

Report on the achievements

Republic of Montenegro

9th REReP Task Force meeting

Skopje, 28-29 September 2006

Harmonisation of national legislation with the EU legislation and standards

From September 2005 till now, the Parliament of Montenegro has adopted five laws in the area of environment which are fully aligned with the relevant EU Directives:

1. Law on Environmental Impact Assessment (EIA),
2. Law on Strategic Environmental Impact Assessment (SEA),
3. Law on Integrated Pollution Prevention and Control (IPPC),
4. Law on Waste Management,
5. Law on Environmental Noise

The first four laws are published in the “Official Gazette of the Republic of Montenegro”, No. 80/05, and they will come into force in 2008. In 2006 the Parliament of Montenegro adopted the Law on Environmental Noise (OG MN, No. 45/06), which is now in force.

LAW ON ENVIRONMENTAL IMPACT ASSESSMENT (EIA)

The Republic of Montenegro has fully harmonized its legislation on *environmental impact assessment* with relevant EU Directive by adopting the **Law on Environmental Impact Assessment**.

The **EIA Law** consists of 6 Chapters and 40 Articles that were prepared in a way that defines complete EIA procedure, from screening to EIA approval, including public participation and transboundary effects.

The EIA Law regulates the procedure of impacts assessment for projects that may have significant impact on the environment, contents of the Impact Assessment Study, participation of authorities and organisations and public concerned, evaluation and procedure of authorisation issuing, exchange of information on projects that may have significant impact on the environment in another state, supervision and other issues of relevance for the Environmental Impact Assessment (Article 1).

The EIA shall identify, describe and assess, in the light of each individual case, the potential direct or indirect impacts of a planned project on the following factors:

- 1) Human life and health, flora and fauna;
- 2) Land, water, air, climate and landscape;
- 3) Material resources and cultural heritage;
- 4) The interaction between the factors mentioned in the first, second and third indents (Article 2).

The subjects of the EIA are planned projects and projects being implemented that may have significant impact on the environment or human health. Impact assessment shall be elaborated for projects in the field of **industry, mining, energy production, transport, tourism, agriculture, forestry, water management and utilities, as well as for all the projects that are planned in protected natural zones and within the protected surroundings of immobile cultural goods.** The provisions of this Law do not apply to projects serving national defence purposes or aimed at rehabilitation of consequences of natural disasters and catastrophes (Article 3).

The Competent authorities responsible for implementation of the EIA procedure, defined in Article 4, are:

- The authorities responsible for environmental protection — for projects for which the permits and authorisations are issued by other competent authorities;
- The authorities responsible for environmental protection in the local self-government unit — for other projects for which the permits and authorisations are issued by other competent local self-government authorities.

According to Article 5, the Government of the Republic of Montenegro shall pass the regulations prescribing:

- 1) List of projects for which the impact assessment is mandatory;
- 2) List of projects for which the impact assessment may be required;

The competent authority shall decide on the need for the impact assessment in each individual case.

The obligation to obtain authorisation for the impact assessment is set up in Article 6 stating, “Project developer cannot commence with project implementation without previously conducted impact assessment procedure and obtaining of authorisation of the competent authority for the impact assessment Study.”

The impact assessment procedure includes three phases defined in Article 8:

- 1) Deciding on the need for the environmental impact assessment;
- 2) Defining of the contents and scope of the Environmental Impact Assessment Study;
- 3) Deciding on authorisation for the Study.

Articles 9-28 describe the detailed procedure for all three phases, from the content of the developer’s application for development consent (Article 9), collecting opinions from the competent authorities and public concerned, developer right to file the complaint, content

and scope of the impact assessment study and its elaboration, evaluation, consultation and public hearing, to the granting of development consent.

The content of the decision on granting or refusing development consent and other relevant information are made available to the public through the local and daily paper published in the territory that is going to be affected by the planned project, and the competent authorities and organizations by fax or electronic media (Article 29).

In case of transboundary effects of the project on the environment in another state, Article 30 prescribes procedure for informing affected state (Article 30). Supervision over the implementations of the provisions of this Law and regulations enacted pursuant to it is the competence of Environmental Inspectorate (Article 33).

The two sub-regulations: **The Decree on projects that are subject to elaboration of EIA Study** and the **Regulation on the contents of the developer s application, contents and scope of EIA Study, contents, format and method of public register keeping** are in final drafting stage and will be adopted by the Government of Montenegro by the end of 2006.

LAW ON STRATEGIC ENVIRONMENTAL IMPACT ASSESSMENT (SEA)

To date, the strategic environmental assessment of the effects of plans and programmes on the environment have not been a part of national legal system in Montenegro.

The Republic of Montenegro has fully harmonized its legislation on strategic environmental impact assessment with relevant Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the Assessment of the Effects of Certain Plans and Programmes on the Environment, by adopting the Law on Strategic Environmental Assessment.

The Law on SEA was prepared based on the Directive 2001/42/EC on the Assessment of the Effects of Certain Plans and Programmes on the Environment, Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a Transboundary Context (2003) and other sources, especially EU Guidance on SEA directive implementation.

The Law consists of 8 chapters and 29 articles prepared in a way that define complete SEA procedure, from screening to SEA approval, including public participation and transboundary effects.

Plans and programmes subject to SEA are defined in **Article 5**, in accordance with the SEA Directive, in the following way:

- a) Plans and programmes which are subject to **mandatory** SEA, such as those prepared for agriculture, forestry, fisheries, energy, industry including mining, transport, waste management, water management, regional development, tourism, town and country planning or land use and which set the framework for future development projects subject to EIA consent in line with EIA Law or which, considering the area within which they are carried out, could affect the protected areas, natural habitats and preservation of wildlife plant and animal species,

- b) For plans and programmes which use a smaller areas at the local level, or in case of minor modification to plans or programmes **the need to conduct SEA is to be determined** on case-by-case examination, when consultations with the environmental authority and concerned authorities are obligatory and determination of significant environmental effects is based on given criteria,
- c) Plans and programmes which are **not subject** to SEA, such as those the sole purpose of which is to serve national defence or civil emergency, financial or budget.

For all plans and programmes subject to SEA, it is obligatory to prepare an Environmental report during the preparation of a plan or programme and before its adoption or submission to the legislative procedure (**Article 6**).

Definitions provided in **Article 7** are related to the concept used in the Law and were prepared based on the definition given in Article 2 of the SEA directive. However, the definition of plans and programmes is enlarged in comparison to that of the Directive, and includes other strategic documents, such as developing, resources management plans and programmes and other documents. In this way, conditions were created to apply SEA to all types of documents that are prepared at the Republic, regional and local level in Montenegro and are not necessarily titled “plans and programmes” (various strategies, policies, master plans, development basis, etc.). Other definitions from this article are related to actors in the SEA procedure and are partly based on the SEA directive and partly aim to define main actors and their future roles in the SEA procedure.

Articles 8-13 define three phases of SEA procedure:

1. Decision on the need for SEA,
2. Defining of the scope and content of Environmental Report,
3. Decision-making and approval of the Environmental Report.

SEA procedure starts with preparation of the **decision to conduct SEA**, or the decision not to conduct SEA. Preparation of this decision is an obligation of the planning authority and it is an integral part of the decision to prepare the plan or programme. The content of the decision (positive or negative) is prescribed in Article 11 and is subject to mandatory consultation with the environmental and health authorities and concerned authorities (Article 10). The final decision is published in the official republic or local gazette (Article 13).

The scope, contents and preparation of the draft SEA report is defined by **Articles 14-16**. The planning authority that is responsible for preparation of the plan or programme, conducts SEA. Articles 14 and 15 defined a detailed description of the scope and content of the Environmental report. Article 16 gives opportunity to the planning authority to prepare a draft SEA report itself or to be conducted by professional organization, which can be the same that prepares the plan and programme. In both case, the conditions prescribed by Article 16 must be fulfilled.

Consultations on prepared draft SEA report are defined by **Articles 17-20**. The draft plan or programme and the SEA report are made available to the environmental and health authorities, concerned authorities, NGOs and the public, within prescribed time

frames, to express their opinion before the adoption of the plan or programme and the accompanying SEA report or submission to the legislative procedure.

Evaluation and approval of a prepared SEA report is to be given by the environmental authority, as defined by Article 21. The environmental authority has the opportunity to evaluate and approve the report itself or to form an ad hoc Commission for verification of the SEA report. In both cases approval is based on criteria set out in Article 21.

Provision on procedure in case of potential **transboundary effects** is a requirement of the SEA directive and the Espoo Convention, and is defined by Article 23. Thus the procedure consists of timely notification of other state(s) that can be affected by the realization of the plan or programme, participation in the SEA procedure by expressing an opinion on the draft plan or programme and SEA report. The procedure is the responsibility of the environmental authority.

Access to information is defined by Article 24, which requires the SEA report, consultation and public participation results to be part of the plan or programme-related documentation and to which access will be organized under conditions prescribed for the plan or programme. This provision is based on the SEA Directive and the Aarhus Convention.

Access to justice (Article 26) – The provision of the Law regulating the general administrative procedure shall be applied in the decision-making procedure pursuant to this Law.

LAW ON INTEGRATED POLLUTION PREVENTION AND CONTROL (IPPC)

Issuing an integrated permit is a new instrument in the Montenegrin environmental legislation. Till now, there was not an integrated approach to the environmental protection or integrated environmental prevention and control system according to IPPC directive.

The **Law on Integrated Pollution Prevention and Control** has been prepared within the framework of the YUGOLEX project. The Draft law is fully harmonized with Council Directive 96/61/EC of September 24, 1996, concerning integrated prevention pollution and control. Also, two sub-regulations have been prepared:

- Regulation on activities and installations that are subject to integrated permit issuing, on the contents of programmes of measures of bringing of existing installations or activities in compliance with the set conditions, on criteria for determination of the best available techniques, on criteria for determination of emission limit values in integrated permits,
- Rulebook on the contents and method of keeping the Registry Book of issued integrated permits.

The IPPC Law regulates environmental pollution prevention and control through the system of issuing integrated permits for installations and activities that may have negative impacts on human health, environment or material resources (Article 1). It lays down measures designed to prevent or to reduce emissions in the air, water and land from the installations to be defined by the cited sub-regulation, including measures concerning

waste, efficient energy consumption, reduction of noise and vibrations, use of raw materials, prevention of accidents, and risk assessment.

Integrated permits must be based on the concept of Best Available Techniques (BAT) and the Ministry of Environment and Physical Planning shall set the conditions for implementation of BATs.

The IPPC Law will be implemented from January 1, 2008. The existing installations are required to comply with IPPC requirements by 2015.

In all above-mentioned acts (EIA, SEA and IPPC), the requirements of EU Directive 2003/4/EC and Directive 2003/35/EC on public access to environmental information, public participation in decision-making and access to justice, were transposed.

LAW ON WASTE MANAGEMENT

By adopting this Law, the existing legislation has been harmonised with EU directives in the area of waste management, in particular with the Directive 75/442/EEC on waste. As a result, a legal framework has been established and basic conditions created for implementation of the Strategic Master Plan for Waste Management at the republican level, which was adopted by the Government of the Republic of Montenegro in 2005.

The Law on Waste Management provides for a commitment to elaborate waste management plans. It furthermore defines: competences, responsibilities and obligations related to waste management; principles for managing special of wastes; incineration, disposal and storage of waste; transboundary movement of waste; monitoring; and penal, transitional and final provisions.

The Law envisages elaboration of a number of sub-legal acts to be completed with the period of 18 months after the Law is adopted. Elaboration of the following documents is under way: Rulebook on Waste Dumps, Guidebook on Elaboration of Waste Management Plans, and Rulebook on Types and Manners of Waste Examination.

Law on Environmental Noise

The Ministry of Health is in charge of noise protection. The Ministry of Environmental Protection and Physical Planning was involved in the drafting of this Law as well. The Law regulates noise protection in the environment and establishes the measures for restraining harmful effects of noise on human health. Noise protection is achieved through:

- Establishing a system that controls the source of the noise,
- Planning, monitoring, restraining and limiting the use of the source of noise,
- Production of the acoustic cards based on the single noise indicators and noise estimation methods in the environment,
- Action plans with short-term, midterm and long-term noise protection measures in the environment.

Bylaws envisaged in the Law will be adopted in the six-month period from the day of entry into force of this Law. Regulation on boundary noise level is drafted and is in the process of collecting opinions from the relevant ministries and institutions.

In accordance with the Working Plan of the Government of Montenegro, by the end of 2006 the following legal acts harmonised with relevant EU Directives are planned for adoption:

- Amendments to the 1996 Law on Environment – IV quarter
- Law on Ambient Air Quality – III quarter
- Law on Environmental Fund – IV quarter
- Law on protection against ionizing radiation – IV quarter

Concerning **secondary legislation**, the following acts, which are in the final stage of drafting, are planned for adoption in 2006:

1. The Decree on projects that are subject to elaboration of EIA Study
2. Regulation on the contents of the developer s application, contents and scope of EIA Study, contents, format and method of public register keeping
3. Regulation on activities and installations that are subject to integrated permit issuing, on the contents of programmes of measures of bringing of existing installations or activities in compliance with the set conditions, on criteria for determination of the best available techniques, on criteria for determination of emission limit values in integrated permits,
4. Rulebook on the contents and method of keeping the Registry Book of issued integrated permits.
5. Regulation on Waste Disposal Sites
6. Waste Classification Regulation
7. Guidance on development of waste management plans
8. Decree on environmental noise limit values

Furthermore, three draft laws on **ratification of international environmental conventions and protocols** are drafted and ready for adoption by the new Parliament of Montenegro:

1. Law on ratification of Kyoto Protocol, adopted by the Government, but not by the Parliament,
2. Convention to Combat Desertification,
3. Bern Convention.

Capacity Building for the implementation of new legislation

The four adopted laws (EIA, SEA, IPPC and Waste Management) will come into force on January 1, 2008 (waste management in November 2008). In the meantime, the secondary legislation is being drafted and, in order to train personnel on republic and local level for implementation of the new legislation, a number of training and capacity building programmes are being realized in the framework of different international projects, such as:

1. The Ministry of Environmental Protection and Physical Planning has been working on implementation of the project regarding **strategic assessment development programme** since November 2005. The project is being realized under the World Bank and Dutch Commission for strategic assessment of the impact on environment as key partners. The project encompasses three basic components:

- Realization of the SEA training programme,
- Preparation of the long-term capacity development programmes, and
- Realization of the first trial strategic assessment in Montenegro.

The Project also has a trans-boundary component, having in mind that a similar set of activities was also supported in Albania, and that there were some joint activities foreseen for both countries.

The first trial SEA is being implemented for the Spatial Plan of the Republic of Montenegro. Although realization of the SEA was not legally binding in case of the Spatial Plan, the Ministry was of the opinion that implementation of strategic assessment on this important process and document would be very useful. The aim was to contribute to improvement of the information quality and to strategic methodical decision-making process through SEA, and, simultaneously, through concrete activities, to the development of capacity and knowledge related to implementation of this instrument.

As agreed with the Ministry and based on the advice given by the Dutch Commission, the World Bank prepared terms of reference for the consultants selected for realization of the trial SEA in June 2006. Based on that document, the consultant selection procedure was carried out, and in late July the British consulting company Land Use Consultants (with extensive experience in the field of spatial plans preparation and strategic assessment) was selected to complete this job.

As agreed with the Ministry, Land Use Consultants has prepared the action plan for the forthcoming period, including the initial workshop dedicated to the first SEA process stages (scheduled for late September 2006). In addition to this initial one, the consultants will organize another workshop later in the process, so that all relevant stakeholders could be included in the process. The foundation for SEA will be the first draft of the Spatial Plan, which will be directed to the Government for adoption, and the first draft of the SEA report will be prepared before the public discussion on the draft Plan is opened. The idea behind was to provide the dynamics of the SEA process adapted to the dynamics of the Spatial plan preparation process, as well as to make the additional information on the impact of the suggested planning solutions on the environment available to both professional and general public before the draft Plan determination.

2. “Improving the Practices of Public Participation: Next Steps in Implementing the Aarhus Convention in Albania, Bosnia and Herzegovina, the former Yugoslav

Republic of Macedonia, Serbia and Montenegro, Kosovo (territory under interim UN administration)” Project budget: EUR 515,000 for 5 Balkan countries - The Government of the Netherlands; **Implementing agency:** for Montenegro - REC Office Podgorica. In the framework of this project the following activities have been carried out in Montenegro:

- Round table: “Development of activities in Montenegro for Protocol on Release and Transfer of Pollution”, for representatives of central and local governments, NGO, Business sector
- Regional meeting of the project “Improving the Practices of Public Participation: Next Steps in Implementing the Aarhus Convention in SEE”
- Training on “Public participation in the new law on Environmental Impact Assessment (EIA) in the Republic of Montenegro” for representatives of local governments and NGO.
- Training on “Public participation in the new law on Strategic Environmental Assessment (SEA) in the Republic of Montenegro” for representative of relevant ministries, local governments and NGO

3. Through many activities of the REReP project - Environmental Compliance and Enforcement Network for Accession (**ECENA**) a certain number of employees in the Ministry have been successfully trained on implementation of the IPPC directive, RMCE and SEVESO II directive. Work in the ECENA net is focused on environmental protection inspection, licence issuing authorities and industry representatives, i.e. operators. At the ECENA plenary meeting held on January 19-20 in Zagreb, the Long-term Working Plan for the period 2006-2009, that will be financed by European Commission-Regional CARDS programme and World Bank, was adopted.

Development of an overall environmental protection strategy (water, waste, air)

In order to achieve standards and bring Montenegrin legislation into conformity with the EU directives in the field of solid and water waste management, during the year 2005, important strategic documents were adopted (Republican Strategic Master Plan for Solid Waste Management and the Master Plan for Montenegrin Coast and Cetinje Municipality Waste Water Disposal and Purification, Strategic Master Plan for the Sewerage and Waste Water for Central and Northern Montenegro), whose realisation implies EUR 670 million investment over a 25-year period.

Successful completion of the concrete projects foreseen in the above mentioned strategic plans is directly conditioned by the creation of prerequisites for their realisation, and accordingly legislative framework establishment and adequate institutional mechanism setting up (Project Implementation Unit) and funds providing the possibility for realisation of concrete activities.

In line with what was mentioned above, for the creation of prerequisites for completion of the strategic documents the following has been undertaken so far:

- In order to establish the **legislative framework** for the Republican Strategic Master Plan for Solid Waste Management implementation, and accordingly bringing the domestic legislation into conformity with the EU directives, the Law on Waste Management was adopted and passed by the Parliament of the Republic of Montenegro in December 2005. Drafting of the bylaws is envisaged to be undertaken in the following 18 months period, as well as drafting of the Rule Book on Dumps, Regulation on kinds and methods of the waste examination, as well as Guidelines on a waste management making plan, which has started;
- In order to strengthen the **institutional framework**, which will enable realisation of the subject strategic documents, activities on establishing Project Implementation Units in the field of public utilities are launched. Model defining and Unit establishing activities are supported by European Agency for Reconstruction that engaged consulting agency EPTISA International on this issue. Deadline for the project is mid February 2007. Project on establishing Project Implementation Units consists of the following: preparation activities on establishing, establishing and Project Implementation Unit support.
- So far the current status analyses in the public utilities field has been undertaken; draft version of the material is prepared and titled "Proposal on the organizational structure of the Project Implementation Unit in the public utilities field" and was presented to the local self management units in the August 2006. Several organizational models for the project implementation units were discussed, and it is expected to be established at the beginning of the year 2007.
- In order to strengthen **financial capacities** necessary for implementation of the master plans, supported by USAID, activities on Feasibility Study preparation on the Revolving Fund establishment commenced. The Funding Agreement for the Feasibility Study on the Revolving Fund establishment for the realisation of public utilities projects is donated by American Agency for Trade Development (TDA), mediated by USAID. Agreement on realisation of the mentioned Study was signed in May 2006, concrete activities were initiated in July 2006, and the completion is planned for February 2007.
- Revolving Funds are developing funds that provide financial support for the great number of the projects in the field of water management, waste disposal, road construction and other public utilities infrastructure that are realised by the local self management units. The Revolving Fund provides local self-management units with preferential rates loan that are, after being repaid, used to grant new similar projects.

Although there are above-mentioned funds in many countries, this project is aimed at putting forward the proposals, through the Study, for the organisational model of the Fund that would be the most suitable for the Republic of Montenegro. If the Study proves that the establishment of the Fund is necessary, local self-management units and relevant communal enterprises in Montenegro will be provided with a strong mechanism for efficient implementation of the strategic master plans. The Study will cover the following activities: credit capacity analyses, and credit capacity of the municipalities and waterworks enterprises, draft of the business plan, financial model of the revolving fund,

model of the credit package and other important issues that are referring to feasibility and sustainability of the project.

Activities on realization of the Republican Strategic Master Plan for Solid Waste Management

This document envisages investment in the amount of EUR 109 million, 54 million of which will be implemented by 2009, within the first stage of realization.

Related activities completed so far:

- Realization of the MESTAP (Montenegro Environmentally Sensitive Tourist Areas Project) project, funded through the World Bank loans, included the following coastal municipalities: Kotor, Tivat, Budva, Ulcinj and Bar. Activities planned: construction of the regional sanitary dump for the municipalities of Bar and Ulcinj; long-term solution regarding waste disposal for the municipalities of Kotor, Tivat and Budva (regional dump construction); purchase and installation of the primary recycling instalment on the “Lovanja” d.o.o. dump, as well as on the future dump for the municipalities of Bar and Ulcinj; sanation and recultivation of the existing (five) currently used uncontrolled dumps; procurement of the equipment and funds for solid waste collection for the abovementioned municipalities; building of the dismantling – construction material for the entire Montenegrin coast; the project budget amounts to around USD 7.3 million. Activities completed so far: procurement of the equipment and funds needed by the municipal utilities in Kotor, Tivat and Budva; completion of the Feasibility Study for selection of the long – term location of sanitary dumps for municipalities of Kotor, Budva and Tivat (and possibly Herceg Novi); laying out services on environmental sanation of devastated area in municipalities of Kotor and Tivat; procurement and installation recycling equipment for sanitary dump “Lovanja”; completion of the Feasibility Study for selection of the long-term location for the sanitary dumps for municipalities of Bar and Ulcinj; adopted Decision on selection of Kruča location for construction of the future sanitary dump; adopted Decision of establishment of the “Hije” d.o.o. company; Completed Study of the assesment of the sanitary dump impact on environment.
- Important activities on realization of the two projects launched in the Municipality of Podgorica: construction of regional sanitary dump and sanation of the existing communal waste disposal point at the location of “Livade” and construction of the regional recycling center. Total funds needed for realization of the mentioned projects amounts to over EUR 10 million. Realization of this project will create adequate conditions for the disposal of the communal waste collected not only from the territory of the Municipality of Podgorica, but from Danilovgrad and Cetinje as well;
- During the first quarter of 2006, the Public Housing – Communal Utility from Plužine has entered realization of the utility vehicle and container procurement, as well as the platform for the containers preparation project, the value of which amounts to around EUR 100,000. The project was supported by CHF, the

Ministry of Environmental Protection and Physical Planning and EAR, as well as the Municipality of Plužine. Having in mind the fact that the Municipality of Nikšić agreed to accept disposal of the waste collected from the territory of the Municipality of Plužine, realization of the project will prevent waste disposal on the Piva lake coast;

- A separate waste collection project, the value of which amounts to EUR 162,000, was launched in the Municipality of Herceg Novi in cooperation with IRD and supported by the Communal Utility from Norway.

The value of the activities launched so far on realization of the first phase of the Strategic Master Plan preparation amounts to EUR 16,846,560 (or 31%), within which investments in the amount of EUR 54 million was planned.

Activities on realization of the Master Plan for the waste water disposal and purification from the territory of the Montenegrin seaside and Municipality of Cetinje

By 2028 this document foresees providing around EUR 280 million, for realization of the project from the field of waste water management, EUR 27.7 million of which will be implemented during the first phase of realization.

Activities realized so far:

- Sanation of three fuel stations in the Municipality of Kotor (Plagente, Stari grad and Peluzica) and siphon that leads to the “Trašte” spout in the amount of USD 660,000;
- Sanation of three fuel stations in the Municipality of Budva (Stari grad and Budva I and Budva II) in the amount of around USD 1,500,000;
- Preparation of a significant portion of project documentation in municipalities of Herceg Novi and Tivat.

Projects in progress:

- Preparation of the database for qualification and international tender for the sewerage system construction project in the municipality of Tivat. The construction is planned to begin in October–November 2006. The total value of the funds amounts to EUR 4 million and the largest portion is provided by the KfW bank (loan in the amount of EUR 1,000,000 and donation from the KfW bank in the amount of EUR 2,500,000). The remaining portion of the funds is provided by the local and state governments’ authorities. This will enable disposal of the waste water collected from the urban zone of this municipality to the submarine spout of Trašte, as well as putting the inadequate submarine spouts out of use.
- Within the EAR donation:
 - o In the amount of EUR 140,000: the following projects will be realized in the municipality of Herceg Novi: sanation of the submarine spout in the length of 800 m (the value amounts to EUR 80,000), construction of the

new pump station and 150 m of pipeline for connection to the collecting city network (the value amounts to EUR 30,000) and sanation of five electrical boxes for pump stations (the value amounts to EUR 30,000),

- In the amount of EUR 240,000: sanation of three pump stations will be completed in the municipality of Bar (Topolica, Čanj, Volujica)

Preparation of tender documentation is in progress.

Activities on realisation of the Strategic Master Plan for the Sewerage and Waste Water for Central and Northern Montenegro

The Strategic Master Plan for the Sewerage and Waste Water for Central and Northern Montenegro envisages in this part of the country in the field of water waste management investments worth EUR 280 million, out of which EUR 81 million will be invested in the first realisation phase.

Ongoing realisations of the projects:

- Project for sanation, i.e. revitalisation of a plant for water waste purification in Nikisic; the Government of Montenegro decided to direct the first proportion of the credit from the European Investment Bank, amounting to EUR 5 million to sanation, i.e. revitalisation of plants for water waste purification in Nikisic. Agreement among Serbia and Montenegro and the Republic of Montenegro and European Investment Bank was signed in April 2006, which was a prerequisite for preparation for project realisation activities.
- So far data analysis for drafting necessary technical documentation for this plant has been undertaken, then engagement of the relevant institutions for measuring the quantity of the water waste (Hydrometrological Institute from Podgorica) and its quality (Eco-toxic Centre in Podgorica), cooperation regarding technical documentation drafting has been established with the consulting agency EPTISA, supply of the flow measurer for the waste water quantity was agreed, and it is foreseen to be completed by the end of 2006, contacts with the economic entities in the Municipality have been established, primarily with the brewery, regarding law-abiding regulation on waste water drainage in the central city sewerage. Drafting of the Agreement between public enterprise "Waterworks and sewerage" and economic entities connected to the central city sewerage on the way of waste water drainage before and after completion of the reconstruction of the waste water purifying plant is underway. Activities on Feasibility Study drafting and estimations of the impact on the environment of this infrastructural structure are underway as well. The end of the year 2007 and beginning of the year 2008 are expected to be a period for implementation
- As a part of the completion of the project on sanation of the waste water purification plants, European Agency for Reconstruction in Podgorica provided donation amounting EUR 1.6 million. The project should be completed in a 330-days period starting from the day of its signing. Consulting agencies that are involved in this project are DHW and Fideko.

Report on State of Environment in Montenegro is law-binding obligation and it is supposed to be prepared at the beginning of the year for previous year. Data on continuous monitoring of air, water, radioactivity, biodiversity, soil and noise are used as a base for drafting the Report. The Report for the year 2005 is adopted by the Government of the Republic of Montenegro in the second quarter of the year 2006. This Report as well as the others from the previous years could be find at the website of the Ministry - www.mepp.cg.yu

Starting from the aims of the **Barcelona Convention and its Protocols**, regarding environmental protection in the Mediterranean Sea and its coast from land source pollution, which is a consequence of the sea bottom and submarine area.

Examination and utilisation, pollution as a consequence of cross board transport of harmful waste and its disposal, ships originating pollution, contingency caused pollution, pollution caused by ship or aircraft sinking, as well as in the situations of burning on the see, Ministry of Environmental Protection and Physical Planning as a part of cooperation with Mediterranean Action Plan under auspice of United Nations Environment Programme – UNEP/MAP and its regional centres realised important activities in the previous three years period:

- Drafting of the National Strategy on Sustainable Development of Montenegro
- As a result of activities taken within the implementation of the Programme for Reduction of Pollution Coming from Land-based Sources – MEDPOL for Montenegro, the following documents envisaged by the third phase of MEDPOL Programme have been prepared: Basic Emission Balance for Montenegrin coast (Baseline Budget – BB), National Diagnostic Analysis (NDA), and National Action Plan for Montenegrin Coast (NAP). Montenegrin NAP has been positively evaluated by the UNEP/MAP, and afterwards incorporated into the Strategic Action Plan for Preventing Sea Pollution from Land-based Sources for the Mediterranean Region – SAP/MED.
- National Report on Biodiversity Condition in the coastal and sea area of Montenegro, integrated into the Strategic Action Plan for Biodiversity Protection.
- Within cooperation with the REMPEC (Regional Marine Pollution Emergency Response Centre), activities are carried out in the area of prevention, preparedness and response in cases of sea pollution coming from vessels, aimed at identifying needs of Montenegro in these areas, as well as strengthening institutional capacities and improving relevant legal framework. This plan, *inter alia*, implies:
 - Strengthening of institutional and legislative framework in Montenegro;
 - Ratification of conventions treating the area of prevention, readiness and response in cases of sea pollution coming from vessels, as well as responsibility and compensation for pollution caused by oil;
 - Drafting and adoption of laws at the national level enabling implementation of relevant conventions, as well as drafting and adoption of sub-legal acts;

- Assessment and strengthening of the existing maritime administrative capacities, with a view to fulfilling conditions arising from the status of the flag State, port State and coastal State;
 - Drafting and adoption of the National Plan for prevention, readiness and response in cases of sea pollution coming from vessels – National Contingency Plan;
 - Creating conditions for fulfilment of preconditions defined by the Statement on extension of the Sub-Regional Contingency Plan for the Prevention of, Preparedness for and Response to Major Marine Pollution Incidents coming from vessels from the northern to the southern part of the Adriatic Sea, adopted at the second meeting of the Adriatic – Ionic Initiative, in the period Montenegrin chairmanship;
 - Elaboration of a feasibility study for installing equipment necessary for reaction in the case of oil outflow;
 - Elaboration of a feasibility study for installing devices in ports necessary for refinement of waters in port aquatorium.
- Preparation of projects in the area of integrated coastal area management that will be carried out within the framework of cooperation with the PAP/RAC.

Within the aforementioned action plans, many individual projects have been identified. These projects will be implemented through the Strategic Partnership of UNEP/MAP with the Global Environment Fund and the World Bank. In view of the fact that this partnership will to a large extent cover those projects having regional character, regulation of Montenegro's and other Balkan countries' status in the **Euro-Mediterranean Partnership** (EMP) is of great importance, since the European Commission's initiative for depolluting the Mediterranean by 2020, entitled "Horizon 2020", gives the possibility for realisation of numerous projects within the process of adopting and implementing the EU Environmental Strategy for the Mediterranean.

Activities on preparing a **Proposal Project on proclaiming the Adriatic Sea as a Particularly Sensitive Sea Area** are in progress. These activities are being carried out in line with the International Maritime Organisation's procedure. The Project is of regional character, while the Croatian Ministry of Sea, Tourism, Traffic and Development is the coordinator of activities. Montenegro is taking an active part in these activities. At the end of July, comments on the draft Proposal Project were prepared at national level. The final Proposal Project will be submitted to the IMO for consideration at the end of this year, following which, in case the Proposal Project is accepted by the IMO as being justified, the process of proclaiming the Adriatic as a particularly sensitive sea area would be initiated.

The **National Plan for implementation of the Stockholm Convention on Persistent Organic Pollutants** is being drawn up. This National Plan will help in identifying weaknesses existing in the national system, while preparation of action plans for managing certain permanent organic pollutants will create preconditions for reducing or completely eliminating their harmful impact on environment and human health. Serbia and Montenegro signed the Stockholm Convention in 2002, thus acquiring the right to

use financial resources provided for drawing up of the National Plan by the Global Environmental Fund. UNEP is the implementation agency for realisation of this project. As far as Montenegro is concerned, the Centre for Eco-Toxicological Researches is the coordinator of activities at national level.

With the view of achieving better coordination and implementation of the project entitled “**The National CFC Phase-out Plan for Serbia and Montenegro**” (NCPP), with special emphasis put on the Refrigeration Management Plan, an office has been opened in Podgorica, i.e. Project Management Unit (PMU). The Unit will be managed by a PMU manager who will be in charge of coordinating and implementing activities and sub-projects within the NCPP for Montenegro.

In the framework of technical and financial assistance provided by the Multilateral Fund for implementation of the Montreal Protocol, and with regard to the switch from freon (CFC) 11 and freon 12 to non-ozone depleting substances, Radio Television Montenegro (RTCG) from Podgorica, as a company using freon 11 in chillers for air-conditioning, has received help in the form of equipment. The procedure for receiving this equipment is in progress and expected to be delivered to RTCG by the end of the year.

In cooperation with the International Atomic Energy Agency, the Republic of Montenegro is currently implementing a project dealing with construction of the first storage for low and intermediate level radioactive waste. The aim of this project is to provide for the **storage of spent sources of ionizing radiation**, especially constructed for this purpose and in compliance with the recommendations of the International Atomic Energy Agency and EU. So far, a storage site has been defined and approved by the IAEA. Technical documentation for the construction of the storage has been prepared by the local experts. Environmental impact assessment has been carried out in line with the EIA Act (“Official Gazette of Montenegro” No. 14/97) and, based on the EIA report, which has been approved by IAEA as well, the Ministry of Environment and Physical Planning has granted environmental consent. For the preparation of the technical documentation and construction of the storage, the Government of Montenegro has allocated EUR 150,000 (EUR 100,000 in 2005, and 50,000 in 2006). Another EUR 200,000 is expected from the International Atomic Energy Agency in 2007 for purchasing the necessary equipment and instruments.

In mid-2005, sanation of the **lead and zinc mine dump site in Mojkovac**, whose value has been projected at EUR 7,468,506, was initiated. This capital project for Montenegro will be realised in stages: the first stage value totals EUR 1,479,039, while the second stage value totals EUR 6,000,000. During 2005, the following activities were carried out: additional research activities; construction of a collector for protecting dump site from atmospheric waters; refinement of the existing retaining reservoir in the dump site area with related installations; elaboration of a main project for waste water treatment facility in Mojkovac. Circa EUR 700,000 was spent for these works, and funds were provided out of the Budget of the Republic of Montenegro as well as from the donation of the Government of Czech Republic. In 2006, activities covered by the first stage have been continued, primarily those focused on the construction of waste water treatment facility, as well as on the reconstruction and upgrading of sewerage in Mojkovac. After completion of the public tender procedure for selection of the contractor for reconstruction and addition of the waste water collector in the waste disposal in the

length of around 1,100 m, the Cijevna Komerc company from Podgorica was selected and signed the contract with the Ministry. Contracted value of the abovementioned works amounts to EUR 150,058.13, while the funds were provided by the Government of the Republic of Montenegro.

The activities regarding technical inspection of the main waste water purifier in Mojkovac is currently in its final stage. The purifier was produced by the Vodni zdroje company from Prague, and financed by the Czech Government. After harmonization of the comments and project approval obtained from the Technical inspection commission, the Ministry will launch a public tender for selection of a contractor in September. The plant was designed to have a capacity of 5,200 ES (inhabitant equivalent) and it will comprise both waste water (mechanical and biological treatment, as well as purified water disinfection) and silt treatment. The main project defines the funds in the amount of around EUR 1,300,000, which will be provided by the Government of the Republic of Montenegro. Completion of these works will create preconditions for realization of the second phase of sanation and recultivation of the waste disposal, i.e. for final waste disposal sanation.

Another ecological problem will certainly be resolved. A contract has been signed with the “Projmetal” A.D. enterprise, representing a Consortium consisting of “Gosa Inzenjering Projmetal” A.D. and the Faculty of Mining and Geology of the University of Belgrade, for elaboration of technical documentation for sanation and re-cultivation of the dump site of lead and zinc mine “Suplja stijena” in Gradac, Pljevlja. The contract value totals EUR 80,000, with 180 days as a time limit for its implementation.

The Ministry of Environmental Protection and Physical Planning has prepared the terms of reference with the aim of preparation of the Feasibility Study for establishment of the protected natural area on the territory of the Plav part of the Prokletije mountain, by which environmental evaluation of the area would be carried out and adequate status/category of its protection and management determined, according to national and international requirements for protected natural areas. The potential **national park** was preliminarily defined by an area of 14,000 hectares. The Study, which will be prepared by the Nature Protection Institute from Podgorica, envisages the available data collection and analysis, evaluation of environmental, cultural, and socially – economic values of the area; analysis of the main stakeholders which will participate in the future sustainable management of the protected area.

Adoption of the Land Use Plan

The Law on Spatial Planning and Development (“Official Gazette” No.28/2005) establishes the foundation for spatial planning and development, type and content, as well as plans creation and adoption procedure, conditions for plans creation and implementation, and the Law’s provisions for implementation monitoring (Article 1). The plans are defined in the Article 17 as the State and local planning documents. The State planning documents are Republican Spatial Plan, spatial plan of the area intended for special purposes, detailed spatial plan and location study. Adoption of the Republican Spatial Plan and spatial plan of the area intended for special purposes is obligatory.

Local planning documents are: general urban plan, detailed urban plan, urban project and local location study. Adoption of the local government units' spatial plan and general urban plan for the local governments unit's center is obligatory. Preparation of the strategic impact assessment is obligatory for all planning documents.

Activities on preparation of sub-laws which follows based on the Law on Spatial Planning and Development are in the progress. Draft texts prepared so far:

- Decree on contents and manner of conducting a universal spatial information system;
- Rulebook on the form of planning documents, land allocation categories, urban regulation elements and graphical symbols; and
- Rulebook on detailed contents and manner of conducting spatial documentation fundamentals.

These documents are planned to be prepared by the end of 2006.

Spatial Plan of the Republic of Montenegro is a strategic document and base for spatial organization and development in the Republic. This Plan determines spatial development goals and measures of the State, according to the overall economic, social, environmental, cultural and historical development of the Republic. Adoption of **The Spatial Plan of the Republic of Montenegro for the period up to 2020** is in the progress. On its session held on September 14, 2006 the Government of the Republic of Montenegro has asserted the draft Spatial Plan of the Republic of Montenegro and forwarded it for further consideration. The Plan is expected to be adopted by the end of 2006. When the Plan is adopted, it will be assigned the status of a law. The Plan offers the framework and guidelines for all lower level plans, and that is why it is recognized as a plan suitable for the first trial project of the strategic impact assessment (SEA) in Montenegro.

As a part of institution strengthening, it is envisaged to establish an **Agency for Urban Planning and Space Management**.

Draft Spatial Plan for maritime domain as special purpose area was drafted and adopted by the Government of Montenegro and currently is in the parliamentary procedure.

Adoption of the Sustainable Development Strategy and sectoral strategies (integrated coastal zone management, biodiversity, climate change)

The process of drafting the **National Strategy on Sustainable Development** of Montenegro was initiated in June 2005. This process is conceived to enable participation of all relevant segments of the society. Apart from the expert team, the participative part of this process has included representatives of NGOs, civil sector, local institutions and local self-government. The document provides for an analysis of the existing situation in 24 areas which represent priority in terms of taking urgent actions at the national level. As a result, the Action Plan has been drafted. It defines tasks and enforcement measures for each of these 24 priority areas, as well as time schedule, persons responsible for enforcement and indicators for measuring implementation outcome. The first draft of this document was presented in December 2005, following which round tables have been

held, attended not only by the expert team, but by representatives of participative process and relevant scientific and expert institutions as well. An agreement has been made regarding methodology and criteria for prioritising previously defined set of objectives (over 100 different objectives in priority areas). Through prioritisation, 45 tasks in 24 areas have been selected and used as a basis for drafting Action Plan. The final draft of this document was presented on 12 June 2006. Presently, activities are taken to assess implementation costs. Afterwards, the document will be submitted to the National Council for Sustainable Development for approval as well as to the Government of the Republic of Montenegro for consideration and adoption.

The Strategy has been drafted by the Ministry of Environmental Protection and Physical Planning in cooperation with the UNEP's Mediterranean Action Plan, the UNDP Office in Podgorica, and the Italian Ministry for Environment and Territory. This Strategy is conceived as a medium-term document outlining a vision of long-term development. In other words, drafting of this Strategy and its implementation has been structured as a cyclic process in which information obtained through monitoring are used as a basis for evaluation and adjustment of previously defined tasks and objectives. Reports on implementation of the National Strategy on Sustainable Development will be prepared annually, and will serve as a basis for the first regular review of the Action Plan after three years, while the document and the Action Plan will be completely reviewed after five years of implementation. The National Strategy on Sustainable Development represents the national response to requirements contained in the relevant documents at the global level such as the Rio Declaration and Agenda 21, as well as the Johannesburg Declaration and Plan of Implementation, taking into account national needs and specific characteristics. The Strategy has been realised as a part of implementation of the Mediterranean Strategy for Sustainable Development at the national level. Efforts have been made to harmonise the Strategy with the EU Sustainable Development Strategy. The National Strategy on Sustainable Development is based on the existing strategic documents at the national level, while attempting to identify those strategies and plans that do not meet the sustainability criteria as well as to provide solutions identified conflicts or manners for managing these conflicts. Therefore, the Strategy represents a framework strategy laying down sustainable development guidelines for the environment priority areas within economic and social development.

The **Strategy for Integrated Management of Coastal Area** has been drafted by the Ministry of Environmental Protection and Physical Planning in cooperation with GTZ. Proceeding from the guidelines contained in the National Strategy on Sustainable Development of Montenegro, this Strategy will define measures for sustainable development of the Montenegrin coastal area, with special emphasis put on areas requiring multidisciplinary approach. During 2005, the Diagnosis has been made and used as a base for elaboration of this Strategy. The first draft of the Strategy has been prepared, and now the process of consultations is expected to be initiated. This document is planned to be adopted by the Government of the Republic of Montenegro by the end of 2006.

In cooperation with UNDP, the Ministry has prepared a project proposal for elaboration of the **Strategy for Biodiversity Protection and Preservation**, along with **Action Plan**. The project has been approved by the Global Environment Fund (GEF), and Serbia and

Montenegro was granted USD 315,000 for elaboration of this document. Due to new circumstances after the referendum in Montenegro, it is realistic to expect that there will be a standstill in implementation of this project until relations between Montenegro and Serbia are solved. Activities on improving the protected areas management and biodiversity preservation are carried out through several international projects:

- ✓ Project entitled **“Lake Skadar Integrated Ecosystem Management”** is financed by the Global Environment Fund (GEF) to the amount of USD 4.9 million. The World Bank is the implementing agency, while the Government of Montenegro and the Government of Albania, i.e. Ministries for Environmental Protection are direct beneficiaries. The project will be implemented in two stages: the preparation stage (which is under way, and will be completed by the end of 2006) and the stage of direct implementation (which will initiate in 2007 and will last for 4 years). The main objective of this project is to integrate the principle of environmental protection and biodiversity preservation into the sector policies.

The most important documents drafted during the preparation stage are as follows: *Transboundary Diagnostic Analysis*, representing scientific-technical document which defines and quantifies all the impacts of Lake Skadar on environment, and identifies their sources; *Social Analysis* for lake-area, comprising all the social structures affecting the Lake and identifying their role in the implementation of this project; *Strategic Action Plan*, which is in the final stage of drafting, specifying concrete project activities in various areas, aimed at resolving the identified problems in the area of Skadar Lake, that will be financed in the stage of direct implementation. This document will define concrete project activities in the framework of World Bank donotaion of USD 4.9 million.

- ✓ **“Promotion of Networks and Exchanges in SEE Countries”** is a trilateral project between Albania, Bosnia and Herzegovina and Serbia and Montenegro, implemented within the REReP (Regional Environmental Reconstruction Programme – Stability Pact, Working Table II) since 2005. The main objective of the project is to improve cooperation among neighbouring countries, through management of common natural resources in the transboundary protected areas.
- ✓ **“Environmental GIS (Geographic Information Systems) for Montenegro”**. The activities completed during the first phase of the project: preparation of a consistent and open Geographic Information System which would cover the whole country, using and supplementing the existing basic maps of Montenegro; the land mapping (based on the CORINE methodology), EMERALD locations mapping, as well protected areas mapping was supported. The training programme intended for the national parks GIS experts, Government institutions, municipal units for spatial planning (in cooperation with GTZ) and non-governmental organizations from the field of environment protection.
- ✓ **“Introduction of National Safety Framework”** represents implementation of the Cartagena Protocol, along with the Convention on Biological Diversity ratified by FRY in 2001. The Cartagena Protocol is focused on providing an adequate manner of protection in the area of secure transport, handling and use of

- genetically modified organisms, resulting from modern biotechnology, which might have negative effects on the biodiversity preservation and sustainable use.
- ✓ **“Environment and Security – EnvSec Initiative”**. Within this initiative, a project on establishing the international transboundary park – “Prokletije – Peace Park” (Albania, Kosovo and Serbia and Montenegro) is being implemented. The objective of the project is to improve national cooperation in the integrated transboundary protected areas management.
 - ✓ **“Biodiversity Preservation and Sustainable Use of Resources in the Eco-region of the Dinaric Massif”**. The aim of the project is to enhance efficiency of the system of managing protected areas in the eco-region of the Dinaric mountain.

Self assessment exercise for the preparation of **climate change** enabling activity proposal (preparation phase) is under implementation. National experts (3 from Serbia and 2 from Montenegro), hired for performing stocktaking activity and drafting the UNFCCC Initial Communication Project Document, have finished the first draft of the proposal, which has to be cleared by UNDP and by the respective Ministries. Final draft should then be submitted to GEF.

Strengthening of administrative capacities

According to the Law, the Ministry of Environmental Protection and Physical Planning, established in 1992, has a wide spectrum of competences: to monitor, protect and improve environment; to create environmental protection policy; to draft laws and regulations; to define standards and to perform inspection. The Ministry currently has 90 employees, divided into five sectors: Sector for environmental protection; Sector for housing and public utilities; Sector for urban planning and civil engineering; Sector for physical planning; and Sector for inspection and administrative affairs. The appointed Assistant Ministers are in charge of these Sectors. Furthermore, the Ministry monitors the following institution: Hydrometeorological Service of Montenegro, Seismological Observatory of Montenegro, Public Enterprise “Morsko Dobro”, Public Enterprise “National Parks of Montenegro”, and Centre for Eco-toxicological Researches of Montenegro.

This wide spectrum of competences has become an encumbrance for the Ministry of Environmental Protection and Physical Planning of Montenegro, since it does not have a sufficient number of employees. Moreover, the Ministry’s role, competences and relations with other Ministries and governmental bodies, engaged in the environmental protection, are not clearly defined and demarcated. Due to the aforementioned, enforcement of new regulations has been decelerated, thus making it impossible for Montenegro to take full advantages of intensive international cooperation as well as of the Stabilisation and Association Process. Therefore, it is necessary to take far-reaching measures in order to develop the Ministry’s capacities, including a comprehensive analysis on current capacities and functions, definition of priorities and modernisation of administrative and operative capacities, having regard to professionalism principles and institution stability.

With the view of strengthening administrative and institutional capacities, the Ministry has launched several international projects, such as:

1. In cooperation with the European Agency for Reconstruction, the Ministry of Environmental Protection and Physical Planning implements the project entitled “**Assistance to the Ministry of Environmental Protection and Physical Planning**”. The project is financed out of the 2005 CARDS funds (EUR 1.2 million). The project will take 15 months, i.e. from November 2005 to February 2007. This project, carried out by EPTISA consulting company from Spain, is divided into three tasks:

- ✓ To establish an Environmental Protection Agency
- ✓ To establish Project Implementation Units
- ✓ To harmonise environmental legislation with EU regulations

Furthermore – related to this project although not part of it – the European Agency for Reconstruction financially supports Montenegro with the construction of the future premises of the Agency.

Establishment of an **Environmental Protection Agency** around the beginning of 2007 is one of the main tasks of the project. By that time also the new building for the Agency will be ready. The Government of Montenegro, in its Economic Reform Agenda, foresaw the establishment of this Agency as a significant step in improvement of environmental protection as well as an important tool that will facilitate compliance with environmental requirements by the business sector. At the same time, founding the Agency is a step towards membership of the EU.

The Agency will fulfil tasks in various environmental areas, like waste, water, air, nature and others. It is envisaged that its main responsibilities will include: monitoring of the environment, issuing permits, inspection and enforcement, reporting, but also communication activities, like raising public awareness, maintenance of stakeholders networks (like IMPEL and ECENA) and cooperation with the European Environment Agency in Copenhagen. In addition, establishing of the Agency shall mean a strict division of policy and legislation tasks that will be the responsibility of the Ministry and executive tasks that will be the responsibility of the Agency.

The EPA Advisory Committee, established by the Minister of Environment, will provide suggestions and opinions to this Minister related to competences and organization of work and status of the Agency. Since the Agency is also to realize one of the most important requirements of the EU environmental *acquis*: an integrated approach to environmental issues, it is obvious that establishing the Agency can be expected to have an impact on roles, position and responsibilities of various existing governmental bodies and institutes.

Hitherto, the following activities have been carried out:

- Consultative meetings have been held with representatives of the Ministries and institutions that are relevant for proper functioning of this Agency and its scope of activities;
- Review of the existing Montenegrin legislation relevant for establishment of the Agency

- Ceremony on the occasion of official opening of the Project, attended by numerous guests (20 March 2006), which caught extensive media attention
- Founding of an Advisory Committee for establishment of the Environmental Protection Agency
- Drafting of amendments to the Terms of Reference for establishment of the Agency, and their adoption
- Publication of the Project's electronic bulletin (both in English and our language)
- Elaboration of an Introductory (Initial) Report as well as of an Action Plan
- Opening of a sub-website, as a part of the Ministry's website, as regards activities directed towards establishment of the Agency
- Seminar has been held on the topic of six countries' experiences in establishing the Environmental Protection Agency and its scope of activities, followed by the corner stone event of the new building for the Agency with a high level of media attention
- Legislation analysis – EU commitments and priority proposals

The Advisory Committee is now in the process of formulating its advise on this final proposed model and is expected to present it to the Minister of Environment soon. On the basis of the proposal from the consultant and the advise on that proposal from the Advisory Committee, the Minister will make a decision on the further procedure and content. Following this decision legal provisions will be drafted by project staff as well as first drafts for the strategic plan of the Agency, job descriptions, training needs and working methodologies.

2. In cooperation with the Government of the Republic of Montenegro and the office of the Open Society Institute Foundation – Montenegro representative office, CDP initiated the project “**Strengthening Capacities of the Ministry of Environment Protection and Physical Planning to Deal with Problems of Environment Management**”, funded by the Government of the Kingdom of the Netherlands. The project is intended to resolving some of the most urgent “bottlenecks” related to environment management in Montenegro, in the context of regional cooperation and European integrations. The objective is to assist the Ministry of environment protection and physical planning (MEPPP) in developing structure, strategy, staff and management skills that are necessary for the strengthening of its policy, regulatory and administrative capacities, in order for it to be trained to completely adopt, implement and be in harmony with the *Acquis Communautaire*. The planned results that should be achieved in order for the above mentioned objective to be fulfilled are:

- More efficient and more effective structure of the MEPPP
- Better system of functioning of the MEPPP
- Improved public information system, information technology (IT) and documentation management system within the framework of the MEPPP
- Preparation of further plans

In the framework of this project the **Functional Analysis of the Ministry of Environmental Protection and Physical Planning** is elaborated containing chapters on Requirements for future period, Principles and general directions of institutional development, Situation Analysis, Visions and Goals and Proposed measures.

3. The Ministry and UNDP as implementing agency are carrying out project **National capacity self-assessment for environmental management in Serbia and Montenegro (NCSA)**. Duration of the project is two years (2004-2006). The objective of the NCSA project is to determine the priority needs, and develop a plan of action, in order to extend the capacity of Montenegro to meet the country's commitments to global environmental management. The project will focus on capacity related issues that are common across the three conventions – climate change, biodiversity and desertification, assessing the capacities needed to address these in a synergistic fashion, including needs associated with strengthening existing institutional mechanisms and developing networks. Currently the Thematic capacity assessment report is under preparation.

4. Great importance of the Regional programme of environment reconstruction in South – Eastern Europe – ReREP, as well as Regional Environment Protection Center, through the activities of which the initial regional cooperation projects are realized and solid foundation for further bilateral cooperation development established, should be emphasized.

Ratification and enforcement of the Kyoto Protocol

Technical assistance to the Republic of Montenegro for the signature and ratification of the Kyoto Protocol and for the establishment of a system of renewable Energy green Certificates is being implemented through the financial and expert support of the Ministry of the Environment and Territory of the Republic of Italy and in accordance with Memorandum of Understanding signed on 11 November 2004 between the Ministry for the Environment and Territory of Italy and the Montenegrin Ministry for Environmental Protection and Physical Planning. Project objectives are institutional activities, support in preparation of the First UNFCCC National Communication, establishment of a system of a green certificates for renewable energy and clean development mechanisms. In the framework of this project the following activities are realized:

- Draft Law on Ratification of the Kyoto Protocol with justification which was approved by the Government of Montenegro in February 2006, but not adopted by the Parliament of Montenegro;
- Draft GHG Inventories for 1990, 1998 and 2003;
- Draft portfolio of CDM projects in Montenegro;
- Activities on the analysis of the carbon credits potential in the Republic of Montenegro - the recruitment of two local technical experts;
- Established an Inter-ministerial Working Group (Ministry of Environmental Protection and Physical Planning and Ministry of Economy) to act as transitional

body, until establishing Designated National Authority in the Ministry of Economy – Department for Energy Efficiency.

On the meeting of the Managing Board on implementation of the Memorandum on Cooperation, held on June 28, 2006 in Rome, the Annex II to the Memorandum, which includes completion of the following activities related to Kyoto Protocol, was signed:

- Technical and legal assistance for the Kyoto Protocol ratification, CDM project implementation and constitution of the Designated National Authority – DNA
- Legal assistance aimed at defining the green certificates system, as well as at the energy sector development
- Strengthening of the local capacities for preparation and/or revision of PIN-a and PDD within the Clean Development Mechanism framework
- Technical assistance for preparation of the first National Communication on climatic changes and plans for air quality management
- Preparation of the revolving energy sources' potentials map

All projects' realization will start from September 2006.