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Focus

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Interview

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Queer Montenegro, Danijel Kalezić

Region

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in the region risks breaching EU's
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Foreword:

Crimea and Rodić



Vladan Žugić

The reform of the legal system has been shipwrecked.

Attorney **Goran Rodić** is the last one to try and patch up a tear in the boat that had been filled with party apparatchiks with little expertise to show in the field of law.

For example, the new Constitutional Court differs from the previous one only in the composition of parties that go into it, and the fact that 6:1 ratio in favour of DPS has fallen, albeit only fractionally. And unfortunately, the previous Court had a bit more legal brains, if not the brawn to judge only in accordance with law and justice.

For years, we have built up an environment in which only the obedient, and not hard working, can rise through the ranks. The result is that the latest concourse for judges of the Constitutional Court, and the Judicial and Prosecutors' Councils attracted only a handful of applications from persons who could be considered qualified and at least somewhat politically independent – what the new procedures, adopted on the insistence of the Venetian Commission and the EU were in fact trying to achieve.

By voting against Rodić's candidacy for the position of the Supreme State Prosecutor, DPS and its smaller party satellites have once again sent the message that our judiciary doesn't need people who could chance prosecuting the corrupt officials whose wealth in office had inexplicably risen far above their civil servants' pay, instead of just badgering the civil sector.

I can't help those who would rather trust their ears, stuffed with the government's boastings about progress in the rule of law, than the fact that Montenegro hasn't seen a single standing conviction against a high-level official.

I'll bet that one day, again under the pressure from EU, we'll be forced to change the Constitution and the laws, and appoint new persons in our judiciary. It's nothing new. It's already been done in Bulgaria and Romania. It's just that Europeans have been saying that they don't want another Bulgaria or Romania.

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The decision of the Montenegrin Government to side with the Council of the EU position on the Ukrainian crisis and condemn Russia's actions is a wise move, but not enough to help us into the EU. In a way, it was also a necessary move, given our commitment under the Stabilisation and Association Agreement to align our foreign policy with EU.

I am no expert in international law, nor do I have any intention of passing a judgement on who has been 'violating' it – the USA in case of Kosovo, or Russia in its own sphere of influence.

However, making any comparison with Kosovo is unfortunate for a number of reasons. One of them is enough to make it impossible for Montenegro to stay out of the big players' game. Kosovo became an independent country, while Russia annexed Crimea, a part of Ukrainian territory, which hasn't happened in Europe since the end of the WWII.

For comparison, to welcome or ignore Russia's move would be the same as shrugging off Albania's annexation of Kosovo, Belgrade's incorporation of the Republic of Srpska, Croatia's annexation of West Herzegovina, or somebody's aspirations towards Ulcinj, Pljevlja, or Tivat...

Besides, although it has little to do with Crimea, I couldn't help but notice that Moscow never minded high-level corruption in Montenegro, never condemned violence against the media, or indeed complained about the state of judiciary.

Calendar

- 11 March **Investigate vote buying in Berane** / The EU Delegation in Podgorica said that Montenegrin authorities should investigate and process the incidents and accusations regarding the buying of votes during local elections in Berane.
- 18 March **Citizens support EU membership, despite knowing little about the EU** / Although a great majority of citizens support EU membership, they do not enough about it and should be better informed about the process, concluded a recent round table on the Draft Strategy for communicating EU to the public. Permanent UNDP representative to Montenegro **Rastislav Vrbenski** said that according to the public opinion polls done by his organization the level of support for EU membership is at 57%, and that even though it has been declining it is still the highest in the region.
- 21 March **Electoral law adopted** / Members of the Parliament of Montenegro adopted amendments to the Law on election of national and local MPs by a two-third majority, including the amendment by the Bosniak Party on affirmative action at the local level, which was immediately welcomed by the Head of EU Delegation **Mitja Drobnic** on Twitter. It is the last of the six sets of electoral laws that the European Commission requested to be passed in order to restore the trust in electoral law.
- 22 March **Montenegro joins sanctions** / Montenegro, Iceland, Albania, Liechtenstein, Norway and Moldova joined the decision of the European Council to impose sanctions against certain individuals in Ukraine, who are considered to be responsible for abuses in that country, states declaration by the EU High Representative regarding the accession of third countries to these measures. On March 5 the EU decided to freeze assets of 18 Ukrainian officials involved in the violence Kiev. The EU sanctions on Ukraine apply to, among others, President **Viktor Yanukovich**. The list also includes his closest associates, former ministers of interior affairs, justice, state prosecutor, head of security services and Yanukovich's son **Alexander**...
- 27 March **Welcome cooperation in apprehending Šarić** / The EU-Montenegro Stabilization and Association Parliamentary Committee (SAPC) adopted at its meeting in Podgorica the conclusions which welcome cooperation between Serbia and Montenegro in the apprehension of drug lord **Darko Šarić**. The SAPC Resolution also requested a legal epilogue to the "Recording" affair, condemned physical assault on MP **Nebojša Medojević**, expressed concern about assaults on journalists and called on the Prosecution to investigate corruption allegations in relation to the privatization of Telecom.
- 8 April **Food safety a challenge** / During the meeting with the Minister of Agriculture and Rural Development **Petar Ivanović** in Brussels, representatives of the European Commission had Montenegro had made progress on requirements from chapters 11, 12 and 13 - agriculture and rural development, food safety and fisheries. Director for Montenegro, Macedonia, Turkey and Island in DG Enlargement, **Alexandra Cas-Grange** pointed out the forthcoming challenges in adopting the EU acquis on food safety, defining customs terminals for plant or animal based products and livestock, and solving the problem of animal based waste.
- 7-12 April **More attention to specific cases** / According to the Ministry of Foreign Affairs and European Integrations, the EU experts who recently visited the country praised Montenegrin legal framework in the field of fundamental rights. Deputy Head of the EU Delegation in Podgorica **Alberto Cammarata** said EC experts had a detailed overview of the general functioning of the system that guarantees and protects fundamental rights in Montenegro and stressed that in the future more attention will be paid to specific cases.
- 14 April **DPS obstructs the appointment of SSP** / For the third time running, Parliament of Montenegro failed to appoint the Supreme State Prosecutor. 37 out of 79 MPs present voted in favour of attorney **Goran Rodić**, falling 12 votes short of the required two-third majority. MPs from DPS and minority parties (BS, the Albanian party and HGI) voted against. The opposition believes that the DPS is refusing to appoint a candidate who would seriously deal with the problem of corruption and organized crime.
- 14 April **Moscow deeply disappointed** / Russian Ministry of Foreign Affairs said Moscow was "deeply disappointed" by the "hostile statements" of the Prime Minister **Milo Đukanović** during his visit to Washington and by Montenegro's decision to join in EU sanctions against Russia. Montenegrin Ministry of Foreign Affairs and European Integrations said the Prime Minister's words were in accordance with the national interests of Montenegro and that every country has the right to sovereign choice on foreign policy priorities.
- 26 April **Ready to open financial chapters in June** / At the June Inter-Governmental Conference, Montenegrin Minister of Foreign Affairs and European Integrations **Igor Lukšić** said the country was ready to start formal negotiations in a number of other fields, above all in those that concern financial matters.

Forgotten Enlargement



By: Florian Bieber

Not long ago, the DG for Enlargement moved to a new address, from 200 to 15, Rue de la Loi, Brussels. What seems like a question of logistics, not policy, matters. Never in the past twenty years has enlargement fallen to such a low priority for the European Union. The old address of the Directorate General for Enlargement was the Berlaymont, the centre of the Commission—symbolizing the centrality and importance of the enlargement process for the EU. Now, it is housed in a nondescript office building a few hundred meters away. This symbolic removal from the center of EU and the Commission's headquarters is not just a coincidence, but reflects the problem of enlargement. Although the EU is in accession talks with three countries (Turkey, Serbia and Montenegro) and four more are waiting to start talks, the DG is a shadow of its former self. The atmosphere of decline was reflected in recent months in rumors circulating that the next Commission might not have a Commissioner solely responsible for enlargement. This would be for the first time since 1999 that the EU would not have dedicated enlargement commissioner. Such a scenario seems somewhat unrealistic, considering that there is a need to have 28 Commissioners, one for each member state and thus, enlargement will probably stay on. The question is, however, whether this will be filled by a forceful commission pushing the agenda, or not. Judging the by the gradual decline of the profile of the enlargement portfolio over the past decade, the signs are ominous.

This sense of decline is also reflected in key member states. Popular support for enlargement was never particularly high and governments have pursued it despite their citizens' skepticism. The latest Eurobarometer puts a clear majority of EU citizens against enlargement (52% over 37% for) with number around 70% against it in France, Germany and Austria. The highest level of opposition to enlargement is in Austria with 76% against (and 16% for). While Turkey is certainly the *bête noire* of enlargement, opposition to having Kosovo, Albania and Serbia join are not significantly lower. The Austrian coalition agreement from late 2013 for example remains committed to towards EU enlargement in the Western Balkans (as opposed to requiring a referendum for Turkish membership). In addition to the accession criteria, the new/old

Austrian government emphasises the ability of the EU accept new members as key criteria for membership, a clause that can be used to easily delay further accession.

The German government has followed a similar line, keeping the door open, but while noting the ability of the EU to join, it also underlined the need to strictly enforce the membership conditions, in effect signaling a strong monitoring by individual member states.

Recently the UK, conventionally a strong support for enlargement, has taken a sharp turn against enlargement. In his comment for the *Financial Times*, PM **David Cameron** threatened to veto further enlargement if labor mobility or he and the tabloids term "benefit tourism" is not restricted.

While enlargement is going on as a process managed in Brussels, for most member states, it seems to be out of sight and mind, or at least at the margins. This could be seen as a pragmatic and maybe also helpful approach to keep the process ongoing when publics in the countries have grown weary of countries joining. Yet, enlargement through the back door will become tricky as citizens are ill prepared to accept the next enlargements, and as a number of countries will not need 'just' enlargement, but a more comprehensive EU engagement to overcome their domestic or bilateral difficulties.

As member states have become more involved into the accession process and claim their right to scrutinize the candidates independently from the Commission, there is the risk that the already slow enlargement process will be even further kicked down the road.

Although it might not be the most popular post in the new Commission (if it indeed remains one), enlargement will be a place for a Commissioner to leave a mark and revive the process. The significance might be easily overlooked now, but if the EU cannot complete enlargement and transform the countries of the Western Balkans, the credibility of its transformative power is seriously jeopardized.

The author is a political scientist, director of the Centre for South-East European Studies at the University of Graz.

Source: excerpts from the article published in "Balkans in Europe Policy Blog"

Is Montenegro regaining trust in the electoral process?

Fair elections are difficult when institutions are politicized



By Svetlana Pešić

Although the Parliament of Montenegro has adopted a set of electoral laws, evidence suggests that they are a long way from regaining the trust of the people in the electoral process – one of the fundamental requirements of European Commission after the “Recording” scandal. Democracy and freedom of choice in the electoral process is part of the political criteria which the Commission considers a priority, and which have never yet been a problem for Montenegro. The example of Macedonia, and especially of Albania, which had its candidate status delayed because its elections were deemed unfair and undemocratic conditions best illustrates how sensitive Brussels and the EU are to such matters. The return to political criteria in Montenegro thus justifiably fuels fears that the negotiations and progress of Montenegro towards the EU may be slowed down or halted soon after the appointment of the new European Commission, i.e. during discussions over the 2014 Progress Report this autumn.

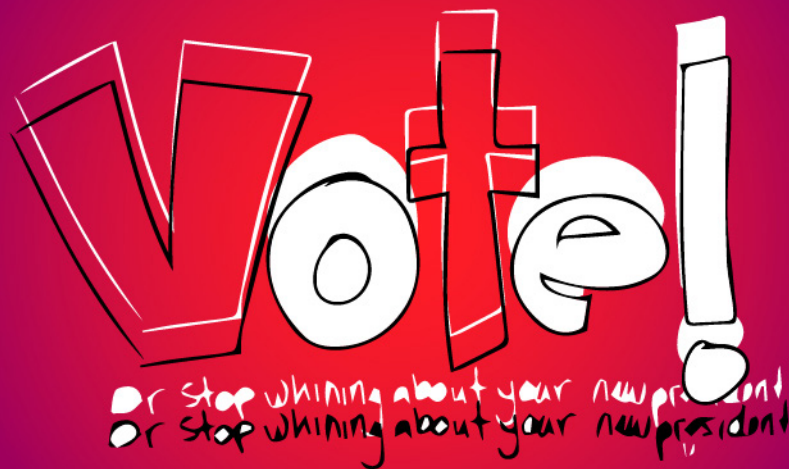
The chronology of events surrounding the

Although the Parliament of Montenegro has adopted a set of electoral laws, evidence suggests that they are a long way from regaining the trust of the people in the electoral process – one of the fundamental requirements of EU after the “Recording” scandal. In the last year only one person was convicted for buying votes, and DPS is doing everything in its power to obstruct implementation of the law on the financing of political parties. Also, DPS submitted a complaint to the Constitutional Court demanding review of about 20 clauses of this Law, which has been drafted with the assistance of EC experts. Meanwhile, further evidence of abuse of public resources and pressure on voters has appeared during local elections in Cetinje, Mojkovac, Petnjica and Berane.

imperative of returning trust in the electoral process started with the opposition’s boycott of the results of the last presidential elections, in which the DPS candidate **Filip Vujanović** won against the opposition representative **Miodrag Lekić** by some four thousand votes – with the opposition, led by Democratic Front (DF) claiming the victory was due to a vote theft. Just before the election, audio recordings of high-level DPS party meetings were leaked, in which top party officials could be heard planning abuse of public resources in order to win more votes for their party. Instead of investigating whether or not these plans had

The return to political criteria fuels fears that the negotiations and progress of Montenegro towards the EU may be slowed down or halted.





actually led to said crimes, the Supreme State Prosecutor **Ranka Čarapić** said none of the statements heard in the “Recordings” could be said to contain elements of crime, which further outraged the public and the opposition. After some pressure from EU, the prosecutor changed the tune, but the result remained more or less the same. Of all the persons implicated by the various recordings and supporting documents, only one person was convicted – a foreman at the “Šuplja Stijena” mine in Pljevlja.

President of the Board of Directors of CEMI (Monitoring Centre) Zlatko Vujović says that the entire process of electoral reforms has been turned into “political farce manipulated by various actors, both in political parties and in the civil sector”. “We have made some progress, because some of these solutions are of good quality, but then we took two steps back by making the rest imprecise, subject to unwanted side effects and impossible to enforce. All of this is bound to result in further weakening of citizens’ trust in the integrity of the electoral process.”

He was sentenced to pay 1500 Euros for illegally attempting to influence his employee’s voting decision. Currently, the local court in Pljevlja is also reviewing charges for abuse of office against 12 persons and the Centre for Social Work as an accomplice, for paying voters 50 euro each to vote for the ruling party.

In July 2013 the opposition returned to the Parliament after it was agreed that the Parliament will adopt “Conclusions on the return of trust into the electoral process”, followed by a committee for inquiry into “Recordings” affair. A working group was also

It’s better if the EC calls out the culprits than if it blocks negotiations

When asked what kind of reaction should be expected from EU if the current practice continues – more rhetorical pressure or a decision to block negotiations completely until we sort out certain problems (e.g. the “Recordings”, or the failure to appoint State Electoral Commission), Damjanović says:

“The process of European integration and the ongoing negotiations going are not just about copying European norms, but about introducing European standards into our everyday lives, including the highest democratic standards of free and fair elections. In that sense, I expect our European partners to help us, not only rhetorically, but to also in the implementation of these standards, to help us identify, in the course of negotiations, those who are obstructing the fair electoral process and call them out, shame them, or even prosecute them. I think this would be a far better solution than blocking negotiations, which would punish all of our citizens for the irresponsible actions of some individuals or institutions”.



Aleksandar Damjanović



established to draft a new set of electoral laws. And while the Inquiry Committee only managed to adopt a technical report, due to the obstruction from majority benches and incompetence of the opposition, the Working group failed to agree, and the new set of laws was summarily drafted by the office of the President of the Parliament.

Meanwhile, new accusations began to surface, often supported by material evidence, concerning abuse of public resources, pressures and bribes used by DPS to secure more votes in the local elections in Cetinje, Petnjica, Mojkovac and Berane.

In the last two months the Parliament has adopted a new set of electoral laws. DPS did not support the Law on the financing of political parties, and later maintained that this law was “obstructing life in Montenegro”, by forbidding new employment in public institutions during three months around the election. Most institutions hurried to agree that the law was “obstructing life”, and some went even further, such as the Ministry of Finance who even decided to block student loans, even though these do not constitute one-off support. DPS also submitted a complaint to

the Constitutional Court demanding review of about 20 clauses of this Law.

The opposition and the civil sector believe that all this has further undermined the public trust in the electoral process.

Aleksandar Damjanović, member of the Socialist People’s Party (SNP) and president of the Parliamentary Committee for Economy, Finance and Budget, which is the body in charge of monitoring the implementation of the Law on the financing political parties, says that *“the best test of the citizens’ trust in the electoral process will be the turnout at the local elections on 25 May, which I expect to be very high and to lead to much needed political change”*. *“With the amendments made to the Law on the financing of political parties and the new set of electoral laws authorities and institutions, I believe the preconditions have been met for the relevant authorities to adequately respond to any attempt of abuse or manipulation with the popular choice – provided they possess the minimum political will to do so. On the other hand, if they fail to react, we risk the “Berane” scenario, with the citizens taking it into their own hands to implement the law and prevent electoral manipulation, since the institutions in charge flatly failed to do so”*, Damjanović added.

President of the CEMI (Monitoring Centre) board of directors, **Zlatko Vujović** thinks that the latest events of the electoral campaign have further undermined the trust in the electoral





process. *“Laws adopted immediately before the elections, contrary to the international practice, with flawed and untested legal solutions, have only deepened the mistrust. To assess the quality of electoral regulation, I will borrow the title of a publication by our colleagues in Kosovo (D4D) who called it “Deform”. Unfortunately, the hasty nature of the reform is best illustrated by the lack of preparedness by all political parties to appoint a new State Electoral Commission, which has been postponed until after the elections. The only way the new electoral law and the law on political party financing was going to be upheld was by an electoral commission that had been appointed in accordance with these new provisions”.*

He adds that regulations banning the abuse of public funds are desirable, but only if adequate instruments to uphold them are available. *“Bans without institutions that want them and are capable to implement them only adds to mistrust”,* Vujović stressed. According to him, the entire process of electoral reform has been turned into *“a political farce manipulated by various actors, both in political parties and in the civil sector”.*

“We have made some progress, because some of these

solutions are of good quality, but then we took two steps back by making the rest imprecise, subject to unwanted side effects and impossible to enforce. All of this is bound to result in further weakening of citizens’ trust in the integrity of the electoral process”, Vujović warns. As for what could be expected from EU should the current situation continue, he believes that *“Unfortunately, we can’t say that the EU representatives have been able to react well to the sea of contradictory information. Driven by urge to make positive changes, they often overlooked the complexity of the process. They thought of the electoral reform as a swift, ad hoc revision of a few laws, overlooking the practice that electoral laws shouldn’t be changed a few months before the elections. The EC should demand dialogue between the political parties and the civil sector, opening of a consultation process with the citizens and a clear platform for further changes of the electoral framework. We don’t need partial reforms, but a wholesale revision of the electoral framework, a stronger role for the voters in the electoral process, and the strengthening of their voice in the election of individual representatives. Montenegro doesn’t need hasty fixes with uncertain long-term consequences. It needs a stable electoral framework and a strong, independent administration capable of implementing the electoral laws and activities. The current legal and institutional framework is too weak to instigate a rise in citizens’ trust in the electoral system”,* Vujović said.

Clean up corruption: start in your street!



Centre for Civic Education (CGO), in cooperation with NGO Institute Alternative, NGO Bonum and NGO Nada, and with support of the Montenegrin EU Delegation, published *The Handbook for MPs and civil society representatives to fight against corruption on a local level*, as part of the project **“Corruption on a local level – zero tolerance!”**

The introductory chapters offer a definition of corruption, its manifestations, types and typologies, surveys the negative consequences it creates, and describes mechanisms for fighting and preventing it. The following chapters provide detailed information on the legal framework, as well as experiences from the region on the way institutions fight corruption. The analysis of the normative and institutional framework and its practices occupies a central place in the handbook, together with a review on the application of the Strategy for the fight against corruption and local anti-corruption

initiatives. The handbook also reviews the corruption hotspots in local authorities, and attitudes by the citizens, civil society and local authorities towards this problem. The authors also emphasise the importance of protecting the whistleblowers in the fight against corruption, and dedicate a separate chapter to this issue.

“Corruption will not be reduced by uncoordinated organisation of campaigns, however professionally and correctly they may be conducted, or by the sole existence of anti-corruption institutions. The fight against corruption incorporates a great deal of instruments – from preventive and educative to the repressive legal action, along with the continued construction of a transparent system and strengthening of institutional integrity. Public services ought to serve the citizens, to be the pillars of society and guarantee legality of rule, so that those very institutions can enjoy the citizens’ trust. This is why the fight against corruption is a horizontal matter that must be given due attention at every level. The key role belongs to the shift in the power relations, to changes in awareness and behaviour of the citizens, and to mobilization of political will and commitment to radical changes, instead of pseudo-reforms which keep changing things so that everything inside the political elite stays the same”, the authors conclude.

Authors of the publication are Prof. Dr **Zoran Stojiljković**, professor at the Faculty of Political Sciences on the University of Belgrade, **Daliborka Uljarević**, Executive Director of CCE, **Boris Marić**, CCE’s senior legal advisor and **Nikola Đonović**, CCE programme coordinator.

Prepared by Ž.Četković

President of the Board of Directors of Queer Montenegro
Danijel Kalezić

The best cure for homophobia is everyday visibility of LGBT persons

Despite significant progress since 2009, and better visibility of LGBT community, especially during the past year, a great number of LGBT persons are still hidden in the “closet” and living in fear, hiding their sexual orientation even from the closest family. The physical and verbal abuse, harassment, discrimination and rejection from the community are still the integral part of life of many LGBT persons in

Montenegro, President of the Board of Directors of Queer Montenegro **Danijel Kalezić** told *European Pulse*.

» *According to you, how can the situation of LGBT community be improved?*

Further improvements in the life of LGBT persons depend directly on a number of factors and require a range of new activities and improvements of the existing ones, with emphasis on whose projects whose effects will have an impact on the everyday life of LGBT persons.

On the one hand, the government should undertake more concrete and better quality activities to resolve the problems that have been identified over the course of last year, and which have been frequently brought up by the civil society. By this I mean above all the activities of the Prosecutor in classifying certain violations as hate crimes, as well as urgent changes to the way the Anti-Discrimination Council works and its attitude towards the implementation of the Strategy for Improving the Quality of Life of LGBT persons, as well as towards organizations which are critical and loud in attracting attention to problems and irregularities. On the other hand, as a LGBT rights activist I think that the best medicine for homophobia and transphobia is the visibility of LGBT community in everyday life. Last year's Pride proved that in taking down some of the prejudices against us. Homophobic clichés

Sooner or later the activities of Anti-Discrimination Council will lead to problems in the implementation of commitments under Chapter 23, unless something changes.

that there are no LGBT persons in Montenegro, that we immoral or a threat to the society, that Pride events are “Sodom and Gomorrah” are all “arguments” that some groups used in order to question the need for the protection of our human rights and stoke hatred against us. Now the Pride has rendered them all unusable. Increased visibility of LGBT persons has to continue with the organization of Pride, but also in everyday life, on the streets, in every space and area where it's possible.”

» *What do you think are the key steps institutions should take to meet the EU requirements concerning anti-discrimination policies contained in chapter 23?*

Aside from adopting an adequate legal framework, it is equally important to follow through in practice with everything that has so far remained but a dead letter.

At this moment there is a great deal of activity aimed at creating a good image for Montenegro in the eyes of the international community. All that would be fine if the country would actually implement those measures, the measure of whose success should be the extent of positive influence on the lives of discriminated groups. Unfortunately, this is still not the case in Montenegro. The lack of capacities of some institutions when it comes to fighting discrimination is clear, and has been confirmed on several occasions over the last few years. The fact that some of these institutions, like the Prosecution, do not see the problem and their own lack of capacities is damaging to the whole process. But we also have some positive examples



Danijel Kalezić

of institutions that have built up capacities over the last five years and have reached a highly professional level in this area, such as the Police Administration.

Sooner or later the activities of Anti-Discrimination Council will lead to problems in the implementation of commitments under Chapter 23, unless something changes. This year's Action Plan for the LGBT Strategy has been adopted without support from civil society organizations, and specific measures suggested by the NGOs have either been completely ignored or adopted in a significantly altered form, rendering them meaningless and granting full control over the process to the Government, i.e. the Anti-Discrimination Council. Despite the fact that Montenegro is one of very few countries to have adopted an official policy against homophobia and transphobia, the way the Council is acting has all but cancelled the advantage of having a policy.

» NGOs working against discrimination are divided, including those who are fighting to protect LGBT population. Is that because some of them have grown close to authorities, while others remain critical?

Different organizations have different policies

and approaches, and that is all part of democracy and pluralism. At the moment Montenegro has several LGBT organizations with different value systems, policies and approaches, and each is doing its work the way it thinks it should be done. Accordingly, some criticise and others support the government in certain areas. I believe that the Government is abusing this pluralism by choosing which organisation to involve in which areas, based on whether it thinks it can get their support. This practice is problematic for the entire process because it creates divisions in the civil sector, leads to discrimination against organisations which are known to be critical of irregularities, and allows Government to control civil society through these divisions. Such practices are unacceptable in a country which is on its way to EU membership, and certainly unimaginable in an EU member state.

V.Žugić

Prosecution will be to blame

» NGOs have protested on several occasions against the silence of the authorities, especially the police and the Prosecutor, concerning attacks on the members of the LGBT population. What do you think is the problem, should more work be done to educate civil servants?

After two Prides that were organised last year the prosecution demonstrated that it does not have the capacity to adequately deal with the hate crimes committed against LGBT persons. The lack of charges against some 2500 hooligans that tried to attack participants in the Prides show that the prosecution is a weak link in the chain of institutional battle against homophobia and transphobia, and by the same token in the proper implementation of requirements of chapter 23. Education of prosecutors about human and LGBT rights and about when and how an act qualifies as hate crime has never been so urgent. On the other hand, the lack of interest on the part of the prosecution to recognise its lack of capacities in this field has also never been greater. The Criminal Code is very clear on the matter of hate crime and the absence of any charges against the hooligans who were detained during the last Pride event, and the classification of their actions as "misdemeanours" has undermined all positive achievements in Montenegro with respect to human rights of LGBT persons. If the Prosecution doesn't do something to reform its approach to this matter, it will be held directly responsible for slowing down the process and undermining others efforts'.

EUR 300 per year from undeclared work



Europeans spend on average around EUR 200 on undeclared goods and services, while those working “black” earn on average EUR 300 a year from such activities. A new special

EC Eurobarometer shows that undeclared employment or work without a contract is still widespread in Europe, but that it is seen very differently from one member state to another. The European Commission is responding by building a platform with the goal of improving cooperation between the member states to help them fight undeclared employment more effectively.

In the last year, 11% of the respondents bought either goods or services on the “black” market. Of these, 60% said that they did it because of lower prices, and 22% said it was a favour to a friend, relative or a neighbour. The most popular services are house repairs, renovations, car repair, house cleaning, babysitting and food.

The share of respondents who bought undeclared goods or services was 30% in Greece, 29% in the Netherlands, 28% in Latvia, 23% in Denmark and Malta, but only 5% in Poland, 7% in Germany, and 8% in UK and Spain.

3% of the respondents admitted to receiving part of their salaries in cash, and most of them were employees of small firms. Comparison with data from 2007 shows that illegal employment has gone down, although in Spain and Slovenia there is a slight increase. At the same time Greece, Slovenia, Malta and Cyprus have experienced a spectacular increase in demand for undeclared work.

Socialists and conservatives tie



The latest public opinion poll shows that the two largest party “families”, socialists and conservatives, are going to win practically the same number of seats at the European Parliament

elections this May. The Social-democratic party (the Progressive Alliance of Socialists and Democrats) is expected to win 214 seats, and the centre-right EPP (European People's Party) 213. Other parties can expect to get between 40 and 60 votes, with the liberals (ALDE) expected to come in third. The analysts don't expect Eurosceptics to be as influential in the EP would appear from the pre-electoral media hype.

Employment much easier in northern parts of the EU



The European Vacancies Monitor (EVM) shows that employment opportunities in the northern part of the EU are much greater than in the southern parts. While countries

like Austria, Denmark, Sweden, Estonia and Latvia are struggling with labour shortages, in Greece, Spain and Slovakia the competition for available jobs is much fiercer. At the start of 2014 the EU had more than two million vacancies.

“Uneven opportunities for employment between the European North and South confirm the gap in the European labour market which is directly affected by the asymmetry of the euro zone. Mobility of labour could help to alleviate this imbalance”, said **László Andor**, European Commissioner for employment, social affairs and inclusion, adding that those seeking employment should make use of the available instruments such as the European employment service (EURES).

No one can stop the Greeks from smoking



The ban on smoking in public isn't an easy feat, considering the Greeks have ignored it for decades despite strict fines. Since 2002, Greece has adopted several laws banning smoking

in public places, and the authorities are again planning to have it scrupulously implement it. Deputy Minister of Health **Zeta Markis** told the Greek Parliament that even fines amounting to several thousand euro aren't doing much to stop the citizens from smoking. Markis said she personally saw doctors smoking in their offices during her visit to local health institutions. The situation is the same in most ministries, restaurants, bars and even educational institutions.

A tour of bribes and corruption



A grand tour of bribery and corruption is taking place in Bucharest. The organizers of one of the most influential documentary film festivals in Eastern Europe - "One world Romania" - are trying to raise awareness about corruption, the spectre that still haunts Eastern Europe 25 years after the fall of socialism. The tour starts in the rich part of town, where the guide is very optimistic about the future because the justice system has begun to prosecute even the high officials. "Along the places we visit in our tour we won't find anybody home, because most of them are in jail", says **Eugen Istodor**, writer and journalist acting as the tour guide. The visit starts in a street in Dorobanti neighbourhood, known for its luxurious stores and cafes. This is the place where a businessman bribed two former ministers of agriculture, **Decebal Remeş** and **Ioan Muresan** in order to influence the outcome of public procurement decisions in the "sausage scandal". Alongside EUR 15.000 in cash, Remeş was also given plum brandy and sausages for his services. Last year the two former ministers were sentenced to three years in jail. Combining humor and facts, the tour continues to the house of **Adrian Năstase**, the prime minister from 2000 to 2004 and the highest official since the fall of communism to be convicted and sentenced to jail for corruption. Năstase has been in prison since January because of bribe and embezzlement, and for using the embezzled funds to fund his election campaign. After stopping in front of a luxurious palace of the owner of Steaua football club **Gigi Becali**, sentenced to prison for corruption, the tour ends in front of the main Government building to present the files on the abuse of office. After so many years of evading justice, in 2013 a thousand persons were convicted of corruption, among them mayors, police officers and ministers. The number of convictions in 2006 was 155.



Visa-free regime for Moldova

Members of the European Union Schengen zone could soon abolish visas for the citizens of Moldova, allowing its 3.5 million citizens with biometric passports to travel to EU for short stays of up to three months. According to EC, the number of applications for short-term visas from Moldovans did not change much in the last four years, hovering between 50 000 and 55 000 per year.

Europe is losing its bumblebees



The International Union for Conservation of Nature (IUCN) said that nearly every fourth species of bumblebees in Europe is facing extinction, mostly because of climate change and more intensive farming. Experts have reached this conclusion after analyzing 68 species of bumblebees living in Europe. Their research has shown that 46% of all species is in decline, 29% stagnating and only 13% of all bumblebee species are showing a slight increase in numbers. Bumblebees, like bees are strongly affected by climate change, intensive farming and urbanisations, and their numbers are thus dwindling. This is a problem because pollination of wild and native plants like tomatoes and peppers isn't just necessary for their reproduction, but also affect the yield. IUCN points out that 3 out of 5 pollinating species in Europe are bumblebees. Bumblebees are especially used in the Netherlands for pollinating vegetables in closed greenhouses.

OLAF growing stronger



The European Anti-Fraud Office (OLAF) has stepped up the fight against financial misconduct across Europe, and in 2013 it received more calls for investigations from EU citizens and institutions than ever before. In the same year, OLAF completed a record number of investigations, reduced their duration and issued more recommendations than in any of the last five years. It also recommended that EUR 402, 8 million should be returned to the budget to help project financing and alleviate the burden on European taxpayers. At the same time, OLAF also helped the EU return EUR 117, 05 million to the budget - around 20 million more than in 2012.

Can the crisis in Ukraine affect European integration of the Western Balkans or its stability?

Crimea is a marginal issue

Brussels expects West Balkan countries to align their policies as much as possible to those of the EU, including foreign policy.

“The EU urges all third countries to join the position adopted by 28 EU member states. This also applies in the context of the current situation in Ukraine and sanctions that have been adopted”, **Maja Kocijančič**, port parole of the EU High Representative for Foreign Affairs, **Catherine Ashton**, told *Deutsche Welle*.

“This is especially important for candidate and potential candidate countries. The decision is up to them, but countries that have signed the Stabilization and Association Agreement have undertaken commitment to align their foreign policy to that of the EU. The end goal is to make this harmonization as complete as possible”, Kocijančič added.

Among the West Balkan countries, Montenegro and Albania supported the EU position on Ukraine. Macedonia did not state its position, and Belgrade is still “balancing” between Brussels and Moscow. In BiH there is no consensus on this, like on most other issues, but President of Republika Srpska **Milorad Dodik** says he supports the “democratic expression of the people’s will in Crimea”.

Although Brussels keeps saying that countries which are seeking EU membership do not have a legal obligation to support such decisions taken by the EU member states, it also says that the commitments undertaken under Stabilization and Association Agreements are being “carefully monitored” and will have “an impact” on the countries’ annual progress reports. However, European analysts don’t

Although the European Union expects all countries of the Western Balkans to approach its position on Ukraine, Brussels doesn’t believe that the crisis in Ukraine will have an influence on the European integration process, nor that will it affect regional stability. The EU does expect West Balkan countries to align their policies as much as possible to those of the EU, including foreign policy and international affairs. This is why bilateral contact were made with all countries of the region regarding the situation in Ukraine to communicate EU’s position on this matter.

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“Alignment of West Balkans countries’ foreign policies with those of EU is desirable, but at the moment it is neither necessary nor decisive”, says the Head of Independent Diplomats group Nicholas Whyte

expect the crisis in Ukraine to have a major impact on EU integration of Western Balkans. “Alignment of West Balkans countries’ foreign policies with those of EU is desirable, but at the moment it is neither necessary nor decisive”, says the Head of Independent Diplomats group **Nicholas Whyte**.

Diplomatic sources in Brussels say that the EU still expects countries that want membership to align their positions on Ukraine with those of EU, but add that the EU understands the “gravity of the situation” for Serbia and BiH. BiH is thus expected to “clarify its internal procedures”, and Belgrade is expected to “take a somewhat clearer stance” and stop hiding behind the as of yet unformed government. “In my opinion, Serbia is most likely the next one to join EU, ahead of Montenegro or Albania. At this moment I don’t see any changes as a result of the situation in Ukraine”, **Michael Emerson**, an analyst in the Centre for European Political Studies in Brussels told *DW*.

Experts on the region in Brussels do not think that the situation in Crimea can cause any sort of destabilization in the Western Balkans. The Centre for European Political Studies says that the EU shouldn’t comment on the statement by Republika Srpska President Dodik of how the Republic is “keeping an eye on what is going on in the world” and how “best practices will be applied when the time is right” or make any connection between these statements and the situation in Ukraine. “I don’t think that such messages from Republica Srpska should be taken seriously by the EU, or by Serbia or



Croatia”, Emerson told *DW*.

Arguments about “self-determination and referendum were widespread before”, says Nicholas Whyte and adds that “*Republika Srpska has not changed its status when Montenegro became independent, nor when Kosovo declared independence, nor when South Sudan did it. If anything, the EU’s reaction has now made it clear that changing interstate borders by such means will not be tolerated by the international community*”.

Whyte says that in various parts of the Balkans it is now common to hear that “Russia has now shown it is on their side”. What we have here is “excessive optimism”, says Whyte: “That is simply not true because Russia is only on its own side and no one else’s.”

Chapter 15: Energy

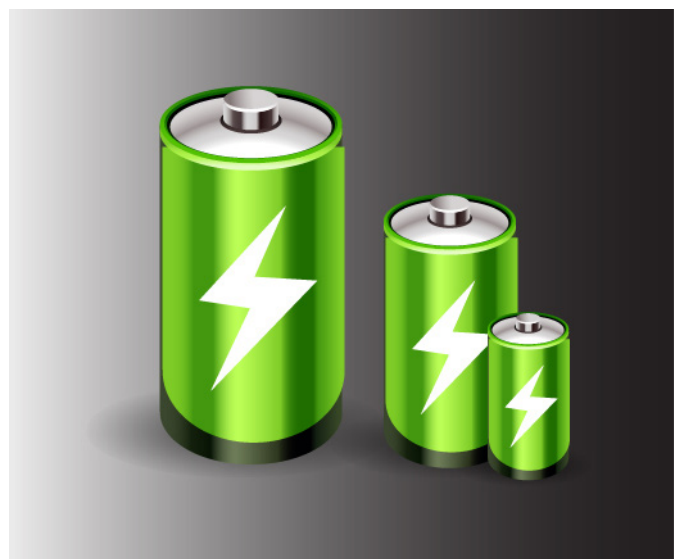


Eliška Veselá

Negotiation chapter 15 refers to alignment of the national strategy for energy development with standards and priorities of the European Union in the field of energy policy, through definition of an adequate legal framework and its implementation in practice. EU energy policy covers a wide range of issues, such as competition and state aid (including the coal sector), the internal market for energy and the question of equal access, improvement of renewable energy sources, energy efficiency, nuclear energy and nuclear safety, emergency protocols and commitments linked to safety and protection from radiation.

The main goals of the EU policy are listed in the Strategy Energy 2020, and classified under 5 priorities: achieve an energy-efficient Europe; implement a pan-European common market; protect consumers by ensuring the highest possible level of safety; advance European competitiveness in energy technology and innovation; and reinforce the external dimension of EU's market for energy. EU's plan for energy efficiency and reduction of pollution is summarized in the slogan "3 times 20 by 2020". That means a 20% increase in energy efficiency, 20% reduction of emissions and, 20% increase in the use of energy from renewable sources by the year 2020.

Alongside these EU goals, Montenegro also set own priorities concerning energy. The first is the security of supply, i.e. a consistent, safe, high-quality and diversified energy supply to balance the supply with consumer demand. The second goal is to develop a competitive market in the sense of establishing a liberalized, non-discriminatory, competitive and open energy market based on transparent rules, and create competition in market activities (production and supply of electrical energy and natural gas), liberalization of prices, i.e. achieving a situation in which the prices are entirely set by the market, and allowing for entry of new energy actors (producers, suppliers, traders). The third goal is to achieve a sustainable development of energy based on accelerated, but rational reliance on own energy sources with due consideration for the principles of environmental sustainability, greater energy efficiency (EE) and greater use of renewable energy sources (RES).



As already noted, in 2010 the EU adopted Energy 2020 - a strategy for a competitive, sustainable and safe energy, creating a framework for EU energy policy and setting priorities for the next ten years. It also outlined the activities that should be undertaken in the implementation of this framework. According to this strategy, the EU has set 5 priorities that ought to be addressed. *Energy efficiency* is one of the first goals for 2020, and refers to efficient use of energy, i.e. a reduction of energy use by 20% as well as keeping the related costs to the minimum. *Free movement of energy* should be guaranteed, and here one of the goals will be to decide what type of infrastructure should be developed to ensure the functioning of the common market, all the while taking into account that energy and gas transport infrastructure often crosses national borders, the decisions taken by one country will affect everybody else. In addition to this, *a functioning common market* is necessary in order to ensure supply in times of crisis. Furthermore, energy must be supplied safely to all citizens and firms at an affordable price. All this should be accompanied by adequate technical reforms, which means, among other, introducing second generation biofuels, capturing carbon dioxide, developing the next generation of nuclear and renewable heating and cooling. Last but not least *is achieving a strong international partnership*, especially with neighbouring countries, so as to successfully tackle obstacles and achieve the



main goals of EU's energy policy – *supply safety, competitiveness and sustainability*.

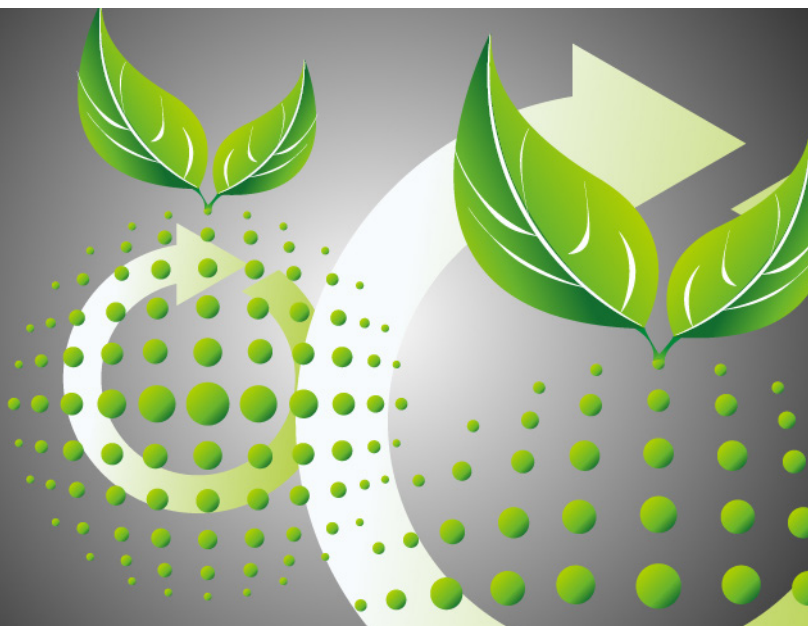
In that respect, Montenegro has made certain progress and introduced changes aimed at harmonization of the national strategy with that of the EU. However, more remains to be done. With regard to security of supply, EU *acquis* instructs the member states to maintain reserves of certain categories of fuels up to the amount equal to twenty days of average consumption in the previous year. Montenegro's Law on energy from 2010 incorporates this requirement in the clause on reserves. The European Commission obliges the member states to guarantee a free, functional common market, which means liberalization of markets for electricity and gas and ensuring the principles of transparency, non-discrimination, third party access, cross-border transport, safety of supply and sustainability. The states should guarantee universal service and provide appropriate protection for weaker consumers. When it comes to public authorities, it will be necessary to establish an independent regulatory body that will be responsible for efficient functioning of the market and for independent management of the system of transfer. According to the 2011 Progress Report on Montenegro there has been little progress in the field of the internal energy market, and many issues remain to be resolved. The transparency of operations of the transmission company should be improved, and the Energy Regulatory Agency should fulfil a series of preconditions for establishing a functioning energy market. Although *acquis* requires their legal unbundling, the distribution company remains integrated in the Montenegrin Electric

Enterprise (EPCG), and is scheduled to be separated in 2012. Montenegro is also criticised for having electricity prices which do not cover costs, something that is seen as an obstacle to genuine opening of the market. As for gas, no gas infrastructure has been built and no legislation concerning the gas market has been adopted.

Because of high consumption and the possible effect it can have on the environment, sustainable energy sources and efficiency are the main concerns in the field of energy consumption today. The EU *acquis* specifies requirements in the field of biofuels, electricity from renewable sources, improving energy efficiency of buildings, energy services and so on. Products using electricity must meet a set of eco design requirements; household devices must have labels stating their energy efficiency. Montenegro has adopted laws whose aim is to align its national regulation with directives on renewable energy sources and co-generation, but it should also increase its use of energy from renewable sources (water, wind, solar and biomass). As part of its efforts to promote renewable energy sources and efficiency, the Government of Montenegro also adopted the National action plan for energy efficiency for the period 2010-2012.

According to the 2011 Progress Report on Montenegro, progress has been made regarding nuclear energy, nuclear safety and radiation protection. Montenegro has ratified the Joint Convention on the safety of spent fuel management and the safety of radioactive waste management. A national emergency plan for





radiation/nuclear accidents was adopted by the Ministry of Interior in March 2011. Despite these advances, there is still no programme of environmental monitoring of radioactivity in compliance with Euratom Treaty, and the licence for the storage facility for radioactive waste has not been issued. Regarding administrative capacity, there is still no specific department assigned to nuclear issues within the Environmental Protection Agency and staffing levels devoted to radiation protection management with the Agency are insufficient. Furthermore, there is no separate or ring-fenced budget for regulation in this area.

Overall, some progress can be reported in the area of energy. A new strategy on energy policy until 2030 was adopted. However, further efforts are needed to implement to transpose the EU energy acquis and increase use of renewable energy sources. Unfortunately, administrative capacity is still limited in all sectors.

Stabilisation and Association Agreement

(SAA) between Montenegro and EU defines cooperation in the field of energy policy (including modernisation of infrastructure, improvement and diversification of supply and better access to the market for energy); promoting energy saving, energy efficiency, renewable energy; and creating preconditions for restructuring of energy companies and cooperation between enterprises in this area. Cooperation is also expected in the field of nuclear safety, which should include improvements to the law on the protection from radiation and nuclear safety, strengthening supervisory authorities and their resources, encouraging cooperation between Montenegro and EU member states on emergency protocols and other issues in the field of nuclear safety, as well as with regard to the nuclear responsibilities of third parties.

As stated in the Treaty on EU, the goal of EU energy policy is to “establish a functioning energy market, provide a safe supply of energy to the Union, encourage energy efficiency and savings, develop new and renewable forms of energy and connect European energy networks”. However, any measure adopted by the EU institutions to achieve these goals “does not affect the right of the member states to set the conditions for exploitation of own energy resources, its right to choose between different sources of energy, or the general structure of its energy supply”.

In other words, aligning itself with EU requirements, Montenegro will not lose its independence in energy matters. Harmonisation of its legal framework with that of EU ought to be completed in order to help the EU increase its energy competitiveness. However, the EU is not the only winner here: the use of these measures will bring enormous benefits to Montenegro in the form of improved living standards for its citizens.

Chapter 16: Taxes



Vera Šćepanović

The tax policy in the EU is still mostly decided by member states, which means that the alignment processes, and therefore the commitments to be undertaken by the candidate countries, are mostly limited to coordination of those areas that could violate the principles of free competition in the single market. This means, above all, bans on double taxation (for example, zero tax rate on exports so that the same product or service cannot be taxed both in the home country and in the country to whose market it is being exported), prohibition of discrimination, i.e. different tax rates on similar products depending on the origin, introduction of a minimum threshold for some taxes in order to prevent unfair competition and so on.

Negotiations on taxation policy are therefore usually limited to *indirect taxes* (value added and excise taxes), *special cases of direct taxation* such as taxes on profits and dividends, *administrative cooperation and mutual assistance*, and the related measures for the improvement of the *operative capacity and computerization* of the tax system.

Montenegrin tax system differs in many ways from the tax systems common in the developed European countries: the tax rates are very low, and the main sources of revenue are indirect taxes. Value added tax (VAT) and excise duties make up for 76% of total state revenue from taxes, compared to the EU average of 38.6%. On the other hand, profit and income are taxed with the same marginal rate of 9%, which is lower than in any EU member state. In principle, the European Commission does not have the authority to ask the candidates to restructure their structure of taxation of change the tax rates, except in the very narrowly defined areas of the *acquis*. However, the EU can recommend a review of taxation policy in case the current system is not enough to cover or reduce the budget deficit. The area most rigorously regulated by common legislation is the field of indirect taxation, i.e. the value added tax and excises. The EU rules stipulate that the base VAT rate must not be lower than 15%, except for some product categories (food and other basic goods, orthopedic products, baby food, textbooks and learning equipment, etc.), which can be taxed at a rate of at least 5%. The tax minimum was adopted in the hope of advancing price harmonization across the common EU market. In addition to VAT, the EU also sets minimum



rates for excise taxes on three groups of products: tobacco, alcoholic beverages and energy, so as to control competition and promote energy saving and transition towards renewable fuels. Other than that, a country may also introduce excise taxes on other products without seeking approval from EU institutions.

Since VAT was introduced in 2001, Montenegrin tax policy with regard to indirect taxes was gradually adjusted with that of the EU, and is largely in line with the *acquis*. The 17% base tax rate is among the lowest in the Union (21% being the EU average), but still above the required minimum. The structure of products that are subject to reduced VAT rates is also in line with EU requirements, with minor exceptions such as medicines and medical equipment paid through the state Health Insurance Fund. These have so far been taxed at a 0% rate, which contradicts the EU regulations (the minimum rate is 5%). One major exception is the sale of land, including construction land, which according to the current legislation is not subject to VAT. The government of Montenegro has asked the EU to postpone harmonization in this area because of the difficulties in the construction sector. For similar reasons, Croatia managed to postpone the introduction of VAT on sale of land until the end of 2014. In other words, even if VAT will have to be introduced for such transactions sooner or later, the timeframe is subject to negotiation.



The biggest barrier to harmonization in this field are the excise taxes. Montenegrin law on excise duties includes taxes on tobacco products, alcohol, and oil and its derivatives according to EU definitions, but it does not include other energy products such as electricity, coal, coke and natural gas. Considering that introduction of these duties is likely to raise energy prices, as well as the fact that Montenegro uses very little energy from renewable sources which are subject to different regulations, the Government is most likely to ask for a transition period in order to gradually align its excise duties to those of the EU.

While the structure of excise duties on tobacco products and alcoholic beverages is in line with those of the EU, the tax rate is still far below the prescribed minimum. For example, the minimum excise duty on cigarettes in the European Union is EUR 64 per 1000 cigarettes, while in Montenegro this amount is nearly five times lower. The Government of Montenegro promised to gradually align the excise rates, and in 2011 the duty was raised from EUR 5 TO EUR 10, and in 2012 from EUR 10 to EUR 15 per 1000 cigarettes. The timeframe for full harmonization can be negotiated: Croatia, for instance, has won a 4-year transition period, which means that the final rate for the alignment of excise duties on cigarettes in this country is late 2017.

Regulation on direct taxes mostly refers to avoidance of double taxation in cross-border undertakings. That usually means regulations on dividends, interest rates, changing status of legal entities and their affiliates (e.g. local affiliates of foreign companies). The Stabilisation and Association Agreement (SAA) has already begun harmonisation in these areas. Most forms of tax discrimination between domestic and imported products and between citizens and foreign nationals have already been removed, and Montenegro's legislation in these areas is mostly in line with the *acquis*.

However, in addition to these specific requirements,





the European Commission underlines the political commitment to the adoption of a “business code of conduct” which ought to limit harmful competition between member states. This kind of competition is reflected in, for instance, tax privileges for certain categories of investors or in using exceptionally low tax rates to attract foreign investors. Corporate income taxes are lower in Montenegro than in any EU member state (9% as opposed to the European average of 23.5%). Although there is no minimum requirement for the corporate income tax, countries that insist on keeping low rates (e.g. Ireland 12.5%, Bulgaria 10%, Cyprus 10%) have to cope with the pressure from other EU members, especially when they are forced to ask for additional financial support. The 2011 Progress Report on Montenegro warns that so far the principles of “business code of conduct” have not been taken into account and that it is necessary to conduct a thorough review of Montenegro’s tax policy in order to identify potentially problematic rules.

Finally, regulations concerning administrative cooperation and mutual assistance have the goal of increasing the transparency and efficiency of the tax system, and fostering exchange of information with EU member states, in order to facilitate implementation of measures for the preventing tax fraud and tax evasion. Montenegro has been gradually developing a network of bilateral agreements with EU member states and countries of the region. Further advancements in this field will require introduction of specialised systems for electronic exchange of data, as well as registration and collection of information on taxpayers. Montenegro has already centralised the customs register, value added tax and excise duties and transferred them to the electronic system which ensures easier collection and processing of data. Among other, this has also brought some advantages to the citizens who are now able to file their taxes electronically. However, as in many other areas, the European Commission warns that the successful functioning of these systems will require further strengthening of administrative capacities. Finally, while much progress was achieved in technical aspects, more effort will be needed to achieve adequate transparency and internal control of Tax Administration.

The EU largely leaves it to its members to decide how to collect and spend their taxpayers’ money. The harmonization process is thus limited to those areas that can affect cross-border business and the functioning of the common EU market. The effects on the everyday life of the citizens are likely to be small, although some improvement in the effectiveness of Tax Administration can be expected, possibly leading to a better state of public finances.

Despite the widespread belief that with the accession to EU “everything will get more expensive”, in reality the regulations that cover harmonisation of value added tax only concern a small number of products.

In Montenegro’s case, one should expect a gradual rise in the price of cigarettes, alcohol, electricity and fossil fuels. In order to minimize negative effects on the citizens, the Government should probably ask for a transition period for the implementation of excise duties on energy products, and find ways to increase the consumption of energy from renewable sources.

The crisis in Ukraine reveals EU's dependence on its increasingly unpredictable eastern neighbour – Russia

A tough customer



Russia's annexation of Crimea and its continued pressure on the new Ukrainian government have placed the European Union in a tight spot. The use of military force in the EU's backyard and Moscow's open disregard for international borders is a challenge the Union cannot leave unanswered, but its space for manoeuvre is limited. The pressure from US to punish Russia with tougher economic sanctions has only revealed the extent of EU's own dependence on its increasingly unpredictable Eastern neighbour.

Energy is the EU's biggest problem. The block as a whole imports about a quarter of its oil and gas from Russia, but this figure can be as high as 40% for Germany, and close to 100% for Finland, Poland, Hungary, Slovakia, Bulgaria and the Baltic states. To prevent an economic meltdown in case Russia decides to enter a full-scale energy trade war, at an emergency summit in late March the leaders of the EU member states asked the European Commission to come up with a plan for decreasing Europe's dependence on imported energy, especially from Russia.

This is easier said than done. In the short run, the EU could try to increase imports from other sources, such as Azerbaijan and North Africa, but most of the necessary infrastructure is still in the planning stage. The same is true of the project to import gas from the USA, where the

EU as a whole imports about a quarter of its oil and gas from Russia, but this figure can be as high as 40% for Germany, and close to 100% for Finland, Poland, Hungary, Slovakia, Bulgaria and the Baltic states.

advances in the exploitation of shale gas have recently resulted in a huge increase in domestic production. Moreover, exports of the US shale gas are politically problematic, as most Americans believe that instead of selling it abroad, the gas reserves should go towards decreasing the US' own dependence on Middle Eastern oil. If it is sold abroad, analysts say the natural destination for US exports should not be Europe, but Asia, where the gas prices are higher.

Nor would diversified imports solve European problems in the long run. The Council President **Herman Van Rompuy** has warned that if EU leaders didn't find a more systemic solution, by 2035 the Union would be dependent on foreign exports for up to 80% of its oil and gas. This would make the EU's economy even more vulnerable to disruptions in supply and volatility in world energy prices. Rompuy insists that the EU should instead try to spend less energy, by increasing the efficiency of consumption, and expand its reliance on domestic sources of energy, especially renewables.

The renewables have long been the holy grail of the EU's energy policy, but for the moment they still account for only 14% of total consumption. The production costs are still substantial, and it would be difficult to step up their share in the short run without increasing the costs for consumers. Moreover, the push to make EU's energy consumption more environment friendly has in the short run actually led to more export dependence, as the continent took steps to wind

The EU is facing several contradictory demands: reducing dependence on imports, protecting the environment, and keeping the energy costs low.

down its only cheap local alternative – nuclear power. For the same reason, the EU has been reluctant to allow domestic exploitation of shale gas, which is known to cause severe environmental problems, including contamination of drinking water. Now, however, it may have to compromise some of its environmental goals in order not to jeopardize the fragile economic recovery. Businesses associations have long been calling for a turn to shale gas in order to decrease energy costs. **Markus Beyrer**, the secretary general of *BusinessEurope*, has called on the EU leaders to be “less emotional” about the exploration and extraction of shale gas. Their views have recently received loud support from the UK Prime Minister **David Cameron** who announced that it was Britain’s “duty” to use its reserves. Other EU leaders, such as Germany’s **Angela Merkel** have been more guarded. Although she didn’t discard the option of developing shale gas in Europe, Merkel emphasised that the most important task now will be to cut down energy consumption by measures of energy efficiency.

The EU, in other words, is stuck between three very different goals: reducing dependence on imports, protecting the environment, and keeping the energy costs low. Either of these goals is sufficiently demanding on its own, and would require time and coordinated efforts from all EU members, but together they make the task seem almost impossible. This is especially since it seems that the crisis in Ukraine, instead of forcing the EU members to close the ranks, has only added to the confusion, with each country trying to minimize the impact in its own area of interest.

The most vulnerable are the EU’s East European members. While some of them, like the Baltics, are terrified of Russia’s irredentist ambitions and would like to a firm response from the Western powers, they are also the most dependent on Russian energy. Some of these countries, like Bulgaria, have also insisted that the EU should minimize the sanctions. Quite apart from its current dependence, Bulgaria was also hoping to benefit from the construction of another Russian-sponsored “South-stream” pipeline, the construction of which has now been frozen. Latvia, Cyprus and Bulgaria also insist that the EU should compensate countries hurt by sanctions. Latvian Finance Minister **Andris Vīks** said that the money should come from the EU

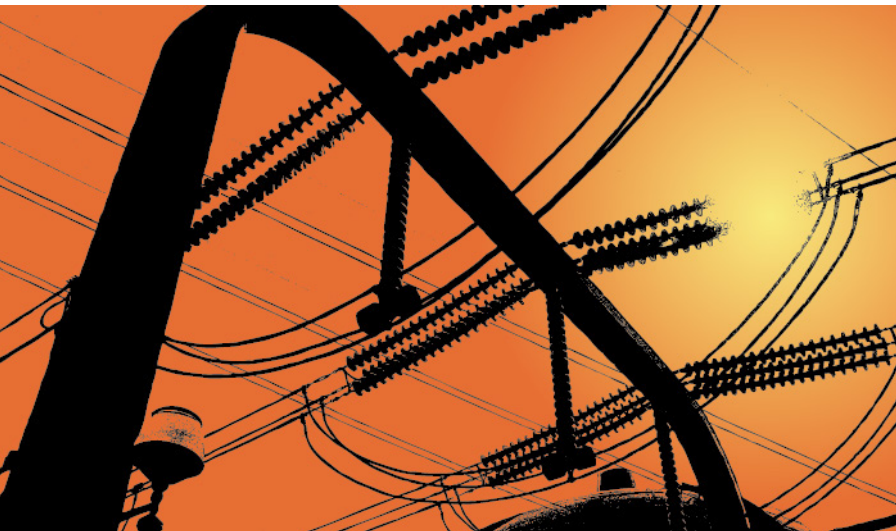
In the medium term, the EU’s best chance to avoid the disastrous consequences of an energy embargo is the hope that Russia would lose even more from cutting off its best customer.

Solidarity Fund, which normally provides financial assistance in the case of natural disasters. But EU diplomats told *EurActiv* that the European Union didn’t have the resources to compensate for losses incurred by Russian retaliation.

Others are ready to throw environmental concerns to the winds in order to diminish Russia’s influence. Romania demands “sanctions to the hilt”, fearing that Russia’s appetites may extend to Transdnistria and Romanian-speaking Moldova. Just like Poland, Romania has also begun work on the local shale extraction projects. Other countries, like the Czech Republic and Hungary, are developing new reactors in order to minimise their dependence on fossil fuels. Ironically enough, however, the new reactor which is to help Hungary lower its dependence on Russia’s oil is also built by a Russian company and with a loan from the Russian government. In the Czech Republic, where the tender for the construction of a new reaction at the Temelín nuclear power plant is still under way, the Prime Minister **Bohuslav Sobotka** criticised the public announcement of a few high ranking politicians that they will not support the Russian bid, and warned that despite developments in Crimea, the Czech Republic “cannot stop its trade relations with Russia”. Even in the UK, whose Prime Minister is the foremost advocate of a hard line towards Russia, leaked internal document show concerns regarding the effects of sanctions on the UK’s financial interests. At the beginning of the Ukrainian crisis, some analysts have expressed hopes that the shock of the Crimean annexation might speed up Europe’s efforts to develop a unified and decisive energy policy. Given the conflicting priorities, however, and the scramble of each member states to protect its own interests, it seems that for the time moment it might do exactly the opposite. In the medium term, the EU’s best chance to avoid the disastrous consequences of an energy embargo is the hope that Russia would lose even more from cutting off its best customer.

New power-plant constructions in the region risk violating EU emission restrictions

Do we need new power plants right now?



Even though they have been approved by the Energy Community, the new coal-based power plants in accession countries risk violating EU emission restrictions if they are built in accordance with the current plans. From 2018, members of Energy Community will have to follow European regulations on industrial emissions and pollution. At the moment, however, power plants like “Kolubara B” in Serbia, “Pljevlja II” in Montenegro and “Tuzla 7”, “Stanari”, and “Banovići” in Bosnia and Herzegovina (BiH) will probably violate these regulations. Experts say that technology in these power plants would have to be adapted and tuned at the last moment. The Energy Community Treaty from October 2013 binds all countries of the Western Balkans, Moldova and Ukraine to act in accordance with Chapter III EU Directives regarding industrial emission and pollution, starting 1 January 2018.

However, according to the analysts of legal consultancy “Frank Bold”, at least five new lignite-based thermal power plants in Serbia, Bosnia and Herzegovina and Montenegro will fail to comply with the directive. **Kristina Šabova**, one of *Frank Bold’s* lawyers, says that “in practice that means that there is a big risk of unforeseen costs for investors in these power plants, as well as for consumers, because

they will require last minute changes in order to comply with the new 2018 technological standard”. She added that governments in the region have to understand that they will not be able to avoid application of European directives to the new power plants.

Potential environmental and health hazards of the prospective new coal based power plants have already caused protests by environmental activists in Ukraine. Ukraine is known for its low regulatory standards on dangerous pollutants, such as nitric oxide (NOx) and sulphur dioxide (SO2). The ‘green’ non-governmental organisation Health and Environment Alliance (HEAL) estimates that these pollutants are responsible for 18,200 untimely deaths in Europe every year and for about 8,500 new cases of chronic bronchitis, reports *EurActiv.com*.

The planned lignite based power plant “Stanari”, which is being built by the BiH company EFT, received an operating permit that allows for two to three times higher emission of SO2, NOx and dust than stipulated by the binding regulations adopted by the Energy Community. The Energy Community is currently reviewing a complaint against the “Stanari” power plant filed in January by the



11 member states exceed limits

The latest data show that a number of EU member states still exceed the prescribed air pollution limit. According to the European Environment Agency, in 2012 the most common violations concerned limits on nitric oxides, just like in the previous years. Nitric oxide air pollution is caused primarily by road traffic. Luxembourg is the only EU member to break limits on two pollutants. Nevertheless, in EU as a whole the emissions of four leading air pollutants have declined in 2012.

According to the European Directive on National Border Emission Ceilings, the EU member states must observe limits on four types of pollutants: sulfur dioxide (SO₂), nitric oxide (NO_x), ammonia (NH₃) and non-methane volatile organic compounds (NMVOC). The latest official research shows that in 2012 11 Union members have exceeded at least one of these limits, up from ten in 2011.

Centre for Environment of Banja Luka. The CEE Bankwatch Network researcher **Pippa Gallop** says that if such projects continue while other European countries continue to discourage the use of coal, the new Industrial Emissions Directive will become a “minimal legal requirement” for the region.

CEE Bankwatch Network monitors used international financial institutions in Central and Eastern Europe.

Gallopp believes that the governments in the Balkans should understand that all countries wishing to become a part of the European Union will have to expect further changes in

laws on environment and climate that will “almost certainly” affect their investments in coal industry. “Also, governments and investors in this region have to understand that the construction of new coal based power plants is no longer a good business opportunity, considering the high price paid in climate change and health, as well as the high rate of failure of such projects”, Gallopp said.

Source: euraktiv.rs

Leading pollutants

The European Environment Agency (EEA) lists the following elements among the leading pollutants with a detrimental impact on human health system and the ecosystem:

- Nitric oxide (NO_x): emitted during fuel combustion, as well as in power plants and vehicles. Of all NO_x chemicals, NO₂ is considered most dangerous for human health;*
- Sulfur dioxide (SO₂): emitted when fuel contains sulfur. As with NO_x, SO₂ can cause acid rains and the formation of small particles;*
- Ammonia (NH₃): as with NO_x and SO₂, ammonium pollutes the ecosystem. Around 94% of the emission of NH₃ in Europe comes from farming;*
- Non Methane volatile compounds (NMVOC): emitted in industry, road traffic, and dry cleaning;*
- Particles (PM): particles from smoke, dust and dirt (PM₁₀) and fine particles from metal and toxic exhaust gases from vehicles, power plants, smelters and so on (PM_{2.5});*
- Organic micro-pollutants: benzene, polycyclic aromatic hydrocarbons (PAH), dioxins. Emitted during fuel after burn, waste and in industrial processing.*
- Carbon dioxide (CO₂): occurs when burning fuels such as coal, oil, gas and biomass for industrial or traffic purposes, as well as in households. It is one of the leading gasses to cause the greenhouse effect and influence climate change.*

Ethics and the war on corruption

On 23 March 2014, Centre for Civic Education (CCE) organized a round table in cooperation with UK Embassy in Podgorica on the topic of *“Ethics and the war on corruption”*.

Daliborka Uljarević, executive director of Centre for Civic Education opened the meeting with the statement that *“Establishing ethics codes and bodies for their implementation should not only be a duty Montenegro undertook in its negotiations with the EU, but also part of our own need to organise our society on long-term sustainable foundations. Of course the European integration is speeding up the process. Obeying the code of ethics is systemically related to the plans for integrity, prevention of the conflict of interests and fight against corruption. The current practice reveals an unbalanced system, both in terms of rationales and in terms of content and implementation.”* She added that *“political corruption that effectively maintains the entire corrupt system is the largest obstacle to its recovery”*.

Branka Lakočević of the Montenegrin Ministry of Justice who heads the Working Group for Chapter 23 pointed out that the adoption of ethical codes is a way of putting a leash on public servants and of aligning their behaviour with public expectations. She also said that *“Laws should be obeyed, and ethics used to guide action in those areas where legal regulations are limited or ambiguous”*, she said, adding that no ethics code can prevent unethical behaviour, and that commitment to the job cannot be bought. *“The promotion of ethics standards is important, in the process of democratization as it is in the process of joining the EU. Establishing such codes in all fields is an extremely important component of coding the standards of behaviour”*.

Lyndon Radnedge, Deputy Head of Mission in the UK Embassy to Montenegro said that all those who work in public administration and are paid from the public coffers carry a great responsibility to their office and to the citizens, because the citizens entrusted them with this role and the only way to keep this trust is to act in accordance with the code and genuinely serve the citizens.

At the first panel session – *Codes of ethics for judiciary: the importance and implementation* – **Stanka Vučinić**, Deputy President of the Supreme Court of Montenegro revisited the principles that ought to guide the work of the judges, primarily the principles of independence and autonomy, and adherence to the law, the Constitution and international conventions. She added that judges should be bound by ethics, and that ethics in judiciary should be boosted by procedures to assess the ethical aspects of a judges behaviour before a committee, by reference to specific examples of violations of the ethics codes. **Evica Durutović**, judge of the Higher Court and representative of the Montenegrin Judges Association said that each judge should refrain from taking any action that could compromise his or her role as judge. *“Being independent should not be understood as a right and privilege to work in our own interest.”* In the course of the discussion, attorney **Goran Rodić** pointed out that ethics is a complex topic and that one thing put on paper can become something entirely different in practice. *“The way the society perceives the justice system is well known. They see it a system with deeply flawed values, which is reinforced by the recruitment and promotion practices which exist in the system, which is why its performance is what it is”*, Rodić said. He also raised the question of responsibility for the dismal performance in this area.

During the second session – The notion of parliamentary ethics: The possibility of introducing a code of ethics for MPs in the Parliament of Montenegro in accordance with the ethics code of the European Parliament - DPS representative **Branka Tanasijević** said that all MPs ought to support introduction of a code like that, because the legal framework leaves a lot of room for this type of regulation. **Goran Danilović** from the Democratic Front said that the Research Centre of the Parliament of Montenegro conducted a comparative analysis of existing ethics codes, which could serve as a good foundation for developing a code for Montenegrin MPs. He suggested that one way of resolving many of the issues of ethics within the parliament would be to observe the rules of parliamentary proceedings, and the law on the prevention of the conflict of interests, but that we are certainly also in need of a Law on the Parliament that would “*sanction the lack of effort*”.

Mladen Bojanić from Positive Montenegro pointed out that Action Plan for Chapter 23 stipulates the plan to produce a code for MPs and announced that preparations of this could begin already in June. **Aleksandar Damjanović** from SNP thinks that honouring the Code would be meaningless unless “*we respect each other and thus contribute to strengthen the institution in which all of us work, and make this institution work to sanction inappropriate behaviour of all MPs*”. **Rifat Rastoder** from SDP agreed that it is far from commendable that Montenegro “*does not have any sort of instrument with which to regulate the behaviour of MPs*”, that there had been initiatives in the past to correct this problem, and that he expects them to pick up the pace in the near future.

The third session focused on the *Ethics code for executive authorities and corruption risk management*. **Jovana Marović**, member of Working Group for chapter 23 from Institute Alternative said that the aim of an ethics code is to boost the trust of the citizens, which is fairly low at the moment. According to her, the latest opinion polls show that 50% of the public does not trust its ministries and thinks that all state authorities are under political influence. **Boris Marić**, member of the Working Group for chapter 23 from CGO said that *the lack of complaints for violations of the ethics code is an obvious problem in the judiciary, while the prosecution only has an internal ethics code and needs to open up its work to the public*. The parliament, according to him, urgently needs an ethics code that would be modelled after the code that exists for Members of European Parliament.

The round table was well attended, marked by dynamic discussions. Close to 80 citizens showed interest in the debate, among them a large number of lawyers, prosecutors, judges, MPs, government representatives, NGO activists, members of local administrations, diplomatic corps etc. This suggests that the topic is very current and that there is an interest of discussing it further.

Intergenerational study of Active European Citizenship

Between 17 and 19 March 2014 organisations participating in the project “*Intergenerational study for Active European Citizenship*”, met in Vimmerby, Sweden with the goal of adopting an action strategy for partner organizations in this project, and producing a general framework for a joint publication that should be presented at the closing conference in Torino in November 2014. The meeting was attended by representatives of partner organisations: C.I.E. Piemonte (Italy), The Centre of Civic Education (Montenegro), Eurocircle (France), International Platform for Citizen Participation (Bulgaria), The Social Academy (Bulgaria), Vimmerby Folkhogskola (Sweden). CCE programme associate **Vladimir Vučković** represented the Centre for Civic Education at the meeting.

2014-2018 Strategy for communicating the EU to the public and preparing Montenegro for membership

Ministry of Foreign Affairs and European Integration, Centre for Civic Education (CCE), European movement in Montenegro (EMiM) and Centre for Democratic Transition (CDT), with the support of UNDP Development Program organised on 17 March 2014 a round table on the topic of *“2014-2018 Strategy for communicating EU to the public and preparing Montenegro for membership”*. The meeting was opened by **Aleksandar Andrija Pejović**, Chief Negotiator on Montenegro's accession to EU; **Mitja Drobnič**, Head of the EU Delegation to Montenegro and **Rastislav Vrbenski**, permanent UNDP representative in Montenegro. **Pejović** pointed out that the integration process will bring tectonic changes to basic values, and that it is extremely important for the public to know what these changes will be and how to contribute to strengthening the role of Montenegro in Europe and the world and in developing the social and economic system. He announced that the main goal of the communication strategy in the near future will be to help the public understand the duties and responsibilities, as well as the benefits of membership through the three pillars of European Integration: the course of accession negotiations, implementation of the Stabilization and Association Agreement and EU's assistance programmes. *„The strategy offers guidelines to all partners in the process in order to achieve a coordinated, comprehensive and high quality communication with the citizens, especially when it comes to common initiative and projects which will be implemented as part of the annual action plan”*, **Pejović** said.

Mitja Drobnič pointed to the importance of the Strategy in the complex process of accession, especially when it comes to its most complicated phase – negotiations. He also noted that the strategy could contribute to better understanding of economic and social changes and benefits brought by EU membership. He pointed to the currently high levels of public approval of Montenegro's accession to EU (73%), but warned that the citizens may not be truly familiar with the process. While he welcomed the Strategy and expressed his hope that the plans will be successfully implemented, Drobnič stressed the need to clarify the amounts and sources of financial support to this project.

Rastislav Vrbenski, UNDP permanent representative in Montenegro pointed out that the Strategy is a confirmation of cooperation between the government, the NGOs and international institutions, which strongly support the development of capacities and comprehensive reform in Montenegro.

Later in the meeting members of the Working Group who prepared the Strategy were presented. Those present had the chance to hear how the Strategy was developed, what lessons were learned, the goals of the Strategy, the target public, the main message and the importance of multipliers. **Ana Vujošević**, CCE representative in the Working Group pointed out that the strategy incorporates a new consultative and operation bodies, as well as continuous and systematic monitoring mechanisms in order to ensure more effective implementation and avoid obstacles and shortcomings that plagued the implementation of previous Strategies.



Centar za građansko obrazovanje
Centre for Civic Education



Acknowledging the significance of the European Integration process and the need for citizens of Montenegro to be well informed about its developments, the Centre for Civic Education (CCE), in cooperation with the Ministry of Foreign Affairs and European Integration, opens a

CONTEST

for the best journalistic piece on European Integration in Montenegro

The contest is open to all print media journalists (daily newspapers, weekly and periodical news magazines), as well as to journalists of all agencies and web-portals registered in Montenegro. Articles submitted for the competition shall be published in the period from 1 April 2013 to 1 April 2014.

Journalists, editorial boards and journalists' associations shall not submit more than three articles for each author by **1 May 2014 (17h00 CET)**. The jury itself may propose articles for the contest.

Contestants are asked to provide following documents:

- copy of the published article, clearly indicating when and where it was published;
- name and surname of the author, phone number and e-mail address;
- consent of the author to the submission of the piece, may he/she not apply personally.

Application must be submitted via mail to: vladimir.v@cgo-cce.org. Incomplete applications will not be taken into consideration.

The jury consists of representatives of the CCE and the MFAEI, will select three best articles which will be financially awarded. Winning articles will be re-published in the European Pulse (in Montenegrin and in English), the only monthly magazine in Montenegro on European Integration issued by CCE, as well as on the website of the MFAEI.

Winners will be announced at the press conference on the occasion of the marking of the Europe Day organised by the CCE and MFAEI on 9 May 2014 in Podgorica, and awards will be handed out by representatives of the organisers.



Writing competition – What does an enlarged EU mean to you?

The year 2014 marks two important anniversaries which are an occasion to reflect on the achievements in European integration until now: 100 years have passed since the beginning of the first World War and 10 years since the biggest round of enlargement of the European Union (EU) with the accession of 10 new countries. Today, the EU perspective is open to Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo*, Montenegro, Serbia and Turkey.

The European Commission is keen to learn more about what you think:

- What can today's European Union of 28 Member States learn from its past to help improve its future?
- What does an enlarged European Union mean to you?

If you are between 15 and 25 years old, get creative today and win some great prizes! Share your views on one or both questions in an article (max 700 words) or in up to three blog features/articles (max 700 words altogether).

You can **submit your article** by email, by post, on Facebook or directly at the link below. <https://apps.facebook.com/euenlwriting/pages/1120827695a8cb1bdcf67363752a7a13>

The deadline for submissions is **11 May 2014** (electronic delivery or registered mail).

More information you can find on: http://ec.europa.eu/enlargement/news_corner/writing-competition/index_en.htm

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Address: Njegoševa 36/I Tel/fax: +382 20 665 112, 665 327 ep@cgo-cce.org, info@cgo-cce.org

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