



**COUNCIL OF
THE EUROPEAN UNION**



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**Fifth meeting of the Stabilisation and Association Council
between the European Union and Montenegro
(Luxembourg, 24 June 2014)**

JOINT PRESS RELEASE

1. The EU-Montenegro Stabilisation and Association Council (SA Council) held its fifth meeting on Tuesday 24 June 2014. This meeting was chaired by Mr Dimitris KOURKOULAS, Deputy Foreign Minister responsible for European Affairs of Greece, who led the European Union delegation (on behalf of the EU High Representative for Foreign Affairs and Security Policy Catherine Ashton). Mr Igor LUKŠIĆ, Deputy Prime Minister and Minister of Foreign Affairs and European Integration of Montenegro, led the delegation of Montenegro. Mr Štefan FÜLE, Commissioner responsible for Enlargement and European Neighbourhood Policy, represented the European Commission.
2. The SA Council noted with satisfaction that the screening process for all negotiating chapters had been successfully concluded, and that, overall, twelve negotiating chapters had been opened, including the crucial rule of law Chapters, 23 - Judiciary and fundamental rights and 24 - Justice, freedom and security, while two chapters had been provisionally closed. In this context, the SA Council welcomed the outcome of the Intergovernmental Conference which had taken place the same day. In addition, the SA Council welcomed the fact that Montenegro's working groups for the negotiating chapters included representatives of the civil society and stressed the importance of ensuring the inclusiveness of the reform process in order to achieve the necessary progress in the accession negotiations.

P R E S S

3. Against this background, the SA Council meeting provided a timely opportunity to review Montenegro's progress in its preparations for accession and to consider priorities for further work within the framework of the Stabilisation and Association Agreement.
4. The SA Council reviewed the state of Montenegro's preparations for accession, particularly in the light of the Commission's 2013 Progress Report. The SA Council generally encouraged Montenegro to continue working on challenges and shortcomings identified during the preparations for accession, as well as further developing the necessary administrative capacity.

Concerning the Copenhagen political criteria, the SA Council acknowledged efforts made by Montenegro, while noting a need for further efforts as regards reforms and their implementation in a number of key areas such as the reform of the judicial system, the fight against corruption and organised crime, public administration and implementation of constitutional reforms. The SA Council underlined the importance of ensuring domestic handling of war crimes in line with humanitarian law and the jurisprudence of the ICTY, and welcomed the signing of a Protocol of cooperation in the area of war crimes between the state prosecutors of Montenegro and of Bosnia and Herzegovina.

With further particular regard to the political criteria, including the protection of human, civil and political rights as well as of social and economic rights, the defence of the rights of LGBTI persons, the protection of women's rights and gender equality, the protection of the rights of persons belonging to minorities, the SA Council generally welcomed progress made while encouraging Montenegro to address remaining shortcomings and to ensure that the reform momentum would be maintained.

The SA Council recalled that, in line with the new approach for the chapters on judiciary and fundamental rights and justice, freedom and security, both these areas were now being addressed early on in the negotiations, and noted the need for proactive planning of financial and human resources for relevant reforms. A first assessment of the progress of Montenegro in the implementation of the related Action Plans for chapters 23 and 24 confirmed that many activities were being conducted according to the deadlines set, but that some important measures requiring strong political support had been delayed. The SA Council encouraged Montenegro to pay further attention to the development of a track record in the area of rule of law, in particular with regard to organised crime and corruption cases, especially at high level.

With regard to judicial reform, the SA Council welcomed the adoption of the constitutional amendments aiming at strengthening the independence and professionalism of the judiciary, while stressing the need for implementation in line with European standards and best practices. In the field of the public administration, the SA Council underlined the importance of administrative capacity in view of the future effective implementation and enforcement of the EU *acquis*, and encouraged Montenegro to pursue the reform process to achieve a more efficient public administration. The SA Council also invited Montenegro to develop a comprehensive public financial management reform programme in the near future. The SA Council noted some challenges that Montenegro had been facing in recent months, concerning in particular the follow-up to the so-called "Audio recordings Affair", drawbacks in the implementation of constitutional reforms, as well as the fact that cases of threats and violence against journalists and the media remained unsolved. The SA Council called for attention to be devoted to resolving these issues. The SA Council welcomed the adoption of amendments to the legislative framework on elections, including the Law on political party financing and electoral campaign purposes. At the same time, the SA Council noted that the State Election Commission in its new composition had not been established in time for the May local elections, and that a significant part of the amendments to the Law on political party financing had been annulled by the Constitutional Court. The SA Council expected that allegations of electoral irregularities would be thoroughly investigated in a transparent manner.

The SA Council commended Montenegro for its strong commitment to regional cooperation and its constructive role in maintaining regional stability. It also welcomed the active participation of Montenegro in numerous regional initiatives in South Eastern Europe and the good neighbourly and bilateral relations it entertained with other enlargement countries and EU Member States. The SA Council encouraged Montenegro to continue working towards finding mutually acceptable solutions to the pending border issues with other countries of the Western Balkans, and welcomed recent agreements reached by Montenegro with its neighbours.

The SA Council warmly welcomed the decision of Montenegro to formally align with the EU position on the situation in Ukraine, also commending Montenegro's generally excellent level of alignment with EU positions in the area of foreign, security and defence policy.

5. Concerning the economic criteria, the SA Council welcomed Montenegro's growth recovery in 2013 and supported the government's efforts to continue the consolidation of public finances and improving the business environment in order to create conditions for rapid economic development. The SA Council, however, noted that Montenegro faced certain challenges in economic competitiveness, that external imbalances needed to be reduced and that additional measures to contain debt and deficit within the fiscal rules limits should be carefully considered. The SA Council also encouraged Montenegro to ensure close and timely follow up to the joint policy recommendations adopted by the ECOFIN Council on 6 May 2014.

6. The SA Council welcomed the progress made by Montenegro in aligning its legislation and capacity with European standards, EU *acquis* and in implementing its commitments under the trade and trade-related provisions of the SAA. The SA Council noted that Montenegro's limited administrative capacity represented a challenge in a number of areas and generally needs to be strengthened. In most areas, there had been some progress, and in some cases a high level of alignment could be welcomed, even if much remained to be done. The SA Council encouraged Montenegro to make further efforts, devoting particular attention to a number of issues which had been identified in the various areas under review.
7. The SA Council reviewed the situation with regard to pre-accession financial assistance, which is provided by the EU through the Instrument for Pre-accession Assistance (IPA). It noted that over 75 % of the IPA funds 2007-2013 for Component I (Transition assistance and institutional building) had been contracted at the end of December 2013, of which the programmes 2007-2010 had been fully contracted up to 98 %. For Component II (Cross-Border Cooperation) the contracting rate by the end of 2013 had been 62%, with calls for proposals for the years 2011-2013 still to be contracted. The SA Council welcomed the progress made by Montenegro in preparing for the establishment of the necessary structures for decentralised management of IPA Components I, II, III (Regional development) and IV (Human resources development). The SA Council encouraged Montenegro to strengthen its project preparation and strategic planning capabilities in order to ensure sufficient absorption capacity, especially with regard to the operational programmes under IPA Components III and IV. The SA Council also welcomed the preparations by Montenegro for IPA II, and invited Montenegro to develop the capacity for multi-annual strategic planning for the implementation of IPA support.
8. The SA Council also examined the state of bilateral relations under the Stabilisation and Association Agreement (SAA). It welcomed in this regard the joint signature at the end of 2013 of a Protocol to the SAA in order to take account of Croatia's accession to the EU, applied on a provisional basis as of 1 July 2013. The SA Council also welcomed Montenegro's positive track record in implementing its obligations under the SAA, including its trade related provisions, since the entry to force in 1 May 2010 while noting that some improvements were necessary with regard to State aids, where further efforts towards alignment were needed.

The SA Council noted Montenegro's active participation in a number of EU programmes, and warmly welcomed that Montenegro would continue and further expand this participation for the period 2014-2020.

9. Finally the SA Council had an exchange of views concerning recent developments in the Western Balkans region.
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