



Organization for Security and Co-operation in Europe

Mission to Montenegro

“MONTENEGRO'S EURO-ATLANTIC INTEGRATION PERSPECTIVES”

Podgorica, 30 October – 1 November 2006

Panel one: The current situation in Montenegro

Ladies and Gentlemen,

I am pleased to take part, on behalf of the OSCE Mission to Montenegro, in this conference and will attempt to contribute to the discussion on different aspects from its generous agenda.

This panel will focus on the current situation, including progress on reform activities, and challenges lying ahead of the Republic of Montenegro.

Let me start by saying that the **OSCE, through its cross-dimensional approach to security, has been supporting a wide range of reform processes in Montenegro since 2002.** In the context of mutual trust and appreciation with the host country, the OSCE field presence witnessed a progressive enhancement in almost all spheres of the reform process in Montenegro and welcomes the determination of the Montenegrin authorities, political forces and civil society to continue ahead with further reforms needed on its Euro-Atlantic integration course.

The OSCE Mission recognizes a positive record of achievements and responsive attitude of its Montenegrin partners over the recent years as well as encourages and is ready to provide Montenegro with further assistance and co-operation in all OSCE dimensions, including the politico-military, economic and environmental, and human aspects of security and stability.

Political developments and current situation

The pace of transition and reforms in Montenegro certainly slowed down and lost momentum due to the long lasting domination of the political agenda by the **State-legal status issue.**

As of 21 May, Montenegrins have put this item off the agenda. I would recall here the high turnout at the **referendum** and its conduct in a regular and peaceful manner.

The referendum showed not only the maturity of the political forces and the civil society in Montenegro, but also demonstrated that adherence to democratic values and the rule of law offer the most efficient way to achieve political goals.

The international community at large, including the OSCE, has congratulated Montenegro for such a commendable process and acknowledged its independence outcome.

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Five months after the referendum now, the **Government Action Plan** of priorities for the functioning of Montenegro as an independent State is almost fulfilled. Expectations in regard to foreign policy objectives have been even exceeded. Montenegro was admitted to the OSCE and UN through accelerated procedures on 21 and 28 June respectively. It became a member of a number of other important international and regional organisations. More than 80 countries recognized independent Montenegro thus far and established diplomatic relations; more than 20 States expressed their intent and started to establish Embassies in Montenegro; several Ambassadors presented their accreditations already.

The approval of the **new SAA negotiating mandate** on 24 July and subsequent talks that started on 25 September will set a legal framework for relations between the EU and Montenegro for the entire period prior to a possible accession to the EU. Recently, the Montenegrin Government expressed its intention to conclude these SAA talks by the end of 2006.

Negotiations with Serbia on bilateral relations and on pending political, economic and social questions related to the dissolution of the State Union progress slowly, but in a generally positive environment. Some constraints appear to be more of an organizational than political nature. However, even though the situation in respect to the above remains factually the same as during the State Union, Montenegro and Serbia are yet to sign agreements ensuring free flow of people, goods, capital and services. According to an agreement on financial issues, Serbia continues membership in the IMF, World Bank, EBRD and EIB and will represent Montenegro until it completes the relevant admission procedures as an independent State. Property and debts of the State Union are being divided between the two Republics, with Montenegro allocated a share of 5.88 per cent.

Montenegro has been continuously strengthening **regional co-operation** and cherishing good neighbourly relations, with a view, inter alia, to promoting regional reconciliation. It has concluded a number of agreements with neighbouring countries, notably on free trade, the fight against organised crime, cross-border co-operation, trafficking and smuggling, judicial co-operation, border management and transport.

Recent contacts with the International Criminal Tribunal for former Yugoslavia (**ICTY**) have confirmed that Montenegro ensures full co-operation with the ICTY and has no outstanding issue in that regard.

The **security situation** in the country has remained, in general, stable. Now with the defence in Montenegro's competence, the process of restructuring and reform of the armed forces is ongoing, including downsizing to the planned 2.500 professionals. Some of the most important laws and documents regarding the reform of the armed forces, such as the Law on Army, Law on Defence, Defence Strategy and Military Doctrine are in preparation. Compulsory military service was abolished on 30 August. On the same day, Montenegro applied for **membership in NATO's Partnership for Peace (PfP) program**. Montenegro is looking for a positive response to this application and hopes to be admitted to PfP at the forthcoming NATO summit in Riga this November.

On 10 September, Montenegro held its **parliamentary and local elections**, the first after regaining its State independence. Less than four months after the referendum, the elections took place in a significantly changed political environment, with new political dynamics and parties on the political scene. In their assessment of the election process, the international

observers concluded that it was held “largely in line with OSCE commitments and Council of Europe standards for democratic elections, although a number of revolving challenges remain to be addressed”. The EU and other high officials welcomed the way these elections were conducted and extended congratulations to the citizens and the authorities of Montenegro for the calm and orderly manner of this process.

Sustained **macro-economic stability** over the recent years gives out a positive signal to foreign investors, which is the prerequisite for further boost of economic growth and increase of living standard.

All in all, the **overall trend in Montenegro over the recent years remained positive**, characterised by continued progress in the reform process and democratic consolidation.

This trend was mainly due to **intense legislative activity**, which resulted in a number of reform oriented laws and regulations. It has been important not only for advancing necessary reforms and adjustments to European standards, but also helped the credibility of democratic institutions, especially the Parliament. Montenegrin legal system has been recently positively evaluated by experts from the CoE, which is the first formal signal that Montenegro shall meet criteria for admission in this organization if it accepted to correct the shortcomings.

However, a noticeable deficiency is the discrepancy between the legislation adopted and the quality and speed of its **implementation**. Areas of particular concern remain implementation of **public administration reform, judiciary reform, combating organised crime and corruption**.

Currently, the international community raises expectations that the **new Government** will be established quickly and continue with its Euro-Atlantic reform agenda, the Stabilisation and Association Process remaining the framework for the European course of Montenegro, all the way to its potential accession in the future.

Challenges ahead for Montenegro

Continue and intensify its strategic course towards Euro-Atlantic integration through the implementation of required comprehensive reforms, build-up its democracy through efficient and transparent institutions, foster a constructive political dialogue and inclusive decision making processes are the overall challenge to Montenegro.

The immediate challenging test for the democratic maturity of Montenegro is the adoption of a **new Constitution** in line with European standards and principles. The Venice Commission issued initial favourable remarks on the process to date, though a number of contentious issues have already emerged. A participatory process and the adoption of the text through the widest possible support will be the key to the successful constitutional reform.

The rule of law and law enforcement require further strengthening, particularly in the context of combating organized crime and corruption, dealing with outstanding criminal investigations that are a genuine test of the government's determination to intensify reforms of the criminal justice system and take serious action against all sorts of crime. Further reform of legislation is necessary. There is a need to pursue with determination the reform of the judiciary to upgrade and guarantee its independence, professionalism and efficiency, in particular review the system of appointment and career record which should be based on

professional criteria. The legislative reform should continue in such areas as protection of human and minority rights, civil control over the armed forces , as well as the opening of secret files.

In the context of increasing **administrative capacity**, further sustained efforts are needed to implement the reform of the public administration, as well as to ensure transparent recruitment and human resource management, professionalism and accountability.

The Montenegrin authorities should do their utmost to sustain macro economic stability, job creation, and create friendlier business environment to further boost **economic growth** and rise of living standard for its citizens.

Agreements with Serbia on bilateral relations and on pending political, economic and social issues related to the dissolution of the State Union await finalisation.

Concluding remarks

Montenegro certainly has the **core potential** to move at an accelerated pace toward its strategic goal of Euro-Atlantic integration. Internal political consensus over reform priorities and subsequent coordinated output are a winning formula to that extent. Montenegrin Parliament needs to improve its work, to become more efficient to be able to lay out the process of European integration. Mistrust has to be reduced, and culture of dialogue should be strengthened.

New political dynamics and smooth changes in the leadership, both at the level of the Government as well as within the opposition political parties, open the way to enhance reforms efforts. I am confident the new Government will confirm Montenegrin reform orientation and take advantage of these circumstances to further develop its capacity and consolidate reform actions. I also trust that the Parliament will be committed to adopting the new Constitution with the widest possible support.

Ladies and gentlemen,

Stability, security and increasing prosperity of Montenegro are a high priority for the OSCE. Let me conclude by stressing that, **whilst the responsibility for and the pace of the European and Euro-Atlantic integration processes is and remains with the Montenegrin society and their institutions, the OSCE stands ready to continue supporting Montenegro along this path.**

Thank you for your attention.