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| **j0391798** | **EUROPEAN UNION – MONTENEGRO**  **Stabilisation and Association Agreement Special group**  **Public Administration Reform (PAR)** | **mn_horizontal** |
| **20 November 2024** | | |

**OPERATIONAL CONCLUSIONS - PUBLIC FINANCE MANAGEMENT**

1. Montenegro will adopt the updated PFM Reform Programme and Action Plan 2025-2026 taking into account the findings and recommendations of the latest SIGMA monitoring assessment and take measures to increase the implementation rate. The annual implementation report will be prepared by end March 2025.

1. Montenegro will prepare and adopt a new methodology for appraisal of capital projects in line with PIMA recommendations and best international practices.
2. Montenegro will adopt amendments to the Law on budget and fiscal responsibility allowing the full introduction of the mid-term budgetary framework. A medium-term debt management strategy will be adopted.
3. Montenegro will take all necessary steps to strengthen fiscal risks monitoring and allowing full functioning of the Fiscal Council as an independent body and adopt a new law on the State-Owned Enterprises (SOE), and an ownership policy and a strategy for the SOEs in line with best international practices.