

## **PM+: Progress report highlights increasing EU impatience with Montenegro**

Written by Matthias Menke on 9 October 2014 in Opinion Plus  
Opinion Plus

There is growing EU frustration with Montenegro's 'contempt' for the rule of law, argues Matthias Menke.



Yesterday's progress report from the European commission marked a departure in the EU's attitude towards Montenegrin accession. For the first time, there has been explicit recognition from the most senior diplomatic circles that Montenegro is not the poster child of European enlargement it has claimed to be.

Reacting to the report, enlargement and neighbourhood policy commissioner Stefan Füle said that "the degree to which [...] rule of law related reforms produce results will determine the overall pace of the accession negotiations. If no tangible progress is made, negotiations would have to slow down".

This is pretty strong language from the commissioner – the strongest we've seen in relation to Montenegro's EU accession in a long time – and the first ever prospect of putting the brakes on

Montenegrin accession.

"For the first time, there has been explicit recognition from the most senior diplomatic circles that Montenegro is not the poster child of European enlargement it has claimed to be".

It seems clear that there is growing frustration within the EU at Montenegro's slow progress and what quite frankly can only be interpreted as window-dressing: doing the very minimum at the last minute in order to receive a good grade. We had further proof of this earlier this week, when after more than a year of procrastination, the government finally appointed a superior state prosecutor, just one day before the publication of the progress report.

European diplomats see through such tactics and are rightly increasingly impatient with the Montenegrin government's antics. Reports that they are also concerned that prime minister Milo Djukanović has been running the country as though it were a family business are also extremely worrying, so much so that it was reported that the safeguard clause freezing accession negotiations was very nearly invoked.

Commissioner Füle also raises concerns over Montenegro's judicial system, saying that "citizens deserve to be able to rely on the swift, efficient and impartial administration of justice" – the clear implication being that they currently cannot. Sadly, we can confirm that impartial justice not a reality in Montenegro, and the politicisation of the judicial process remains a real problem.

That is why The Central European Aluminum Company (CEAC) has had to initiate several international arbitration proceedings against the Montenegrin government for breach of the Kombinat Aluminijuma Podgorica (KAP) settlement agreement, and the foreign investments protection treaty between Cyprus and Montenegro; we have been unable to find justice within the Montenegrin system. CEAC is not the only aggrieved foreign investor from the EU with claims pending against the Montenegrin government in international courts, which serves to underline how deeply broken the legal system is.

"Through its contempt for the rule of law and international investors' rights, Djukanovic's government is wilfully endangering the wellbeing of its own citizens".

The progress report explicitly talks of the grave risk to the Montenegrin economy that the unresolved KAP dispute represents: "The sale of KAP remains on hold until the bankruptcy administrator can transfer the property free of litigation, with risks of a new round of contingent liabilities for the public finances".

Indeed, the cumulative value of the many international arbitration cases pending against the state of Montenegro from foreign investors now exceeds €1bn. This represents almost a third of the country's GDP of €3.4bn. If the State of Montenegro is found guilty in these proceedings, as is likely, this would seriously endanger the country's economy. Through its contempt for the rule of law and international investors' rights, Djukanovic's government is wilfully endangering the wellbeing of its own citizens.

While we have always stated that we support Montenegro's eventual EU membership, it cannot be at

any cost, and Stefan Füle rightly recognises this.

The hard facts on the ground demonstrate that extremely serious issues regarding the rule of law and investor protection persist. We are extremely encouraged that the commission recognises how serious these are.

Now, there is clear pressure on the Montenegrin government from the commission to implement meaningful reforms, to resolve the KAP dispute and to bring to a satisfactory resolution the multiple cases against it from foreign direct investors like CEAC.

### **About the author**

Dr Matthias Menke is an external counsel for CEAC

### **Tags**

[Enlargement](#) [1]

[Foreign Affairs](#) [2]

[Justice and Rights](#) [3]

### **Categories**

[Business and industry](#) [4]

[International Relations](#) [5]



### **Site Sections**

- [Home](#)
- [Content](#)
- [Policy](#)
- [Magazines](#)
- [PM+](#)
- [Thought Leader](#)
- [Climate Crisis](#)
- [Editorial Calendar](#)
- [Policy Events](#)
- [Event Coverage](#)
- [MEP Awards 2020](#)
- [Contact Us](#)

### **Services**

[Dods PeopleDods](#)

[MonitoringDods](#)

[ResearchDods](#)

[EventsDods](#)

[Training](#)

**Media & publishing titles**

[Politics HomeThe HouseThe Parliament MagazineHolyrood Total PoliticsPublic Affairs NewsCivil Service World PublicTechnology Training JournalDods Parliamentary CompanionVacher's Quarterly The European Union and Public Affairs Directory](#)

**Dods events**

[Westminster BriefingDigital Health & Care ScotlandMEP AwardsThe Skills SummitScottish Public Service AwardsPublic Sector Procurement SummitPublic Sector ICT SummitCyber Security SummitCyber Security 2017Training Journal Awards](#)

**Partnership events**

[The Health and Care Innovation ExpoCivil Service LiveCivil Service AwardsChief Nursing Officer for](#)

[England's  
SummitWomen into  
LeadershipThe  
Youth Justice  
ConventionSocitm  
Spring  
ConferenceNHSCC  
Annual Members'  
EventDods at Party  
Conference](#)

---

[Privacy Policy](#)[Terms & Conditions](#)[Advertising](#)[Sponsorship](#) [Subscriptions](#)

---

**Source URL:** [https://www.theparliamentmagazine.eu/articles/sponsored\\_article/pm-progress-report-highlights-increasing-eu-impatience-montenegro](https://www.theparliamentmagazine.eu/articles/sponsored_article/pm-progress-report-highlights-increasing-eu-impatience-montenegro)

**Links**

- [1] <https://www.theparliamentmagazine.eu/tags/enlargement>
- [2] <https://www.theparliamentmagazine.eu/tags/foreign-affairs>
- [3] <https://www.theparliamentmagazine.eu/tags/justice-and-rights>
- [4] <https://www.theparliamentmagazine.eu/categories/business-and-industry>
- [5] <https://www.theparliamentmagazine.eu/categories/international-relations>