



SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25.1 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

MONTENEGRO

The following submission, dated and received on 26 February 2021 is being circulated at the request of the delegation of Montenegro.

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I NON-FISHERIES PROGRAMMES

1 SUPPORT PROGRAMME LINE FOR MODERNISATION OF THE PROCESSING INDUSTRY

1. Title of the subsidy programme

Support Programme line for Modernisation of the Processing Industry.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The aim of the Programme line was to strengthen the competitiveness of business entities, to improve business, productivity and profitability through investment in equipment.

The specific objectives of the Programme line were:

- Improvement of technological processes, products and services;
- Increasing the volume and value of traffic;
- Reducing the cost of financing the production equipment through subsidizing the part costs of equipment procurement.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

Background authority for the subsidy has been the Ministry of Economy of Montenegro in cooperation with the Investment and Development Fund of Montenegro, based on the Industrial Policy of Montenegro 2016 – 2020, Montenegro Development Directions 2018-2021 and Montenegro Economic Reform Programme 2018-2020.

5. Form of the subsidy

Grants.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Registered micro, small and medium-sized companies and entrepreneurs who have been in the business for at least 2 years and whose registered principal activity fall within processing industry are eligible to participate in the Programme line.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

The available funds in 2019 for the implementation of the Programme line were EUR 184 699,00. In 2019 the Ministry received twelve applications from the companies operating in the wood industry, furniture production and production of construction products. After checking the documentation, the Commission of the Ministry of Economy approved eleven applications in accordance with the

Programme line's rules. With the support of EUR 155.736,00 by the Ministry of Economy, the equipment worth EUR 1.213.786,69 was purchased.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

2 PROGRAMME OF ENHANCING INNOVATION IN SMALL AND MEDIUM ENTERPRISES FOR 2019

1. Title of the subsidy programme

Program of Enhancing Innovation in Small and Medium Enterprises for 2019 - Financial Support Project for small and medium enterprises (SMEs).

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

Improving the innovative capabilities of SMEs through encouraging the use of consulting services for realization and implementation of innovative activities. Specific objectives and purpose were related to:

- Strengthening innovative potentials in SMEs;
- Modernization of business;
- Improving awareness of the importance of using consulting services by SMEs;
- Building links between SMEs and consultant services providers;
- Increasing productivity and competitiveness of SMEs; and
- Increasing the internationalization of SMEs.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economy has been the background authority for the subsidies based on the following documents: Industrial Policy of Montenegro 2016-2020, Action Plan for 2017, Strategy for the Development of the Processing Industry 2014-2018, Regional Development Strategy 2014-2020, Strategy for innovative activities 2016-2020, Strategy for SME Development 2018-2022.

5. Form of the subsidy

The aid was granted as a reimbursement of 50% of the costs for engaging external consultants for implementing innovative activities.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

The right to participate in the Financial Support Project small and medium enterprises (SMEs) had registered micro, small and medium sized companies from manufacturing sector, operating for at least 1 year, fulfilling the following conditions:

- To be 100% privately owned;
- Had no operating losses in the last two financial years;
- Regularly paid taxes and contributions; and

- Had not use any financial assistance from the budget or donor programs for the same activities.

SMEs which fulfil the aforementioned conditions and appraised with quantitative and qualitative criteria and selected to realize innovative activity (innovation of product, process, organization or marketing) conducted innovative activity in cooperation with external consultant. They paid costs of the consultants and asked for reimbursement of 50% of the costs, following the implementation of the innovative activities and submission of relevant evidence. In 2019 in total 22 companies fulfilled conditions and procedures, implemented innovative activities and thus were reimbursed EUR 60,309.00 (as grants).

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Total Budget dedicated to the implementation of financial support project for small and medium-sized enterprises for 2019 was EUR 50,000.00 and the maximum amount of subsidy per company was EUR 3,500.00, excluding VAT.

Total amount in 2019. EUR 60,309.00.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

3 PROGRAM OF INCREASING THE REGIONAL AND LOCAL COMPETITIVENESS

1. Title of the subsidy programme

Program of increasing the regional and local competitiveness through compliance with the requirements of international business standards, for 2019

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The Program has aimed to provide support to entrepreneurs, small and medium sized enterprises (SMEs) and clusters especially from less developed municipalities and the northern region, to increase their own size to a greater extent of competitiveness, primarily through harmonization with the requirements of international standards related to their products, management systems, staffing, testing, controlling and certification and support for obtaining accreditation for conformity assessment.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economy based on the Law on Regional Development of Montenegro ("Official Gazette of the Republic of Montenegro", No. 20/11), the Law on Business Companies ("Official Gazette of the Republic of Montenegro", No. 06/02), the Strategy of regional development of Montenegro 2014-2020, the Strategy for innovative activities 2016-2020, the Strategy of the development of the processing industry of Montenegro 2014-2020, Industrial policy of Montenegro until 2020.

5. Form of the subsidy

The subsidy has been provided according to the principle of refund. The beneficiary of the program financed the project, and after realization and submission of evidence of realization, the Ministry refunded the contracted amount.

Support was related to two components - for the introduction of international business standards and for obtaining accreditation for conformity assessment.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

The beneficiaries were entrepreneurs, small and medium sized companies under the criteria defined in the public call for participation. In 2019 in total 71 companies fulfilled conditions and procedures, implemented contracted activities and thus were reimbursed EUR 268,520.55 (as grants).

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Amount budgeted for 2019 was EUR 268,520.55.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

4 PROGRAM FOR STIMULATING THE DEVELOPMENT OF CLUSTERS

1. Title of the subsidy programme

Program for stimulating the development of clusters, for 2019.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The objective of the Program is financial support for more efficient functioning of innovative clusters and their better promotion in order to achieve a better competitive position of small and medium-sized enterprises on the national and international market.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economy based on the Strategy of regional development of Montenegro 2014-2020, the National strategies for employment and human resources development 2016-2020, the Strategy for innovative activities 2016-2020, the Strategy of the development of the processing industry of Montenegro 2014-2020, Industrial policy of Montenegro until 2020.

5. Form of the subsidy

The subsidy has been realized according to the principle of refund. The beneficiary of the program financed the project, and after realization and submission of evidence of realization, the Ministry refunded the contracted amount.

The subject of support might be investments in tangible, intangible assets and operational costs of business.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

The right to participate in the Program for the Promotion of Cluster Development in Montenegro had clusters of entrepreneurs, micro, small and medium enterprises registered as legal entities.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

EUR 56,501.93.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

5 ANNUAL PLAN OF THE INVESTMENT AND DEVELOPMENT FUND OF MONTENEGRO

1. Title of the subsidy programme

Annual Plan of the Investment and Development Fund of Montenegro JSC for 2019.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The subsidy was provided with the goal of realization of credit lines of Investment and Development Fund of Montenegro AD, intended for:

- Entrepreneurship development - encouraging employment (support to specific targeted groups: start-up companies, young people in business, women in business, students, innovative and research companies, promotion of online and ICT business, cluster production, persons with disabilities, unemployed persons with university education and the like);
- Increasing of competitiveness of entrepreneurs and SMEs;
- Support the creation of commodity producers in agriculture and food production;
- Support to innovative projects;
- Support to projects in the field of ICT;
- Improving the support to the development of tourism and catering;
- Balanced regional development in Montenegro;
- Starting a new investment cycle for SMEs;
- Strengthening the existing capacities - maintenance and improvement of liquidity;
- Development of infrastructure projects, projects from ecological, local and national significance; and
- Projects in the field of energy and energy efficiency.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

Investment and Development Fund of Montenegro A.D. based on the Law on Investment Development Fund of Montenegro ("Official Gazette of Montenegro", No. 88/09,40/10 and 080/17) and the IDF Annual Work Plan for 2019.

5. Form of the subsidy

The aid is granted in the form of subsidized interest rates on the loans.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Beneficiaries, based on the Plan of the Investment and Development Fund for 2019, were entrepreneurs, micro, small and medium enterprises, as well as large enterprises as defined in the Program.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Total funds in 2019 amounted to EUR 8,850,618.00 for loans.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

6 PROGRAM LINE FOR DIRECT INVESTMENT INCENTIVES

1. Title of the subsidy programme

Program line for direct investment incentives.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The goal of the Program Line is to create conditions for a more favorable business environment that will, by encouraging domestic and foreign investments in all areas of Montenegro, contribute to the increase competitiveness and export potential of the industry by introducing new technologies and knowledge and enable the creation of new jobs.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economy.

5. Form of the subsidy

Refinancing.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Micro, small, medium and large companies have the right to participate in the Program in accordance with the Law on Companies.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

EUR 2,908,500.00.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

7 CRAFT DEVELOPMENT PROGRAM LINE

1. Title of the subsidy programme

Craft Development Program Line.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The program line for the development of crafts aims to contribute to the preservation and development of crafts that are mostly handmade as well as those that require special craft skills and abilities, relying on traditional culture, which is characterized by recognizable products and quality services. The program line implies the award of grants for the purpose of purchasing equipment and tools intended exclusively for performing craft activities as well as the organization and participation in domestic and international fairs and events.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

N/A

5. Form of the subsidy

Subsidies.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Craftsmen who are registered in accordance with the Companies Act and who are registered in the register of craftsmen with the "Chamber of Crafts" have the right to participate in the Program Line.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

EUR 1,021.68.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

8 ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES

1. Title of the subsidy programme

The subsidy programme in accordance with the Energy Law for electricity produced from renewable resources.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The Energy Development Strategy of Montenegro until 2030, which was adopted in 2014, has recognized the development of renewable energy sources as a strategic goal of Montenegro. The Strategy has aimed to the development of wind farms since the study of the potential of renewable sources in the territory of Montenegro had showed significant wind potential, in addition to the hydro potentials and potentials of solar energy and biomass.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economy is the background authority for the subsidy based on the following documents: the Law on Energy, the Decree on the tariff system for determining the incentive price of electricity from renewable energy sources and high efficiency cogeneration, the Decree on acquiring the status and accomplishing entitlements of the privileged producer electricity, the Decree on incentive fees to encourage production of electricity from renewable energy sources and cogeneration.

5. Form of the subsidy

The aid has been granted in the form of guaranteed price, guaranteed purchase and release of balance responsibility.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Pursuant to the legal possibilities provided for in the Law on Energy and after fulfilling all prescribed conditions the companies: "Hidroenergija Montenegro" d.o.o. Berane, "Kronor" d.o.o. Podgorica, "Synergy" d.o.o. Podgorica, "Hydro Bistrica" d.o.o. Podgorica, "Igma Energy" d.o.o. Andrijevica, "Krnovo Green Energy" d.o.o. and "Nord Energy" d.o.o. Andrijevica, have gained the status of a privileged producer for 12 years. In accordance with the status of a privileged producer they have been entitled to use the aid.

After acquiring the status of a privileged producer, the companies have signed the Electricity Purchase Agreement with the Montenegrin Electricity Market Operator, guarantying purchase at a defined price for 12 years.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Montenegro has determined the selling price of electricity produced in plants during the entire period of the purchase contract. Selling price has been determined in accordance with the Decree on tariff system for determining the incentive prices for electricity produced from renewable energy sources and high efficient cogeneration.

During 2019 year for SHPP "Šeremet", developed by "Nord Energy" d.o.o. Andrijevica, has determined the selling price of 10,69 c€/kWh which has begun to apply from 3rd August 2018, for SHPP "Bistrica" developed by "Hydro Bistrica" d.o.o. Podgorica has determined the selling price of 8,55 c€/kWh, for SHPP "Šekular", developed by "Hidroenergija Montenegro" doo, Berane, has

determined the selling price of 9,66 c€/kWh which has begun to apply from 12 April 2016, for SHPP "Rmuš" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 10,84 c€/kWh which has begun to apply from 19 May 2015, for SHPP "Orah" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 10,84 c€/kWh which has begun to apply from 19 May 2015, for SHPP "Spaljevići" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 10,84 c€/kWh which has begun to apply from 19 May 2015, for SHPP "Jara" developed by "Kroling" doo, Danilovgrad, has determined the selling price of 8,05 c€/kWh which has begun to apply from 24 November 2016, for SHPP "Babino Polje" developed by "Kroling" doo, Danilovgrad, has determined the selling price of 9,32 c€/kWh which has begun to apply from 2 November 2017, for SHPP "Jezerštica" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 10,76 c€/kWh which has begun to apply from 28 November 2013, for SHPP "Jelovica 2" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 10,44 c€/kWh which has begun to apply from 28 November 2019, for SHPP "Bistrica" developed by "Hidroenergija Montenegro" doo, Berane, has determined the selling price of 8,06 c€/kWh which has begun to apply from 28 November 2013, for SHPP "Vrelo" developed by "Synergy" doo, Podgorica, has determined the selling price of 10,84 c€/kWh which has begun to apply from 10 July 2015, for SHPP "Rijeka Bradavec" developed by "Igamma Energy" doo, Andrijevića, has determined the selling price of 10,84 c€/kWh which has begun to apply from 09 November 2015, for SHPP "Piševska rijeka" developed by "Igamma Energy" doo, Andrijevića, has determined the selling price of 10,70 c€/kWh which has begun to apply from 9 November 2015.

The amount of the incentive represents the difference between the incentive price and the price determined by the contract concluded between the Market Operator and the Supplier in the amount of 5.27 c€/kWh for 2019 year.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

The period, during which all the measures are to be implemented is 12 years, beginning on the date when the Decision on acquiring the status of a privileged producer is issued.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

9 COLLABORATIVE PROGRAMME FOR INNOVATION

1. Title of the subsidy programme

Collaborative Programme for Innovation.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The Programme for Awarding Grants for Innovative Projects 2018-2020 was adopted by the Government of Montenegro in July 2018, based on the Law and the Strategy on Innovative Activities, as well as the Decision of the Commission for State Aid Control. This Programme was implemented through a Call for Awarding Grants for Innovative Projects realized in 2018. After the finalization of the two-phase international evaluation, 10 grants for innovative projects were approved for co-financing through this Call. The total value of the innovative projects is € 1,172,529, of which the Ministry of Science is co-financing the amount of € 730,834, while the co-funding of the grant holders amounts to € 441,695.

Due to the positive effects of the aforementioned Programme in terms of encouraging new employment in the research, development and innovation sector, the "Collaborative Programme for Innovation" was introduced in Smart Specialization Strategy of Montenegro - S3 (2019-2024) and

the Collaborative Innovation Programme 2019-2024 was adopted by the Government in July 2019, as one of the most important implementation mechanisms for the S3 Strategy.

This Programme is implemented by the Ministry of Science and objectives of the Programme are the following:

- Strengthening the competitiveness of Montenegrin companies by co-financing the development of innovative market-oriented products, services and technologies that have great potential for commercialization and market application;
- Supporting the transfer of innovative ideas from scientific research institutions to the market, through cooperation with partners from the economy or through the opening of new enterprises / spin-off companies in Montenegro;
- Strengthening human resources and creating new jobs.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Science is background authority for the subsidy. Subsidies are provided in line with the Law on Innovation Activities (OG MNE 42/16), Strategy of Innovation Activity (2016-2020) with the Action Plan within the Strategic Goal II "Strengthening the Instruments for Networking and Cooperation of Actors in the Innovation System ", as well as the Smart Specialization Strategy (2019-2024).

5. Form of the subsidy

Grant.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Research institutions, higher education institutions and economic entities (innovative-entrepreneurial centre, business incubator, company, or part of the company) and registered in the Register of Innovative Organizations.

The amount of funds allocated from the budget for co-financing an innovative project was determined based on the type of eligible cost and size of the company or other innovative organization, i.e. Grant holder or project partner. The maximum amount of funds provided as support, i.e. the maximum state aid intensity, as well as the procedure of awarding grants for innovative projects was described within the Call for Awarding Grants.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

The Programme was implemented through two calls, first in 2018 and other one in 2019:

1. The Call for Awarding Grants for Innovative Projects published in 2018, supported 10 grants for innovative projects. Out of 10, 7 projects were granted to companies and 3 projects to the scientific research institutions/university. The total value of the innovative projects is EUR 1,172,529, of which the Ministry of Science is co-financing the amount of EUR 730,834, while the co-funding of the grant holders amounts to EUR 441,695. Total transferred amount in 2019 for the implementation of these 10 grants was EUR 192,350.
2. The Call for Awarding Grants for Innovative Projects published in 2019 supported 8 innovation projects within the strategic priorities established by the Smart Specialization Strategy (2019-2024). Out of 8, 7 projects were granted to companies and 1 project to the scientific research institution/ university. The total value of the innovative projects from this Call is EUR 909.489, of which the Ministry of Science is co-financing the amount of EUR 614.432, while the co-funding of the grant holders amounts to EUR 295.056. Projects were approved for implementation in 2019/2021, and total transferred amount in 2019. for these 8 grants was EUR 154.672,64.

To summarize, for 18 projects approved in two Calls of the Collaborative Programme for Innovation, the amount of subsidies during the 2019, was in total EUR 347,022.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

Under these two Calls in 2018 and 2019, the Ministry of Science has allocated funds in total amount of EUR 700,000 for each. The Ministry awarded grants in the amount of up to EUR 100,000 per project approved. The projects are co-financed for a period of 12 to 24 months.

The Programme implemented through the first Call (10 projects) covers period December 2018 – December 2020, while second Call (8 projects) January 2020 – January 2022.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

10 GRANT PROGRAM FOR INNOVATIVE PROJECTS

1. Title of the subsidy programme

Grant program for innovative projects.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The goals of the Program are:

- Strengthening the competitiveness of Montenegrin companies through co-financing the development of innovative ones;
- market-oriented products, services and technologies that have great potential for commercialization and market application;
- Support for the transfer of innovative ideas from scientific research institutions to the market, through cooperation with business partners or through the opening of new companies / spin-off company in Montenegro;
- Strengthening human resources and creating new jobs

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

Ministry of Science.

5. Form of the subsidy

Grants.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Beneficiaries of the program can be legal entities in Montenegro, which meet the requirements in accordance with Article 15 of the Law on Innovative Activity, or which are established in accordance with a special law and registered in the Register of Innovative Organizations, and they include:

- scientific research institutions;
- higher education institutions; and
- business entities (innovation-entrepreneurship center, business incubator, company, or part of the company).

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

EUR 226,702.92, the maximum amount of aid per accepted co-financing grant is EUR 100,000.00.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

11 PROGRAM OF ACTIVITIES TO STIMULATE ENTREPRENEURSHIP

1. Title of the subsidy programme

Program of activities to stimulate entrepreneurship in 2019.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose of the subsidy

The goal of the program is to stimulate entrepreneurship in the area of the Capital.

4. Background authority for the subsidy (including identification of the legislation under which it is granted)

The capital of Podgorica.

5. Form of the subsidy

Interest rate subsidy.

6. To whom and how the subsidy is provided (to producers, exporters and others, through what mechanism, etc.)

Entrepreneurs, small and medium-sized companies from the territory of the Capital of Podgorica have the right to loans under this program.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Total EUR 1,714.00.

8. Duration of the subsidy and/or any time limits attached to it, including date of inception/commencement

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

II SUPPORT FOR FISHERIES PRODUCTS

1 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR DEMERSAL RESOURCES**1. Title of subsidy**

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet for demersal resources.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

Montenegro structural measures for improvement of the fishing fleet through achieving the next objectives:

- Modernization of the fishing fleet for demersal resources;
- Improving the standards of safety at sea, work conditions and maintenance of hygiene and health standards.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support for modernisation of professional fishing fleet for demersal resources concerns co-financing for professional fishers (holders of the permits for commercial fishing) the costs of reconstruction of fishing vessels, replacement of engines, improvement of hygiene and health standards on board, supply of fishing tools and gear, as well as electronic devices. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, maximum up to EUR 10,000.

The criteria for support will be defined by a public call.

6. To whom and how the subsidy is provided

Professional fishers (holders of the permit for commercial fishing), with use of the fishing gear – trawl nets and other fishing gear for fishing demersal species.

7. Total budget

EUR 90,000.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

2 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR PELAGIC RESOURCES**1. Title of subsidy**

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet for pelagic resources.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

Montenegro structural measures for improvement of the fishing fleet sector through achieving the next objectives:

- modernization of professional fishing fleet for pelagic resources,
- increase fishing efficiency.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support for modernisation of professional fishing fleet for pelagic resources concerns co-financing for professional fishers (holders of the permits for commercial fishing) the costs of reconstruction of fishing vessels, replacement of engines, improvement of hygiene and health standards on board, supply of fishing tools and gear, as well as electronic devices for increasing the efficiency of fishing. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, maximum up to EUR 10,000.

The criteria for support will be defined by a public call.

6. To whom and how the subsidy is provided

Professional fishers (holders of the permit for large-scale commercial fishing).

7. Total budget

EUR 30,000.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

3 MODERNIZATION OF PROFESSIONAL FISHING FLEET IN SMALL COMMERCIAL FISHING

1. Title of subsidy

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet in small commercial fishing (vessels of up to 10m LoA).

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

The objectives of this measure are following:

- improving the efficiency of catch and technique in small-scale commercial fishing;
- modernization of existing vessels in small-scale commercial fishing.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support to modernisation of existing fishing vessels of 3 to 10 m LOA in small commercial fishing concerns co-financing in costs of replacement of engines, reconstruction and adaptation of vessels, replacement of fishing tools to increase efficiency of catch, i.e. change for more selective tools. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, maximum up to EUR 5,000. The criteria for support will be defined by a public call.

6. To whom and how the subsidy is provided

Professional fishers (holders of the permit for small-scale commercial fishing).

7. Total budget

EUR 80,000.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade

4 SUPPORT TO IMPROVE COMPETITIVENESS AND EFFICIENT OF THE MARICULTURE SECTOR

1. Title of subsidy

Support to improvement of marine fishery and mariculture - improving the competitiveness and efficiency of mariculture sector.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- improve the competitiveness and efficiency of the mariculture sector;
- introduction of new technologies with regard to protection of farms against predators.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support to competitiveness and efficiency of the mariculture sector concerns: co-financing of fish and mollusc farmers for reconstruction of farming sites; construction or reconstruction of facilities for storage of feed and equipment; supply of equipment for automation of the farming process; supply of equipment for improvement of hygiene in terms of food safety and marketing of farmed products; reconstruction or supply of rafts for operations on the farming site; supply of protective nets in order to protect the farming sites against predators.

Maximum share of budgetary funds is up to 50% of the approved investment up to EUR 7,000.

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs holders of the mariculture permit.

7. Total budget

EUR 35,000.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

5 SUPPORT FOR SUSTAINABLE MANAGEMENT AND CONSERVATION OF RESOURCES OF FISH AND OTHER MARINE ORGANISMS

1. Title of subsidy

Support to improvement of marine fishery and mariculture - sustainable management and conservation of resources of fish and other marine organisms.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- assessment of available resources of fish and other marine organisms;
- monitoring of the situation and assessment of sustainable exploitation of fish and other marine organisms;
- collection and processing of data on catch, fleet and fishing effort, biological, environmental and socio-economic data in marine fishery;
- monitoring of the fish population dynamics, research of potential aquaculture locations in the open sea, monitoring of sea fish farms;
- functionality of the satellite monitoring system for fishing vessels of Montenegro (VMS);
- introduction of more selective fishing gear in order to protect fish and other marine organisms and reduction of fishing costs.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support is provided to the Institute for Marine Biology, for implementation of the annual program of data collection in marine fishery (DCF-DCRF), research regarding possible aquaculture locations in the open sea and monitoring of sea fish farms.

The support is provided for operators for provision of satellite and mobile communication services, for operation of the satellite system for monitoring of fishing vessels.

The support is provided for the project for design of a more selective fishing gear - trawl, as well as training for fishermen for weaving such nets.

6. To whom and how the subsidy is provided

Institute for Marine Biology, operators for satellite and mobile communication systems and the project.

7. Total budget

EUR 147,500.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

6 SUPPORT FOR MODERNIZATION AND STRENGTHENING THE COMPETITIVENESS OF FISHERY SECTOR

1. Title of subsidy

Support to improvement of marine fishery and aquaculture - modernization and strengthening the competitiveness of fishery sector.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- strengthening the competitiveness of fishery sector;
- development of the coastal infrastructure for berths of fishing vessels and fish landing;
- collection and processing of data on catch, fleet and fishing effort in marine fishery;
- setting up of a traceability system in the fishery sector;
- setting up of a system of electronic records in marine fishery;
- strengthening the inspection and supervision of fishing activities;
- strengthening the competitiveness of fishery sector through establishing of new knowledge and new technologies;
- establishing and strengthening links between fishery, agriculture and tourism;
- improvement of cooperation between professional fishermen from Montenegro and fishermen from other coastal countries;
- strengthening the promotion and marketing of fishery products.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

- Supply and installation of equipment necessary for first landing sites in small coastal fishing and setting up of a data collection system;
- Development of the coastal infrastructure for berths of fishing vessels and catch landing
- Strengthening the inspection and supervision of fishing activities - supply of equipment;
- Promotion of fishery, education and study visits for professional fishermen.

Measures and criteria for supply and installation of the equipment necessary, construction of fishermen's ports, equipping of the first landing site, organisation of training and study visits for professional fishermen will be defined in accordance with the World Bank rules.

6. To whom and how the subsidy is provided

Beneficiaries will be defined in line with the criteria of the Ministry of Agriculture and Rural Development.

7. Total budget

EUR 990,000.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

7 SUPPORT FOR SUSTAINABLE MANAGEMENT OF FRESHWATER FISHERY

1. Title of subsidy

Support to development of freshwater fishery and freshwater aquaculture - sustainable management of freshwater fishery.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- Development of sports fishing tourism;
- Strengthening control of sports fishing activities in order to protect and develop fishery waters and fish stocks;
- Reliable estimate of available fish stocks in freshwater fishery waters – fishery master plan;
- Traceability of fishery products;
- Improving the management of freshwater resources based on available scientific data.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support to users of fish and other aquatic organisms and to the Confederation for organization of sport fishing events both at the national and the international level in order to promote the sport fishing tourism.

Support to development of protection and preservation of fishery waters.

Support to a scientific institution that the Ministry authorizes for development of fishery master plan.

Support to a scientific institution - Faculty of Mathematics and Science - Biology Department for monitoring of the status of fish and other aquatic organisms as well as for cooperation with sport fishing clubs in the processes concerning the restocking, selective or fishing for population control purposes.

Support to holders of permit for commercial fishing for supply of devices for keeping electronic records on sale (up to 50% of value of the device).

6. To whom and how the subsidy is provided

Confederation of sports fishing organizations of Montenegro and users of fish stocks.

Scientific institution authorised by the Ministry.

Faculty of Mathematics and Science - Biology Department

Holders of the permit for commercial fishing.

7. Total budget

EUR 68,500.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

8 STRENGTHENING COMPETITIVENESS AND EFFICIENCY OF FRESHWATER FISHERY SECTOR

1. Title of subsidy

Support to development of freshwater fishery and aquaculture - Strengthening competitiveness and efficiency of freshwater fishery sector.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- Strengthening competitiveness and efficiency of freshwater aquaculture sector;
- Introduction of new technologies for protection of farming sites against predators.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development.

5. Type of the subsidy

Support to strengthening the competitiveness and efficiency of the freshwater aquaculture sector concerns co-financing for fish farmers for reconstruction of the farming sites; construction or reconstruction of facilities for storage of feed and equipment; supply of equipment for automation of the farming process; supply of equipment for improvement of hygiene in terms of food safety and marketing of farmed products; supply of protective nets or other technical solutions in order to protect the farming sites against predators.

Maximum share of budgetary funds is up to 50% of the approved investment, up to EUR 7,000.

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs issued with authorisation for aquaculture.

7. Total budget

EUR 45,00.

8. Duration of Program

2019 Year.

9. Trade effects

No effects on trade.

9 DIRECT PAYMENTS IN AQUACULTURE

1. Title of subsidy

Support to development of freshwater fishery and aquaculture - Direct payments in aquaculture.

2. Period covered by notification

2019 Year.

3. Policy objective and/or purpose of the subsidy

- increase the competitiveness of freshwater aquaculture production and creation of competitive farmers;
- full use of all available production capacities;
- improvement of business operations;
- increase of total aquaculture production.

4. Legal authority for the subsidy

The Ministry of Agriculture and Rural Development

5. Type of the subsidy

Eligible for support for increase in aquaculture production are business organisations and entrepreneurs holding authorisation for aquaculture. Support is received exclusively for production from own farming site. Amount of support is set based on the area of the farming site stated in the authorisation for aquaculture and based on average production for the past two years as follows:

- 3.0 €/m² of reported usable area of the farming site if the average of all fish size structures produced was above 22 kg/m²;
- 2.5 €/m² of reported usable area of the farming site if the average of all fish size structures was between 22 - 17 kg/m²;
- 2.0 €/m² of reported usable area of the farming site if the average of all fish size structures produced was between 12 and 17 kg/m²;
- 1.5 €/m² of reported usable area of the farming site if the average of all fish size structures produced was below 12 kg/m².

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs issued with authorisation for aquaculture.

7. Total budget

EUR 67,000.

8. Duration of Program

2019 Year.

9. Trade effects

Minimum effects on trade.
