



## **2008 GOVERNANCE OVERVIEW for MONTENEGRO\***

Some progress has been made on upgrading the country's administrative capacity and proceeding with the reform of public administration. Consolidation of the central administration continued.

**Civil Service:** The Law on Civil Servants and Public Employees was adopted in July 2008. The draft law on conflicts of interest has not yet been adopted. In general, implementation of the civil service legislation needs to be pursued more consistently, especially concerning recruitment.

**Anti-corruption policy:** There has been some progress in the fight against corruption, however corruption continues to be widespread. The undertaken actions have mainly focused on tackling low-level corruption and awareness-raising and training. In December 2009, parliament adopted a Resolution on the fight against corruption and organised crime. A new Law on financing of political parties was adopted in July 2008 and the update of the action plan in May 2008. Both anti-corruption strategy at local level and national training strategy for local government have been adopted. Adoption of the new Law on conflicts of interest is still pending and the current law leaves many loopholes. The powers of the Commission on conflicts of interest are too limited and there are concerns about the independence of it.

**Public procurement:** Some progress has been made in this area. The competitive side of the public procurement market has improved and the absence of any preferential treatment rules is a positive factor. The Public Procurement Law was adopted in July 2006 and is in line with the main principles of the EU public procurement system. However, it still shows several areas of non-compliance with the relevant EC directives and/or international good practice, such as in the scope of utilities. The risk of potential conflict of interest was reduced by separating administrative tasks of the Public Procurement Agency and the Public Procurement Commission. Efforts still have to be made in order to improve transparency and accountability, and to align the legislation with the *acquis*. Enforcement of the legislation will depend on the availability of central institutional resources for supporting and monitoring public procurement efficiently.

**Public Internal Financial Control (PIFC):** A PIFC policy paper was adopted by the government in December 2007, focusing on development of financial management and control systems, functionally independent internal audit and central harmonisation. The associated Action Plan covers the period up to 2012. Efforts to develop a framework law on PIFC have started, as existing legislation and implementing manuals need to be revised to ensure consistency with the new legal framework. Considerable awareness raising efforts and training on the new systems will be required.

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\* Source: Montenegro 2008 Progress Report, {COM(2008) 674}, 5/11/2008