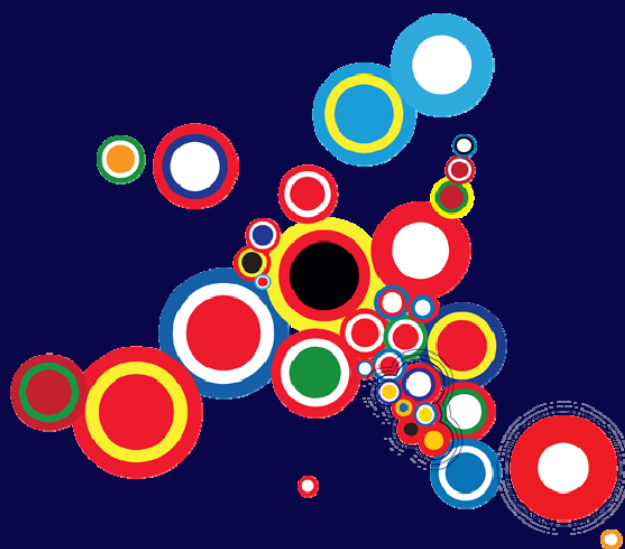




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### MONTENEGRO

Support to implementation of  
IBM Strategy



#### **Action Summary:**

**The Action will directly support Montenegro to implement the Integrated Border Management strategy and action plan and achieve the objectives set therein.**

**The Action will contribute to securing the future external EU border and reducing irregular migration and cross-border organised crime.**

<b>Action Programme Title</b>	Sector Budget Support for Montenegro (2015)
<b>Action Title</b>	Support the implementation of the Integrated Border Management Strategy
<b>Action ID</b>	IPA/2015/037-894/3/ME/IBM
<b>Sector Information</b>	
<b>IPA II Sector</b>	02. Rule of Law and Fundamental Rights
<b>DAC Sector</b>	A02 – Sector Budget Support
<b>Budget</b>	
<b>Total cost</b>	EUR 20 million
<b>EU contribution</b>	EUR 20 million
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Direct (Sector Budget Support)
<i>Direct management:</i> <b>EU Delegation</b>	EU Delegation to Montenegro
<b>Implementation responsibilities</b>	Ministry of Interior and Ministry of Finance of Montenegro
<b>Location</b>	
<b>Zone benefiting from the action</b>	Montenegro
<b>Specific implementation area(s)</b>	/
<b>Timeline</b>	
<b>Deadline for conclusion of the Financing Agreement</b>	31 December 2016
<b>Contracting deadline</b>	Not applicable
<b>End of operational implementation period</b>	5 years following the date of conclusion of the Financing Agreement

## **1. RATIONALE**

### **PROBLEM AND STAKEHOLDER ANALYSIS**

An efficient and effective border management needs to satisfy opposing demands. On one hand it has to facilitate the legitimate free movement of persons and goods, essential for economic growth in an open economy, and not to segregate cross-border communities. It also needs to ensure adequate safeguards in terms of protection of fundamental rights of citizens and of persons crossing the borders. On the other hand, borders need to be secured and prevent illegal cross-border activities such as smuggling, human trafficking, and irregular migration.

Therefore, border management represents an essential rule of law policy, both for Montenegro and at EU level. Montenegro has to tackle the challenges resulting from the dissolution of former Yugoslavia, where many of the current state borders of Montenegro were previously only administrative boundaries inside a larger federation. In addition, Montenegro has to prepare in the context of the EU accession negotiations the capacity for the rapid assumption of responsibility for the control of external borders of the European Union, implementing the legal standards and best practices of the European Union in this area.

Taking into account the geopolitical position of Montenegro, the specificity of green and blue border and risk analysis the major security threats concern irregular migration and cross-border crime, Montenegro is facing a number of important challenges as regards border management and security.

Montenegro is considered a transit country for refugees and migrants who travel to other countries of destination in Western Europe, through the so-called Western Balkan route. Since 2013, the number of asylum applications and illegal migrants' detection has experienced a rapid increase, following the unrests in the EU southern neighbourhood. Bearing in mind that the eastern border line, to a greater extent, is stretching across mountain ranges and less populated areas, detection of irregular migrants requires adequate equipment for the border police for the prevention and detection of cross-border crime. At the same time, Montenegro needs to have in place EU acquis compatible legislation in the domain of asylum and migration, and adequate material and human capacities to implement it. Croatian accession to the European Union and the common external border represent another reason for the increased number of asylum seekers in Montenegro. While Montenegro has not yet been significantly hit by the ongoing migrants' crisis, this does not mean it won't be the case in the future.

In addition to these migration flows, the so-called Balkan route, passing through Montenegro, still represents an important corridor used for the traffic in illicit drugs, stolen vehicles and weapons, linking countries of the European Union with the Middle and Far East.

While the Ministry of Interior and the Border Police department represent the main stakeholders in this sector, the challenges faced at the border require close co-operation with a number of other agencies and bodies. Therefore, an Inter-Ministerial Commission has been set up for conducting activities of demarcation and determining of the state border, border crossing points (BCPs), as well as establishing of the cross-border traffic policy with the neighbouring countries. The IBM Commission is composed of representatives of the Ministry of Interior, the Police Directorate, the Ministry of Foreign Affairs and European Integration, Ministry of Defence, Ministry of Finance – Real-Estate Administration, Ministry of Finance – Customs Administration and Administration for Inspection Affairs, Ministry of Transport and Maritime Affairs,.

In addition to the stakeholders from public administration, a variety of other stakeholders will be interested by the programme, in particular civil society organisations (CSOs) with experience in the area of rule of law, fight against organised crime and corruption, but also those experts in the field of migration and asylum. These CSOs are already active in the policy dialogue on accession negotiations on rule of law. The results of the programme will be closely monitored in their shadow reports and in their analysis and can contribute to reinforce their policy dialogue with the state administration. There

is also room for creating more synergies in policy domains so far neglected by the civil society sector in Montenegro, notably border control. The predominant security approach, state-dominated, applied to border has so far prevented civil society and other stakeholders to go deeper into this subject and create synergies with other areas, such as fundamental rights but also environmental questions, gender, etc. Moreover, the programme opens space for cooperation with private sector for the positive impact it can generate on cross-border trade, by ensuring smoother customs and border checks and at the same time by preventing commerce of counterfeited goods to the detriment of the local markets.

Local communities in the border areas and their administrations are also involved in the implementation of the integrated border management system, to a certain extent. They provide forces to the regional and local border police units, with whom they cooperate in small actions related to local policing, e.g. signalling suspicious movements at the green borders. They also go through frequent crossings for their connections with the other side of the border – which for decades was only an administrative boundary. The programme can create space for new forms of local cooperation.

Taking these elements into account, the key problems and needs faced by Montenegro in the border management area are as follows:

- The legislative framework on border control is only partly aligned with the *acquis* and considerable efforts are needed to increase the effectiveness of the border police and to modernise the border crossing points equipment and border premises;
- The security of the green and blue border needs to be strengthened;
- The overall capacities of the administration, notably of the border police, need to be enhanced, in particular to raise awareness of the issues relating to the mixed migration flow and their management.
- Inter-agency cooperation requires improvement, especially with Customs and measures to fight corruption and other criminal activities at the border, especially smuggling, need reinforcement.

## **RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES**

The Indicative Strategy Paper for Montenegro (2014-2020) identifies reforms in the area of rule of law as one of the main priorities for IPA support for Montenegro, including in the area of fight against corruption and against organised crime, and enhancing border control.

The Strategy Paper assessed that *"alignment with the EU acquis in the field of visa and borders/Schengen will be a major technical and financial challenge for Montenegro"* and that *"Montenegro needs to implement the new strategy and action plan based on the EU concept of Integrated Border Management (IBM). Substantial investments will be required to modernise equipment and facilities at the border. Inter-agency cooperation and cooperation with the neighbouring countries has to continue and increase, notably to counter cross-border crime and to fight against corruption at the borders."*

The Progress Report for 2014 notes the adoption of a revised 2014-2018 Integrated Border Management (IBM) Strategy and action plan, in line with the EU concept of IBM and the activities undertaken to implement this policy: additional equipment procured to enhance green border supervision; all border crossing points connected to Interpol's travel document database; on-going cooperation with neighbouring countries, including on joint patrols and border demarcation activities. The report highlights that a 'training the trainers' system for the border police needs to be further developed and a comprehensive border surveillance system at sea and land, and the streamlining of the border police, to make it more effective, remain among the top priorities. Furthermore, a joint plan for measures to prevent and deal with corruption at border crossings was drafted by all the relevant institutions and needs to be effectively implemented.

The implementation of this programme will contribute directly to meeting the following results the Strategy Paper sets out to be met by 2020:

- Integrated Border Management plan implemented and implementation of the Schengen Action Plan on track.
- Increased efficiency and co-operation between the law enforcement agencies;
- Reduction of the level of organised and serious crime and a solid track record of investigations, prosecutions and final convictions in corruption and organised crime cases developed;

## **SECTOR BUDGET SUPPORT READINESS**

### **Macroeconomic Stability**

Montenegro experienced a severe downturn shortly after the onset of the global crisis. The economy contracted by -5.7% in 2009 as industrial production plunged by about one third over the year. Growth picked up again in 2010 and 2011, but fell again (by -2.5%) in 2012. Growth however returned in 2013 (3.3%), to slow down to 1.5% in 2014. The Commission forecasts for 2015 and 2016 a moderate acceleration of growth to 3.3% and 3.9%. Strong economic growth before the crisis fuelled consumer prices, increasing on average by 4.3% in 2007 and 7.4% 2008. In 2014, import prices of energy and food coupled with falling wages and weak credit growth contributed to deceleration of prices. As a result, the average harmonised consumer price inflation (HICP) during 2014 contracted to -0.5% from 1.8 % a year before.

The government has embarked on the first section of a large highway project connecting the coastal city of Bar with the Serbian border. The cost of the first priority section (Smokovac – Mateševac) is estimated at 23% of GDP (2014), and is financed at 85% by Chinese Exim Bank with a 20 year loan bearing a 2% fixed interest rate and a six-year grace period. Pro-cyclical fiscal policy in the years preceding the burst had led to a worsening of the government budget stance, but fiscal perspectives have improved in recent years. The onset of the highway project however implies a worsening of the budget stance in coming years. The IMF projects the overall balance (excluding loan guarantees) to increase to -5.3% of GDP in 2015, reaching -8.6% in 2017. The Commission forecast (considering an equal disbursement of the highway costs) foresees a -4.5% deficit in 2015 and -4.0% in 2016.

The banking sector continues recovering its stability and remains liquid and relatively well capitalised. However, the recovery in bank lending remains weak given the need for further balance-sheet adjustments. Therefore, credit activity remains limited and expensive, due to the still high share of non-performing loans (NPL) which made 16.8% of total loans at the end of 2014, as compared to 18.4% a year before.

A stated goal of the Montenegrin government is to consolidate the government fiscal operations, reduce (excluding highway related costs) in the medium term the budget deficit and the level of public debt, albeit with a debt target that should be pursued “flexibly” without refraining from growth-inducing investment or reforms beneficial in the long term. As such, authorities embarked on revenue-increasing reforms, establishing a “crisis tax” on earnings above the average wage, and increasing the upper rate of VAT from 17% to 19%. Furthermore, adjustments in pensions were frozen until 2014. These adjustments led to general government current revenues growing to 46.2% of GDP in 2014, compared to the planned 42.5%. Spending on salaries in the public sector is expected to decrease slightly in accordance with the Plan of Internal Reorganization of the Public Sector. Tax reform continues in 2015.

Despite the budgetary efforts in view to lower public debt levels, a number of large public investment projects are planned, essentially in transport and water infrastructure (while further investments in tourism and energy sectors are being financed by the private sector). Although in appearance inconsistent with fiscal consolidation, The Ministry of Finance optimistic medium-term projections

assume the implementation of these investments will stimulate economic growth and, therefore, increase the collection of tax revenues to attain the budget deficit targeted level. The Commission and the IMF both project substantial deficits in the medium term.

Based on the analysis above, it can be concluded that the authorities pursue a credible and relevant stability oriented macroeconomic policy (non-exempt of risks) aiming at restoring fiscal stability and sustainability. The Law on Budget and Fiscal responsibility was adopted in 2014, setting the general government debt and deficit ceilings in line with Maastricht's criteria. Economic governance was enhanced in 2015 with the first elaboration of the Economic Reform Programme (ERP) covering the period 2015-2017. The key objectives of the ERP are to directly support the macro-fiscal framework, to boost competitiveness and to improve labour market conditions and enhance human capital. Against this background the eligibility criteria on Macroeconomic stability is considered to be met.

### **Public financial management (PFM)**

A Public Expenditure & Financial Accountability (PEFA) was undertaken in July 2013 following a prior assessment in 2008. Gradual improvements happened in this area such as reforms in numerous sub-systems such as public procurement, internal control, budget cycle management (classifications, timing, cash and debt management). The budget is cash-based and annual, although the government is planning to introduce a medium-term perspective from 2015 based around programme budgets.

The Public Finance Management (PFM) system of Montenegro is undergoing significant reforms covering all budgetary sub-systems. The government undertook adopt by autumn 2015 a PFM reform programme that addresses the key weaknesses in the PFM area, as identified by numerous assessments. It extends further the ongoing PFM reform beyond regulative framework to practices, process and standards, which reflects the country needs and context. The PFM programme is due to integrate into the overall reform process in the country and comply with Montenegro's key strategic objective to become an EU member state.

The key weaknesses that Montenegro needs to address include: 1) lack of solid multiannual financial planning that links to the annual budget 2) unreliable financial forecasting, compounded by absence of costing of policies and programmes and still weak control on commitments, 3) lack of adequate management of the assets 4) weaknesses in tax collection despite the serious improvements in the last years 5) uneven and often weak internal control framework across the public administration with still insufficient internal audit capacity, 6) non-compliance with the public procurement legislation and weak procurement capacities, 7) lack of accounting standards compliant with the international and weak PFM capacity in the public administration as a whole.

As regards the PFM reform programme, the draft is at an advance stage with internal and external consultations on-going . The proposal covers some of the main areas of weaknesses identified: 1) Sustainable fiscal framework, public expenditures planning and budgeting, 2) Budget execution; 3) Development of the PIFC; 4) Transparent financial reporting and accounting; 5) Supreme Audit Institution (SAI) function in overseeing the fiscal policy and capacity to meet the INTOSAI standards. At this stage, not all components have been equally well elaborated and various measures, inter alia on revenue collection and cash management, have still to be developed further. Specific focus on prevention, detection and the fight against corruption and maladministration is missing. The PFM reform programme is deemed to be approved by November 2015 and will provide a good basis for further dialogue on PFM reform.

In addition, the necessary legal and institutional framework is already established and it will support the measures included in the PFM programme; there are strong sector strategies, outlining the reforms in key budget sub-systems, and good progress is noticed in their implementation; there is strong commitment by the Ministry of Finance and the government in general, towards significant improvements in the PFM, indicated by key important investments into the accounting and reporting systems ensured by own funds.

Against this background the eligibility criterion on PFM is considered to be met.

### **Budget transparency and oversight**

Information regarding Montenegro's budget transparency and oversight is generally available. Montenegro has established a robust annual budget process, which ensures financial balance, respects the timeframe defined by the law, and ensures a good level of transparency, Parliamentary control and oversight on governmental expenditure during the budgetary year. The entry point for the eligibility criteria on transparency and oversight of the budget can be considered as met as the Executive budget proposal for 2015 has been published on the website of the Government on 10 November 2014 (<http://www.gov.me>) and the Enacted Budget on 30 December 2014 on the website of the Parliament (<http://www.skupstina.me/>).

However, further improvements are needed. The budget information, although available for the public, is not well organised and not easy to reach. Publications are difficult to trace among the sites and portals of the various actors. Montenegro will need to improve the budget documentation not only by providing higher quality information on multi-annual costs of public investments but also by publishing detailed information on government performance against its medium-term fiscal objectives. The data analysis, presented in the explanatory notes to the budget proposal and budget reports, are selective for the needs of the government and limited only to the key categories. The tight timeframe for discussions and the still limited capacity of the Parliament to process budget-related information continue to be a restraining factor for a highly efficient Parliament scrutiny. There are no or only superficial plenary discussions on the budget execution. The capacity of the Parliament as a whole to process budget-related information in short deadlines needs to be significantly strengthened. In this regard an ongoing EU project is supporting the establishment of an ITC system which will enhance the efficiency of the Parliament. State Audit Institution (SAI) has published the report on the 2013 executed budget on its website on 15 October 2014 (<http://www.dri.co.me>). A Roadmap for budget transparency and oversight is under preparation and it will form part of the overall PFM reform design process programme to be adopted by November 2015.

Against this background the eligibility criteria on budget transparency and oversight is considered to be met.

### **Sector policy**

In the course of the accession negotiations, Montenegro, together with EU border experts, identified a number of main shortcomings that Montenegro needs to address:

- Streamlining the organisational structure of the Border Police,
- Increasing situational awareness for border surveillance,
- Technical improvements for thorough border checks,
- Implementing anti-corruption measures and enhancing train-the-trainer system,
- Introduction of a comprehensive technical border surveillance system at sea and land borders.

Acknowledging these problems and following-up on the EU recommendation, the Government of Montenegro adopted the IBM Strategy 2014-2018 and the Framework Action Plan at its session of March 27, 2014, which represents a revision of a previous IBM package for the period 2013-2016.

The overall revised package consists of a strategy covering the years 2014-2018 and of a framework action plan defining the main measures, deadlines and responsible authorities, the source of funding as well as the inter-ministerial committee in charge for the monitoring of the action plan. Yearly plans are developed, detailing the measures contained in the framework AP and yearly monitoring reports adopted by the government at the end of every year of implementation.

The relevance of the IBM strategy lies firstly in how it addresses the challenges of a newly independent country to effectively secure its state borders, many of which were previously only administrative demarcations inside the former Yugoslavia. Secondly, this document answers the

additional challenge of ensuring legal alignment, technical reforms and sufficient administrative capacity to comply with the EU Schengen standards on border management.

IBM policy is relevant to address the key challenges at the external borders which include the (a) alignment of the legislative framework for border control with the *acquis*; (b) consolidation of a comprehensive border surveillance system at sea and land; (c) streamlining of the Border Police to enhance efficiency; (d) strengthening of the security of the green and blue borders; (e) fostering of operational interagency cooperation at the border; (f) enhancing corruption prevention and detection measures at the border crossings.

As regards policy credibility, Montenegro has a good track record of implementing reforms in the area of border management. The negotiations on the visa-free travel regime were the first test case for Montenegro with regard to its capacity to tackle challenges in this area. The successful conclusion of the visa liberalisation process attested to the policy delivery capacity of the Montenegrin authorities in the area of home affairs and border management. As regards asylum and migration policy, Montenegro has made efforts to align to EU standards, and it opened reception and registration facilities that have been to-date sufficient for the current inflows of migrants/asylum seekers.

The activities and results described in the 2014 implementation report of the IBM strategy show a continued track record of implementation of the policy. However, improvements are needed as regards results measurement and reporting. In addition, with the support of an ongoing technical assistance, the authorities are preparing detailed needs analysis of the legal and regulatory framework, capacity building and training needs, as well as the investment needs border control equipment. This exercise (expected to be finalised before the implementation of this programme starts) will further improve the credibility of the strategy and enhance the conditions for implementation.

Integrated Border Management represents an important sector policy part of the broader rule of law policy, which represents an essential part of the accession negotiations with Montenegro. The Negotiations Framework, adopted by the Council on 26 June 2012, introduces the so called “new approach” on rule of law. The new approach is based on the specific characteristics of chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security), where the establishment of a solid track record is essential for closing the negotiations. To give Montenegro and the other candidate countries enough time to produce such solid track record, it was decided that these chapters will be among the first to be opened, on the basis of action plans. The new approach also foresees the use of interim benchmarks, in addition to the closing benchmarks. The screening reports for chapters 23 and 24 were adopted in November 2012. They are the result of a thorough preparatory work by the country, asked to analyse legislative and institutional gaps in fulfilling *acquis* obligations. Following the recommendations in the screening report, the Montenegrin Government adopted on 27 June 2013 two detailed Action Plans that encompass the entirety of the national reform efforts in this field:

- one Action Plan covers the following policy fields under Chapter 23: Judiciary, Anti-corruption and Fundamental rights.
- one Action Plan that covers the following policy fields under Chapter 24 : migration, asylum, visa policy, external borders and Schengen, judicial co-operation in civil and criminal matters, police co-operation and the fight against organised crime, the fight against terrorism, co-operation in the field of drugs, customs co-operation and Euro counterfeiting.

The two Action Plans include also details on the methodology applied to determine the timelines needed, to identify responsible bodies in charge of implementation, to calculate the financial costs, to identify the funding source, to establish result indicators and where needed impact indicators. Montenegro also established a monitoring mechanism in the form of a multi-disciplinary working group, composed of representatives/experts in different policy areas as well as representatives of the civil society. In all cases responsible institutions in charge of implementing actions have been identified. Result indicators have been described and a good effort has been made to develop impact indicators where relevant. These will feed into the track record necessary to close the negotiations in



this chapter. Members of civil society were associated to drafting parts of the Plans and/or were consulted on it. Taking stock of the first year of implementation, both Action Plans have been revised and updated in December 2014.

Against this background, the eligibility criterion on Sector Policy is considered to be met.

#### **LESSONS LEARNED, LINK TO PREVIOUS FINANCIAL ASSISTANCE AND INTERVENTIONS BY OTHER COOPERATION PARTNERS**

TAIEX assistance during 2014 helped assess and refine the IBM strategy and the 2014-2018 Action Plan in line with the EU integrated border management concept. The assessment confirmed the relevance of the prevailing IBM strategy for 2014-2018 and, the Montenegrin Border Police has agreed to take gap-plugging measures to address shortcomings identified in the field of border management. This programme builds on the TAIEX report and the recommendations therein.

Lessons learned from the result-Oriented-Monitoring (ROM) and project evaluations confirms the relevance of the Commission choice to deploy financial assistance through the sector approach with a view to broadening government and national ownership over public sector policy and resource allocation decisions within the JHA sector, increasing the coherence between policy, spending and results, and reducing transaction costs.

According to SIGMA analysis, the delivery of EU financial assistance through SBS, rather than the project approach, has the leverage to contribute to improving policy dialogue, better coordination of capacity building activities for the implementation of the IBM strategy, increased size and share of external assistance funds made available through the national budget, increased predictability of the disbursement of external funds, and reduced transaction costs of providing aid.

Under IPA 2013, a twinning project '*Support the adoption of the Schengen acquis*' for strengthening the Ministry of the Interior/Police Directorate's capacity to implement the Schengen Action Plan and enhance border management was launched. The project carried out a gap-needs analysis of the legal and regulatory framework, assessed the capacity building and training needs as well as the needs to strengthen border control equipment. This twinning project started in October 2014 provided the necessary inputs to detail further the measures foreseen in the IBM strategy and the 2014-2018 Action Plan.

Additionally, under IPA II 2014, the action '*Support to Customs Administration*', scheduled to start in early 2016 will support the implementation of the Customs transit procedures in line with the EU external and internal Common/Community transit procedures to implement the new computerised transit system (NCTS).

The project '*Strengthening the capacities of police administration*' under IPA 2009 contributed to strengthening the police administration capacities to combat organized crime and corruption, as well as implementing the Strategy for IBM.

The IPA 2010 project '*Strengthening the police Directorate in integrated border management, criminal intelligence and the fight against drugs*' aimed at improving the safety and security of the citizens of Montenegro in accordance with EU standards. Specifically, it strengthened the administrative, technical and infrastructure capacities of the Police Directorate of Montenegro in the area of IBM, criminal intelligence and the fight against drugs. It was concluded that the continuation of building up of the network of all BCPs and equipping them with all devices needed for checking of documents and detection of crimes was a key for achieving full compliance of Montenegro with the relevant EU standards. The result achieved was implemented Criminal Intelligence System and developed strategic documents; improved system of Blue and Green border security in the territory of Montenegro, territorial waters and coastal areas established; improved capacities of the Police Directorate in the investigation and prevention of drugs trafficking in the area of surveillance, controlled deliveries, proper collection and documentation of evidence and crime scene procedures.

IPA 2010 Technical Assistance and Project Preparation Facility provided independent evaluator's services within IPA 2010 Tender in Montenegro for strengthening the capacity of the Police Directorate in IBM, criminal intelligence and the fight against drugs.

An IPA 2013 Project '*Support to asylum and migration*' implemented by IOM and UNHCR is supporting the functioning of the Asylum Centre and is providing TA support to the Border Police.

The *thematic evaluation of IPA support to the fight against corruption* included in its review the IPA 2009 project for "Strengthening the capacity of police administration" to combat organized crime and corruption, as well as implementing the IBM Strategy. The use of twinning in strengthening the capacity of the Police administration was recognized as appropriate to the needs and capacities of the beneficiaries. This applied particularly to the component on forensics. The continued cooperation between former twinning partners and the Police Department is a good example of achieved results by IPA translated into sustainable impact.

In 2014, Montenegro initiated activities to open the Common Police Cooperation Centre in Plav, between the Border Police of Montenegro, Albania and Kosovo\*<sup>1</sup>. Germany allocated funds for equipment of the Common Centre in Plav and the procurement of a terrain vehicle. Germany also donated travel documents optical readers installed at the busiest BCP make border checks of persons, goods and transportation means faster, and minimize waiting time of passengers and vehicles. The Slovak Republic Ministry of Interior donated 23 passenger vehicles to the Montenegrin border police. In 2014 and early 2015 the US Government provided a donation Project of the US Embassy for procuring some surveillance equipment through the EXBS project (binoculars, night vision equipment etc, rescue vest-survival etc.).

In the area of PFM, two actions have been prepared under IPA 2014 to provide capacity building and support for the implementation of the PFM reform:

*'Support for Public Finance Management Policies'* aims at improving public finance management policies and achieving efficiency, effectiveness and transparency in public finance. The action is organised around 4 axes corresponding to key processes in the management of public finance: implementation of programme budgeting and multi-annual financial framework; Public Internal Financial Control (PIFC) with a specific focus on improving the transparency and accountability; reform of key policies with significant impact on public finance (state aid, public procurement and Public Private Partnership /concessions); external audit with focus on the State Audit Institution (SAI) and the Audit Authority (AA).

*'Support to the Tax Administration'* aims at strengthening of administrative and operational capacities of the Tax Administration in accordance with EU standards and requirements specified in Chapter 16 - Taxation of EU *acquis*. The action is organised around 4 axes to strengthen the legal framework and develop the capacity of the Tax Administration: tax administrative cooperation alignment and mutual assistance; training programme on risk management, administrative and control procedures; administrative co-operation and mutual assistance with EU Member States; and development of the operational capacity and computerisation of the Montenegrin Tax Administration.

The experience resulting from the implementation of these projects showed that scattered projects that were not backed by solid policies suffered from coordination problems, as well as poor ownership and sustainability. Furthermore, the projects addressed some specific issues in the sector without understanding of the wider policy agenda and focused more on processes rather than results. Lessons learned confirm the importance of moving away from ad hoc project activities with limited impact at system level, and to move to a more robust and ambitious policy dialogue. This can be best achieved by deploying financial assistance through Sector Budget Support with a view to broadening

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<sup>1</sup> \* This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence

government and national ownership over public sector policy, allocating financial and human resources over longer time frame, increasing the coherence between policy, spending and results, and reducing transaction costs.

## 2. DESCRIPTION OF MAIN ACTIVITIES AND EXPECTED RESULTS

The **overall objective** of the EU support for the Integrated Border Management Strategy of Montenegro is to improve prevention and detection of irregular migration and cross-border crime, and enhance preservation of national security and the internal security of the EU Member States. The **specific objectives** of the programme are to: (a) improve border control; (b) enhance prevention and detection of cross-border crimes; (c) improve inter-agency and international coordination and cooperation.

The implementation of this programme will contribute directly to meeting the following **results** the Strategy Paper sets out to be met by 2020:

- Integrated Border Management plan implemented and implementation of the Schengen Action Plan on track.
- Increased efficiency and co-operation between the law enforcement agencies;
- Reduction of the level of organised and serious crime and a solid track record of investigations, prosecutions and final convictions in corruption and organised crime cases developed;

More specifically, the full implementation of this programme will result in the adoption of a number of laws and rules books, increased number of trainings performed by the certified trainers, increased number of performed internal random inspections, increased number of realized patrols of high risk border areas, increased number of joint inter-agency activities and improved conditions for the functioning of the Joint Cooperation Centres in Trebnje and Plav.

At the **input** level the programme introduces a strengthened framework for coordination and dialogue between the different stakeholders, as well as a system for reporting results and processes. This creates space for better engagement of sector expertise in the country and aims to enhance the functioning and accountability of the sector governance.

EU support for the IBM reform also puts emphasis on resourcing of the reform. Prior EU support provided technical assistance and capacity building for developing detailed needs analyses and gap assessments in the area of border management, with an aim to meet the standards for securing future EU external borders. Acknowledging the human and financial resource needs for this process, government resources should be allocated by Government on a multi-annual basis in order to accelerate the implementation of the reform at the **output** level, together with EU financial support for closing the financing gap for the reform and to improve the sustainability of the reform activities.

Under the variable tranches, the programme follows some key indicators of the sector strategy. The first year indicators consist mostly of process and output level indicators, with a view of paving way for measuring the outcomes. These indicators are introduced to follow progress with regard to improved professionalism and capacity of the Border Police and increase in international and intra-agency cooperation. These are key components of efficient border management systems, which deliver reliably and on time. Supporting reforms in these areas will therefore contribute to more timely reform outputs and sustainability.

Towards the end of the programme **outcome** level indicators are set to measure the enhanced capacity to effectively secure the external borders and to combat and prevent cross-border criminal activities, as well as corruption at the border.

In terms of the risks of corruption and fraud, the programme incorporates support to the efforts to fight corruption at the border, as well to improve the internal audit capacity.

## **SECTOR BUDGET SUPPORT POLICY DIALOGUE**

The dialogue on rule of law under the Stabilisation and Association Agreement (SAA) takes place yearly at the SAA Justice and Home Affairs Subcommittee. The main priorities during the last committee were identified as follows: establishment of a track record in the field of complex organised crime, including cross-border crime; implementation of the police reorganisation, including by means of trainings for the new specialised police units; evaluate if the current reception capacities are sustainable in the long run, and how to improve treatment of vulnerable groups; progress in solving bilateral border issues with neighbouring countries; strengthening the material and human resources devoted to surveillance of land and sea borders. The conclusions of the Stabilisation and Association Agreement JLS sub-committee, the findings of the Progress Report in the rule of law area, as well as the recommendations of the relevant TAIEX peer review reports provide the framework for the budget support policy dialogue in this sector.

The immediate focus of the border management/rule of law policy dialogue will be on follow-up of the recommendations of EU member states experts engaged in peer review missions, some of which have constituted the basis for setting performance targets under this programme. Some of the most relevant recommendations to be followed-up relate to the implementation of the overall police reorganisation, which includes streamlining of the border police and the establishment of a solid train the trainer system, enhancing internal control measures aimed at prevention and control of corruption at the borders and improving the basis for international cooperation such establishing effective mechanisms for joint border control with Kosovo and with Bosnia and Herzegovina.

Policy dialogue will follow up on the implementation of the EU asylum and migration standards by Montenegro, on its reception capacities but also on its capacity to react to and tackle any sudden increases refugees/ migrants flows.

Furthermore, the national authorities will be encouraged to collect segregated data on human trafficking and illegal border crossing in order to better identify the scope for solutions targeting women and most vulnerable groups. While CSOs have already been involved at the level of policy design, there is considerable room for further engagement in particular in the area of human rights standards and fight against corruption. CSOs should be encouraged not only to play a role in monitoring and holding the Government accountable, but also in policy implementation in areas asylum and migration or human trafficking.

Main issues for dialogue on PFM reform should cover: 1) scope and comprehensiveness of the PFM Programme, 2) availability of funds and technical resources, including technological solutions, 3) transparency of the PFM reform and an inclusive consultation process, 4) risk assessment and management, 5) performance framework 6) Integration of the PFM reform into the PAR strategy, 7) change management approach 8) budget transparency

Macro-economic stability will be tackled in the context of the formulation and assessment of future ERP programmes. Implementation of the ECOFIN recommendations of the measures contained in the 2015 ERP part II will be followed-up in the 2016 ERP part II. However, implementation will also be monitored on a sectoral basis in the context of the Stabilisation and Association Agreement. Each relevant sub-committee will discuss implementation of measures included in the 2015 ERP within its specific sector(s). The Commission's assessment of the ERP will also be reflected in the respective enlargement progress reports.

## **RISK MANAGEMENT FRAMEWORK**

Across the five risk dimensions considered - political, macroeconomic, developmental, PFM, and corruption and fraud - risks have generally been assessed as low to moderate. The Commission's 2014 Progress Report stated that Montenegro is progressing in establishing a functioning market economy, that it improved its ability to take on the obligations of EU membership and continues to sufficiently meet the political criteria for EU membership. On the macroeconomic front risks of internal or

exogenous shocks is rated to be low although concerns are noted about the increasing public debt and the economic rationale of the Euro 800m debt-financed highway. Macroeconomic risk is rated overall as moderate. PFM risk is rated overall as moderate and there are concerns such as those related to sub-national finances, financial controls on expenditure and commitments in particular. Development risks are rated overall as moderate with higher risk given to public policy: i) the links between policy and outcomes are compromised due to lack of effective policy-based budgeting and by the lack of an effective multi-year fiscal-budgetary framework, ii) the World Bank's Governance Index ranks government effectiveness at 60 percentile or in moderate risk category. This Sector Programme will provide the basis for programme-based budgeting in the Ministry of Interior, and will be used as a pilot for such activities under the PFM Reform programme. The risk for Corruption and Fraud is assessed overall as moderate, with improved public procurement set against lack of sufficient evidence of addressing outcomes such as money laundering and highlighted by the World Bank's Governance indicator. The risk that the legal and regulatory framework is not effectively enforced, especially in relation to high level corruption, is substantial although the overall risk profile for Corruption and Fraud is moderate.

The risk of corruption and fraud can be mitigated through continuous high level policy dialogue with the Government on the implementation of Chapters 23 and 24 measures for the prevention and repression of corruption. The ongoing and planned EU technical assistance in this area, implemented by EU Member States, will support Montenegro to enforce anti-corruption measures in line with EU standards and best practices, to apply rigorously the anti-corruption legislation and procedures, as well as to monitor the development and consolidation of the track record on corruption cases. Montenegro has also developed a specific action plan combating corruption at the border and this programme includes specific targets to be met as regards improved corruption prevention measures. The enhancement of the engagement of civil society to maintain/increase the pressure for improving integrity and transparency will also contribute to mitigating risks in this area.

Risk mitigation measures include continuous policy dialogue by the Commission (DG NEAR) with the Government through the SAA framework, Chapters 23 and 24 Action Plan framework and the Sector Budget Support framework. The ongoing and planned EU technical assistance in this area implemented by the EU Member States, and the cooperation with other Commission services (in particular DG ECFIN) and IFIs will support Montenegro to implement the policy measures in the IBM and PFM area in line with EU standards and best practices.

### **COMPLEMENTARY SUPPORT**

Complementary support to this action has been foreseen under the IPA II 2014 Rule of Law Action Document which foresees measures to monitor and support the implementation of this Sector Budget Support programme. Additionally, the IPA 2013 twinning project '*Support the adoption of the Schengen acquis*' carried out a gap-needs analysis of the legal and regulatory framework, assess the capacity building and training needs as well as the needs to strengthen border control equipment and will provide the necessary inputs to detail further the measures foreseen in the IBM strategy and the 2014-2018 Action Plan.

## **3. IMPLEMENTATION ARRANGEMENTS**

### **ROLES AND RESPONSIBILITIES**

The main beneficiary of this programme is the Ministry of Interior (MOI) and the Customs Administration within the Ministry of Finance (MOF). Both entities are responsible for the implementation of the IBM Strategy and related Action Plans for the sector. Under the Sector Budget Support programme, the Government will provide additional finance to these two beneficiaries who will then use the aggregate funds inclusive of the SBS to implement the activities required to improve Montenegro's convergence to the acquis as per sectoral priorities set out the IBM Strategy and Action Plans. The Department for Public Works is the responsible authority in Montenegro for capital investment whilst ministries are responsible for the procurement of equipment. Under SBS the MOF

retains a key role for the compliance of the PFM conditions. The European Commission (DG NEAR and EU Delegation) will initiate disbursement following assessments of compliance for each of the variable tranche payments after the initial base payment.

## **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

### ***Disbursement of sector budget support***

The amount allocated for the budget support component is EUR 20 million. This amount is in line with the financial allocation dedicated in the Indicative Country Strategy for Montenegro 2014-2020 to co-finance reforms in the area of rule of law. The amount is proportional to the cost estimates of the Montenegrin authorities for implementing the IBM strategy and the annual budgetary allocations for this sector which amounts to 296 million euro in accordance to the annual budget<sup>2</sup>.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Integrated Border Management strategy and continued credibility, as well as progress under Chapter 24 and relevance thereof;
- implementation of a credible stability-oriented macroeconomic policy;
- satisfactory progress in the implementation of the PFM reform programme;
- satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information

The performance indicators for variable tranches (outlined in Table D, Annex 1 of this document) are two-fold. For **PFM**, the specific conditions relate to improvements in the managerial accountability and internal control in the sector. In both instances these are measures that the government has in place and this SBS will provide additionality to reinforce the process. For the **IBM sector**, the specific conditions are based on existing government commitments through the IBM Strategy and Action Plans and annual benchmarks for tranche payments are based on achievements by both the Ministry of Interior/Border Police and Ministry of Finance/Customs Administration.

The performance indicators used for disbursements are described in Annex 1 of this Action Document. The chosen performance targets and indicators specified in Annex 1 will apply for the duration of the programme. However, in duly justified circumstances, the Government of Montenegro may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended, temporarily suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

## **4. MONITORING AND EVALUATION**

### **MONITORING AND REPORTING**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes)

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<sup>2</sup> The annual budget for the sector is 296 million EUR, of which the Ministry of Interior/Police: EUR 70,6 million, the Ministry of Foreign Affairs and European Integration: EUR 13,7 million; the Ministry of Defence: EUR 36,4 million; the Ministry of Finance/Customs Administration: EUR 120,2 million; the Administration for Inspection Affairs: EUR 1.8 million; the Ministry of Transport and Maritime Affairs: EUR 25,5 million; the Ministry of Health: EUR 1 million; the Ministry of Agriculture: EUR 22.7 million.

as measured by corresponding indicators, using as reference the list of result indicators. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Compliance with the four general conditions will trigger the release of the fixed base payment following the signature of the Financing Agreement. Thereafter there will be annual SBS reviews that will evaluate performance against the conditions for each of the subsequent two tranche payments and where the degree of compliance will affect the proportion of tranche payments released for the variable components. Each of these reviews will, in line with Commission Budget Support Guidelines, review the 4 general eligibility criteria for SBS and thus provide a real-time assessment of relevance and credibility of each of the criteria. Timing will depend on the signature of the Commission decision. The base payment will be made in 2016 and performance evaluations take place in Q1 2017 and Q1 2018 and where payments can then be made in Q2 or Q3 of the respective year.

These performance evaluations will be guided by the state of play in PFM. To the extent possible the performance evaluations will take stock of any available reports from the Internal Audit units of the relevant beneficiary ministries and from the Montenegro State Audit Institution, where available.

Additionally DG NEAR may utilise the existing Results-Oriented Monitoring (ROM) as part of its ongoing commitments to monitor expenditure of aid under the EU's Financial Regulation.

#### **EVALUATION AND AUDIT**

Evaluations of the budget support component should be aligned with similar exercises of other budget support providers for accountability and learning purposes at various levels (including for policy revision) and carried out via independent consultants.

For complementary support, the Commission may also carry out external evaluations, as appropriate:

- (a) a mid-term evaluation mission;
- (b) a final evaluation, at the beginning of the closing phase;
- (c) an ex-post evaluation.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation actions shall be covered by another measure.

## **5. CROSS-CUTTING ISSUES**

### **EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING**

The intervention will have a positive impact on females, youth and other vulnerable groups through improved rule of law and border management - in for instance reduced incidences of people trafficking that disproportionately affects these groups.

Furthermore, the national authorities will be encouraged to collect gender segregated data on human trafficking and illegal border crossing in order to better identify the scope for gender targeted solutions. In dealing with cases of trafficked women and children, female investigators are preferable. At the moment, men are over-representative among the border personnel. Gender specific recruitment practices and improvements of the working conditions might lead to an increase in the number of women among the border personnel.

### **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

Together with Montenegro the EU will assist Montenegro's goal of implementing its IBM strategy and action plan and through this SBS programme support relevant investment that meets environmental considerations.

The Environmental Agency was consulted during the preparation of this strategy and their recommendations incorporated in the final draft. Also, the recommendations in the field of prevention of trade in chemical, biological, radiological and nuclear substances and weapons were taken into account, provided in the Strategy for Protection against Ionizing Radiation, Radiation Safety and Radioactive Waste Management and its Action Plan. Overall, Montenegro is engaged in an intensive process of transposing and implementing EU standards on environmental protection and it is preparing a comprehensive strategy in this regard, which will be closely monitored in the context of the accession negotiations under Chapter 27 - Environment and Climate Action. A strategic framework in the area of horizontal legislation was set out by the National Strategy for Sustainable Development of Montenegro (NSSD) adopted in 2007. The revision of NSSD was launched in 2013 in order to incorporate new international obligations (UN Conference on Sustainable Development Rio+20, Europe 2020: Europe's Growth Strategy, post 2015 Development Agenda). A legal framework was established by the new Law on Environment passed in 2015 as an umbrella Law for the area of environment. Montenegro has fully transposed the EU Directives on Strategic Environmental Impact Assessment and Environmental Impact Assessment.

### **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

Overall improved border management will improve governance and rule of law and as such will have a societal impact across civil society.

Civil society organisations dealing with human rights will contribute to the Montenegro familiarisation with the international reporting mechanisms stemming from the international conventions ratified so far. A gap remains between legal alignment and implementation of human rights standards in the policy framework, and practice.

Montenegrin civil society encompasses a broad range of organisations including trade unions, professional and business associations, as well as advocacy, watchdog and service delivery CSOs, interest groups and the media. Inter-ministerial coordination and consultation with civil society is mandatory and underpinned by the Decree on procedure for conducting public debates in preparing laws as well as the Decree on procedure for cooperation between state authorities and CSOs. The institutional framework for cooperation between the government and CSOs currently foresees two bodies: the Government office for cooperation with CSOs (Office) and an advisory body to the Government called Council for development of CSOs (Council), whereby the Office acts as secretariat to the Council and performs all administrative tasks related to its work. In line with the requirements stemming from the



Action Plan for the implementation of the NGO Strategy, the Ministry of Interior established an inter-sectoral working group, which has drafted an analysis of and recommendations for improving the institutional framework for the development of the NGO sector.

CSOs were consulted and involved by the government in relation to Chapters 23 and 24 policy monitoring. An on-going EU-funded grant “*Civil Society Decide Too!*” implemented by the Centre for Development of NGOs (CRNVO) is working to improve the cooperation between Government and CSOs by, inter alia, training and strengthening capacities of civil servants for cooperating with CSOs. This is one of the platforms to be used to enhance CSO engagement in policy monitoring. Other CSOs (CEMI, CEDEM and CDP) are involved in the monitoring of the implementation of Chapters 23 and 24 Action Plan which includes border management, cross border crime and irregular migration. The NGO network 'CRNVO' publishes a shadow report on the implementation of Chapters 23 and 24 Action Plans, including border control and the fight against cross border crime.

From the point of view of gender mainstreaming, civil society organisations can contribute to identify the scope for gender targeted solutions based on the gender segregated data on human trafficking and illegal border crossing. In dealing with cases of trafficked women and children, legal aid and counselling support from civil society organisations are an added value to the work of the Border Police.

#### **MINORITIES AND VULNERABLE GROUPS**

The IBM strategy will have a positive impact on citizens and particularly on **vulnerable groups** through improved capacities of the administration to conduct border controls in line with EU standards and better detect cross border crimes - for instance by increasing the capacities to recognise serious forms of crime such as smuggling and trafficking in human beings. Montenegro has been identified by International Organisation for Migration as a transit site for trafficked persons, the majority of whom are women and children.

Pursuant to the Article 11 of the Law on Asylum, in the asylum procedure, care is taken of the special needs of minors, persons completely or partially deprived of business capacity, unaccompanied minors, persons with mental or physical disabilities, the elderly, pregnant women, single parents with minor children, persons subjected to torture, rape or other serious forms of mental, physical or sexual violence and other vulnerable persons. Also, article 28 of the Law on Asylum provides for that after establishing identity and the fact that a minor is unaccompanied, or that a person of legal age is without business capacity, such persons will be provided with guardians. Asylum applications by those persons are resolved on a priority basis and a decision is taken within 30 days from the day of the application's submission. During the procedure, care is taken regarding the accommodation, psycho-physical condition and the best interest of a minor, and measures are undertaken for the tracing of family members. Since the beginning of implementation of the Law of Asylum in January 2007, there were 239 minors in Montenegro accompanied by their parents, and 21 unaccompanied minors, who sought asylum in Montenegro. Also, there were 680 adult women. Minors are provided with guardians in line with the decision of the Social Welfare Centre. In accordance with the available statistics for 2015, by June 01, 2015, there were 43 women over the age of 18, 5 men and 1 woman under 18 under the category of irregular migrants.

Pursuant to the Law on Foreigners, a foreigner cannot be forcibly removed to a country in which his/her life or freedom might be jeopardize, because of his/her race, religion or nationality, belonging to a particular social group or because of political views, or to a country in which he/she could be subjected to torture, inhuman and degrading treatment and punishment. A minor foreigner is accommodated in the Reception for Foreigners together with his/her parents or other legal representative, unless assessed that other kind of accommodation is more convenient for him/her. The other accommodation facility refers to the Public Institution “Ljubović Center” in Podgorica, in which foreign minors are accommodated till their identities are established, or till a procedure is finalized, or till they are forcibly removed from Montenegro. The measure of additional surveillance may be ordered against a foreign minor younger than 16, only if he/she is accompanied by his/her parents or a legal representative. Also, the Law provides for a special guarantee of protection, pursuant to which a

foreign minor cannot be returned to a country of origin, or a third country ready to receive him/her, if it is contrary to the UN Convention against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment, and the UN Convention on the Rights of the Child.

If a foreign minor is irregular unaccompanied migrant (in special need, etc.), the Social Welfare Centre is immediately informed accordingly, which passes a decision on a guardian, who participates in all stages of the procedure. The minor is accommodated in the Ljubović Center till his/her identity is established by the police. The Reception Centre for Foreigners has special rooms for accommodation of irregular migrant families, as well separate accommodation of men and women if they are not related.

## **6. SUSTAINABILITY**

The sustainability of the SBS intervention will be ensured in several ways, primarily through the continuation of a comprehensive policy dialogue between the EU and the principal stakeholders. The dialogue will focus not only on reinforcing the need to develop and implement coherent IBM policies, but also on the allocation of sufficient funding in the annual and multi-annual budgets to ensure that the policy gains are sustained.

In addition, a number of aspects targeted by this action or addressed under the PFM reform programme will contribute to the sustainability of reform results, including: an improved capacity of policy making and implementation, a progressive transition to programme-based budgeting, an enhanced monitoring and evaluation system and increased internal audit capacity.

A key element for this consideration is Montenegro's clear political determination toward accession to the EU, for which reforms in the area of rule of law are essential. This SBS intervention has been specifically designed in line with the strong focus of IPA II of providing support to the new approach of the rule of law and assisting Montenegro with the implementation of the Action Plans for Chapters 23 and 24 and establishing a track-record in these areas.

Finally, the intervention proposed is in direct line and strongly linked to the national IBM Strategy goals and the specific objectives, measures and activities contained in the IBM Framework Action Plan.

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

This will include programme/policy specific communication and visibility plans, which will help the coordination of the policy, assess its impact, and support change management and overcome resistance to reforms, while at the same time ensuring EU visibility. All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation and the Commission fully informed of the planning and implementation of the specific visibility and communication activities.

As part of promoting mutual accountability and transparency as well as enhancing the visibility of its support, the EU will publish relevant information on budget support financing agreements and performance reviews (including disbursement conditions and assessments in agreement with the beneficiary country). This will also include publication of press releases regarding budget support payments made and results achieved (and reasons for non or only partial payment where applicable). Such information will be incorporated, as appropriate, in the Commission's annual reports on financial assistance for Enlargement.

The EU Delegation is currently finalising a short video clip on border management, which is planned to be broadcasted on national media in the fall as part of a wider IPA visibility campaign. The Ministry of Interior has its own set of communication activities in order to raise public awareness of its activities and challenges, e.g. clips produced and broadcasted in the context of the international border police day. Such visibility activities will be further developed and synchronised to the cycle of the budget support programme (reform milestone reached, approval of tranches, etc). The sector budget support programme on border management will also be incorporated into the general existing information and communication programme of the Delegation of the European Union. The tools at hand for promoting this programme consist of the following elements:

- The running activities in the framework of the service contract for the EU Info Centre. The EU Info Centre holds press conferences, organises project visits for journalists, promotes EU programmes on social media channels and organises assistance related public events like an IPA project fair. The EUIC also lately produced a set of info graphics on EU assistance. All these tools are also at hand for promoting this sector budget support programme.
- The project Growing Together 3 in which two popular web portals run by Montenegrin media inform about the EU integration process and the assistance provided by the EU. A set of web articles can explain the benefits of this sector budget support programme.
- The production of videos of EU-funded assistance and their airing on MNE TV stations.

## **8. PRECONDITIONS**

The Government of Montenegro develops, in consultation with the European Commission, a results measuring framework for the IBM Framework Action plan, with clear results and indicators of impact, on the basis of the objectives and measures currently included in the IBM Strategy and Framework Action Plan. The Government of Montenegro formally adopts these changes to the IBM strategy before the signature of the Financing Agreement.

The Government of Montenegro establishes a PFM working group responsible for the coordination and implementation of the PFM Reform Programme. The coordination group will prepare and adopt a detailed PFM reform work plan and a consistent monitoring plan before the signature of the Financing Agreement.