

MONTENEGRO

Report on the preparation of post-2020 strategy



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STRATEGY IN MONTENEGRO

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Abbreviations

CPF	Country Partnership Framework
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSV	General Secretariat of the Government
IPA	Instrument for Pre-Accession Assistance
M&E	Monitoring and evaluation
MNE	Republic of Montenegro
NSOR	National Sustainable Development Strategy
SAA	Stabilisation and Association Agreement
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SEE	South East Europe
UN	United Nations
UNDAF	United Nations Development Assistance Framework
USAID	United States Agency for International Development
VNR	Voluntary National Review
WB	World Bank
WBG	World Bank Group

Executive summary

This report provides information regarding the national post-2020 strategic and other policy-relevant documents in Montenegro. The report provides an overview of the most important strategic objectives and priorities.

The report describes linkages between the specific strategic documents, priorities of the European Union (EU) and Sustainable Development Goals (SDGs). It also provides an overview of current donor strategic framework support for Montenegro for the forthcoming period.

The report describes the general background information on the process of policy making in Montenegro. The overall legal and institutional framework for drafting, adopting, financing and implementation of different strategic documents in Montenegro is presented.

An important part of the report describes relevant post-2020 sectoral strategies and other inter-sectorial and horizontal policy documents prepared by different line ministries and adopted by the Government.

The report provides information on ongoing EU support and programming process for IPA 3 and post-2020 EU support for Montenegro.

The overall aim of the report is to provide a necessary comprehensive overview of all national strategies and priorities until 2030 which will then serve as a basis for development of a regional post-2020 strategy.

The report provides conclusions and recommendations, analysis of priorities within the existing strategies, including an overview of the quantification of key national targets with respect to post-2020 vision.

I. Introduction

Montenegro has set the EU accession process as its key foreign policy goal. After joining NATO, Montenegro invests full capacity in the EU accession process. Accession negotiations with Montenegro were opened in June 2012. To this date, 32 negotiating chapters have been opened, out of which three have been provisionally closed. Montenegro also implements the Stabilisation and Association Agreement (SAA) as of May 2010.

Regional policy is the EU's main investment policy for sustainable and inclusive economic growth. Member States bear responsibility for implementation which requires adequate administrative capacity and sound financial management of projects' design and implementation.

Official framework for development of national strategic documents is set by Decree on the procedure and conduct of drafting, alignment and implementation of strategic documents and accompanying methodology for policy development and implementation. The General Secretariat provides guidance on all draft strategic documents and a written opinion on their compliance, which is then submitted to the Government for adoption. The General Secretariat's competences in the coordination, alignment and monitoring of policy implementation were enhanced and network of strategic planning focal points was established across the public administration. Procedures for policy alignment with accession process obligations and EU sector policies have been recently introduced. The National Education Council accredited the programme for professional education of civil servants and state employees in March 2018, while in January 2019 the Human Resources Management Authority finalised the first cycle of certified training for strategic planning.¹

Official government strategies should serve as a foundation for donor planning and coordination. Strategic documents with well-planned implementation costs help donors allocate their support in respective policy areas.

¹ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-montenegro-report.pdf>

2. Current state of play

2.1 MID AND LONG-TERM NATIONAL STRATEGIES AND PRIORITIES

The Government of Montenegro strategic goal after acquiring NATO membership is accession to the European Union.

There are 102 valid government strategies in Montenegro at the end of 2019, while 63 go beyond 2021 of which 38 were identified as relevant for this specific task.

A comprehensive system for planning, coordinating and monitoring the implementation of government policies has been put in place. The legal basis for the new (as of the end of 2018) system is found in the Law on Public Administration, which prescribes the obligation to ensure compliance of strategies and programmes adopted by the Government (strategic documents) with strategic and planning documents that determine the general directions of development of Montenegro and strategic financial documents. Tasks related to the establishment and development of a system for coordinating and monitoring the compliance of policy documents setting out public policies have been assigned to General Secretariat of the Government (GSV). GSV monitors alignment of priorities and goals of strategic documents with obligations from Montenegro's EU accession process, EU sectoral policies and conditions of use of EU funds. Three mechanisms for further development of strategic planning in the state administration have been established: preparation of opinions in accordance with the Regulation on drafting strategic documents, the Network of Civil Servants for Strategic Planning chaired by the GSV and the Education Programme for Civil Servants for Strategic Planning.

Following the adoption of the Government Mid-term Programme of Work for the period 2018-2020, medium-term work programmes have been prepared based on a new methodology for selected pilot ministries: Ministry of Agriculture and Rural Development, Ministry of Economy, and Ministry of Sustainable Development and Tourism.

Strategic public policy areas are divided in seven thematic sectors. These sectors are: Democracy and Governance; Financial and Fiscal Policy; Economic Development and Environmental Protection; Traffic, Energy and Information Infrastructure; Science, Education, Culture, Youth and Sports; Employment, Social Policy and Health; Foreign, Security and Defence Policy.

Relevant ministries are competent for drafting, monitoring and evaluation of strategic documents. Montenegro developed advanced legal and institutional framework for drafting strategies. There are several most important horizontal strategic documents, namely EU Accession Programme, Economic Reform Programme (ERP) and National Sustainable Development Strategy (NSOR).

Montenegrin Government adopted the EU Accession Programme for 2020-2022.² Montenegro's EU Accession Programme (PPCG) is a strategic document covering 33 negotiation chapters. Given the

² http://www.gov.me/sjednice_vlade_2016/156

constantly changing and evolving EU acquis and the dynamics of the negotiation process, the Accession Programme is being annually adapted to changes in the process of developing the EU law. Accordingly, PPCG for the period 2020 - 2022 is being regularly revised to bring this document into line with the new acquis, the dynamics of adopting national legislative and strategy documents and planned recruitment in public administration.

Economic Reform Programme (ERP) (2020-2022) is focused on boosting economic growth, with sustainable fiscal discipline, and implementing adequate reforms that contribute to economy's overall competitiveness. Montenegro's strategic development objective defined in the Economic Reform Programme is sustainable and inclusive economic growth that will contribute to reducing the economy's development gap relative to the EU average and improving the quality of life of all its citizens. The Structural Reform Agenda contains a set of 18 concrete priority structural reforms in 8 areas: energy and transport; agriculture, industry and services; business environment and decline of informal economy; research, development and innovation and digital economy; trade-related reforms; education and skills; employment and labour market and social protection and inclusion. Implementation of reform measures under the Economic Reform Programme is monitored through regular reports by the Competitiveness Council, chaired by the Prime Minister.

National Sustainable Development Strategy (NSOR) until 2030 serves as horizontal strategy which is in line with the Strategic Development Goals (SDG). NSOR represents a strategic framework for the transposition of the UN Sustainable Development Goals (SDGs) and its indicators into the national context.

Key findings:

- There is advanced legal and institutional framework for drafting strategies
- Number of strategies were adopted according to the advanced methodological framework
- There is additional room for reduction of the number of and for more coherence among various strategic documents
- There are ongoing efforts to increase capacity of civil servants engaged in drafting strategic documents (network of strategic planners across state administration)
- Monitoring and evaluation of implementation remains an area of concern and will require additional efforts
- Improve costing to ensure that implementation of strategies and action plans is well supported by national budget and coordinated donor support. Such efforts should be in line with development of multiyear budget planning and multiyear government work planning

8 2.2. REVIEW OF POST-2020 INITIATIVES AND PROJECTS BEYOND GOVERNMENT SPHERE

The South East Europe (SEE) 2020 Strategy was adopted by the Ministers of Economy of seven SEE economies in November 2013. The South East Europe (SEE) 2020 Strategy was inspired by the EU 2020 Strategy. The SEE2020 Strategy seeks to boost prosperity, job creation, and to underscore the importance of the EU perspective for the region's future through coordinated cooperation across a number of important policy dimensions. The Strategy itself is based on a set of interlinked development

policy pillars that seek to stimulate long-term drivers of growth, articulated in a shared vision for the region's development. The pillars include:

1. Integrated Growth: promotion of regional trade and investment linkages and policies that are non-discriminatory, transparent and predictable
2. Smart Growth: committing to innovate and compete on value-added rather than labour costs
3. Sustainable Growth: raising the level of competitiveness in the private sector, development of infrastructure and encouraging greener and more energy-efficient growth
4. Inclusive Growth: placing greater emphasis on developing skills, creating employment, inclusive participation in the labour market and health and wellbeing
5. Governance for Growth: enhancing the capacity of public administration to strengthen the rule of law and reduce corruption, the creation of a business-friendly environment and delivery of public services necessary for economic development³

The Multi-annual Action Plan for the Regional Economic Area (MAP REA), which is in line with SEE2020 and the Central European Free Trade Agreement (CEFTA), complements the implementation of the SEE2020 Strategy. The development of a Regional Economic Area foresees the implementation of various actions under the following four components:

1. Trade (facilitation of free trade in goods; harmonisation of CEFTA Markets with the EU; creating NTMs and TDMs-free region and facilitation of free trade in services)
2. Investment (regional investment agenda; formalisation of agenda through appropriate instrument(s); implementation and monitoring of investment reforms; promotion of WB as a common investment destination; diversification of financial systems to boost investment and Smart Growth)
3. Mobility (mobility of researchers, mobility of professionals and mobility of students and the highly skilled) and
4. Digital integration (digital environment networks and services, connectivity and access; trust and security in digital services; digital economy and society and digital economy and society, data economy, standards and interoperability; innovation)

MAP REA is helping the region to boost intra-regional trade, enhance competitiveness and promote investment, facilitate the movement of professionals and skilled people, and connect digitally businesses and citizens and has so far achieved its envisaged plans. Most of its activities are set in line with the SEE2020 Strategy, however, there are some activities in the 1st pillar that last until 2023 in order to achieve its objectives.

Economic and Financial Dialogue between the EU, the Western Balkan economies and Turkey addresses long-term structural reforms with the aim of enhancing economic policy coordination of the Western Balkans which were envisioned in the Economic Reform Programmes (ERPs) covering the period 2019-2021.

The conclusions from the Economic and Financial Dialogue reflect the most acute socio-economic reforms the region has to undertake in the process of achieving strengthened economic governance and sustainable growth.

³ <https://www.rcc.int/download/docs/ARI-report-2019-web.pdf/d85affc9a9da89912e582b4b4934935.pdf>

The Joint Conclusions on the Western Balkans and Turkey with policy guidance based on the economies' ERP (2019 – 2021) were adopted on 17 May 2019 in Brussels.⁴

Montenegro was invited by participants to:

1. Use windfall gains, such as proceeds from privatisation and airport concessions, to accelerate the reduction of the general government debt ratio. Broaden the tax base by introducing an electronic fiscal invoice system. Reduce the public sector wage bill as a share of GDP by fully implementing the public administration optimisation plan at the central and local self-government level, including a system of centralised payroll calculation.
2. Reinforce fiscal governance by introducing medium-term budgetary planning and programme budgeting. Advance the reduction of arrears at local level, including those of municipal companies. Prepare an options paper on the establishment of an independent body for fiscal oversight for further consultation with stakeholders, including the EU.
3. Strengthen efforts to resolve the remaining stock of non-performing loans, including those held outside the banking system, and address obstacles hindering resolution outside the responsibility of the central bank. Conduct a comprehensive asset quality review of the financial sector in line with international best practices and publish the results. Closely monitor risks related to the consumer loan segment, deploying appropriate micro- and macroprudential policy tools if needed, and consider measures to bolster the resources at the disposal of Montenegro's deposit insurance fund.
4. Improve the regulatory environment by developing publicly available guidance on the practical implementation of each law that affects the business environment. Ensure consistent application of the provided guidance.
5. Develop a comprehensive strategy providing reliable benchmarking tools allowing for the continuous assessment and reduction of the informal economy, including undeclared work. Ensure close cooperation between central and local authorities to reduce the informal economy. Adopt and implement the new legislative framework on public procurement, public-private partnerships and concessions.
6. Increase labour market participation, in particular for youth, women and the low skilled, by strengthening employment activation measures, including through better provision of upskilling and reskilling measures. Improve coordination between employment and social services. Establish a solid monitoring and evaluating mechanism on the implementation and results of practical learning at vocational and higher education.

European Bank for Reconstruction and Development (EBRD) in Montenegro focuses on the following objectives: making the economy more competitive, integrated and green; using sustainable tourism as a lever for SME development and investment in related industries – such as agribusiness and sustainable municipal infrastructure – working with the private sector to help it become more competitive including developing agribusiness value chains and backward linkages in the tourism sector. Connectivity and regional integration will be improved by expanding cross-border transport and energy links, in line with the Connectivity Agenda for the Western Balkans, while the green economy in Montenegro will be supported via sustainable tourism. EBRD also focuses on leveraging the economy's comparative advantages to develop agribusiness value chains, providing both investment and advice to help Montenegro produce more local food for the tourism industry and decrease imports. Tourism is another area of EBRD engagement: Upgrading the existing hotels stock through privatisation, addressing the seasonality issue by promoting

⁴ <http://data.consilium.europa.eu/doc/document/ST-9474-2019-INIT/en/pdf>

development of congress tourism and health tourism facilities, and modernisation of related municipal and environmental infrastructure. The EBRD's latest strategy for Montenegro was adopted on 3 May 2017.

World Bank Group has its Country Strategy for Montenegro which covers the period until June 2020, when the preparation of the new one will commence.⁵ The overarching objective of World Bank Group (WBG) is to provide support to Montenegro on its path of more sustainable and inclusive growth including “move to a model of development where the private sector leads growth must be supported and complemented by putting in place sustainable public finances under an effective and transparent government”. WBG sets eleven priority actions to achieve the Twin Goals of eliminating extreme poverty and bolstering shared prosperity. One set of priority actions supports the objective of strengthening Montenegro's resilience to shocks, and focuses primarily on ensuring a sound fiscal policy, strengthening financial stability as well as social protection system and social service delivery, and safeguarding against environmental risks. The second set of priorities supports the objective of reducing unemployment and inactivity, with a focus on strengthening human capital and improving inclusive access to economic opportunities. A final set of priority actions supports the objective of facilitating private sector development and focuses on improving commercial, institutional and infrastructure integration, maintaining a supporting environment for private investment and job creation, and strengthening governance, public service delivery, and the rule of law.

The Western Balkans Fund's main objective is to foster cooperation between its members (Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia) by strengthening neighbourly relations and regional cohesion and to advance the integration of the WB into the European Union. The Fund aims to achieve these goals by supporting common regional projects, at “people-to-people” level, creating the conditions to share mutual experiences, values, traditions and culture in a regional perspective. The areas of intervention for the third call for proposals (issued in mid-December 2019) are cultural cooperation; education and scientific exchange; and sustainable development.

During the fourth quarter of 2019, loan arrangements were concluded with the Council of Europe Development Bank for the implementation of the Pre-school Infrastructure Project in Montenegro - 2, in the amount of EUR 10 million and for continuation of the project Social Housing for Low-Income Persons - Project 1000+ Phase IV, in the amount of EUR 10 million; with the European Investment Bank for the implementation of the project Programme for the Advancement of Montenegrin Education, in the amount of EUR 18 million; and with the German Development Bank - KfW for the implementation of the Energy Efficiency Programme in Public Buildings - Phase III, in the amount of EUR 45 million.

Also, during the fourth quarter of 2019, the State of Montenegro issued a guarantee for a loan arrangement between the EBRD and Regionalni vodovod Crnogorsko Primorje, the regional water supply company of Montenegro for the implementation of the project for extension of the regional water supply system. It is an arrangement worth EUR 12 million, amounting to Tranche I of the said project, within which 3.2 km of water pipelines in Tivat municipality and another 14 km long water pipeline from Budva to Tivat will be constructed.

During the same period, a state guarantee of EUR 29.25 million was issued in favour of the German-Austrian company WTE and EVN group for the purpose of construction of a wastewater treatment plant in Budva.

⁵ <https://www.worldbank.org/en/country/montenegro>

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Key findings:

- There are several EU lead and regional initiatives that provide interlinkages between national, regional and EU policy goals
- There is strong interest, presence and engagement of EBRD and World Bank Group in Montenegro
- There is additional room for more transparent and coherent framework and promotion of such initiatives on national and regional level

2.3. LINKAGES OF MAPPED STRATEGIES AND PRIORITIES WITH EUROPEAN COMMISSION PRIORITIES

There is a number of ongoing projects contracted under IPA and being implemented within reforms in numerous strategic policy areas in Montenegro. Within this chapter we will provide a short overview of these projects and initiatives that might serve as basis for better understanding of what is being done under EU and other donor support.

Financing Agreement between the Government of Montenegro and the European Commission on the Annual Action Programme for Montenegro for 2017 for direct budgetary support for the implementation of the Public Administration Reform Strategy (Part II) was signed on 16 January 2018 and the Financing Agreement for Support to the Transport Sector (Part I) was signed on 17 December 2018. The total value of the actions proposed through both parts of the programme is EUR 44.6 million, including horizontal allocations. The programme supports transport sector in Montenegro action (EU contribution of 9.6 million Euros) under which 7 contracts are planned and Public Works Directorate is responsible for implementation. The relevant tender dossier is being prepared. In the democracy and governance sector, sectoral budget support was approved for the implementation of the Public Administration Reform Strategy, totalling € 15 million. The first (fixed) tranche was paid on 28 November 2018 in the amount of EUR 4 million. The request for payment of the second (variable) tranche was submitted to the European Commission in July 2019. Following the analysis of documents submitted and assessment of indicators met, on 28 November 2019 the European Commission paid a variable tranche of EUR 2.07 million.

The Financing Agreement for the Annual Action Programme for Montenegro for 2018 was signed on 2 December 2019. The total value of the programme is EUR 44.2 million, including horizontal allocations. The programme supports the following sectors and actions: rule of law and fundamental rights totalling € 13.5 million through the Support to Rule of Law and Fundamental Rights sector action; agriculture and rural development in the total amount of EUR 9.5 million through the Support to the Agriculture and Rural Development Sector action in Montenegro; education, employment and social policy through the strengthening the quality and access to health and social services action worth € 8 million awarded to Montenegro as a reward for its impact in the use of pre-accession support and overall progress in pre-accession negotiations. Preparation of project and tender dossier for contracts envisaged by this programme has been intensified in 2019.

The European Commission Committee for IPA approved the Annual Action Programme for Montenegro for 2019 in October 2019, while the programme was formally adopted by the European Commission

Implementing Decision on 15 November 2019. The Financing Agreement will be signed in 2020. The total value of the programme is € 38 million, including horizontal allocations, and the following sectors are supported: environment and climate action, totalling € 14.8 million; and traffic, totalling 13.5 million Euros. Within the Environment and Climate Action Sector, one action is to support the implementation of *acquis communautaire* in accordance with the implementation plan of the National Strategy for the Transposition, Implementation and Application of the EU *Acquis* and Climate Change 2016-2020. Infrastructure investments in new wastewater treatment plants and sewage networks in Rozaje and Kolasin and new sewage networks in Mojkovac were approved. In transport sector, the action aimed at improving the efficiency of transport system and strengthening the capacity to comply with the EU *acquis* and project preparation has been supported. In the part related to infrastructure, the reconstruction of Podgorica-Golubovci railway section was approved.

The European Commission Committee for IPA approved the Annual Action Programme for Montenegro for 2020 in November 2019, while the adoption of the European Commission Implementation Decision is expected by the end of 2019. The Financing Agreement will be signed in 2020. The total value of the programme is EUR 31.85 million, including horizontal allocations, and the following sectors are supported with a total value of EUR 10.85: competitiveness and innovation, education, employment and social policy, totalling € 2.5 million; EUR 4.35 million; million euros; rule of law and fundamental rights.

Activities within the competitiveness and innovation sector will focus on improving competitiveness of private sector and industry with a focus on small and medium-sized enterprises (SMEs) development; support for women and youth entrepreneurship; increasing the level of innovation in the private sector with a focus on SMEs and improving the administrative capacity and degree of integration with the *acquis* in the field.

Support to the rule of law and fundamental rights sector is intended for the third phase of the EU Support to Rule of Law project in Montenegro (EUROL III). The proposed implementation modality is a grant to EU Member States, which involves supporting institutions in this sector, mainly in the form of advisory missions from the EU.⁶

The new European Commission will reflect the priorities and ambitions set out in the Political Guidelines for the next European Commission 2019-2024⁷ and objectives that EC President Ursula von der Leyen presented in the European Parliament. Entitled “A Union that strives for more”, in the next five years the

Commission will focus on six headline ambitions for Europe:

1. A European Green Deal
2. An economy that works for people
3. A Europe fit for the digital age
4. Protecting our European way of life
5. A stronger Europe in the world
6. A new push for European democracy

⁶ Information on EU support to Montenegro, Government of Montenegro, December 2019

⁷ https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf

European Commission first priority A European Green Deal identified, among others, circular economy, reduced use of plastic and protection of biodiversity as priorities. Montenegro has identified the transition to a circular economy (4.3.4) as one of its priorities within National Sustainable Development Strategy. Montenegro Waste Management Strategy until 2030 contains objectives to reduce the use of plastic and further develop circular economy.⁸ The National Biodiversity Strategy with the Action Plan (NBSAP) for the period 2016-2020 was adopted, establishing a strategic framework for the implementation of Convention on Biological diversity, including measures and actions to achieve Aichi targets in line with the Strategic Plan for Conservation of Biodiversity 2011-2020 and EU 2020 Biodiversity Strategy.

With regard to European Commission plan to fight cancer, Montenegro promotes a long-term regional project. Namely, in 2017, Montenegro (Ministry for Science) initiated the launch and establishment of a scientific institute in one of the economies of the region. The analysis found that it would be best to invest in the establishment of hadronic cancer therapy, which falls under biomedicine and involves treatment with protons and heavy ions that is the most up-to-date treatment of certain types of cancer. The idea is supported by CERN and GSI from Darmstadt, and 10 economies have expressed interest in participating in it. “The project would cost around EUR 200 million, which requires financial assistance and we aim to get the bulk of the investment from EU funds, and project members should also allocate some funds.”⁹ The idea was recognised by the European Commission which provided its financial support to enter the second phase – design phase. According to forecasts, patients from the region could be treated with this advanced method as early as in 2028.

With regards to the 3rd priority, A Europe fit for the digital age, Montenegro implemented Information Society Development Strategy until 2020. The Information Society Development Strategy 2020 defines the strategic directions of development in this area with the aim of meeting the EU standards set in the Digital Agenda 2020 and the Digital Single Market Strategy. Montenegrin IT strategy sets the following strategic indicators:

Indicator	Current	2018	2020
NGA Broadband Access			
Percentage of households in NGA availability area (330 Mbit/s)	26.5%	60%	100%
Penetration of broadband connections for households			
Proportion of households using the broadband access (32 Mbit/s)	53.3%	80%	100%

⁸ Waste Management Strategy until 2030 contains objectives in line with the overall aim of European Commission plans regarding plastic and circular economy. The main objectives of the Waste Management Strategy until 2030 in the area of waste selection, reuse and recycling are as follows: necessary reduction of municipal waste generated and disposed of in landfills; treatment of recyclable materials as a resource, and their use as a way of preserving existing natural resources which results in the successful extraction of such materials from the total mass of waste in the simplest and fastest way, prior to its disposal in mixed municipal waste; isolation of other products of value or those which due to the nature of their structure must be isolated and treated separately; energy saving in production processes as an imperative for sustainable and responsible business; reduction of costs in the process of production of finished products as a result of achieving the above goals; job creation; protecting the environment and human health as a result of achieving the above objectives, etc.

⁹ <https://www.portalanalitika.me/clanak/347328--damjanovic-centar-za-hadronsku-terapiju-karcinoma-moze-ujediniti-region>

High speed broadband coverage			
Share of broadband internet connections through fixed high speed (330 Mbit/s) in the total number of fixed broadband connections	3.6%	30%	70%
Penetration of ultra-fast broadband connections (maternity)			
Proportion of households using ultra-fast broadband (3 100 Mbit/s)	0%	20%	50%

Scientific and Research Development Strategy 2020 noted that “As a country projecting its future within the EU, Montenegro is in the phase of intensively creating an institutional framework for the development of research and innovation, continuous liaison and intensification of active cooperation with relevant Union entities in order to reach and fully integrate into the European Research Area and the Innovation Union. During this process, a mechanism for a reliable assessment of Montenegro’s position on I&I is being built, fully aligned with the European methodology. Also, while not yet a full member of the EU, Montenegro strives to follow the goals set by the Europe 2020 Strategy, but also to articulate its own needs and priorities through the development of a national strategy in this area in order to achieve the projected results in the coming period”. The Strategy foresees three strategic objectives: human resources and research capacity development; promotion of international cooperation and networking; and strengthening synergies between science and economics.

In its 2019 report European Commission stated “With regard to the financial sustainability of the public administration reform, the 2018-2020 PAR action plan is fully costed and budgeted. The reforms are still dependent on external donor funding.” “On equality between women and men, there was little progress in the reporting period. Concerns remain regarding the impact of relevant legislation and the 2017-2021 action plan on gender equality. The process remains largely donor-dependant, and adequate human, technical and financial resources are lacking”. Report stated that “On development policy and humanitarian aid, the Law on international development cooperation and international humanitarian assistance, adopted in April 2018, is partially aligned with the EU acquis and funds were allocated towards Montenegro’s first strategic development activities. Relevant secondary legislation should be adopted to ensure further alignment in this area, and a database of donor support projects needs to be developed, using the OECD Development Assistance Committee methodology. Montenegro became a member of the International Aid Transparency Initiative in May 2018.”¹⁰

During the third quarter of 2019, the Office for European Integration continued the process of coordination, monitoring and implementation of the European Union Strategy for the Adriatic-Ionian Region (EUSAIR) at the national level. In the reporting period, the Office for European Integration continued the implementation of activities related to the strategic project Support Unit - Support to the Management of the European Union Strategy for the Adriatic-Ionian Region (EUSAIR) - Facility Point. During the reporting period, national consultations were held on the macro-regional priorities proposed by the thematic working groups of the European Union Strategy for the Adriatic-Ionian Region (EUSAIR) for inclusion in the most important programming documents for the Financial Perspective 2021-2027.¹¹

¹⁰ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-montenegro-report.pdf>

¹¹ The twenty-third quarterly report on total activities under the process of Montenegro integration into European Union for the period July - September 2019.

The Government of Montenegro has adopted the Information on the need to set up an information system for electronic management of projects financed by the EU funds. The information defines the necessary future activities to establish a functional information system for managing EU funds, which is directly related to the sixth closing benchmark for the negotiation chapter 22 - Regional policy and coordination of structural instruments.

In the context of the Western Balkans Investment Framework, the 21st Call for Technical Assistance for the preparation of project documentation, completed in 1st quarter 2019, Montenegro submitted two project applications: preparation of a national plan for the development of broadband Internet infrastructure, with a proposed grant of € 0.55 million, with support from the European Bank for Reconstruction and Development (EBRD); and preparation of a comprehensive main design upgrade of the construction and electromechanical infrastructure of Golubovci-Bar railway section (within Bar-Vrbnica railway line), with a proposed amount of EUR 3 million, with the support of the German Development Bank (KfW). Both projects were positively evaluated, which the Montenegrin delegation was briefed about at the meeting of the Western Balkans Investment Framework Project Financing Group, held on 23 and 24 April 2019 in Tirana. The European Commission approved the funds needed for the implementation of these projects at the 20th meeting of the Governing Board of the Western Balkans Investment Framework.

Key findings:

Concerning the EU Multiannual Financial Framework, negotiations are still ongoing between the European Commission, the European Council and the European Parliament on the overall EU budget for the period 2021-2027, including the budget for IPA III. In line with European Commission announcements, first drafts of key strategic documents and more detailed rules for IPA III will be submitted to IPA beneficiary economies in 2020. Regarding the strategic framework, the main strategic document will be the IPA programming framework, which will integrate the priorities of all economies in each of the five policy areas (so-called windows). The planned policy areas will relate to:

1. The rule of law, fundamental rights and democracy
2. Good governance, alignment with the *acquis*, strategic communication and good neighbourly relations
3. The Green Agenda and Sustainable Connectivity
4. Competitiveness and inclusive growth
5. Territorial and cross-border cooperation

Based on the IPA programme framework, states will prepare an additional planning document for each of the five “windows”, which will plan support under the IPA - Strategic Response. The document will form the basis for IPA's programming and is scheduled to be updated in the middle of the programming period. The Office for European Integration will continue to coordinate the necessary preparatory activities for the use of IPA III at the national level, in line with the further dynamics of the activities determined by the European Commission.

2.4. LINKAGES OF MAPPED STRATEGIES AND PRIORITIES WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Government of Montenegro adopted the National Sustainable Development Strategy (NSOR) until 2030 with the Action Plan on 7 July 2016. In the context of NSOR, international commitments have been made, as a priority, in alignment with those contained in the UN Sustainable Development Agenda until 2030.

The NSOR represents a strategic framework for the transposition of the UN sustainable development goals (SDGs) and their indicators into the national context. NSOR is accompanied by its Action Plan which includes thematic areas, goals, measures, sub-measures, baseline indicators, targeted values and a proposed list of numerous indicators to measure progress in implementing the Strategy (SDG indicators, some national indicators, some indicators from the database of different international organisations and a few so-called composite indicators, such as Ecological footprint, Domestic material consumption, Lend consumption, Resource productivity, Environmental performance index, etc.). The NSOR Action Plan, divided in 6 thematic areas with 30 strategic goals of sustainable development of Montenegro and their 102 measures and 601 sub-measures, represents a very complex mechanism for monitoring and reporting on achieving the UN SDGs in Montenegro. Out of 169 specific targets of sustainable development, structured in 17 SDGs, 167 were transposed into measures defined in the NSOR Action Plan, in accordance with national circumstances and future needs. Only two targets (9.a and 9.c) were not relevant for Montenegro.

Montenegro conducted a national review of its process to implement the global Agenda 2030 within the national policy context. The voluntary national review was presented at the High-Level Political Forum 2016 meeting. All relevant institutions should determine a link between SDGs and their sectoral strategies, plans and programmes, measures and actions within respective responsibilities for the implementation of the NSOR. Accordingly, it is necessary to determine relevance of sustainable development tasks and indicators in terms of their integration into sectoral policies which will enable harmonisation of relevant current strategies, programmes and plans with the NSOR 2030.¹²

NSOR chapter 7: Monitoring and Implementation of the NSOR and Measuring the Sustainability of Montenegro's Development by 2030 defines how to establish a system for monitoring the sustainability of national development, including monitoring of measures and indicators based on the Action Plan. The Strategy defines that by 2019 it is necessary to establish a platform for processing NSOR indicators and to prepare the first pilot report. In the context of setting up a monitoring and reporting system, the project Establishing an Integrated Progress Reporting System for the Implementation of the National Sustainable Development Strategy by 2030 was implemented. The following activities were implemented: IRIS Platform - an integrated system for reporting and monitoring progress in the implementation of the NSOR by 2030 was installed on the Ministry of Sustainable Development and Tourism server, ;while new application has been created that allows uploading data to IRIS system that can be accessed through the link: <http://app.iris-sdg-mne.com/login.php>, which can also be used for quick data sharing and monitoring over the reporting process; training was held for representatives of responsible institutions and IT experts on how to install and use IRIS platform in the future; a bilingual recording of training conducted by UNEP representatives on the use of IRIS was produced; consultations were held with representatives of 26

¹² Djurović, G, Agenda 2030: Measuring Progress in the Montenegro's National Strategy for Sustainable Development

institutions - official and administrative data producers relevant to monitoring the implementation of the NSOR; IRIS manual was translated; IRIS has been programmed for 33 calculated SDG indicators for the period since data started being collected throughout 2018 in accordance with the available data; a manual for using the Indicator Upload System and reporting on 33 priority indicators was developed; 28 automated forms for reporting on all measures and sub-measures under the NSOR Action Plan were created.

The project implementation report was submitted after the completion of activities envisaged by the Programme Assignment and was approved by the Ministry. The report found IRIS platform to be extremely complicated to use (possible with ongoing IT support) and recommended to begin developing a new application for monitoring and reporting on the implementation of NSOR by 2030. Support for the Indicator Upload System was provided during the project.¹³

Montenegro presented the first National Voluntary Review Report in 2016, being among 26 economies that provided such report in the first round.¹⁴ Montenegro did not present National Voluntary Review Report in 2019.¹⁵ Only seven economies submitted such reports for the second time.

In addition to NSOR a number of other strategies are well connected with SDGs.

SDG 3 - Good Health and Well-being goals are supported by the Strategy for Development of Integrated Health Information System (IHIS) and eHealth for the period from 2018 to 2022, Mental Health Care and Improvement Strategy in Montenegro 2019-2023, Strategy for improving the quality of health care and patient safety for the period from 2019 to 2023.

SDG 4 - Quality education goal is supported within the education and youth strategies including Inclusive Education Strategy 2019-2025, Montenegro Teacher Education Strategy 2017-2024, Adult Education Plan 2019-2022, Smart Specialisation Strategy Guidelines 2018-2024 and Smart Specialisation Strategy 2019-2024. Responsible ministries are Ministry of Education and Ministry of Science.

SDG 5 - Gender equality goal is supported via Plan for Achievement of Gender Equality (expiring in 2021).

SDG 6 - Clean Water and Sanitation are supported by the Municipal wastewater management plan until 2035 and National chemical management strategy 2022.

SDG 7 - Affordable and Clean Energy goals are supported via Energy Policy 2030 and Strategy for Energy Development 2030.

SDG 8 - Decent Work and Economic Growth Supported by the Strategy for Development of Micro, Small and Medium Enterprises (MSMEs) in Montenegro 2018-2022, Tourism Development Strategy 2020, Transport Development Strategy until 2035, Railway Development Strategy until 2027, Trade Facilitation Strategy 2018 – 2022.

SDG 9 - Industry, Innovation and Infrastructure Supported by Industry Policy of Montenegro 2019-2023.

SDG 10 - Reducing Inequality is covered by Economic Reform Programme 2021.

¹³ Ministry for Sustainable Development and Tourism Annual Report for 2018

¹⁴ <https://sustainabledevelopment.un.org/content/documents/10695Montenegro%20-%20HLPF%20Report.pdf>

¹⁵ https://sustainabledevelopment.un.org/content/documents/225292019_VNRs_Q_and_A_rev_09_May_2019.pdf

SDG 11 - Sustainable Cities and Communities Supported by Regional Development Strategy (expiring in 2020).

SDG 13 - Climate action. This goal is supported by the separate National Climate Change Strategy 2015-2030 and National Strategy for the Transposition, Implementation and Application of the EU Acquis in the Area of Environmental Protection and Climate Change with the Action Plan Proposal for the period from 2016 to 2020.

SDG 14 - Life below water goal is supported by the Water Management Strategy 2018-2035 and National Strategy for Integrated Coastal Zone Management of Montenegro 2015-2030.

SDG 15 - Life on land goals are supported via Waste Management Strategy until 2030.

SDG 16 - Peace, Justice and Strong Institutions. These goals are supported via Judiciary Reform Strategy, Public Administration Reform Strategy (expiring in 2020), Minority Policy Strategy 2019-2023; Strategy for Suppression of Violent Extremism 2020-2024; Strategy for improving the quality of life of LGBT people for the period from 2019 to 2023; Police Directorate Human Resources Management Strategy 2019-2024; and Disaster Risk Reduction Strategy 2018-2023.

Key findings:

- Continue efforts on improving monitoring, evaluation and reporting
- Improve capacity and mechanisms for advanced administrative data collection
- Reconsider coherency with other similar strategic documents in the area of environment and climate changes
- Prepare for the next National Voluntary Review Report

2.5. CONSULTATIONS WITH KEY PARTNERS

The new 2020 **Government Annual Working Plan** was developed and adopted on 6 February 2020; however it has not been published or available at the time this report was written. It provides a schedule for adoption of new strategies, of which some will replace those expiring in 2020.

The government expects to receive a draft new EU IPA 3 financial framework in April 2020. The expectation is that there will be no fixed allocations in the new financial framework. Montenegro will have to submit a draft strategic response by September 2020, and by the end of year the programming process for the next period will begin. The Office for European Integration (NIPAC) has its representatives in some working groups, usually for umbrella strategies. With regards to drafting of specific strategic documents and prioritising for the next period NIPAC office is not involved in costing or donor mapping as part of EU programming process.

In the fourth quarter of 2019, Government's Work Programme planned for the adoption of the Strategy for Development of Higher Education in Montenegro (2020-2025), with an Action Plan for 2020, which will define strategic goals for further development of higher education, key activities and indicators of success,

modalities for monitoring the implementation of the strategic document, modalities for reporting and evaluation, and other issues relevant for the achievement of strategic goals in the field of higher education, for the period from 2020 to 2025, with a focus on further improving the quality and implementing standards in this area.

The case with past **IPA programming** shows that tourism, for example, was not recognised as a sector available for support (although suggested by Government, but not adopted by Commission with argument that income generation sectors are not a priority) However, it has been recognised in the CBC programmes.

Swiss Development Cooperation does not include Montenegro as an economy of priority in their regional strategy. Swiss cooperation with the focus economies is based on the 4-year economy strategies, e.g. the Swiss Cooperation Strategy with Serbia covers the period from 2018 to 2021.

World Bank Group has its Country Strategy for Montenegro which covers the period until June 2020, when the preparation of the new one will commence.¹⁶

List of institutions contacted:

Person contacted	Position	Institution/organisation/ project
Ivana Glišević Đurović	National IPA Coordinator, NIPAC, Deputy Chief Negotiator, Office for European Integration	Office for European Integration, Prime Minister Cabinet
Zorka Kordić	Deputy Secretary General, Head of the Sector for Coordination, Compliance and Monitoring of Public Policy Strategies Implementation	General Secretariat of Government
Damir Davidović	State Secretary	Ministry of Sustainable Development and Tourism Ministry of Foreign Affairs
Boba Vukoslavović	Team Assistant, Montenegro Country Office	World Bank
Marina Karjuk	Office Assistant	Embassy of Switzerland Swiss Cooperation Office Serbia
Steve Arrick	Deputy Head of Mission at the British Embassy Podgorica	UK Embassy in Montenegro
Thomas Meindl	Deputy Head of Mission	German Embassy in Montenegro

¹⁶ <https://www.worldbank.org/en/country/montenegro>

Key findings:

- There is a lack of available data and transparent donor strategic plans
- There is additional room to improve donor coordination at early stages of programme/ financial planning
- There is a need to engage stakeholders in planning regional strategy

2.6. REVIEW OF DONOR COORDINATION MECHANISMS

According to the EU's recent European Commission 2019 Report on Montenegro, the economy is only moderately prepared in the area of regional policy and coordination of structural instruments. EU noted that in the upcoming year, Montenegro should, in particular: make further efforts to enhance the implementation of EU pre-accession funding under indirect management, in particular by developing a management information system; continue implementing the action plan for meeting requirements deriving from EU cohesion policy; take measures to put a far greater emphasis on cross-sector strategic planning and preparation. During 2018, the institutional framework changes have been made to the management of EU Pre-accession Assistance (IPA). The national IPA Coordinator (NIPAC) was moved to the Office for European Integration, itself placed within the Office of the Prime Minister, with the NIPAC formally becoming Deputy Chief Negotiator.¹⁷

The Instrument for Pre-accession Assistance (IPA II) is the main financial instrument to provide EU support in regard to implementation of relevant reforms with a view to Union membership.

The Multi-country Indicative Strategy Paper sets out the priorities for EU horizontal and regional financial assistance. It translates the political priorities set out in the enlargement policy framework including the stabilisation and association process into key areas and sectors where cross-border and multi-country assistance will be most useful to support the IPA II beneficiaries. It is designed to be consistent with the national strategies as set out in the Indicative Strategy Papers and to complement and enhance them by supporting regional and territorial cooperation, facilitating coordination and effective horizontal implementation mechanisms.

The **United Nations Development Assistance Framework (UNDAF)** 2017-2021 is a five-year strategic framework of cooperation between the Government of Montenegro and the UN for the period from 2017 to 2021. The strategic document Integrated UN Programme for Montenegro 2017-2021 is designed to optimise the combined knowledge and resources of UN system organisations working under the Delivering as One modality, sustaining results of the previous Integrated UN Programme 2012-2016. The strategic document was jointly developed by the UN Country Team in Montenegro and the Government of Montenegro, in collaboration with the civil sector, academia and international stakeholders. The document, which articulates the UN's assistance to Montenegro in addressing key national priorities, is aligned with the Agenda 2030 on Sustainable Development and economy's aspiration to join the European Union. The draft document provides a jointly agreed plan to support the economy in

¹⁷ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-montenegro-report.pdf>

the following key thematic areas: Democratic Governance; Environmental Sustainability; Social Inclusion and Economic Governance. Integrated UN Programme for Montenegro 2017-2021 was officially adopted by the Government in February 2016 and came into force on 1 January 2017.

A **comprehensive system for planning, coordinating and monitoring the implementation of government policies** has been put in place. The legal basis for the new (as of the end of 2018) system is contained in the Law on Public Administration, which prescribes the obligation to ensure the compliance of strategies and programmes adopted by the Government (strategy documents) with strategic and planning documents that determine the general directions of development of Montenegro and financial strategic documents; as well as the obligation to provide the manner and procedure for drafting, monitoring the implementation, checking the compliance of strategies and programmes, determining activities for their implementation and checking their compliance. In accordance with these provisions, a Regulation on the manner and procedure of drafting, aligning and implementing strategic documents was adopted, with the accompanying Methodology for Policy Development, Drafting and Monitoring.

Tasks related to the establishment and development of a system for coordinating and monitoring the compliance of policy documents establishing public policies have been assigned to the Section for Coordination, Compliance and Monitoring of Implementation of Strategies for Public Policy, which is the organisational unit of the General Secretariat of the Government (GSV). It primarily works to: a) establish and develop a system for coordination and monitoring of coherence of public policy strategies with other national strategic documents and/or the acquis, and monitoring their implementation; b) check the quality of strategic documents, as well as reports on their implementation, and activities to improve them.

The GSV prepares and submits opinions and reports on the implementation of strategic documents. GSV has developed dedicated structured forms (strategic document form and report form) for the purposes of issuing these opinions, which contain a number of items related to the quality, structure and required content of strategic documents, with particular emphasis on their compliance with planning and strategic documents defining the general directions of development at the level of Montenegro and other strategic documents, as well as to the alignment of strategic document priorities and goals with obligations arising from the Montenegro's EU accession process, European Union sectoral policies and conditions of use of EU funds. Three mechanisms for further development of strategic planning in the state administration have been established: Preparation of opinions in accordance with the Regulation on drafting strategic documents, the Network of Civil Servants for Strategic Planning chaired by the GSV and the Education Programme for Civil Servants for Strategic Planning.

Following the adoption of the Government Mid-term Work Programme for 2018-2020, in the first half of 2019, the Government adopted the Report on its implementation for the year 2018. The Report shows that the level of activity implementation stands at 76%, with 22% of partially implemented and 2% of activities not yet implemented.

Medium-term work programmes have been prepared for selected pilot ministries, according to a new methodology. Those of the Ministry of Agriculture and Rural Development, the Ministry of Economy, and the Ministry of Sustainable Development and Tourism have been published, with programme outputs containing key ministry activities, success indicators and other elements in accordance with the established methodology. Preparatory activities are being implemented to ensure that medium-term work programmes are developed in accordance with the new methodology in all ministries. In the first year of implementation

of the strategic planning legal framework, GSV analysed as many as 80 strategic documents/strategies/programmes/APs, as well as 55 reports on their implementation. The implementation of the Regulation contributed to reducing the number of strategic documents, of which there were 118 in 2018, while this number dropped to 102 by September 2019.

Ministry of Justice conducts some consultations among interested donors on justice system reform.

Consultations are underway among public institutions and donors engaged in refugees and asylum seekers issues.

Key findings:

- Improve donor coordination mechanisms for all stages of regional strategy drafting, implementation and evaluation
- Improve transparency and public engagement
- Develop and publish database of contracted, ongoing and planned donor initiatives
- Improve coherency among financial allocations in specific policy areas
- Further identify best practices at national and regional level that might support better donor coordination

3. Conclusions

Montenegro has opened 32 out of 33 negotiation chapters, and provisionally closed 3 chapters. Legal and institutional framework for policy development and coordination has been recently improved. General Secretariat of the Government developed methodology and guidelines for drafting, alignment and monitoring of strategic documents. There are more than hundred valid strategies, of which around 40 cover the period beyond 2020. Most strategic documents set clear vision and strategic objectives. The new 2020 Government Annual Work Plan will be developed and published in January 2020. It will provide timing for adoption of new strategies, of which some will replace those which expire in 2020.

Most important documents which cover Montenegro's EU Agenda and SDG are Programme for EU Accession and National Sustainable Development Strategy (NSOR).

According to joint assessment conducted by UN and Government of Montenegro, there is a complementarity between the EU accession process and the achievement of 2030 Agenda and Sustainable Development Goals (SDGs), as these are intertwined processes. Almost two-thirds of SDG targets have a strong link to the negotiation chapters of the EU accession process. There is room for synergy, in particular, in the three key chapters that have the greatest impact on the implementation of the 2030 Agenda in Montenegro, Chapter 27 on Environment, Chapters 23 and 24 on Justice, Fundamental Rights, Rule of Law, Security and Freedoms, and Chapter 19 on Social Policy and Employment.

If EU requirements in Chapter 27 are fully met, as many as 40 SDG targets will be fulfilled, which will require significant financial resources, estimated at around € 1.4 billion, according to the National Environmental Approximation Strategy. Potentially, these investments may be funded by the Government, the private sector, international financial institutions and possibly structural funds, or global mechanisms such as the Green Climate Fund, the Global Environment Facility and other international donors.

In the period from 2020 to 2027 a number of contracted projects (projects to be contracted) funded by the EU will be implemented.

The planned policy areas will relate to:

1. The rule of law, fundamental rights and democracy
2. Good governance, alignment with the *acquis*, strategic communication and good neighbourly relations
3. The Green Agenda and Sustainable Connectivity
4. Competitiveness and inclusive growth
5. Territorial and cross-border cooperation

Montenegro's priorities in the post-2020 period will follow those set by its EU accession agenda and economic development. Most demanding areas of EU accession remain within the Rule of Law and Good Governance while most demanding in financial terms is Environmental protection. Economic development will be concentrated on creation of new jobs and regional development, while focus will remain on energy, tourism and agriculture.

Annexes

Annex I.

Thematic sectors	Policy documents
Democracy and Governance	Strategy for Combating Illicit Possession, Misuse and Trade, Small Arms and Light Weapons and Ammunition 2018-2025 The Strategy for Combating Trafficking in Human Beings 2019-2024 Disaster Risk Reduction Strategy 2018-2023 Human Resources Management Strategy at the Police Directorate 2019-2024 The Strategy for the Suppression of Violent Extremism 2020-2024 Strategy for improving the quality of life of LGBT people for the period 2019-2023 Minority Policy Strategy 2019-2023. The 2023 Judicial Reform Strategy
Finance and Fiscal Policy Sector	Macroeconomic and Fiscal Policy Guidelines for the Period 2019-2022 Trade Facilitation Strategy 2018 – 2022 Official Statistics Program until 2023
Traffic, Energy and Information Infrastructure	Railway development strategy until 2027. The Transport Development Strategy until 2035 Tourism Development Strategy 2020 National Sustainable Development Strategy until 2030 National Climate Change Strategy 2015-2030 Waste Management Strategy until 2030 National Strategy for Integrated Coastal Zone Management of Montenegro 2015-2030
Economic development and Environment Protection	Industry Policy of Montenegro 2019-2023 Strategy for Development of Micro, Small and Medium Enterprises (MSMEs) in Montenegro 2018-2022. National Mineral Extraction Plan for 2019-2028 Revision of the Forest and Forestry Development Strategy (2014-2023). Water Management Strategy 2018-2035

Science, education, culture, youth and sports	The Sustainable Quality Tourism Strategy Inclusive Education Strategy 2019-2025 Montenegro Teacher Education Strategy 2017-2024 Adult Education Plan 2019-2022 Smart Specialization Strategy Guidelines 2018-2024 Smart Specialization Strategy 2019-2024.
Employment, Social policy and Health	Strategy for Development of Integrated Health Information System (IHIS) and eHealth for the period 2018 - 2022 Mental Health Care and Improvement Strategy In Montenegro 2019-2023 Strategy for improving the quality of health care and patient safety for the period 2019-2023. Strategy for the Development of the Social Welfare System for the Elderly 2018-2022. Social and Child Welfare System Development Strategy 2018-2022 Strategy for the realization of the rights of the child 2019-2023

Annex II.

Thematic sector: Democracy and Governance

Strategy for Combating Illicit Possession, Misuse and Trade, Small Arms and Light Weapons and Ammunition 2018-2025. The overall objective of this strategic document is to build a comprehensive and effective system for the control of small arms and light weapons and ammunition, through the establishment of a legislative framework on arms control, the reduction of illegal flows, the spread and misuse of firearms, ammunition and explosives. The operational objectives are to ensure the following: Arms control legislation is in place and fully aligned with the EU regional framework and other relevant international obligations and that it is standardized across the region; Arms control policies and practices should be based on facts and criminal intelligence; Significantly reduce illicit flows of firearms, ammunition and explosives; Significantly reduce the supply, demand and misuse of firearms by raising awareness of the dangers of weapons, education, promoting arms control and greater awareness; Significantly reduce the number of firearms in illegal possession; Reduce the number of risks and destroy confiscated small arms and light weapons and ammunition; Substantially reduce the risk of the spread and diversion of firearms, ammunition and explosives into illegal flows.

The Strategy for Combating Trafficking in Human Beings 2019-2024 at national level places particular emphasis on achieving the goals and indicators of the 2030 Sustainable Development Strategy (2.1 and 2.3) related to the elimination of trafficking in human beings, ending abuse and violence against women and girls in public and private trafficking, including sexual and other forms of violence in Montenegro. There are four strategic areas, namely Strategic area 1. Prevention of trafficking in human beings; Strategic area 2. Protection of victims of trafficking in human beings; Strategic area 3. Criminal justice response / prosecution; Strategic Area 4. Partnership, coordination and international cooperation.

Disaster Risk Reduction Strategy 2018-2023 considers seven global goals which are to:

1. Significantly reduce global mortality due to disasters by 2030, with the aim of reducing the average mortality rate to every 100,000 globally, for the period 2020-2030 from 2005-2015;
2. Significantly reduce the number of vulnerable people globally by 2030, with the aim of reducing the average number globally to every 100,000 for the period 2020-2030 compared to 2005-2015;
3. Reduce direct economic disaster losses relative to global gross domestic product (GDP) by 2030;
4. Significantly reduce disaster damage to critical infrastructure and disrupt basic services, especially in health and education, by developing their resilience by 2030;
5. Significantly increase the number of economies with national and local disaster risk reduction strategies by 2020;
6. Significantly enhance international cooperation in developing economies through adequate and sustainable support to complement national activities in the implementation of this Framework by 2030;
7. Significantly increase the availability and access to early warning systems for different hazards, as well as disaster risk assessments and information by 2030.

Considering the experience gained through the implementation of the Hyogo Framework, and given the expected goals, there is a need for focused activities by all economies at local, national, regional and

global levels in the following four priority areas of the Sendai Framework: Priority 1: Understanding the risk of disaster; Priority 2: Strengthening disaster risk management for better disaster risk management; Priority 3: Investing in disaster risk reduction to strengthen community resilience; Priority 4: Improving disaster preparedness for “building a better system than before disaster” in the process of reconstruction, rehabilitation and reconstruction.

Human Resources Management Strategy at the Police Directorate 2019-2024 defines as a strategic goal the establishment of a system in which competent police officers professionally and responsibly perform the tasks of safeguarding the security of individuals, the community and the state, characterized by the continued increase in citizens’ confidence in police work. The achievement of the strategic objective will be pursued through the fulfilment of six operational objectives, namely:

1. Strengthening the human resources management function of the police;
2. Improvement of the human resources planning system in the police;
3. Improving the police education system in accordance with European standards;
4. Attracting and hiring quality candidates for police work;
5. Increasing the motivation of police officers through improving the system of classification of jobs, salaries and grades;
6. Strengthening the capacity of police officers through the improvement of the vocational training system.

The Strategy for the Suppression of Violent Extremism 2020-2024 defines, as a strategic goal, increased resilience of the society, the better response of institutions and a stronger international position of Montenegro in the fight against radicalism and violent extremism. The strategy has 3 operational objectives and that are operational objective 1: Increase the resilience of Montenegrin society to radicalism and violent extremism; Operational objective 2: Strengthen the capacities of Montenegrin institutions and other entities to combat radicalism and violent extremism and strengthen the mechanisms of their cooperation and coordination; Operational objective 3: Improvement of mechanisms of international cooperation in the fight against radicalism and violent extremism.

Strategy for improving the quality of life of LGBT people for the period 2019-2023 has set two strategic goals and respective operational objectives. Strategic Objective 1: “Improved social acceptance of LGBTI persons through stronger citizens support to exercise LGBT rights, strengthen the non-discriminatory character of the education system and eliminate discrimination regarding the rights of LGBTI persons to their own culture. “Operational objective 1.1: “Citizens of Montenegro support to LGBTI persons in the fight for the exercise of their rights increased by 10%.”Operational objective 1.2: “Improved quality and non-discriminatory character of the education system in Montenegro.”; Operational objective 1.3: “Elimination of discrimination against LGBTI persons with regard to the right to their own culture and to authentic cultural expression. “Strategic Objective 2: “Improved regulatory framework and its implementation for the protection of the human rights of LGBTI people.” Operational Objective 2.1: “Increased level of capacity of police officers for the effective and efficient implementation of the normative framework for the protection of the human rights of LGBTI persons.”

Minority Policy Strategy 2019-2023. The strategic goal in the field of education is to improve respect for the principles of multiculturalism and multiethnicity in the education system of Montenegro in accordance with international and national standards, by further strengthening the capacities of educational

institutions and applying the principle of affirmative action. With regard to the employment sector, the Strategy sets a strategic goal: Strengthened socio-economic integration of members of minority peoples and other minority national communities into Montenegrin society through the implementation of existing normative solutions and employment instruments. Within an area of minority culture and identity, the Strategy sets a strategic goal: Preserving the cultural and historical heritage of minority peoples and other minority national communities as an important segment of Montenegro’s overall cultural and historical heritage. When it comes to political participation of minorities, the Strategy sets a strategic goal: Ensure authentic political representation and participation of members of minority peoples and other minority national communities in the political life of Montenegro. The Strategy recognizes the following strategic objective: Establish an effective monitoring system for the exercise of the rights of minority peoples and other minority national communities in Montenegro and raise their awareness of their own status, rights and obligations in accordance with international standards and positive law of Montenegro.

The 2023 Judicial Reform Strategy has four key priorities, namely strengthening the independence, impartiality and accountability of the judiciary; strengthening the efficiency of the judiciary; the Montenegrin judiciary as part of the European judiciary; strengthening the accessibility, transparency and public confidence in the judiciary

FINANCE AND FISCAL POLICY SECTOR

Economic Reform Programme (ERP) (2020-2022) focus is on boosting economic growth, with sustainable fiscal discipline, and implementing adequate reforms that contribute to the economy’s overall competitiveness. Montenegro’s strategic development objective defined in the Economic Reform Program is sustainable and inclusive economic growth that will contribute to reducing the economy’s development gap relative to the EU average and improving the quality of life of all its citizens. The Structural Reform Agenda contains a set of 18 concrete priority structural reforms in 8 areas: energy and transport; agriculture, industry and services; business environment and the decline of the informal economy; research, development and innovation and the digital economy; trade-related reforms; education and skills; employment and the labour market and social protection and inclusion. The implementation of the reform measures of the Economic Reform Program is monitored through regular reports by the Competitiveness Council, chaired by the Prime Minister.

Macroeconomic and Fiscal Policy Guidelines for the Period 2019-2022. sets macroeconomic indicators projections for the period 2019-2022. The main objective of fiscal policy in the next medium-term period is to preserve the sustainability of public finances, with appropriate structural reforms and favourable investment. The environment should guarantee the intensification of economic growth. According to the established medium-term framework, the main goals of the strategy in the field of public finances in the period 2019-2022 are: projected deficit reduction in 2019, after which public finances move into the surplus zone, which is realized in the period 2020-2022; a gradual reduction of public debt, with its return under 60% in 2022.

Trade Facilitation Strategy 2018 – 2022. The Strategy foresees that by December 31, 2022, it will eliminate administrative inefficiencies in cross-border movement of goods that affect the competitiveness of the economy, thereby reducing the time of movement of goods across Montenegrin borders by 50% compared to the time measured in the initial 2016 Average Time Study, while the associated costs will be reduced by 20%.To achieve this strategic objective, the Strategy defines five “operational objectives” and,

with respect to each objective, establishes “measures” to be implemented by the competent authorities. The stated operational goals are as follows: Improving transparency and access to information - includes enhancing the availability and quality of information related to cross-border trade and establishing contact points within competent authorities to respond to reasonable inquiries from interested parties. The intention is to enable all stakeholders to be fully aware of their rights and obligations through banners, publicly announced and consistent procedures and rules, and to enhance the relationship between the public and private sectors while ensuring openness, mutual trust and respect; Harmonization and rationalization of formalities, documentation and fees implies regular review of all formalities, documentation, fees and charges related to the import, export and transit of goods in order to minimize the administrative burden on the business community; Extension of automatic processing and electronic data exchange - involves the development and networking of information systems of authorities responsible for cross-border traffic, which improves communication and exchange of data between competent authorities, as well as between them and economic entities, thus avoiding duplication and reducing the retention time of goods Implementation of simplified and accelerated release procedures includes a set of measures (such as extending the application of simplified procedures and authorized economic entities, introducing a pre-arrival processing system and reducing the flow of perishable goods) aimed at reducing the time required to complete all cross-border procedures. The success will be monitored through the regular conduct of the Study on Measuring Average Commodity Release Time; Improving co-operation and increasing the effectiveness of border controls - aims to establish and develop a fully functional risk management system that will identify and focus on high-risk shipments, exchange of information and joint controls, to allow an adequate balance between trade facilitation and protection of public interests; Extension of automatic processing and electronic data exchange - implies the development and networking of information systems of authorities responsible for cross-border traffic that improve communication and exchange of data between competent authorities, as well as between them and business entities, thus avoiding duplication and reducing the retention time of goods.

Official Statistics Development Strategy 2019-2023. The strategic goal of official statistics is to provide all users with quantitative and representative information on economic, demographic, social and environmental conditions in Montenegro, according to an internationally defined methodology and the highest professional standards. The operational objectives are:

1. Establishing a permanent dialogue with data users and developing partnerships;
2. Education of statisticians as data scientists;
3. Further harmonization and innovation of official statistics with international standards / recommendations;
4. Creating new data sources for production of official statistics;
5. Further implementation of the Official Statistics Quality Code;
6. Development of an IT integrated system for collecting, processing, publishing and documenting the results of official statistics;
7. Developing dissemination and communication of data in line with the needs of the digital society.

Official Statistics Program until 2023 foresees the following objectives: Harmonization of statistical survey methodologies with the relevant methodological framework and EU quality concept; Production of sustainable development indicators for the needs of global reporting (UN) as well as for the regional reporting needs of the EU and UNECE region; Development of official statistics in line with other relevant international standards; Establishment of an IMF special data dissemination system.

Railway development strategy until 2027 Strategic goal is to use the infrastructure optimally. Objective 1: Putting users at the center of transport policy - transparency, ensuring adequate financing and

allocation of funding for railway infrastructure; Objective 2: Financial sustainability and self-sustainability of railway infrastructure; Objective 3: Quality and responsible maintenance of railway infrastructure and regularity of transport; Objective 4. Maximizing the development potential of the Montenegrin region by improving rail services; Objective 5: An efficient and effective system of state institutions that take care of the railway sector; Objective 6: Functional and modern railway system capable of facing competition; Objective 7: To preserve the area of Montenegro from the negative effects of traffic; Objective 8: Montenegro’s rail network integrated into the Trans-European Transport Network (TEN-T)

The Transport Development Strategy until 2035 aims to establish the basis for the improvement and improvement of the Montenegrin transport system and to support the economy’s full alignment with EU policies and requirements. The strategy sets five strategic goals, which reflect the vision of developing the state’s transport system in perspective, as follows: 1. Economic well-being: Achieving economic efficiency, financial sustainability and stimulating economic development; 2. Availability, performance of operations and quality of services: Ensure the highest possible availability, offer of quality services in transportation and maintain an adequate level of service in the performance of operations, both as a whole and in part of the separate elements of the system; 3. Security and safety: Raising the level of security and safety of people and goods in the transport sectors; 4. EU integration: Integration into the Main Transport Network (TEN-T) and compliance of transport policies with EU requirements; 5. Environmental Sustainability: Reduce carbon dioxide emissions, noise levels and impact on the natural, historical and socio-economic environment. On the other hand, there are seven priority areas that represent general aspects of the development of the transport sector (both in infrastructure and in services) to which measures are applied. These areas are: 1. Organization of the transport sector; 2. Transport investments; 3. Level of service on the networks; 4. Financial sustainability; 5. Management of rail and port services; 6. Introduction of Intelligent Transport Systems (ITS); 7. Intermodality and freight transport in road transport

Tourism Development Strategy 2020 Strategic Goal - By applying the principles and objectives of sustainable development, Montenegro will create a strong position as a global high-quality tourist destination, tourism will provide sufficient jobs and living standards for the Montenegrin population, and the state will generate revenues in a stable and reliable manner. Operational objective 1: Creating the necessary tourism and supporting infrastructure in order to achieve the strategic goal; Operational Objective 2: Montenegro forms a special unique sales offer; Operational Objective 3: Montenegro is known and accepted as a “year-round” tourist destination; Operational objective 4: The institutional and legal framework meets the demand for successful and sustainable tourism development; Operational objective 5: Local people are increasingly involved in the tourism industry (“internal marketing”)¹⁸

National Sustainable Development Strategy until 2030 Strategic goals and measures 4.1. Improving the human resources situation and strengthening social inclusion 4.1.1. Improving demographic trends and reducing the demographic deficit 4.1.2. Improving the health of citizens of all ages and reducing health inequalities; 4.1.3. Providing inclusive and quality education and promoting lifelong learning opportunities for all; 4.2. Support values, norms and behaviours relevant to the sustainability of society; 4.2.1. Active involvement of key stakeholders towards sustainable development; 4.2.2. Development of a value system consistent with the goals of sustainable community development; 4.2.3. Developing the State as an Effective Rule of Law; 4.2.4. Overcoming managerial deficit problems and strengthening corporate social responsibility; 4.2.5. Stimulating employability and social inclusion; 4.2.6. Promoting the importance of culture as a core value of spiritual, social and economic development, which significantly contributes

¹⁸ we included this strategy although it is expiring end 2020, as tourism is important development sector in Montenegro.

to the quality of life of citizens; 4.2.7. An efficient and modern system of integral protection, management and sustainable use of cultural heritage and landscapes; 4.2.8. Achieving more balanced socio-economic development of all local self-government units and regions, based on competitiveness, innovation and employment (with particular emphasis on the development of the northern region); 4.3. Preservation of natural capital 4.3.1. Stop the degradation of the value of renewable natural resources; 4.3.2. Effective management of renewable natural resources; 4.3.3. Improving the state of the environment and human health 4.3.4. Sustainable space planning; 4.3.5. Efficient use of metallic and non-metallic raw materials; 4.3.6. Mitigation of natural and anthropogenic hazards; 4.4. Introducing green economy 4.4.1. Climate change mitigation; 4.4.2. The road to resource efficiency; 4.4.3. Waste management using a circular economy approach 4.4.4. Sustainable coastal resource management and a boost to the blue economy; 4.4.5. Sustainable Consumption and Production 4.4.6. Social responsibility; 4.4.7. Increasing competitiveness of the Montenegrin economy; 4.5. Improvement of the management system for sustainable development; 4.5.1. Strengthening the management system within the framework of sustainable development; 4.5.2. Strengthening environmental management by improving the application of environmental instruments; 4.5.3. Implement the reform of the institutional organization of the sustainable development management system; 4.5.4. Establish a system for monitoring the sustainability of national development, including monitoring the implementation of the sustainable development goals

National Climate Change Strategy 2015-2030 within its Chapter 2 analyses EU policy objectives, bearing in mind that Montenegro, as a candidate country for EU membership, must align its long-term climate change goals with those of the EU. The key documents discussed in this chapter are the Climate and Energy Framework Policy by 2030 and the Road Map to a competitive low carbon economy in 2050. Chapter 6 deals with climate change adaptation. The Strategy, in line with the recommendations of the United Nations Framework Convention on Climate Change and the provisions of the Decision on the EU Monitoring Mechanism, recommends the development of a National Adaptation Plan. This chapter provides detailed guidance on developing an adaptation plan in accordance with relevant UN and EU documents.

Waste Management Strategy until 2030. The overall objective of the Strategy is to establish a successful, functional and sustainable waste management system in Montenegro. The specific objectives of the Strategy include the following: rapid and intensive development of public awareness of the need to address the situation in the economy with regard to waste management, as well as of equally important and binding participation of the population, economy and institutions of the state in the functioning and respect of the established waste management system; introduction of circular economy principles into the production and trading system in Montenegro with the clear aim of improving the reuse of materials and products; achieving a satisfactory level of development and intensive application in the practice of primary and secondary waste selection systems, all with the aim of collecting recyclable, all packaging, materials, for reuse and / or recycling, ie. their economic valorisation, that is, processing into other products of similar or lower quality, which certainly have a place on the market; increasing the rate of extraction and utilization of biodegradable waste; increasing the level of separation and adequate recycling and disposal of construction and demolition waste; providing sewage sludge treatment; reducing the amount of waste that must be permanently disposed of in one of the landfills; preparation of waste management systems for the future utilization of energy from waste and / or thermal treatment of waste.

National Strategy for Integrated Coastal Zone Management of Montenegro 2015-2030 (NS & UOP)

Strategic Objective 1.1 “Effectively protecting nature, landscape and cultural goods” which includes the following measures: Apply instruments for the protection of natural resources, ecologically valuable habitats and ecosystems; Protect, manage and plan the landscapes in accordance with the European Landscape Convention; Protect and manage cultural property; Provide effective monitoring and control over the use of coastal zone resources.

Strategic Objective 1.2 “Sustainably manage protected natural assets, ecologically valuable habitats and ecosystems includes measures: Identify and evaluate ecologically valuable habitats and ecosystems of coastal areas and audit the status of existing protected natural resources; Build capacity for integrated management of protected natural resources, ecologically valuable habitats and ecosystems of coastal areas.

Strategic Objective 2.1 “Achieving a good ecological state of the marine system” includes measures to: Realize marine ecosystem remediation in priority locations; Effectively prevent pollution and control pollution from sources at sea; Establish a system for receiving and treating oily (bilge), sanitary and solid waste and controlling and treating ballast water in ports; Reduce marine litter.

Strategic Objective 2.2 “to contribute to the safe development, revitalization and recultivation of the spaces by treatment of pollution from inadmissible disposal and waste treatment” include measures to: Improve waste management through more efficient operation and cooperation of competent entities

Strategic Objective 2.3 “Investigate green infrastructure” Measures: Implement selected projects of green offshore mobility; Implement selected projects of green land mobility projects; Implement best available practice in the EU in implementing green infrastructure

Strategic Objective 2.4 “To establish the risk management system of natural and anthropogenic hazards” Measures: To enable the prevention, control and remediation of natural and anthropogenic hazards

Strategic Objective 3.1 “To develop a system of sustainable spatial planning” Measures: To systematically monitor and research the state and processes in the coastal area and to develop an information system for spatial planning; Improve the quality of planning documents; Establish sea planning

Strategic Objective 3.2 “To provide wider prerequisites for the functioning of the spaces”

Measures: Increase the degree of implementation of plans; Strengthen professional capacities; establish a functional interdepartmental cooperation

Strategic Objective 4.1 “sustainable coastal resources” includes measures to: Preserve the attractiveness of coastal resources for the development of sustainable tourism; Restore and preserve valuable rural areas; Support sustainable valorisation and conservation of marine resources

Strategic Objective 4.2 “Green” the coastal development include measures: Strengthen local entrepreneurial infrastructure; Initiate and implement incentive financing programs; Improve product quality

Strategic Objective 5.1 “Establish a Functional Coordination Mechanism for Integrated Coastal Zone Management” includes measures to: Effectively manage the coastal area at the political decision-making level; Manage the coastal area effectively at the expert-administrative level of operation

Strategic Objective 5.2 “strengthening public administration capacities” Measures: Establish measurability of public administration performance; Build the capacity of officers; Provide transparent coastal zone management

Strategic Objective 5.3 “to establish coastal monitoring” includes the following measures: Provide the necessary data, data availability and database compatibility; Implement programs for monitoring the status of the coastal zone and coastal processes (link to sub-measure I.I.I.3 and I.I.I.7); Build institutional capacity to monitor the state of the coastal zone and coastal processes within the multisectoral theme “Strengthening human resources and social cohesion” the Strategic Objectives are defined.

Industry Policy of Montenegro 2019-2023. The first strategic goal is to improve the infrastructure and business environment for more efficient industrial development. Operational objectives are the promotion and further development of energy and transport infrastructure; Improvement of ICT infrastructure for growth of enterprise competitiveness; Encourage sustainable resource management; Human capital development through education and skills acquisition for industry competitiveness in line with labour market needs Improving regulatory framework and business environment. The second strategic objective is to: Improve investments and finance for the modernization of industries for which the operational objectives are Improve access to finance for competitive and innovative enterprises; Creating a regulatory framework and implementing new financial instruments; Encouraging investment in the modernization of the manufacturing industry. The third strategic goal is to encourage innovation, technology transfer and entrepreneurship development. The operational objectives are to develop the innovation infrastructure in accordance with the needs of the enterprise; Promoting innovation through the collaboration of research institutions and businesses and the potential to access EU funds; Development of institutional infrastructure and support services for entrepreneurship development; Encouraging the development of a green economy; Supporting the diversification of industrial sector supply in the regional context; Fostering enterprise digital transformation. The fourth strategic objective is to improve market access, and the operational objectives are to simplify trade procedures and reduce technical barriers to trade; Enhancing clustering and international value chains; Strengthening the export performance of the company.

Strategy for Development of Micro, Small and Medium Enterprises (MSMEs) in Montenegro 2018-2022. sets five strategic goals: improving the business environment, improving access to finance for MSMEs; development of entrepreneurial knowledge, skills and competences - compliance with labour market needs; strengthening the competitiveness of MSMEs; promotion of women’s entrepreneurship, youth entrepreneurship and social entrepreneurship. Europe 2020 Strategy and EU Industrial Policy, as well as strategic documents directly aimed at supporting the development of SMEs in the EU (Small Business Act and EU Entrepreneurship Action Plan 2020), or specific support programs such as COSME or HORIZON 2020. Also discussed are regional strategic documents related to the Europe 2020 Strategy (Southeast Europe 2020 Strategy, Adriatic-Ionian Strategy and the Danube Strategy). Also, specific, targeted EU recommendations relevant to SME policy that arose from the accession process of Montenegro were analysed.

The Europe 2020 strategy has created a framework for pursuing three complementary priorities that relate to developing a knowledge and innovation-based economy by making more efficient use of available

resources and generating high employment rates and high territorial cohesion. EU industrial policy seeks to improve the level of industrial competitiveness with the aim of empowering citizens, revitalizing the region and using the best technologies for a smart, clean and innovative industry. The European Commission promotes and supports industry through a series of initiatives, and the latest “Investing in a smart, innovative and sustainable industry-Innovative EU Industrial Policy” (COM 2017/479), published in September 2017, is comprehensive and includes previous and emerging horizontal and specific sectoral initiatives with a focus on investing in new technologies, innovations, digitization, the single market, internationalization, the circular and low carbon economies.

In line with the Europe 2020 framework and with regard to the needs and obstacles facing SMEs, the European Commission has formulated an Entrepreneurship Action Plan 2020 aimed at removing existing barriers and promoting an entrepreneurial culture. The Entrepreneurship Action Plan 2020 identifies three areas for urgent intervention: Entrepreneurial education and training to support business growth and creation; Removing existing administrative barriers and supporting entrepreneurs at key stages of the business life cycle; Promoting an entrepreneurial culture in Europe and nurturing a new generation of entrepreneurs. The SEE 2020 Strategy, the Adriatic-Ionian Strategy and the Danube Strategy, as regional strategies, seek to achieve the strategic goals presented in the Europe 2020 Strategy, but from the perspective of the regions, their potentials and advantages that can ensure faster and sustainable economic growth and development while eliminating the perceived obstacles and overcoming weaknesses that represent barriers to development.

All strategies are oriented towards creating conditions that enable the creation of added value, towards improving knowledge, organizational processes, better connectivity and use of modern information and communication technologies and digitization, fostering innovation and enterprise competitiveness, with sustainable use of resources and protection of the environment in which businesses operate. Such a context indirectly created a favourable framework and conditions for the conception of specific goals and measures to support the SME sector, which was presented as one of the strategic priorities in each of the mentioned regional strategies. The Regional Research and Development Strategy for Innovation in the Western Balkans aims to stimulate R&D activities in the region, international cooperation as a precondition for progress, cooperation with the business sector, as well as to explore R&D funding through EU projects and to support the integration of the Region into the European Research Area and the Innovation Union. The strategy sets out four strategic goals: Improving the research base and conditions for research excellence; Promoting collaboration and technological transfer between research institutions and industry; Facilitating business and start-up innovation; and strengthening the governance of R&D policies.

All the mentioned programs represent a significant potential source of financing for the realization of certain specific goals and activities of the MSME Strategy, especially related to the strategic goal of enhancing the competitiveness of MSMEs. European Commission assessments on the situation of the SME sector in Montenegro in Chapter 20. Entrepreneurship and industrial policy indicate that SMEs face development challenges, such as the complexity of the business environment and legislation, especially at local level, or the availability of affordable finance. The key recommendation is that it is necessary to increase the competitiveness of SMEs, especially at regional level. In this context, it is necessary to strengthen the various types of business and advisory services tailored to the needs of SMEs, as well as to improve the regulatory environment and simplify administrative procedures.

National Mineral Extraction Plan for 2019-2028 indicates that the EU is significantly dependent on the import of a number of mineral resources which are crucial for the industry and therefore the EU economy. For this reason, the European Mining Innovation Partnership, in line with the Europe 2020 Strategy, aims to increase industry's share to 20% of GDP by 2020. This will, above all, be achieved by reducing the dependence on mineral imports. Accordingly, the European Commission is financing a number of projects in the field of mineral resources within the Horizon 2020 and 7th Framework programs. The key objective of the projects is to create the preconditions for launching mining activities in the EU. Within the EU, many projects are underway (or have already been completed): MIN-GUIDE aimed to cross-section relevant mineral policy in Europe, identify good practices for innovation, conduct qualitative analysis of specific national policies, and compare statistical bases and reporting documents on mineral resources. AEGOS was an African-European project for the study of mineral resources. It aimed to strengthen the sustainable use of Africa's resources. The EGDI Scope aimed to develop a pan-European geological data infrastructure. The EURARE project dealt with the sustainable exploitation of elements of the European Union's rare countries. The European Commission has decided to fund this project because it has recognized the EU's need for a secure and continuous supply of these elements. EuroGeoSource is a project of a portal with data on geo-energy and mineral resources aimed at easy access to information via the Internet. It currently covers a significant area of Europe and aims to create a database to stimulate investment in EU mining.

Revision of the Forest and Forestry Development Strategy (2014-2023). There are five priority areas identified: forest improvement through sustainable management; development of the timber industry; the role of forestry in rural development; biodiversity protection and other forest ecosystem services; fire protection;

Water Management Strategy 2018-2035. The objectives of the strategy are water management in various areas of their use. Strategic objective: Provision of sufficient quantities of water of adequate quality for public water supply to the population and for different economic needs, in such a way that the environment is not endangered.

SECTOR OF SCIENCE, EDUCATION, CULTURE OF YOUTH AND SPORTS

The Sustainable Quality Tourism Strategy follows two main goals that are at the same level.. Progress for the citizens of the economy: In order to achieve this socio-economic objective, six assumptions must be fulfilled.1. The revenues of the tourism economy must increase and must be equalized with the level of earnings of neighbours in the EU-Mediterranean.; 2. There should be as many full-time jobs as possible and different opportunities to earn extra - directly and indirectly through tourism. Therefore, service-based supply segments (hotel, gastronomy, leisure, maintenance) should be treated as priority areas of development. In accordance with the established development projections in the tourism sector, the Government of Montenegro has adopted the Human Resources Development Strategy in the tourism sector, with the specific aim of introducing a higher level of professionalism and improving the coordination of the work of all institutions engaged in the field of human capital development needed to supported the progress of tourism in the coming period.; 3. Products that can be used throughout the year are needed - properly equipped resting places and public areas for leisure on the coast and in the continental part.; 4. Capacities that can be used throughout the year should be large enough and attractive enough to establish a cost-effective airline connection with the most important source markets; 5. All guests

should be satisfied because they are satisfied with the crucial character of the destination's marketing; 6. Montenegro needs to develop its USP (Unique Selling Point - unique product), as its beauty and the preservation of its appetizers and nature help it to achieve a distinct comparative advantage over its Mediterranean competitors.

Inclusive Education Strategy 2019-2025. Overall objective of the Inclusive Education Strategy: To provide children with special educational needs with access and quality inclusive education at all levels. The aim is to establish life skills relevant to social development as well as the development of personality and potential. Goal achievement is achieved by providing support from competent staff, overcoming environmental barriers and those that are reflected in community attitudes.

Montenegro Teacher Education Strategy 2017-2024 aims at creating policies and practices for initial and continuing teacher education, which will provide teachers with support in the realization of their complex role and readiness for educational work, which depends on the quality, durability and applicability of knowledge that students will acquire at all levels of education, their personal and professional development, social inclusion and readiness for active citizenship. The strategic goals in teacher education are: The profession of teacher is attractive, enjoys a high social status and the best students opt for it as their first choice; Adequate enrolment policy and method for selecting students enrolling in teacher education programs have been defined; Access to initial and continuing teacher education and the teaching profession is holistic and systematic; Teacher education is based on flexible models that timely meet the needs of the education system and the individuality of students; During initial education, the teacher acquires adequate theoretical knowledge in the subject or area, supported by the development of appropriate skills, given in professional standards for teachers; Teachers have appropriate teaching and methodological skills and understand the psychology of those who teach; Teachers are active members of the community and society, collaborate with colleagues, professional associations and professional organizations and participate in the promotion of their profession; Support for the professional development of teachers is systematic, continuous and consistent; A sustainable system of financing the continuing professional development of teachers is provided; Procedures, monitoring and evaluation of teacher placement (teacher traineeship, teacher licensing, etc.) are defined and implemented, and in accordance with them are evaluations of the quality of work and the professional advancement of teachers.

Adult Education Plan 2019-2022. The five priority objectives, defined by the Adult Education Strategy (2015-2025), which form the basis for planning activities under the Adult Education Plan (2019-2022) are: Lifelong Education and Learning Programs and Activities; improving the knowledge, skills and competences of the unemployed; Improvement of employee competencies; Quality Assurance in Adult Education; Ensuring a flexible and sustainable adult education system.

Smart Specialization Strategy Guidelines 2018-2024 identifies four priority areas of our economy's development: Renewable energy sources and energy efficiency; Sustainable agriculture and the food value chain; New materials and sustainable technologies; Sustainable and health tourism, while Information and Communication Technologies (ICT) are defined as a horizontal platform. The Smart Specialization Strategy (S3) aims to find innovative niches as well as competitive advantages based on linking Montenegrin research and innovation resources with the needs and potentials of the economy in order to be competitive in the global market.

Smart Specialization Strategy 2019-2024. The strategic direction of "Healthy Montenegro", with improved aspects of primary, secondary and tertiary protection and prevention, and new products, will

enable a higher quality of life and thus the prosperity of the nation. Healthy Montenegro is a hub for biomedical development through new technologies, the production of medicines, herbs and organic foods and the provision of specialized health services (such as innovative and standard therapeutic and rehabilitation programs) as a finished product, with the aim of attracting a special group of patients and researchers from the region and beyond. Healthy Montenegro is a technology society for health, well-being, science, regional cooperation and peace.

The strategic direction “Sustainable Montenegro” refers to the realization of the constitutionally defined concept of Montenegro as an ecological state. This direction implies an environmentally responsible and efficient economy from the point of view of the use and conservation of natural resources and the intergenerational level of well-being. It is based on sustainable development goals, the Europe 2020 Strategy and basic strategic documents in Montenegro. Sustainable Montenegro, above all, means the further development and efficient use of natural resources. Space as the most important resource of the state must be valorised so that its devastation does not occur. The development of transport infrastructure and the rehabilitation of ecological “black spots” must rely on innovative solutions and new technologies for fuller use of technogenic mineral resources and adequate reuse of waste on the principles of the circular economy, thus creating the preconditions for sustainable development. Fulfilment of environmental tasks, especially those foreseen in Chapter 27, will have a positive impact on the entire economy. The realization of the aforementioned strategic goal is directly related to all the priorities defined by the Smart Specialization Strategy and is a necessary precondition for successful achievement of each of them.

The strategic direction of “Digitized Montenegro” should be, in accordance with the Industrial Policy of Montenegro until 2020, the National Strategy for the Development of the Information Society 2016-2020, and the National Cyber Security Strategy of Montenegro 2018-2021, will enable the achievement of EU standards related to the Digital Agenda 2020, the Digital Single Market Strategy and the EU Innovated Industrial Policy. The development and deployment of ICT are crucial to economic development. Achieving ICT standards and goals helps develop trade, make better use of capital and strengthen national competitiveness. The introduction of modern technologies and the valorisation of available raw materials in the priority sectors will lead to the supply of high quality products to the market. The foundations of this direction are linked to better infrastructure, the digital economy and information security. The direction is also directly linked to all priorities defined in the Smart Specialization Strategy, and therefore ICT is defined as a horizontal priority sector providing IT support to other priority sectors.

Collaborative Innovation Program 2019-2024. The overall objectives of the Program are: Strengthening the competitiveness of Montenegrin enterprises through co-financing the development of innovative market-oriented products, services and technologies that have great potential for commercialization and market application; Supporting the transfer of innovative ideas from scientific research institutions to the market, through cooperation with business partners or through the opening of new businesses / spin-offs in Montenegro; and strengthening human resources and job creation.

The specific objectives of the Program are: Strengthening the innovative potential of enterprises and their recognition in the innovation system; Stimulating technological innovation and stimulating commercialization, that is, applying innovative ideas and technologies to the market; Encouraging the employment of highly qualified personnel in the research and innovation sector; Increasing enterprise investment in R&D; Raising the level of commercial readiness through funding additional invention / innovation development; Bridging the lack of funding between research and commercialization; Increasing the number of patents that have

the potential to be put into practice; Stimulating cooperation with the Montenegrin scientific and economic diaspora in order to create conditions for their return, ie closer integration and reintegration into the local community; and fostering the transfer of knowledge and technology in cooperation with domestic and international partners in the research and economic sectors.

SECTOR OF EMPLOYMENT, SOCIAL POLICY AND HEALTH

Strategy for Development of Integrated Health Information System (IHIS) and eHealth for the period 2018 - 2022. Overall objective is to provide information that is accurate, relevant and timely and serves the health care system and governance structures at all levels, to make evidence-based decisions, promoting rational use of resources and resulting in better health outcomes. The specific goals for the promotion and further development of and the development of eHealth in the coming period are 1. Capacity building for the planning, coordination and implementation of national I and eHealth activities; 2. Provide a legal, ethical and normative framework that would underpin the further development of IZIS and the adequate implementation of eHealth services; 3. Improving the quality of health information by enhancing data collection and management capacity; 4. Wider use of information to support evidence-based decision-making at all levels and across all sectors of the healthcare system; 5. Expand the use of IT to improve the quality, accessibility and continuity of health care, as well as the quality and timeliness of health information to support health decision-making; 6. Strengthen national ICT infrastructure and capacity to enable effective, secure and reliable use of information technology in healthcare.

Mental Health Care and Improvement Strategy In Montenegro 2019-2023. Four broad areas have been identified where action is needed to improve the overall mental health of the population: Mental health promotion and prevention of mental disorders; Improving the capacity for early diagnosis, treatment and rehabilitation of the mentally ill; Respect and protection of human rights of persons with mental health disorders; Mental health information systems and research.

Strategy for improving the quality of health care and patient safety for the period 2019-2023. The basic strategic goals of improving the quality of health care and patient safety are: Establishing a national body for quality in health; Establishing a formal structure for quality management in healthcare facilities; Introduction and evaluation of health technologies; Establishing an internationally recognized accreditation process in healthcare; Capacity building for quality management; Systematic measurement of quality and safety improvements through safety monitoring.

Strategy for the Development of the Social Welfare System for the Elderly 2018-2022. The overall objective of this Strategy is to improve the social protection of the elderly, with integrated services and support to preserve and improve their quality of life. The specific objectives are: To improve social responsibility and an integrative approach that promotes social inclusion, enhances the quality of life and uses older people’s capacities to live independently; Improve social care services for the elderly. Improve the quality of service of older people.

Social and Child Welfare System Development Strategy 2018-2022. The overall objective of this Strategy is to improve the quality of life of social and child welfare beneficiaries and their empowerment for an independent and productive life. The specific objectives are to improve the normative framework in social and child protection; improved quality system in social and child protection; improved social and child care services and prerequisites for continued deinstitutionalization.

Strategy for the realization of the rights of the child 2019-2023. Strategic Objective 1 is to improve inter-ministerial cooperation and other key conditions for the realization of the rights of the child. Strategic objective 2 is to improve the accessibility and quality of social and health care and education for all children. Strategic Objective 3 is to prevent all forms of violence against children and improve the implementation of specific child protection measures.

Remark:

Montenegro's Strategy for the Transposition and Implementation of the Acquis Communautaire for Chapter 12 - Food Safety, Veterinary and Phytosanitary Policy, with a General Action Plan and a Special Action Plan for the Suppression and Eradication of Classical Swine Fever. This strategy will innovate a valid strategy in order to create the basis for further transposition, implementation and enforcement of EU food safety legislation, veterinary and phytosanitary policies, including plans for the development of relevant administrative capacities and required financial resources. The general action plan will provide an overview of the situation and define the transposition and implementation periods of EU food safety, veterinary and phytosanitary policies.

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