



Montenegro
Ministry of Finance

Report on the implementation of the Montenegro Economic Reform Programme for the period
2022-2024

(For the first six months of 2022)

September 2022

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Introduction

On 26 January 2022, the Government of Montenegro adopted the Economic Reform Programme 2022-2024 (ERP) and submitted it to the European Commission within the deadline of 31 January 2022.

The Economic Reform Programme 2022-2024 sets out an ambitious but at the same time realistic set of reforms and investments, in order to achieve smart, sustainable and inclusive economic growth that will contribute to improving the quality of life of all its citizens. ERP reforms are also based on the Sustainable Development Goals (SDGs) and Montenegro's contribution to achieving them at the global level.

In the first quarter of 2022, according to the preliminary data provided by Monstat, there was a high growth of the Montenegrin economy of 7.2%, compared to the same quarter of 2021. In the same period, the annual growth of the EU economy (27) was 5.6%. All categories of domestic GDP recorded growth, with strong growth in exports of goods and services (64.4%) and private consumption (13.8%). Investment activity recorded a recovery, as it was 1.6% higher in the first quarter of 2022 in real terms on an annual basis, which is a significant positive signal for investments during the rest of the current year, as well as for the start of a new cycle in the following period.

Average inflation in the period January-June 2022 in Montenegro was 9.8%, with the largest positive contribution to inflation growth in the first half of 2022 coming from food and non-alcoholic beverage prices (6.2 p.p.) and transport prices (2.1 p.p.).

On the labour market, a significant recovery of indicators was observed, with an average number of employees of 218.5 thousand for the period January-June 2022 and strong annual growth of 23.5%, and with a parallel increase in the average net salary of 33.1% in the same period (to €704.00), due to the application of a lower tax burden on labour income since the beginning of 2022.

In the period January-June 2022, there was a strong increase in goods exports of 89.0%, compared to the same period of the previous year. The total value of exports amounted to €382.7 million, dominated by electricity worth €118.4 million, aluminium €104.0 million, bauxite €26.7 million and medical and pharmaceutical products €16.0 million. As early as in the six months of 2022, Montenegro greatly exceeded the total value of exports of electricity and aluminium as compared to the whole of 2021. In the period January-June 2022, there was also an increase in imports of goods of 48.0%, which amounted to €1,609.2 million and which was accelerated due to the recovery of economic and investment activity and dynamic private consumption in the country.

Budget revenues in the period January-July 2022 amounted to €1088.3 million or 20.5% of the estimated GDP and were higher by €106.1 million or 10.8% compared to the same period in 2021, while compared to the planned revenues they were higher by €67.1 million or 6.6%.

As regards the priority reform measures, ERP contains an agenda of 22 priority measures. For the first six months of 2022, the implementation of activities under the priority reform measures is at a satisfactory level.

It is important to mention that the activity has not yet begun as regards two reform measures. The first such reform measure is *Increasing the employability of adults by upgrading their skills and competences required in the labour market*, the implementation of which is the responsibility of the Ministry of Education. The main reason is the delay in establishing a working group in charge of implementing the activity. Another measure where activities have not yet started is the *Information system and mobile application for monitoring tourism parameters*, under the Ministry of Economic Development and Tourism. The reason are the problems caused by the restructuring of the institutions involved in the Project, bearing in mind that it is necessary to redefine all project items, as well as to establish a working party.

Implementation in the first six months of 2022 for the three key chapters (1) macroeconomic framework, (2) fiscal framework and (3) structural reforms is presented in detail below.

1. MACROECONOMIC FRAMEWORK

After a strong recovery of the Montenegrin economy in 2021, based on accelerated demand, opening of borders and growth of tourism, favourable macroeconomic trends in Montenegro continue in 2022. However, the first half of 2022 is characterized by significant uncertainty, as the global economy was rocked in February by a new external crisis, triggered by the Russian Federation's aggression against Ukraine. The crisis has led to instability in financial markets, a decline in investor confidence, and combined with challenges in supply chains, to a significant acceleration of inflation. The uncertainties are also spilling over to the Montenegrin economy, so in the first half of 2022 tourism plans were re-examined, due to the loss in significant source markets and numerous measures were adopted by the Government of Montenegro to mitigate the impact of high inflation on households and economy.

In the first quarter of 2022, according to the preliminary data provided by Monstat, there was a high growth of the Montenegrin economy of 7.2%, compared to the same quarter of 2021. In the same period, the annual growth of the EU economy (27) was 5.6%. All categories of domestic GDP recorded growth, with strong growth in exports of goods and services (64.4%) and private consumption (13.8%). Investment activity recorded a recovery, as it was 1.6% higher in the first quarter of 2022 in real terms on an annual basis, which is a significant positive signal for investments during the rest of the current year, as well as for the start of a new cycle in the future period. Preliminary data of the Central Bank of Montenegro show that tourism revenues for the period January-June 2022 amounted to €237.9 million, which is an increase of 106.5% compared to the same period in 2021. Retail and wholesale trade turnover recorded an annual growth of 40.1% in the first half of the year, while the number of passengers transported at airports in the same period in 2022 amounted to 676.5 thousand and recorded an annual growth of 136.4%. The number of overnight stays in tourism in collective accommodation, in the period January-June 2022, amounts to 1,310,614 and is higher by 138.3% on an annual basis. Adverse hydrological conditions and lower electricity production of 21.3% in the first six months of 2022, compared to the same period in 2021, caused a slight decline in total industrial production (-2.3%). The other two subsectors of industry, "Mining and Quarrying" and "Processing Industry", recorded an annual growth of 11.9% and 12.9%, respectively.

The acceleration of inflation in 2022 is influenced by external factors, primarily rising prices of crude oil and food on the world market. Average inflation in the period January-June 2022 in Montenegro was 9.8%, with the largest positive contribution to inflation growth in the first half of 2022 coming from food and non-alcoholic beverage prices (6.2 p.p.) and transport prices (2.1 p.p.).

On the labour market, a significant recovery of indicators was observed, with an average number of employees of 218.5 thousand for the period January-June 2022 and strong annual growth of 23.5%, and with a parallel increase in the average net salary of 33.1% in the same period (to €704.00), due to the application of a lower tax burden on labour income since the beginning of 2022. According to the Employment Agency of Montenegro, the registered unemployment rate at the end of June 2022 is 19.9% and it is 3.7 p.p. lower compared to the same month in 2021. According to the Labour Force Survey, the average unemployment rate in January-June 2022 is 15.7%, with 18.3% from the same period in 2021, while the average employment rate is 48.9% and has increased by as much as 10.3 p.p. on an annual basis.

The banking sector continues with strong positive trends in 2022, so at the end of May 2022, there was an annual growth in total loans of 7.2% (to €3,560.6 million) and total deposits of 22.2% (to €4,392.3 million). Newly granted loans in the first five months of 2022 amounted to €568.3 million (growth of 37.4% on an annual basis), of which loans to the economy amounted to €307.3 million, while citizens borrowed €232.5 million.

In the period January-June 2022, there was a strong increase in goods exports of 89.0%, compared to the same period of the previous year. The total value of exports amounted to €382.7 million, dominated by electricity worth €118.4 million, aluminium €104.0 million, bauxite €26.7 million and medical and pharmaceutical products €16.0 million. As early as in the six months of 2022, Montenegro greatly exceeded the total value of exports of electricity and aluminium as compared to the whole of 2021. In the period January-June 2022, there was also an increase in imports of goods of 48.0%, which amounted to €1,609.2 million and which was accelerated due to the recovery of economic and investment activity and dynamic private consumption in the country.

In 2022, the high trend of growth of foreign direct investment continued, with a high degree of resilience in crisis conditions and high confidence of foreign investors in Montenegro. In the period January-June 2022, the net inflow of foreign direct investment, according to preliminary data of the Central Bank of Montenegro, amounted to €355.9 million, which is 73.1% more than in the comparative period of 2021. The total FDI inflow amounted to €508.0 million, which is a growth of 45.3%, and is the result of the growth of equity investments, primarily real estate investments, which recorded an annual growth of 122.7%. The total FDI outflow in the period January-June 2022 amounted to €152.2 million, which is 5.7% more on an annual basis.

2. FISCAL FRAMEWORK

Report on the implementation of the budget for the period January-July 2022

Budget revenues in the period January-July 2022 amounted to €1088.3 million or 20.5% of the estimated GDP and were higher by €106.1 million or 10.8% compared to the same period in 2021, while compared to the planned revenues they were higher by €67.1 million or 6.6%. Revenues for 7 months of the current year are higher by €90.0 million or 9% compared to the comparative period of 2019.

The trend of good VAT collection has continued. In this respect, VAT revenues are higher than planned by as much as €98.2 million or 25.4%, while compared to the same period in 2021 they are higher by €139.6 million or 40.4%.

In addition to the above, the category of corporate income tax also recorded a significant increase compared to the plan in the amount of €7.1 million or 10.2%, which, in addition to good results from the financial year 2021, is an indicator of a high degree of tax compliance. Compared to the previous year, revenues on this basis increased by €14.0 million or 22.2%.

In addition, revenues from taxes on international trade and transactions are higher than planned by €4.3 million or 25.9% as a result of significant import growth.

In addition, for the 7 months of 2022, excise revenues were slightly higher, by €1.2 million or 0.9% compared to the plan, while compared to the seven months of 2021, they were higher by €14.7 million or 12%.

On the other hand, lower collection compared to the plan in the amount of €19.8 million or 27.5% was recorded in terms of revenues from personal income tax, primarily because the planned revenue from taxation of undeclared income has not yet been realized. However, this category of income is expected to be collected in the coming period based on tax receivables' rescheduling.

In addition, the category of contributions was realized at a slightly lower level than planned - by €17 million or 6.9%, and compared to the previous year by €50.4 million or 18%, because of the abolition of health insurance contributions. Likewise, in this category of revenues, effects from the rescheduling of tax receivables are expected in the coming period.

In July 2022, budget revenues amounted to €165.8 million, which is €28.3 million or 14.6% less than in the same month of the previous year, due to the fact that in July last year, Electrical Power Industry of Montenegro made a profit payment for 2020 in the amount of about €30 million. Compared to the plan, revenues of the budget in July were lower by €23.2 million or 12.3%.

The aforementioned deviation is primarily the result of the reduction of excise duty on the sale of unleaded petrol and gas oils by 50%, as well as the fact that the effects based on planned revenues from fuel marking, dividends of the majority state-owned companies, Law on Games of Chance, as well as the effects from taxation of undeclared income have not been realized.

In July, revenues from excise duty on mineral oils and their derivatives recorded a lower realization compared to July 2021 - in the amount of €8.0 million or 49.5%, because of the reduction of excise duty on the turnover of unleaded petrol and gas oils. Compared to the monthly plan for July, this category of excise duty is lower by €9.8 million due to the aforementioned reduction, but also due to the calculated but unrealized effects of fuel marking. In addition to the above, it is necessary to note that the refund of paid excise duty is almost three times higher in July this year compared to July 2021, which is why the net collection was further reduced.

Budget expenditures in the period January-July 2022 amounted to €1,146.1 million or 21.6% of estimated GDP and were lower by €67 million or 5.5% compared to the planned ones. Compared to the observed period of the previous year, expenditures were higher by €44.5 million or 4%.

In the structure of total consumption, expenditures within the Current Budget, the State Funds Budget and the Reserve make up 90%, while the capital budget makes up 10%. Lower execution in the said period predominantly refers to lower execution of the social security transfers within the Pension and Disability Insurance Fund and the Employment Agency, followed by gross wages and salaries and current budget reserves.

When it comes to the capital budget, the realization is at the level of €118.42 million and the execution is lower than the plan by approximately €28 million, i.e. it is at the level of 80.5% of the plan for the observed period. The most significant allocation within the capital budget refers to the payments realized for the highway project in the amount of €63.78 million, which is slightly below the plan or at the level of 97.6%. Other capital projects were realized in the amount of €54.65 million, which is at the level of 66.8% of the plan. The most significant realization of capital projects, without factoring in the highway project, happened within the reconstruction of regional and main roads in the amount of €32 million, which represents 93.6% of the realization compared to the plan, followed by €5.9 million realized in the area of improving the tourism product, which is 42% lower realization than planned, as well as for the needs of construction and reconstruction of education and science facilities, where €3.6 million was realized, which is 52% lower than planned.

Budget expenditures in July 2022 amounted to €178.6 million and were higher than planned by €3.4 million, i.e. 1.9%, while compared to July 2021 they were higher by €25 million, i.e. 16.3%. Higher execution is predominantly conditioned by higher allocations for Capital Expenditures and Reserves, while lower execution is recorded within current expenditures.

Accordingly, taking into account the revenues generated and payments made, a budget deficit of €12.8 million or 0.24% of GDP was recorded in July, while a surplus of €13.8 million. Observing the total achieved result in the period January-July 2022, the cumulative budget deficit amounts to €57.8 million, i.e. 1.1% of GDP, and it is lower than planned by €134.1 million, or 69.9%. Compared to the same period of the previous 2021, the budget deficit is lower by €61.5 million i.e. 51.6%.

Public debt

According to the Law on the Budget of Montenegro for 2022, the missing funds are estimated to amount to about 561 million euro. New borrowings will not be required to finance this amount, bearing in mind that the State of Montenegro completed 2021 with 464.83 million euro of deposits, which will cover the missing funds for 2022, in addition to the already concluded credit arrangements.

New borrowings are expected only for implementing the commenced infrastructure and development projects, such as withdrawal from the loan with Exim China Bank for the purpose of implementing the Bar-Boljare highway construction project.

Regarding the implementation of activities related to the withdrawal of funds from the loan with Exim China Bank for the construction of the priority section of the Bar-Boljare highway, from the beginning of the year to 30 June 2022, a total of US \$58.07 million was withdrawn, i.e. 55.2 million euro (according to the current exchange rate of 30 June 2022), while 7.47 million euro were allocated from the state budget in the same period.

According to preliminary data, the total government debt as at 30 June 2022 amounts to EUR 4,014.64 million, i.e. 74.90% of GDP¹.

¹ According to the Ministry of Finance projections, GDP for 2022 will amount to 5,360.0 million euro.

3. STRUCTURAL REFORMS

Montenegro Economic Reform Programme for the period 2022-2024 contains an agenda of 22 priority actions in the following areas: employment and the labour market; education and skills; social protection and inclusion; health care; business environment and reduction of the informal economy; research, development and innovation; digital transformation; public finance management; green transition; agriculture, industry and services. Below is an overview of the implementation of activities within the aforementioned measures, for the first six months of 2022.

Ordinal no.	Priority reform measure	Implementing ministry	Implementation stage ²
1	Strengthening operational capacities of the Employment Office for carrying out services and measures via digitalisation	Ministry of Economic Development	3
2	Introducing new work schemes and work-life balance	Ministry of Economic Development	5
3	Introducing the Youth Guarantee Programme in Montenegro	Ministry of Economic Development	3
4	Increasing employability of adults by improving their skills and competences needed at the labour market	Ministry of Education, Science, Culture and Sports	0
5	Digitalisation of the education and development of digital skills	Ministry of Education, Science, Culture and Sports	3
6	Reform of the national system for disability assessment	Ministry of Finance and Social Welfare	3
7	Defining financial preconditions for reforms proposed by the Road Map	Ministry of Finance and Social Welfare	3
8	Improving access to and quality in delivery of healthcare services and the Digitalisation of the healthcare system	Ministry of Health	2
9	Establishing a full electronic registration of enterprises	Ministry of Economic Development	3
10	Improving access to financing for MSMEs by creating a Credit-Guarantee Fund	Ministry of Economic Development	2
11	Strengthening competitive position of MSMEs by establishing a single access point	Ministry of Economic Development	4
12	Strengthening the national innovation and research ecosystem	Ministry of Economic Development	3
13	Improving digitalisation of the e-government by developing platform for complex e-services	Ministry of Public Administration, Digital Society and Media	3
14	Improving legislative and regulatory framework for further advancement of the broadband internet connection infrastructure	Ministry of Economic Development	3
15	Improving management of business undertakings in majority state ownership	Ministry of Finance and Social Welfare	3
16	Suppressing informal economy through the tax administration reform	Ministry of Finance and Social Welfare	3
17	Improving the business environment by reducing the labour tax wedge	Ministry of Finance and Social Welfare	3
18	Information system and mobile application for monitoring the tourism parameters	Ministry of Economic Development	0
19	Sustainable green tourism	Ministry of Economic Development	1
20	Financial support to households aimed at applying energy efficiency measures	Ministry of Capital Investments	3
21	Reducing release into circulation of lightweight carrier plastic bags and single-use plastic products	Ministry of Ecology, Spatial Planning and Urbanism	3

² 0 - no implementation; 1 - implementation in the pipeline; 2 - initial steps taken; 3 - implementation in progress with some initial results; 4 - implementation successful; 5 - full implementation

Priority reform measure no. 1: Strengthening operational capacities of the Employment Office for carrying out services and measures via digitalisation

Brief description of activities planned for 2022	Development of the Action Plan for the establishment of the IT database of the Employment Agency; Implementation of the Action Plan for the interoperability of databases; Improvement of the capacity of the EAM for the use of online tools through pre-accession support and support of the International Labour Organization
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ An Action Plan for the establishment of the IT database of the EA has been developed. ➤ The proposed Action Plan for Database Interoperability has been sent to the competent institutions for their opinion. ➤ Work is underway to improve the capacity of the EAM to use online tools through pre-accession support and support of the International Labour Organization in cooperation with the EAM. Work on the improvement of the online module for registration of unemployed persons and vacancies is in progress and will be tested during Q3-Q4 2022. ➤ The establishment of the IT platform of the Employment Agency was preceded by a report on the needs and directions of improving the IT platform of the EAM, which was prepared in cooperation between the Ministry of Labour and the EAM, and with the help of pre-accession support. Based on the aforementioned report, the preparation of the necessary tender documentation for the implementation of the procurement contract for the project <i>Development of a New Information System of the Employment Agency of Montenegro</i> from IPA 2020 is in progress. ➤ The work on software development and procurement of hardware is planned in 2023, while respecting the PRAG procedures.

Achievement of the result indicator:

Indicator	Baseline	Value planned in 2022	Value achieved in first half of 2022	Target value (2024)
Action Plan for the establishment of the IT database of the EA has been developed	There is no Action Plan	2022 - Draft Action Plan prepared	2022 - Action Plan prepared	2022 – An Action Plan was developed that will contribute to the improvement of the IT base of the EA and achieve benefits for users.
New IT platform of the Employment Agency that enables more efficient work of advisors with users was established	The existing IT platform of the EA is outdated	2022 - Report on the needs and directions of improving the IT platform of the EAM was developed	2022 - Report on the needs and directions of improving the IT platform of the EAM was developed	2023 - New EAM's IT platform was established and efficiency of work and quality of service of advisors with users was increased

Priority reform measure no. 2: Introducing new work schemes and work-life balance

Brief description of activities planned for 2022	Activities of the Working Party on the drafting of the proposed Law on Amendments to the Labour Law are in progress
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Fully implemented
	<p>Activities that have been implemented:</p> <ul style="list-style-type: none"> ➤ A working party was formed to draft the Law on Amendments to the Labour Law; ➤ Activities of the Working Party on the drafting of the Law on Amendments to the Labour Law are in progress; ➤ Activities on the adoption of the proposed Law on Amendments to the Labour Law will continue in 2023 as well when it is planned to adopt the law in the parliamentary procedure.

Achievement of the result indicator:

Indicator	Baseline (2020)	Value planned in 2022	Value achieved in first half of 2022	Target value (2024)
Number of fathers exercising the right to parental leave	445	-	234	550
Number of persons with a concluded employment contract for work outside the employer's premises	13	-	27	40
Number of inspections performed by the Administration for Inspection Affairs in relation to contracts on distance work and work from home	0	0	0	20

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Priority reform measure no. 3: Introducing the Youth Guarantee Programme in Montenegro

Brief description of activities planned for 2022	Development and adoption of the Plan for the implementation of the Youth Guarantee; implementation of the Youth Employment programme
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ A proposed Plan for the Implementation of the Youth Guarantee was prepared, which was examined and discussed by the High Level Inter-agency Working Party and sent to the European Commission for comments on 1 July 2022. ➤ Further continuation of the activities on capacity building of the EAM refers to monitoring and evaluation of the piloted measures of activation of young women, in order to set the foundations for the implementation of the Youth Guarantee programme. ➤ When it comes to the implementation of the Youth Employment programme, the Employment Agency carried out activities aimed at implementing the two measures envisaged by the programme. Those are the programme "Youth in Support of Agricultural Development", which is implemented in cooperation with the Ministry of Agriculture, Forestry and Water Management for 30 participants, while the programme "Support for Training and Employment of Youth for Inspection Duties" is implemented in cooperation with the Administration for Inspection Affairs for 60 participants. Participants of the programme have entered into employment on 16 May 2022, through a placement agency, for a duration of 9 months. ➤ The Vocational Training Programme for Tertiary Graduates is being implemented according to the planned schedule.

	➤ The proposed plan for the implementation of the Youth Guarantee covers the period up to 2025.
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Achievement of the result indicator:

Indicator	Baseline	Value planned in 2022	Value achieved in first half of 2022	Target value (2024)
Plan for implementation of the Youth Guarantee programme adopted	-	-	Draft Plan for the implementation of the Youth Guarantee programme prepared	Plan is prepared and adopted ³
Implementation of the Youth Guarantee programme	-	Beginning of piloting programmes in selected municipalities	In accordance with the proposed Plan for the Implementation of the Youth Guarantee, a pilot phase is planned for 2024.	Contribution of the programme to increasing youth employment through its implementation on the entire territory of Montenegro
Increased youth employment rate 15-29	30.7%	27.2%	-	33.0%

Priority reform measure no. 4: Increasing employability of adults by improving their skills and competences needed at the labour market

Brief description of activities planned for 2022	➤ During 2022, an analysis of labour market needs will be carried out in order to determine which adult education programmes will be financed, and for how many unemployed adults. The analysis will also point to certain programmes that are missing at regional level in the offer of adult education organisers. Once the analysis is prepared, the Ministry of Education will propose and issue new licences to existing or new adult education organisers, in order to issue modified or new licences for missing programmes, especially for ICT and foreign languages programmes. Upon completion of the analysis and procedures for issuing licenses to organizers for the missing programmes, a training plan for unemployed persons for the period 2023 and 2024 will be prepared.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Implementation not started

³ The plan will be adopted by the end of 2022, unless this activity is delayed due to political developments. According to the plan, it is first necessary to carry out preparatory activities (institutional and personnel capacity building, amending the law...), after which the pilot phase should start in certain municipalities. There are clear EC guidelines on the implementation schedule of this programme.

	<ul style="list-style-type: none"> ➤ Implementation has not started, but the Ministry of Education is in the process of forming a working party for the implementation of activities listed in the 2022-2024 Economic Reform Programme.
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Indicator achievement:

Indicator	Baseline	Value achieved in first half of 2022	Intermediate result (2023)	Target value (2024)
Number of new education programmes available to adults	15	-	15	15
Number of adults attending training	0	-	500	1500
Number of new education programmes available to adults	0	-	25	50

Priority reform measure no. 5: Digitalisation of the education and development of digital skills

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Preparatory activities for the procurement of IT equipment through EIB credit facilities. ➤ Amendments to the Law on General Education in order to provide for digital teaching activities and use of digital textbooks. ➤ Development of quality standards for digital editions of textbooks and instructional materials; ➤ Preparation and adoption of rulebooks and procedures that will regulate this area (data keeping; backup storage, appointment of school IT coordinators, copyright regulation, creation of digital educational content and their placement on a self-learning platform); ➤ Creation of training programmes for school IT coordinators; ➤ Improvement of education programmes for the acquisition of digital key competence.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ The financial agreement no. 06-5924/1 between the state of Montenegro (borrower, Ministry of Finance) and the European Investment Bank (EIB) dated 6 November 2019, committed EUR 40.54 million for the implementation of the project

Montenegrin Education Improvement Programme. About 5 million euro are earmarked for equipping schools with IT equipment. At the beginning of 2020, a specification of the necessary equipment was made that envisages the renewal of computer equipment and infrastructure, as well as software licenses and monitoring. Preparatory activities are underway to update the submitted needs and data, due to changes in components and prices in the market (2 years is a long period in the IT world). The kick-off meeting held on 1 June 2022 marked the formal beginning of project implementation with the EIB, through which this investment will be implemented. Tender for IT equipment is expected to be launched by the end of the year.

- The Commission for Monitoring the Implementation of the Education System Digitalization Strategy is working on a proposal for amending the General Law on Education. The law is planned to be amended by the end of the year.
- The quality standard of digital editions of textbooks and instructional materials was adopted by the National Council for Education.
- A proposal for amending two rulebooks was prepared: Amendment of the Rulebook on the Teacher Certification Exam and the Rulebook on Detailed Conditions, Mode and Procedure for Issuing and Renewing Work Permits to Teachers, Headteachers and Deputy Headteachers. New rulebooks planned for this year, including digital education, have not yet been prepared. The rulebooks are expected to be prepared after the adoption of the General Law on Education.
- Training programmes for school IT coordinators have not been created. It is planned to prepare by the end of the year training programmes and a draft Rulebook on the mode of appointing school and regional ICT coordinators.
- There are plans to initiate a modification of the education programme due to the acquisition of key digital competences after the adoption of the Analysis of the educational sector in order to apply other recommendations by modifying the programme. The analysis is in the

	<p>final phase (proofreading and design). The following activities have been fully implemented:</p> <ul style="list-style-type: none"> ➤ An application for speech therapists and special education teachers was created and put into use in March 2022; ➤ A SELFIE survey was conducted in primary and secondary schools; ➤ A platform for online self-learning has been established. <p>In addition to the above planned activities, work is being done on improving the Digital School concept, creating independent online courses for pupils, teachers and parents and creating new electronic services for citizens: electronic submission of applications for entry into pupil and student dorms (launching on 15 August 2022); electronic enrolment in private pre-school establishments (launched in May 2022); electronic enrolment in private colleges (application is being developed).</p> <ul style="list-style-type: none"> ➤ Since September 2022 (the beginning of the new school year), two newly developed applications have been put into operation: grading by new modularized programmes and records of grades in primary music schools. ➤ The Procedure for handling cyber incidents in educational institutions is being drafted. ➤ A number of analyses are also underway and are expected to be completed by the end of September, as follows: ➤ Analysis of the existing education programmes for primary and secondary school in terms of representation of information and communication technologies ➤ Analysis of the profile and level of education of teachers who implement ICT subjects/modules in primary and secondary schools ➤ Analysis of relevant national and international recommendations for improving teachers' digital competencies ➤ Analysis of application software needs.
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Indicator achievement:

Indicator	Baseline (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
Implementation of the loan agreement with the EIB	Negotiations with the EIB not started	Negotiations have been started and preparatory activities for the procurement of equipment have been implemented	Negotiations have been started and preparatory activities for the procurement of equipment have been implemented	Educational institutions equipped with IT equipment using EIB credit facilities

Amendments to the General Law on Education in order to provide for digital teaching activities and use of digital textbooks	The General Law on Education does not provide for digital teaching activities and the use of digital textbooks	Amendments to the General Law on Education in order to provide for digital teaching activities and use of digital textbooks.	The draft amendment to the General Law on Education is being prepared by the Commission for Monitoring the Implementation of the Education System Digitalization Strategy.	Digital teaching activities are carried out in accordance with the General Law on Education and digital textbooks are used in accordance with the General Law on Education.
Quality standard of digital editions of textbooks and instructional materials prepared	There are no quality standards for digital editions of textbooks and instructional materials	Development of quality standards for digital editions of textbooks and instructional materials	Standard of quality for digital editions of textbooks and instructional materials was adopted at the meeting of the National Council for Education	Digital editions of textbooks and instructional materials aligned with the quality standard were created
Rulebooks and procedures regulating the field of digitalization of the education system adopted	There are no rulebooks governing the said areas	Preparation and adoption of rulebooks and procedures on data keeping; backup storage; appointment of school IT coordinators; copyright regulation; creation of digital educational content and their placement on a self-learning platform.	A proposal for amending two rulebooks was prepared: Rulebook on the Teacher Certification Exam and the Rulebook on Detailed Conditions, Mode and Procedure for Issuing and Renewing Work Permits to Teachers, Headteachers and Deputy Headteachers. New rulebooks whose development is planned for this year have not yet been prepared and depend on the amendment of the General Law on Education that is planned for this year.	Procedures for all defined areas apply.
Training programmes for school IT coordinators prepared	There are no training programmes for school IT coordinators	Developed training programmes for school IT coordinators	It is planned to prepare by the end of the year training programmes and a draft Rulebook on the mode of appointing school and regional ICT coordinators.	Application of the new rulebook and training programme for all newly appointed ICT coordinators.
Enhanced education programmes for	Education programmes for acquiring digital	Education programmes for acquiring digital	Modification of the education programme due to	New education programmes are being implemented in all primary and

acquiring digital key competency	key competency do not correspond to modern market requirements and teaching methods	key competency have been enhanced	the acquisition of key digital competency is planned after the adoption of the Analysis of the education sector in order to also apply other recommendations by modifying the programme. The analysis is in the final phase (proofreading and design).	secondary schools.
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Priority reform measure no. 6: Reform of the national system for disability assessment

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Adoption of the Law on Single Body for Disability Examination (Office) II quarter of 2022, which enters into force in the III quarter of 2023; ➤ Adoption of a new uniform Methodology for determining disability (Decree) in the second quarter of 2022, in cooperation with the Public Health Institute of Montenegro, adoption of by-laws, adoption of founding acts of the Office; ➤ Information system developed and tested by the end of 2022 and pilot application of the new system for determining disability in the IV quarter of 2022; Possible revision based on the findings of the pilot application. ➤ Legal framework completed; ➤ Provision and equipping of premises for the work of the Office and the programme of capacity building of the Office implemented, including equipping and adaptation of premises (renovation), technical and IT training for the work of employees.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ The activity was partially implemented. In fact, the work on developing the draft Law on Single Body for Disability Examination continued, but its adoption by the Government (draft Law) was postponed in the Government's Work Plan from the second quarter to the third quarter of 2022. The key reasons for the shift are the changes in the structure of the Ministry, the delayed appointment of the person in charge of monitoring the project on behalf of the

line Ministry, the cancellation of the employment contract of the legal expert, the proposal to change the composition of the Working Party managed by the MLSW, but primarily to allow space for a proper public debate.

- Work continued on the development of a uniform Methodology for disability assessment. Two segments of the methodology have been completed. The process of finalizing the third part of the uniform Methodology – regarding the assessment of the needs of persons with disabilities, in accordance with the UN Convention on the Rights of Persons with Disabilities, is underway. Under the leadership of the Public Health Institute, five multidisciplinary working groups are working on the Methodology, divided into subgroups for children and adults. It is an extremely complex matter and the working groups are supported in the form of international expertise. Completion of work on the unified Methodology is expected in the third quarter of 2022.
- Work on the drafting of by-laws that, in addition to the Decree on the Uniform Methodology of Disability Assessment, include the founding acts of the Office and other by-laws, is in progress. In addition to the methodology itself, the Decree will also contain all procedural provisions related to the medical examination procedure. Given the changes in the schedule of drafting the Law on Single Body for Disability Examination, and since the work on by-laws is conditioned by the adoption of the Law, it is expected that they will be completed by the end of 2022.
- Activities on the drafting of the Information System, and the pilot application of the new system of determining disability are postponed until the adoption of the Law and by-laws, since they are the same basic prerequisite for functional design, i.e. preparation of tender documentation for the Information System.
- Activities on the provision and equipping of premises for the work of the Office do not take place in accordance with the project schedule. To explain, the request to MLSW was repeated, in accordance with the conclusions of the Committee

	<p>in charge of managing this project (from June 2021) and the request by UNDP (February 2022) to allocate premises to the Disability Evaluation Office so that UNDP can organise timely procurement procedures related to: remodelling/renovation and equipping of premises with office furniture and computer equipment. This problem slows down the implementation of the planned project activities and thus the planned spending of funds that the EU has committed to implement the project.</p> <ul style="list-style-type: none"> ➤ In addition, NGOs of persons with disabilities are continuously supported in the implementation of projects (grant schemes) dealing with the promotion of this reform and the rights of persons with disabilities. ➤ So far, six projects aimed at promoting reform and the rights of persons with disabilities have been successfully implemented.
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Indicator achievement:

Indicator	Baseline (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2023)
1. Establishment of a new legal framework by the end of the first quarter of 2022.	Adoption of the Law on a Single Disability Determination Body (Office) in the II quarter of 2022, which enters into force in the III quarter of 2023.	Adoption of new Uniform Methodology/criteria for determining disability (Decree) in the II quarter of 2022, in cooperation with the Public Health Institute of Montenegro.	Partially implemented, finalization is expected during the IV quarter of 2022.	The abolition of existing commissions and the establishment of a single body for determining disability (the Office).
2. Development of the Information System for the Determination of Disability, from which the e-Register of Persons with Disabilities will be generated.	/	Adoption of secondary legislation. Adoption of founding acts of the Office. Information system developed and tested by the end of 2022. Pilot application of the new system of determining disability in the IV quarter of 2022. Possible revision based on the findings of the pilot application.	The activity has not been implemented, because the prerequisite for its implementation is the adoption of the Law that is planned and expected in the third quarter of 2022. After the adoption of the Law, work on the accompanying by-laws will be finalized, and the tender for the development of the information system will be announced.	Legal framework completed.

<p>3. The system of disability evaluation in operational work reformed in the III quarter of 2023</p>	<p>/</p>	<p>Provision of premises for the work of the Office and equipping them.</p> <p>The programme of capacity building of the Office implemented, including premises' equipping and adapting (renovation), technical and IT training for the work of employees.</p>	<p>The activity has not been implemented. The condition for the implementation of activity is, in accordance with the conclusions of the Committee in charge of managing this project (from June 2021) and the repeated UNDP requests (February and July 2022), the allocation of premises to the Disability Evaluation Office so that UNDP can organise timely procurement procedures related to remodelling and equipping of premises.</p>	<p>Recruitment of technical, managerial and administrative staff.</p> <p>The information system has been put into operation including the second instance procedure.</p> <p>The Office is qualified to perform the tasks of determining disability for all departments from the point of view of institution, human resources and IT.</p>
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Priority reform measure no. 7: Defining financial preconditions for reforms proposed by the Road Map

<p>Brief description of activities planned for 2022</p>	<p>Activities planned in 2022 with the support of the UNICEF office:</p> <ul style="list-style-type: none"> ➤ Carry out an analysis of costs and financial sustainability and develop a financial plan for the reform of the social care and child welfare system; ➤ Improve the coordination and cooperation of the MFSW, social welfare centres and service providers through the development of the MFSW coordinative function procedures (clearly defined procedures of supervision, coordination, monitoring, and evaluation) and improving the capacity of the social welfare centres to provide case management and user referral services.
<p>Degree of implementation of activities planned for 2022 (in the first six months of the current year):</p>	<p>Partially implemented</p>

i) Carry out a cost analysis

- A draft Job Description for cost analysis, financial sustainability and financial strategy for reforming the social care and child welfare system in accordance with the Roadmap has been prepared.
- In agreement with MLSW, it was decided to postpone the implementation until the moment when it is certain that the reform of the social welfare and child care system will begin in accordance with the findings, taking into account that part of the funds would have to be provided from EU funds.
- The timetable for implementation is therefore conditioned by the decision on the general reform process.
- The final decision on the continuation of reform/activities in 2023 is within the competence of the MLSW and the Government of Montenegro. As a partner supporting the process, UNICEF Office remains at its disposal to support the implementation of the measure.

ii) Enhance the coordination and cooperation of the MFSW:

- Draft Terms of Reference for improving procedures in the MLSW has been prepared. According to the draft Terms of Reference - functional analysis would start the process of analyzing the existing functions and procedures, as an input for their further improvement and elaboration.
- In June, UNICEF informed the MLSW of the possibility to implement a functional analysis. During June and July 2022, the UNICEF Office requested a confirmation of the implementation of the activities by the MLSW in 2022, stating that for reasons of internal procedures, the confirmation should come no later than Friday 22 July 2022. The activity would be fully funded by the UNICEF Office.
- Taking into account that UNICEF Office did not receive feedback by 22 July 2022, it is possible to continue the activity in the following year, if the MLSW decides to carry forward the activity to 2023.

ii) Improving the capacity of social welfare centres to provide case management and referral services to beneficiaries:

- The Social Welfare and Child Care

	<p>Institute has also identified the need for an online platform for the needs of practitioners in the field of social welfare and child care and in cooperation with the UNICEF Office in Montenegro and with the financial support of the European Union, started work on its development. The creation of this online platform aimed to enable smoother work to professionals in the social welfare and child care system in the newly arising circumstances. The platform is located at the following link: https://online.zsdzcg.me/.</p> <p>Through the new Platform of the Social Welfare and Child Care Institute, 5 training sessions were organized for experts in the social welfare and child care system, including case managers:</p> <ol style="list-style-type: none"> 1. Externalized problems in the behaviour of children and adolescents - (held on 25 and 26 February 2022) 2. Application of specific procedures in working with persons and children with disabilities – (held on 28 February and 1 March 2022) 3. Individual planning in social welfare - where are we today? and The role of supervision in modern social welfare: challenges of conceptualizing organization and supervision in the social protection system - (held on 11 and 12 April 2022) 4. Social welfare in the digital age and the role of professionals: helpful practice in the online environment in response to beneficiary needs – (held on 12 and 13 May 2022) 5. Assessment of developmental risks and child safety as a basis for planning and monitoring social interventions – (held on 30 and 31 May 2022) <p>In addition, the training course Building External Supervision Capacity of Employees in the Social Welfare and Child Care Institute was implemented with the financial support of UNICEF Office in Montenegro in the period September 2019 - May 2022.</p>
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Indicator achievement:

Indicator	Baseline (2021)	Value planned in 2022	Value achieved in 2022	Target value (2023)	Target value (2024)
An analysis of costs and financial sustainability was made with a financial plan for the	It does not exist	Development in progress	Initial steps taken	Development in progress	Costs analysis and financial sustainability analysis conducted and financial plan for implementation of the reforms of the

implementation of the reform of the social welfare and child care system					social welfare and child care system adopted.
Methodology for deciding on the introduction, continuation or abolition of social welfare and child care rights introduced	It does not exist	There is no established obligation or methodology for deciding on the introduction, continuation or abolition of social welfare and child care rights		Introduced decision-making methodology on the introduction, continuation and abolition of social welfare and child care rights	Continuous implementation of the decision-making methodology on the introduction, continuation and abolition of social welfare and child care rights
Procedures for coordination and supervision of MFSW with social welfare centres and service providers introduced	It does not exist	Coordination and supervision procedures in the social welfare and child care system are not clearly defined; There is no obligation to periodically evaluate social welfare and child care programmes.		Procedures developed and adopted; The obligation to periodically evaluate social welfare and child care programmes has been introduced; New job descriptions and staffing plan of the centers adopted Training courses for employees of social welfare centres begin and continue during 2023 and in 2024.	Procedures are implemented; Continuous implementation of periodic evaluations of programmes and services from the social welfare and child care within the process of policy reforms; New job descriptions and staffing plan of social welfare centres is implemented; Increased capacity of employees of SWCs, they are more capable and available for the application of adequate and impactful approach to case management and referrals.
Social welfare centres have increased capacity for case management and referral to services	Insufficient number of case managers affects the quality of case management and referral to services. Currently, 86 case managers are employed in the system. An analysis by UNICEF back in 2017 suggested	2022 The quality of case management and referral to services has been improved through an increase in the number of case managers, their unburdening, and implemented training sessions.	The said activity was implemented	The quality of case management and referral to services has been further improved through an increase in the number of case managers, their unburdening, and implemented training sessions. 7 new employed case managers	The quality of case management and references to services is further upgraded through an increase in the number of case managers, unburdening them, and implemented training sessions 14 new employed case managers compared to 2021

	an 80% increase in cases (50 practitioners) to keep case management up to the standard of 50 cases per manager.			(7.7% more case managers compared to 2021), that can adequately cover 350 cases, which will unburden the existing case managers.	(15.5% more case managers compared to 2021), who may adequately cover 700 cases, which will unburden the existing case managers
Reporting on the effectiveness of the final outcome in the second instance administrative procedure	Improvement of SWC records; All complaints, objections and requests should be recorded by social welfare centers, with all necessary details to facilitate the reception of information (feedback) from users			Plan and framework for monitoring included into the Development Strategy of the Social Welfare and Child Care System	Analysis done on statistical data data related to results of the first instance and second instance administrative procedure in social welfare and child care; Final report

Priority reform measure no. 8: Improving access to and quality in delivery of healthcare services and the Digitalisation of the healthcare system

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Implementation of the electronic medical record - Comprehensive analysis of the current situation and necessary prerequisites ➤ Establishment of a normative framework that regulates in more details the conditions, organization and method of establishment; ➤ Development of the telemedicine system - Comprehensive analysis of the current situation and necessary prerequisites, together with recommendations for further improvement and development of telemedicine within healthcare institutions in Montenegro; ➤ Adoption of programming documents and normative definition of telemedicine and mobile health care services (mHealth) in terms of providing healthcare services (e.g. tediagnosics, tele-surveillance of patients, emergency medical assistance, e-learning, etc.).
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Implementation is underway with some initial results
<ul style="list-style-type: none"> ➤ If the activities are fully or partially implemented, specify: 	Implementation of the electronic medical record - Comprehensive analysis of the current situation and

<ul style="list-style-type: none"> - Steps taken in the implementation - Implementation timetable - Challenges and delays in implementation - Will the reform continue in 2023? <p>➤ If the implementation of the activity has not started, provide a brief description and reasons.</p>	<p>necessary prerequisites</p> <p>The Ministry of Health adopted the Rulebook on more detailed contents and mode of keeping essential medical documentation, which regulated the contents of the electronic medical record.</p> <p>In cooperation with UNDP, through the project <i>Strengthening the health care system in Montenegro</i>, it has previously prepared a technical specification for the implementation of the electronic medical record software application. The tender was launched by UNDP; however, the procedure was suspended due to the decision that the implementation of the software would be financed by the Health Insurance Fund through the advanced maintenance of the Integrated Healthcare Information System (IISZ), but provided that the acts of regulation on that matter are harmonized.</p> <p>By adopting the aforementioned Rulebook, the conditions were met from the normative aspect, but the project was not completed. The funds allocated to the electronic medical record have been redirected to other uses in view of the statement of the Health Insurance Fund. The Ministry of Health applied for IPA III funds 2023. In addition, the Ministry of Health will seek funding through the current budget for the implementation of ERP projects.</p> <p>Establishment of a normative framework that regulates in more details the conditions, organization and method of establishment</p> <p>The Ministry of Health adopted the Rulebook on more detailed contents and mode of keeping essential medical documentation, which regulated the contents of the electronic medical record.</p> <p>Amendments of the Law on Health Care are being worked on, which will regulate the field of digital health more precisely.</p> <p>Preparation of the rulebook on telemedicine is planned.</p> <p>Development of the telemedicine system - Comprehensive analysis of the current situation and necessary prerequisites, together with recommendations for further improvement and development of telemedicine within healthcare institutions in Montenegro</p> <p>The teleradiology pilot project which is a donation of m:tel was officially put into operation. Connection of three general hospitals with the</p>
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	<p>Clinical Centre of Montenegro (GH Berane, GH Pljevlja and GH Bar) was achieved. During 2022, funds are planned to continue the implementation of this project and extend it to other hospitals. However, it is necessary to adopt the Rulebook governing this area and to improve further the Law on Health Care, which is being worked on.</p> <p>Adoption of programming documents and normative definition of telemedicine and mobile health care services (mHealth) in terms of providing healthcare services (e.g. teleradiology, tele-surveillance of patients, emergency medical assistance, e-learning, etc.) - 0 - No implementation</p> <p>Amendments to the legislation, Law on Health Care, to further specify and regulate the issues of digitalization and introduce the notion of digital health, are in progress.</p>
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Indicator achievement:

Activity: Implementation of the electronic medical record				
Indicator	Baseline (2022)	Value achieved in the first half of 2022	Intermediate result (Year 2023)	Target value (Year 2024)
Comprehensive analysis of the current situation and necessary prerequisites	The Analysis developed	The Ministry of Health adopted the Rulebook on more detailed contents and mode of keeping essential medical documentation	-	-
Legislative framework	Rulebook on the electronic medical record adopted	-	-	-
Uniform electronic medical record system	-	-	Electronic medical record system established	-
Training	-	-	Training completed by 50 public health institution employees	-
Comprehensive analysis of the established electronic medical record system with a proposal for corrections and improvements	-	-	-	The Analysis developed

Implementation of the proposed solutions from the Analysis	-	-	-	Corrections and improvements made in accordance with the Analysis
Training	-	-	-	Training completed by 100 public health institution employees
Activity: Development of the telemedicine system				
Indicator	Baseline (Year 2022)	Value achieved in the first half of 2022	Intermediate result (Year 2023)	Target value (Year 2024)
Legislative framework	Bylaws (protocols/procedures) adopted	-	-	-
Terms of Reference/Documentation	-	-	Project documentation developed	-
Preparation and call for tenders for specialized softwares and hardware remodelling of the necessary premises	-	-	Tender completed and decision on contractor/supplier made	-
Implementation of the central telemedicine system	-	-	Central system implemented	-
Training	-	-	Training completed by 20 employees of the Clinical Centre of Montenegro	-
Preparation of the pilot project for the selected health care institution with regard to PHCI	-	-	-	Terms of Reference/Documentation developed
Preparing and launching a tender for the procurement of hardware and software for one selected primary healthcare center	-	-	-	Tender completed and decision on contractor/supplier made
Signing contracts with the relevant medical centers in the region	-	-	-	Min 3 contracts signed

Priority reform measure no. 9: Establishing a full electronic registration of enterprises

Brief description of activities planned for 2022	➤ Electronic registration of a company
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	<p>implies that the entire process of establishing a company (from the reservation of a name to the moment when the company can perform legal actions), takes place electronically. The aim is to provide faster, cheaper and more transparent services to businessmen. The introduction of electronic registration for the establishment of a company is a significant step in the digitalization of the process of setting up a company, which is now further facilitated and simplified.</p>
<p>Degree of implementation of activities planned for 2022 (in the first six months of the current year):</p>	<p>Partially implemented</p>
	<ul style="list-style-type: none"> ➤ Activities planned in 2022 relate to amendments to the relevant laws and by-laws in order to start implementing fully electronic registration of companies; enabling the payment of fees for the registration of companies and publication in the Official Gazette electronically (via e-commerce services on the eFirma portal or/and using commercial banks' applications); developing instructions for the registration of companies for: Central Register of Business Entities staff (for electronic filing and filing at the counter) and users (founders/representatives). ➤ Under the Conclusion of the Competitiveness Council from the session held on 11 March 2022, a working party was established, including 18 members and composed of representatives of the public and private sectors. The main goal is to develop regulations in the field of registration of companies and other organisations. The working party includes 8 representatives of the public sector, 8 representatives of the private sector and 2 representatives of the Secretariat of the Competitiveness Council, which also coordinates the working party. The working party has held several meetings so far, and the first in a series of activities was the development of proposals to amend the Law on Companies, which relate to the registration of companies and other entities, which should be discussed and adopted together with the Law on Registration, in order to adequately

	<p>round off the process. Making proposals for amendments was a very demanding and complex work and the results so far are very good given the active participation of the working party members and the commitment to this process.</p> <ul style="list-style-type: none"> ➤ As for the proposed amendments, intervention was carried out on 59 articles of the Law on Companies, while 7 new articles were proposed. The working party members also identified a number of issues and provided comments on the Law on Companies including the part that does not relate to the process of registration of business and other entities. ➤ A more limited composition of the WP (Central Register of Business Entities and Secretariat to the Competitiveness Council with the support of the Association of Lawyers of Montenegro) has drafted the first working version of the Draft Law on the Registration of Businesses and Other Entities, which, for the time being, has more than 80 Articles and should be agreed at the level of the working party. The draft will be sent to the working party by the end of July 2022, and to the line ministry at the beginning of September 2022. In addition to the above, the activities of the working party also included an analysis of the need to align the text of the Law with the EU Directive 2019/1151, as well as with other regulations of importance for this area. ➤ It is important to point out that it is necessary for this Law and the proposals for amendments to the Law on Companies to be examined "as a package deal" and be mutually complementary without inconsistencies. ➤ It is necessary to point out that the procedure of introducing completely electronic registration has been improved by yet another service in connection with the electronic change of the company name.
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Indicator achievement:

Indicator	Baseline (2021)	Value planned in 2022	Value achieved in the first half of 2022	Target value (2025)
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Increase in the number of trained staff employed in the Central Register of Business Entities	2	4	1	2
Electronic registration of business entities	Electronic registration for a single-member LLC	Preconditions for electronic connecting and registration of a multi-member LLC created	-	Electronic registration of business entities
Number of electronic registrations in the year	30	Registering single-member LLCs rose by 10%	18	Higher by 40%
Positioning in international reports on the business environment (WEF and Fraser Institute)	73 (WEF) 42 (Fraser)	71 (WEF) 40 (Fraser)	⁴	⁵

Priority reform measure no. 10: Improving access to financing for MSMEs by creating a Credit-Guarantee Fund

Brief description of activities planned for 2022	<p>➤ During 2021, the Ministry of Economic Development, with the technical assistance and support of the European Bank for Reconstruction and Development (EBRD) and the selected consulting company Crimson Capital Corp., worked intensively to establish the Credit Guarantee Fund of Montenegro. The CGF is established to support the economy in the long run by indirectly activating the financial sector through the creation of a mechanism for easier access to credit facilities, except in times of fluctuating economic changes caused by the impact of various pandemic crises, such as COVID-19. Additionally, through this mechanism, the state will provide easier access to credit financing for "risky" target groups such as start-ups and women in business, in order to survive on the market and become competitive together with those business entities that have been operating for many years now. Adoption of the Law on the CGF, as well as finalization of the business plan regarding the preconditions for the operations of the CGF itself with the allocation of financial resources are the main plans defined for 2022.</p>
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⁴ It is not possible to provide data, because they will only be reported in 2023 for the previous period.

⁵ It is not possible to provide data, because they will only be reported in 2023 for the previous period.

Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Initial steps taken
	<ul style="list-style-type: none"> <li data-bbox="847 226 1415 1503">➤ After Phase 1, as part of the initial analysis, when the consultants held meetings with seven commercial banks, two leasing companies, three micro financial institutions, Association of Banks and the Central Bank of Montenegro, a Road Map for the establishment of the Credit Guarantee Fund of Montenegro was developed, which includes the draft Law on the Credit Guarantee Fund. For the preparation of this document, the best international practices, analysis of best practices from other CGFs around the world, European Commission directives, legal and regulatory framework of Montenegro, and the particularities of the Montenegrin business and financial sector were taken into account. At the session of the Government of Montenegro on 4 November 2021, the Information paper on the activities undertaken to establish the Credit Guarantee Fund of Montenegro was adopted. Funds for 2022 in the amount of EUR 10.4 million were allocated for the Fund's founding capital from the budget reserve, which was also one of the main conditions for the functioning and full operationalization of the Fund and further support from the EBRD. The draft Law on CGF has been harmonized with the competent state institutions, business associations and representatives of the banking sector. With a view to further consultations and suggestions, the draft text was resubmitted for opinion to business associations and political parties. <li data-bbox="847 1503 1415 2150">➤ A new meeting was held with representatives of the EBRD team and the consulting company Crimson Capital Corp, which was attended by the ministers of economic development and tourism and finance. It was concluded at the meeting that further consideration should be given to the need to establish the CGF of MNE as an independent institution, taking into account the possibility of its establishment within the Investment and Development Fund (IDF), seeing that the Law on the IDF already provided for the issuance of guarantees by the IDF. The Ministry of Finance will propose to hold a new meeting, which will also be attended by IDF representatives, in order to take a final position on the further steps to establish

	the CGF of MNE.
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Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
Number of guaranteed loans	-	100	0	500
The number of new jobs	-	50	0	150
Increased number of female-owned enterprises in the total number of enterprises in Montenegro ⁶	-	21.81% (2020)	23%	25%

Priority reform measure no. 11: Strengthening competitive position of MSMEs by establishing a single access point

Reform measure 11: Strengthening the competitive position of the MSMEs through the establishment of a single access point	
Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ In order to continuously improve the business and investment environment in Montenegro, the Ministry of Economic Development and Tourism (MEDT), supported by the European Union and the European Bank for Reconstruction and Development, and within the project Improving Entrepreneurship through Advanced Advisory Support and Information Services, designed and developed an IT platform intended for micro, small and medium-sized enterprises, called biznis.gov.me, which is a core activity for 2022. The project is also co-financed by the European Union through the IPA programme for strengthening competitiveness and innovation. ➤ The portal biznis.gov.me is designed as a form of company support tool that enables them to obtain in one place, in a simple and practical way, all information related

⁶ This indicator is in line with the 2021-2024 Women's Entrepreneurship Strategy and other programmes supporting women entrepreneurs.

	to financial and non-financial support programmes/subsidies, legislative framework - necessary legislation or procedures. The main goal is for this portal to be a reliable channel of communication between companies and the state administration, based on accuracy and trust, transparency and knowledge that support is available to everyone who operates in accordance with the law.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Implementation is successful and complete in accordance with the plan for the first six months of the current year
	<ul style="list-style-type: none"> ➤ Activities related to the designing and establishing of SAP portal have been successfully implemented. For the first phase of the portal development, support programmes of the Ministry of Economic Development and Tourism were presented, and other services such as the Q&A section, and direct connections to submit an online application for the use of support programmes were included. The portal was also promoted at a public event, when its performance, benefits of its use, and the like were presented to the public. ➤ In the second phase, it is planned to include in the portal the support programmes of all other institutions, at the national, as well as the local level, in order to obtain a single point where businesses can find all relevant information related to the available support. The invitation to provide this information was sent to other state authorities and local self-government units. ➤ Our goal is to jointly create one sustainable place that will contain answers to questions of importance to our businesswomen and businessmen, through which they can contact the competent institutions for any additional information, advice and assistance.

Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
The portal was created	-	Software application developed; Test phases performed; Dysfunctions eliminated, functioning improved.	Software application developed; Test phases performed; Dysfunctions eliminated, functioning improved.	Fully functional and updated portal.
Number of visits on the portal	-	5,000	38,128 ⁷	30,000

Number of SME applicants for support programmes	300	450	416	550
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Priority reform measure no. 12: Strengthening the national innovation and research ecosystem

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Building the capacities of the Innovation Fund of Montenegro; ➤ Establishing the Innovation Fund support programmes and implementing pilot programme lines to support innovation from IPA funds; ➤ Building the capacity of the Innovation and Smart Specialisation Council; ➤ Adopting the Scientific Research Activity Strategy (2022-2026); ➤ Implementing by-laws in the field of scientific research activity; ➤ Implementing legal regulations in the field of innovation activity and incentives.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<p>Building the capacities of the Innovation Fund of Montenegro:</p> <p>The Innovation Fund is the beneficiary of two significant projects in the context of capacity building:</p> <ul style="list-style-type: none"> ➤ The second phase of the project Improving systematic support for innovation and development of MSMEs – Norway for You is implemented by UNDP – one national expert works with the employees of the Fund on a daily basis in order to effectively perform activities, while three international experts are engaged in the preparation of programme lines, programme documentation, empowerment of potential programme users, raising capacities related to intellectual property, etc. Two important study visits (Serbia and North Macedonia) were organised through the project in question, and ➤ IPA 2020 technical support project <i>Strengthening capacities to support the implementation of the Smart Specialization Strategy (TASI S3)</i> – in the reporting period, focus was placed on the preparation of the S3 programme,

state aid, monitoring and evaluation. Support for capacity building was ensured until the end of 2023.

Establishment of the Innovation Fund support programmes and implementation of pilot programme lines to support innovation from IPA funds

- With expert support, complete documentation for two support programmes (innovation vouchers and collaborative innovation grants) was developed and both were announced (one on 1 March 2022 and the other on 28 June 2022). Two more programmes are being prepared (Enterprise Innovation Grant Programme and Acceleration Programme). The IPA grant scheme for innovative projects in the areas of smart specialisation is in the pipeline. The development of programmes will last until the end of 2023.

Building the capacity of the Innovation and Smart Specialisation Council

- Within the second phase of the project *Improving Systemic Support for Innovation and Development of MSMEs – Norway for You*, with the support of UNDP, a national expert was hired who performs the tasks of the secretary of the Innovation and Smart Specialization Council and works daily with the smart specialization team in the Ministry of Science and Technological Development. In a very short period, the Council held two sessions (17 December 2021 and 18 March 2022). After the changes in the organizational structure of the Government at the end of April 2022, the Council was reorganised on 8 July 2022 and the first session of the new convocation was held on 25 July 2022. The selection of the coordinators of the Council's innovation working groups by UNDP is under way.

Adoption of the Scientific Research Activity Strategy (2022-2026)

- The development of the Strategy began at the end of January 2022 and is in progress.

Implementation of by-laws in the field of scientific

	<p>research activity</p> <ul style="list-style-type: none"> ➤ The drafting of by-laws (licensing of scientific research institutions and financing of scientific research programmes and projects) is in progress. <p>Implementation of legal regulations in the field of innovation activity and incentives</p> <ul style="list-style-type: none"> ➤ In September 2021, the implementation of both laws was enabled through the adoption of by-laws. Since October 2021, the online platform for applications for entry in the Register of Innovation Activity and for incentive measures for research and development has been active. The implementation of incentive measures has highlighted the need to strengthen the promotion and interagency coordination of this process. Consultations with the innovation community have been initiated and closer cooperation between ministries within the various working bodies and commissions that need to contribute to a more effective implementation of incentive measures has been established. The establishment of a joint working party of the Ministry of Science and Technological Development and the Ministry of Finance in charge of amending the Law is also in progress.
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Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
Capacities of the Innovation Fund of Montenegro have been increased	(2021) Innovation Fund of Montenegro established	- Innovation Fund's team created - Innovation Fund's programme lines created - Implementation of the Innovation Fund programme lines started	Innovation Fund's team created - Innovation Fund's programme lines created - Implementation of the Innovation Fund programme lines started	
Capacities of the Innovation and Smart Specialisation Council increased	(2021) Innovation and Smart Specialisation Council established	- At least two sessions of the Council have been held - Innovation working parties have been established - Organizational unit for smart specialization has been established - Interinstitutional S3 Group established	- At least two sessions of the Council were held (18 March 2022 and 25 July 2022) - Innovation working parties have been established (status: proposal for membership adopted by the Council, coordinator	Fully operational Council that has a coordinating role in the S3 process

			<p>selection procedure with the support of UNDP in progress)</p> <ul style="list-style-type: none"> - Organizational unit for smart specialization established (drafting of the Act on internal organisation and job descriptions of the Ministry of Science and Technological Development in progress) - Interinstitutional S3 group established (March 2022, new Council adopts changes to the composition of this group) 	
Number of FTE researchers	(2019) 469	475	No official data	480
Expenditure on research and development by the private sector	(2019) 12%	17%	No official data	25%

Priority reform measure no. 13: Improving digitalisation of the e-government by developing platform for complex e-services

Brief description of activities planned for 2022	<p>The activities that were planned to be implemented during 2022 under reform measure number 13 are:</p> <ol style="list-style-type: none"> 1. Assessment of the e-government needs of citizens and businesses (Ministry of Public Administration, Digital Society and Media, UNDP) - which includes plans to conduct a survey on the satisfaction of citizens and the business community with electronic services and digitalization, as well as on their needs in this field for the period 2021-2022. It is planned to conduct three waves of survey, after which we will provide comparability of data for obtaining useful inputs for the creation of public policies in the field of digitalization for the coming period. 2. Development and implementation of the new e-Citizen portal with the implementation of new interoperable e-services for citizens and businesses (Ministry of Public Administration, Digital Society and Media, UNDP) <p>The development and implementation of a new e-Government portal e-Citizen with integration with other electronic government systems such</p>
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	<p>as: electronic identification system, electronic payment system, electronic data exchange system between state administration bodies, provides conditions for the implementation of complex e-services that will be available in a centralized place. In addition, the above activity implies the implementation of new digitized services that primarily provide end users with the opportunity to implement the entire communication with the public administration fully electronically.</p>
<p>Degree of implementation of activities planned for 2022 (in the first six months of the current year):</p>	<p>Partially implemented</p>
	<ul style="list-style-type: none"> ➤ The first cycle of the survey of citizens and the business sector satisfaction with existing e-services and identification of needs for new e-services was also carried out in the I quarter of 2022. Two more survey cycles are planned during the reform measure. ➤ In order to establish a new e-Government portal and define the ideal digital ecosystem concept, the project eServices and Digital Infrastructure as a Measure of Response to COVID 19 is expected to develop at the end of July 2022 the first version of the technical specification for the new e-Government portal, after which we expect the final reconciliation and initiation of administrative procedures for the procurement of the new software application planned by the said reform measure. ➤ In the first quarter of 2022, the existing e-government portal application was integrated with the system for electronic identification and electronic identity card and the system for electronic payment of administrative fees and charges, thus creating the preconditions for the improvement of existing electronic services. In this regard, electronic payment of fees through the e-government portal is also provided for 4 pilot services under the competence of the Ministry of Justice, so that citizens and the business sector have the possibility to electronically submit an application for data from criminal and misdemeanour records without going to banks and state institutions. ➤ When it comes to the digitalization of priority services recognized through the project eServices and Digital

Infrastructure as a Measure of Response to COVID 19, certain services were implemented and numerous activities on the digitalization of other services were started. eStudent and Covid certification services (SafeGO CG App) were implemented in 2021. Owing to the implementation of the eStudent service under the responsibility of the Ministry of Education, the possibility of online enrollment of graduates in faculties of the University of Montenegro was provided. Similarly, the Ministry of Public Administration provided professional, financial and technical support to the Ministry of Health in terms of infrastructure, as well as for the development of an application suite for COVID certificate and connection to the EU Digital COVID Certificate system. It is planned to upgrade the eStudent service and to provide electronic enrollment in other faculties, including private ones. Along with the recognised risk that the implementation of new interoperable services depends exclusively on the state administration body which is responsible for the e-service in question, additional efforts have been invested to digitize the following services:

- Online payment of real estate tax, as well as online registration and scheduling of weddings (initially only in the territory of the Capital City);
- Online enrollment in pupil and student dormitories;
- Online registration of NGOs;
- Online view of fines and payment of fines from the register of criminal and misdemeanour records (for citizens and the business sector);
- eBusiness, etc.
- Although the activity *Establishing a network of ICT practitioners* was planned to be implemented in 2023, some of the sub-activities were started and implemented during 2022. In the II quarter of 2022, the first workshop was organized for representatives from 17 public administration institutions at the central level, with the aim of gathering IT officers directly related to the development/implementation/upgrading and maintenance of key state administration platforms and systems,

	<p>which contribute to the development of interoperable e-services used by citizens and the business sector. The key topics discussed during the workshop are:</p> <ul style="list-style-type: none"> ➤ Significance of the digitalization of services - results of the survey of citizen and business satisfaction with e-services ➤ Plan and perspective for the development of priority e-services - needs and constraints ➤ Legal framework for digital governance in Montenegro ➤ National Interoperability Framework - role and application of the Unified Information System for Electronic Data Exchange (JISERP) ➤ The Unified Information System for Electronic Data Exchange (JISERP) – Technical characteristics and administration of the System - challenges and next steps ➤ Strategic systems – Administrative Fee Collection System (NS-NAT) and e-Government portal ➤ Catalogue of Services and Administrative Procedures and the Portfolio Management System ➤ Role and competences of the ICT Officer Network ➤ In the further period, it is planned to formalize the ICT network after defining the form and mode of its functioning, as well as to organize another workshop by the end of 2022. ➤ The reform measure <i>Improving the digitalization of e-government through the development of platforms and complex e-services</i> is planned to be continued in 2023.
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Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
Number of conducted surveys with presented results	/	2	1	Total 3 (until end of 2023)
Number of new interoperable (digitized) e-services for citizens and businesses ⁸	/	5	6 new interoperable services (2 services initially identified through the project)	10-15 e-services (until the end of 2024)

⁸ Priority e-services to be implemented through the UNDP project are: application for the issuance of identity card and passport, application for the issuance (renewal) of a driving licence, vehicle e-Registration, e-Student, e-application for employment in the state administration, generic e-service for applying for state qualifying exams for work in state bodies for persons holding university or high school qualifications, passing the certification exam for work in the field of sports, passing the certification exam for notaries, electronic service in the field of spatial planning, e-Registration for NGOs, e-Business, electronic registration and deregistration of employees, e-Contributions, fee for childbirth, e-enrolment in pupil and student dormitories, application for registration of agricultural holdings and premiums.

			+ 4 pilot services of the ⁹ Ministry of Justice)	
New e-Government portal e-Citizen introduced	/	/	The technical specifications of the software application of the new electronic government portal is being defined	New e-government portal established (by the end of 2023)
Network of ICT practitioners – operational team established Number of workshops held for ICT practitioners	/	/	- 1 st workshop held - Formalization of ICT network of practitioners is in progress	ICT network established + 3 workshops held (2023)

Priority reform measure no. 14: Improving legislative and regulatory framework for further advancement of the broadband internet connection infrastructure

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Start of activities to develop the Strategy for the Development of 5G Networks in Montenegro with the Action Plan for the Implementation of the Strategy for the Development of 5G Networks in Montenegro. Continuation of activities for the establishment of the National Broadband Development Plan; and continuation of activities on the drafting of the new Law on Electronic Communications.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ Activities were started to develop the Strategy for the Introduction of 5G Networks in Montenegro with the Action Plan for the Implementation of the Strategy, by procuring the service of the preparation of the Draft Strategy and establishing a working party for the development of the Strategy. ➤ The activities on the development of the National Broadband Internet Access Development Plan are expected to continue, as Montenegro applied for a new support grant through WBIF (4 March 2022), which will include the revision of the Feasibility Study and Cost-Benefit analysis, evaluation of market models and selection of the best

⁹ Although the reform measure initially identified priority services that are planned to be digitized, after analyzing the normative framework and due to complicated bureaucratic procedures, some of the identified e-services will be replaced by other services that can be digitized in the period when the implementation of the said project is planned.

	<p>model, environmental impact screening, development of public procurement models and tender documentation. In view of the above, it is expected that the adoption of the said document will be shifted to the IV quarter of 2023.</p> <p>➤ Activities on the drafting of the new Law on Electronic Communications have been started by procuring the service of drafting the Law, while the establishment of a working party in charge of drafting is underway.</p>
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Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022	Value achieved in first half of 2022	Target value (2025)
Establishment of a National Plan for the Development of High Speed Broadband Networks	Cost Benefit Analysis and Market Model developed	Nationwide plan for the development of high-speed broadband networks adopted	Montenegro applied for a new support grant through WBIF (4 March 2022), which would cover the revision of the Feasibility Study and Cost-Benefit analysis, evaluation of market models and selection of the best model, screening of environmental impact, development of public procurement models and tender documentation.	Nationwide plan for the development of high-speed broadband networks implemented
Transposition and effective application of the EU Directive on the European Electronic Communications Code (EECC) 2018/1972	Two TAIEX workshops held – Implementation and transposition of the new directive 2018/1972	Law on Electronic Communications adopted	The service of drafting the Proposed Law on Electronic Communications was procured in the first half of 2022. The establishment of a working party in charge of drafting the Bill is ongoing.	Law on Electronic Communications implemented
Establishment of the national office/directorate for broadband internet access	Study on the Broadband Office developed	National broadband competence office established	The development of the Rulebook on the internal organisation and job descriptions of the Ministry of Economic	Capacities of the national broadband competence office built

			Development and Tourism is in progress.	
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Priority reform measure no. 15: Improving management of business undertakings in majority state ownership

Brief description of activities planned for 2022-2023	<ul style="list-style-type: none"> ➤ Organising work of the LLC Montenegro Works which ensures more efficient and transparent management of majority state-owned enterprises. ➤ Establishing the standardization of financial reporting with increased frequency of reporting from annual to quarterly level and developing a business plan with monitoring of projections, including the achieved performance on a monthly basis; ➤ Preparation of financial analyses of all enterprises - It is planned to develop a set of guidelines for corporate governance through seminars and training sessions for leadership in majority state-owned enterprises. ➤ However, the Government of Montenegro has identified the need to reform the regular monitoring of the operations of majority state-owned enterprises and after the analyses it was noted that the investment in LLC Montenegro Works in the previous period did not result in benefits, and that it did not show the reform potential that would provide the Government with the legal model of monitoring the operations of majority state-owned enterprises. Pursuant to the Decision on the voluntary liquidation of the limited liability company Montenegro Works (Official Gazette of Montenegro, no. 083/22 of 31 July 2022); the voluntary liquidation of the company was carried out on 8 August 2022, due to the inability to generate revenues, to operate sustainably and successfully on the market.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<p>The activities were partially implemented.</p> <ul style="list-style-type: none"> ➤ On 3 August 2021, the Government of Montenegro adopted the Decision Establishing the Limited Liability Company Montenegro Works (Official Gazette of Montenegro, nos. 085/21, 086/21) in order to establish a company that will deal with the monitoring and analysis of the financial situation in majority state-owned

companies and provide professional support in the implementation of reforms in order to manage them more effectively. Likewise, on 18 August 2021, the Government of Montenegro adopted the Articles of Association of the limited liability company Montenegro Works (Official Gazette of Montenegro, no. 090/21), in order to organise operations in Montenegro Works LLC.

- At its session of 31 March 2022, the Government of Montenegro discussed the Report on the results of external audit in majority state-owned enterprises of Montenegro for the period from 2016 to 2020, submitted by the Ministry of Finance and Social Welfare. The subject Report was drafted by employees of Montenegro Works LLC in cooperation with the civil servants of the two directorates of the Ministry of Finance and Social Welfare and it was implemented using the IMF's SOE Health Check Tool, prepared for the needs of the Ministry.
- The Government took note of the Information paper on recommendations for improving the performance of the Board of Directors through clear criteria for membership. Additionally, in its Conclusion no. 04-2375 of 27 April 2022, the Government tasked the Ministry of Finance and Social Welfare with stepping up activities and conducting additional consultations with the Ministry of Economic Development, Ministry of Public Administration, Digital Society and Media and the Ministry of Capital Investments regarding the proposed criteria for the selection of qualified members of the board of directors in majority state-owned enterprises.
- At its 13th session of 22 July 2022, the Government adopted the Information paper on monitoring fiscal risks of majority state-owned enterprises. The Information Paper emphasizes that the need to reform the regular monitoring of the operations of majority state-owned enterprises was clearly identified in cooperation with international partners. It was judged that the investment in Montenegro Works did not result in benefits with the reform potential that would provide the Government with a legal model for monitoring the operations of these companies. Therefore, it was decided to

	<p>establish a new model of complete, regulatory-based monitoring of their operations.</p> <ul style="list-style-type: none"> ➤ In this regard, the Government supported the Ministry of Finance in the process of preparing an upgrade of the organizational model, with the aim of reforming the Sub-Directorate for Monitoring Fiscal Risks of Majority State-Owned Enterprises within the relevant directorate. ➤ In addition, the Decision on voluntary liquidation of the limited liability company Montenegro Works was adopted at the same session. After detailed analyses, it was judged that the predominant activity of the company is not in accordance with the legal regulations of Montenegro in force, that it is financially unsustainable, and that voluntary liquidation is to be carried out due to the impossibility of generating income, sustainable and successful operations on the market. ➤ Please note that on 4 February 2022, the Parliament of Montenegro voted no confidence to the 42nd Government, after which there was a change in the priorities previously set. In fact, after the voluntary liquidation of LLC Montenegro Works, further implementation of the proposed reform measure could not be continued. Bearing in mind the above, the reform measure in question will be modified in the coming period within the framework of the new Government strategy, which relates to the field of operation of majority state-owned enterprises.
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Indicator achievement:

Indicator	Initial value (2021)	Value planned in 2022-2023	Value achieved in first half of 2022	Target value (2025)
Improvement of financial performance of the company through the establishment of LLC Montenegro Works	<p>Establishment of a limited liability company and registration of the company in the Central Register of Business Entities of Montenegro (CRPS);</p> <p>Signing of key contracts in the field of accounting</p>	<p>Establishing the organization of work of the LLC Montenegro Works which ensures more efficient and transparent management of majority state-owned enterprises</p>	<p>3</p> <p>Implementation with some initial results</p> <p>Partially established organization of work within the LLC Montenegro Works</p> <p>Pursuant to the Decision on the voluntary</p>	<p>/</p> <p>NOTE: It was assessed that the investment in Montenegro Works did not result in</p>

	<p>and IT sector;</p> <p>Calling a competition for the position of financial analyst and auditor, as well as for the selection of the conceptual and graphic design of the company's logo.</p>	<p>The goal for 2022 is the adoption of a new Law;</p> <p>Standardization of financial reporting with increased frequency of reporting from annual to quarterly level;</p> <p>Standardization of the development of the business plan, with the monitoring of projections, including the achieved performance on a monthly basis;</p> <p>The Strategic Development Division will be formed within the company, employing experts from each sector, who will develop key performance indicators for each company with frequent monitoring of projections and including the achieved performance on a monthly basis.</p>	<p>liquidation of the limited liability company Montenegro Works (Official Gazette of Montenegro, No. 083/22 of 31 July 2022), the voluntary liquidation of the company was carried out on 8 August 2022.</p> <p>0 No implementation</p> <p>2 Initial steps have been taken</p> <p>2 Initial steps have been taken</p> <p>2 Initial steps have been taken</p>	<p>benefits with a reform potential that would provide the Government with a legal model for monitoring the operations of these companies, which is why the Decision on voluntary liquidation of the limited liability company Montenegro Works was adopted at the session of 22 July 2022.</p>
Creating an analysis	Creating and	Preparation of		

and guidelines for enterprises that are majority-owned by the state	determining the development of a set of strategic guidelines for the Company.	financial analyses of all enterprises - It is planned to develop a set of guidelines for corporate governance through seminars and training sessions for leadership in majority state-owned enterprises, as well as monitoring their implementation on a routine basis.	3 Implementation is underway with some initial results	Establishment of continuous performance of listed activities from the previous period
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Priority reform measure no. 16: Suppressing informal economy through the tax administration reform

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Operating system of electronic fiscalization ➤ Continuation of activities on the introduction of integrated revenue management system (IRMS) and procurement of part of the necessary software and hardware, DWH/BI system
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ The application of the on-line real-time fiscalization system started on 1 June 2021, for all obliged entities in accordance with the Law. All the planned phases of the project have been completed. Full use of the System with the possibility of using risk analysis and unlimited historical use of data with the completion of the implementation of the DWH/BI system is expected. ➤ Document FRD – functional requirements completed, as well as the missing part of the tender documentation regarding the criteria-requirements that the company should meet in order to implement the IRMS system. Tenders for the procurement of the IRMS System are expected to be launched in October 2022. ➤ Continued actions on data cleaning. DWH/BI - selected company for the implementation of the project. Completed phase 0 (which includes the development of an action plan,

	<p>formation of teams, drafting of the Contract Charter). Activities from Phase 1 are in progress. The planned date for the implementation of the contract is September 2023.</p>
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Indicator achievement:

Indicator	Value planned in 2022	Value achieved in first half of 2022	Intermediate result (2022/2023)	Target value (2024)
The e-fiscalization system for all taxpayers operates at full capacity.	All III phases of the system establishment have been completed.	EFI system is operational. A payment in the amount of €674,817.00 was made to the OSA-NEOS consortium and therefore the contractual obligations towards the contractor were performed.	Full implementation of the e-fiscalization system and its further improvement.	Full implementation of the e-fiscalization system.
Integrated revenue management system (IRMS) equipment in full operation.	Tender was announced and the equipment procurement procedure was completed.	On top of a clear delay in the implementation of the IRMS system, the procedure of approving the tender documentation for announcing a tender for IRMS is in progress. This is a prerequisite for the overhaul of the tax administration reform (RARP) project, which ends on 31 March 2023.	Procurement of additional pieces of equipment.	Equipment in full operation.
Functional databases in integrated revenue management system established	Continuation of data cleaning process.	The data cleaning process has resumed. Considering that it is a continuous activity, it will last until the end of the project. Activities on the implementation	Continuation of the cleaning process with data migration.	Data migrated and integrated into the integrated revenue management system (IRMS).

		of the project for the Data Analytics Platform (DWH/BI), valued at €1,759,000.00, started.		
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Priority reform measure no. 17: Improving the business environment by reducing the labour tax wedge

Brief description of activities planned for 2022	<ul style="list-style-type: none"> ➤ Implementation monitoring via the established Coordination Body for monitoring the implementation of the New Tax Policy programme and increased inspections, in order to reduce the informal economy in the labour market and unfair competition based on informal economy. ➤ Adoption of laws and bylaws that will enable full implementation of the New Tax Policy programme.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Implementation is underway with some initial results
	<p>Activities that have been implemented:</p> <ul style="list-style-type: none"> ➤ A coordination body was established in January 2022 to monitor the implementation of the New Tax Policy programme; ➤ According to a survey conducted among businesses and households, grey economy in the formal sector in Montenegro in 2022 is 20.6% of GDP, which represents a decrease of 3.9 p.p. compared to 2014; ➤ The contribution to the reduction of the grey economy was achieved through a lower tax burden on salaries, which is why employers are less motivated not to report workers and pay salaries in cash; ➤ Increasing the number of forms on calculated and paid taxes and contributions (IOPPD) in the Revenue and Customs Administration; ➤ Increased tax discipline of the taxpayer and compliance with legal regulations

Indicator achievement:

Indicator	Value planned in 2022	Value achieved in first half of 2022	Intermediate result (2022/2023)	Target value (2024)
Number of formally employed	233,000	¹⁰	240,000	247,000

Priority reform measure no. 18: Information system and mobile application for monitoring the tourism parameters

Brief description of activities planned for 2022	Implementation of a new information system with accompanying mobile application
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	No implementation
	In order to overcome the problems created by the restructuring of the institutions involved in the Project, it is necessary to redefine all project items, and form a working party. Accordingly, the implementation of the Measure is postponed until further notice. The measure will not be continued in 2023.

Indicator achievement:

Indicator	Initial value in 2022	Value planned in 2022	Value achieved in first half of 2022	Target value (2024)
Tourist tax collected	€9.6 million	+30%	-	180%
Reducing the grey economy in the tourism sector	x	x-5%	-	x-30%

Priority reform measure no. 19: Sustainable green tourism

Brief description of activities planned for 2022	➤ Sustainable green tourism and the development of "green" types of accommodation capacities - implementation of ecological standards in hospitality establishments (certification).
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	The implementation is in progress with some initial results
	➤ Implementation of standardized environmental requirements for certificates Green Key and Eco Label; 1. Rural tourism a) Incentive measures: 13 rural households supported (contracted value of support is €24,760.00 - phase I of support in the amount of €14,750.00 was implemented);

¹⁰ Reporting on the specified indicator is relevant on the annual level. According to the preliminary data of the Administration for Statistics, the number of total employees in May was 222,901, in June 230,765, and in July 235,343.

b) AP for 2022 of the Rural Tourism Development Programme of Montenegro:

- A microsite and thematic visuals were prepared (by target groups) for the marketing campaign Montenegro Rural;
- In order to create a quality label, a comparative analysis of examples of good practice was carried out; the preparation of the proposal is in the initial phase;
- Within the activities related to self-education/autodidactic programme, the development of a short video presentation of the taxing cash transactions process for rural households is in the preparatory phase.

2. Cultural tourism:

a) Incentive measures: 4 projects that enrich the cultural attractions of Montenegro with innovative content were supported (the contracted value of support is €31,000.00);

b) AP for 2022. The year of the Cultural Tourism Development Programme of Montenegro:

- Preparatory activities for tourist valorization of two new sites were carried out;
- Membership of Montenegro in two Council of Europe cultural routes achieved;
- Preparatory activities for announcing a tender for the production of a replica of the first printing house in the Balkans (Crnojević printing house);
- The creation of a virtual Due Mari platform for the promotion of 260 cultural and natural sites in Montenegro is in the final phase.

3. Health tourism

a) Incentive measures: 1 innovative project supported (contracted value of support is €9,000.00)

b) AP for 2022 of the Health Tourism Development Programme of Montenegro:

- Preparatory activities for the development of an integrated online platform of health service providers.

- The implementation takes place continuously during 2022;
- Challenges in the implementation of planned activities are caused by difficult operating conditions due to global crises;
- The reform will continue in 2023.

Indicator achievement:

Indicator	Initial value	Value planned in 2022	Value achieved in first half of 2022	Target value (2024)
Number of hospitality establishments introducing green practices	15	20	0	30
Number of overnight stays in the northern region of Montenegro	76,515	78,000	70,877	80,000

Priority reform measure no. 20: Financial support to households aimed at applying energy efficiency measures

<p>Brief description of activities planned for 2022</p>	<p>The following activities are planned under the measure Financial support to households to apply energy efficiency measures in 2022:</p> <ul style="list-style-type: none"> ➤ Implementation of a tender procedure for the selection of banks – providers of loans to households for the application of energy efficiency measures and electricity production for their own needs, by the ministry responsible for energy; implementation of a tender procedure for the selection of companies – suppliers and installers of systems, equipment and materials for the application of energy efficiency measures, by the ministry responsible for energy; delivery and installation of systems whose purchase and installation is enabled within the Programme (heating systems using modern forms of biomass (pellet, briquettes), heating and cooling systems with high-efficiency heat pumps, as well as delivery and installation of facade thermal insulation and energy efficient façade joinery on residential buildings of households, by selected companies; payment of funds in the amount of approved loans to the accounts of selected companies, by selected banks; payment of funds for interest on loans to partner banks in the Programme, by the ministry responsible for energy; repayment of interest free loans in monthly installments, by loan beneficiaries/members of households participating in the Programme.
<p>Degree of implementation of activities planned for 2022 (in the first six months of the current</p>	<p>Implementation is underway with some initial results</p>

year):	
	<p>In 2022, the following activities were implemented:</p> <ul style="list-style-type: none"> ➤ On 22 March 2022, the Ministry of Capital Investments announced a Public Call to all commercial banks in Montenegro to submit a letter of interest within the programme. The deadline for submitting bids was 13 April 2022. In addition, on 7 April 2022, a public call was announced for all companies in Montenegro to submit bids according to the requirements of the tender documentation, in order to select qualified contractors. The deadline for submitting bids was 29 April 2022. The selection of partner banks and qualified contractors was successfully completed, and after the signing of the cooperation agreements between the Ministry of Capital Investments and commercial banks and between the Ministry of Capital Investments and qualified contractors, all conditions for the start of the new phase of the <i>Energy Efficient Home</i> programme were met. ➤ The implementation of the households programme began on 12 July 2022, when a public call was announced for citizens to submit their requests for participation in the programme in accordance with the project mechanism. ➤ The reform will continue in 2023 as well. ➤ <i>Note:</i> programme measure is implemented according to the planned schedule at this moment. However, an aggravating circumstance that can greatly affect the planned results is the drastic increase in the price of energy products, i.e. pellets, as well as the increase in the price of construction materials and services in this sector. That can lead one part of interested citizens to abandoning the implementation of energy efficiency measures within the measure in question.

Indicator achievement:

Indicator	Baseline	Intermediate result	Value planned in the first half of 2022	Target value (2024)
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Total energy savings achieved under the Energy Efficient Home Programme	0	5.5 GWh in one year	¹¹	16.5 GWh
Number of supported households under the Energy Efficient Home Programme	0	560	-	1,680

Priority reform measure no. 21: Reducing release into circulation of lightweight carrier plastic bags and single-use plastic products

Brief description of activities planned for 2022	<p>Implementation of the following activities is planned in 2022:</p> <ul style="list-style-type: none"> ➤ Adoption of the Law on Waste Management; ➤ Introduction of the concept of reducing the use of lightweight plastic carrier bags and single-use plastics in public administration; ➤ Organisation of a campaign to inform the public and raise awareness of all actors in the value chain of single-use plastics and its harmful negative impact on the environment; ➤ Development and introduction of a methodology for calculating the consumption of lightweight plastic carrier bags per person; ➤ Amendments to the law on excise duties in order to reduce the use of lightweight plastic carrier bags and single-use plastics and its application in 2022 through the introduction of excise duties on these products.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<p>In the first 6 months since the implementation of ERP, the activities have been partially implemented.</p> <ul style="list-style-type: none"> ➤ The proposed Law on Waste Management is in the final phase of harmonization with the Secretariat for Legislation (carried out in the third quarter, while the adoption of the proposed Law is planned in the IV quarter of this year). ➤ Introducing the concept of reducing the use of lightweight plastic carrier bags and single-use plastics in public administration: Office for Sustainable Development, in cooperation with the Ministry of Ecology,

¹¹ Given that in the first half of 2022, preparatory work was carried out for the application of energy efficiency measures under this measure, and that their implementation started in July, it is not possible to show the value of chosen indicators for the first half of this year.

	<p>Spatial Planning and Urban Development, as well as other volunteer institutions, performs selective collection of paper and plastic waste and used toners for recycling. In the upcoming period, it is planned to step up actions on this activity (activity is performed continuously)</p> <ul style="list-style-type: none"> ➤ Implementation of the campaign for public information and raising awareness of all actors in the value chain of single-use plastics and its harmful negative impact on the environment - a series of educational and informative meetings was held in the Chamber of Commerce with companies concerned with this issue. As part of the support of the UK Government, the media campaign <i>For the only one in the world. It's ours. Let's keep it safe</i>, was conducted in the first six months. One of the topics was raising awareness in the field of waste management. The NGO Center for Bird Protection and Study implements the BIOVAL - BIOdiversity VALues project, through which specific Calls to Action (CTAs) were organised. The third call to action (CTA) <i>All in Recycling Action</i> was organized on 23 May in cooperation with the group of citizens - Ecopatriotism. The action was organized within the framework of the national campaign Let Montenegro Shine, which was conducted in the period May 21st to 31st in cooperation with the Ministry of Ecology, Spatial Planning and Urban Development. Citizens, especially parents with children, are invited to participate in the action of cleaning up the Cemovsko Field. The competition was framed in an interesting way - for the 4 heaviest bags filled with collected plastic. ➤ Development and introduction of a methodology for calculating the consumption of lightweight plastic carrier bags per person: a methodology for calculating the amount of plastic waste in the sea was developed in cooperation with GIZ. The implementation of the specific activity is planned in the coming period. <p>The biggest challenges in the implementation of these activities relate to the political situation and prioritization, as well as the lack of financial and human resources.</p> <p>This reform will continue in 2023 as well.</p>
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Indicator achievement:

Indicator	Baseline (2021)	Intermediate result	Value achieved in the	Target value (2030)
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		(2024)	first half of 2022	
Reduction of the production and consumption of lightweight plastic carrier bags ¹²	Estimate 600-700 pieces per capita	300 pieces per capita	-	40 pieces per capita
Increase in recycling rate 10% 20% 50%	10%	20%	11.52 ¹³	50%
Reduction of the average annual growth rate of generated waste ¹⁴	Expected increase of 2% on an annual basis in LSGUs where population growth is estimated	Reduction in increase to 1.8% in LSGUs where population increase is estimated	-	Reduction of increase to 1.5% in LSGUs where population increase is estimated

Priority reform measure no. 22: Supporting investments in the food manufacturing sector aimed at strengthening the competitiveness

Name of priority measure:	
Brief description of activities planned for 2022	During 2022, it is planned to launch one public call for each of the IPARD II programme measures (three public calls). Continuation of the implementation of previously announced public calls within the IPARD II programme.
Degree of implementation of activities planned for 2022 (in the first six months of the current year):	Partially implemented
	<ul style="list-style-type: none"> ➤ The implementation of previously announced public calls under the IPARD II programme is still taking place, but at a somewhat slower pace, since due to the COVID-19 epidemics and the war in Ukraine, there was a market disruption and an enormous increase in the prices of construction materials, as well as machinery and equipment. ➤ The third public call for measure 1 <i>Investments in the physical capital of agricultural holdings</i> was announced on 10 November 2021. ➤ The receipt of applications for support under this public call lasted from 10 November 2021 to 27 December 2021. ➤ A total of 112 applications for support were submitted under this call. The total value of requested investments is €11,851,724.63 (including VAT), i.e. €9,839,017.55 (excluding VAT), and the potential amount of support is €6,356,132.36.

¹² The methodology for calculating this indicator has not yet been developed.

¹³ Source: Report on the implementation of the state waste management plan from 2020, Ministry of Ecology, Spatial Planning and Urban Development.

¹⁴ It is not possible to provide a calculation of these indicators on a semi-annual basis.

- To date, 56 projects with a total investment value of €4,899,405.16 (including VAT), €4,049,132.51 (excluding VAT) have been contracted, with a possible amount of support of €2,755,405.86.
- The fourth public call for measure 3 *Investments in the physical capital for the processing and marketing of agricultural and fish products* was announced on 15 February 2022.
- The receipt of applications for support under this public call lasted from 15 February until 31 March 2022.
- A total of 33 applications for support were submitted under this call. Two applications without data were submitted, so the information below will concern 31 applications. The total value of requested investments is €23,683,293.32 (including VAT), i.e. €19,572,969.69 (excluding VAT), and the potential amount of support is €9,789,484.85.
- To date, 2 projects with a total investment value of €1,339,861.46 (including VAT), €1,107,323.52EUR (excluding VAT) have been contracted, with a possible amount of support of €553,661.76, while the other applications are in the contracting phase.
- The fourth public call for measure 1 *Investments in the physical capital of agricultural holdings* was announced on 14 March 2022.
- The receipt of applications for support under this public call lasted from 14 March 2022 to 28 April 2022.
- A total of 92 applications for support were submitted under this call. The total value of the requested investments is €26,593,809.64 (including VAT), i.e. €23,707,559.89 (excluding VAT), and the potential amount of support is €15,669,795.98.
- To date, 2 projects have been contracted with a total investment value of €388,841.34 (including VAT), €321,356.48 (excluding VAT), with a possible amount of support of €211,112.27. Other applications are in the contracting, field control and inquiry proceedings stages.
- The first public call for measure 7 *Diversification of holdings and business*

	<p><i>development, sub-measure 7.1 Support for investments for the development of rural tourism</i> was announced on 23 June 2021. The receipt of applications for support under this public call lasted from 23 June to 31 August 2021, but it was extended until 30 September 2021.</p> <p>➤ A total of 102 applications for support were submitted under the first public call. The total value of requested investments for 97 applications is €11,559,764.45 (including VAT), i.e. €9,553,524.33 (excluding VAT), and the potential amount of support is €6,209,790.81. For 5 applications, there is no information on the requested investment amounts, as they are not specified in the application for support. Applications submitted are at the contracting stage.</p>
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Indicator achievement:

Indicator	Baseline (2021)	Value achieved in the first half of 2022	Intermediate result (2023)	Target value (2024)
Value of realized investments	10,000,000.00	8,430,000.00	19,000,000.00	12,000,000.00
Food business operators that have reached the EU standard	15	8	15	15
Number of holdings that diversified their activity	0	0	80	120

ANNEX

Table 10a Estimation of additional costs of structural reform measures

Priority reform measure no. 1: Strengthening operational capacities of the Employment Office for carrying out services and measures via digitalisation					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€201,527.00	0	0	€201,527.00
Priority reform measure no. 2: Introducing new work schemes and work-life balance					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total

First six months	0	0	0	0	0
Priority reform measure no. 3: Introducing the Youth Guarantee Programme in Montenegro					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€3,970,403.12	0	0	€3,970,403.12
Priority reform measure no. 4: Increasing employability of adults by improving their skills and competences needed at the labour market					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0
Priority reform measure no. 5: Digitalisation of the education and development of digital skills					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0
Priority reform measure no. 6: Reform of the national system for disability assessment					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€72,049.44	0	0	€72,049.44
Priority reform measure no. 7: Defining financial preconditions for reforms proposed by the Road Map					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€40,000.00	0	0	€40,000.00
Priority reform measure no. 8: Improving access to and quality in delivery of healthcare services and the Digitalisation of the healthcare system					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total

First six months	0	0	0	0	0
Priority reform measure no. 9: Establishing a full electronic registration of enterprises					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€90,000.00	0	0	€90,000.00 ¹⁵
Priority reform measure no. 10: Improving access to financing for MSMEs by creating a Credit-Guarantee Fund					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0
Priority reform measure no. 11: Strengthening competitive position of MSMEs by establishing a single access point					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€150,000 ¹⁶	0	0	€150,000.00
Priority reform measure no. 12: Strengthening the national innovation and research ecosystem					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	€1,118,100.00	0	€1,118,100.00
Priority reform measure no. 13: Improving digitalisation of the e-government by developing platform for complex e-services					
2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€83,167.5	0	0	€83,167.5

¹⁵ All implemented activities (electronic changes to company name, electronic delivery of decisions, etc.) are covered by the annual maintenance and upgrade agreement (regular upgrades), amounting to approximately EUR 90,000.00 per year.

¹⁶ As part of the project implemented by the Ministry of Economic Development and Tourism (MEDT) with the support of the European Union and the European Bank for Reconstruction and Development (within the Annual Action Program IPA for 2016), whose total value is EUR 1,747,000.00, implemented since December 2020 until the end of 2023, after the announcement of the call for submission of applications for the engagement of a consulting firm for the development of an integrated IT platform, and the implementation of the evaluation procedure defined by the regulations of the European Bank for Reconstruction and Development, the company Fleka from Montenegro was selected for implementation of these activities. EUR 150,000.00 has been allocated for the mentioned activities within this project.

Priority reform measure no. 14: Improving legislative and regulatory framework for further advancement of the broadband internet connection infrastructure

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€40,000.00	0	0	€40,000.00

Priority reform measure no. 15: Improving management of business undertakings in majority state ownership

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0

Priority reform measure no. 16: Suppressing informal economy through the tax administration reform

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	€895,396.17	0	0	€895,396.17

Priority reform measure no. 17: Improving the business environment by reducing the labour tax wedge

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0

Priority reform measure no. 18: Information system and mobile application for monitoring the tourism parameters

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0

Priority reform measure no. 19: Sustainable green tourism

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	€14,750.00	0	€14,750.00

Priority reform measure no. 20: Financial support to households aimed at applying energy efficiency measures

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0

Priority reform measure no. 21: Reducing release into circulation of lightweight carrier plastic bags and single-use plastic products

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	0	0	0

Priority reform measure no. 22: Supporting investments in the food manufacturing sector aimed at strengthening the competitiveness

2022	Salaries	Goods and services	Subsidies and transfers	Capital expenditure	Total
First six months	0	0	€3,391,233.98	0	€3,391,233.98

Table 10b: Financing structural reform measures

Priority reform measure no. 1: Strengthening operational capacities of the Employment Office for carrying out services and measures via digitalisation								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	€201,527.00	0	0	€201,527.00
Priority reform measure no. 2: Introducing new work schemes and work-life balance								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 3: Introducing the Youth Guarantee Programme in Montenegro								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	€3,897,903.12	0	0	0	€72,500.00	0	0	€3,970,403.12
Priority reform measure no. 4: Increasing employability of adults by improving their skills and competences needed at the labour market								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 5: Digitalisation of the education and development of digital skills								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 6: Reform of the national system for disability assessment								

Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	€72,049.44	0	0	0	€72,049.44
Priority reform measure no. 7: Defining financial preconditions for reforms proposed by the Road Map								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	€40,000.00	0	0	€40,000.00
Priority reform measure no. 8: Improving access to and quality in delivery of healthcare services and the Digitalisation of the healthcare system								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 9: Establishing a full electronic registration of enterprises								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	€90,000.00 ¹⁷	0	0	0	0	0	0	€90,000.00
Priority reform measure no. 10: Improving access to financing for MSMEs by creating a Credit-Guarantee Fund								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 11: Strengthening competitive position of MSMEs by establishing a single access point								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total

¹⁷ Ibid

First six months	€15,000.00 ¹⁸			€135,000.00 ¹⁹				€150,000.00
Priority reform measure no. 12: Strengthening the national innovation and research ecosystem								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	€1,000,000.00	0	0	€38,100.00	€80,000.00	0	0	€1,118,100.00
Priority reform measure no. 13: Improving digitalisation of the e-government by developing platform for complex e-services								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	€83,167.5	0	0	0	€83,167.5
Priority reform measure no. 14: Improving legislative and regulatory framework for further advancement of the broadband internet connection infrastructure								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	€40,000.00	0	0	0	0	€40,000.00
Priority reform measure no. 15: Improving management of business undertakings in majority state ownership								
Year 2021	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 16: Suppressing informal economy through the tax administration reform								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	€895,396.17	0	€895,396.17
Priority reform measure no. 17: Improving the business environment by reducing the labour tax wedge								

¹⁸ National co-financing.

¹⁹ IPA funds.

Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 18: Information system and mobile application for monitoring the tourism parameters								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 19: Sustainable green tourism								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	€14,750.00	0	0	0	0	0	0	€14,750.00
Priority reform measure no. 20: Financial support to households aimed at applying energy efficiency measures								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 21: Reducing release into circulation of lightweight carrier plastic bags and single-use plastic products								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	0	0	0	0	0	0
Priority reform measure no. 22: Supporting investments in the food manufacturing sector aimed at strengthening the competitiveness								
Year 2022	Central budget	Local budget	Other national public finance sources	IPA funds	Other grants	Project loans	To be determined	Total
First six months	0	0	€847,808.54	€2,543,425.44	0	0	0	€3,391,233.98