



## Key findings of the 2023 Report on Montenegro

Brussels, 8 November 2023

Concerning **political criteria**, the reporting period was marked by tense and confrontational positions leading to a blockage of the political system.

The political situation was dominated by a caretaker government that did not have the confidence of the Parliament and a Parliament unable to assemble a clear and consistent majority to take forward reforms. Moreover, the boycott by large sections of the Parliament affected its work.

There was no effective political dialogue and constructive engagement by political parties with a view to enhancing parliamentary accountability and government oversight. There was a lack of direction on EU accession issues, in particular following the resignation of the Minister of EU Affairs. On several occasions, the Government and/or the Parliament chose to ignore recommendations of the European Commission and/or the Venice Commission.

Adoption of the Act on Parliament that would regulate relations between the Parliament and the executive is pending.

Local elections in 14 municipalities (October 2022), presidential elections (March/April 2023) and parliamentary elections (June 2023) took place. The constitution of the new parliament and the new government took place at the end of October 2023. Election observation missions of the Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe monitored the presidential and parliamentary elections. These missions assessed both elections as peaceful and competitive despite some procedural shortcomings. The mandate of the Parliamentary Committee for a comprehensive electoral reform expired in July 2022 with no tangible results. The legal framework requires a comprehensive reform and harmonisation of election legislation, voting and candidacy rights, transparency, mechanisms of dispute resolution, and oversight of campaign finance and media. These, along with other issues, remain unaddressed. The absence of a functional Constitutional Court between September 2022 and February 2023 seriously affected electoral processes.

As regards **governance**, the government has carried out its duties in a caretaker capacity since August 2022 and with limited accountability, due to the inability of the political system to form a new government or proceed to early elections. Against the background of unclear rules governing the competences of a caretaker government, the government continued to adopt important decisions, and to dismiss and appoint key officials. Key positions continued to be filled on an acting basis. The lack of ministerial coordination remains a cause for concern. In February 2023, the caretaker government adopted its Annual Work Programme for 2023. Overall, transparency of governance remained an issue and the government frequently resorted to the procedural option of adopting decisions without formally holding a government session. Both Presidents in function during the reporting period refused to sign legislation adopted following the dissolution of the Parliament.

The role of **civil society** is recognised and promoted. However, the legal and institutional framework regulating cooperation between state institutions and civil society needs to be improved. Politicians – including at the highest level – frequently denigrated the work of civil society organisations and isolated cases of verbal attacks were reported. The Council for Co-operation of State Bodies and Non-Governmental Organisations has not resumed its work.

Montenegro is moderately prepared in the area of **public administration reform**. Overall, limited progress was made. A new public finance management reform programme was adopted, and its implementation was started. By contrast, no changes were made to amendments to the civil service legislation that introduced relaxed qualification requirements and ample discretion for appointing authorities to dismiss heads of administrative bodies. The Parliament adopted amendments to the Law on local self-government to harmonise it with the Law on civil service, disregarding the Commission's recommendation. The relaxed requirements are a source of continuing concern for merit-based recruitment, competence, and independence of civil servants. Continued staff changes in the public administration led to further loss of know-how on matters related to the EU accession process and an overall slowing of the pace of reforms. The Parliament has yet to adopt amendments

to the Law on access to information. Effective lines of accountability within the administration are still to be set up.

Montenegro remains moderately prepared to apply the EU *acquis* and European standards in the area of **judiciary and fundamental rights** but made limited progress overall. No progress was achieved in justice reform, the most challenging area of the rule of law to date. The judicial system continued to face a deep institutional crisis, resulting in weak leadership and management, lack of strategic vision and poor planning, affecting the country's ability to deliver justice. In addition, the system remains affected by issues of accountability, among other weaknesses. Montenegro continues to meet its obligations on fundamental rights under international human rights instruments and legislation. The Law on the Judicial Council and judges and the Law on State Prosecution Service remain to be amended in line with the EU *acquis* and European standards. Full and effective protection of journalists and other media workers continues to improve, yet tangible results on old cases of attacks have yet to be achieved.

Montenegro has achieved some level of preparation in the **fight against corruption**. Limited progress was achieved. Corruption, including high-level corruption, remains an issue of concern and is prevalent in many areas, including in state structures. Montenegro has not sufficiently upgraded its legislative and strategic framework for the prevention of and fight against corruption in line with the EU *acquis*, European and international standards. Several high-profile cases of corruption are under investigation. Montenegro still needs to demonstrate a stringent and unambiguous criminal justice response to this critical phenomenon. Limited progress was achieved in preventing corruption. The results of the Anti-Corruption Agency improved in quantitative terms. However, its independence, accountability, impartiality, and proactiveness should be further ensured. The Law on prevention of corruption should be improved.

As regards the **fight against organised crime and high-level corruption**, the Special Prosecution Office acted with alacrity in launching several high-profile investigations, that appear to point to a deep infiltration of corruption and organised crime into state structures, including at the top level of the judiciary and law enforcement. The justice system of Montenegro needs to demonstrate a strong, stringent, coherent and unambiguous response. Montenegro must further improve the track record of investigations, prosecutions, final verdicts, and asset confiscation in the fight against organised crime and high-level corruption. A more deterrent and effective criminal sanctioning policy and criminal justice response needs to be enforced to avoid the perception of impunity. The effective and systematic use of financial investigations and asset seizure and confiscation needs to be improved. Efforts in this policy area should primarily target those sectors that are most vulnerable to corruption.

In the area of **fundamental rights**, the legislative and institutional framework is largely in place and Montenegro continues to largely meet its international obligations on human rights. However, additional efforts are needed to fully implement this framework. Changes to the existing legislation are also needed, in particular in the area of non-discrimination. The reporting period continued to be marked by polarisation and division. The most vulnerable groups in society (including Roma and Egyptians, persons with disabilities, LGBTIQ persons) continued to be subjected to discrimination, hate speech, and hate crime. The trend of increase in the number of femicides with insufficient follow-up by the authorities and cases of publicly expressed misogyny, gender-based violence and violence against children remains an issue of serious concern. Additional efforts need to be made to ensure effective implementation of legislation, access to justice, and enforcement of rights in administrative and judicial proceedings, in particular for vulnerable groups. Montenegro must step up its efforts to conduct efficient, effective, and independent investigations to address police torture, violations, and illegal use of coercive measures.

Montenegro has a pluralistic and diverse media landscape and has some level of preparation in the area of **freedom of expression**. Overall, limited progress was achieved. In general, the authorities provided prompt and effective law-enforcement and institutional responses to new cases of violence against journalists. However, there was no effective judicial follow-up of old cases. The government involved civil society and media stakeholders in the drafting of new media legislation but failed to finalise the legislative proposals and present them to the Parliament. The authorities need to step up efforts to effectively address the pending recommendations of the ad hoc commission for monitoring violence against the media, particularly regarding important old cases. The RTCG, the national public broadcaster, continued to produce politically balanced content, including during election periods. Further sustained efforts are needed to meet the highest standards of media integrity and accountability, counter disinformation, and limit the effects of online harassment and hate speech. The media environment remains highly politically polarised, with uneven application of the journalistic Code of Ethics and professional standards. Credible and effective self-regulation mechanisms need to be set up to strengthen media integrity and professionalism.

On the **economic criteria**, Montenegro has made limited progress and is moderately prepared in developing a **functioning market economy**. The economic expansion continued at a robust pace in 2022, supported by private consumption and strong growth in tourism. Headwinds came from inflationary pressures on the back of higher global commodity prices. The current account deficit increased as both exports and imports expanded rapidly. An expansionary fiscal policy fuelled domestic demand and contributed to very high net wage growth. The budget deficit increased significantly and a comprehensive medium-term consolidation plan to address mounting fiscal challenges has not been developed. The labour market situation improved, but structural problems persist, including large regional disparities and gender gaps, informality and high youth and long-term unemployment. The banking sector remained well capitalised and liquid. The number of new businesses increased, but efforts to improve the business environment and the governance of state-owned enterprises slowed down due to political uncertainty.

Montenegro has made some progress and is moderately prepared to **cope with competitive pressure and market forces within the EU**. The education system faces numerous challenges, as shown by the results of international tests. Although public financing for research and development remains modest, some progress was made in attracting private investors. Efforts to advance a green and digital transition have continued, but large infrastructure gaps persist, as the administrative and financial capacity to identify, prioritise and implement major public investments remains limited, hampering the use of EU support. Despite some progress in the metallurgy sector and the good performance of tourism, efforts are needed to diversify Montenegro's narrow production base. The low value added of domestic products, the small size of local companies, and their low level of participation in exports represent obstacles to increasing the productivity and competitiveness of local firms.

Montenegro made progress on **statistical methodology** and transmission of data to Eurostat and the strategic framework for **financial control**. Montenegro should now focus on aligning its statistics with the European System of Accounts and strengthening budget inspection and managerial accountability in public administration. Montenegro is moderately prepared / has a good level of preparation in the area of **public procurement**. In 2022, some progress was achieved in aligning with the EU *acquis* and in further improving the functioning of the electronic procurement system. In the coming year, Montenegro should focus on the effective implementation of legislation on public procurement and public-private partnership. It should also fully comply with EU public procurement rules in all cases, such as when awarding the concession to operate airports.

Regarding **good neighbourly relations and regional cooperation**, Montenegro remained committed to promoting good bilateral relations with other enlargement countries and neighbouring EU Member States. Montenegro is generally an active participant in regional cooperation.

Concerning Montenegro's **ability to assume the obligations of membership**, important work on alignment and preparation for the implementation of the EU *acquis* took place in many areas, albeit at a much slower pace than anticipated.

The **internal market** cluster is key for Montenegro's preparations to meet the requirements of the EU's internal market and is of high relevance for possible early integration measures and the development of the Common Regional Market. Progress was achieved on market surveillance, accreditation and standardisation; intellectual property rights and the adoption of a new national comprehensive strategy on intellectual property; State aid transparency; banking; and consumer and health protection. Montenegro should now focus on aligning its legislation with the EU *acquis* on standardisation; strengthening the Employment Agency; continuing to alignment with the EU Services Directive; enforcing the new postal market rules; stepping up progress on developing qualifications for regulated professions; accelerating progress on electronic company registration, capital movements and payments, including on the acquisition of property rights; adopting a new company law and a corporate accounting law; further aligning its legislation with the EU *acquis* on intellectual property; adopting the roadmap concerning the closing benchmarks in the area of competition and State aid and further progress on State aid cases including complex ones; ensuring consumer protection and health protection; and implementing the laws aligning its legislation with the EU *acquis* in the insurance and capital markets sector.

The **competitiveness and inclusive growth** cluster has significant links to Montenegro's Economic Reform Programme. Progress was made on tobacco control, pensions, industrial policy, the operationalisation of the Innovation Fund, taxation, and trade facilitation. In the area of economic and monetary policy, work to implement the action plan for alignment with the EU *acquis* is ongoing. Montenegro should now focus on independence of the media sector and adoption of laws on audiovisual media; alignment with the EU *acquis* on value added tax; coordination of work on economic and monetary issues; labour law and the anti-discrimination law, safety at work; assessing industrial policy and drafting a new policy, research and innovation, education and training and

implementing EU-compatible computerised transit system.

**The green agenda and sustainable connectivity** cluster has significant links to Montenegro's Economic Reform Programme, the Commission's Economic and Investment Plan and the Green Agenda for the Western Balkans. Progress was made in creating a day-ahead energy market and on port state control, but progress was limited concerning environment and climate change. Montenegro should now focus on the strategy for green transition in the energy sector, including just transition plans for a phase-out of the power plant in Pljevlja; adoption and implementation of the railway law; revision of the Transport Development Strategy and significantly stepping up efforts on waste management, water and air quality, nature protection and climate change, including by adopting the National Energy and Climate Plan without further delay.

**The resources, agriculture and cohesion** cluster comprises policies linked to EU Structural funds and Investment funds and developing the capacities to assume the responsibilities of a future EU Member State. Progress was made in the area of agriculture and rural development through the adoption of a new Strategy, food and fisheries and aquaculture, regional policy and structural instruments, financial and budgetary provisions. Montenegro should now focus on starting the implementation of the IPARD III programme, accelerate legislative alignment in the area of agriculture and rural development as well as fisheries and aquaculture, upgrade food-establishments and food safety controls whilst continuing vaccination plans for rabies as needed; EU cohesion policy requirements building capacity for the handling of Instrument for Pre-accession Assistance programmes under indirect management; and rules of administration for the own resources system.

In the **external relations** cluster, Montenegro continued to fully align with all EU common foreign and security policy (CFSP) positions, declarations, and common positions, including sanctions. It also continued to implement measures under the Common Regional Market based on EU rules, including by cooperating under the Central European Free Trade Agreement (CEFTA) and the Regional Cooperation Council.

Strengthening the **administrative capacity** to apply the EU *acquis* remains an important challenge for Montenegro, including the urgent need to re-stabilise a functional negotiating structure.

In the area of **migration**, legal labour migration to Montenegro continued to increase. In 2022, 29 319 temporary residence and work permits were issued, mainly for seasonal workers. In 2022, 8 519 migrants were registered who had crossed the border illegally, a twofold increase compared with 2021, reflecting regional trends. A total of 8 320 people registered an intention to request asylum, but only 175 lodged an asylum request and 9 persons were granted an international protection status. Montenegro continues to host the highest number of Ukrainian nationals in the Western Balkans, both in absolute figures and proportionally to its population (1%). The EU-Montenegro readmission agreement with EU Member States continued to be implemented satisfactorily. Montenegro and the EU signed a new status agreement in May 2023, enabling European Border and Coast Guard Agency (Frontex) deployments anywhere on the territory of Montenegro. Steps were taken to further align Montenegro's visa policy with the one of the EU, although further efforts are needed in this regard. Montenegro must continue its efforts to cope with migratory pressure, by developing its international cooperation on readmission, raising its capacity to prosecute migrant smuggling networks; and setting up a modern migrant data collection system. The economic citizenship scheme was. The investor citizenship scheme was phased out at the end of 2022.

## Key dates

**June 2003:** The EU-Western Balkans Thessaloniki Summit confirms the EU perspective for the Western Balkans.

**October 2007:** The EU-Montenegro Stabilisation and Association Agreement is signed and enters in to force provisionally.

**December 2008:** Montenegro submits its application for EU membership.

**December 2009:** Visa-free travel to Schengen area for citizens of Montenegro.

**May 2010:** The Stabilisation and Association Agreement enters into force.

**December 2010:** The European Council grants Montenegro candidate status for EU membership.

**June 2012:** The accession negotiations are formally opened at the first Intergovernmental Conference.

**December 2013:** 'Rule of Law' chapters 23 and 24 are opened, along with three other chapters.

**February 2020:** Revised methodology, presented by the Commission, to drive forward the

enlargement process with a stronger political steer and in a more credible, predictable, dynamic way.

**By June 2020**, all 33 screened chapters have been opened, three of which are provisionally closed.

**October 2020**: The European Commission adopts Economic & Investment Plan to support and bring the Western Balkans closer to the EU.

**June and December 2021**: Political Intergovernmental Conferences under the revised enlargement methodology are held to provide political steer to the accession process.

**November 2023**: The Commission adopts a new Growth Plan for the Western Balkans.

## **For More Information**

[Montenegro Report 2023](#)

[2023 Communication on EU Enlargement Policy](#)

[Montenegro 2023 Enlargement Package Factsheet](#)

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