



Key findings of the 2020 Report on Montenegro

Brussels, 6 October 2020

Political criteria

The reporting period was marked by tensions and mistrust between political actors and low level of trust in the electoral framework. Due to the COVID-19 pandemic parliament was inactive in the early months of 2020 and was subsequently dissolved, due to the August 30 parliamentary elections.

No political party boycotted the elections, which were contested by 11 candidate lists.

According to the preliminary findings from the Office for Democratic Institutions and Human Rights of the Organisation for Security and Cooperation in Europe (OSCE/ODIHR) the elections were competitive and were managed transparently and efficiently, but took place in an environment highly polarized over issues of church, and national identity. The campaign was peaceful despite the frequent confrontational tone. Contestants were able to convey their messages, but OSCE/ODIHR expressed a number of concerns in relation to an undue advantage for the ruling party and unbalanced media coverage.

The elections resulted in an unprecedented change of the ruling majority composition. The new parliament should endeavour to find a broad cross-party and societal consensus and demonstrate in practice its commitment to Montenegro's EU reform agenda, which is vital for the country's progress on its EU path; as well as engage in a transparent, decisive and inclusive dialogue on the implementation of OSCE/ODIHR outstanding recommendations.

In December 2019, due to lack of quorum, the parliament enacted solely with the votes of the hitherto ruling majority some legal solutions aimed at partially addressing the recommendations of OSCE/ODIHR. The adopted changes did not significantly affect the existing electoral framework, with the exception of campaign finance. Outstanding priority OSCE/ODIHR recommendations, such as professionalism, impartiality and transparency of the election administration; candidate registration and mechanisms for authentication of credibility of voter signatures; media supervision during electoral campaign, an audit of the voter register; measures against the misuse of state resources and gender balanced political representation in the elections, remain unaddressed. Thus, review of the electoral framework in a comprehensive and inclusive manner remains pending.

The new chair of the State Electoral Commission (SEC) was appointed in March 2020. Efforts to enhance the transparency and accountability of the SEC's work need to continue. Despite cross-party agreement to hold local elections on the same day, the legal framework still provides for their conduct on a rolling basis. It remains to be decided when a new system will be implemented.

The political scene prior to the August 2020 elections was fragmented, polarised and marked by lack of genuine political dialogue. Some initial steps were taken in the course of 2019 towards re-establishing the political dialogue in Parliament with the partial participation of the opposition parties in work in the temporary parliamentary committee. However opposition members suspended their participation after the government tabled the draft Law on religious freedoms or belief for plenary adoption. The latter resulted in large-scale religious protests as of December 2019, which were temporarily put on hold in spring 2020, due to COVID-19 crisis.

The outcome of the Parliamentary elections paves the way for returning the political debate to the Parliament. Active and constructive participation by all parties is required to enhance parliamentary accountability, oversight of the executive, democratic scrutiny, better quality of legislation and to enable key appointments. In 2019 and the first half of 2020 the parliament could not secure the required 2/3 majority for important judicial appointments and therefore key functions of the judicial system are filled on an acting basis. The mandate of the Supreme State Prosecutor expired in October 2019 and his successor remains to be appointed.

There were no new developments in the political and judicial follow-up of the alleged misuse of public funds for party political purposes that took place in 2012 (the 'audio recordings affair'). With regard to the January 2019 'envelope affair', indictments were lodged for money laundering against

two defendants. These cases require a credible, independent and effective institutional response.

As regards **governance**, there is a need to strengthen transparency, stakeholders' participation, and the government's capacity to implement reforms. Monitoring of the quality of strategic policy documents by the Government's General Secretariat has become structured and systemic. The government's policy on state-sponsored apartments or loans under favourable conditions raised concerns about the effectiveness of the national checks and balances system. Stakeholders' participation in both the accession and legislative processes remains to be improved.

Montenegro is moderately prepared on the reform of its **public administration**. Overall, some progress was made during the reporting period. Montenegro started the implementation of the law on civil servants. The medium-term policy-planning framework, merit-based recruitment, human resource management and rationalising of the organisation of the state administration continued to advance well. Strong political will is still needed to effectively ensure the de-politicisation of the public service, the optimisation of the state administration, and the implementation of managerial accountability.

Montenegro remains moderately prepared to apply the EU *acquis* and the European standards in the area of the **judiciary** and has made limited progress overall, namely through the continuous implementation of the ICT strategy for the judiciary. Last year's recommendations regarding the judiciary were only partially addressed. Challenges remain, in particular with regard to the independence, professionalism, efficiency and accountability of the judiciary. The decision of the Judicial Council to re-appoint seven court presidents, including the President of the Supreme Court, for at least a third term raises serious concerns over the Judicial Council's interpretation of the letter and the spirit of the Constitutional and legal framework, which limits those appointments to maximum two terms in order to prevent overconcentration of power within the judiciary. It is not in line with GRECO recommendations on the independence of the judiciary, which Montenegro is expected to comply with, in order not to reverse earlier achievements in the judicial reform.

Montenegro has achieved some level of preparation in the **fight against corruption**. It made limited progress on last year's recommendations which were only partially addressed regarding the track record on repression and prevention of corruption and a new institutional framework for the Asset Recovery Office. The Anti-Corruption Agency, operating under newly appointed leadership, continued to be strengthened through capacity building activities and technical assistance. However, challenges related to its independence, priority-setting, selective approach and quality of its decisions remained. The Agency is yet to demonstrate a proactive approach in all areas falling under its mandate, including on the protection of whistle blowers, the control of financing of political parties and electoral campaign, and oversight of lobbying. The track record on seizure and confiscation of criminal assets needs to be further improved. Corruption remains prevalent in many areas and a serious concern. There is a need for strong political will to effectively address this issue of concern, as well as a robust criminal justice response to high-level corruption.

Montenegro has some level of preparedness/is moderately prepared in the **fight against organised crime**. Some progress was made, including in addressing last year's recommendations, in particular as regards the creation of a centralised bank account register, a stronger capacity and professionalism of the police and an increased number of on-going proceedings on asset confiscation. An initial track record of investigations into trafficking in human beings and money laundering was established. Internal organisation and coordination of law-enforcement agencies was further improved, as reflected in the increasing number of investigations, arrests and seizures. However, Montenegro still needs to address some fundamental and systemic deficiencies in its criminal justice system, including the way organised crime cases are handled in the courts. Some progress was made in the fight against terrorism and preventing/countering violent extremism in line with the objectives set out in the Joint Action Plan on counter-terrorism for the Western Balkans and the bilateral implementing arrangement.

On **fundamental rights**, Montenegro made some progress. The legislative and institutional framework in the area of fundamental rights is now largely in place. In July 2020, the law on life partnership of same-sex couples was enacted by Parliament, making Montenegro the first country in the region to regulate the status of same-sex couples. The capacity of human rights institutions and of the Ministry of Human and Minority Rights has been reinforced, and trust in the Ombudsperson's office is increasing. However, important challenges remain in ensuring that national legislation on human rights is effectively implemented. The reports of excessive use of force by the police and allegations of torture call for swift and effective investigations. Ethnically and religiously motivated attacks in the context of the August 2020 elections are a matter of serious concern. Further efforts are necessary to mainstream human rights across all areas of work, public policies and sectors. Disadvantaged groups, including Roma and Egyptians, and persons with disabilities continue to experience multiple types of discrimination and difficulty in enforcing their rights in administrative

and judicial proceedings. Gender-based violence and violence against children remain issues of serious concern.

During the reporting period Montenegro made no progress on **freedom of expression**. Although there has been progress on the media legislation, this has been overshadowed by arrests and proceedings against editors of on-line portals and citizens for content they posted or shared on-line in the course of 2020. Important old cases of attacks remain unresolved, including the 2004 murder of the editor-in-chief of daily newspaper, *Dan*, and the 2018 shooting of an investigative journalist. Concerns also remain about national public broadcaster RTCG's editorial independence and professional standards. The media scene continues to be highly polarised and self-regulatory mechanisms remain weak. The growing volume of region-wide disinformation further polarised the society in the aftermath of the adoption of the Law on freedom of religion and during the electoral campaign.

In the area of **migration** the 2018 upward trend in the number of incoming irregular migrants was confirmed in 2019. 7,978 irregular migrants were apprehended in 2019, a 60% increase from 2018. All of the apprehended migrants expressed their intention to request asylum, which continued to put the country's reception facilities under pressure. Montenegrin authorities prevented 516 illegal entries to the country and 1514 illegal exits from the country. The Special Prosecutors Office (SPO) conducted three investigations into migrant smuggling, involving more than 40 people. The European Border and Coast Guard Status Agreement with the EU, signed in October 2019, entered into force on 1 July 2020. The implementation of the first Joint Operation under the Agreement was launched on 15 July. Montenegro must continue its efforts to cope with the migratory pressure, by further developing its international cooperation on readmission, raising its capacity to prosecute migrant smuggling networks, increasing its reception capacity and enhancing its migrants' data collection system.

As regards the **economic criteria**, Montenegro has made some progress and is moderately prepared in developing a functioning market economy. Due to lower investment growth, the economy slowed down to a more sustainable pace in 2019. Exports, in particular of services, were growing but not enough to curb the large current account deficit. Financial sector stability has been reinforced following the bankruptcy and resolution of two local banks and the strengthening of the banking supervision framework. Labour market conditions improved, but the unemployment rate remains high, particularly among women, youth, Roma and low-skilled people. Labour activation measures and coordination between employment and social services recorded limited progress. Montenegro's economic outlook deteriorated substantially since the second quarter of 2020, as the COVID-19 quarantine measures introduced in April brought large parts of the economy to a halt. Public finances, which improved in 2019, are under significant pressure in 2020 due to fast growing costs to finance the authorities' policy response to the pandemic combined with a sharp decline in budget revenue due to lower economic activity. Meanwhile, in spite of some signs of improvement of the business environment, measures to fight against informality were delayed and there is a persistent and very large number of companies with frozen bank accounts. State-owned transport companies are not competitive and their losses are being transferred to the state. The institutional capacities of the competition and anticorruption agencies remain weak.

Montenegro has made some progress and remains moderately prepared in terms of its capacity to cope with competitive pressure and market forces within the EU. Investment in knowledge and human capital is very modest, resulting in low innovation and productivity levels of local companies. Educational outcomes need to improve across the board, as well as the provision of upskilling and reskilling measures. Several important infrastructure projects are being implemented, gradually transforming Montenegro into a net exporter of electricity and developing transport networks. Physical broadband networks are being developed by the private sector while the authorities strengthened the legislative framework. However, the economy presents a weak industrial base characterised by low value-added activities, constrained by the small size of the market and the low technological know-how of most local companies.

With regard to **good neighbourly relations and regional cooperation**, Montenegro remained constructively committed to bilateral relations with other enlargement countries and neighbouring EU Member States, albeit bilateral relations with Serbia were marked by tensions. 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* has taken place in most areas. The country has reached a good level of preparation in areas such as company law, intellectual property law, energy, and foreign, security and defence policy. It is moderately prepared in many chapters, such as free movement of goods, agriculture and rural development as well as food safety, veterinary and phytosanitary policy. Montenegro is at some level of preparation in the areas such as

environment and climate change, and social policy and employment. Good progress has been made in the areas of Social policy and employment, Financial services, Agriculture and rural development, and food safety, veterinary and phytosanitary policy and Science and research.

Looking ahead, Montenegro should focus in particular on competition policy, economic and monetary policy, statistics and financial control, and specifically on the functioning of the judiciary and freedom of expression. Strengthening the administrative capacity for ensuring the application of the EU *acquis* remains an important challenge for Montenegro. Montenegro has continued to fully align with all EU common foreign and security policy positions and declarations.

Key dates

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

June 2006: The EU decides to establish relations with Montenegro as a sovereign and independent state.

October 2007: The EU-Montenegro Stabilisation and Association Agreement is signed.

December 2008: Montenegro presents its application for membership to the EU.

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

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

November 2010: The European Commission issues its Opinion on Montenegro's application for EU membership.

December 2010: The European Council grants candidate status to Montenegro.

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

June 2013: The screening meetings are completed.

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

February 2018: The European Commission adopts its strategy for 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans'.

May 2018: The EU-Western Balkans Sofia Summit confirms the European perspective of the region and sets out a number of concrete actions to strengthen cooperation in the areas of connectivity, security and the rule of law.

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.

May 2020: EU-Western Balkans Zagreb Summit.

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

October 2020: Commission proposes Economic & Investment Plan to support and bring the Western Balkans closer to the EU.

For More Information

[Montenegro Report 2020](#)

[Enlargement Package 2020](#)

[Montenegro Factograph](#)

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