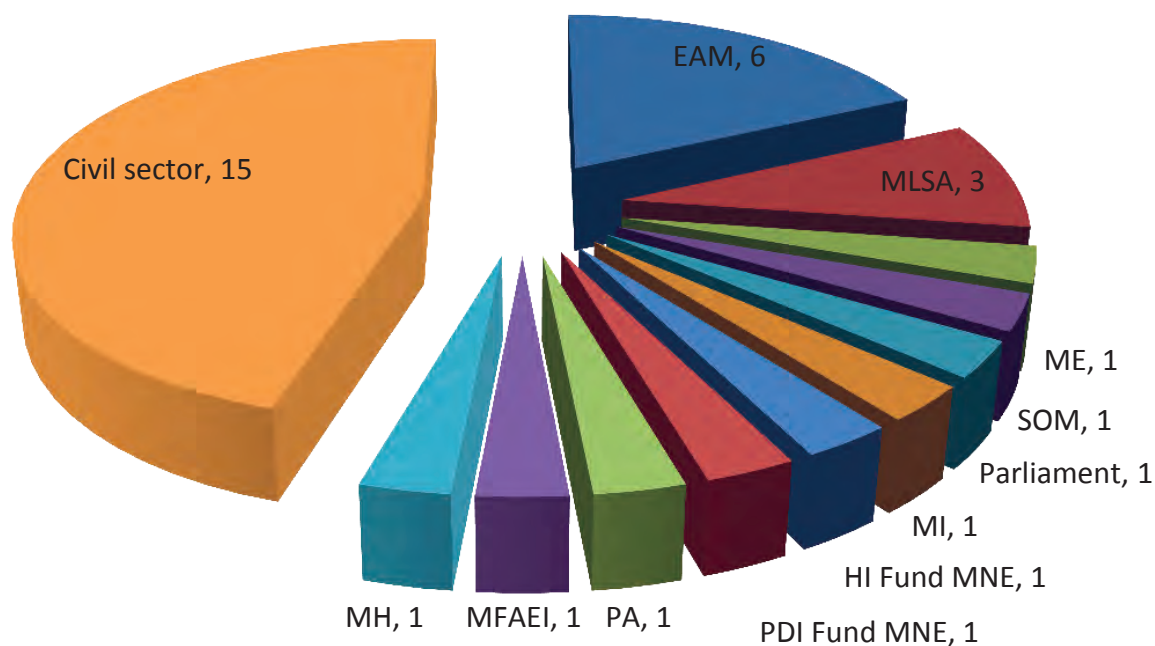
The working group was established in April 2013.

The negotiator for this Chapter is **Arijana Nikolić**, Acting Director-General of the Directorate for Preschool and Elementary Education and Education of Persons with Special Educational Needs within the Ministry of Education.

The head of the working group is **Vukica Jelić**, Director of the Employment Office.

Secretary of the working group is **Srdjan Ćetković**, MFAEI.

The working group consists of 33 members – 21 women and 12 men (18 from the state institutions, 15 from the civil sector).



The aim of freedom of movement for workers policy is to enable EU citizens to move to, reside, study and work in any of the EU Member States. Freedom of movement for workers, which is incorporated into the EU treaties, is an integral part of the single European market and a central element of its success. It encourages economic development and enables people to travel and spend across borders.

According to provisions of the EU acquis under this chapter, the worker moving to another Member State has certain rights. These rights include: right to work without a working permit, equal treatment for workers seeking employment in another Member State, right to equal social security as the Member State citizens, right of family members to accompany the worker and receive family remuneration, full coordination of the social security systems and mutual recognition of qualifications.

EURES is a European public employment services network, which aims to promote freedom of movement for workers within the EU, particularly through close cooperation between the national employment services with a view to exchanging the information on employment opportunities.

European Health Insurance Card (EHIC) is a free card that enables EU citizens to use medical services during their temporary stay in any EU Member State, Iceland, Lichtenstein, Norway, and Switzerland under the same conditions and at the same cost (free in some countries) as people insured in that country.

3

Chapter 3

Right of Establishment and Freedom to Provide Services



Negotiator

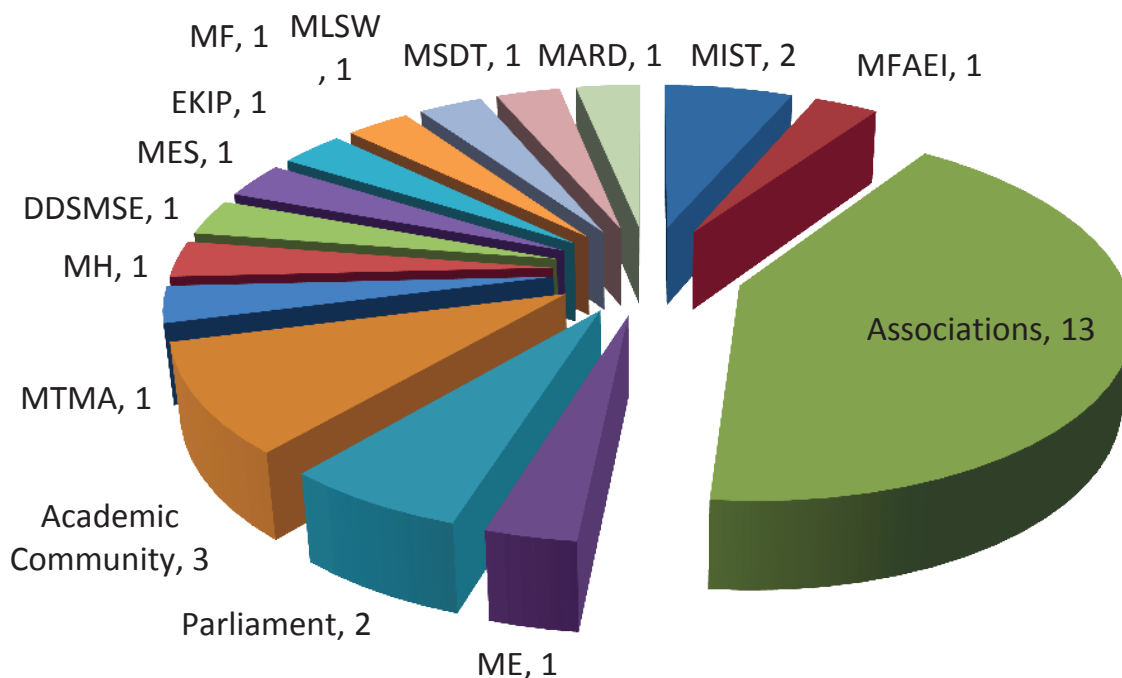


Head of the WG



Secretary of the WG

The working group was established in September 2012. The negotiator for this Chapter is **Vladimir Savković**, Assistant Professor at the Faculty of Law, University of Montenegro. The head of the working group is **Pavle Radovanović**, Secretary-General of the Chamber of Commerce. Secretary of the working group is **Milena Biro**, MFAEI. The working group consists of 31 members – 21 women and 10 men (15 from the state institutions, 16 from the civil sector).



Aligning with the EU acquis in this chapter means adjusting the national market to the conditions required for overall economic development, as well as for the recognition of our citizens' education qualifications in all EU countries.

This chapter covers three fields: establishment of a business, professional qualifications, and postal services.

The right of establishment will enable Montenegrin business entities to initiate and perform economic activities in a stable and continuous way in one or more EU Member States. Mutual recognition of professional qualifications is a part of the single market service provision platform, which requires the establishment of a system for automatic recognition of diplomas for regulated professions (medical doctors, dentists, veterinarians, architects, pharmacists, nurses, and midwives) acquired in any Member State. Furthermore, the aim of this chapter is to create the common market for postal services and ensure the quality of services.

Upon Montenegro's accession to the EU, Montenegrin business entities (natural or legal persons) will be free to provide their services in every Member State without being established there. Service provider will be able to provide services in another Member State using its professional title, without additional recognition of qualifications in that Member State. The host Member State may ask the service provider only to report that the service will be provided, whereby the following documents will be submitted: evidence regarding nationality, qualifications and performance of economic activities in the home Member State. Upon Montenegro's accession to the EU, the recognition of professional qualifications obtained in Montenegro will represent one of conditions for performing economic activity and pursuing regulated profession in another Member State. Chapter 3 contains special directive on recognition of professional qualifications. As regards the mutual recognition of qualifications, for a number of professions, qualifications are subject to automatic recognition, provided that the Member States have accepted certain minimum educational standards for them (medical doctors, dentists, veterinarians, architects, pharmacists, nurses, and midwives). Qualifications of persons pursuing these professions must be recognised so as to enable them to work anywhere in the EU. The EU membership candidate countries must align their curricula with the European one in order to adapt their legislation in terms of free movement of services.

The Bologna Process, which refers to high education, and which is discussed under Chapter 26 – Education and Culture, represents one of the measures for adjusting to a single EU qualifications system. However, there are exceptions under Chapter 3: services in the field of finance, agriculture and trade are not discussed. Montenegro recorded notable progress in this field.

4

Chapter 4

Free Movement of Capital



Negotiator

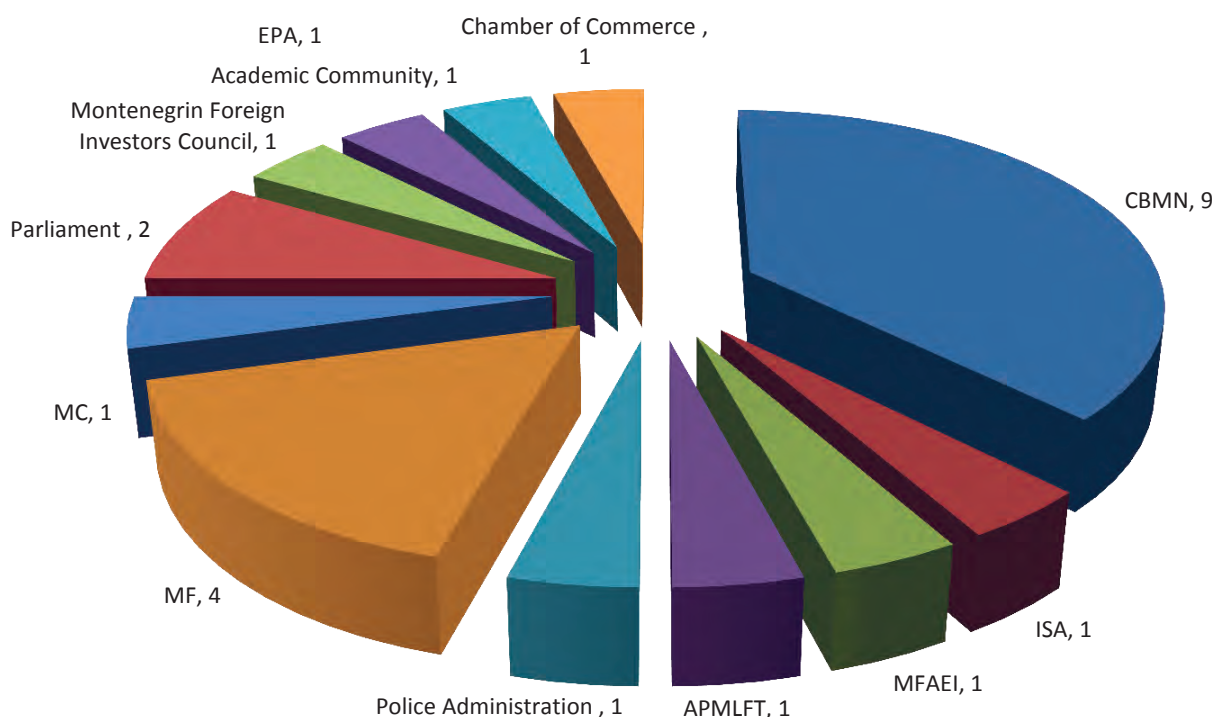


Head of the WG



Secretary of the WG

The working group was established in December 2012. The negotiator for this Chapter is **Nikola Fabris**, Vice-Governor of the Central Bank of Montenegro. The head of the working group is **Marijana Mitrović-Mijatović**, Director of Research and Statistics Sector at the Central Bank of Montenegro. Secretary of the working group is **Milena Biro**, MFAEI. The working group consists of 25 members – 17 women and 8 men (22 from the state institutions, 3 from the civil sector).



Free movement of capital enables the free flow of capital within the EU, facilitates the cross-border trade, contributes to the mobility of workers, facilitates the collection of capital required for launching business and growth of businesses, as well as the functioning of an integrated, open, and efficient internal market, which is in the best interest of all EU citizens. This Chapter prescribes the rules of free movement of capital between the Member States, which include prohibition of all restrictions on capital movement and payments.

To align the legislation with the *acquis* in this chapter means adjusting the national legislation and capital markets to conditions necessary for the free flow of capital, non-discriminatory exercise of property rights, and actions aimed at fighting money laundering. For citizens, this means the opportunity to perform many operations outside Montenegro, such as opening of bank accounts, buying shares in foreign companies, and investment and purchase of property where they find it the most cost effective. For companies, this means the freedom to invest in and own European companies and participate in their management. For the state institutions, this freedom means lower credit rates than before, which considerably facilitates the financing of costs of education, health, and all types of public spending.

This negotiating chapter prescribes the rules of free movement of capital between the Member States. They include the prohibition of all restrictions on capital movement and payments, not only within the Member States, but also between the Member States and the third countries. In addition, there are exceptions that are primarily related to taxes, prevention of money laundering, financing of terrorism, etc. This chapter of the *acquis* also contains the rules related to cross-border investments in the financial services sector and property rights for real estate beyond the national frameworks, and within the EU.

Movement of capital refers to direct investments, investments into real estate, transactions involving securities, transactions with shares in investment funds, credit operations, depositary operations, payments upon insurance contracts, unilateral transfer of property. Current payments refer to current transactions concluded between residents and non-residents for a purpose other than transfer of capital.

The effective system for the fight against money laundering and financing of terrorism implies aligned legislation in this field, establishment of required structures, their cooperation and consistent implementation of regulations. Free movement of capital will enable Montenegrin citizens to perform various operations abroad, such as: opening of bank accounts in foreign banks, purchase of shares of foreign companies, investing and purchase of real estate. Furthermore, they will be provided with greater variety of financial institutions that they want to do business with. For companies, this freedom implies the following: the opportunity to invest and acquire ownership over foreign companies, as well as active role in their management. As regards the companies providing financial services, free movement of capital enable them to carry out cross-border operations successfully. Efficiency of the financial services sector would be impaired if there are restrictions in movement of capital between the Member States.

5

Chapter 5 Public Procurement



Negotiator

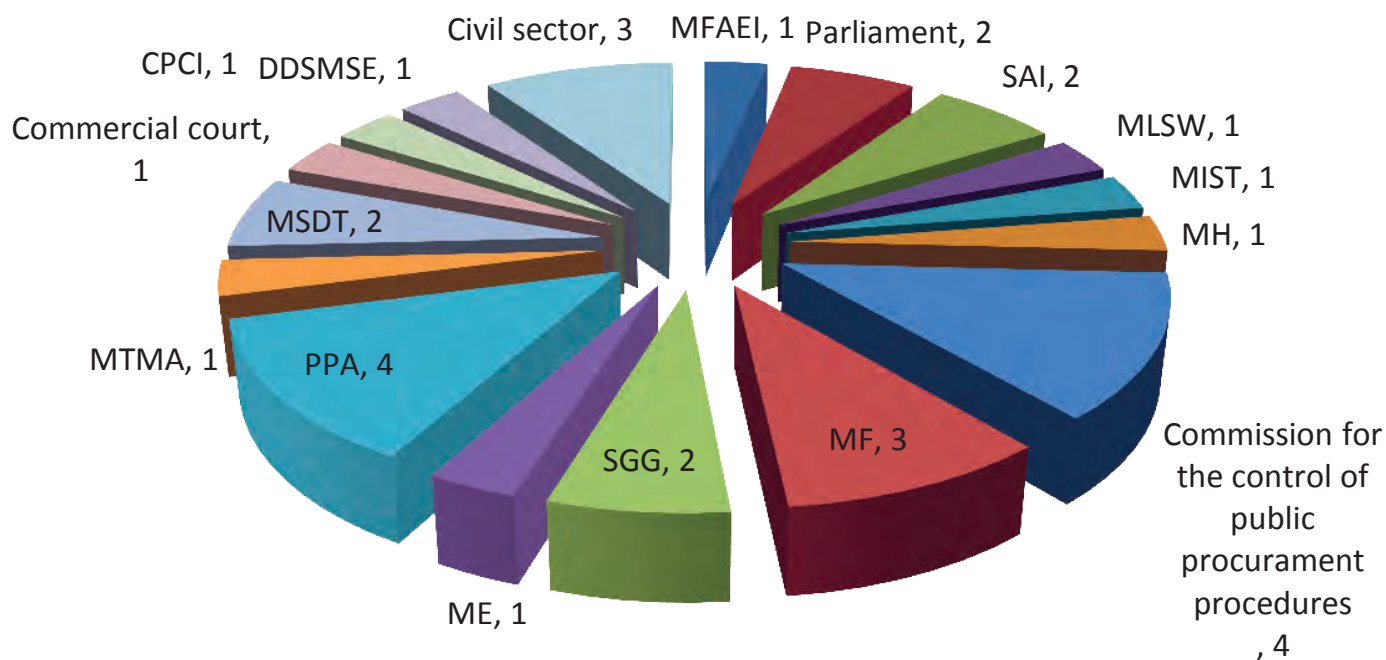


Head of the WG



Secretary of the WG

The working group was established in July 2012.
 The negotiator for this Chapter is **Nikola Vukićević**,
 Director-General for Budget in the Ministry of Finance.
 The head of the working group is **Mersad Mujević**,
 Director of the Public Procurement Administration.
 Secretary of the working group is **Milena Biro**, MFAEI.
 The working group consists of 31 members – 21 women and 10 men
 (28 from the state institutions, 3 from the civil sector).



Public procurement is an important market for the EU. According to the Commission estimates, the overall value of public procurement is 16% of the gross national product of the Union.

Public procurement system is based on the general principles of transparency, equal treatment, freedom of competition, and non-discrimination. The aim of the EU acquis in this area is to secure for service providers, deliverers, and contractors the possibility to bid in public tenders in Member States, and to strengthen economic development and efficiency.

Negotiations in this chapter were opened at the Inter-Governmental Conference, which was held in Brussels on 18 December 2013.

By aligning its national legislation with the European one, Montenegro additionally regulates the field of sustainable public procurement, while the introduction of electronic public procurement system provides more modern access to activities included in this field. Montenegro will strengthen legal protection, provide quality monitoring of compliance with the contract, and particularly strengthen activities carried out with a view to preventing conflict of interest in the public procurement contracts. With a view to fully meeting the commitments arising from the acquis, efforts will be made in order to additionally legally regulate the field of concessions, simplify the procedures in the utility sector and regulate procurement in the field of defence. This will make the functioning of the entire public procurement system competitive and worthy of being a part of international stage. Montenegro is dealing with all challenges in this chapter not only for the purpose of alignment, but also for the purpose of protecting its financial interests. It is expected that the entire public procurement system will be improved until accession by addressing all fields suitable for achieving progress.

6

Chapter 6

Company Law



Negotiator

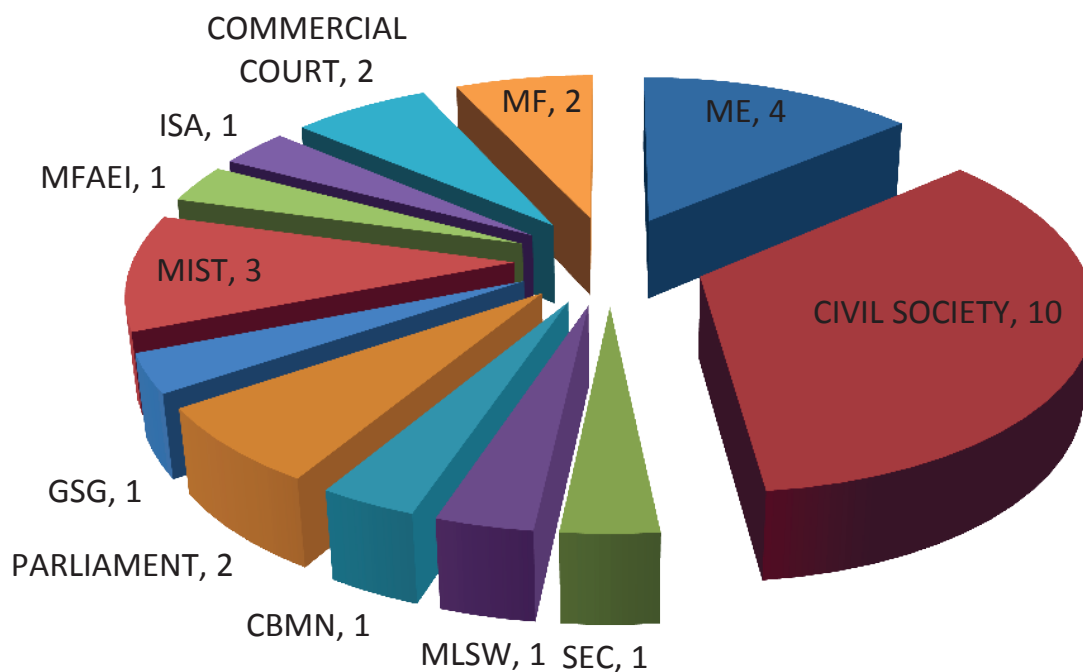


Head of the WG



Secretary of the WG

The working group was established in September 2012. The negotiator for this Chapter is **Vladimir Savković**, Assistant Professor at the Faculty of Law, University of Montenegro. The head of the working group is **Goran Nikolić**, Advisor at the Ministry of Economy. Secretary of the working group is **Tatjana Tomić**, MFAEI. The working group consists of 26 members – 10 women and 16 men (16 from the state institutions, 10 from the civil sector).



This chapter is related to the establishment and operation of businesses in the EU Member States. It contains two parts: company law in a narrow sense, as well as accounting and audit.

Company law in a narrow sense is related to the rights of establishment, registration, national and cross-border merging, division and acquisition of companies, rights of shareholders, connection of registries, requirements related to capital, as well as recommendations that refer to compensation policy for directors, etc.

Accounting and audit involves the establishment of the systems for checking the quality of work of auditors and the efficient public oversight system, the system of publishing annual financial reports, as well as establishment and consistent application of international standards related to financial reporting.

The aim of alignment of Montenegrin company law with the European legislation and the new tendencies in this area is to create preconditions enabling all national businesses to become more relevant and equal participants of the global economy. Furthermore, the alignment aims at removing legal uncertainty, which may pose additional obstacles to business and investment.

7

Chapter 7 Intellectual Property Law



Negotiator

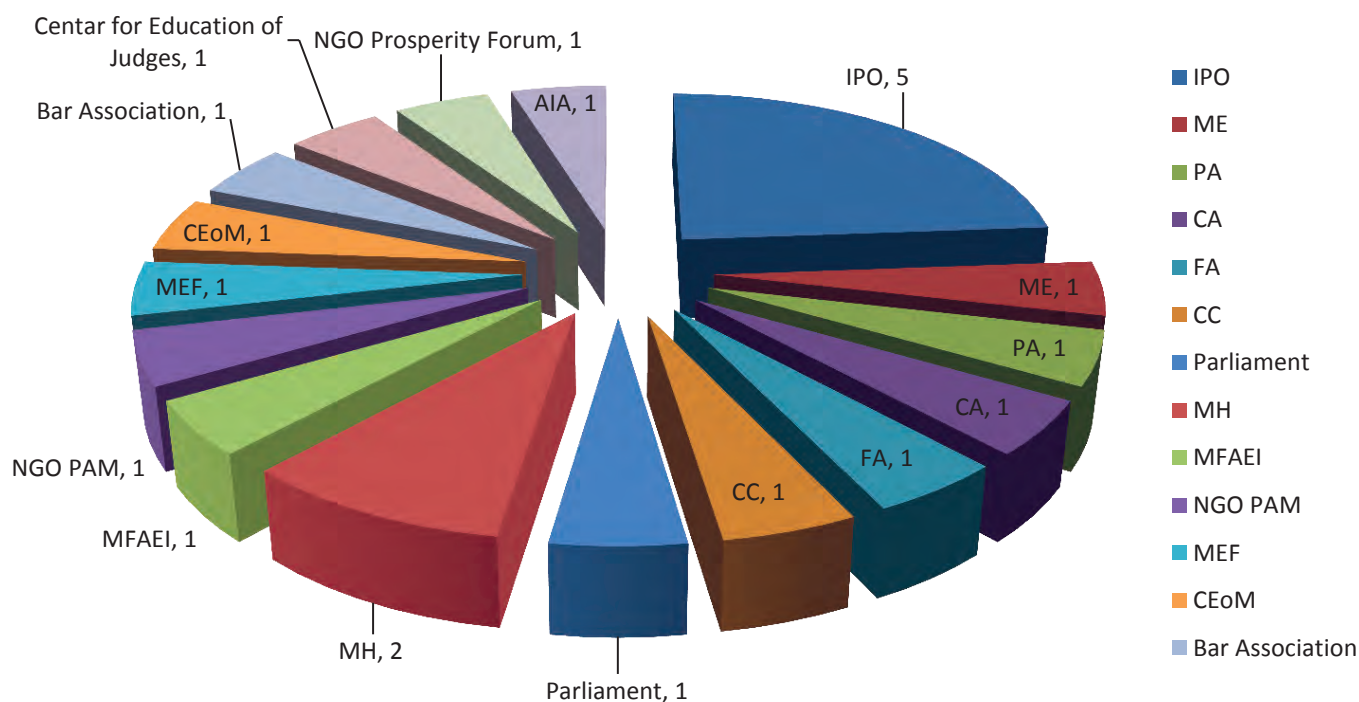


Head of the WG



Secretary of the WG

The working group was established in September 2012. The negotiator for this Chapter is **Vladimir Savković**, Assistant Professor at the Faculty of Law, University of Montenegro. The head of the working group is **Novak Adžić**, Director of the Intellectual Property Office. Secretary of the working group is **Marko Mrdak**, MFAEI. The working group consists of 21 members – 12 women and 9 men (15 from the state institutions, 6 from the civil sector).



Intellectual property covers the copyright and related rights, as well as industrial property rights.

Copyright refers to the right of authors to possess their literary, scientific or art works, as well as works in other creative fields. The aim of the European regulations related to protection of copyright is to adjust the national regulations of the Member States so as to ensure to keep pace with technological developments and international commitments accepted under the World Intellectual Property Organisation.

Industrial property encompasses the rights protecting producers' business interest from competition, as well as their market position and funds they invested in research, development and promotion of products. Industrial design protects the new external shape or form of the product. The patent protects the new solution of a certain technical issue, while the trade mark is used for distinguishing products from similar ones, as well as services that already exist on the market.

The EU acquis ensures a common starting point for protecting industrial design and establishes a Community Design (RCD) and a Community Trade Mark (CTM).

Montenegro opened the Negotiating Chapter 7 – Intellectual Property Law at the Intergovernmental conference held in Brussels on 31 March 2014.

By adopting the Patent Law in Parliament, on 15 July 2015, Montenegro has fulfilled its first closing benchmark. Montenegro remains dedicated to the fulfilment of the remaining closing benchmarks, which it plans to complete during 2016, when it will be able to close this chapter.

8

Chapter 8 Competition Policy

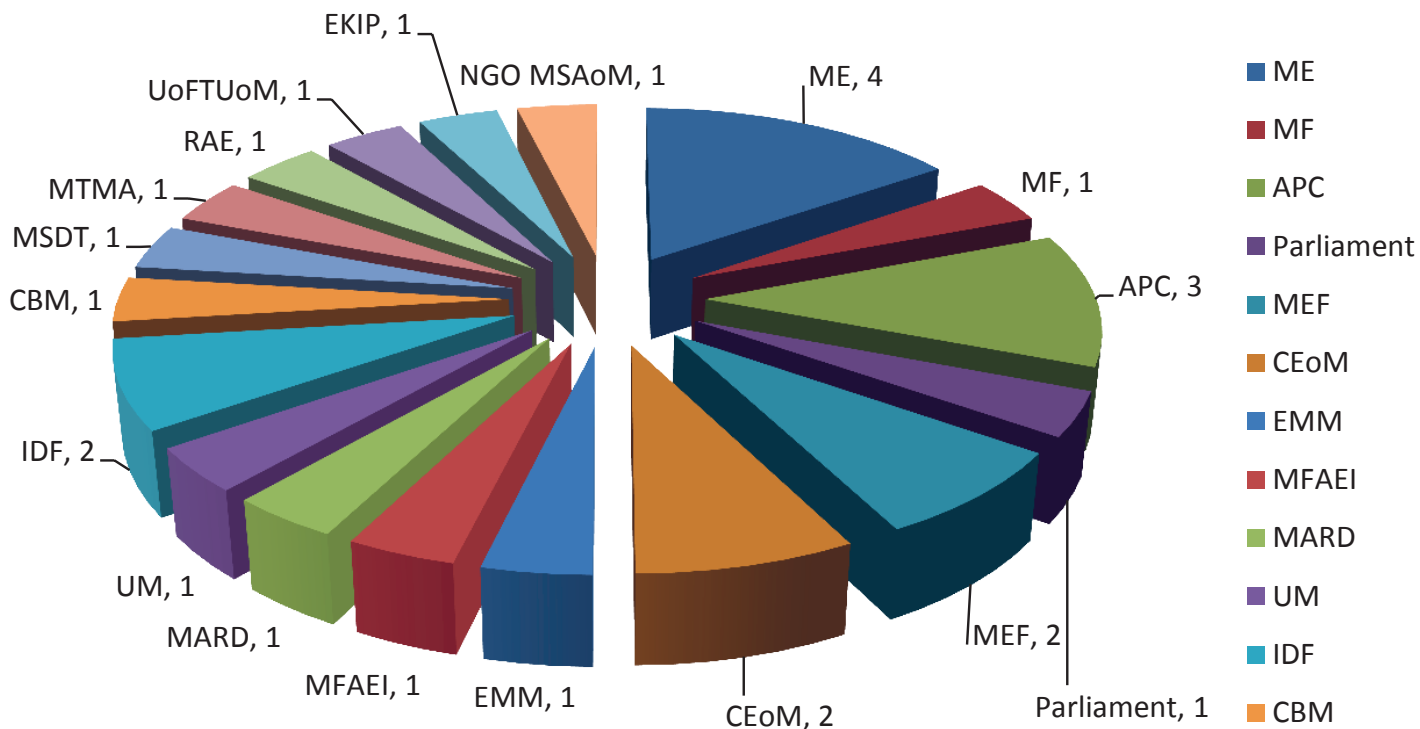


Negotiator



Secretary of the WG

The working group was established in September 2012. The negotiator for this Chapter is **Igor Noveljić**, Secretary of the Ministry of Economy. Secretary of the working group is **Marko Mrdak**, MFAEI. The working group consists of 26 members – 9 women and 17 men (14 from the state institutions, 12 from the civil sector).



The EU *acquis* related to competition includes control of the state aid and competition protection policy. The EU Member States have agreed on common rules providing all participants with equal position in the market.

Market competition rules represent the foundation of a country's market economy. Its purpose is to help the market to function better under conditions that are equal for all market participants. These rules include anti-cartel deals – conclusion of prohibited agreements between the entrepreneurs that, for example, involve price fixing, limiting of production, development and investments, and mutual division of the market or purchase sources.

In 2014, Montenegro fully aligned its national legislation in the field of Competition Policy with the EU *acquis* and ensured an adequate institutional framework for its implementation. The greatest challenges in this field in the upcoming period are strengthening of the administrative capacity and adequate implementation of the law.

Additional alignment with the EU *acquis* in the field of the state aid is still required, and it will be the greatest challenges regards the closure of Chapter 8, along with the efficient implementation of the state aid rules.

9

Chapter 9

Financial Services



Negotiator



Head of the WG



Secretary of the WG

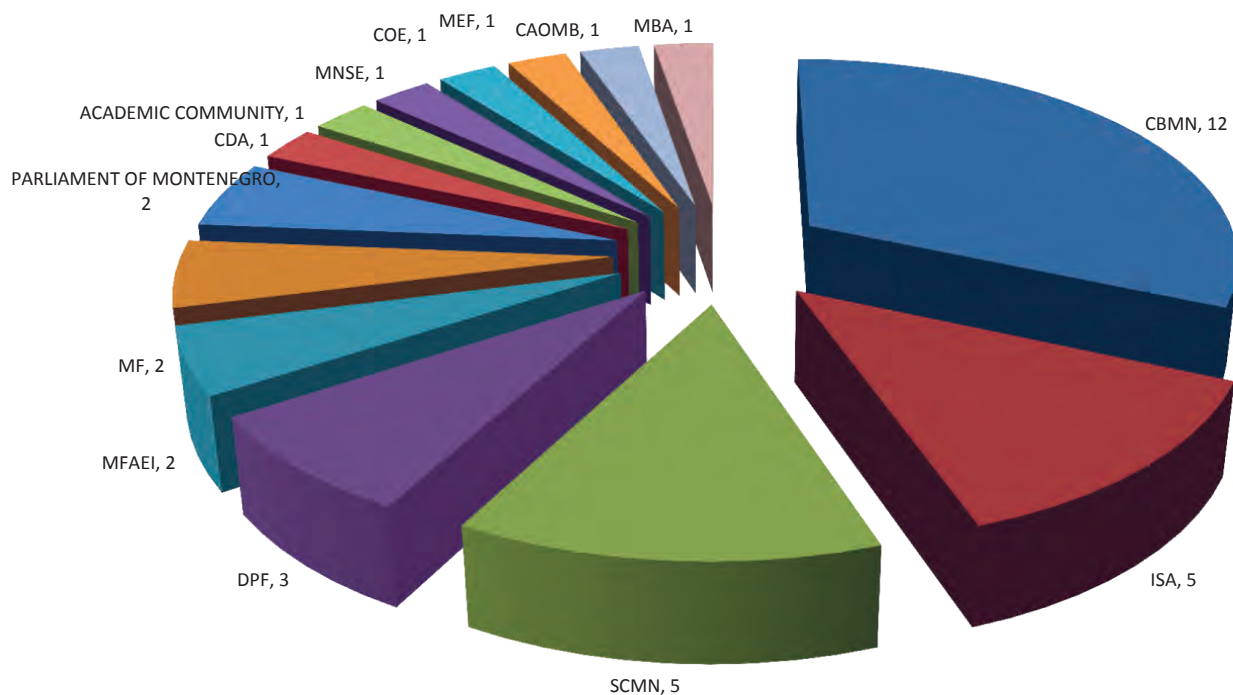
The working group was established in March 2013.

The negotiator for this Chapter is **Nikola Fabris**, Vice-Governor of the Central Bank for the financial stability and payment system.

The head of the working group is **Ana Vlahović**, Adviser to the Vice-Governor for financial stability and payment system in the Central Bank of Montenegro.

Secretary of the working group is **Miloš Vujović**, MFAEI.

The working group comprises 38 members, of whom 21 are women and 17 are men (32 from state institutions and 6 from the civil sector).



Chapter 9 – Financial services covers four areas: 1. Banking and financial conglomerates 2. Insurance and occupational pensions, 3. Securities markets and investment services 4. Financial markets infrastructure.

Financial services are of great importance for the proper functioning of the EU internal market as one of the cornerstones of European integration. This Chapter is related to the alignment of regulatory framework in the sectors of banking, insurance, occupational pension funds, capital markets and financial markets infrastructure with the EU acquis, as well as the efficient implementation of the acquis by the relevant supervisory institutions, with the end goal of encouraging and preserving financial stability.

A particular challenge for the transposition of the acquis in the area of financial services lies in the fact that it is changing and evolving every day. Full compliance with European legislation, as well as the consistent implementation of national legislation will further ensure high level of stability of the financial system in Montenegro. The acceptance of European standards will have a positive impact on all the subjects of the financial markets (citizens, entrepreneurs, investors), thus reinforcing public confidence in the financial sector.

The implementation of the acquis in this area falls within the competences of the Ministry of Finance (MF), the Central Bank (CBMN), the Securities and Exchange Commission (SCMN), Insurance Supervision Agency (ISA), and the Deposit Protection Fund (DPF).

At the sixth Intergovernmental Conference on Accession of Montenegro to the European Union, held in Luxembourg on 22 June 2015, negotiations were officially opened in this chapter.

10

Chapter 10 Information Society and Media



Negotiator

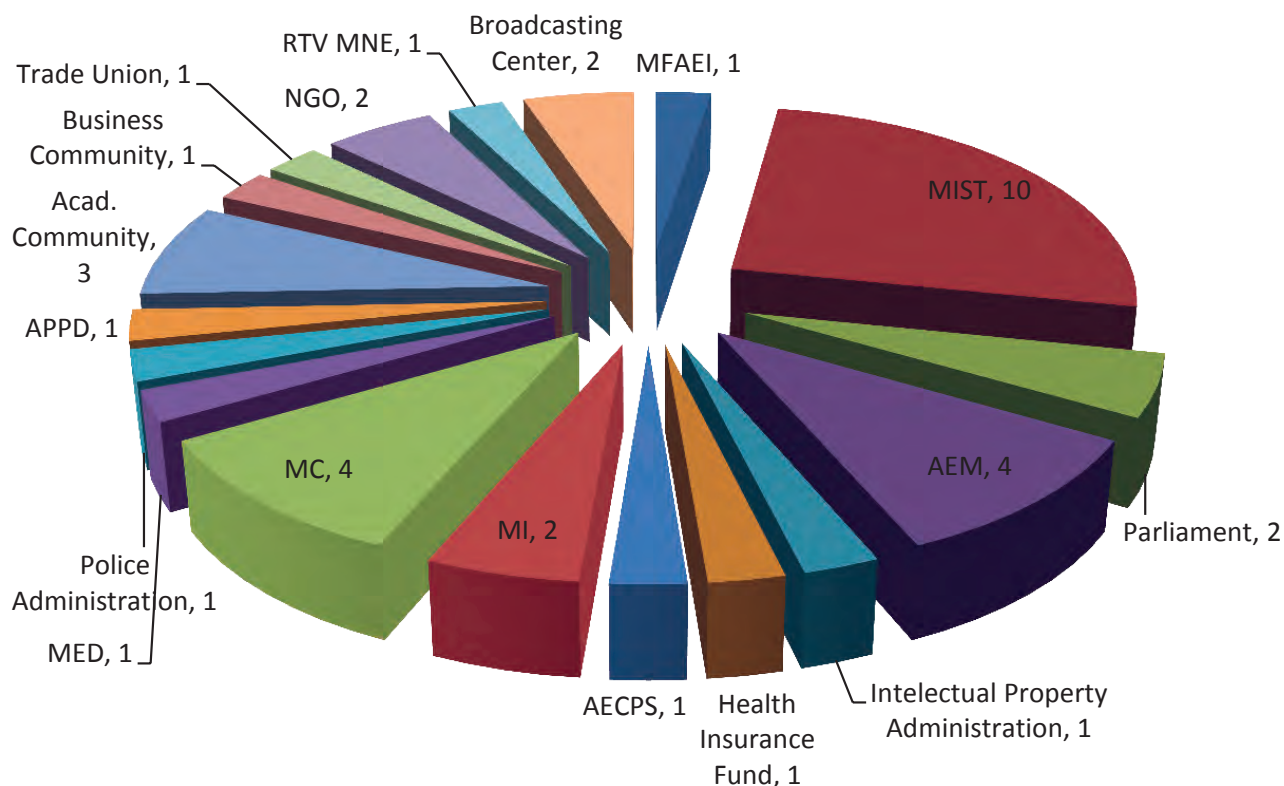


Head of the WG



Secretary of the WG

The working group was established in November 2012. The negotiator for this Chapter is **Anđelko Lojpur**, professor at the University of Montenegro. The head of the working group is **Ružica Mišković**, adviser at the Ministry of Information Society and Media. Secretary of the working group is **Melita Rastoder**, MFAEI. The working group comprises 40 members (33 from state institutions, 7 from the civil society). The working group consists of 16 female and 24 male members.



This Chapter Information society and media consists of three areas: electronic communication, information society services, and audio-visual policy.

The European regulations promote and encourage the competition, development of and broader access to contemporary services and new technologies, with the emphasis on end-user interests.

Key issues within the field of the electronic communications are: broadband access, standardisation, interconnectedness, market and market analysis, universal services and user rights, privacy issues, digitalisation, and radio spectrum policy. Key issues in the area of information society services are: information safety, e-government, e-health, e-signature, e-trade, e-commerce and the public sector. Key issues in audio-visual policy are: audio-visual media services, public radio broadcasting services, protection of minors, film heritage, and cultural diversity.

The acquis in this area includes the rules that enable the efficient functioning of the single market in the area of telecommunication services and networks, as well as their promotion, development, and wider availability. The EU's objective is to ensure affordable services to users (phone, fax, Internet access, free emergency calls), whilst stimulating the market game and reducing outstanding monopolies for certain services (e.g. high-speed Internet access). The EU's priority is also to prevent the "digital gap" between the richer and the poorer regions of the EU with less access to Internet. In the area of audio-visual policy, i.e. media, the EU places a special emphasis on the protection of minors from inappropriate content and on the rules on teleshopping and advertising. European audio-visual products are promoted, as well as independent producers' works, and recommendations are given on media pluralism, protection of film stock, etc.

This chapter was officially opened on the Intergovernmental Conference held on 31 March 2014.

11

Chapter 11

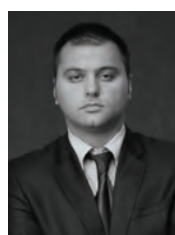
Agriculture and Rural Development



Negotiator



Head of the WG



Secretary of the WG

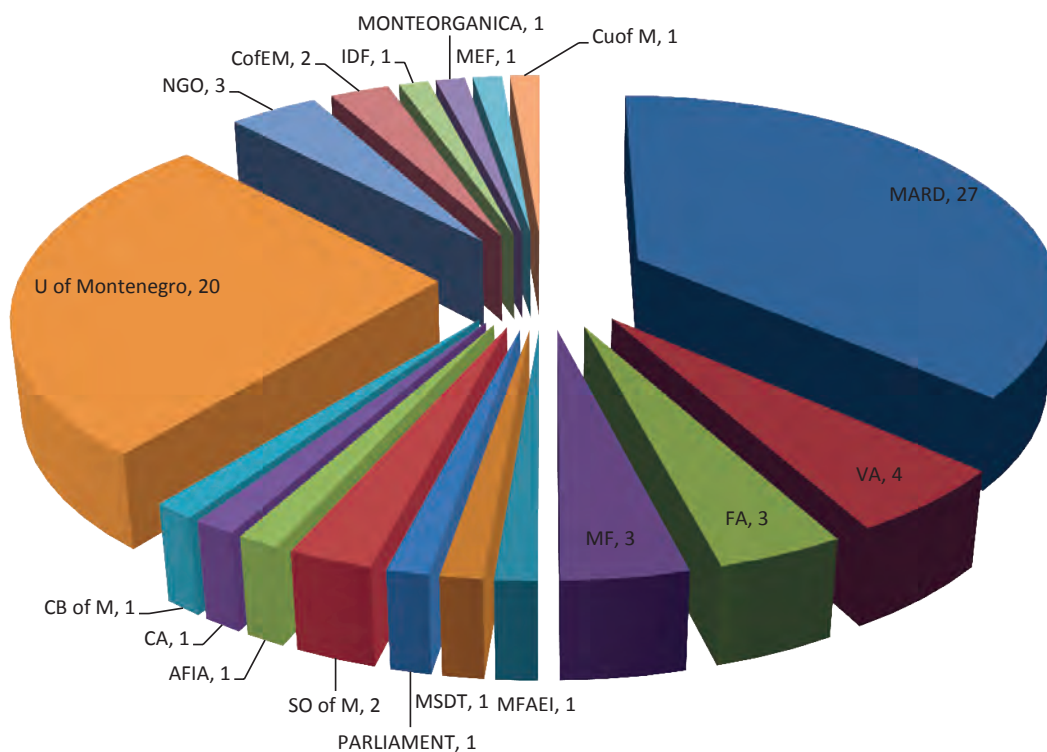
The working group was established in October 2012.

The negotiator for this Chapter is **Danijela Stolica**, Director-General for Agriculture and Rural Development.

The head of the working group is **Kristina Lapčević**, Head of the Department for economic analysis at the Ministry of Agriculture and Rural Development.

Secretary of the working group is **Velimir Šljivančanin**, Head of the Department for sector policies in the Ministry of Foreign Affairs and European Integration.

The working group comprises 74 members, 37 women and 38 men (65 from state institutions, 9 from the civil society).



The Common Agricultural Policy (CAP) is the most important and the oldest policy of the European Union. **Introduced in the Treaty of Rome in 1957**, and its initial objective was related to an increase in agricultural productivity, and thus ensuring better living standards for workers in agriculture, avoiding price fluctuations of agricultural products and ensuring supply to consumers at reasonable prices. The last reform of the Common Agricultural Policy or “**New Agricultural Policy**” for 2014–2020 aims to strengthen agricultural producers and to make the distribution of funds among the Member States more fair.

The **first pillar** is the regulation of markets and the direct support payments to producers. The base of support for the first pillar consists of a variety of measures that directly or indirectly increase the income of farmers and have an impact on the market and prices. The **second pillar** is the rural development policy which aims, through the support of various economic activities in rural areas, at improving the quality of life both from the economic and social aspects.

Getting closer to the European Union, Montenegro is obliged to accept the European concept of the Common Agricultural Policy. Regular implementation of the CAP requires that Montenegro strengthen the existing and establish new administrative structures such as the Paying Agency, Integrated Administration and Control System (IACS), Farm Accountancy Data Network (FADN), and Producer Organisation. Certainly, a particular requirement in this chapter is the establishment of the Paying Agency, the body that will represent a link between Montenegrin producers, countries and the EU institutions, and through which programmes will be funded in the area of agriculture and support will be provided to farmers.

It is also very important to improve agricultural statistics and statistical data, particularly given the importance of accurate and precise data for determining the EU subsidies for Montenegro and farmers.

What local farmers gain from Montenegrin membership in the EU?

Through the membership in the EU, producers get more support and stability of the market. The new reform of agriculture of 2014 will gradually reduce large differences in the support received by farmers in the Member States relative to their colleagues in the new member states. The reform forecasts an increase in direct payments to farmers in Lithuania by 33%, Romania by 31%, and in Bulgaria by 22%, the countries that joined the EU in 2004 and 2007 respectively.

Also, it should be noted that the EU does not restrict the development and increase of production, as can be heard in public, but rather supports in many ways the competitiveness of producers and introduction of EU standards, while simultaneously insisting on regional specificities.

On 25 June 2015, the Montenegrin Government adopted the Strategy for Development of Agriculture and Rural Development 2015–2020 and the Action Plan for implementation of the EU acquis, whereby Montenegro met the condition for entering the next phase of negotiations, i.e., opening this chapter.

12

Chapter 12

Food Safety, Veterinary and Phytosanitary Policy



Negotiator



Head of the WG



Secretary of the WG

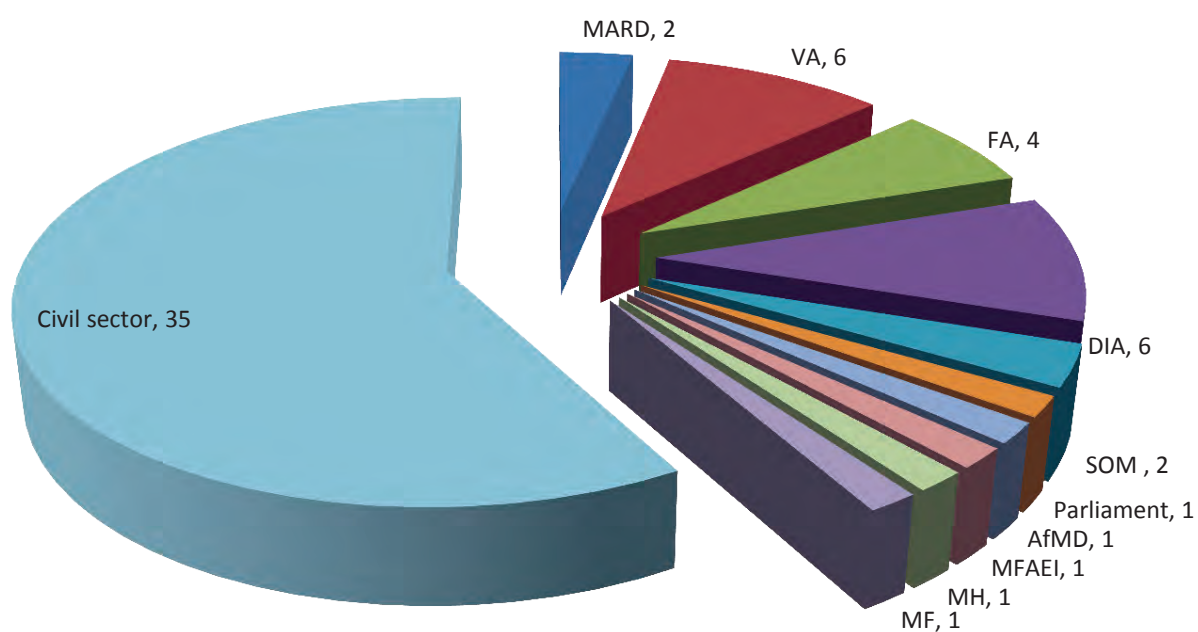
The working group was established in September 2012 and amended in February 2014 in order to adapt the composition of the Working Group to the needs of the negotiating process.

The negotiator for this Chapter is **Danijela Stolica**, Director-General for Agriculture and Rural Development.

The head of the working group is **Zorka Prljević**, Director of the Phytosanitary Administration.

Secretary of the working group is **Srdjan Ćetković**, MFAEI.

The working group comprises 60 members, 32 of whom are women and 28 are men (25 from state institutions, 35 from the civil society).



The EU acquis in the area of food safety, veterinary and phytosanitary policy aims at ensuring a high level of consumer health protection, and health and well-being of animals and plants, whilst at the same time preventing the introduction and spread of infectious and parasitic diseases and organisms harmful to the plants in Montenegro and the European Union.

The EU applies an integrated approach “from the field to the table”, which includes three mutually complementing parts:

- Food safety (hygiene rules in the production, processing, and marketing of food and feedstuff, official control and mechanisms for ensuring food safety);
- Veterinary policy: rules on animals and animal products distribution, animal health, official control of third-country imports, and tracking the movement of animals;
- Phytosanitary policy: rules on the control of harmful organisms in plants and plant materials, market placement of plant protection products, seeds and planting materials, control of pesticide residue in plant products.

This Chapter also includes regulations related to genetically modified organisms (GMOs).

The Government of Montenegro has been intensively working on the alignment of the legal framework of Montenegro’s legislation for Chapter 12 with the EU acquis, it adopted the Strategy of Montenegro for the Transposition and Implementation of the EU Acquis for Chapter 12 – Food safety, Veterinary and Phytosanitary policy with General Action Plan and Specific Action Plan on 10 September 2015. In cooperation between the Ministry of Agriculture and Rural Development, the Ministry of Health and the Administration for Inspection Affairs, the Decision on the implementation of assessment process regarding the compliance with EU requirements (classification) of approved facilities dealing with food and facilities dealing with animal by-products was adopted on 3 November 2014. On the basis of that decision the assessment of the facilities was carried out, in accordance with the relevant EU acquis.

By successfully finalising all of the above – mentioned activities, Montenegro fulfilled the requirements for the entry into the next phase of negotiations, i.e. the opening of negotiations on this Chapter.

13

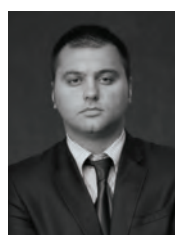
Chapter 13 Fisheries



Negotiator



Head of the WG



Secretary of the WG

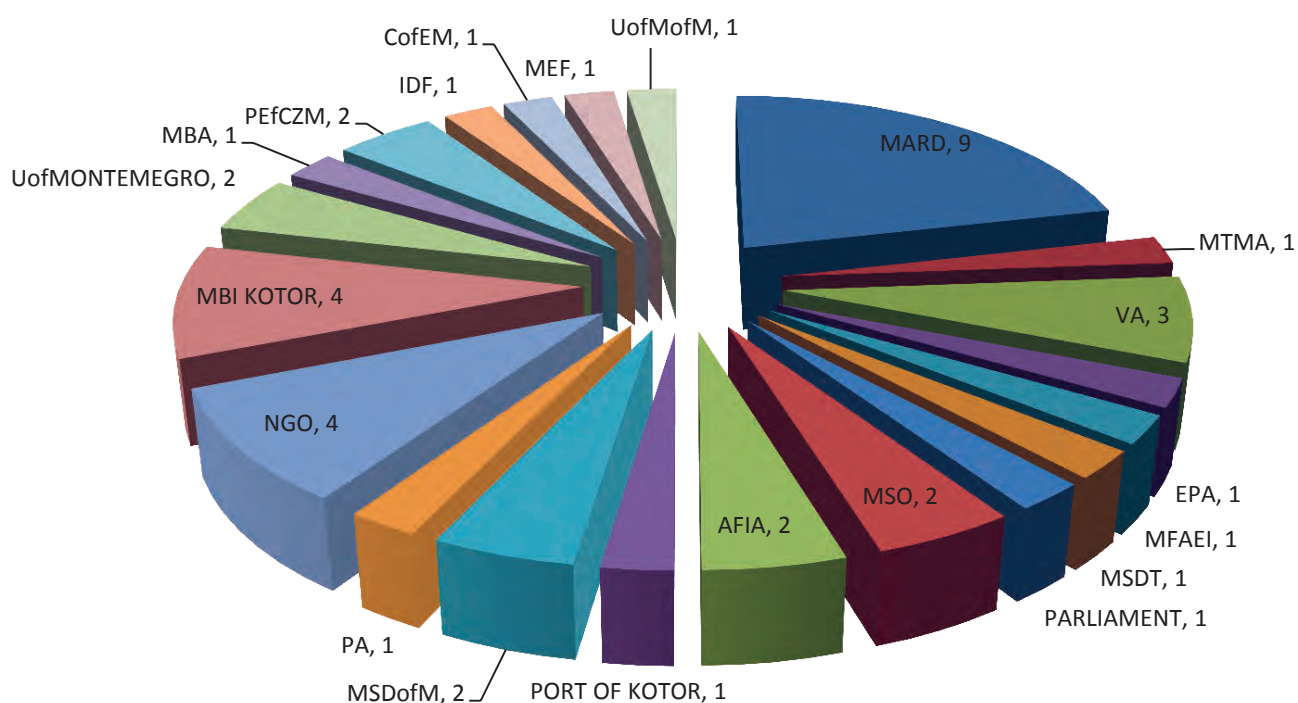
The working group was established in February 2013.

The negotiator for this Chapter is **Danijela Stolica**, Director-General for Agriculture and Rural Development.

The head of the working group is **Aleksandar Joksimović**, Head of the Laboratory of Ichthyology and marine fisheries of the Marine Biology Institute in Kotor.

Secretary of the working group is **Velimir Šljivančanin**, Head of the Department for sector policies in the Ministry of Foreign Affairs and European Integration.

The working group consists of 42 members, of whom 18 women and 24 men (31 from state institutions and 11 from the civil sector).



Historically and traditionally speaking, fishery has had a long-standing presence in the EU countries and is important for the development and economy of many small regions. The grounds for managing fisheries in the EU have been laid down in the Common Fisheries Policy (CFP). The Common Fisheries Policy was originally a part of the Common Agricultural Policy, and its development as a separate policy was brought about by the entry into the EU of the countries with significant fishing fleet and marine resources and by the need for solving new specific issues, such as maintenance of fishery resources.

The EU's Common Fisheries Policy deals with the issues of utilisation and management of fisheries resources, policy, oversight and control, as well as international co-operation in fisheries. It aims at ensuring long-term sustainable use of living marine resources at the European level.

ADVANTAGES FOR MONTENEGRO

Through the membership in the European Union, Montenegro will get direct access to the EU internal market, one of the world's largest importers of fisheries products. Because of the direct placement of Montenegrin fishing, farming, fish processing, Montenegrin fishermen will get the possibility of equal placement on the market. The use of funds from the European Fund for Maritime Affairs and Fisheries, as well as better organisation of the fisheries sector through integration into producer organisations, will enable better positioning of Montenegrin fishing in the broader European market context.

Marine Fishery provides economic benefits to Montenegro through the creation of employment income, while providing new sources of food for the local population and tourists. Income and employment are not limited to fishing, but are also generated through distribution, marketing campaigns, fish processing, as well as ancillary services in ports, marinas and shipyards. In addition, marine fishery provides jobs at marketplaces, restaurants and supermarkets. It is very important to understand that fish is a natural resource and, if caught in a sustainable manner, it will benefit future generations as well.

In order to achieve this in the intended manner, Montenegro should take a stance regarding the objectives such as sustainable fishing, increase in fish consumption per capita, ecotourism, preservation of traditional fishing in the Bay of Kotor and the increase of the fishing fleet.

On 25 June 2015, the Montenegrin Government adopted the Marine Fisheries Strategy of Montenegro with the Action Plan for implementation of the EU acquis, whereby Montenegro met the condition for entering the next phase of negotiations, i.e., opening this chapter.

14

Chapter 14 Transport Policy



Negotiator

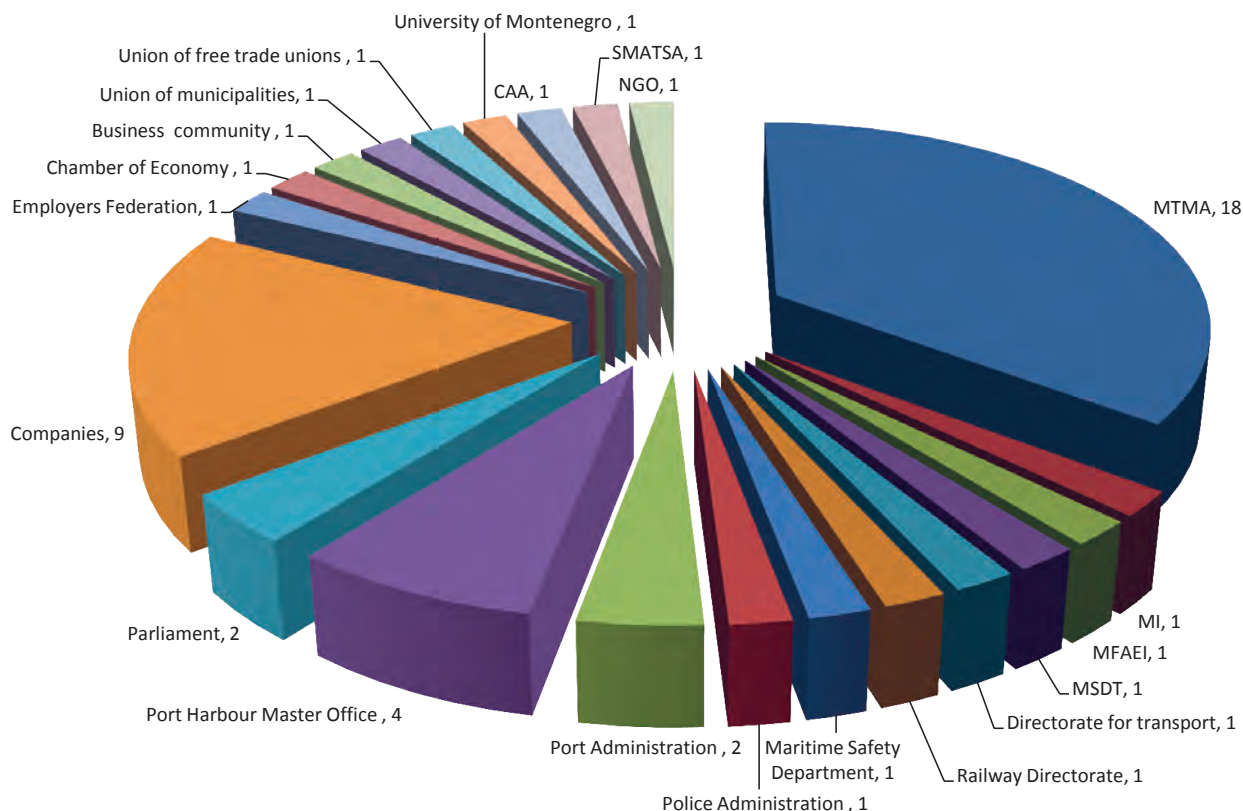


Head of the WG



Secretary of the WG

The Working Group was established in April 2013. The negotiator for this Chapter is **Angelina Živković**, acting Director-General for state roads at the Ministry of Transport and Maritime Affairs. The head of the working group is **Zoran Radonjić**, Secretary of the Ministry of Transport and Maritime Affairs. Secretary of the working group is **Amina Bajrović Kuč**, MFAEI. The Working Group consists of 51 members, 18 women and 33 men (33 members from state institutions and 18 from civil sector).



Legal framework of the EU transport policy ensures the establishment of an efficient and functional system of passenger transport and transport of goods within the EU. Transport policy aims at accommodating the growing needs of citizens, goods and services mobility through the continuous improvement of the existing transport infrastructure and creation of conditions for safer transport. In addition, transport policy seeks to improve the quality of transport services, ensures wider usage of innovative technological solutions (for example: information and intelligent transport systems, digital tachographs), encourages environmental protection and reduction of harmful impact of transport on the environment, as well as adoption and implementation of social legislation and more efficient protection of passenger rights.

Chapter Transport policy includes: road transport and road infrastructure, rail transport, air transport, maritime transport, inland waterway transport, combined transport and satellite navigation.

15

Chapter 15 Energy



Negotiator

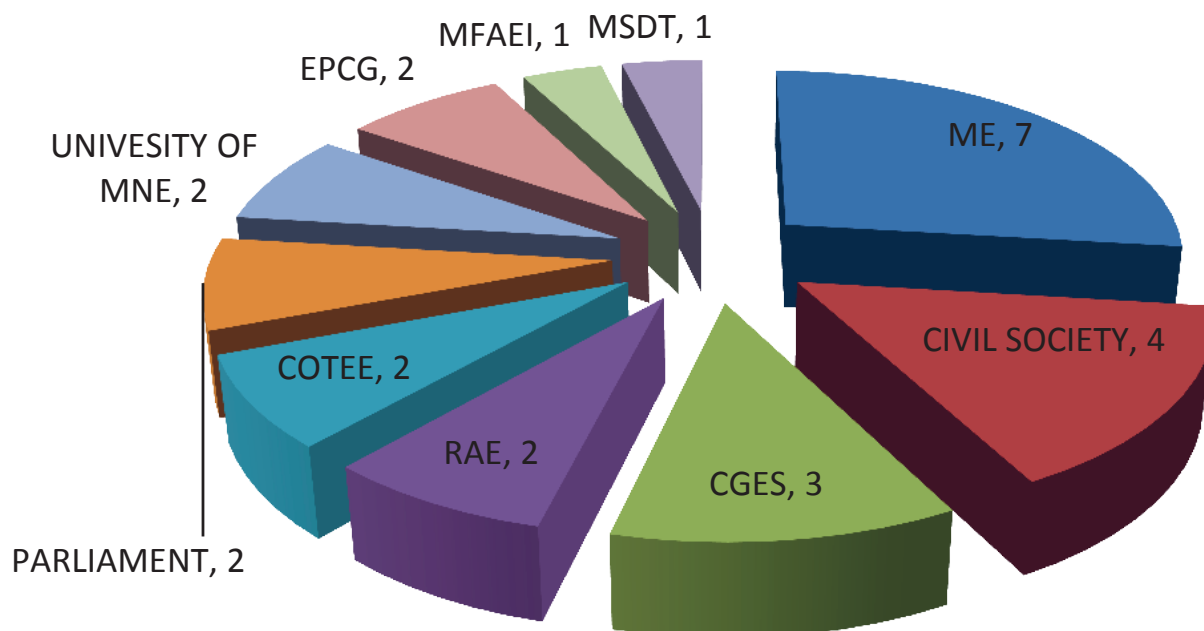


Head of the WG



Secretary of the WG

The working group was established in February 2013. The negotiator for this Chapter is **Angelina Živković**, acting Director-General for public roads in the Ministry of Transport and Maritime Affairs. The head of the working group is **Dragica Sekulić**, Director-General for energy efficiency in the Ministry of Economy. Secretary of the working group is **Sanja Radović**, MFAEI. The working group comprises 26 members of whom 8 are women and 18 are men (11 from state institutions, 15 from the civil society).



The EU energy policy objectives include competitiveness, security of energy supply and sustainability.

The energy *acquis* consists of rules and policies, notably regarding competition and state aid, but also inclusive of the coal sector, conditions for the equal access to resources for prospection, exploration and production in the sector of oil and gas, the internal energy market (opening up of the electricity and gas markets), promotion of renewable energy sources and energy efficiency, nuclear energy and nuclear safety and radiation protection. With regard to international agreements, the Chapter incorporates the Energy Charter Treaty and related instruments.

Energy is, alongside tourism and agriculture, a priority area for Montenegro's national development plans. Alignment of the Montenegrin legislation with the energy *acquis* facilitates Montenegro's membership in the Energy Community since 2006. The Energy Policy of Montenegro by 2030, which was adopted by the Government in March 2011, identifies priorities similar to those of the EU: security of the energy supply, development of the competitive energy market, establishment of competition in market activities and sustainable energy development.

Government adopted the Action plan for implementation of the Directive imposing obligation on member states to maintain minimum stocks of crude oil and/or oil products on 24 April 2015. Through the adoption of the abovementioned Action plan Montenegro fulfilled the requirement for the opening of this chapter.

16

Chapter 16 Taxation



Negotiator



Head of the WG



Secretary of the WG

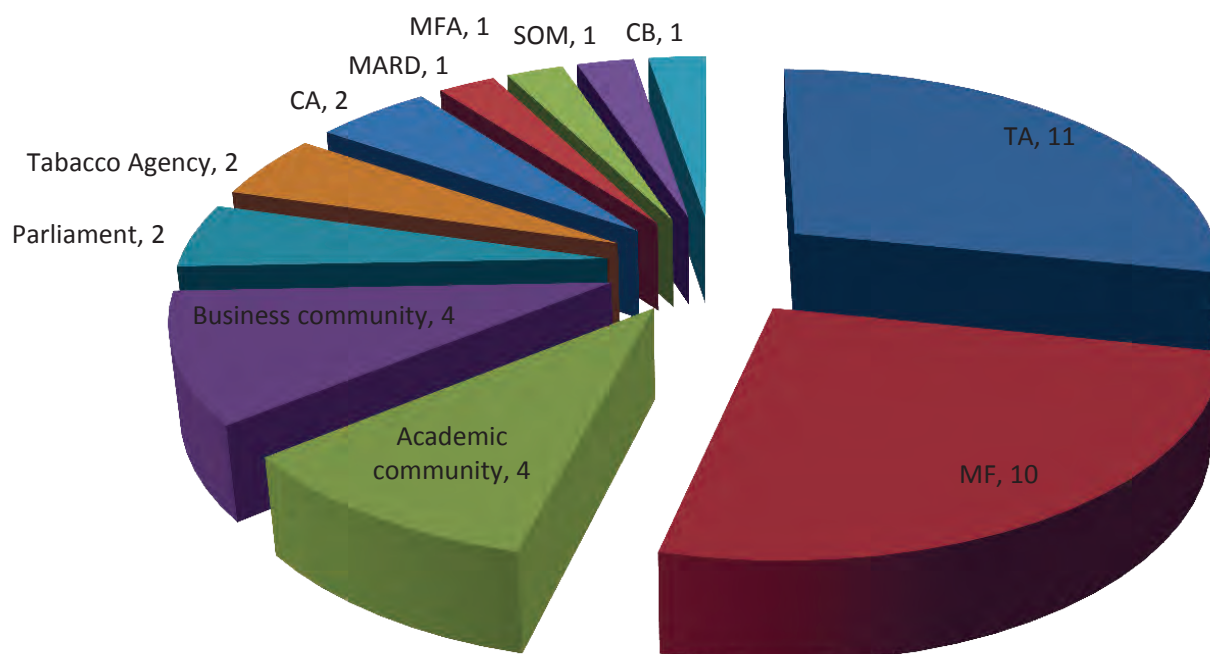
The working group was established in March 2013.

The negotiator for this Chapter is **Nikola Vukićević**,
Director-General in the Ministry of Finance.

The head of the working group is **Novo Radović**,
Director-General for Tax and Customs at the Ministry of Finance.

Secretary of the working group is **Vladana Mitrović**, MFAEI.

The working group comprises 39 members, of whom 22 are women and 17 are men (31 from state institutions, 8 from the civil society).



Each EU Member State is responsible for maintaining its own tax policy, which is an essential element of national sovereignty. In the area of taxes, the rule of consensus among Member States has been preserved. There are, nonetheless, common rules, which, in the spirit of non-disruption of the market competition, lay down minimal tax rates (VAT, excise).

Chapter Taxation is divided into four subsections: indirect taxation; direct taxation; administrative cooperation and mutual assistance; operational capacity and computerisation.

The EU acquis in the area of indirect taxation primarily refers to the harmonised legislation in the field of value added tax and excise duties. The minimum rate of VAT in the EU is 15% and applies to most goods and services. There are differences among some Member States, ranging from 17% in Luxembourg to 27% in Hungary. In the area of excise duties, the acquis comprises harmonized legislation on energy products, tobacco products and alcoholic beverages. In the field of direct taxation, the acquis addresses certain aspects of income tax and tax on capital increase. The aim is to avoid disruption of cross-border economic activities among enterprises within the Union. Union legislation on administrative cooperation and mutual assistance between tax and customs authorities of the Member States offers solutions regarding the exchange of information, in order to, on the one hand, prevent tax evasion, and on the other to collect data on tax subjects, both automatically and at request. Tax policy of Montenegro is based on the comprehensiveness of the taxpayers, low and competitive tax rates and very selective tax breaks. The structure of tax revenues is dominated by indirect taxes such as value added tax and excise duties, followed by taxes on personal income and corporate income tax.

The revenues fully owned by the state are value added tax, excise and income tax. Shared taxes, which partly belong to the state budget and partly to the municipal budgets, are the personal income tax, real estate transfer tax and concession and other fees. The taxes that fully belong to the budget of municipalities are real estate taxes, surtax on income tax, local taxes and local fees.

In the forthcoming period, Montenegro will continuously work to achieve harmonisation in the fields of VAT, excise duties and direct taxation, adequate administrative capacity and the necessary infrastructure in its central and municipal tax institutions for the implementation and application of its tax laws, as well as the development of all ancillary information and technical systems of the Tax Administration.

Chapter 16 – Taxation was opened at the Intergovernmental Conference on 30 March 2015.

17

Chapter 17

Economic and Monetary Policy



Negotiator



Head of the WG



Secretary of the WG

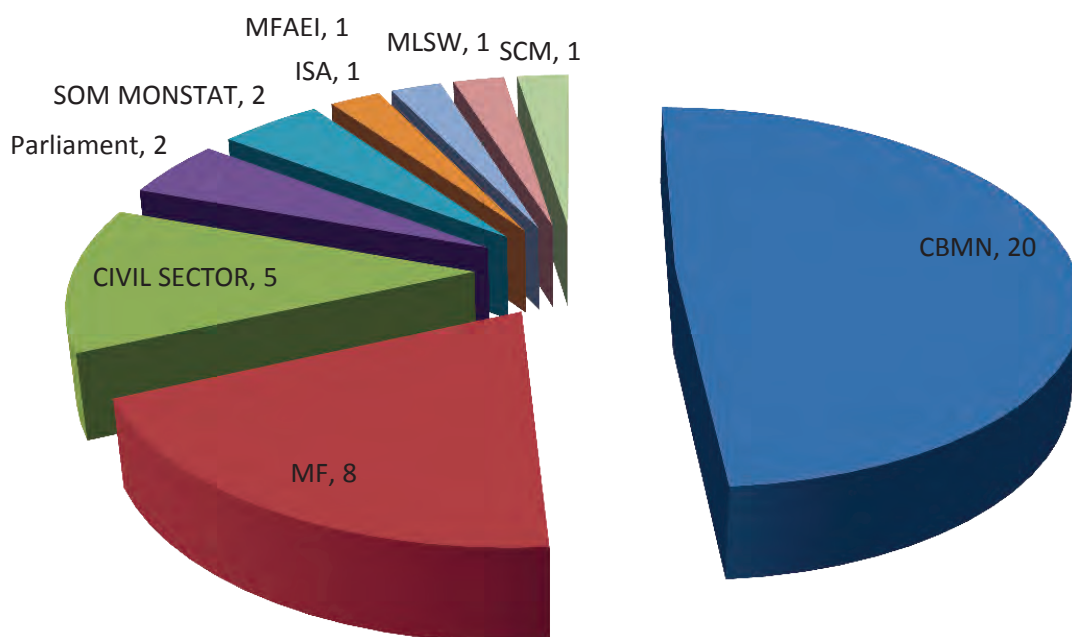
The working group was established in December 2012.

The negotiator for this Chapter is **Nikola Fabris**, Vice-Governor of the Central Bank of Montenegro.

The head of the working group is **Milica Kilibarda**, Director of the Directorate for Monetary Policy and Fiscal Research at the Central Bank of Montenegro.

Secretary of the working group is **Aleksandar Nikčević**, MFAEI.

The working group comprises 41 members, of whom 25 are women and 16 men (35 from state institutions, and 6 from the civil society).



The EU acquis in the area of economic and monetary policy refers to specific rules requiring the independence of central banks in Member States, prohibiting direct financing of the public sector by the central bank and privileged access of the public sector to financial institutions, and adherence to the rules in the area of fiscal policy and surveillance.

The Member States are obliged to treat economic policies as a matter of common interest and to constantly co-ordinate their national economic policies and keep national budgets stable.

Alignment of economic policies also implies joint planning of economic integration, promotion of economic growth, provision of jobs, and competitiveness of the European economy as a whole at the global level.

In order to join the Economic Monetary Union (EMU), the candidate states must fulfil Maastricht Criteria from 1992:

- Stable prices: inflation rate can be up to 1.5% higher than in three countries with the lowest inflation rate.
- Stable public finance: budgetary deficit can be up to 3% of the GDP; public debt can be up to 60% of the GDP.

In addition to economic criteria, all countries must meet institutional criteria: harmonising legislation with the acquis and ensuring Central Bank independence (functional, institutional, and personal independence).

18

Chapter 18 Statistics



Negotiator

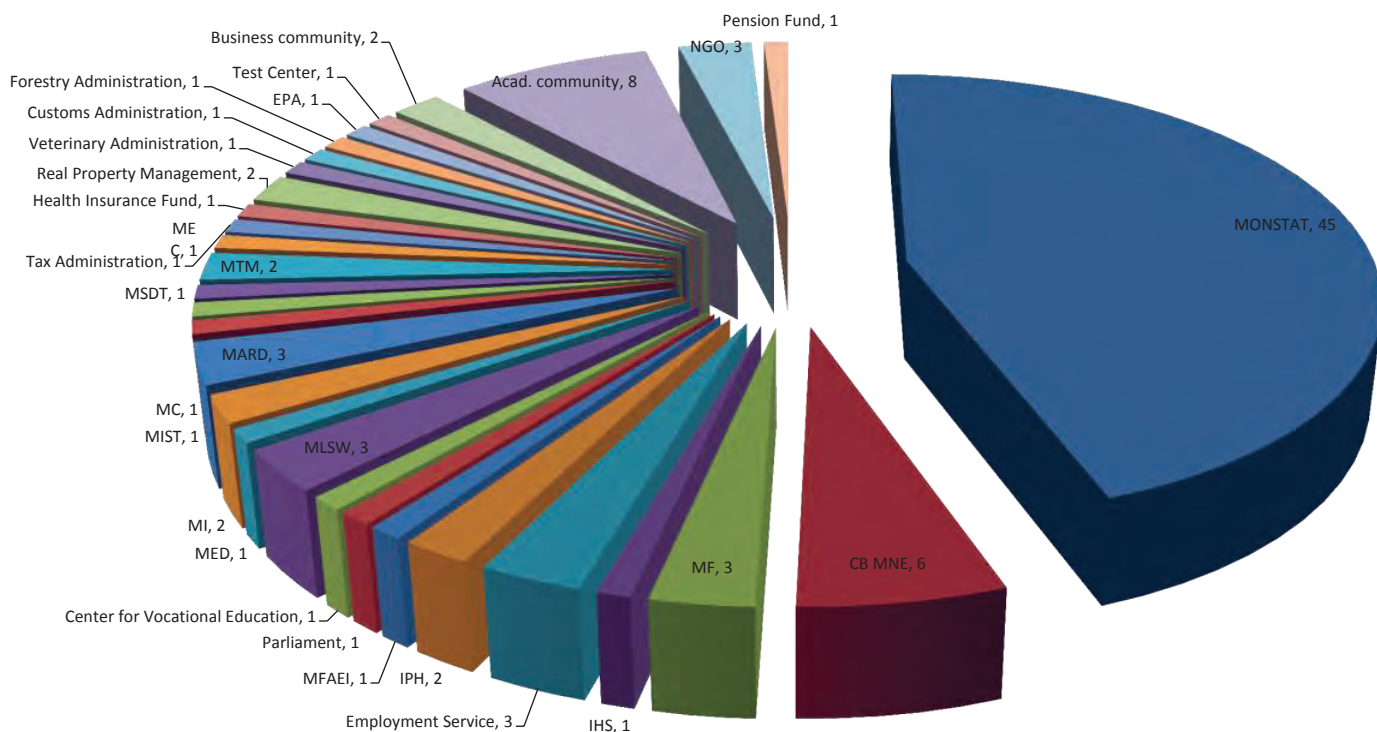


Head of the WG



Secretary of the WG

The working group was established in April 2013. The negotiator for this Chapter is **Nikola Fabris**, Vice-Governor of the Central Bank of Montenegro. The head of the working group is **Gordana Radojević**, Director of the Statistical Office of Montenegro (MONSTAT). Secretary of the working group is **Ana Tomković**, MFAEI. The working group comprises 101 members (88 from state institutions, and 13 from the civil society). The working group consists of 69 female and 32 male members.



The aim of the negotiations in this Chapter is to align the official statistics of Montenegro with the European standards and methodology, by creating a single harmonised methodological system, which offers minimal expenditure in terms of human and financial resources, but delivers the highest quality of data, in the fastest and most affordable manner to all users.

Alignment with the *acquis* in this Chapter is of great importance, not only in the area of statistics, but also for other negotiating chapters, as statistics offers tools necessary to monitor progress in other negotiating areas.

Therefore, the quality of the basis of the state's official policy is contingent upon the merit and availability of statistical data. The main instances of the countries' official statistics are the national statistical offices that are in charge of coordinating the statistical system in the country. At the European level, the Eurostat – European Statistical Office is in charge of collecting and publishing statistical data. The European statistics is based on principles of independence, reliability, confidentiality, impartiality and objectivity, which encourages the Member States to improve the standards of their official statistics.

Montenegro is committed to data production aimed at achieving further compliance of the official statistics of Montenegro and national accounts statistics in line with the European system of national and regional accounts (ESA 2010). ESA represents a harmonised methodology used for the production of national accounts data in the European Union so as to ensure that statistics on Member States' economy are compiled in a consistent, comparable, reliable and up-to-date way. ESA makes it possible to describe the economy of a region, country or group of countries, in a manner that is reliably comparable with other economies.

This chapter was officially opened at the Intergovernmental Conference held on 16 December 2014.

19

Chapter 19 Social Policy and Employment



Negotiator

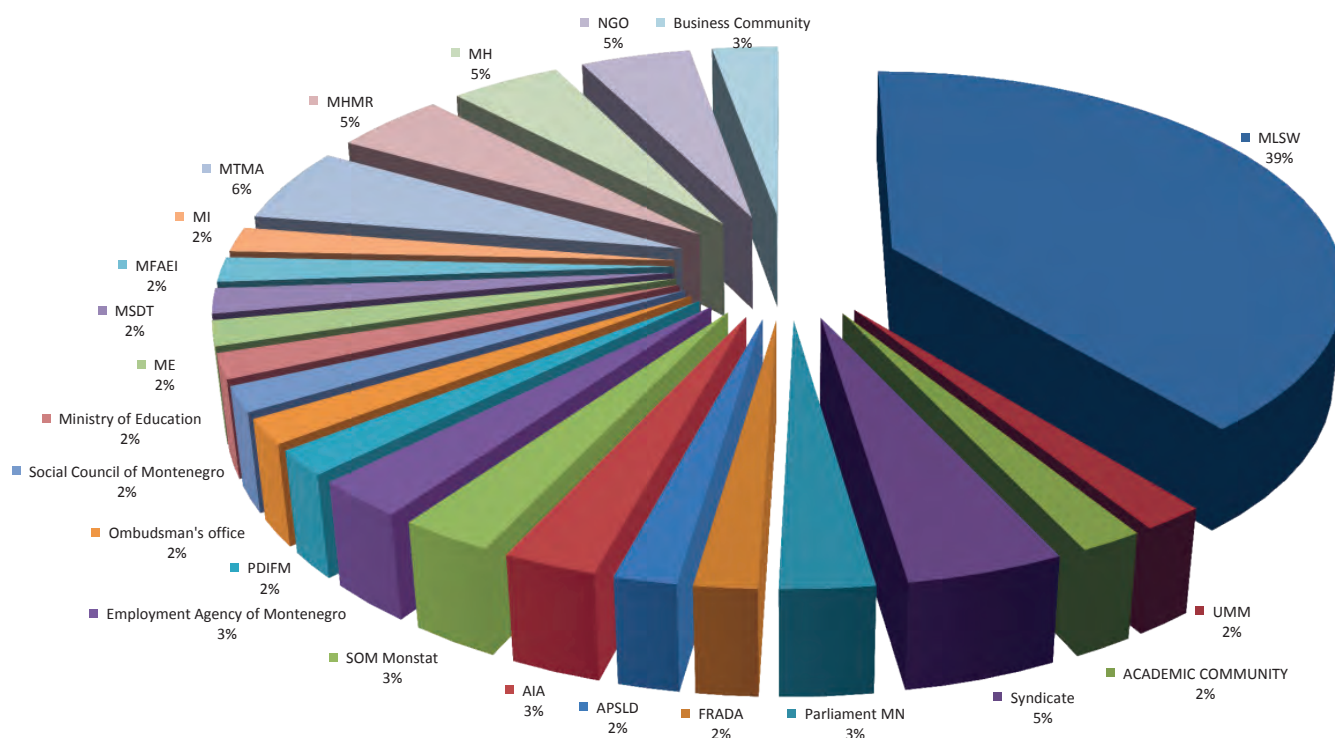


Head of the WG



Secretary of the WG

The working group was established in December 2012. The negotiator for this Chapter is **Arijana Nikolić Vučinić**, Acting Director-General of the Directorate for Preschool and Elementary Education and Education of Persons with Special Educational Needs at the Ministry of Education. The head of the working group is **Slobodan Filipović**, Acting Secretary of the Ministry of Education. Secretary of the working group is **Jelena Filipović**, MFAEI. The working group comprises 64 members (55 from state institutions, 9 from the civil society). The working group consists of 48 female and 16 male members.



The acquis in this Chapter includes minimum standards in the areas of labour law, health and safety at work, social dialogue, employment policy, European social fund, social inclusion and protection, anti-discrimination and equal treatment of men and women in terms of employment and social security.

European Social Fund (ESF) is the main instrument for the EU employment strategic policy and it finances measures aimed at boosting employment in EU countries and regions, especially those less developed.

Europe 2020 is an EU strategy on how to secure new and safe work places and better life for citizens. The strategy's objective is to ensure knowledge-based economic development (all the while preserving the environment), high employment rate, productivity, and social cohesion.

In March 2015, the Government of Montenegro adopted the Action Plan for gradual alignment with the acquis and necessary capacity building for implementation of the acquis in all areas covered by this chapter, whereby Montenegro met the condition for entering the next phase of negotiations, i.e., opening this chapter.

20

Chapter 20

Enterprise and industrial policy



Negotiator



Head of the WG



Secretary of the WG

The working group was established in September 2012.

The negotiator for this Chapter is **Vladimir Savković**,

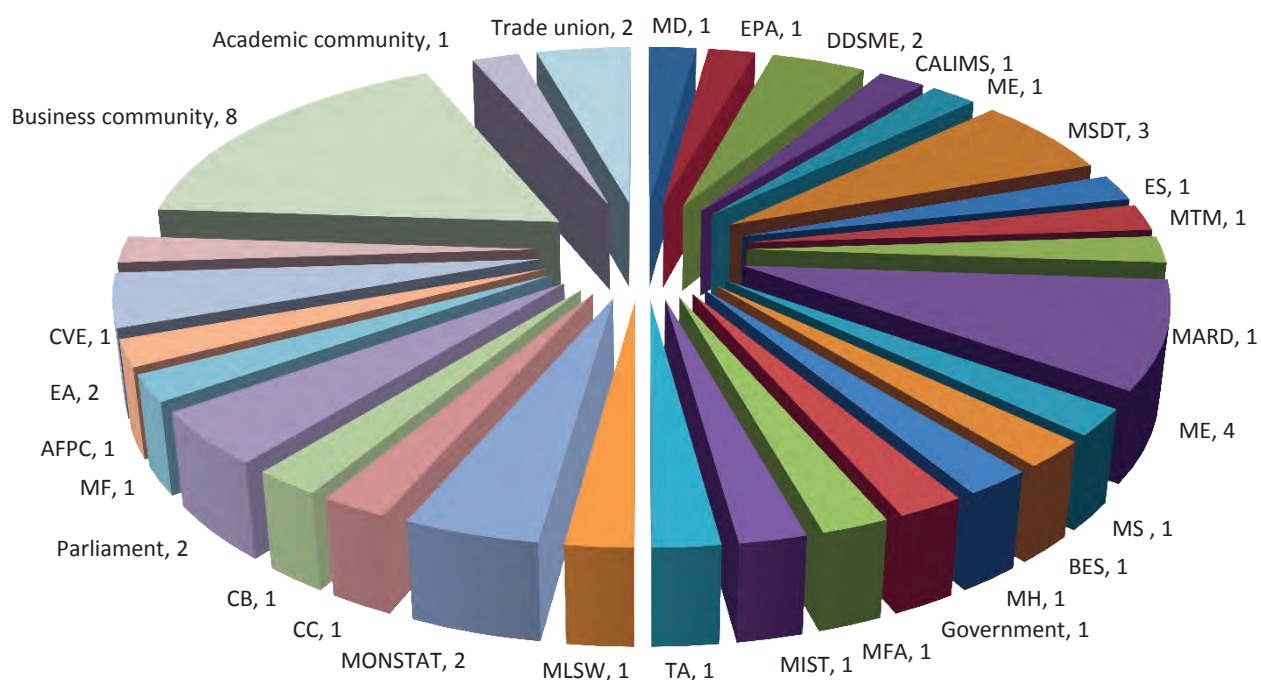
Doc. Dr at Law Faculty, University of Montenegro.

The head of the working group is **Dragan Kujović**,

Director-General for industry and entrepreneurship at the Ministry of Economy.

Secretary of the working group is **Vladana Mitrović**, MFAEI.

The working group comprises 46 members, of whom 19 are women and 27 are men (35 from state institutions, 11 from the civil society).



The EU enterprise and industrial policy aims to establish a favourable environment for European and Montenegrin producers and entrepreneurs, by providing support so that they would be competitive with their products and could do business in fair and equal terms in Europe and worldwide.

The legal framework in the area of enterprise and industry consists of political principles and policy instruments that are based on communications, recommendations, and conclusions of the Council. Chapter 20 also covers political instruments, including financial support and regulatory measures, as well as sectoral policies. As part of sectoral policies, particular focus will be on areas of tourism industry, air and maritime industries, construction, wood industry, steel, metals and other raw materials.

Enterprise and industry are important economic areas for the overall economic development of every modern country. Therefore, the activities on the development of the Industrial Policy Strategy of Montenegro by 2020 have already started, and it will define the future goals and directions of industrial development in Montenegro, as well as the strengthening of its sectors. Moreover, in June 2014 an agreement was signed between the European Union and Montenegro on the participation of Montenegro in the program of the Union “Competitiveness of Enterprises and SMEs“ (COSME 2014–2020). COSME program aims to encourage the competitiveness of enterprises in order to facilitate business expansion in the EU single market and on markets outside the EU.

EU policy in the area of enterprise and industrial policy is largely led by the „Europe 2020 strategy“ whose main objective is to address shortcomings of the growth model and create conditions for smart, sustainable and inclusive growth in the “major initiatives” such as industrial policy, innovation, digital economy, employment, youth, poverty, and efficient use of resources.

Chapter 20 – Enterprise and Industrial policy was opened at the Intergovernmental Conference on 18 December 2013.

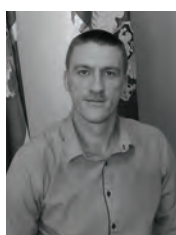
21

Chapter 21

Trans-European Networks



Negotiator



Head of the WG



Secretary of the WG

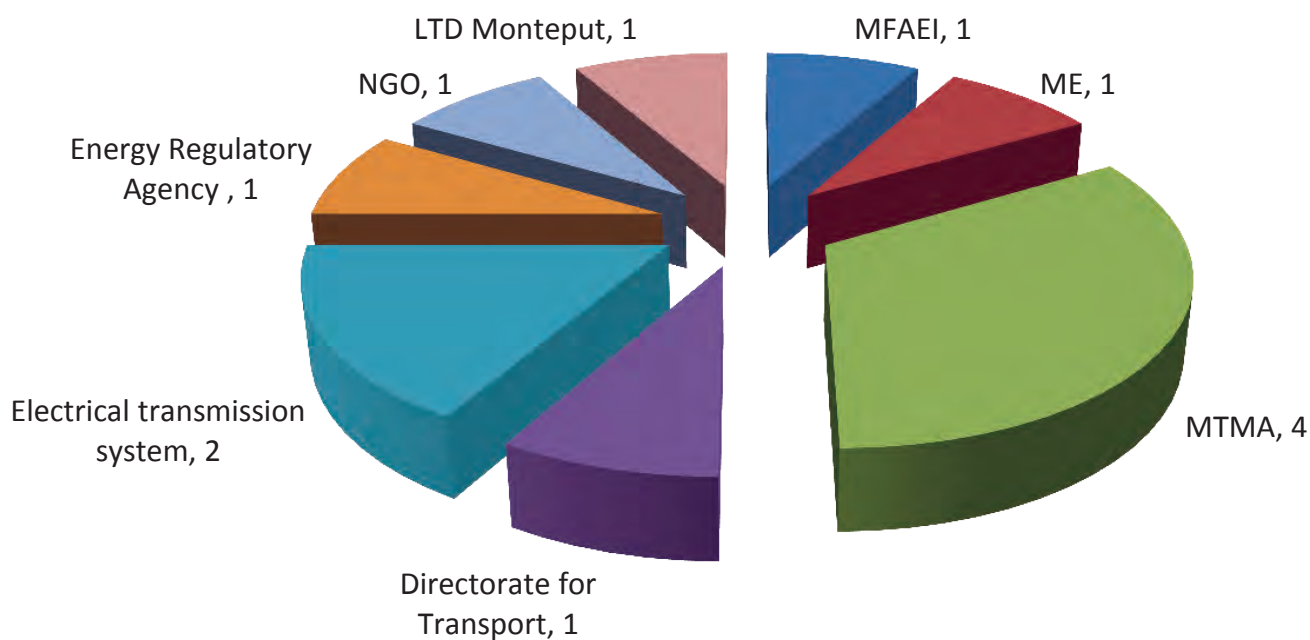
The working group was established in April 2013.

The negotiator for this Chapter is **Angelina Živković**, acting Director General for state roads in the Ministry of Transport and Maritime Affairs .

The head of the working group is **Zoran Vukašinović**, head of Unit for normative and legal affairs in the Ministry of Transport and Maritime Affairs.

Secretary of the working group is **Amina Bajrović Kuč**, MFAEI.

The working group comprises 12 members, 4 women and 8 men (7 from state institution, 5 from the civil sector).



Chapter Trans-European networks aims at achieving better interconnectivity and interoperability of transport and energy system within the EU with a possibility of including third countries. The implementation of the acquis of this chapter provides financial assistance from the EU cohesion and structural funds for member states for the purpose of building and improving Trans-European transport and energy networks.

Development of the Trans-European transport networks contributes to better connectivity between capitals and economic centres and remote and isolated regions throughout the EU. The Trans-European energy network programmes identify missing links and bottlenecks at the energy network with a view to improving them and achieving more secure supply of energy-generating products and interconnectivity growth.

Legal framework of this chapter includes new guidelines for development and financing of the trans-European Networks which have been applied since January 2014. Cooperation between the EU and the Western Balkans countries in the area of transport infrastructure started through the SEETO Memorandum and particular progress was made by including the SEETO Comprehensive Network into the indicative extension of the TEN-T to countries of the WB region through Regulation (EU) No 1315/2013. On the basis of SEETO corridors, transport routes will be defined that will be part of the Trans-European network on Montenegrin territory to which the new acquis will apply.

Chapter Trans-European Networks was opened on 22 June 2015.

22

Chapter 22

Regional Policy and Coordination of Structural Instruments



Negotiator



Head of the WG



Secretary of the WG

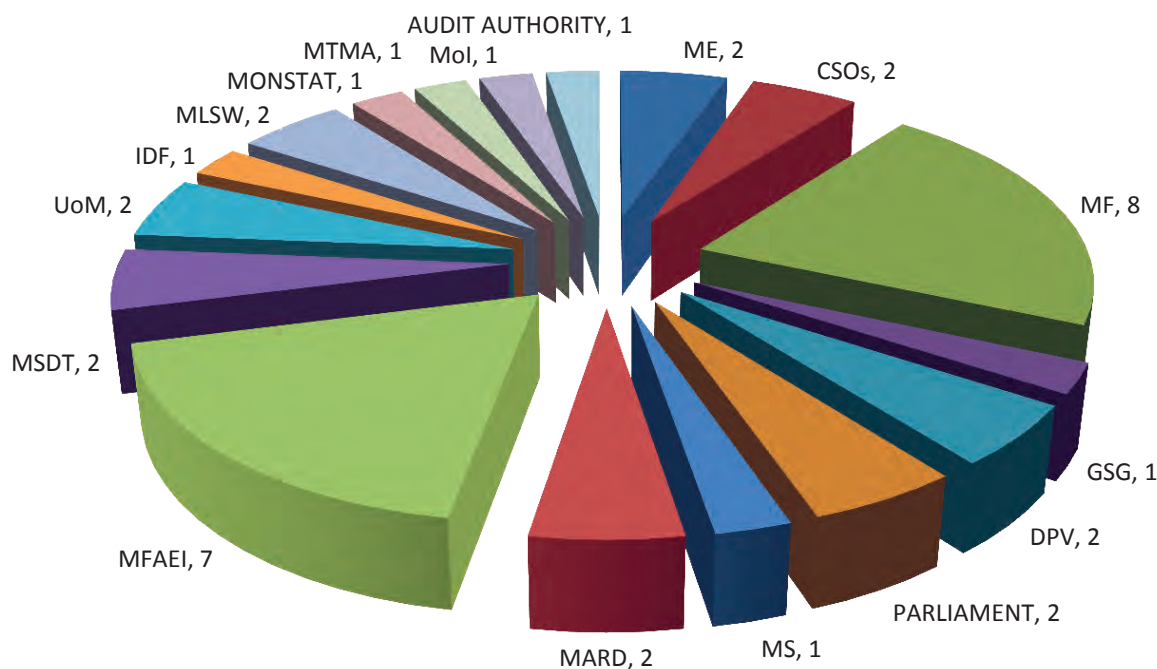
The working group was established in October 2012.

The negotiator for this Chapter is the State Secretary for European Integration Ambassador **Aleksandar Andrija Pejović**.

The head of the working group is **Ivana Vujošević**, Director of the Directorate for Programming and Monitoring of the EU Pre-Accession Assistance at the MFAEI.

Secretary of the working group is **Bojan Vujović**, MFAEI.

The working group comprises 33 members and 3 associate members, of whom 19 are women and 17 are men (31 from state institutions, 5 from the civil society).



The European Union's regional policy implies financial support to Member States and regions through implementation of projects whose objective is to strengthen economic, social, and territorial cohesion, with a special emphasis on: (1) increasing economic and social cohesion by reducing gaps between the EU regions; (2) increasing regional competitiveness with a view to ensuring the Union's global competitiveness; and (3) European territorial cooperation aimed at promoting co-operation between EU regions.

This Chapter contains framework regulations that define rules for the preparation and granting of operational programmes whose implementation is funded from the European Structural and Investment funds, i.e. the European Regional Development Fund, the European Social Fund, the European Maritime and Fisheries Fund, the European Agriculture Rural Development Fund and – for some countries – the Cohesion Fund, bearing in mind the territorial organisation of each Member State.

In 2007–2013, the EU Member States had access to around 338.8 billion EUR from these funds, while the allocated funds for the period 2014–2020 amount to 351 billion EUR. These funds will become available to Montenegro following the accession.

On 3 September 2015, the Government adopted the Action Plan for meeting the requirements of the European Union in the area of cohesion policy, whereby Montenegro met the condition for entering the next phase of negotiations, i.e., opening this chapter.

23

Chapter 23

Judiciary and Fundamental Rights



Negotiator

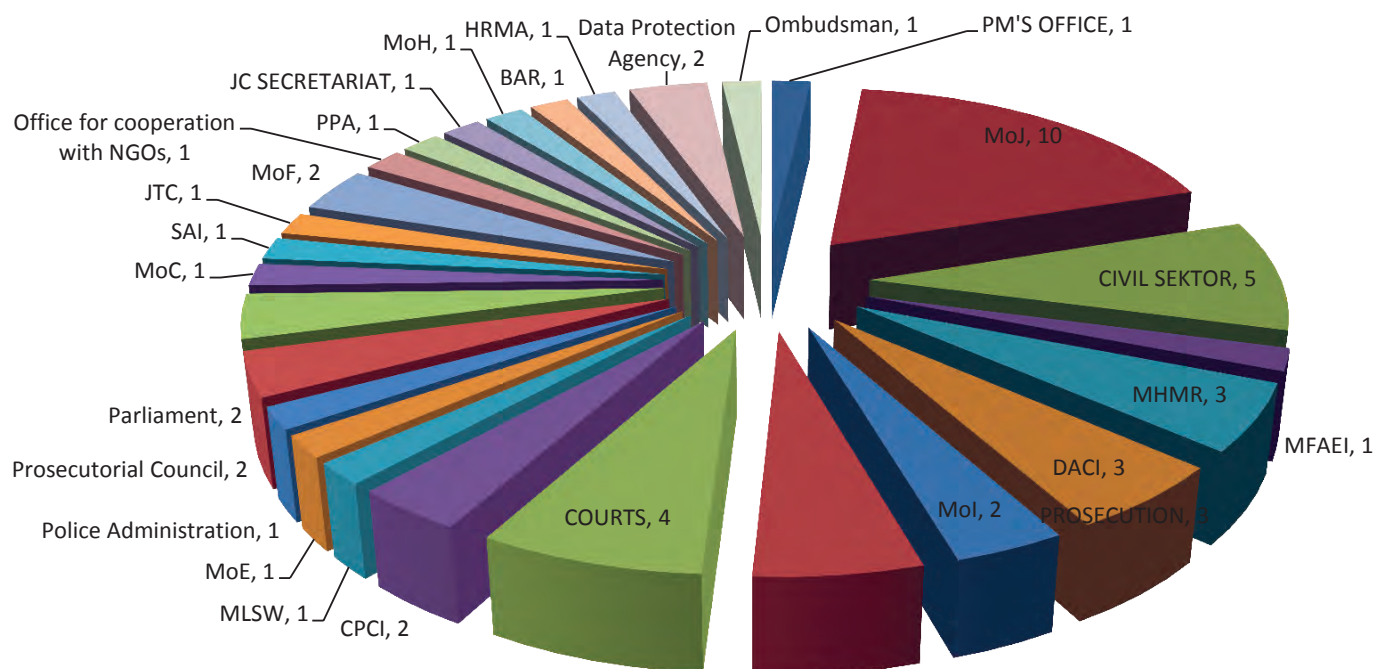


Head of the WG



Secretary of the WG

The working group was established in March 2012, while its composition was changed in September 2015. The negotiator for this Chapter is **Svetlana Rajković**, Director-General for International Legal Cooperation and European Integration at the Ministry of Justice. The head of the working group is **Marijana Laković-Drašković**, Director-General for Judiciary at the Ministry of Justice. Secretary of the working group is **Violeta Berišaj**, MFAEI. The working group comprises 54 members (49 from state institutions and 5 from the civil society), of which 39 are women and 15 men.



The aim of this Chapter is to create preconditions for an independent and impartial judiciary, with administrative capacities required for the protection of the rule of law.

This Chapter of the *acquis* covers the area of the judiciary, anti-corruption, fundamental rights and rights of EU citizens. In addition to the need for a full alignment of national legislation with the *acquis*, a candidate country needs to achieve visible and measurable results in applying legislation.

The *acquis* in the area of anti-corruption is composed of a series of UN and CoE conventions, as well as of decisions and recommendations of the European Council. A candidate country must fully align its legislation with the *acquis* in this area and it must also show readiness to achieve tangible results both in the prevention of and the fight against corruption.

The area of fundamental rights comprises a series of conventions, protocols, charters and declarations that a candidate country must introduce into its legal system, along with ensuring their efficient implementation.

The rights of EU citizens include the conditions for the exercise of rights of the EU Member States' nationals. These include right to vote and right to stand as a candidate in the European Parliament, right to vote and right to stand as a candidate in municipal elections, right to move and reside freely within the EU and the right to diplomatic and consular protection. Most of the *acquis* in this area includes decisions and directives entering into force on the day of accession to the EU.

On 27 June 2013, the Government of Montenegro adopted the Action Plan for Chapter 23, whereby Montenegro met the condition for opening this chapter. This chapter was opened at the Intergovernmental Conference held on 18 December 2013.

On 19 February 2015, the Government of Montenegro adopted the **Adapted Action Plan for Chapter 23**, following intensive cooperation with the European Commission and public consultations with representatives of the civil society.

Montenegro is obliged to submit to the European Commission on annual basis two reports on the implementation of measures contained in the Action Plan: one in January, as a contribution to the Sub-committee on Justice, Freedom and Security, and the second one in July, as a supplement to the Contribution to the Progress Report. So far, we have submitted four semi-annual reports to the European Commission. The last Report on implementation of the Action Plan was adopted on 9 July 2015.

Montenegro needs to meet **44 interim benchmarks** set out in the EU Common Position on Chapter 23. All the benchmarks are related to the activities contained in the Action Plan for this chapter.

24

Chapter 24

Justice, Freedom and Security



Negotiator

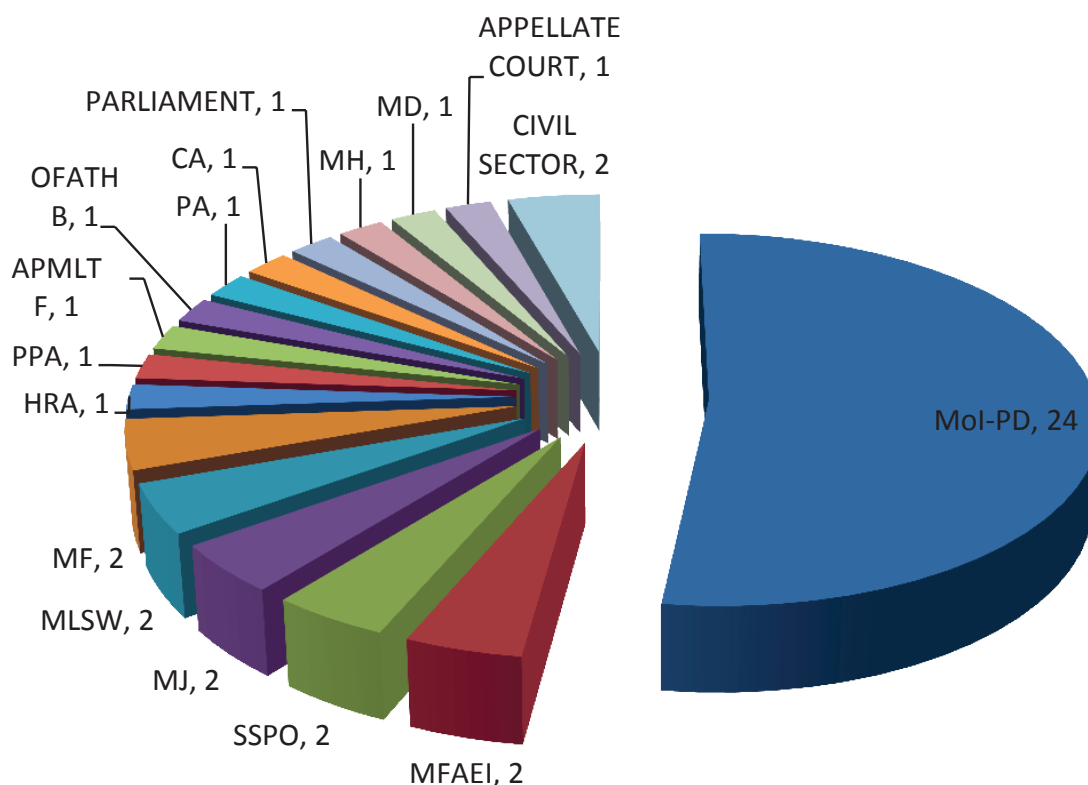


Head of the WG



Secretary of the WG

The working group was established in March 2012.
 The negotiator for this Chapter is **Svetlana Rajković**, Director-General for International Legal Cooperation and European Integration at the Ministry of Justice.
 The head of the working group is **Mira Cerović**, Advisor to the Minister at the Ministry of Interior.
 Secretary of the working group is **Miloš Radonjić**, MFAEI.
 The working group comprises 46 members (44 from state institutions and 2 from the civil society), of which 15 are women and 31 men.



The main objective of all activities within this Chapter is to ensure free movement of people and their safety.

This chapter of the acquis contains ten sub-areas, as follows: migrations, asylum, visa policy, external borders and Schengen, judicial cooperation in civil and criminal matters, police cooperation and fight against organised crime, fight against terrorism, cooperation in the field of drugs, customs cooperation and counterfeiting of the euro.

After adoption of the **Action Plan for Chapter 24** (27 June 2013) and submission of the negotiating position for this chapter to the European Commission (8 October 2013), Montenegro met the benchmark for opening the negotiations on this chapter. Montenegro opened the negotiating chapter 24 at the **Intergovernmental Conference held in Brussels** on 18 December 2013.

On 19 February 2015, the Government of Montenegro adopted the **Adapted Action Plan for Chapter 24**, following intensive cooperation with the European Commission and public consultations with representatives of the civil society.

Montenegro is obliged to submit to the European Commission on annual basis two reports on the implementation of measures contained in the Action Plan: one in January, as a contribution to the Sub-committee on Justice, Freedom and Security, and the second one in July, as a supplement to the Contribution to the Progress Report. So far, we have submitted four semi-annual reports to the European Commission. The first semi-annual report on implementation of the adapted action plans for Chapters 23 and 24 was adopted on 9 July 2015 – the fourth one since the beginning of annual reporting, and the first one in terms of reporting on the adapted action plans for Chapter 23 and 24.

Montenegro needs to meet **38 interim benchmarks** set out in the EU Common Position on Chapter 24. All the benchmarks are related to the activities contained in the Action Plan for this chapter. After Montenegro meets the interim benchmarks, it will get the closing benchmarks for this chapter.

25

Chapter 25 Science and Research



Negotiator

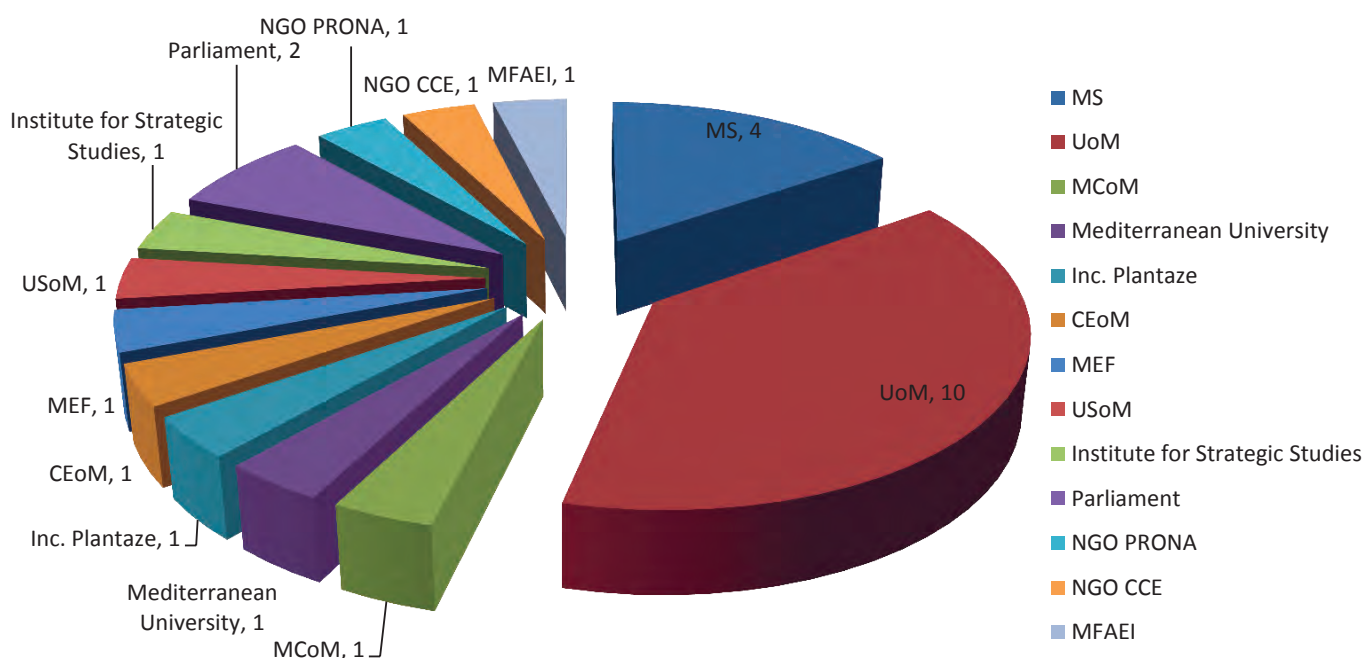


Head of the WG



Secretary of the WG

The working group was established in July 2012.
 The negotiator for this Chapter is **Andelko Lojpur**, Professor at the University of Montenegro.
 The head of the working group is **Smiljana Prelević**, Secretary of the Ministry of Science.
 Secretary of the working group is **Marko Mrdak**, MFAEI.
 The working group comprises 26 members (8 from state institutions and 18 from the civil society), of which 14 are women and 12 men.



The EU devotes particular attention to science and research, since this area represents one of the most important elements of development of every country. Knowledge, as the most important intellectual resource, is becoming increasingly important, while the establishment of a stable scientific system is becoming fundamental in modern societies and the driving force for improvement of living standards.

Through its strategy and programmes, the EU has ensured high quality conditions for the development of science and research, which, owing to fundamental scientific approach and innovations, is favourable for economic growth. With a view to paying a special attention in the forthcoming period to the main objective of the Lisbon Strategy – to make the EU the most dynamic and competitive knowledge-based economy in the world – the Member States have decided to increase their investment in science and research to 3% of GDP and thus indirectly encourage competitiveness and growth of national economies.

Montenegro opened and provisionally closed Chapter 25 – Science and Research at the Intergovernmental Conference held in Brussels on 18 December 2012.

26

Chapter 26 Education and Culture



Negotiator

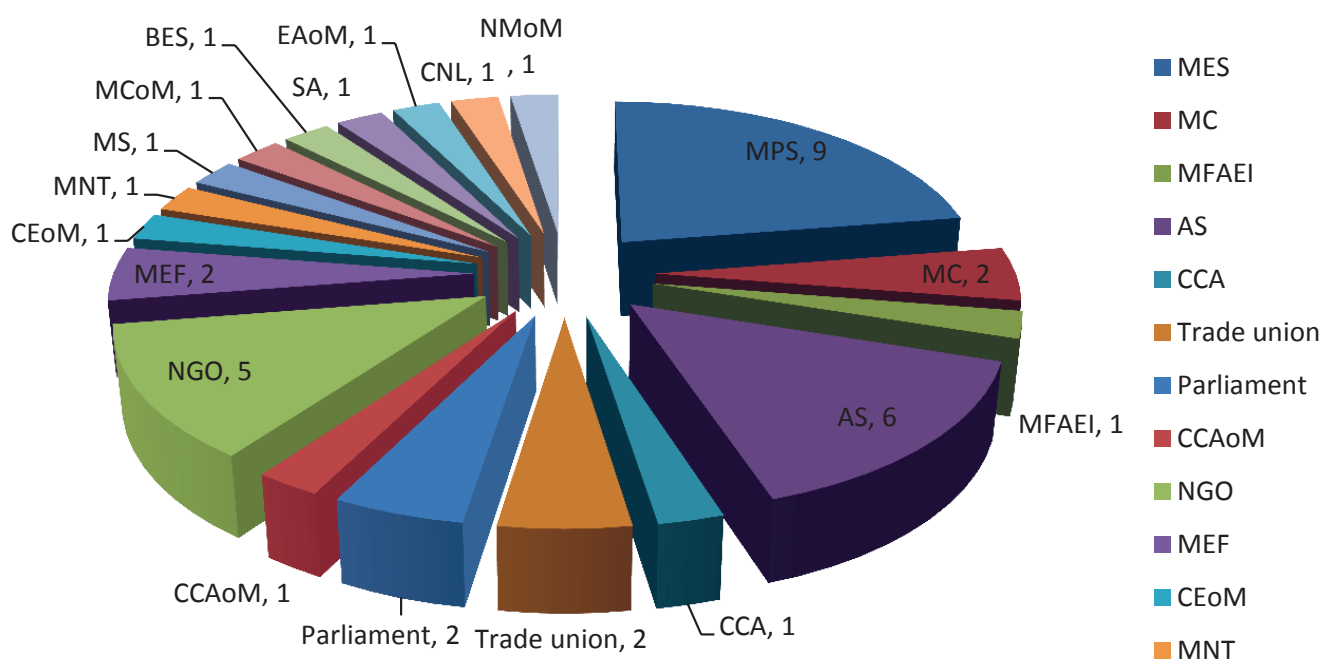


Head of the WG



Secretary of the WG

The working group was established in July 2012.
 The negotiator for this Chapter is **Andelko Lojpur**, Professor at the University of Montenegro.
 The head of the working group is **Mubera Kurpejović**, Director-General of the Directorate for Higher Education at the Ministry of Education.
 Secretary of the working group is **Melita Rastoder**, MFAEI.
 The working group comprises 41 members (18 from state institutions and 23 from the civil society), of which 24 are women and 17 are men.



This Chapter covers the areas of education, training, youth, sports, culture, access to education, as well as EU programmes and other EU instruments.

The areas of education and culture fall under the competence of the Member States. Through available mechanisms, the European Union contributes to the development of education and mobility.

The EU is taking concrete measures to ensure education becomes part of the employment strategy and to ensure the EU's role as the world knowledge hub. The EU promotes the preservation of cultural property with European values, provides support to artists and culture workers to live and work in other European countries, stimulates free circulation of cultural and artistic products and works across the Union, and encourages intercultural dialogue.

The EU strives to ensure equal conditions for the obtainment of knowledge necessary for the inclusion into social processes, whilst simultaneously taking into account national, regional, cultural and linguistic diversity, as well as the sovereignty of the Member States' education policies, and promotes cooperation between the Member States.

At the Intergovernmental Conference held on 15 April 2013, MNE has opened and provisionally closed the Chapter 26 – Education and Culture.

Montenegro opened and provisionally closed Chapter 26 – Education and Culture at the Intergovernmental Conference held in Brussels on 15 April 2015.

27

Chapter 27 Environment



Negotiator

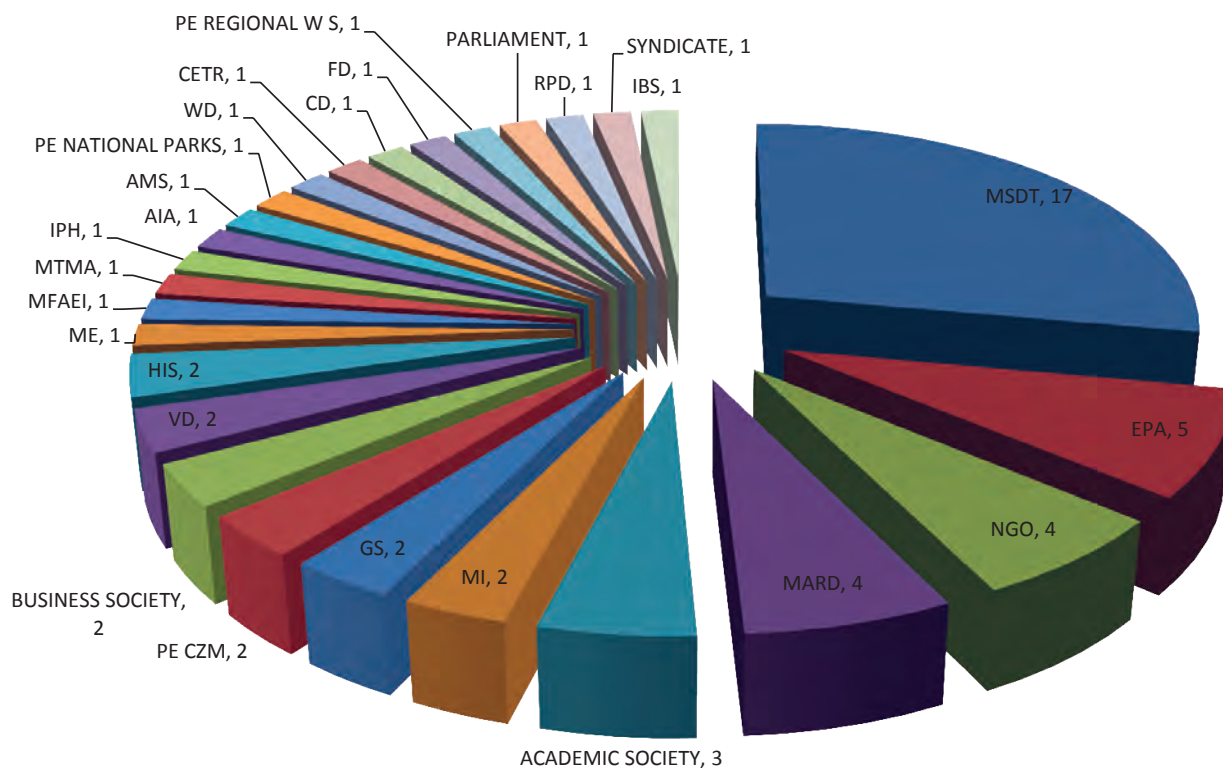


Head of the WG



Secretary of the WG

The working group was established in January 2013. The negotiator for this Chapter is **Daliborka Pejović**, State Secretary of the Ministry of Sustainable Development and Tourism. The head of the working group is **Ivana Vojinović**, Director-General for Environment and Climate Change at the Ministry of Sustainable Development and Tourism. Secretary of the working group is **Sanja Radović**, MFAEI. The working group comprises 61 members (50 from state institutions and 11 from the civil society), of which 36 are women and 25 men.



The EU's environmental and climate change policies aim to promote sustainable development, shift to economy with low-carbon emissions and efficient use of resources, as well as to protect the environment for present and future generations. They are based on preventive action, the polluter pays principle, fighting environmental damage at source, shared responsibility and the integration of environmental protection into other EU policies.

The acquis covers horizontal legislation, air quality, climate change, waste management, water management, nature protection, industrial pollution, chemicals, noise and civil protection. The aim of environmental protection is to safeguard human health and life, quality of the eco-system, protection of plant and animal species and man-made cultural property, preservation of natural balance and ecological stability of nature, and rational exploitation of natural resources. Negotiations in this area are a good opportunity for improving environmental protection as a necessary precondition for implementing sustainable development principles and standards. Transposition of the EU legislation into the national legal system is just a first step in the process of adaptation to the EU standards. The EU environmental policy also implies adequate implementation and enforcement of legislation, both at national and local level. Significant investments are required due to administrative costs, investments in infrastructure and facilities maintenance.

In order to open this chapter, Montenegro has to draft a comprehensive national strategy and an action plan, which will serve as a basis for transposition, implementation and enforcement of the acquis in the area of environment and climate change, including plans for the development of relevant administrative capacities and an estimation of the financial resources required with defined objectives and deadlines (particular attention should be devoted to the alignment in the water sector, conservation of nature and waste disposal, as well as to the planning and administrative capacity building in the climate change area).

28

Chapter 28 Consumer and Health Protection



Negotiator

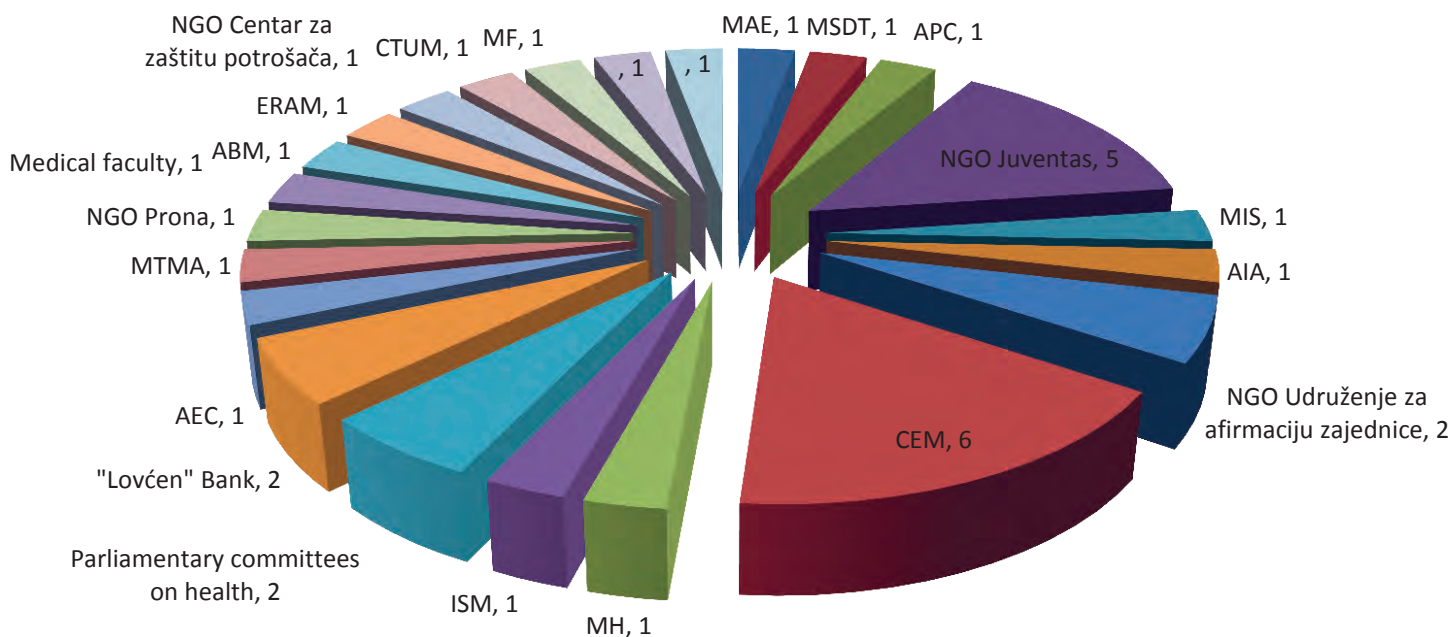


Head of the WG



Secretary of the WG

The working group was established in January 2013. The negotiator for this Chapter is **Daliborka Pejović**, State Secretary of the Ministry of Sustainable Development and Tourism. The head of the working group is **Rada Marković**, Assistant Director of the Administration for Inspection Affairs. Secretary of the working group is **Jelena Filipović**, MFAEI. The working group comprises 45 members (35 from state institutions and 10 from the civil society), of which 33 are woman and 12 men.



This chapter addresses topics and issues divided into two areas: consumer protection and health protection.

Protection of consumers' economic interests, provision of information and education of consumers, as well as the efficient protection of their interests, are the basic principles of the European Union consumer protection policy.

Key issues in the consumer protection area are as follows: general product safety, deceptive products, quick exchange of information on dangerous products and protection of consumers' economic interests (long-distance contracts; out-of-office contracts; provisions contrary to the principles of honesty; sale of mass-products and threatening guarantees; indication of the prices of products offered to consumers, deceptive and comparative advertising; disloyal commercial practices; time-sharing of real-estate, exchange and resale; travel and vacation arrangements; distance selling; responsibility for malfunctioning products; court and administrative prohibition; consumer loans, and cooperation between consumer protection bodies).

Health protection refers to the alignment of the access to the public health policy within the Union. Although the primary responsibility for health care lies with individual Member State, many public health issues are jointly regulated. The common policy is pursued through improvement of health and supervision over fulfilment of health policy objectives, through joint fight against contagious diseases, rare diseases and cancer, prevention of addictions and accidents, and pollution-related diseases, as well as through the ability of taking quick and coordinated action in case risk to health incurs. This sub-area also covers the rights of patients in cross-border health care, mental health, blood, tissue, cells and organs, prevention of injuries, contagious diseases, rare diseases, as well as the prevention of alcohol and drug abuse, and tobacco control.

The objectives of the EU health protection policy are as follows: alignment of legislation related to health protection within the EU; protection of citizens from threats to health; promotion of healthy lifestyles; contribution to the reduction of major diseases within the Union; contribution to the development of more efficient health care systems; provision of health-related information; granting citizens the right to express their views on health-related issues.

Montenegro opened negotiations on Chapter 28 at the Intergovernmental Conference held in Brussels on 16 December 2014, and on that occasion the EU presented three closing benchmarks that need to be met in order to provisionally close the negotiations in this chapter. Two benchmarks relate to the area of public health and one to the area of consumer protection. The benchmarks imply alignment with the *acquis*, as well as establishment of appropriate institutional, technical and administrative capacities by the day of accession to implement that *acquis*.

29

Chapter 29 Customs Union



Negotiator

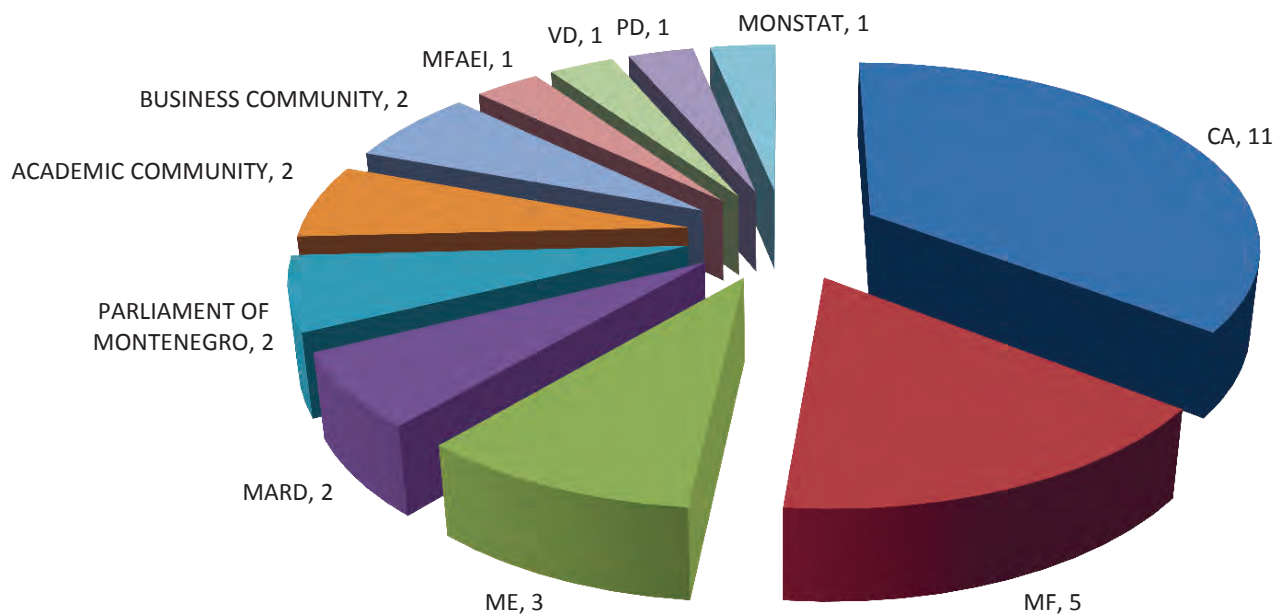


Head of the WG



Secretary of the WG

The working group was established in April 2013. The negotiator for this Chapter is **Nikola Vukićević**, Director of the Directorate for Budget at the Ministry of Finance. The head of the working group is **Mitar Bajčeta**, head of the Directorate for the Customs System at the Ministry of Finance. Secretary of the working group is **Miloš Vujović**, MFAEI. The working group consists of 31 members – 13 women and 18 men (27 from the state institutions, 4 from the civil sector).



Since its establishment on 1 July, 1968, the Customs Union represents one of the cornerstones of European integration and a key component of proper functioning of the internal European market. It represents a single customs area of 28 EU Member States where the total internal trade and turnover of goods between the member states is performed, without customs formalities, the inspection over the goods and collection of customs duties.

Main objectives of the Customs Union are: establishment of a free trade zone, boosting economic relations between the EU Member States, acceleration of development of trade activities, improvement of the living standard and provision of better employment opportunities by raising productivity and achieving financial stability.

The national customs services of the EU Member States are responsible for the daily operational implementation of the EU customs policy. They collect customs duties, excise and value added tax on import from third countries, and take care of the respect of import quotas and other restrictions. Furthermore, Member States conduct appropriate customs controls at the external borders of the Union with a view to suppressing all forms of trafficking, organized crime, terrorism, money laundering, and protecting intellectual property rights, ensuring protection of consumer health and safety and environmental protection.

Customs Union acquis consists of legislation, which is binding for all Member States. The obligation of each member, as well as a candidate country is to enable capacities for the implementation of legislation, including links to relevant electronic customs systems of the EU, and to ensure the application of special rules laid down in related areas of the acquis, such as foreign trade.

Negotiations in this chapter were opened at the Intergovernmental Conference, which was held on 16 December 2014.

30

Chapter 30 External Relations



Negotiator

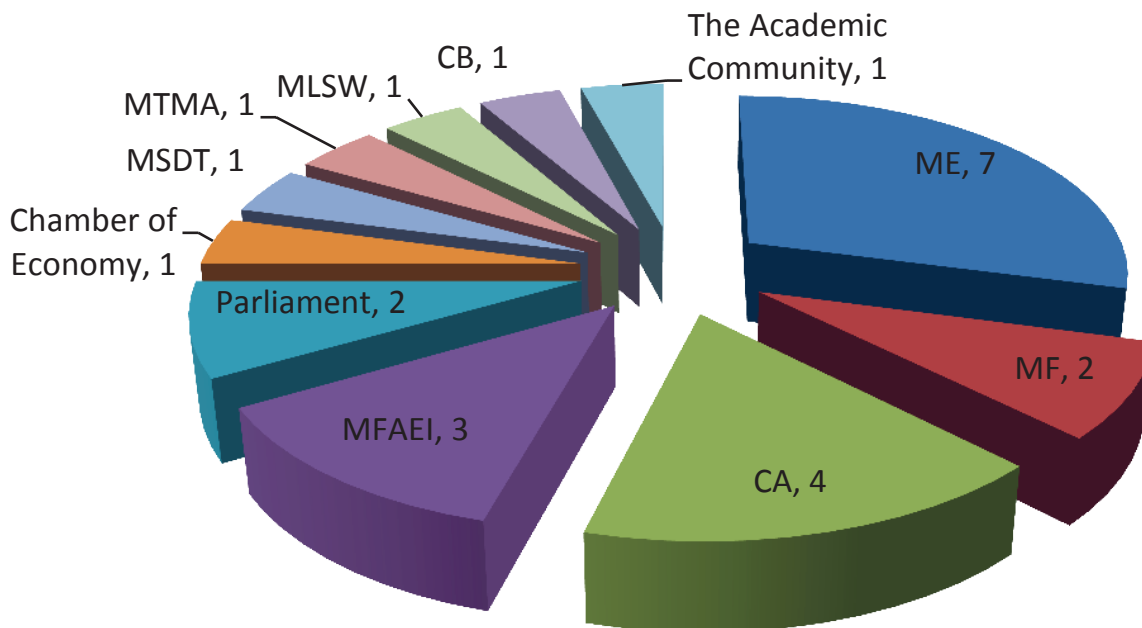


Head of the WG



Secretary of the WG

The working group was established in April 2013.
 The negotiator for this Chapter is **Igor Noveljić**,
 Secretary of the Ministry of Economy.
 The head of the working group is **Goran Šćepanović**,
 Director-General for Multilateral and Regional Trade Cooperation
 and Foreign Economic Relations at the Ministry of Economy.
 Secretary of the working group is **Jelena Leković**, MFAEI.
 The working group consists of 24 members – 17 women and 7 men.



This Chapter covers various aspects of the EU action at the international level, including common commercial policy, bilateral agreements with non-member states, as well as development and humanitarian aid.

Common commercial policy includes trade in goods and services, commercial aspects of intellectual property, foreign direct investments, export policy and trade protection measures. Its aims are: contribution to development of world trade, gradual removal of barriers in international trade and foreign direct investments, as well as reduction of customs and other trade barriers.

The European Union applies a large number of bilateral agreements, which primarily include agreements on free trade, investments and economic cooperation, as well as the stabilisation and association agreements. The obligation of Montenegro, as a candidate country for the EU membership, is to ensure that all agreements containing elements of the trade policy are aligned with the EU acquis.

As regards requirements for development policy and humanitarian aid, Montenegro is expected to align its legislation with the acquis and international commitments accepted by the Member States, and to provide capacities for participation in these European policies intended for developing and least developed countries. Montenegro opened accession negotiations in Chapter 30 – External Relations at the Intergovernmental Conference, which was held on 30 March 2015 in Brussels.

31

Chapter 31

Foreign, Security and Defence Policy



Negotiator

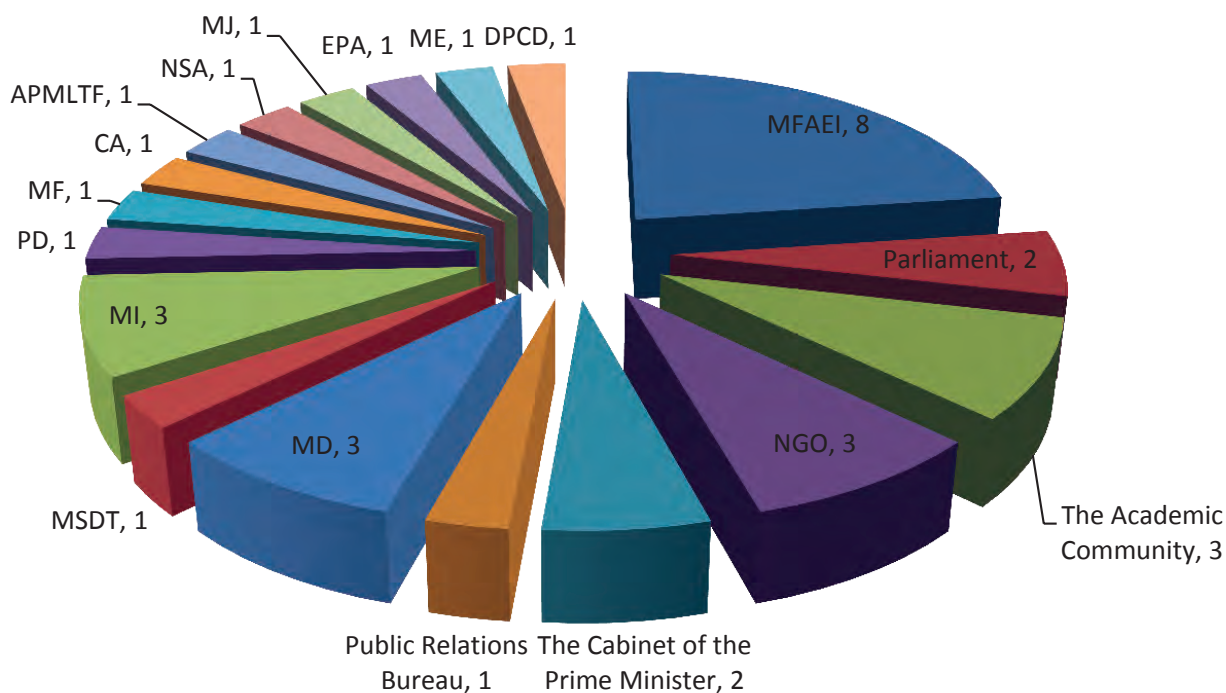


Head of the WG



Secretary of the WG

The working group was established in April 2013. The negotiator for this Chapter is the **Ambassador Aleksandar Andrija Pejović**, Secretary of the State and the Chief Negotiator for Montenegro's Accession to EU. The head of the working group is **Igor Jovović**, State Secretary for Political Affairs in the MFAEI. Secretary of the working group is **Jelena Leković**, MFAEI. The working group consists of 33 members – 19 women and 14 men (27 from the state institutions and 6 from the civil sector).



This area covers the issues of the candidate countries' relations with the EU and its institutions. This Chapter addresses the issues of the Common Foreign and Security Policy, as well as the Common Security and Defence Policy. The emphasis is on Montenegro's alignment with declarations and decisions of the Council of the European Union and High Representative for Foreign Policy.

Negotiations in this Chapter include the overall security and defence system of the country. It contains several sub-areas: political dialogue with the EU, Common Foreign and Security Policy, Common Security and Defense Policy, sanctions and restrictive measures, cooperation with international organisations (particularly the Council of Europe and the UN), fight against terrorism, security measures and procedures for the exchange of classified information. Chapter 31 – Foreign, Security and Defense Policy also regulates participation of a candidate country in missions and military – defence institutions and organizations that are of interest to the European Union. It puts in the first place cooperation of a candidate country with NATO and participation in peacekeeping missions. In addition, candidate country for membership in the EU must have a developed system of arms control, which is based on the legislative framework aligned with the EU acquis.

Priority objectives of the foreign policy of Montenegro are the membership in the European Union and NATO, strengthening regional cooperation and good neighbourly relations, as well as improvement of bilateral and multilateral international cooperation. By pursuing its commitment, Montenegro fully aligns with all the statements of the Council of the EU and applies all agreed sanctions and restrictive measures. On 22 February 2011, Montenegro and the European Union signed the framework agreement on the country's participation in the EU crisis management operations. Based on this, Montenegrin army takes part in a number of civilian and military operations of the EU. In addition, Montenegro contributes to the civilian and military missions of NATO and the UN.

Montenegro opened accession negotiations in Chapter 31 – Foreign, Security and Defense Policy at the Intergovernmental Conference, which was held on 24 June 2014 in Luxembourg.

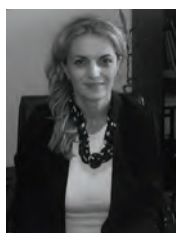
32

Chapter 32

Financial Control



Negotiator



Head of the WG



Secretary of the WG

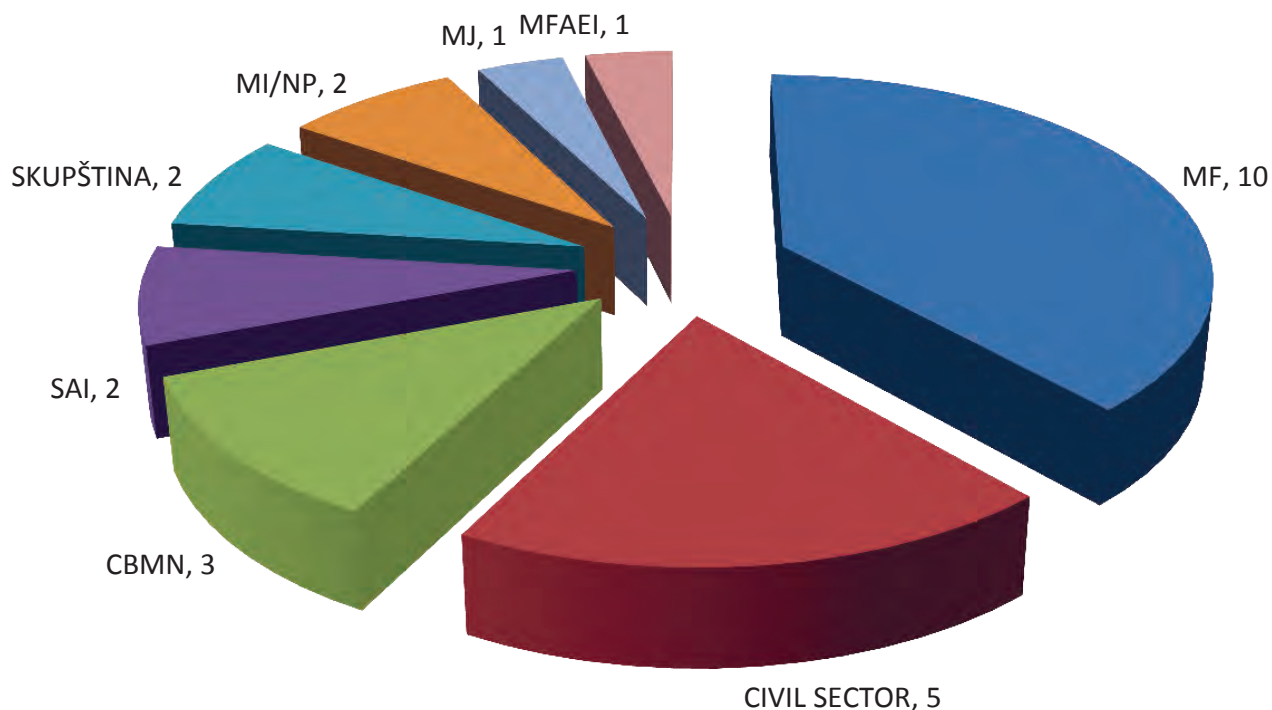
The working group was established in April 2013.

The negotiator for this Chapter is **Nikola Vukićević**,
Director of the Directorate for Budget at the Ministry of Finance.

The head of the working group is **Ana Krsmanović**,
Director-General of the Directorate for Central Harmonization of Public Internal
Financial Management and Control and Internal Audit in the Ministry of Finance.

Secretary of the working group is **Aleksandar Nikčević**, MFAEI.

The working group consists of 26 members – 15 women and 11 men
(21 from the state institutions, 5 from the civil sector).



This Chapter is related to standards, methods and internationally accepted principles of public internal financial control, as well as the control of spending from the EU funds.

Financial control includes four main areas: public internal financial control (PIFC), external audit, protection of the EU's financial interests and protection of the euro from counterfeit.

Main objectives of this Chapter are financial stability of the Member States, prevention of misuse of funds, contribution to a more efficient, successful, and accountable spending from the public and EU budget, as well as presenting of an important mechanism for the fight against corruption.

Internal financial control system contributes to improvement of discipline and transparency in using public and EU funds, as well as protection of EU financial interests.

Montenegro opened negotiations in this chapter on 24 June 2014 at the Intergovernmental Conference in Brussels, and the EU presented closing benchmarks that must be fulfilled for provisional closure of negotiations on this chapter. Some of the major activities regarding fulfilment of closing benchmarks that were carried out in the previous period of negotiations are: the establishment of a centralized budget inspection in the Ministry of Finance, adoption of amendments to the Law on the State Audit Institution, Strategy for the fight against fraud and management of irregularities in order to protect the financial interests of the EU for the period 2015–2017 and the Law on Ratification of the International Convention for the Suppression of Counterfeiting Currency.

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Chapter 33

Financial and Budgetary Provisions



Negotiator

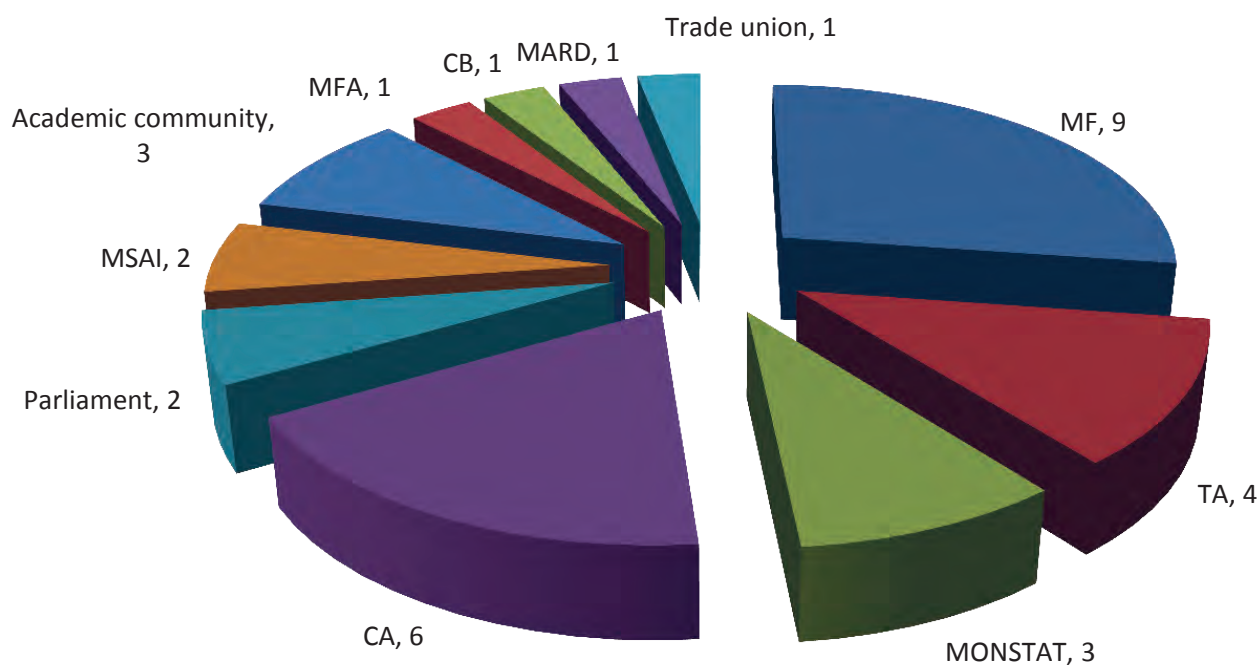


Head of the WG



Secretary of the WG

The working group was established in April 2013. The negotiator for this Chapter is **Nikola Vukićević**, Director of the Directorate for Budget at the Ministry of Finance. The head of the working group is **Miodrag Radonjić**, Director-General for the State Treasury at the Ministry of Finance. Secretary of the working group is **Vladana Mitrović**, MFAEI. The working group consists of 33 members –14 women and 19 men (29 from the state institutions, 4 from the civil sector).



EU budget is an important tool used for enabling and defining of provisions of the EU policies in practice. The EU budget covers obligations and activities that member states cannot finance by themselves or that can be more efficiently financed by joining resources. However, each Member State has the right to use the funds from the common Union budget, but it is also obliged to contribute to the budget.

Legal framework in the area of financial and budgetary provisions consists of regulations and decisions in the field of traditional own resources (customs revenue), own resources based on value added tax (VAT), as well as its own funds from payment of the Member States on the basis of the traditional gross national income. The acquis in this chapter does not require direct amending of the national legislation, i.e. its appropriate implementation is addressed to the Member States, and to Montenegro only after accession to the EU.

From the first day of membership in the EU, Montenegro will pay the required contributions to the common EU budget, thus providing the opportunity to use certain amount of budgetary expenditure of the Union from the Cohesion Fund and structural funds. The EU budget is financed by a huge range of activities, from rural development and environmental protection, up to the external borders, protection and promotion of human rights. The EU allocated EUR 959. 988 billion for the period 2014 – 2020.

Until accession to the EU, Montenegro will be devoted to establishment of coordinating structure and implementing rules, so as to ensure the correct calculation, collection, forecasting, payment and control of own resources and reporting to the EU on the implementation of rules related to own resources.

Montenegro opened accession negotiations in Chapter 33 – Financial and Budgetary Provisions at the Intergovernmental Conference, which was held on 16 December 2014 in Brussels.

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Chapter 34 Institutions

This Chapter deals with participation of the future member state in the work of the EU institutions.

This implies determining the number of its representatives in the institutions, as well as the number of votes and voting procedures in certain bodies. This primarily refers to the number of votes at the European Council and the Council of Ministers. The number of votes that the future member will have when decisions are being reached within the Council in cases when decisions are reached through a qualified majority vote is precisely determined.

Each country that joins the Union has the possibility of having one Commissioner in the European Commission. When it comes to the European Parliament, the country has the right to have its citizens run for elections for members of the European Parliament, as well as vote in the EU elections. The total number of members of the European Parliament is determined by the Treaty of Lisbon. How many MEPs a country will have in each sitting is determined by the EU Council prior to all elections.

Following accession, the new member shall have the right to appoint a judge at the Court of Justice of the European Union. Furthermore, the Central Bank governors from each member state shall participate in the work of the European Central Bank. In addition, each country has a representative at the European Court of Auditors, European Economic and Social Committee, Committee of the Regions, etc.

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Chapter 35

Other Issues

This Chapter will be negotiated at the very end of the integration process. It includes all the issues that may arise during negotiations, and which are not covered by any of the EU *acquis*.

Office for Support to the Chief Negotiator

Office of the Chief Negotiator performs tasks related to: supporting the performance of tasks and daily activities of the Chief Negotiator, organising and monitoring the meetings of the Chief Negotiator with national and foreign representatives in the country and abroad, preparation of the Chief Negotiator's meetings and visits, as well as his participation in public events. The Office coordinates the tasks with the Negotiating Structure and other stakeholders relevant to the accession process. Part of the Chief Negotiator's Office that performs its duties within the Mission of Montenegro to the European Union is primarily focused on communication with representatives of the EU institutions, primarily representatives of the European Commission and the Council, as well as permanent representations of the Member States to the EU. Office of the Chief Negotiator at Montenegro's Mission to the EU is a channel for the negotiating structure's communication (at the operational level of negotiators, heads and secretaries of the working groups for preparing negotiations on individual chapters) with the European Commission. It coordinates delivery of relevant materials and documents in the negotiating process in both ways, between the negotiating structure and the EU.

Office of the Chief Negotiator consists of nine members – six in Podgorica and three in Brussels. It is managed by the head of the Office.

Secretariat of the Negotiating Group

Secretariat of the Negotiating Group is in charge of coordinating tasks related to the accession negotiations, preparation of screening of alignment of Montenegrin legislation with the EU acquis, drafting reports during negotiations, technical preparation of the working groups' activities for negotiation on individual chapters, technical preparation of the draft negotiating positions, preparation of the State Delegation's meetings and the Negotiating Group's meetings, and coordination of electronic database for monitoring the negotiations. The Secretariat was established in February 2012 by Decision Establishing the Negotiating Structure for the Accession of Montenegro to the EU. The Secretariat has 18 members who are MFAEI representatives, and their work is coordinated by the Secretary of the Negotiating Group, who is appointed and dismissed by the Government upon the proposal of the Head of the State Delegation and with the consent of the Chief Negotiator.



Miodrag RADOVIĆ
Secretary of the Negotiating Group



Tatjana TOMIĆ
Secretary WG 1, 6



Jelena FILIPOVIĆ
Secretary WG 19, 28



Milena BIRO
Secretary WG 3, 4, 5



Marko MRDAK
Secretary WG 7, 8, 25



Aleksandar NIKČEVIĆ
Secretary WG 17, 32



Melita RASTODER
Secretary WG 10, 26



Velimir ŠLJIVANČANIN
Secretary WG 11, 13



Srdjan ĆETKOVIĆ
Secretary WG 2, 12



Amina BAJROVIĆ
Secretary WG 14, 21



Sanja RADOVIĆ
Secretary WG 5, 27



Miloš VUJOVIĆ
Secretary WG 9, 29



Ana TOMKOVIĆ
Secretary WG 18



Vladana MITROVIĆ
Secretary WG 16, 20, 33



Bojan VUJOVIĆ
Secretary WG 22



Violeta BERIŠAJ
Secretary WG 23



Miloš RADONJIĆ
Secretary WG 24



Jelena LEKOVIĆ
Secretary WG 30, 31

In Lieu of Concluding Remarks

The success we have achieved on our European path after three years of accession negotiations is the product of several years of thorough preparations, good organisation and coordination of tasks, hard work, seriousness, and responsibility.

The Negotiating Structure, which consists of more than 1300 people directly involved in negotiations, provided an immeasurable contribution to fulfilment of European tasks and progressing towards the EU membership. In addition, the entire Montenegrin society has shown tremendous commitment, the spirit of cooperation and unity in pursuing our common mission – the future EU membership of Montenegro.

The results are encouraging, but they also bind us to continue moving forward with the same pace, quality, and dedication. We are aware that we are now running the most important section of the European marathon and that results, for the most part, are up to us. An additional motivation is the fact that we are pursuing these reforms not because of the Union, but for us, to improve the quality of life and to create a better future for all of us.

After three years of accession negotiations, we may safely say that we have laid stable foundations to our European future, and much more. We are ready to continue taking bold steps towards Europe in the forthcoming period.



EUROPEAN UNION