

*.... Montenegro must seek funds to cover the expenses incurred by tourists who use its resources but spend little money. What needs to be considered is:*

- a price rise in peak season
- eco-tax for all vehicles (automobiles, coaches, lorries - for tourists and citizens) with an eco-vignette valid for a year. They all leave dirt behind them.

*A price rise by rule leads to the narrowing of the market. The guest who does not spend money in a country just embellishes the growth statistics. Excluding those who cannot or will not pay a € 10 vignette is economically viable and socially justifiable and beneficial.*

**An excerpt from the Master Plan**

# World Environment Day

**5 June is celebrated as World Environment Day.**

**This year it went under the slogan “Kick the Habit! Towards a Low Carbon Economy”.**

Environmental awareness emerged in the 1950s. Assuming a specific form in the subsequent decades, it was fully affirmed in the 1970s and 1980s. The second half of the 20th century saw an advance in international environmental diplomacy as a constituent part of environmental policy officially established at the UN Conference on the Human Environment held in Stockholm in June 1972. This first historical Conference contributed to the awareness of the importance of preserving the environment and facing the grave problems of environmental pollution caused by rapid industrial development, recognizing these as “soft” issues for dialogue on the international level and for promotion of scientific and technological cooperation.

Environmental issues became a constituent part of the political and economic dialogue on the global and national levels, which resulted in the awareness of the necessity to introduce the concept of sustainable development implying a balance between economic, social and ecological demands in order to ensure “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. Since 1987, when sustainability was defined in this way in the Report of the World Commission on Environment and Development (WCED), presided by Gro Harlem Brundtland, sustainable development has become one of the key elements in formulating and conducting developmental policies in the world.

Operationalization of this concept and its application in practice are the result of both theoretical and political strivings aimed at ensuring long-term development of human society and preservation of the environment. The key events and driving force in this process were the World Summits in Rio and Johannesburg and the adoption of the UN Millennium Declaration in September 2000. The celebration of World Environment Day occupies a particularly important place in implementing the concept of sustainable development, as an issue tackled upon by millions of people around the globe. World Environment Day was established by the UN General Assembly in 1972 in order to mark the beginning of the Stockholm

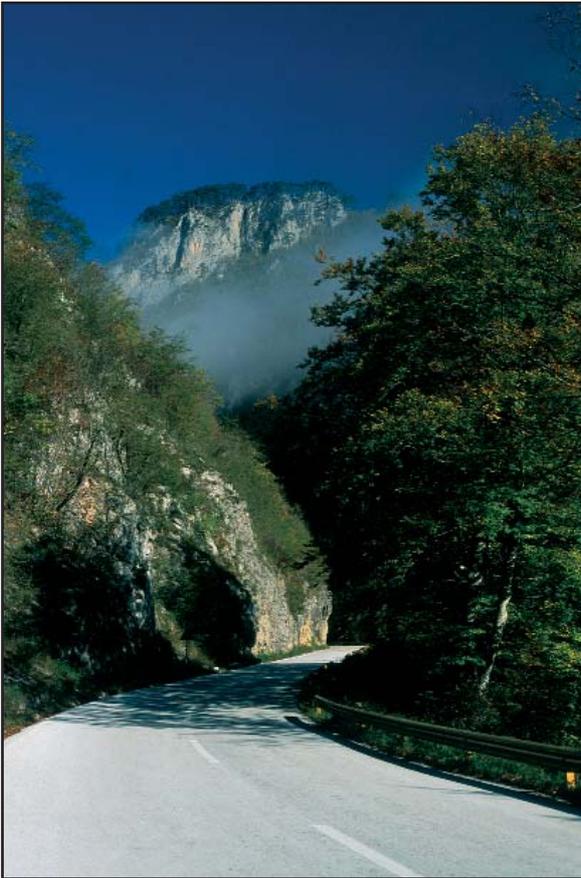
Conference, with concurrent adoption of the UNEP's founding resolution.

World Environment Day is an opportunity to:

- point to the significance of environmental issues;
- make an assessment of the current state of the environment and initiate activities to be undertaken at the individual, societal and global levels with a view to improving the current state;
- vigorously launch activities aimed at improving the environment;
- stress the significance of the strong political support and coordinated action of all responsible subjects at all levels.

This year's World Environment Day took place under the slogan: Kick the Habit! Towards a Low Carbon Economy. World Environment Day was marked around the world, with the central event organized under the auspices of UN, in cooperation with UNEP and the New Zealand Government.

The greatest challenges today are climate change and accelerated loss of biodiversity. UN reports indicate the alarming state of affairs and the necessity to act promptly. All activities undertaken at the global, regional and national levels are realized under the platform of cushioning the adverse impact of climate change, reducing the levels of CO<sub>2</sub> emission and taking measures for mitigation and adaptation. After the publication of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change and the adoption of the Bali Road Map with the action plan, climate change was accepted as reality affecting all aspects of life on the Earth. The awareness of the need for transformations which would enable low carbon economy, based upon a decrease in the inefficient utilization of fossil fuels and an increase in the share of renewable energy, is the centre of attention of all subjects at the international level. It has been calculated that “greening” the global economy would cost significantly less than the remediation and mitigation of the consequences of climate change: this would secure funds for the development of new and innovative technologies, cre-



ation of new jobs and developmental opportunities around the globe, reduction of poverty, production of sufficient food supplies, etc.

Since 2007, when it was stated that climate change was our reality and when World Environment Day was celebrated under the slogan: Melting Ice: A Hot Topic?, significant and encouraging steps forward have been taken.

Under the UNEP auspices, the CLIMATE NEUTRAL NETWORK has been established, which has additionally helped the acceptance of the fact that the reduction in greenhouse gas emissions not only benefits the environment but also contributes to the economic and social development:

- under the umbrella of the measures within the Kyoto Protocol implementation, over 60 countries have identified goals in the use of renewable energy sources;
- the current share of renewable energy sources in the total energy produced is 5%, while 18% of new investments are related to energy production;
- the application of the Clean Development Mechanism (CDM) within the Kyoto Protocol implementation has mobilized investments in renewable energy sources and energy efficiency projects in the approximate amount of USD 6 billion;
- the value of trading in emissions has reached the level of 362 million tons of CO<sub>2</sub>, which equals the amount of USD 7 billion;
- an Adaptation Fund for developing countries has been established, aimed at providing support to the national structures in facing the climate change challenges.

In global terms, Montenegro does not contribute to the increase in the levels of greenhouse gas emissions. However, since the country is a signatory of the UN Framework Convention on Climate Change, and since climate change represents a global threat whose adverse impact no country is spared, the issues of mitigating the consequences of climate change and taking adaptive measures take up an important place in Montenegro's environmental policy.

A series of individual projects are under way, primarily the so-called CDM projects, the First National Communication within the Convention on Climate Change, as well as sustainable development projects integrating the measures to mitigate climate change consequences and measures which enable us to plan developmental models on the basis of the projected climate change impact.

Anticipating the impacts of climate change is of particular importance for the preservation of biodiversity and the protection of the environment, which was one of the key messages from the Climate Change Conference held in May this year in Bonn. Activities are under way on the harmonization of measures for the realization of national priorities in the protection of the biodiversity of the sea and the coastal area in accordance with the level of climate change impact whose projection was given in the latest report of the Intergovernmental Panel on Climate Change for the Mediterranean.

This project and a series of other projects are aimed at attaining the goal defined in the National Strategy of Sustainable Development, which plans to enable at least a 10 % increase in energy efficiency by the year 2010 as compared to 2005 and to secure optimal utilization of national resources while prioritizing renewable energy sources.

The introduction of the Eco Fee is aimed at reducing the impacts of various factors on the quality of the environment, particularly transport as the major anthropogenous factor affecting air quality. The funds to be collected in this way will serve to finance environmental projects, including those contributing to the reduction in the CO<sub>2</sub> emission levels.

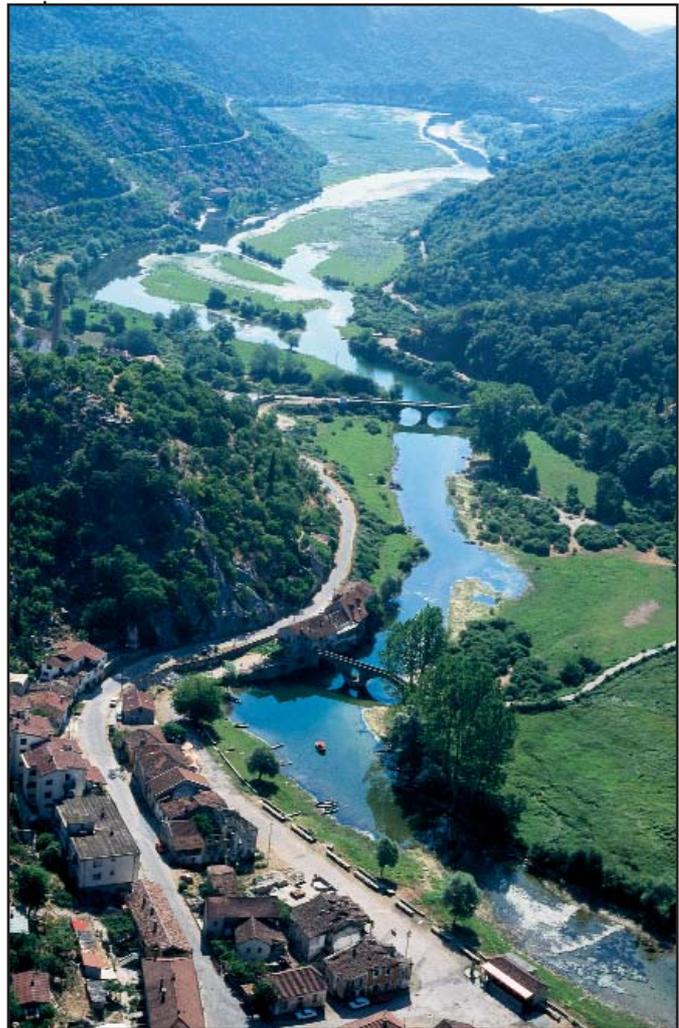
With a view to facing the climate change challenges at the national and regional levels in the most efficient manner, in the period 13-14 November 2008, in cooperation with the UNDP, the Ministry of Tourism and Environmental Protection will organize an international conference devoted to climate change issues.

Under the slogan of this year's World Environment Day – "Kick the Habit! Towards a Low Carbon Economy", the Ministry of Tourism and Environmental Protection appeals to all institutions and individuals to make their own contribution, which, although small when viewed individually, is of tremendous importance in the context of the problem we are facing. If we ask ourselves how rationally we use electricity, to what extent we contribute to the preservation of green spaces and reduction in the generated waste or how much attention we pay to what means of transport to choose, we may agree that all of us can significantly contribute to the joint efforts made towards the protection of the environment and mitigation of climate change.

# Montenegro Has Made Environmental Progress – European Commission Representatives Assess

On 5 June 2008 in Brussels, within the preparations for the implementation of the Stabilisation and Association Agreement and the assessment of progress in the activities of harmonization, application and implementation of the Temporary Agreement and European Partnership, a meeting was held between the Delegation of the Montenegrin Government, headed by the Secretary of the Secretariat for European Integration Ana Vukadinović and the European Commission. The issues discussed at the joint meeting of the Subcommittee on Transit Transport and sector meetings on transport, energy, environment and regional policy related to the harmonization and application of legislation over the past 15 months in Montenegro, as well as the changes and amendments of the existing laws and the laws which were adopted in this period or will be adopted by the end of this year within the legal system of the European Union.

During the segment of the meeting dealing with environmental issues, the representatives of the European Commission and the Directorate General for the Environment were acquainted with the progress made in Montenegro in terms of environmental policy and legislation. Meticulous attention was devoted to the activities carried out in Montenegro on the adoption of new and application of the existing laws, activities of the Ecological Inspection, the strengthening of institutional capacities, i.e. the formation of the Environment Agency, Environment Fund and the unit for project implementation, as well as the current state in the areas of solid waste management, waste water management, air quality, industrial pollution control and risk management, nature protection and international cooperation. The representatives of the European Commission pointed to the priority needs for transposition of certain directives to the legal system of Montenegro, which would create preconditions for a higher level of harmonization between the two legal systems. Also, members of the Montenegrin delegation were familiarized with concrete possibilities of using the support instrument of the European Commission intended for potential candidates and candidate countries for EU membership. The representatives of the European Commission expressed their readiness to help the strengthening of institutional capacities and



the realization of concrete infrastructural projects in Montenegro within the technical and financial support instrument.

At the end of the discussion about environmental issues it was concluded that Montenegro had made environmental progress. The representatives of the European Commission and the Directorate General for the Environment emphasized with pleasure that credit for the progress made should go to the staff of the Ministry of Tourism and Environmental Protection and institutions involved in environmental issues, which had produced good results despite their limited human capacities.

# IMPLEMENTATION OF THE ORDINANCE ON THE VALUE OF ECO FEE

On 27 June 2008 the Secretary of the Ministry of Tourism and Environmental Protection **Željka Radak Kukavičić** and the Deputy Minister **Nebojša Popović** held a press conference on the implementation of the Ordinance on the value, method of computation and payment of fees for environmental pollution.

The Ordinance on the value, method of computation and payment of fees for environmental pollution was adopted in the session of the Montenegrin Government of 24 April 2008. Among other things, this Ordinance defines the obligation to pay the eco fee imposed upon domestic and foreign natural persons and legal entities while entering the territory of Montenegro, as well as domestic natural persons and legal entities while registering their motor vehicles and trailers.

Among the major reasons for the preparation of regulations to define the special fee of this Ordinance were the recommendations given by the World Travel and Tourism Council. The Ministry of Tourism and Environmental Protection was given a recommendation to launch an initiative for the introduction of a special fee, the funds of which would serve to finance environmental projects.

Also, the United Nations Economic Commission for Europe has given, among other things, certain recommendations towards a more efficient and effective environmental preservation and protection, such as increased quality of tourism offer in the central and northern regions, extension of the tourist season through developing external infrastructure and connecting the mountainous and coastal areas. To this end, it has been recommended to introduce ecological standards for the reduction in the emission of CO<sub>2</sub> and other harmful substances into the air.

Upon the eco fee payment, payers are given a vignette as a proof of payment. The values of the fees



are set according to the motor vehicles classification defined by Article 5 of the Ordinance, based upon the UN/ECE classification of road vehicles (Trans/WP29/78/Rev. 11/Amend.2).

## 1) road motor vehicles for passenger transport with a minimum of four wheels (M category):

- motor vehicles for passenger transport which, apart from the driver's seat, have up to eight seats (M1 category) - € 10;
- motor vehicles for passenger transport which, apart from the driver's seat, have over eight seats and whose maximum weight allowed does not exceed 5t (M2 category) - € 30;
- motor vehicles for passenger transport which, apart from the driver's seat, have over eight seats and whose maximum weight allowed exceeds 5t (M3 category) - € 50.

## 2) road motor vehicles for cargo transport with a minimum of four wheels (N category)

- motor vehicles for cargo transport whose maximum weight allowed does not exceed 3.5t (N1 category) - € 80;
- motor vehicles for cargo transport whose maximum weight allowed exceeds 3.5t, but does not exceed 12t (N2 category) - € 100;

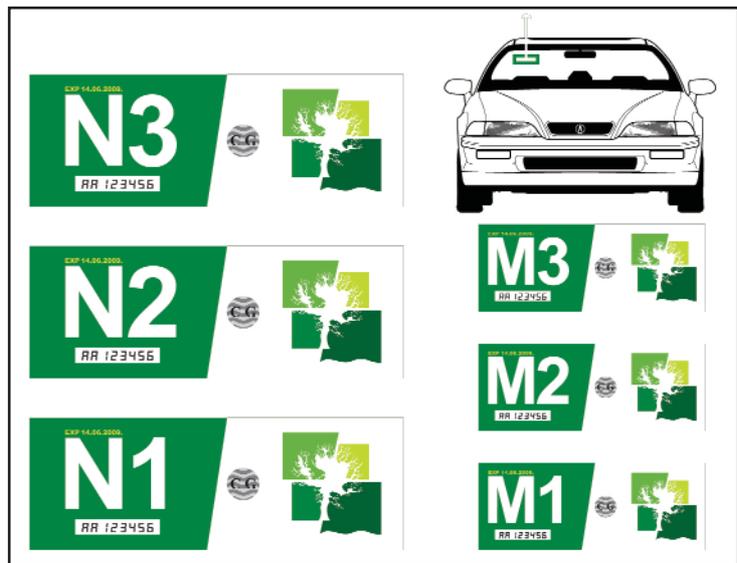
- motor vehicles for cargo transport whose maximum weight allowed exceeds 12t (N3 category) - € 150;

## PREPARATORY ACTIVITIES FOR THE IMPLEMENTATION OF THE ORDINANCE

Bearing in mind the fact that the above mentioned Ordinance stipulates that the eco fee will be paid as of 15 June 2008, over the past two months the Ministry of Tourism and Environmental Protection has realized the following activities:

- a Rule Book has been prepared on the form, content, print and use of the vignette, published in the Official Gazette of Montenegro, no. 36/08 of 10.06.2008;
- a tender has been announced for the selection of the company which will print the vignettes;
- the total of 700,000 vignettes have been printed;
- a special account has been opened which the funds collected through Eco Fee payment will be credited to: 832 – 7066 – 48;
- 133 persons have been recruited for the sale of vignettes at 21 border crossings and railway stations Podgorica and Bar and the ports of Bar and Kotor;
- For the sake of an efficient sale of vignettes, in accordance with the Law on Public Procurement the Ministry has provided:
  - uniforms for all persons involved;
  - 133 safe deposit boxes to store the money and the vignettes;
  - 133 portable cash registers.
- an Agreement has been concluded with the CKB Bank, a strategic partner of the Ministry of Tourism and Environmental Protection and the National Tourism Organization, on the collection and transfer of cash from the border crossings;
- With a view to informing the public about the Eco Fee, the following material has been printed:
  - 700,000 flyers,
  - 350 promotional posters, and
  - 50 mini billboards which have been placed at all border crossings;
- the site [www.ecotax-montenegro.gov.me](http://www.ecotax-montenegro.gov.me) has been created, where interested parties may inform themselves of all the data necessary for the payment, use of the funds, etc.

Through heightened communication, the Ministry has organized a number of meetings with the Police Administration and the Ministry of Foreign Affairs and Public Administration aimed at:



- full support and possible assistance to persons involved in the sale of vignettes,
- resolving the issues of movement of the persons involved in the sale of vignettes in the border zone,
- regulating the use of common rooms at border crossings, as well as
- organizing the distribution and sale of vignettes to domestic and foreign natural persons and legal entities in all towns in Montenegro.

## PR ACTIVITIES

From October 2007, the Ministry of Tourism and Environmental Protection and the National Tourism Organization started announcing at tourism fairs and exchanges, organized in Montenegro's markets, the introduction of the Eco Fee payment upon entering the territory of Montenegro.

In the course of 2008, activities aimed at familiarizing the domestic and foreign natural persons and legal entities with the obligation to pay the Eco Fee have been continued.

Information of this fee has been continually disseminated through regular communication with partners and the media from the region and Europe.

## THE VALUE OF FUNDS COLLECTED THROUGH ECO FEE PAYMENT

In the ten-day period, i.e. from the beginning of the Eco Fee payment on 15 June to 26 June 2008, the funds collected through the Eco Fee payment produced in the Budget of the Republic of Montenegro an inflow of € 750,000.00.

## ALLOCATION OF FUNDS COLLECTED THROUGH ECO FEE PAYMENT

Funds collected through Eco Fee payment are appropriated revenues in the Montenegrin budget and will exclusively be used to finance concrete projects of environmental protection and improvement. These projects are aimed at the following activities:

- Afforestation and development of green public spaces, and contribution to the largest challenge of the day – global struggle against climate change and reduction of CO<sub>2</sub> emission;
- Prevention and reduction of the pollution of rivers, lakes and the sea from industrial and communal sources of pollution;
- Prevention and reduction of air pollution;
- Preservation of agricultural land quality;
- Protection of endangered plant and animal species;
- Preservation of autochthonous and endemic species;
- Extension of protected areas;
- Sustainable valorisation of the potentials of national parks, protected areas and mountain eco systems;
- Prevention of coastal area degradation and linear urbanization of the coast;
- Remediation of former industrial pollution;
- Harmonization of regional development and reduction of development inequalities;
- Contribution to the development of an effective protection system for persons and groups with special needs;
- Greater number of sports and recreational grounds for children and grown-ups;
- Raising the awareness and knowledge of the unique natural values of Montenegro and sustainable development principles.

## LIST OF PROJECTS

To be financed through funds collected through Eco fee payment:

1. Reconstruction and recultivation of the waste



- dump in Mojkovac – Phase II (sludge solidification, formation of an impermeable membrane) €1,500,000;
  2. Realization of the water supply project in Rijeka Crnojevića - €250,000;
  3. Construction of a regional landfill in Kotor for the municipalities of Budva, Kotor and Tivat € 1,500,000;
  4. Construction of a regional landfill in Bar for the municipalities of Bar and Ulcinj € 350,000;
  5. Construction of regional landfills in the following municipalities: Nikšić (for the municipalities of Nikšić, Plužine and Šavnik), Bijelo Polje (for the municipalities of Bijelo Polje, Mojkovac and Kolašin), Berane for the municipalities of Berane, Andrijevića, Plav and Rožaje) and Pljevlja (for the municipalities of Pljevlja and Žabljak) € 2,000,000;
  6. Construction of a waste water treatment plant in the municipality of Nikšić € 1,400,000;
  7. Co-financing the reconstruction of the filter plant in the thermo-electrical plant “Pljevlja” € 500,000;
  8. Realization of the “Make It Clean” project € 300,000 (2009);
  9. Development of 300 km long green space along highways € 150,000;
  10. Environmental monitoring € 600,000 (2009);
  11. Development of projects aimed at valorizing and improving the areas of Black Lake (Crno jezero), Lake Plav (Plavsko jezero) and Lake Biograd (Biogradsko jezero) – € 1,000,000;
  12. Realization of Phase I of the project of establishing NATURA 2000 Network of protected areas € 580,000 (€ 300,000 in 2008 and € 280,000 in 2009);
  13. Afforestation and development of green public spaces (national parks, protected areas identified by Emerald, fire-affected forest areas etc.); € 1,000,000;
  14. Supporting educational institutions to develop school grounds and equip biology classrooms (one school per municipality) - € 500,000;
  15. Supporting educational institutions to develop school grounds and equip biology classrooms in school for children with special needs - € 60,000;
  16. Participating in the recultivation of damaged land – municipality of Pljevlja € 300,000;
  17. Developing a management plan for Durmitor National Park and the Tara River basin (in cooperation with UNESCO) € 100,000;
  18. Afforestation of bare mountains, cleaning fire-affected areas, removing the remains of trees and bushes in the territories of the municipalities of Bijelo Polje, Danilovgrad, Nikšić, Mojkovac, Podgorica and Žabljak – € 810,000;
  19. Monitoring forest health in Durmitor National Park – € 20,000;
  20. Remediation of fire-affected areas and planting autochthonous species in them in the Tara River canyon - € 33,000;
  21. Afforestation of Gajov Do locality to prevent soil erosion in Lovćen National Park – € 5,000;
- TOTAL: € 13,358,000**

### NOTE:

The above list is not final and will be extended

## AGREEMENTS SIGNED FOR THE PREPARATION OF JUSTIFIABILITY STUDIES AND CDM PROJECT DESIGN DOCUMENTS (PDD)

By ratifying the Kyoto Protocol, Montenegro as a Non-Annex I country gained the opportunity to participate in one of three flexible mechanisms defined by the Kyoto Protocol, the Clean Development Mechanism, accessible to developing countries, i.e. to Non-Annex I signatories to the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

In accordance with the Memorandum of Understanding on Environmental Cooperation between the Montenegrin Ministry of Tourism and Environmental Protection and Italian Ministry for the Environment, Land and Sea, signed on 11 November 2004, and its annexes in the area of Clean Development Mechanism, within Article 12 of

the Kyoto Protocol, the Italian Ministry identified a number of potential CDM projects in Montenegro, encompassing energy efficiency, fuel replacement, wood waste utilization, utilization of gas from waste dumps and farms, renewable energy sources, etc. On the basis of the announced Public Call to express interest in co-financing the development of justifiability studies and PDDs for nine CDM projects and the assessment of the Management Board of the two ministries, six Italian companies have been selected for this task for all projects proposed.

According to the preliminary analyses, Montenegro as the host country where CDM projects will be realized with the ultimate goal to reduce greenhouse gas emissions, has the potential for CO<sub>2</sub> reduction of around 2.5 million tons of CO<sub>2</sub> equivalent, and thus for a significant carbon credit generation, investing in energy sector, industry, forestry and agriculture. The realization of CDM projects may substantially contribute to Montenegro's sustainable development, particularly in the light of the interest expressed by large companies which responded to the Public Call.

Over the next six months, the selected Italian companies: "ATI (Temporary Association between the companies Eurrecna S.r.l. and Eng Team & Partners S.r.l.)", "Tolo", "Sirio Techno Group", "Italian Utilities", "MWH" and "Agrotec" (in partnership with Tuscia University), will work on the realization of the mentioned activities and receive non-returnable funds secured through the donation of the Italian Government.

The agreements signed for the preparation of justifiability studies and PDDs for CDM projects will soon encourage other companies wishing to invest in clean and energy-efficient technologies. These projects bring economic, social and ecological benefits to local partners, and certainly to Montenegro as a whole, through their contribution to the economic development and embracement of European environmental standards and norms.



## Montenegro: Top Destination in the Leading World Magazines

In its June issue for the U.S. market, the prestigious magazine **Conde Nast Traveller** published an article on Montenegro entitled The Sweet Spot. The author is David Ebershoff, who portrayed Montenegro in an exceptionally positive light on twelve coloured pages.

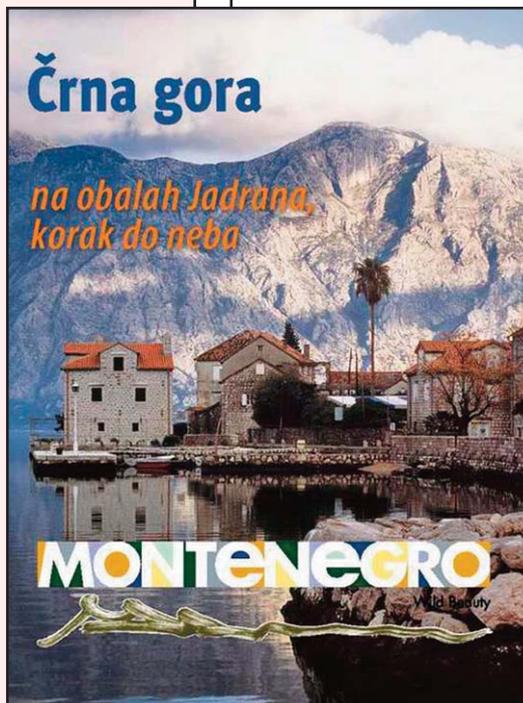
Conde Nast Traveller is an independent magazine with "Truth in Travel" as its guiding principle. While preparing their stories, Conde Nast Traveler journalists travel anonymously to diverse tourism destinations and depict them just as they experience them.

According to the author of this article, Montenegro is: "small (about the size of Connecticut), scrappy, and sublimely beautiful—a country whose dramatic landscapes of brooding black mountains and jewel-toned oceans have attracted two thousand years of invaders, fortune seekers, and now tourists. If you want two words to describe Montenegro, here they are: mountains and sea." In this article special attention is devoted to Kotor, Budva, Sveti Stefan, Cetinje and Podgorica. The article can be found on the following webpage:  
<http://www.concierge.com/cntraveler/articles/12321>

In the June issue of the Spanish edition of **Conde Nast Traveller**, an article on Montenegro was published under the title "Agua y paz" – Water and Peace, where the author Maggie Alderson states that "ancient Venetian palaces, Christian orthodox churches and mediaeval villages give character to the Montenegrin landscape. The time has come to discover the magic of this beautiful country".

At the same time, the online edition of the **British Guardian** placed the Montenegrin part of Lake Skadar among the world's top five freshwater beach destinations, with Lake Michigan in USA, Lake Trasimeno in Italy, Kai Iwi Lakes in New Zealand and Lake Ivag in Sweden. The author points out: "Montenegro's most beautiful lake is dotted with islands, many with ruined monasteries, and is home to pelicans, herons and silver seagulls. There's no beach at the comfortable Plavnica eco-resort, but hire a boat from local fishermen or take a cruise to Murici beach, on a little island, where you can swim, or rest beneath the 100-year-old trees".

## A Special Edition of Slovenian Dnevnik Devoted to Montenegro



On 4 June 2008, the Slovenian newspaper "Dnevnik" published a special supplement devoted exclusively to Montenegro's tourism offer. On 56 coloured pages, in words and pictures, the journalists of this company presented holiday possibilities at the Montenegrin seaside, in inland areas and on the mountains, thus acquainting over half a million of readers with the distinct traits and advantages of Montenegro's tourism offer.

The supplement entitled "Črna gora – na obalah Jadrana, korak do neba" was distributed in 191,000 copies as a special supplement in three leading print editions of this media: the daily paper

"Dnevnik", "Nedeljski dnevnik", and "InDirekt".

The supplement provides information about the novelties in this year's tourism offer of Montenegro, infrastructure, hotels and other capacities, transport accessibility, distinctive traits of the offer of coastal centres, the capital, national parks and the North, the tourist map of Montenegro, facilities for active holiday and diverse extreme water and mountain sports, Slovenian investments in Montenegrin tourism and economy etc. Also, the supplement features interviews with the Minister of Tourism and Environmental Protection Predrag Nenezic and the Director of the NTO Montenegro Saša Radović.

The newspaper "Dnevnik" prepared and published the supplement due to the interest shown by its readers. The supplement was prepared in cooperation with the NTO Montenegro, Montenegrin Tourism Association, local tourism organizations and other interested tourism subjects.

According to the research done on the reading rates in Slovenia, the publisher expects that the supplement on Montenegro will be read and seen by over 510,000 readers – almost a third of the total Slovenian population. Thus, it represents an effective promotion of Montenegro's overall tourism offer among the Slovenian public.

Last year Montenegro recorded over 20,000 arrivals from Slovenia and around 90,000 nights, which exceeded the 2006 figure by 20%. A growing trend in arrivals from Slovenia is expected this year, too.

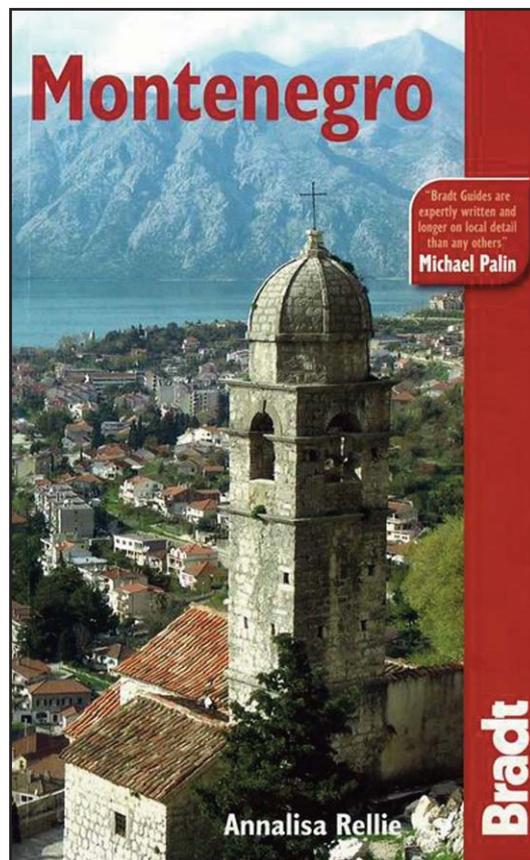
## Bradt Travel Guide Publishes the Third Edition of the Guide to Montenegro

Bradt Travel Guide, the prestigious travel guide publisher for English-speaking countries, published the third guide to Montenegro. The first Bradt travel guide was published in 1974. Since 1997, when Bradt was proclaimed the Publisher of the Year by The Sunday Times, it has continued to meet the need and demand for detailed and quality guides to unusual and new destinations. Bradt first guide to Montenegro was published in 2001, authored by Annalisa Rellie, a journalist who specializes in travel and food and who has been visiting Montenegro for seven years now.

The third edition of the guide was prepared in cooperation with the National Tourism Organization of Montenegro, local tourism organizations and tourism companies. The guide provides information about Montenegro's history, religion and culture, sights to visit, as well as accommodation capacities, restaurants and other forms of tourism offer. The guide has 280 pages, abounding in photos and maps of towns and national parks.

Reviews of the book have been written by esteemed magazines such as Conde Nast Traveller: "Informative...brilliantly written, lovingly researched and very useful", and The Times: "The best book on the country... It deftly charts the history while giving plenty of colourful nuggets".

In the upcoming year another guide to Montenegro is expected to come out in the British and U.S. markets. The preparation of the guide, to be published by Rough Guides publishing house, is under way. An increasing number of catalogues published by Britain's renowned publishing houses speak about a growing interest in Montenegro's tourism offer.



## "Register Accommodation Facilities" Campaign Continued

It is the third year that the Ministry of Tourism and Environmental Protection in cooperation with the Tax Administration, six coastal municipalities and the municipalities of Kolašin and Žabljak, has organized the campaign "Register Accommodation Facilities", aimed at promoting the simplified registration procedures for natural persons.

### What does this mean?

A natural person providing accommodation services files a request for the issuance of the operation licence to the competent municipal body (Secretariat) with the submission of a mere two documents: 1. Deed of Title and 2. Certificate of Occupancy or Certificate of Compliance of Electrical Installation. The competent municipal body is obliged to issue an operation licence and categorize the accommodation facilities within 14 days. Operation licence issuance and categorization are united in one procedure. According to the Tourism Law, a natural person may let rooms, apartments and villas in his/her possession or occupancy - up to 7 rooms, or 15 beds;

Upon the issuance of the operation licence, the private accommodation provider submits a request for flat rate taxation to the competent tax authority. Namely, by the Regulation on flat rate taxation of income from activities based on personal labour (2005), tourist accommodation services have been included in the 2nd group of tax payers. This means that tax payers belonging to this group are recognized the operation costs in the total turnover in the amount of 65% of the total turnover. On the basis of the expected turnover, tax payers are categorized into four subgroups (up to € 5,000, up to € 10,000, up to € 15,000 and up to € 18,000).



in one month cover the total obligations of the private accommodation provider, we are positive that the target group of this campaign will recognize their interest.

The offer of all registered private accommodation providers was published in catalogues presented in domestic and international fairs where the National Tourism Organization and local tourism organizations took part. Also, details of registered accommodation providers and their offer are presented on various sites. The presentation of this segment of the offer is very important, given that complementary accommodation facilities take up a significant share in the overall structure of the accommodation offer.

This means that private accommodation providers whose expected income amounts up to 5000 €, pay taxes and contributions in the monthly amount of around € 67 to 97. The term “around” is employed due to the fact that the monthly amount of obligations is determined on the basis of the average wage in the Republic.

If the natural person is a pensioner or a person who engages in the provision of accommodation services as an additional business activity, or any person who pays medical insurance on any basis, the monthly obligation is around € 67; if the natural person engages in the provision of accommodation services as their primary business activity, the monthly obligation is € 97. It is noteworthy that the private accommodation providers pay these obligations only for those months when they perform this business activity, on the condition that they cancel their registration upon termination of the activity.

In view of the highly simplified procedure for the registration of accommodation facilities, in just two steps (operation licence and tax return), as well as the fact that a mere 7 nights of one guest

Last year, 5300 licences were issued within “Register Accommodation Facilities” campaign. This year greater interest has been noted among private accommodation providers to register their accommodation facilities. In June this year, 300 new licences were issued in Budva, 150 in Herceg Novi and 160 in Bar.

In northern municipalities (Kolašin and Žabljak), in winter season, within this campaign 100 new operation licences were issued, while since the beginning of June another 30 licences have been issued. Private accommodation providers register their renting activity immediately before its performance (June – beg. of July), so in the upcoming period we expect to see more licences issued.

Bearing in mind the monthly amount paid by private accommodation providers, only for months when they perform the renting activity, and on the other hand the fines which range from around € 3000 to 5000 (depending on the offence), and which are 30 to 50 times higher than the obligations, the advantages of being a registered accommodation provider are only too evident. Naturally, not only the republican inspection will control private accommodation services, but municipal inspections, too, which will direct their activity mostly to private accommodation control.

## A Regional Meeting between the High Officials of SEE countries and the Representatives of Donors Held within the Priority Environmental Investment Programme (PEIP)

Regional Environmental Centre (REC), Office - Montenegro, together with the European Commission (DG Enlargement), organized a Regional Meeting between high officials of SEE countries, participants in the Priority Environmental Investment Programme (PEIP). Chaired by the Deputy Minister of Tourism and Environmental Protection Siniša Stanković, the meeting was held in the Hotel Splendid in Budva, in the period 19-20 June 2008.

The participants in the regional meeting were the representatives of the Governments of Bosnia and Herzegovina, Serbia, the Former Yugoslav Republic of Macedonia, Albania, Kosovo (the territory under UN administration) and Montenegro, as well as the European Commission, UNDP, KfW and EBRD Office in Montenegro.



On the first day of the meeting, the representative of the European Commission Mrs Joanna Fiedler presented the current financial programmes in the area of infrastructural projects run by the European Commission, as well as the possibility of financing projects through IPA (Instrument for Pre-Accession Assistance), while the participant from Slovenia, Mrs Breda Mulec, presented financial mechanisms employed in Slovenia to finance infrastructural environmental projects.

Ever since the year 2002, the PEIP programme has been offering support to SEE countries in identifying priorities within environment infrastructure investment projects. To this end, a list of priority environmental projects has been developed in all countries – programme participants. In the regional meeting, participants presented advancements in the realization of priority projects in all countries, taking into consideration the state of project documentation and provision of funds. The representatives of financial institutions who partook in the regional meeting (KfW, EBRD), expressed a keen interest in the projects presented within the PEIP list.

### The First Constitutive Meeting of the Standing Montenegrin–Croatian Commission for Water Management of Common Interest

The First Constitutive Meeting of the Standing Montenegrin-Croatian Commission for Water Management of Common Interest was held on 10 June 2008 in Herceg Novi. The meeting focused on procedural issues related to the establishment and the Rules of Order of the Standing Commission, formation and composition of the Sub-Commission for the pipeline Plat–Herceg Novi, future activities towards the utilization of the potential of the Trebišnjica river basin, and joint action towards the protection of the Adriatic Sea from pollution. On behalf of Montenegro the meeting was attended by the Deputy Minister of Tourism and Environmental Protection Siniša Stanković, and Advisor in the Ministry of Agriculture, Forestry and Waters Dragana Đukić, while the Croatian delegation comprised of the State Secretary in the Ministry of Regional Development, Forestry and Water Management Zdravko Krmeč, Head of the Department for International Cooperation Željko Ostojić and Senior Engineer in Hrvatske vode Branko Pejaković.



Members of the Standing Commission were appointed in accordance with the provisions of the Agreement between the Montenegrin and Croatian Governments on their interrelations in the area of water management. After the meeting, the leaders of the Montenegrin and Croatian teams in the Standing Commission, Siniša Stanković and Zdravko Krmeč, talked with the Mayor of Herceg Novi Dejan Mandić and the Mayor of Konavle Luka Korda. The issue discussed was the relations between the two countries in managing the pipeline Plat–Herceg Novi. It was stated that the improvement in the relations between the two neighbouring municipalities was evident, as well as progress in finding solutions related to the management of the pipeline Plat–Herceg Novi.

## *The First Montenegro Airlines Flight from London Brings Representatives of Renowned British Media and Tour-Operators*

On 16 June 2008, in the organization of the National Tourism Organization of Montenegro, Montenegro Airlines and tourism companies, apart from regular passengers, the first Montenegro Airlines Flight from London brought representatives of the renowned British media and tour-operators, including Travel Channel, Regent Holidays, Balkan Holidays, Bradt Travel Guide, etc.

The guests were given a warm welcome at the airport and invited to a cocktail party at the "The Queen of Montenegro" hotel, where they were addressed by Danica Ćeranić, NTO Montenegro manager and Dragan Ivančević, the director of the hotel. During their visit lasting till 18 June, the guests made a tour of Kotor, Cetinje, Kolašin, and the national parks Mount Biograd (Biogradska gora) and Lake Skadar (Skadarsko jezero).

The introduction of this regular line is a contribution to Montenegro's tourism and at the same time an incentive for NTO Montenegro to open its office in London this summer, the second after Frankfurt. The British and German markets are the two biggest markets in Europe. It is expected for the line to be widely used, as the British population's interest in Montenegro exhibits an accelerated growth. Last year, the number of British tourists visiting Montenegro saw a 14% rise as compared to the year 2006.



Initially, Montenegro Airlines will fly on the route Tivat-London/Gatwick-Tivat twice a week (every Wednesday and Sunday), to subsequently switch to three flights a week. The departure from Tivat to London is on Wednesday and Sunday at 8.30 AM. Return: London – Tivat at 10.55 on Wednesday and 11.10 on Sunday.

## **DIRECTOR OF NTO MONTENEGRO SAŠA RADOVIĆ AND THE CHIEF TOURISM INSPECTOR BOŽO VUČEKOVIĆ PAY A WORKING VISIT TO COASTAL MUNICIPALITIES**

In June this year, the Director of NTO Montenegro **Saša Radović** and the Chief Tourism Inspector **Božo Vučković** paid a working visit to coastal municipalities. The hosts were the mayors of Ulcinj, Bar, Budva, Kotor, Tivat and Herceg Novi. The meetings were also attended by the representatives of municipal secretariats for economy and directors of local tourism organizations.

The issues discussed in the meetings included the results of the tourist season preparations, monitoring of the season, registration of the private accommodation providers' activity, and the collection of the residence tax, membership contribution and tourist tax.

It was unanimously stated in all municipalities that this year's tourist season was prepared better than ever, which was proven by physical and financial indicators in pre-season. In the first five months of the current year coastal municipalities recorded a rise in arrivals and nights as compared to the same period last year.

The mayors of all coastal municipalities expressed full readiness to support further joint and synchronized activities related to local and national inspections.

In view of the highly simplified procedure for the registration of accommodation facilities in just two steps (operation licence and tax return), as well as the fact that a mere 7 nights of one guest in one month are sufficient to cover total obligations of private accommodation providers, they are urged to register their activity and avoid high fines the value of which, depending on the offence, ranges from around € 3000 to 5000.

With a view to further facilitating the procedure, local tourism organizations of Bar and Budva have enabled private accommodation providers to submit the required documentation and obtain an operation licence at their tourist information points. Natural persons providing accommodation services file a request for the issuance of an operation licence with the submission of a mere two documents: Deed of Title and Certificate of Occupancy or Certificate of Compliance of Electrical Installation.

The Secretariat of Economy in the Municipality of Ucinj will select certain locations to organize the collection of the required documentation for registration of the activity and issue an operation licence within a day or two.

This is deemed necessary given that the total structure of accommodation capacities offer in this municipality is dominated by private accommodation, since the majority of hotels are under reconstruction and modernization.



The Director of the NTO Montenegro Saša Radović invited all registered private accommodation providers to use free advertising and booking services through the web portal of the NTO Montenegro.

Also, the Director announced the commencement of the operation of the new tourist call centre and the number 1300, which will be available to tourists and citizens 24 hours a day.

Through this service, they will be able to offer praise, make complaints and book accommodation. Tourism inspection will process all complaints received through this number in the shortest time possible, within several hours at the latest.

The system of the web portal, call centre and digital information points network, which will soon be placed at diverse locations around Montenegro, will represent a unique high-technology system available to all tourists 24/7 throughout the year.



In separate meetings it was agreed to set up joint teams which would undertake inspection on a weekly basis, largely focused on private accommodation control, and inform the public of the findings.

In addition, the need was stressed for a campaign aimed at familiarizing the public with the fact that the revenues from the collected fees are appropriated revenues strictly used to enhance tourism offer, both in individual municipalities and in Montenegro as a unique tourism destination.