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Montenegro 2026 Report

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1. INTRODUCTION[1]

1.1. CONTEXT

Accession negotiations with Montenegro were opened in June 2012. To date, all 33 negotiating chapters have been opened, of which 21 have been provisionally closed. During the reporting period, Montenegro has provisionally closed 14 negotiating chapters. The Council established the ad hoc working party on drafting the Accession Treaty with Montenegro in April 2026. In June 2026, the Commission presented a draft financial package, followed by the adoption of conclusions by the Council on 12 October 2026. In the Commission's assessment, all closing benchmarks have been met and Montenegro has therefore reached the final stage of accession negotiations. These important achievements are the result of the continued political commitment of the Montenegrin authorities to the strategic goal of European integration, which has been consistently stated as the key priority for the country, and to implementing the related reforms. Building on a whole of society approach, it is essential that the current momentum is sustained with focused and cross-party efforts to ensure that preparations for EU membership are completed in time.

Montenegro continued to implement the Stabilisation and Association Agreement (SAA), and meetings of the joint bodies under the agreement took place at regular intervals.

Montenegro has actively engaged in and continued to deliver on the implementation of the Growth Plan for the Western Balkans across its four pillars of gradual integration with the EU: the single market, regional economic integration, fundamental reforms and increased financial support. Under the Reform and Growth Facility[2], a performance-based EU instrument supporting the EU accession process, Montenegro has been implementing its Reform Agenda adopted in September 2024.

The Commission's 2026 rule of law report[3] covered Montenegro for the third time.

1.2. MAIN FINDINGS OF THE REPORT

CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

Democracy

The legal and institutional framework provides a basis for the democratic conduct of ***elections***. Following the adoption of amendments to the Law on the election of the President, to the Law on the Election of Councillors and Members of Parliament and to the Law on the Financing of Political Entities and Election Campaigns, Montenegro's legal framework is broadly aligned with European and international democratic standards, as well as the EU *acquis*. Some efforts are still needed to address key outstanding recommendations by the Organisation for Security and Co-operation in Europe / Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and GRECO. The procedure for appointing the President and the members of the Central Electoral Commission is ongoing.

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[1] This report covers the period from 1 September 2025 to 1 September 2026. It is based on input from a variety of sources, including contributions from the government of Montenegro, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular in the area of rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

[2] OJ L, 2024/1449, 24.5.2024.

[3] 2026 Rule of Law Report (17 July 2026), SWD (2026) 929 final, Country Chapter on the rule of law situation in Montenegro.

Parliament can exercise its powers, including control of the executive and involvement in the legislative process, in an overall effective way. In the first part of the reporting period, cross-party cooperation facilitated a steady adoption of EU-related legislation. Following a cross-party agreement brokered in July 2026, Parliament adopted by a large majority a first set of constitutional amendements strenghtening the independence of the Judicial and Prosecutorial Council as well as that of the Central Bank. It also successfully delivered on a number of key commitments aimed at advancing the EU accession process. It notably completed the electoral reform, adopted amendments to the Law on Internal Affairs and the Law on the National Security Agency, established cross-party oversight bodies, appointed the pending two Constitutional Court judges and adopted numerous EU accession-related laws in several extra-ordinary sessions. Opposition parties suspended their cooperation with the government and ruling majority in September after Parliament Speaker sent condolences to the son of convicted war criminal Ratko Mladić following his death. A debate and vote for his dismissal were held in October, and the attempt to remove him failed.

The legislative process continued to depend heavily on urgent procedures, particularly for EU accession-related legislation.

The institutions in charge of the ***EU integration*** process are in place and coordinate the country's EU accession negotiations satisfactorily. Montenegro demonstrated its focus on the EU integration agenda.

Despite one party's withdrawal from the coalition in early 2026, the ***government*** delivered its policies in a broadly stable environment, and has prioritised EU accession as its central objective. It took steps to strengthen the legislative framework regulating the executive's role, including by adopting a Law on Government, which has yet to be approved by Parliament.

Civil society, including human rights defenders, overall operate in an enabling environment. The main legal and institutional framework for civil society is in place.The involvement of civil society in policymaking is formally institutionalised but is sometimes limited to a procedural formality. In December 2025, the Council for cooperation between the government and non-governmental organisations resumed its work for the first time since October 2021. The practice of issuing calls for proposals to finance civil society-led projects is not implemented consistently across ministries.

Public administration reform

Montenegro has a **good level of preparation** in the area of public administration reform and has made **good progress** notably by adopting the Law on free access to information, the Law on Local Self Government the Law on Local Civil Servants, the Law on budget and fiscal responsibility as well as related secondary legislation on the Law on civil servants and state employees for the central civil service. Montenegro needs to continue efforts in further strengthening the management and planning of human resources for regular filling of vacancies and the application of a new competency framework.

The Commission's recommendations from last year were broadly implemented. In the coming year, Montenegro should in particular:

→ further strengthen the coordination of public administration reform through effective monitoring, and stronger political steering, implement effectively the Law on free access to information, and establish a functional system of administrative supervision;

→ reinforce a professional, merit-based civil service by consistently applying merit-based recruitment throughout the new competence framework, reducing acting appointments and non-standard employment, improving human resources planning and monitoring, and strengthening performance management and professional development systems;

→ ensure effective implementation of the new legal provisions strengthening the medium-term budgetary framework, including through the adoption and application of the relevant bylaws and methodologies concerning the budget calendar, costing of strategic documents, linkages between strategic planning and budgeting, periodic budget-execution reporting, and preparation of the citizens' budget.

Chapter 23 - Judiciary and fundamental rights

Montenegro has **a good level of preparation** in applying the EU *acquis* and European standards in this area, and has made **good progress** overall. Particular focus should now be placed on the effective enforcement of the legislative reforms, further strengthening administrative capacity in the areas of the judiciary, the fight against corruption, media freedom and fundamental rights.

Functioning of the judiciary

Montenegro's judicial system has **a good level of preparation** and has made **good progress**. Montenegro adopted constitutional amendments, strengthening the independence of the Judicial and Prosecutorial Councils, fully in line with EU and Venice Commission recommendations. In addition, Montenegro adopted amendments to the Law on the Judicial Council and Judges, the Law on the State Prosecution Service, and the Law on the Special State Prosecutor's Office, addressing recommendations from the European Commission, the Venice Commission and GRECO. Montenegro appointed judges to the Constitutional Court, restoring its full composition and strengthening its effective functioning. Furthermore, two lay members to the Judicial Council and three lay members to the Prosecutorial Council were appointed, improving effective functioning. The institutional stability and leadership of the Supreme Court, Supreme State Prosecution Office, and Special Prosecution Office was further improved through targeted reforms.

The Commission's recommendations from last year were mostly implemented. In the coming year, Montenegro should, in particular:

→ enforce effectively the constitutional amendments by harmonising secondary legislation, namely the Law on the Judicial Council and Judges and the Law on the State Prosecution Service, and appoint members of the Judicial and Prosecutorial Councils;

→ continue to strengthen judicial independence and ensure full and effective implementation of the improved strategic and legal framework, including the Constitution, in line with the EU *acquis* and European standards on judicial independence and accountability, irremovability, impartiality, integrity, efficiency and professionalism of the judicial system;

→ continue improving the overall efficiency of the justice system, including by strengthening the human, financial, infrastructure and ICT capacity of the justice system and by ensuring the full implementation of the Plan for rationalisation of the court system and the Judicial Digitalisation Strategy.

Fight against corruption

Montenegro has **a good level of preparation** in the fight against corruption. **Good progress** was made on the implementation of reforms. The process to adopt two sets of amendments to the Constitution is ongoing. Two out of three votes have taken place in Parliament to adopt a constitutional amendment removing immunity for the Prime Minister and ministers covering all corruption-related offences. In addition, Parliament held a first of three required votes on a constitutional amendment responding to a key recommendation of the Venice Commission, by introducing prior integrity checks for prime ministerial and ministerial nominees. Both amendments have yet to be finally adopted by Parliament. This will be a major achievement, addressing longstanding GRECO and Venice Commission recommendations. Parliament adopted amendments to the legal framework regulating the funding of political parties and electoral campaigns to address key GRECO and OSCE/ODIHR recommendations regarding its scope, clarity and implementation. In addition, Montenegro adopted amendments to the Law on prevention of corruption and the Criminal Procedure Code, as well as a new Law on Whistleblower Protection and a new Law on Confiscation, in line with European standards and best practice, and addressing Venice Commission and GRECO recommendations. A new full-term Director of the Anti-corruption Agency was appointed, ensuring its improved functioning. The institutional framework for preventing and fighting corruption is in place. Human resources and capacities in the fight against corruption have increased but further

resources are needed for the Special State Prosecution Office. The fight against corruption track record improved with regard to final rulings and convictions in high-level corruption cases, and the complexity of investigations and indictments demonstrates the commitment of the prosecution and law enforcement to tackle the most serious cases. The effectiveness and coordination of prosecutorial and law-enforcement institutions in the area of corruption continued to improve. However, the number of final convictions remains low and needs to increase. Additional efforts are needed to accelerate the implementation of the strategic framework.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should, in particular:

→ continue the full and effective implementation of the improved strategic and legal frameworks (including the final adoption of the constitutional amendments); strengthen prevention, transparency and accountability in high-risk areas, including by ensuring the operational capacity and financial independence of the Agency for the Prevention of Corruption;

→ continue to improve the track record on proactive corruption investigations, prosecutions and convictions, in particular as regards high-level corruption. Montenegro should urgently strengthen the effective enforcement of existing criminal legislation by the State Prosecution Service and courts, ensuring effective and deterrent penalties, addressing delays in criminal proceedings, and urgently improving the human resources and working conditions of the Special State Prosecutor's Office, the Special Police Department and the Special Department of the High Court in Podgorica;

→ ensure full enforcement of the improved legal framework on the funding of political parties and electoral campaigns, addressing the key recommendations identified by the OSCE/ODIHR and GRECO, and continue its alignment with the EU *acquis* and European standards.

Fundamental rights

The legislative and institutional framework on fundamental rights is largely in place and Montenegro continues to largely meet its international obligations on human rights. However, more effort is needed to fully implement this framework and to ensure access to justice and enforcement of rights in administrative and judicial proceedings, in particular for groups in vulnerable situation. Montenegro needs to continue aligning the legal framework with the EU *acquis* and European standards. The groups in most vulnerable situation in society (including Roma[4] and Egyptians, people with minority racial or ethnic background, persons with disabilities, LGBTIQ+ persons) continued to be subjected to discrimination, hate speech and hate crime.

The Commission's recommendations from last year were partially implemented and some remain valid. In the coming year Montenegro needs, in particular, to:

→ continue to make substantial progress in implementing all pending recommendations from the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment (CPT), the European Commission against Racism and Intolerance (ECRI) and the Group of Experts on Action against Violence against Women and Domestic Violence (GREVIO);

→ make additional efforts in implementing the Strategy for the Advancement of the Status of Roma and Egyptians in Montenegro, and meet commitments made under the Poznan Declaration;

→ ensure the full enforcement of the new GDPR-compatible law and a law aligning with the Law Enforcement Directive, including the alignment of the national framework with the

[4] In line with the terminology of the European institutions the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the specificities of these groups.

new legislation; fully enforce and further amend the new Law on the Ombudsperson's Office in line with the EU *acquis* and European and international standards.

Freedom of expression and media freedom

Montenegro has a **good level of preparation** in the area of freedom of expression. **Good progress** was achieved on the implementation of reforms. Montenegro continues to uphold a zero-tolerance policy on violence against journalists and media workers, while dedicated legislation on lawsuits against public participation (SLAPPs) must be adopted. Media ownership transparency improved through the public registry, with gaps for online media. Parliament appointed new members to the Council of the Radio and Television of Montenegro (RTCG) and to the Council of the Agency for Audiovisual Media Services (AMU). A new Law aligning with the EU Digital Services Act Directive was adopted. Access to information must be effectively guaranteed through the full implementation of the improved legal framework. The national media strategy continued to be implemented, and Montenegro continues to enjoy a pluralistic media environment and provides adequate legal guarantees for the freedom of expression and an enabling environment for the media to operate freely, independently and professionally. While media ownership transparency improved, concerns about external strong influence over media in Montenegro have increased.

The Commission's recommendations from last year were fully implemented. In the coming year, Montenegro needs, in particular, to:

→ continue providing prompt and effective law enforcement and judicial protection for journalists against all forms of violence, while prioritising investigations and judicial follow-up in critical cold cases;

→ ensure full implementation of the media legal framework, and ensure that any future legislative amendments preserve the progress achieved, particularly with regard to safeguarding the independence of the two Councils;

→ ensure continued implementation of all media-related legislation and further align national media legislation with the EU *acquis,* including the European Media Freedom Act.

Chapter 24 - Justice, freedom and security

Montenegro **has a good level of preparation** in the area of justice, freedom and security. **Good progress** was made, in particular on visa policy alignment, and in developing border management capacities with the installation of new equipment and the completion of new infrastructure and the recruitment of new personnel in the border police. Montenegro amended its decree on visa policy to bring it fully into line with the EU list of visa required third countries as of 31 October 2026.

The Commission's recommendations from last year were broadly implemented. In the coming year, Montenegro should, in particular:

→ further strengthen border management capacity with the completion of border management infrastructure and procurement of border surveillance equipment;

→ take decisive steps to increase and improve reception capacities for applicants for international protection;

→ mitigate the risks of corruption and the infiltration of organised crime in law-enforcement agencies, including in the border police and the judiciary, by implementing a robust prevention and integrity policy and by providing a stringent judicial response to detected cases;

Fight against serious and organised crime

Montenegro **has a good level of preparation** in the fight against serious and organised crime**. Good progress** was made with the appointment with a full mandate of the Director of Police in December 2025 and appointment of four deputy-directors of police in July 2026 as well as with the hiring of additional officers for the Special Police Unit, the Asset Recovery

Office, the Financial Intelligence Unit and Assest Managemet Office. Construction was completed in April 2026 of the long-awaited new premises for the Special State Prosecutor's Office and the Special Police Department.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should, in particular:

→ increase the efficiency of the prosecution/adjudication of cases of serious and organised crime, especially money laundering cases; address the lengthiness of trials and frequent adjournments in organised crime cases; ensure the application by the courts and prosecution of key legal concepts, such as stand-alone money laundering (independent of the predicate crime) and quality of evidence; and ensure the seizure and confiscation of criminal assets by systematically tracking money flows, and by carrying out special investigative measures efficiently and consistently using an extended confiscation procedure;

→ fill the remaining vacancies in the Special Police Unit, the Special State Prosecutor's Office (SPO), Podgorica High Court, the Asset Management Office (AMO) and Financial Intelligence Unit (FIU) and reorganise the Special Investigative Measure (SIM) division;

→ ensure that all confiscated goods (including narcotics) are systematically inventoried according to a standardised methodology.

ECONOMIC CRITERIA

The existence of a functioning market economy

Montenegro has made **good progress** and reached **a good level of preparation** in developing a functioning market economy.

The recently announced 'Euro Model' reforms may pose significant risks to the sustainability of public finances and the external balance, which remain nonetheless to be assessed further, notably following on-going consultations with the stakeholders. Economic growth slowed down amid a continued weak export performance in 2025, before picking up in the second quarter of 2026. The budget deficit overshot the 2025 target, and fiscal vulnerabilities remain due to ineffective fiscal rules, a high level of mandatory spending and high debt rollover needs. The fiscal governance framework has been strengthened, notably through the establishment of the Fiscal Council. The large current account deficit persisted with only about a third of it covered by FDI inflows. The labour market situation continued to improve, even though structural problems persist, such as high rates of youth and long-term unemployment. The banking sector remained well capitalised and liquid while credit growth picked up. Good progress was made in improving the business environment and advancing the reform of state-owned enterprises (SOEs).

The Commission's recommendations from last year were mostly implemented. To improve the functioning of the market economy, Montenegro should in particular:

→ contain public spending, including by anchoring the wage bill in a medium-term framework, and implement measures to raise revenues to ensure compliance with the fiscal rules;

→ task the Fiscal Council to review the 2027 budget proposal;

→ implement the new Laws on SOEs and on budget and fiscal responsibility.

The capacity to cope with competitive pressure and market forces within the EU

Montenegro has made **good progress** and is **between a moderate and a good level of preparation** to cope with competitive pressure and market forces in the EU. The authorities continued to implement reforms in the education system, which faces numerous challenges. Efforts to advance the green and digital transitions have continued. The diversification of Montenegro's narrow production base remains a challenge. The economy is driven by

services, in particular tourism, which together with the small size of local companies and their low level of exports, constrain productivity growth and the competitiveness of local firms.

The Commission's recommendations from last year were mostly implemented. In the coming year, Montenegro should in particular:

→ continue implementing digital public services for the public and businesses, and align the use of digital tools with the EU legislation;

→ ensure the implementation of the Education Reform Strategy (2025-2035), including the strengthening of work-based learning in higher education and further improvements across education and training systems;

→ implementing the National Energy and Climate Plan, including preparations for coal phase-out.

Chapter 5: Public procurement

Montenegro has a **good level of preparation** in the area of public procurement. **Some progress** was achieved.

The Commission's recommendations from last year were partially implemented. In the coming year Montenegro should in particular:

→ continue to improve the administrative and technical capacity of the Directorate for Managing Public Investments and Public Procurement Policy and train and re-certify public procurement officers;

→ introduce and implement a 'red flag' system in the electronic procurement system to detect irregularities in public procurement procedures (fraud, collusion, coercion, obstruction, conflict of interest and other corrupt actions);

→ ensure that the implementation of intergovernmental agreements with the United Arab Emirates and other countries does not contravene or circumvent the EU *acquis* on public procurement.

Chapter 18: Statistics

Montenegro has **a good level of preparation** in the area of statistics. Overall, **good progress** was made, including on submissions of data related to government finance statistics and excessive deficit procedure tables, development of methodological aspects, as well as on increasing the production and dissemination of statistics from other domains, in line with the EU *acquis*. Montenegro adopted a roadmap on 9 July 2026 outlining the timing of producing and transmitting the remaining tables of the European System of Accounts (ESA) Transmission Programme and other relevant data and addressing pending methodological issues.

The Commission's recommendations from last year were mostly implemented. In the coming year Montenegro should in particular:

→ continue to roll-out the roadmap for the implementation of the remaining ESA 2010 transmission programme requirements and the resolution of the remaining methodological issues in the fields of excessive deficit procedure and government finance statistics;

→ continue improving administrative capacities and human resources of the Statistical Office of Montenegro (MONSTAT) in line with the action plan for strengthening the administrative capacities of MONSTAT

Chapter 32: Financial control

Montenegro has a **good level of preparation** in the area of financial control. **Good progress** was made, allowing for the chapter to be provisionally closed in January 2026. Montenegro has undertaken efforts to ensure the further improvement and implementation of the regulatory framework on public internal financial control (PIFC). Montenegro also

operationalised the budget inspection function at the Ministry of Finance, clarifying roles and responsibilities with respect to internal audit functions, and has strengthened the internal audit of SOEs. Effective delegation of administrative and financial authority is only done to a moderate extent and continues to be streamlined across all line ministries. External audit reforms have continued; Parliament made appointments to fill the vacant seats in the Senate and elected the President of the Senate of the State Audit Institution (SAI), strengthening its functional independence. Montenegro ensured compliance with the EU *acquis* through a modification of the Criminal Code on the protection of the EU's financial interests in line with the PIF Directive.

The Commission's recommendations from last year were fully implemented. In the coming year Montenegro should:

→ continue to strengthen the operational framework for PIFC by further developing managerial accountability and implementing the Law on internal governance and financial control, as well as by strengthening the administrative capacity of internal audit units;

→ further improve the implementation of the findings and recommendations of the SAI and continue to strengthen its administrative capacity, notably by filling the vacancies;

→ continue strengthening the network of anti-fraud bodies by improving its administrative capacities and continue implementing the action plan of the current national anti-fraud strategy.

CLUSTER 2: INTERNAL MARKET

Chapter 1: Free movement of goods

Montenegro has a **good level of preparation** in the free movement of goods. **Very good progress** was made on alignment with the EU *acquis* on medicinal products for human and veterinary use, medical devices, machinery, motor vehicles and several other product sectors, on market accreditation and surveillance, and on improving the capacity of the bodies working on the EU *acquis* on chemicals.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should in particular:

→ complete its alignment with the legislation on the European Medicines Agency's reinforced role in crisis preparedness and management, and complete its alignment with the 'variations framework' of medicinal products for human use;

→ in the field of falsified medicines, establish the necessary governance, complete alignment and implement a compatible IT system to be able to comply with EU laws concerning the European Medicines Verification Organisation (EMVO) to ensure implementation of all legal provisions as of accession;

→ continue to strengthen the human and financial capacities of its quality infrastructure and complete the requirements for the national standards body to become a full Member of the European Committee for Standardisation and the European Committee for Electrotechnical Standardisation (CENELEC), and address the non-conformities identified in the last European Cooperation for Accreditation peer review.

Chapter 2: Freedom of movement for workers

Montenegro is **between a moderate and a good level of preparation** in the area of freedom of movement for workers. **Good progress** was made on alignment with the *acquis*, on setting up the institutional and technical structures for Montenegro's future participation in the European Network of Employment Services (EURES) and the Electronic Exchange of Social Security Information (EESSI) systems, and on preparing to implement the European Health Insurance Card (EHIC) by adopting the Action Plan for the Coordination of Social Security Systems as well as the decision on designating the National Access Point for the EESSI system. The chapter was provisionally closed in June 2026.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should in particular:

→ strengthen the administrative and technical capacity of the Employment Agency to ensure active labour market policies are relevant and evidence-based, and continue the preparatory work to join EURES upon accession;

→ strengthen the administrative, technical and financial capacities of the competent authorities in view of the correct application of the *acquis*, and continue to introduce and upgrade IT systems as necessary, training staff, and defining the roles and responsibilities of participating institutions to ensure full operational readiness for the EESSI system by the date of accession;

→ improve the existing Integrated Health Information System and adapt it for the issuance and application of the EHIC, equip the Health Insurance Fund of Montenegro with adequate technical and administrative capacities and resources as well as ensure appropriate budget allocation for future reimbursements by the date of accession.

Chapter 3: Right of establishment and freedom to provide services

Montenegro has a **good level of preparation** in the area of the right of establishment and freedom to provide services. The chapter was provisionally closed in December 2025. **Some progress** was made during the reporting period, by updating the Point of Single Contact (PSC) portal through the incorporation of an integrated inventory of services covered by the EU Service Directive. The chapter was provisionally closed in December 2025.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should in particular:

→ step up efforts in strengthening administrative capacities and preparing digital readiness for the use of the Internal Market Information (IMI) system to ensure full operational administrative cooperation with the competent authorities of other Member States upon accession;

→ complete its alignment with Directive 2005/36/EC beyond minimum training requirements; ensure that the country's existing training programmes for nurses responsible for general care, dental practitioners, medical doctors and pharmacists fully align with the EU's minimum training requirements; for architects, ensure compliance for those training programmes that would in the future benefit from automatic recognition;

→ intensify efforts to strengthen institutional capacity by establishing the organisational structure and training of the competent authorities that handle the recognition of professional qualifications.

Chapter 4: Free movement of capital

Montenegro has a **good level of preparation** in this area and made **some progress** during the reporting period. The chapter was provisionally closed in December 2025.

The Commission's recommendations from last year were partially implemented. In the coming year, Montenegro should in particular:

→ remove restrictions on the acquisition of agricultural land by non-EU or EEA nationals;

→ finalise alignment with the outstanding provisions of the EU *acquis* on anti-money laundering and countering the financing of terrorism;

→ continue to improve the supervisory capacity and reinforce controls in the area of the fight against money laundering and the financing of terrorism.

Chapter 6: Company law

Montenegro is **between having a good level of preparation and being well advanced** in the areas of company law and corporate governance of company law. The chapter was

provisionally closed in December 2025. Montenegro made **some progress** in the reporting period by adopting amendments to the Law on Companies and the Law on Registration of Business and other entities. The chapter was provisionally closed in December 2025.

The Commission's recommendations from last year were partially implemented. In the coming year, Montenegro should in particular:

→ further align the company law and the Law on registration of business and other entities with Directive (EU) 2025/25, in particular as regards the further expansion and upgrading of the use of digital tools and processes in company law;

→ ensure that all technical specifications and requirements set out in Implementing Regulation (EU) 2021/1042 are fully in place, including those related to the interconnection of the Business Registers Interconnection System (BRIS);

→ strengthen the legal and technical capacity of the Central Register of Business Entities to ensure the smooth implementation of online procedures in line with Directive (EU) 2019/1151, and to guarantee legal certainty in forming companies and registering changes.

Chapter 7: Intellectual property law

Montenegro is **well advanced** in this area and made **very good progress**, particularly by addressing the recommendations of the peer review mission conducted in September 2024, and by adopting and implementing the 2025 action plan of the Intellectual Property Rights (IPR) strategy. Montenegro has also reinforced its administrative capacities in this area.

The Commission's recommendations from last year were broadly implemented. In the coming year, Montenegro should in particular:

→ continue to hire additional staff to strengthen the administrative capacity to deal with IPR issues, continue to provide training to enforcement officers, and implement a number of measures to promote understanding of copyright and related rights among the general public and specific target groups;

→ continue to implement the remaining recommendations of the 2024 peer review report;

→ align with the EU's new design legislation (in particular Directive 2024/2823).

Chapter 8: Competition policy

Montenegro has **a good level of preparation** in the area of competition policy. **Very good progress** was made in the reporting period. Within the context of the closing benchmark criteria, legislative alignment with the relevant provisions of the EU *acquis* was completed. Montenegro demonstrated a credible track record in enforcement and progressively reinforced its administrative and judicial capacity in the areas of antitrust, mergers and State-aid control. The chapter was provisionally closed in July 2026.

The Commission's recommendations from last year were implemented. In the coming year, Montenegro should in particular:

→ focus on sustaining and further enhancing the enforcement track record for all three competition instruments;

→ further align the national legislation with the evolving EU *acquis* under Chapter 8, as well as finalise preparations to join enforcement of competition instruments, including on specific issues such as cross-border cooperation in antitrust cases, as well as dealing with existing State aid, etc;

→ further strengthen administrative capacities and resources and continue to train personnel and the judicial authorities and other relevant stakeholders for all three instruments.

Chapter 9: Financial services

Montenegro has **a good level of preparation** in the area of financial services. **Very good progress** was made, with comprehensive legal changes aimed at further alignment with EU *acquis* in all areas covered by the chapter.

The Commission's recommendations from last year were implemented. In the coming year Montenegro should in particular:

→ continue implementing and enforcing the financial services legislation, including the new legal provisions introduced in the last year;

→ continue to boost the administrative and supervisory capacity of regulators in the field of financial services;

→ continue efforts to align with the new and evolving EU legislation in the area of financial services.

Chapter 28: Consumer and health protection

Montenegro has achieved a **good level of preparation** in the area of consumer and health protection. **Good progress** was made. The Commission's recommendations from last year were mostly implemented, including on alignment with the *acquis* on consumer protection and on organs, and on the adoption of action plans on communicable diseases and substances of human origin. The chapter was provisionally closed in June 2026.

In the coming year, Montenegro should in particular:

→ align with the evolving EU *acquis* on consumer protection and product safety and implement its action plan for strengthening the administrative structures and enforcement and redress capacity in this area;

→ implement its action plan on the prevention of and preparedness for cross-border health threats, including to align with the EU *acquis* on serious cross-border threats to health;

→ implement its action plan for alignment with the latest EU *acquis* (Regulation (EU) 2024/1938) on substances of human origin, including by strengthening administrative capacity and oversight.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

Chapter 10: Digital transformation and media

Montenegro has a **good level of preparation** in the area of digital transformation and media. **Some progress** was made, in particular by further aligning with the EU *acquis* on electronic communications, cybersecurity, open data and media freedom, as well as on continued 5G deployment.

The Commission's recommendations from last year were broadly implemented, while one remains valid. In the coming year, Montenegro should in particular:

→ ensure the effective implementation of the media laws adopted in 2024 and safeguard the independence of the media regulator;

→ further align national legislation with the European Media Freedom Act, the Digital Services Act and the Digital Markets Act, and develop the necessary governance and enforcement structures in line with the EU Artificial Intelligence Act;

→ continue recruiting additional staff to fill the remaining planned posts and further strengthen administrative capacity in the areas of electronic communications, information society services and audiovisual media services.

Chapter 16: Taxation

Montenegro has **a good level of preparation** in the area of taxation. **Good progress** was achieved on further alignment with the EU *acquis*. Further significant improvements are

needed to achieve full alignment.

The Commission's recommendations from last year were broadly implemented. In the coming year, Montenegro should in particular:

→ take all necessary steps to fully align with international tax transparency standards, in order to prepare its exit from Annex II of the Non-Cooperative Jurisdiction list. That involves, in particular, addressing the large number of inactive companies still in its company registry and conducting its first automatic exchange of financial account information;

→ further increase staffing in the Tax Administration to the appropriate level for effective and efficient operations, starting with the planned recruitment of 60 officials under the 2026 staffing plan, including fighting corruption, and provide extensive training in the areas of tax inspection and risk assessment;

→ further strengthen IT capacity, interconnectivity and interoperability with EU systems, notably by effective and consistent implementation of the national IT strategy, as well as by setting up and operationalising the VAT Information Exchange System (VIES), the Excise Movement and Control System (EMCS) and other relevant IT tools. Ensure contractual support for the development of VIES.

Chapter 17: Economic and monetary policy

Montenegro has made **very good progress** and achieved a **good level of preparation** in the area of economic and monetary policy. Montenegro has aligned its central bank framework with the EU *acquis*, particularly through a constitutional amendment on 24 August 2026. The country has formally accepted the proposed solution on the adjusted convergence assessment framework for euro adoption. Montenegro also adopted a new Law on budget and fiscal responsibility, improving alignement with the relevant EU *acquis*.

The Commission's recommendations from last year were implemented. In the coming year, Montenegro should in particular:

→ start implementing the roadmap for assuming the future obligations of the Central Bank of Montenegro within the framework of the European System of Central Banks;

→ fully implement the new Law on budget and fiscal responsibility, in particular by operationalising the Fiscal Council.

Chapter 19: Social policy and employment

Montenegro achieved a **good level of preparation** in this area of social policy and employment. **Good progress** was made, in particular in: (i) aligning the labour law, the Law on anti-discrimination and the Law on occupational health and safety at work with the EU *acquis*; (ii) adopting strategies in the area of social protection reform; and (iii) advancing the reform of the Employment Agency.

The Commission's recommendations from last year were substantially addressed with further implementation still ongoing. In the coming year, Montenegro should in particular:

→ continue to strengthen the Employment Agency so that it can effectively fulfil its role as a modern public employment service, effectively implement the Youth Guarantee, and use European Social Fund (ESF) -like measures in the future;

→ intensify reform efforts for the improved and timely provision of active labour market measures, with an emphasis on their labour market relevance;

→ continue implementing the transition from a benefit-centred to a service-centred and rights-based social protection system.

Chapter 20: Enterprise and industrial policy

Montenegro is **between having a good level of preparation and being well advanced** in

this area. **Very good progress** was made, particularly on the implementation of enterprise and industrial policies, on addressing business barriers identified by the Competitiveness Council, and by introducing a new management and legal framework for SOEs.

The Commission's recommendations from last year were implemented. In the coming year, Montenegro should in particular:

→ continue to implement the industrial policy for 2024-2028 in cooperation with all stakeholders;

→ continue to address the business barriers identified by the Competitiveness Council;

→ design the SME policy framework for the period 2027-2030, with a focus on improving access to early-stage financing, reducing administrative burdens and supporting the digital and green transitions of SMEs.

Chapter 25: Science and research

Montenegro has a **good level of preparation** in the field of science and research. **Good progress** was made, particularly in completing the first cycle of the Smart Specialisation Strategy, adopting the second Smart Specialisation Strategy, strengthening academia-business cooperation and continuing the implementation of the Law on Scientific Research Activities for adoption. The Law on Incentive Measures for the Development of Research and Innovation and the amendments to the Law on Innovation Activity aim at increasing the participation of the private sector in R&I investments.

The Commission's recommendations from last year were largely implemented but remain partially valid. In the coming year, Montenegro should:

→ continue to strengthen the innovation ecosystem and further refine the roles and services of the different actors; including further stimulate private sector investment in research and development

→ strengthen the capacities of the National Contact Points and the Horizon Europe Office to stimulate participation in Horizon Europe

→ Continue efforts to collect statistical data on science, research and development in a systematized way in line with EU practices.

Chapter 26: Education and culture

Montenegro has a **good level of preparation** in this area. **Good progress** was made, in particular with the implementation of the 2025/2026 action plan under the Education Reform Strategy (2025-2035), with about 80% of planned activities completed.

The Commission's recommendations from last year were broadly implemented. In the coming year, Montenegro should in particular

→ continue the timely and good-quality implementation of the Education Reform Strategy (2025-2035) and strenghtening adult learning.

→ complete the remaining activities under the current action plan (2025-2026) and launch preparations for the next action plan;

→ ensure the full implementation, funding and monitoring of the Youth Strategy (2023-2027) and continue to update the current legislative framework, including through the amendments to the Law on youth

Chapter 29: Customs policy

Montenegro has **a good level of preparation** in the area of customs union. **Good progress** was made, with accession to the Common Transit Convention, the launching of key IT projects, the adoption of EU-aligned legislation, and by combating customs fraud, in particular in tobacco products. The chapter was provisionally closed in July 2026.

The Commission's recommendations from last year were implemented. In the coming year, Montenegro should in particular:

→ achieve decisive progress with the development of the new customs IT system and national components for EU systems, in accordance with the timeline and milestones established in the national implementation programme;

→ increase staffing in line with commitments and implement the Commission's recommendations on administrative capacities, including on scanning capacities;

→ continue aligning its customs legislation to the changes in the Union Customs Code.

CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

Chapter 14: Transport policy

Montenegro has reached **a good level of preparation** in this area. **Very good progress** was made**,** particularly by adopting new legislation on air transport, railway safety and interoperability, road transport and passenger rights.

The Commission's recommendations from last year were mostly implemented. In the coming year, Montenegro should in particular:

→ continue to align national legislation with the remaining EU *acquis*, according to Montenegro's planning;

→ continue efforts to strengthen the administrative and technical capacity of the Railway Agency, as well as the implementation and enforcement capabilities of the Police Department with regard to road safety, to ensure they can effectively fulfil their mandates;

→ ensure the full and timely implementation of Montenegro's transition plan for the air navigation service provider, and the implementation of performance and charging schemes in line with the Single European Sky (SES 2+) Regulation.

Chapter 15: Energy

Montenegro has reached a **good level of preparation** in this area. **Very good progress** was achieved, in particular through alignment with the *acquis* on the internal energy market, the implementation of legislation on mandatory oil stocks, and the deployment of energy-efficiency measures. Montenegro adopted its National Energy and Climate Plan (NECP).

The Commission's recommendations from last year were mostly implemented. In the coming year, Montenegro should in particular:

→ continue to align national legislation with the remaining EU *acquis*, according to Montenegro's planning and continue implementation of the Electricity Integration Package, as well as recommendations, if any, from the verification process, in view of achieving market coupling with the EU, and to adopt its risk-preparedness plan in the electricity sector;

→ implement the NECP, according to its timeline, in particular as regards preparing to phase out the use of coal and decommissioning of the thermal power plant in Pljevlja;

→ ensure full alignment with the 2023 Directive on Energy Efficiency and the 2024 Directive on the Energy Performance of Buildings and adopt its National Building Renovation Plan, as per Montenegro's 2026 roadmap, while accelerating the deployment of energy-efficiency measures along new targets.

Chapter 21: Trans-European networks

Montenegro achieved a **good level of preparation** in this area. **Good progress** was made, particularly on strengthening administrative capacity, aligning legislation with the trans-European networks in energy (TEN-E) and on the agreement between Montenegro and the

European Commission on a list of priority projects in the transport sector in line with the future trans-European networks in transport (TEN-T). The chapter was provisionally closed in March 2026.

The Commission's recommendations from last year were mostly implemented. In the coming year, Montenegro should in particular:

→ finalise and adopt the updated transport development strategy and ensure its effective implementation and accelerate the preparatory work and maintain focus on investments to ensure the timely completion of the Western Balkans – Eastern Mediterranean European Transport Corridor;

→ fully implement the Roadmap for Participation in the Connecting Europe Facility 2025-2027, including the recruitment and training of relevant staff and the establishment of appropriate administrative structures;

→ launch and finalise the procurement process for works to modernise Rail Route 4, in particular on the Bar-Golubovci section.

Chapter 27: Environment and climate change

Montenegro is **moderately prepared** in this area. During the reporting period, **good progress** was made, particularly through the adoption of legislation in the fields of air quality, nature protection, waste and water management as well as the Law on climate and the related rulebooks on monitoring, reporting, verification and accreditation (MRVA) of greenhouse gas emission for the purpose of EU Emissions Trading System (EU ETS), the biodiversity strategy, the strategy for the protection of the marine environment, the air quality monitoring strategy, the low carbon-development strategy, and the NECP were also adopted. Significant progress was also made in aligning cross-cutting legislation with the EU *acquis*.

The Commission's recommendations from last year were largely implemented. In the coming year, Montenegro should in particular:

→ continue further strengthening the administrative and investment capacity in the fields of environment and climate change by (i) further hiring staff and ensuring they receive appropriate training and (ii) preparing fully costed financing plans for priority environmental investments;

→ adopt waste management plans at local level and increase capacity to effectively implement them;

→ ensure adequate implementation of MRVA legislation for the full scope of EU ETS and continue to align legislation with the EU climate *acquis*, according to the planning in the roadmap for implementation of the EU Emissions Trading System by Montenegro upon accession to the EU and the plan for putting arrangements in place to continue aligning, implement and enforce the EU climate *acquis* by developing the necessary structures, systems and ensuring enforcement.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

Chapter 11: Agriculture and rural development

Montenegro is between **moderately prepared and a good level of preparation** in this area**. Good progress** was achieved through the implementation of the IPARD III pre-accession programme, the adoption of legislation in the area of organic farming and quality policy, and amendments to the law on agriculture which further align with the EU *acquis*. The chapter was provisionally closed in December 2025.

The Commission's recommendations from last year were substantially addressed with further implementation still ongoing. In the coming year, Montenegro should in particular:

→ continue to intensify the implementation of the IPARD III programme and increase

resources to do this, in particular the staffing of the paying agency;

→ ensure further progress in the development of an integrated administration and control system by updating the land parcel identification system and advance with the establishment of an area monitoring system, including a pilot project;

→ continue to align with EU *acquis*, developing structures and systems for the implementation of common market organisation and ensuring adequate staffing in the administration.

Chapter 12: Food safety, veterinary and phytosanitary policy

Montenegro is **between moderately prepared and a good level of preparation. Good progress** was made, in particular by further aligning legislation with the EU *acquis*, expanding laboratory capacities, designating border control posts and securing funds for construction, and by establishing a basic framework to deploy additional staff, improve facilities, and manage animal by-products.

The Commission's recommendations from last year were substantially addressed with further implementation still ongoing. In the coming year, Montenegro should in particular:

→ continue to adopt the remaining implementing legislation and ensure effective enforcement, particularly in the food safety, veterinary and phytosanitary sectors, including by hiring new staff and providing training;

→ accelerate the construction and renovation of border control posts, assess laboratories, and develop a credible plan for designating and supervising official and national reference laboratories;

→ continue work on establishing a phytosanitary information system, improve the veterinary information system, and implement a system for the safe collection storage, use and disposal of animal by-products while preparing for a permanent processing plant.

Chapter 13: Fisheries and aquaculture

Montenegro has **a good level of preparation** in this area. **Good progress** was made, in particular in terms of alignment with the EU legislation and administrative preparedness, which resulted in provisionally closing this chapter in December 2025.

The Commission's recommendations from last year were partially implemented and remain mostly valid. In the coming year, Montenegro should in particular:

→ continue to demonstrate its ability to effectively enforce the EU *acquis* by adopting the remaining secondary legislation;

→ ensure the recruitment of additional administrative and inspection staff and strengthen their capacities through training;

→ continue to strengthen the functionalities of the fisheries information system and continue to work on establishing a fisheries monitoring centre.

Chapter 22: Regional policy and coordination of structural instruments

Montenegro advanced work on all six closing benchmarks and has a **good level of preparation** in this area. **Good progress** was made, notably by adopting a proposal for the future institutional set-up for managing EU cohesion policy, launching the programming framework, and starting to draft the strategic planning document for the next multiannual financial framework.

Montenegro has made progress in implementing the Commission's recommendations from last year, which require further follow-up. In the coming year, Montenegro should in particular:

→ implement and closely monitor the updated Chapter 22 action plan, strengthen administrative capacity through merit-based recruitments, and sustain interinstitutional

coordination and structured dialogue with stakeholders in line with the partnership principle and for the next multiannual financial framework programming;

→ continue reinforcing the management verifications and audit for Interreg programmes;

→ roll out the Master Plan for Montenegro's Infrastructure Development, including a monitoring system for all capital investments regardless of the source of funding, linking closely infrastructure investments to strategic planning, the medium-term budgetary framework and a set of common criteria for prioritisation, while improving project preparation, procurement, implementation and costs verification in line with EU and international standards.

Chapter 33: Financial and budgetary provisions

Montenegro is **moderately prepared** in this area. Overall, **good progress** was achieved, particularly in improving the existing coordination structure between relevant institutions and strengthening their capacities to calculate Montenegro's future own resources contributions to the EU budget.

The Commission's recommendations from last year were largely implemented and remain partially valid. In the coming year, Montenegro should in particular:

→ consolidate work towards a fully operational interinstitutional coordination structure that ensures the correct calculation, forecast, collection, payment and control of own resources;

→ further strengthen the administrative capacities of the relevant institutions by ensuring that qualified staff are employed in line with the recruitment forecasts while enhancing organisational and procedural links between the institutions;

→ finalise improvements to the information system of all relevant institutions, enabling correct data transmissions as well as a full audit trail and reporting.

CLUSTER 6: EXTERNAL RELATIONS

Chapter 30: External relations

Montenegro has a **good level of preparation** in this area and made **some progress**, mainly in the field of regional cooperation, development policy and humanitarian aid.

The Commission's recommendations from last year were partially implemented and remain valid. In the coming year, Montenegro should in particular:

→ continue to actively participate in the implementation of measures under the Common Regional Market action plan for 2025-2027;

→ align with the EU *acquis* on the screening of foreign direct investments (FDI);

→ closely coordinate with the EU on the international agreements to ensure that all commitments are compatible with those of the Union and do not breach the EU law.

Chapter 31: Foreign, security and defence policy

Montenegro is **well advanced** in this area. **Very good progress** was made as the country maintained its track record in fully aligning with the EU common foreign and security policy (CFSP), including on statements by the High Representative on behalf of the EU, and Council decisions on restrictive measures. Montenegro continued to participate in EU crisis management missions and operations under the common security and defence policy. A new Security and Defence Dialogue between the EU and Montenegro was launched in December 2025.

The recommendations from last year were implemented. In the coming year, Montenegro should in particular:

→ continue to maintain its full alignment with the EU common foreign and security policy;

→ make further efforts to counter foreign interference and information manipulation, including disinformation.

→ following the Hybrid Risk Survey, take appropriate action to continue enhancing resilience against all forms of hybrid threats by implementing the strategy on countering hybrid threats and its related action plan.

1.3 STATE OF PLAY OF THE ACCESSION NEGOTIATIONS

CLUSTERS	Chapters / areas	Date chapter opened / closed
Fundamentals *All chapters open* *Chapters 5, 18 and 32 provisionally closed*	23 - Judiciary and fundamental rights 24 - Justice, freedom, security *5 - Public procurement* *18 - Statistics* *32 - Financial control* …Economic criteria …Functioning of democratic institutions …Public administration reform	December 2013 December 2013 December 2013 - June 2025 December 2014– October 2026 June 2014 -January 2026 - -
Internal market *All chapters open* *Chapters 2, 3, 4, 6, 7, 8 and 28 provisionally closed*	1-Free movement of goods *2-Freedom of movement for workers* *3-Right of establishment and freedom to establish services* *4-Free movement of capital* *6-Company law* *7-Intellectual property rights* *8-Competition* 9-Financial services *28-Consumer and health protection*	June 2017 December 2017-June 2026 December 2017-December 2025 … June 2014 - December 2025 December 2013-December 2025 March 2014 - December 2024 June 2020 – July 2026 June 2015 December 2014 – June 2026
Competitiveness and inclusive growth *All chapters open, chapters 10, 17, 19, 20, 25, 26 and 29 provisionally closed*	*10-Information society and media* 16-Taxation *17-Economic and monetary policy* *19-Social policy and employment* *20-Enterprise and industrial policy* *25-Science and research* *26-Education and culture* *29-Customs union*	March 2014 - December 2024 March 2015 June 2018 – October 2026 December 2016– October 2026 December 2013 - December 2024 December 2012 (opened and closed) April 2013 (opened and closed) December 2014 – July 2026
Green Agenda and sustainable connectivity *All chapters open, 21 provisionally closed*	14-Transport policy 15-Energy *21-Trans-European Networks* 27-Environment and climate change	December 2015 December 2015 June 2015 - March 2026 December 2018
Resources, agriculture and cohesion *All chapters open, chapters 11 and 13 are provisionally closed*	*11-Agriculture and rural development* 12-Food safety, veterinary, phytosanitary services *13-Fisheries and aquaculture* 22-Regional policy and coordination of structural instruments 33-Financial and budgetary provisions	December 2016-December 2025 June 2016 June 2016-December 2025 June 2017 December 2014
External relations *All chapters open,*	*30-External relations* 31-Foreign, security & defence policy	March 2015 – June 2017 June 2014

chapter 30 *provisionally closed*		

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2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

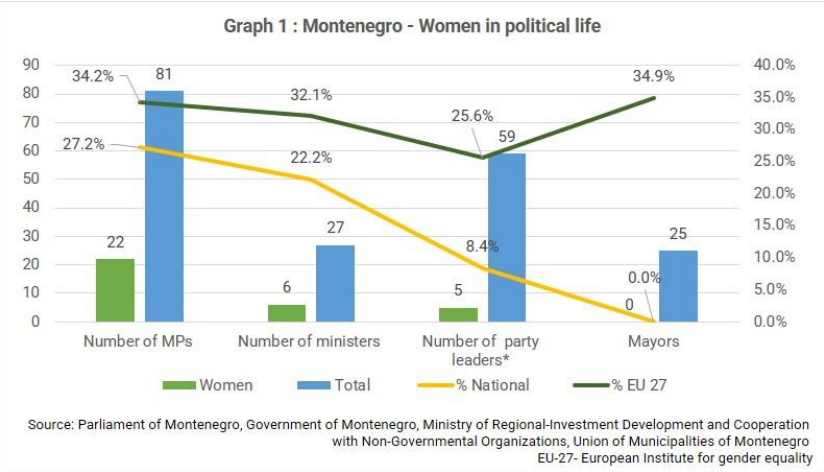
2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

2.1.1 Democracy

The functioning of Montenegro's democratic institutions is generally stable. However, they remain vulnerable to political crises and potential institutional blockages. Some efforts are necessary to fully align the legal framework with democratic standards and the EU *acquis,* including on inclusive, transparent and resilient electoral processes.

Elections

No national elections took place during the reporting period. The 2022 elections in Savnik have not been completed.The legal framework regulating the funding of political parties and electoral campaigns has been amended in July 2026 to address key GRECO and OSCE/ODIHR recommendations regarding its scope, clarity and implementation. The amendments to the Law on financing of political entities and electoral campaigns increased the transparency and oversight of political parties' spending, including through dissuasive penalties. Amendments to the Law on the Election of Councillors and Members of Parliament further clarified the selection criteria for the chair and members of the Central Election Commission, introduced that a voter can support one or more electoral lists for the election of councillors and further increased the accessibility of persons with disabilities to elections. Furthermore, the amendments build on the 2025 legislative amendments introducing a 40% quota for the less-represented gender by further specifying that a candidate of the less-represented gender will be replaced by the next candidate of the less-represented gender, even if the earlier candidate does not accept the mandate. Amendments to the law on the election of the President addressed a long-standing OSCE/ODHIR recommendation and introduced the necessary provisions to regulate all procedural aspects of a second-round presidential runoff. Montenegro submitted a Roadmap for the alignment of its legal and institutional framework with Regulation (EU) 2024/900 on the transparency and targeting of political advertising, so that the relevant provisions may apply upon accession. The Commission will closely monitor its implementation on a continuous basis.



While Montenegro's legal framework protects the right of people with disabilities to participate in political and electoral life on the same basis as other people, there remain significant gaps in the implementation of these legal mandates.

Parliament

Parliament continued to function regularly and constructively for most of the reporting period, with intense legislative activity. During the reporting period, 37 sittings were held, inlcuding 18 regular, nine special and 10 extraordinary sessions. Several constitutional amendments and a total of 315 laws were adopted. To manage this workload, Parliament established a new Department for Legislation to review draft laws and their compliance with the EU *acquis*.

However, the legislative process continued to rely on urgent procedures, particularly for EU-related legislation.

The overall constructive relations between the parliamentary majority and the opposition deteriorated in mid-March 2026, following the adoption of the Law on internal affairs and the Law on the National Security Agency, which were not fully aligned with the EU *acquis*. This delayed decisions that required qualified majorities, most notably constitutional amendments and the two long-delayed appointments to the Constitutional Court. The opposition also repeatedly criticised the ruling majority for allocating insufficient time for debate. In July and August, following a cross-party agreement, Parliament overwhelmingly adopted amendments to the Constitution to enhance the independence of the judiciary and and the Central Bank of Montenegro as well as to advance various key reforms on a cross-party basis. Parliament appointed the two remaining Constitutional Court judges and completed several appointments to independent institutions, but has yet to fill certain long-standing vacancies, such as the chairperson and the members of the Central Electoral Commission and two lay members of the Judicial Council. Opposition parties suspended their cooperation with the government and ruling majority in September after Parliament Speaker sent condolences to the son of convicted war criminal Ratko Mladić following his death. A debate and vote for his dismissal were held in October, and the attempt to remove him failed. Parliamentary committees examined numerous reports submitted by independent bodies. Parliament held eight special sittings dedicated to government question time.

EU integration

The body in charge of EU accession negotiations, headed by the Chief Negotiator, coordinates the country's EU accession negotiations satisfactorily. Coordination of the Ministry of European Affairs was strengthened with the appointment of a second State Secretary.

The acceleration of EU accession preparations resulted in the provisional closure of eleven additional negotiating chapters during the reporting period. In January 2026, the government adopted the Programme for the Accession of Montenegro to the European Union 2026-2027 and continued to submit quarterly accession reports to Parliament. The digital platform *28by28.eu* was launched to communicate on Montenegro's path to EU membership.

Governance

The government functioned within a broadly stable political environment, despite the withdrawal of one coalition party from the ruling majority in January. This withdrawal prompted the resignations of the Deputy Prime Minister for Infrastructure and Regional Development and the Transport Minister. In late 2025, acting on the Prime Minister's proposal, Parliament dismissed the Minister of Sports and Youth. At the end of July, a government reshuffle took place, resulting in the appointment of a Deputy Prime Minister and three ministers.

The government has prioritised EU accession as its central objective. It remains essential that its established timeline does not impact the quality and sustainability of reforms. Transparency remains a concern, given the government's frequent use of conference calls to adopt decisions, bypassing formal cabinet sessions. Interministerial coordination and cooperation between the President and the government should be further improved.

In February, the government submitted to Parliament a draft Law on government, which is still pending adoption by Parliament. In its follow-up opinion published in June, the Venice Commission acknowledged Montenegro's government adopting several key recommendations in the revised draft law but emphasised the need for full alignment with the Constitution. In October, the government addressed the Venice Commission's recommendation by preparing a constitutional amendment introducing mandatory prior integrity checks for the Prime Minister-designate and members of the government. The first of the three required parliamentary votes for its adoption took place in October 2026.

In September 2026, Parliament adopted a proposal to amend the Constitution to remove the immunity of the Prime Minister and Ministers in cases of criminal offences in breach of official duties, covering all corruption-related offences. This proposal aims at addressing an existing recommendation from GRECO. Following a second positive vote, the amendment is currently progressing through the relevant constitutional procedures, which include a public consultation process and a third and final vote to adopt the Constitutional Amendments with two-thirds majority of all members of Parliament.

Montenegro's decentralisation remains limited, largely restricted to utility services, water supply and the maintenance of public spaces. While local authorities formally possess autonomy, in practice they often require central government approval for key decisions. Their financial autonomy is restricted. In September 2026, Parliament adopted the Law on Local Self-Government. The law introduces city status for local self government units that can show strong fiscal discipline, introduces the establishment of units related to EU integration, strengthens inter-municipal and central-local cooperation, enhances the accountability of the local executive and sets up mechanisms to monitor and improve performance at local level. The law will apply from the day following the first nationwide local elections in 2027. Previous sector-specific progress to give more responsibility to local government authorities encountered implementation challenges. These difficulties have exposed structural and capacity deficiencies at the local level, thereby hindering the effective exercise of the newly transferred competencies. As of September 2026, 9 out of 25 municipalities had established the required planning entities, and four had put them into operation.

Civil society

Civil society, including human rights defenders, generally operates in an enabling environment. An overall legal and institutional framework for civil society is in place.

The mandate of the Council for Cooperation with NGOs was renewed and resumed its work in December 2025. While the government formally acknowledges civil society as a partner in policymaking, civil society organisations are not consistently included in consultations on key legislation despite repeated requests for involvement. Furthermore, during the reporting period, high-level public officials repeatedly launched public attacks, smear campaigns and discrediting narratives targeting human rights defenders.

In late 2025, the government established a working group to draft the Law on Representativeness of Organisations of Persons with Disabilities. The first meeting took place in December 2025.

The practical application of the 2022-2026 Strategy for Cooperation remains insufficient in ensuring adequate funding for NGOs and their meaningful participation in public consultations. Authorities have started preparations for the next strategy for 2027-2031. Although the Law on NGOs requires ministries to issue calls for proposals for funding, Montenegro must further enhance ministries' capacity to strategically plan, monitor and evaluate financial support to civil society organisations as well as the consistency of implementation of the funding rules across ministries.

2.1.2. Public administration reform

Strategic framework for public administration reform

The strategic framework for public administration is in place. Implementation of the public administration reform strategy improved at an accelerated pace in 2026. The strategy is financed from the budgets of the institutions responsible for reform objectives and activities, ensuring the financial and fiscal sustainability of its implementation. The Public Administration Reform Council continued to act as a central political oversight mechanism.

Policy development and coordination

The quality of strategic documents improved and the execution rates of planned activities in internal government documents increased. The methodology for medium-term planning in the government and ministries has been finalised. The recently adopted Law on Budget and

Fiscal Responsibility strengthens the links between strategic plans and the budget. The rate of implementation of the national plan on the EU *acquis* has improved, reflecting the accelerated EU accession process. However, the inter-ministerial coordination in policy making remains to be improved.

The regulatory framework on **evidence-based policymaking,** including regulatory impact assessments (RIAs) and public consultations, is in place. A new instruction on conducting RIAs and preparing RIA reports was adopted, ensuring a comprehensive assessment of economic, fiscal and social impacts, including gender and environmental ones. There has been an increased use of public consultations in the preparation of new legislative proposals across line ministries. The e-Participation and e-Petitions portals are still not fully utilised.

Public financial management

Public financial management continued to improve through reforms aligned with EU standards and accession requirements. Implementation of the Public Finance Management Reform Programme 2022-2026 is on track, and a new Public Finance Management Reform Programme has been adopted. On **fiscal risk** monitoring, the fiscal risks statement is currently prepared on a regular basis, its scope, however, needs to be further widened. The members of the Fiscal Council were appointed but steps need to be taken to make the Fiscal Council fully operational. Public finance management reforms were further advanced through the adoption of the new Law on budget and fiscal responsibility, which strengthens the **medium-term budgetary framework**, improves fiscal discipline and sustainability, and introduces a mid-year budget review.

Public investment management continued to advance through the development of new tools and enhanced appraisal and selection procedures for major projects, although investment planning occurs outside of these procedures. These improvements follow the adoption of a revised annual procedure in December 2025, which has strengthened coordination, scrutiny and transparency in project evaluation. In May 2026, the government of Montenegro adopted the Master Plan for Infrastructure Development 2026-2030, which represents the first single pipeline of capital investment projects with national and municipality investments financed from the central budget, on a sectoral basis.

Although a budget inspection function was established, its administrative capacity needs to be further strengthened, in line with regulatory improvements introduced by the recent amendments to the Law on budget inspection, adopted in December 2025.

Budget transparency is largely ensured through the publication of all budget documentation, monthly reporting on the status of the budget execution, timely publication of annual financial statements and the audit report of the State Audit Institution. In 2026 the Ministry of Finance started preparation to issuing a citizen's budget.

Public service and human resources management

The legal and institutional framework for a professional and merit-based **civil service** is in place Key secondary legislation to implement the Law on civil servants and state employees was adopted in January 2026, together with the establishment of a new competency-based recruitment model for all job categories. The delayed adoption of staffing plans for 2025, and the adoption in April 2026 of a partial annual recruitment plan for the civil service (which excludes the Ministry of Interior), has delayed recruitments to the civil service and led to an increased number of acting appointments. Regarding the local level, the regulatory framework on local governance is completed, with the adoption of the Law on local civil servants and state employees and the Law on Local Self-government, together with related secondary legislation. Continuous efforts are therefore needed in conducting recruitments most effectively, planning open vacancies more credibly, filling those timely and reducing the number on acting appointments. Professional **human resources management** is broadly in place. However, the capacity of the Human Resource Management Agency's needs to be further increased. While the process of job systematisation in the civil service has continued, its link to organisational reforms and the

new competence framework still needs to be strengthened. The information system for the management of human resources still needs to be improved, as does the reliability of data.

A comprehensive salary reform is needed to ensure a **merit-based remuneration** system that matches job descriptions with appropriate salary structures across public sector. The government adopted as a first step a roadmap for linking the new competence framework with a clear salary structure for the civil service Performance appraisals although applied, need to be improved to ensure closer links between performance, trainings and career advancement. Regarding **gender balance** in the civil service, women represent under half of the total workforce, reflecting a gender gap of nearly 6 percentage points. Proactive measures need to be implemented to promote and ensure gender balance in the civil service, including in senior managerial positions.

Accountability of administration

There is a legal framework that sets good standards for the lines of accountability, the legal responsibilities of supervisory and subordinated bodies, performance management and reporting requirements. However, the practice of administrative supervision as per the relevant legislation still needs to be fully ensured. Specific guidelines on managerial accountability have been prepared, and the process needs to continue to be streamlined across all line ministries. [*see more Chapter 32*]

To close the regulatory gap, Montenegro adopted the Law on free access to information in December 2025 and related amendments in July 2026 and has developed and adopted the relevant secondary legislation. The legal basis is in place to ensure the **citizens' right to good administration** in administrative procedures and judicial review. The Administrative Court has been able to significantly reduce its backlog and has reduced the average duration of proceedings from 1 422 days in 2023 to 614 days in 2025, particularly in cases concerning access to information.

Service delivery to citizens and businesses

The Law on administrative procedures and the Law on electronic government provide a sound framework for a user-centric delivery of services. Harmonisation of ongoing amendments to sectoral primary legislation continues to be done in line with the standards of the General Law on Administrative Procedures. **Public service delivery** has improved through the implementation of the Digital Services Plan 2025-2027, which includes the expansion of digital services on the central e-government portal and continued data exchange through the Government Service Bus. The availability of digital services was further expanded by increasing the number of electronic services on the central e-government portal. While the expansion of connections continues across institutions and electronic registers, meeting the 2026 target of 50 interconnected register pairs will require an increased effort to accelerate delivery (*see more in Chapter 10*).

The more effective use and promotion of the electronic identification (eID) system still need to be ensured to enable the digital transformation. Citizens' satisfaction with public services still needs to be measured in a systematic manner, so that user feedback can serve as a basis for improving services.

2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS

2.2.1 Chapter 23: Judiciary and fundamental rights

The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is the respect for fundamental rights in law and in practice.

Functioning of the judiciary

Strategic documents

The implementation of the 2024-2027 Judicial Reform Strategy is ongoing. As regards the 2024-2025 Action Plan, all 2024 activities have been completed, while the implementation rate recorded for 2025 activities stands at 81%. The rest of the activities have been carried over into the 2026-2027 Action Plan, which currently has a 68% implementation rate for 2026 activities. The implementation of the 2025–2028 Judicial Digitalisation Strategy and its 2025–2026 Action Plan needs to be accelerated and completed, even against a reduced budget for activities in 2026.

Despite some progress, the implementation of the 2025–2028 Judicial Digitalisation Strategy and its Action Plan 2025–2026 needs to improve. In August 2026, the activities fully implemented for 2025 are 21 (out of 29) and, for 2026, there are four activities fully implemented (out of 17). The activities which will not be implemented by the end of 2026 will be carried over to the new Action plan 2027-2028.

Management bodies

The composition of and appointment procedures for the Judicial and Prosecutorial Councils are broadly in line with European standards. Montenegro amended its Constitution in July 2026, following an inclusive and transparent consultation process, by reinforcing the safeguards guaranteeing judicial independence, impartiality and democratic legitimacy, namely the composition and appointment procedures of the Judicial Council and the Prosecutorial Council. These safeguards are fully in line with European standards and Venice Commission recommendations. The new provisions must now be enforced by harmonising the implementing legislation.

Montenegro adopted legal amendments to the Law on the Judicial Council and Judges, and the Law on the State Prosecution Service, addressing the outstanding recommendations from the European Commission, the Venice Commission and GRECO. As a result of these amendments, the Judicial and Prosecutorial Councils are reforming their systems of appointment, evaluation of performance and promotion of judges and state prosecutors, aiming to ensure a more consistent, merit-based assessment in line with European standards. In addition, a dedicated Law on the Employment Rights of Judges and Prosecutors has been adopted, addressing Venice Commission and European Commission recommendations.

In June 2026, the Conference of Judges timely appointed four judge-members to the Judicial Council, six weeks ahead of the expiration of the mandates of the previous member judges. Between July and September 2026, Parliament appointed two lay members, whereas the procedure to appoint two lay members to complete its composition is ongoing. Equally, Parliament appointed three lay members to the Prosecutorial Council in November 2025, and the procedure to appoint an NGO representative is ongoing.

Communication to the public and the transparency of both Councils continued to improve in line with their relevant strategic documents. Both Councils continued to ensure public access to their sessions and to systematically publish their decisions, minutes and press statements. Both Councils amended their rules of procedure to allow of all their decisions to be published. Montenegro has to find a lasting solution for the two Councils' overall inadequate working conditions, equipment and premises. The adopted budget in 2026 for the Judicial Council is EUR 2.7 million (2025: EUR 2.8 million) and EUR 0.98 million for the Prosecutorial Council (2025: EUR 0.9 million).

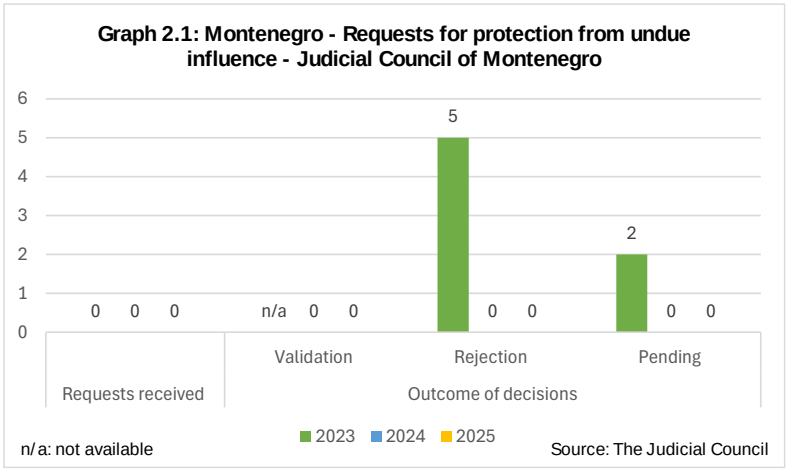
Independence and impartiality

The constitutional and legal framework guaranteeing judicial independence and the impartiality of the judiciary is in place and respected. Legal changes have been adopted, further reinforcing the legal framework on the judicial and prosecution system in line with European standards. Some implementation challenges remain and must be addressed. These include delays in transparent and merit-based high-level appointments, administrative capacities and undue public comments on ongoing cases.

At the end of 2025, Parliament appointed two new judges to the Constitutional Court,

strengthening its operational functioning despite delays in the appointment of judges. Furthermore, in July 2026, Parliament appointed two additional new judges, re-establishing the full composition of the Court. In May 2026, Parliament adopted amendments to the Law on the Constitutional Court, addressing Venice Commission recommendations, which is pending constitutional review at the Constitutional Court.

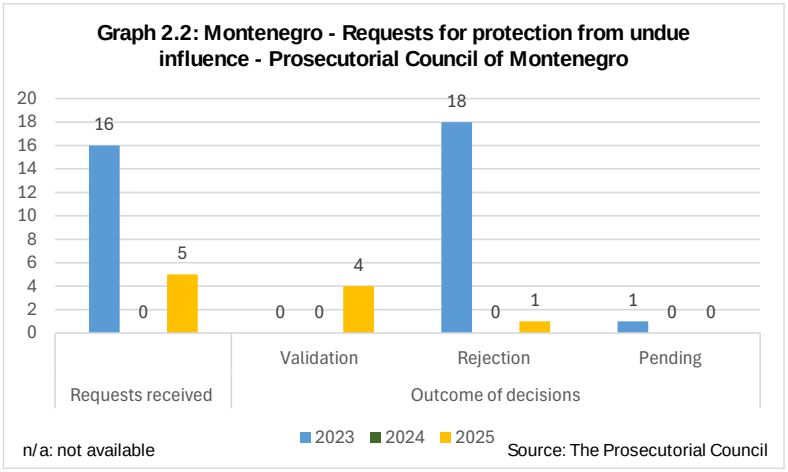
In March, Parliament adopted the legal amendment to reintroduce until 31 December 2026 a temporary 30% salary increase for judges and prosecutors that had previously been adopted in June 2025. Montenegro adopted in September a dedicated law on employment rights for all judges and prosecutors, a systemic reform that provides legal certainty, including on the rules on retirement. This addresses a long-standing recommendation by the European Commission and the Venice Commission.



The independence, autonomy and institutional stability of the justice system continued to be strengthened. The decisive and concrete actions taken by the leadership of the Supreme Court, the Supreme State Prosecutor and the President of the Prosecutorial Council have already yielded concrete positive results and improvements in institutional performance and coordination, reducing procedural inefficiencies and ensuring a more consistent application of legal standards.

In 2025, the Judicial Council carried out 20 evaluations of judges, with 12 judges scoring ‘excellent’, 7 ‘good’ and 1 ‘satisfactory’. In April 2026, the Judicial Council carried out, for the first time, the evaluation of Supreme Court judges. In addition, 33 judges have been evaluated, of whom 27 received an ‘excellent’ rating, five ‘good‘ and one ‘satisfactory’. The Prosecutorial Council appointed members to the Evaluation Commission, which adopted the 2026 evaluation plan for prosecutors. While no evaluations were carried out in 2025, evaluations of state prosecutors and heads of state prosecutor’s offices are underway, with 63 evaluations planned for 2026, covering 51 state prosecutors and 12 heads of state prosecutor’s offices.

Instances of high-level officials and political figures publicly criticising criminal investigations and decisions of prosecutorial authorities continued. In September 2025, Parliament requested a control hearing of the Supreme State Prosecutor and Special State Prosecutor about a concrete high-level corruption case, contravening the legal and constitutional framework. In October 2025, during the parliamentary debate on the 2024 Annual Report of the Prosecutorial Council, Members of Parliament and its speaker criticised the prosecution service, and personally attacked and called on the Supreme State Prosecutor to resign because of the handling of certain cases. Following the arrest of a former Minister in February, Parliament’s leadership openly criticised the work of the State Prosecution Service, prompting a complaint before the Prosecutorial Council. The Council issued a decision that such public statements interfered



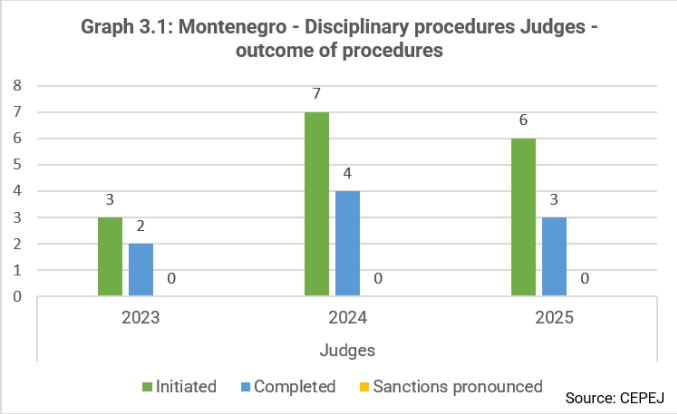
with the independence of a state prosecutor, to which Parliament reacted with criticism of the Council's decision. These developments highlight the urgent need for both the executive and legislative branches to refrain from actions which undermine the separation of powers.

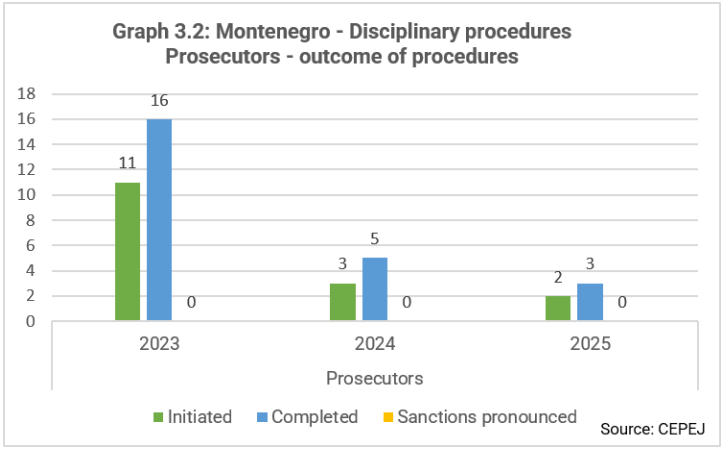
Both the Judicial and Prosecutorial Councils have established reporting mechanisms to address instances of undue public influence on the judiciary. No requests for protection from undue influence were received by the Judicial Council in 2025, while the dedicated commission of the Prosecutorial Council received five complaints, of which four were deemed well-founded.

A system for the random allocation of cases is implemented through the judicial information system (PRIS). Operational limitations remain in very small courts due to the lack of judges.

Accountability

Montenegro must continue to strengthen the effective accountability of the judiciary by fully implementing the improved legal framework adopted in 2024 and 2026, including the amendments to the Law on the Judicial Council and the Law on the Prosecution Service. The promotion and enforcement of ethics and professional standards among judges and prosecutors continued to improve and to be implemented, including the ethical and disciplinary frameworks, as well as new codes of ethics for judges and prosecutors. The Anti-corruption Agency (ACA) continued to improve its verification of the assets and income declarations of judges and prosecutors. The disciplinary practice of the Judicial and Prosecutorial Councils must be further strengthened, in particular to ensure greater consistency in dealing with failure to submit complete declarations of assets and income to the ACA. The Judicial Council adopted amendments to the Rules on the Evaluation of Judges and of Court Presidents in June 2026. The new rules align with European standards on the evaluation of judicial performance by increasing the threshold at which the work of a judge will be considered 'unsatisfactory' to 35% of overall decisions annulled on appeal.

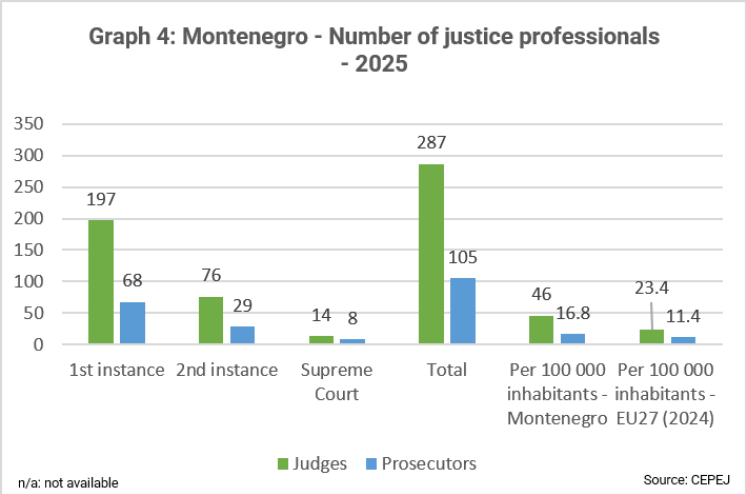




In April 2026, the Judicial Council, acting on several complaints, unanimously dismissed the President of the Appellate Court from her managerial position. Subsequently, the Council appointed an acting President pending the election of a new full-term President of the Court.

The Conference of Judges and the Conference of State Prosecutors each adopted a new code of ethics in line with European standards. The Conference of State Prosecutors elected a new Chair and a Deputy to the Ethics Commission of the Prosecutorial Council in December 2025, restoring its full functioning. In addition, the Council appointed a new panel to its Disciplinary Commission. In March 2026, the Bar Association of Montenegro adopted a new Code of Professional Conduct for Lawyers. The codes for notaries and public bailiffs are being enforced.

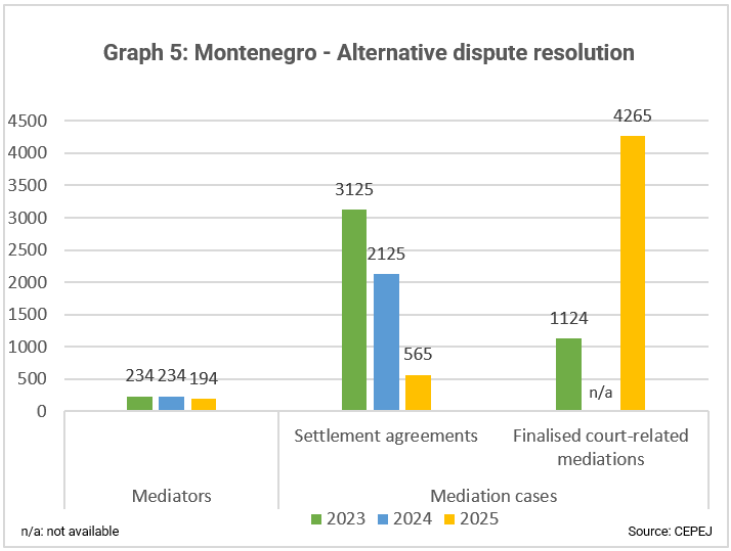
Quality of justice



The Judicial and Prosecutorial Councils adopted and have started to implement plans to fill vacant positions through single, nationwide competitions, to improve the timely filling of judicial and prosecutorial positions . By September 2026, Montenegro had 294 full-time judges in place out of 335 planned positions, marking a decrease in vacancies compared with the previous year. In addition, the number of state prosecutors increased to 117 out of 129 planned positions. The positions of President of the Basic Courts in Bijelo Polje and Cetinje, President of the Appellate Court, and Head of the Basic Prosecutor's Office in Podgorica, remain vacant.

In 2025, both Councils continued implementing their appointment, promotion and transfer systems for judges and prosecutors through transparent, and merit-based procedures with clearer, more nuanced and objective criteria in line with European standards, to ensure the overall efficiency of the justice system. The Judicial Training Centre continued selecting and providing initial training to judicial and prosecutorial candidates for appointment and new judges and prosecutors, based on an effective and qualitative strategy. Montenegro must continue to improve the capacities of the justice system by ensuring timely recruitment to judicial and prosecutorial positions as a matter of priority.

The justice system still needs more strategic investment in human resources, ICT and infrastructure. The number of courtrooms allocated, the working spaces and equipment, and the working conditions, including for clerks and legal advisors, are still inadequate at the High Court of Podgorica and the Supreme Court. Montenegro must address this urgently and decisively. In October 2025, the government adopted the decision to locate the 'Judiciary Complex' in the old airport area, with delays in the tender slowing down the process. The Special State Prosecution Service and the Special Police moved to a new building in July 2026.



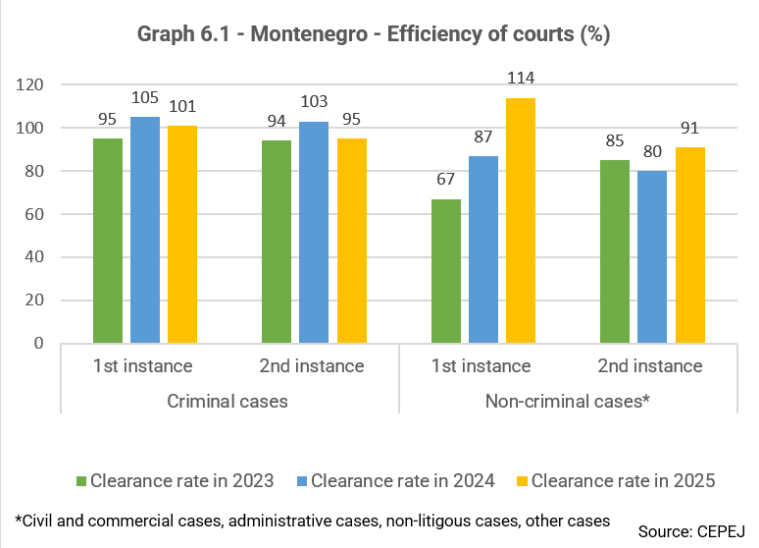
The Judicial Training Centre continues to function adequately, however, its financial independence and administrative capacities are not yet guaranteed. Both its 2025 budget (EUR 826 274.90) and 2026 budget (EUR 926 180.22) were below the legally prescribed threshold. Montenegro should join the EU Justice Programme, which provides support for cross-border judicial training.

In March 2026, Montenegro adopted amendments to the Law on Courts, allowing to implement the rationalisation of the judicial network in line with European standards, which is the main objective of the 2024-2027 Rationalisation Plan.

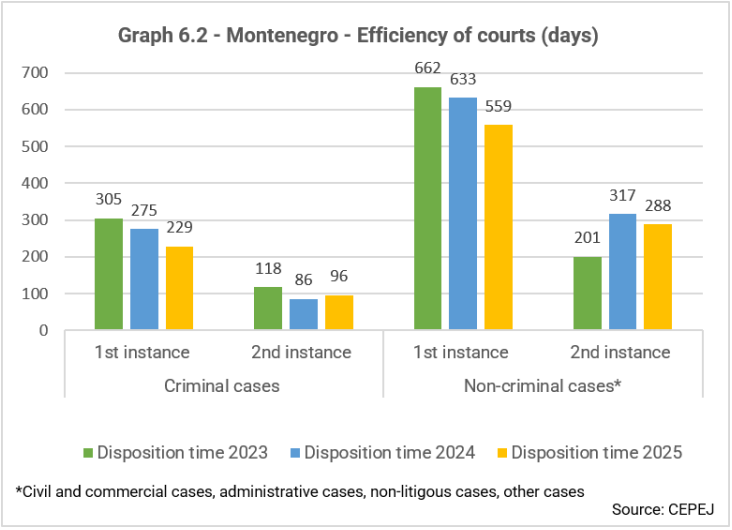
Montenegro continues to apply its alternative dispute resolution system consistently, with 7 144 cases handled by the Centre for Alternative Dispute Resolution in 2025. By August 2026, it had received 4 078 cases. The Centre is reinforcing its administrative capacities.

Efficiency

The efficiency of the justice system improved in 2025 in a number of areas, in particular in dealing with administrative and criminal cases, while challenges with civil and commercial cases remain.



In 2025, 165 983 cases were pending before Montenegrin courts, of which 91 300 were new. 93 511 cases were resolved, amounting to a positive clearance rate of 102.4%. The clearance rate in administrative cases stood at 156.17%, in commercial cases at 112.75%, while the clearance rate in civil cases before the basic courts was 99.02%. The courts resolved 14 040 cases that were more than three years old. There has been a slight reduction in the backlog of cases, with 8 279 cases older than three years pending at the end of 2025. In the first half of 2026, 122 022 cases were pending before courts, of which 51 655 were new. During that period, 49 178 cases were resolved (clearance rate 96.95%).There have been improvements in the efficiency of the Administrative Court, which has led to a reduction in its backlog of cases. The clearance rate improved in 2025. During 2025, the Court had a total of 35 302 cases pending, including 26 894 cases from previous years and 8 408 new cases. A total of 13 131 cases were resolved during the year (11 126 in 2024). The clearance rate was 156.17% (2024: 106.69%). At the end of the year, 22 167 cases remained pending.



For the Supreme Court, the clearance rate substantially improved in 2025, with a reduction in the backlog of cases. The Supreme Court of Montenegro had a clearance rate of 107.82%. At the end of 2025, 70 358 cases remained pending.

In 2025, the Constitutional Court continued to reduce its backlog and sustained the trend of dealing with constitutional complaints efficiently. The average duration of proceedings stands at 11 months. In January 2026, the Constitutional Court adopted its work programme for 2026, aiming to resolve all appeals filed in 2024 and 2025 by the end of 2026. By mid-2026, the Constitutional Court achieved regular efficiency in handling constitutional complaints, given that there were no unresolved complaint cases dating from before 2025.

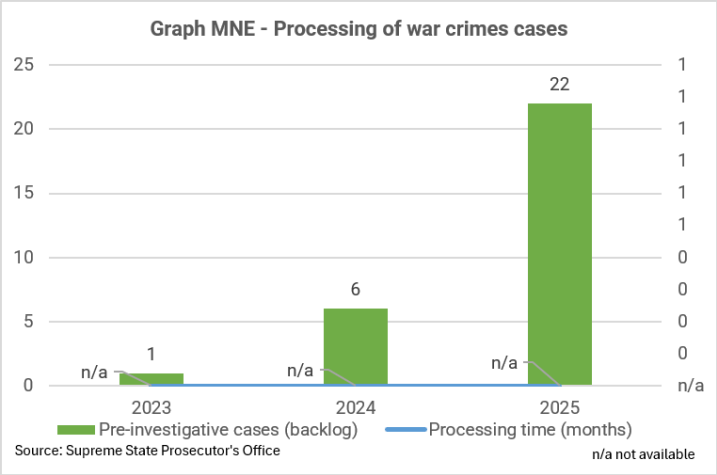
The backlog of pending enforcement cases before courts remained small. At the end of 2025, 612 enforcement cases were pending (1 204 in 2024). In 2025, 59 200 cases were filed (59 157 in 2024), with 34 574 cases pending by the end of the year (34 965 in 2024).

Further efforts are required to implement the upgraded court information system (PRIS 2), to support a more efficient case allocation system, to revise the current random case allocation procedure and to better use judicial statistics. Under the responsibility of the Judicial Council, the system should become the only judicial database.

The 2026 budget for the judiciary is EUR 34.06 million (EUR 34.2 million in 2025), of which, EUR 31.3 million is allocated to the courts. The 2026 budget for the prosecution service is EUR 16.3 million, an increase from 2025 (EUR 15.3 million).

Domestic handling of war crime cases

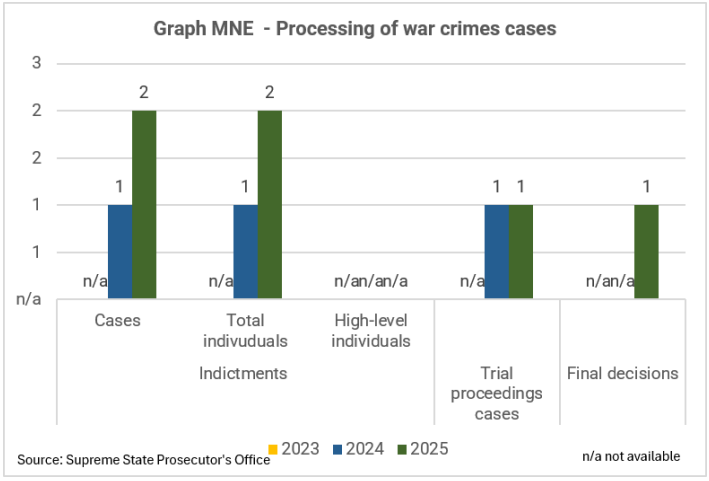
Montenegro continued to improve the domestic handling of war crimes, consolidating a positive trend established in recent years. This is based on the continued proactive approach by the prosecution authorities, building a credible and sustained track record of effectively investigating, prosecuting and trying war crime cases, including high-level cases, in line with international law and standards. The implementation of the 2024-2027 War Crimes Investigation Strategy is ongoing, with an Action Plan for 2026–2027 adopted in April 2026.



Montenegro maintains positive and intensive cooperation, including in specific cases, with the International Residual Mechanism for Criminal Tribunals and its Prosecutors Office, as well as with other countries in the region, namely Bosnia and Herzegovina, Croatia and Serbia. In November 2025, Montenegro and Croatia signed an Annex to the 2006 Agreement on Cooperation on the Prosecution of Perpetrators of War Crimes, Crimes Against Humanity, and Genocide, thereby strengthening legal and institutional cooperation between the two countries.

One case related to crimes against humanity is currently pending before the High Court of Podgorica.

The Special State Prosecutor's Office is currently handling 24 cases related to war crimes. Of these, 22 cases are in the preliminary investigation stage, one is under formal investigation, while an indictment has been confirmed in one case. The Office received 11 requests for international legal assistance (three from Bosnia and Herzegovina, one from Croatia, two from Kosovo* and five from Serbia).



In December 2025, the Supreme Court adopted guidelines on the exercise of the right to compensation for victims in criminal proceedings, including war crimes, aiming for a consistent and comprehensive system of reparations for victims.

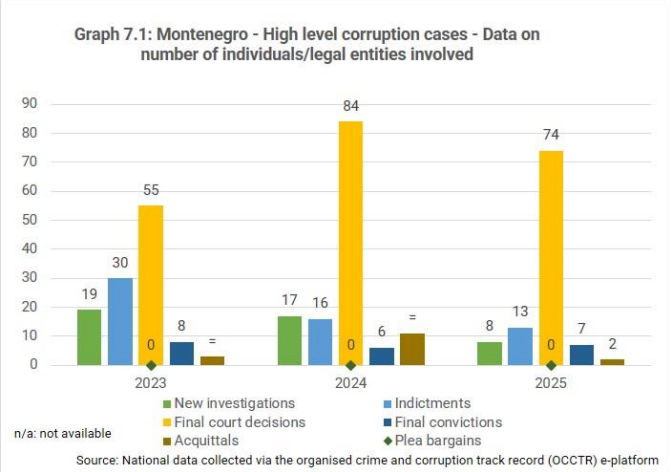
* This designation is without prejudice to positions on status and is line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Montenegro continued to actively participate in the regional Missing Persons Group and is implementing the 2018 framework plan. The list of missing persons compiled by the Commission on Missing Persons of Montenegro comprises 50 active cases of Montenegrin citizens or people whose families reside in Montenegro. In September 2025, the Commission adopted Guidelines on the Search for Missing Persons, setting out clear principles and procedures for conducting searches while upholding the rights of affected families. In July 2026, following a repeated exhumation, Montenegro's Commission for Missing Persons received DNA analysis results from the International Commission on Missing Persons, preliminary confirming the identity of one person. The remains were transferred to the Missing Persons Institute of Bosnia and Herzegovina for final identification and handover to the family.

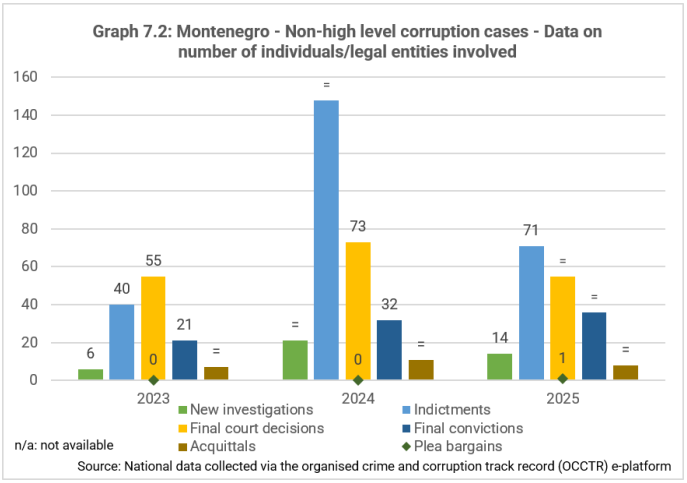
Fight against corruption

Track record

In 2025, the fight against corruption track record improved with regard to final rulings and convictions in high-level corruption cases, and the complexity of investigations and indictments demonstrates the commitment of the prosecution and law enforcement to tackle the most serious cases.



The complexity of cases continued to increase, requiring a decisive commitment from the prosecution and law-enforcement authorities, as well as improved specialisation and strategic coordination, including internationally. The quality of indictments continued to improve significantly, particularly in the alignment between factual descriptions and legal qualifications. In 2025, 99% of indictments were confirmed. This is contributing to develop judicial practice and case law in this area, including by drawing on the standards and jurisprudence developed in Europe.



In March 2026, the Appellate Court overturned the April 2025 acquittal in the so-called 'Envelope' high-level corruption case, and returned it to the Podgorica High Court for retrial. The Appellate Court accepted the appeal of the Sprecial Prosecutor's Office.

The track record on the prevention of corruption continued to improve in quantitative terms, although the overall impact of the work of the ACA remains limited to administrative checks. Following the appointment of a new full term Director, the functioning of the Agency improved, despite insuficient administrative capacities. In 2025, the ACA received and conducted administrative and technical checks on 10 931 asset and income declarations (2024: 11 905). In the first quarter of 2026, the ACA received 8 218 declarations. In September 2026, the Agency adopted improved procedures for the verification of income and assets declarations, in line with European standards.

In 2025, the Agency issued 202 reports on incompatibility of functions and conflicts of interest (2024: 191). As a result of its 17 opinions and 7 decisions, 24 public officials

resigned. The ACA monitored electoral campaigns in two municipalities and launched 98 misdemeanour proceedings.

In 2025, the ACA received 180 reports concerning threats to the public interest indicating possible corruption, 156 whistleblowers' reports (163 in 2024) and forwarded 14 reports to the prosecutors' offices and 40 to other competent institutions. The ACA concluded 82 procedures (116 in 2024) and identified threats to the public interest in 18 cases (25 in 2024). By mid 2026, the ACA received 136 new whistleblower reports, while there were 297 pending from previous years. The ACA concluded 13 proceedings and referred 12 to other competent authorities, establishing a threat to the public interest in 2 cases.

In 2025, the Agency submitted 789 requests for misdemeanour proceedings, a 37.4% decrease compared with 2024, continuing the downward trend of the past four years. This reflects intensified preventive efforts and a more accurate definition of the roles of public officials.

The ACA adopted amendments to its recruitment rules, implementing GRECO recommendations and further strengthening the integrity and transparency of the recruitment process.

Legal framework

The legal framework of the fight against corruption is largely in place. While Montenegro continued to improve the legal framework, further efforts are needed to ensure its full and consistent enforcement. Montenegro has initiated the process to join the OECD Anti-Bribery Convention.

Between September and October, Parliament held two of three votes on amendments to the Constitution removing the immunity of the Prime Minister and ministers in cases of criminal offences against official duty, covering all corruption-related offences. This proposal aims at addressing an existing GRECO recommendation. The next steps of this Constitutional Amendment process is the final adoption of the Constitutional Amendments with two-thirds majority of all members of Parliament.

In addition, Parliament held a first of three required votes on a constitutional amendment to introduce prior integrity checks for prime ministerial and ministerial nominees. The Law on Government, which aims at addressing long-standing recommendations by GRECO and the Venice Commission to increase transparency and accountability in Montenegro's executive, is pending adoption by Parliament.

The Supreme Court's adoption of sentencing guidelines for high-level corruption cases in March 2026 provides greater consistency in sentencing and a more coherent judicial response to such cases, with further efforts needed to address undue delays in criminal proceedings.

Montenegro adopted in September 2026 a new Law on confiscation, aiming to further improve the effective confiscation of assets and criminal proceeds in line with European standards and best practice.

Montenegro adopted in August amendments to the Law on the prevention of corruption to address a number of challenges and in line with existing Venice Commission and GRECO recommendations and the EU *acquis*. The Law must be enforced consistently and effectively.

The legal framework regulating the funding of political parties and electoral campaigns has been amended to address key GRECO and OSCE/ODIHR recommendations in its scope, clarity and implementation.

Montenegro continued to improve and implement its legal framework protecting whistleblowers. In July, a new Law on Whistleblower Protection, fully aligned with the EU *acquis* and European standards, was adopted.

Strategic documents

The strategic documents are satisfactory. The implementation of the 2024-2028 strategy on the fight against corruption needs to be accelerated. The implementation of the 2024–2025 Action Plan reached 89.5%. The Government adopted the implementation report and the new Action Plan for 2026–2027 in February, carrying forward activities that had not been fully implemented. During the first half of 2026, 55% of activities planned for 2026 were fully implemented. The new Action Plan aims at addressing challenges with the follow up of implementing indicators.

In April, the government adopted an annex to the strategy identifying persons in top executive positions as a high-risk category for corruption, addressing a GRECO recommendation.

Institutional framework

The institutional framework of the fight against corruption is in place but still needs to be further strengthened. Human resources and capacities in the fight against corruption have increased but further resources are needed for the Special State Prosecution Office.

The concerted efforts by the Supreme Court, the Supreme State Prosecution Office, the Special State Prosecution Office (SPO), the Special Police Department and the Financial Investigations Unit to address systemic challenges in the fight against high-level corruption, continued to deliver positive results. Montenegro must urgently and decisively further increase its administrative capacities and financial resources, and improve the physical and ICT infrastructure.

By July 2026, the Specialised Department of the High Court of Podgorica had made significant progress in addressing its backlog of high-level corruption cases, achieving a clearance rate of 90%. However, persistent understaffing continues to hinder its capacity to manage the growing caseload efficiently.

The SPO has expanded its capacity, increasing the number of special prosecutors to 20, of which 9 are currently in office. Further strenghtening of prosecutorial staffing was planned under the Prosecutorial Council's 2026-2028 vacancies plan, with recruitement procedures launched in July 2026 for eight Special Prosecutor positions. To further reinforce its operations, the SPO seconded six state prosecutors and recruited 2 additional financial experts, raising the total number of such experts to 12.

The administrative capacities of the Special Police Department (SPU) still need to be improved, in view of its expanded mandate in pre-investigations and investigations in high-level corruption cases. Only 52 out of the 80 positions have been filled, with recruitment procedures ongoing.

The physical conditions of the SPO and SPU offices remain well below the minimum required European standards, preventing these institutions from carrying out their duties effectively, efficiently and independently. The same applies to the the equipment and technological tools that would need further enhancement, limiting their efficiency overall.

In April, the Council of ACA appointed a new full-term Director. This important development ensures the functionality of the Agency.

As of July, 67 out of the 98 posts in the ACA had been filled. The Agency's financial independence remains to be fully ensured. Its 2026 budget (EUR 2.19 million) remains below the legally prescribed threshold. This is an obstacle to the implementation of its mandate. Montenegro has committed politically to ensure the 2027 budget will observe the legal threshold.

Montenegro advanced with interconnecting the ICT systems of the ACA, the SPO, the Tax Administration and the Police to ensure more efficient access to data and secure data exchanges.

The functions, mandate, transparency and institutional position of the National Council for the Fight against Corruption were clarified, as confirmed by GRECO's second compliance report.

The government established a new Integrity Commission for senior executive officials, aimed at strengthening corruption prevention and addressing GRECO recommendations.

Fundamental rights

General framework

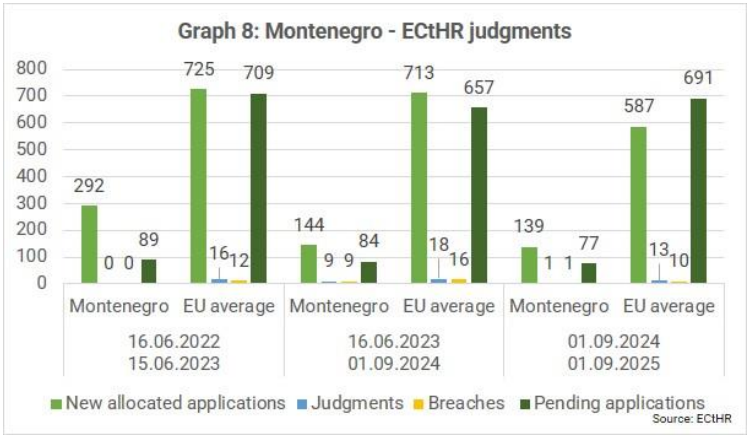
The general legal and institutional framework for fundamental rights is largely satisfactory. The implementation and enforcement of fundamental rights need to be improved.

International human rights instruments

Montenegro continues to largely meet its international obligations on human rights. However, more efforts are needed to follow up on the recommendations of international human rights monitoring bodies.

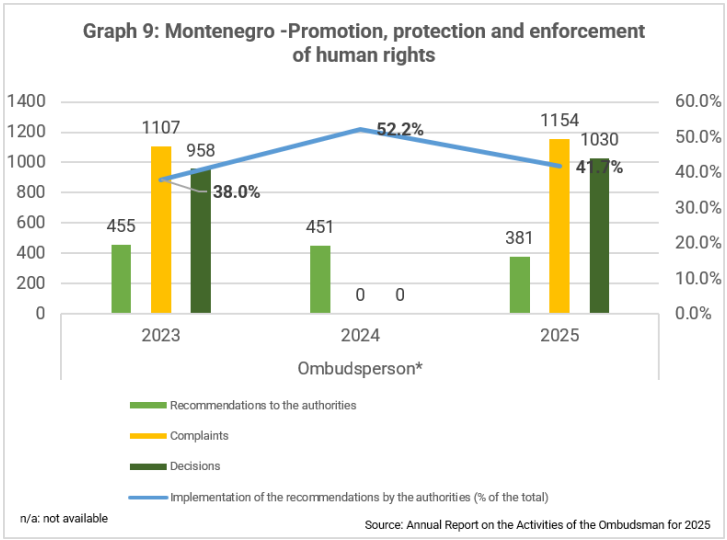
Montenegro has ratified most of the key international human rights instruments; it has yet to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families and the 2014 Protocol to the ILO 1930 Forced Labour Convention. In October 2025, ECRI noted some progress and made some priority recommendations, which Montenegro must implement effectively. As regards the UN Human Rights Council, in January Montenegro submitted its Mid-Term Report on the Implementation of Recommendations within the Fourth Cycle of the Universal Periodic Review (UPR). Out of 226 recommendations, 24 have been fully implemented, implementation of 199 recommendations is in progress, and the implementation of three recommendations has not yet started yet.

European Court of Human Rights



Cooperation with the European Court of Human Rights (ECtHR) and the implementation of its judgments is satisfactory. During the reporting period, the ECtHR delivered three judgments against Montenegro. There is one case under enhanced supervision by the Committee of Ministers related to seven ECtHR judgments on non-enforcement of final domestic decisions against state-owned companies. Montenegro must urgently address systematic and structural issues raised by the Court, in particular those related to the length of proceedings before the Constitutional Court.

In December 2025, Montenegro appointed a new Representative and Deputy before the ECtHR, and reduced its office staff from ten to six, with just one independent legal adviser. The rulebook on the office's internal organisation should be revised to restore full capacity of legal advisors, ensuring compliance with ECtHR rulings across the judiciary.



Promotion, protection and enforcement of human rights

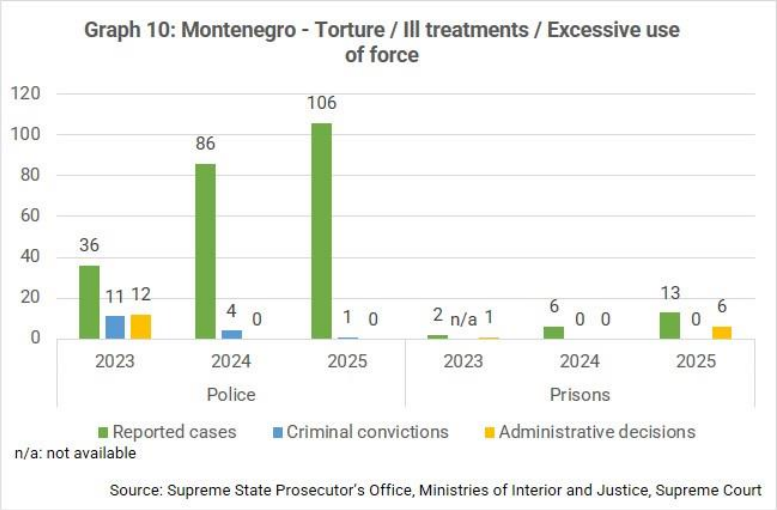
The legal and institutional framework for the promotion, protection and enforcement of human rights is in place but needs to be further improved.

The Constitutional Court substantially reduced its backlog of cases, closing all cases older than

18 months. As of September 2026, the backlog from 2025 and 2026 stood at 1 683 cases, with 1 337 constitutional complaints. The average duration of proceedings further decreased from one year and eight months to 11 months.

In December 2025, Parliament appointed the Ombudsperson for a second mandate and adopted amendments to the Law on the Protector of Human Rights and Freedoms (the Ombudsperson's Office), introducing obligations to safeguard and promote the rights of workers from EU Member States in the Montenegrin labour market. In September 2026, Parliament adopted a new Law on the Protector of Human Rights and Freedoms fully in line with Paris and Venice principles aiming to achieve an upgrade of the office rating to 'A' status. The new law strengthened the administrative and financial independence, as well as the autonomy of the institution and effective follow to its recommendations. Montenegro must further align the legislation with the EU *acquis*, and pursue the upgrading of its national human rights institution's rating to 'A' status. The follow-up to the recommendations of the Ombudsperson's Office is improving, but is not yet consistent across all public institutions. The Office's 2026 budget is still adequate and sustainable. The Office is still accessible and is mandated to uphold the rights of persons with disabilities.

Prevention of torture and other forms of ill-treatment



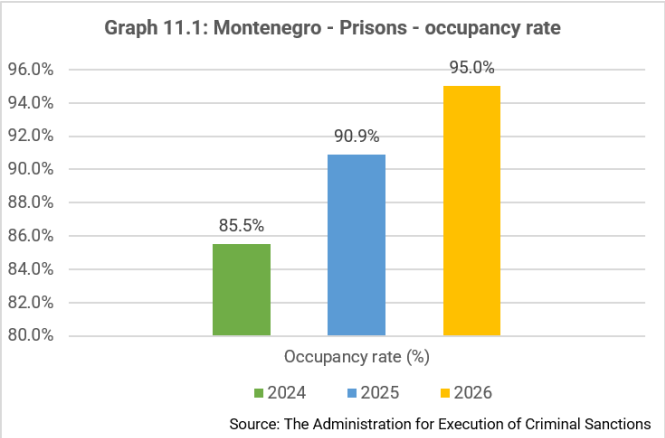
Montenegro made progress on legal guarantees for the prevention of torture and ill-treatment and on the follow-up to cases, though further progress is needed. Parliament adopted amendments to the Criminal Code in September 2026 in line with European and international standards, abolishing the statute of limitations for crimes related to the extortion of testimony and to ill-treatment, and aligning the definition of torture with the recommendations of the UN Committee Against Torture (CAT). Montenegro must continue improving the legal framework in line with the EU *acquis*, including with the Commission's Recommendation on the procedural rights of suspects and accused in pre-trial detention and on material detention conditions.

Montenegro made some progress in addressing recommendations made by the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment and UN Committee Against Torture. The CPT carried out its periodic visit to the country in November 2025. In its preliminary observations, it confirmed the existing deficiencies regarding overcrowding in prisons, especially in detention units where the number of detainees has increased significantly, and regarding long-term detention, sometimes well beyond the legally prescribed limit. In addition, conditions in remand detention remain poor with draconian and antiquated restrictions applied to detainees, the absence of a visiting regime and as regards the length of criminal proceedings. Furthermore, the CPT received complaints of physical ill-treatment by prison staff, including beatings in areas not covered by CCTV (e.g. solitary confinement cells). Standard operating procedures for the police to ensure compliance with CPT standards and to uphold human rights still need to be urgently adopted. The National Prevention Mechanism issued recommendations to administrative authorities in 14 cases, all of which were accepted.

There was some advancement in investigating and prosecuting cases of alleged violence by law-enforcement officers, as well as cases of violence in prisons. In 2025, the Department for

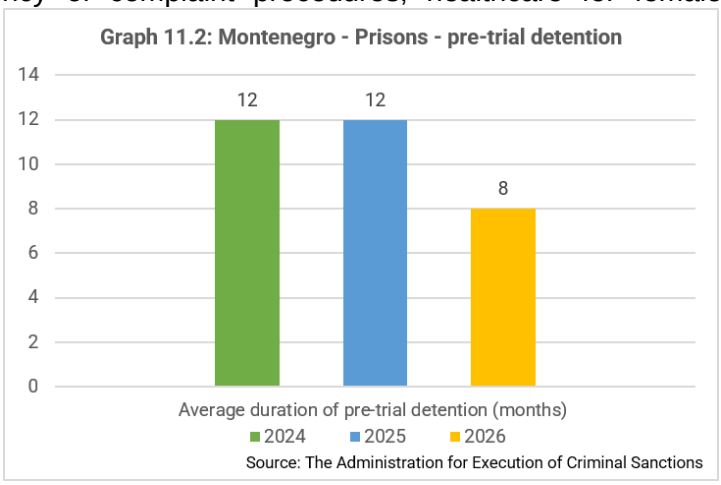
Internal Control of the Police conducted 158 internal oversight procedures. All cases were referred to the prosecution service to assess the criminal offence of ill-treatment.

Execution of criminal sanctions



There was some improvement in the system for the execution of criminal sanctions, including by strengthening administrative capacities, human rights specialisation and ensuring adequate infrastructure. However, the system needs to be further improved.

Montenegro continues to implement the 2023-2026 strategy for the execution of criminal penalties and its action plan. In May 2026, the Ministry of Justice adopted amendments to the Rulebook on the Detailed Manner of Executing Detention revising provisions regarding detainees contacts with the outside, the duration of visits, telephone communication, out-of-cell activities, healthcare, transparency of complaint procedures, healthcare for female detainees and juveniles, and the provision of hygiene products to all detainees In July 2026, the Ministry of Justice and the National Prevention Mechanism signed a memorandum of cooperation to enhance the protection of human rights of detained persons and prisonersDuring 2025, the Administration for the Execution of Criminal Sanctions conducted several training sessions on human rights for officers, in cooperation with state institutions, NGOs, international organisations, the Police Academy in Danilovgrad and the Ombudsperson's Office.



In November 2025, Parliament adopted the new Law on the execution of prison sentences, fines and security measures to increase accountability and protect human rights in line with the EU *acquis* and European standards. In addition, Parliament adopted amendments to the Law on the execution of suspended sentences and community service aiming at improving the implementation and supervision of alternative sanctions.

Further efforts are needed to use effectively the legal alternatives to detention, as well as to further develop the probation system.

Montenegro undertook several measures to adress the poor physical conditions and the overcrowding in remand prisons. The construction of new prison facilities in Spuz has been delayed and is expected to finish by December 2026. Instead of the previously planned new prison facility in Mojkovac, the government decided to to build a new remand prison in Spuz for 200 persons; works are expected to start at the end of 2026. The relocation of the primary healthcare ambulance in the Spuz remand prison created 80 more places. Parts of the short-term prison in Spuz was repurposed and now serves also as detention facility. The capacity of the prison in Bjelo Polje was enlarged, both for remand and convicted prisoners. Furthermore, some of the poor infrastructure facilities in Bjelo Polje were closed However, poor physical and hygienic conditions in prison institutions, the lack of access to structured activities, education and work - affecting detainees and minors in particular - and the inadequate protection of groups in vulnerable situation remain a problem. Although women

are housed in facilities completely separate from the adult male prison population, the CPT has raised concerns regarding the conditions in the female remand prison. Additional efforts are needed to ensure children are separated from the adult male population.

In September, 105 detainees in the Spuz Remand Prison went on hunger strike in protest against alleged violations of their fundamental rights, including concerns over prolonged pre-trial detention and calling for greater use of alternative measures to detention.

Protection of personal data

The legal framework for the protection of personal data is adequate but the capacities of the Data Protection Agency need to be improved. Following the adoption in September of a new GDPR-compatible law and a Law transposing the Law Enforcement Directive, the legislation is now fully in line with the EU *acquis*. Montenegro has yet to ratify the 2018 Council of Europe Protocol amending the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.

The human and financial capacity and ICT expertise of the Agency for Personal Data Protection and Free Access to Information remains insufficient to carry out its duties effectively.

Freedom of thought, conscience and religion

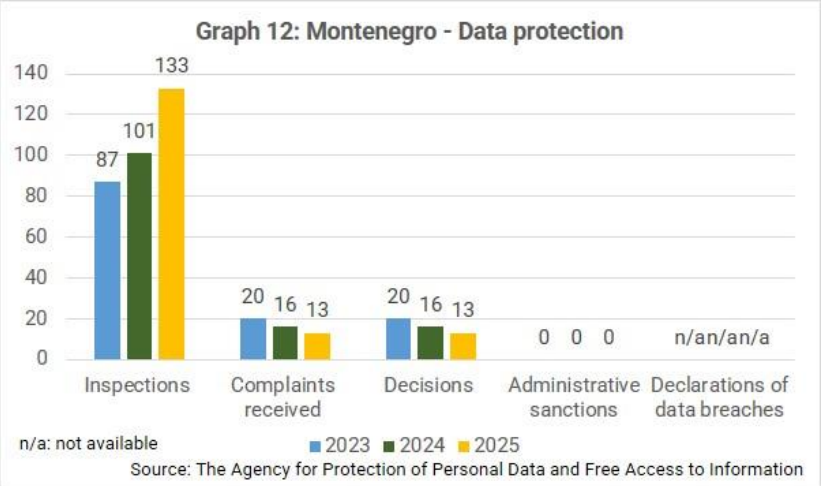
Montenegro provides adequate legal guarantees for freedom of thought, conscience and religion. The rights to freedom of thought, conscience and religion are broadly respected.

Freedom of expression and media freedom

Montenegro provides adequate legal guarantees on the freedom of expression and the enabling environment for free, independent, and prefessional operation of media.

Intimidation of journalists

Montenegro continues to uphold a policy of zero tolerance of violence against journalists and media workers, while isolated incidents of attacks occur. In 2025, the authorities maintained a prompt and generally effective institutional and law enforcement response to new cases of violence against journalists, most of which involved harassment and online threats. In 2025, monitoring organisations recorded at least 33 incidents of intimidation, most of which involved online threats, verbal intimidation and harassment related to political reporting, while a smaller number included physical attacks. Women journalists were disproportionately affected. Several cases in 2025 were characterised as alledgely strategic lawsuits against public participation (SLAPPs) by defendants.



In 2025, the prosecution authorities handled 35 cases and resolved 31, including 23 from that year. Indictments were issued in seven cases and misdemeanour proceedings initiated in nine cases, while the remaining cases were dismissed, closed due to lack of grounds, or transferred to another jurisdiction. However, little progress was recorded on old cases of attacks, with a prominent trial for the wounding of a journalist in 2018 prolonged again.

In March 2026, the government established an interinstitutional Working Group to implement the Mechanism for the Safety of Media Workers. Between March and July 2026, the Mechanism received 22 reports of threats to journalists, mostly concerning online insults and threats, including one death threat. The Mechanism provided legal and psychological support, strengthened direct coordination with the police and prosecution, and established a free SOS hotline for reporting attacks and intimidation. Initial results indicate improved coordination among relevant institutions, access to support for journalists, and systematic monitoring of reported cases and their outcomes.

Although the authorities widely condemned acts of violence against journalists, instances of strong verbal attacks on media representatives by public officials and political parties, including senior figures from the security and defence sector, continued.

Legislative environment

The national media legislation is largely aligned with the EU *acquis* and European standards.With regard to free access to information, the regulatory framework was upgraded as the Parliament adopted in December 2025 a new Law on Free Access to Information, introducing a mechanism for inspections to monitor compliance with proactive publication obligations and bringing the legal framework into full alignment with the EU *acquis*. The relevant secondary legislation was also adopted, establishing the legal conditions for its effective implementation. Overall, challenges persist in its enforcement. Currently, the Agency for Personal Data Protection and Free Access is implementing various training programmes to ensure that authorities are adequately prepared to implement the new amendments.

The legal framework is largely aligned with the European Media Freedom Act, and Montenegro must ensure that national authorities fulfil their regulatory function upon accession to the EU, as well as enable civil society to support implementation. Operational readiness will require institution-building, awareness-raising and stakeholder engagement. In October, Montenegro adopted a Law aligning with the EU's Digital Services Act.

Montenegro does not yet have specific legislation in line with the EU Anti-SLAPP legal framework, which could leave journalists vulnerable to legal intimidation and pressure.

Implementation of legislation, and media institutions

Implementation of the legal framework for media in Montenegro, which is largely aligned with the EU *acquis*, is being broadly implemented, with continued efforts to achieve full implementation. The reformed media legislation established transparent and merit-based appointment procedures for the governing bodies of the national public broadcaster RTCG and the Agency for Audiovisual Media Services (AMU). Despite certain delays and repeated procedures, new members are being successively appointed to the RTCG and AMU Councils following the expiry of terms or resignations of previous members. Parliament appointed three members to the Council of the AMU, finalising its composition in December 2025. In February 2026, the Council elected its Chair, enabling it to operate at full capacity to enforce the regulatory framework and uphold media freedom and professional standards in audiovisual services. Parliament appointed in October 2026 one AMU Council member and two members of the RTCG Council,. As regards self-regulation of the media, the membership of the Council for Media Self-Regulation continues to increase, with 80 members now registered.

Public service broadcaster

The effective implementation of the new Law on the national public broadcaster, RTCG, provided the public broadcaster with predictable funding, set at 1.34% of the state budget, thereby strengthening its financial independence and sustainability. In June 2026, a new collective agreement was signed, increasing salaries and improving the employment rights of RTCG employees. The legal disputes surrounding the 2024 appointment of the RTCG Director-General continued, with multiple parallel proceedings before national courts. In March, the Podgorica High Court issued two divergent rulings in the legal proceedings

challenging the appointment of the Director-General: one overturning a first-instance judgment that had found the appointment unlawful, and another ordering a retrial at first instance. Separately, in June 2026, the Podgorica High Court delivered a final and enforceable judgment upholding the Basic Court's ruling that sentenced the former Chair of the RTCG Council and three former Council members to suspended seven-month prison sentences for abuse of office in connection with the reappointment of the RTCG Director-General in 2023. Overall, the long-lasting and divergent court proceedings have raised concerns regarding procedural consistency of judicial decisions and institutional stability of the RTCG.

Economic factors

The significant increase in state funding for media supports the financial sustainability of commercial media, constrained by the relatively small audience and a restricted advertising market. The local media market, particularly the television sector, is dominated by regionally and internationally owned media companies. Liberal rules on the market entrance of foreign owners have resulted in three out of four national private television channels being majority-owned by foreign capital. Transparency in the allocation of public funding for media improved. Inconsistencies remain between data published by media outlets on their revenues and the data published by public authorities on expenditures.

Media ownership transparency improved through the AMU's public digital platform covering linear and on-demand audiovisual media services, radio services, cable distributors and video-sharing platforms, as well as the relevant Ministry's public Media Ownership Registry for print and online media. These initiatives improve access to ownership information and contribute to greater media transparency and pluralism.

Concerns about the strong influence of Serbian media outlets and local media owned by companies established in Serbia have increased, notably due to the pervasive anti-rights narratives and recurrent hate speech. The oversight and enforcement of rules about content remain challenging. In May, the AMU imposed a six-month broadcast ban on the Serbia-based Informer TV for continuous broadcasting of defamatory content against Montenegrin national identity, promoting hatred and discrimination, undermining state institutions and violating human dignity.

Internet

Internet services operate without undue restrictions. The oversight and enforcement of the rules applicable to online content remain challenging.

Professional organisations and working conditions

A nationwide trade union and professional organisations in the media sector are well-established and continue to actively advocate for improvements in socio-economic conditions, professional standards and the safety of media workers.

Membership of the Council for Media Self-Regulation continued to increase, reaching 79 media outlets in June 2026.

However, a sectoral collective agreement has not yet been concluded, which continues to hinder media workers from exercising their employment rights on an equal basis with workers in other sectors. Salaries of journalists also remain below the national average. Union representatives in the RTCG have raised concerns about perceived undue pressure from management, anti-union discrimination, and delayed collective bargaining.

Nearly three quarters of media employees earn below the national average wage. Overtime work is prevalent and is not consistently compensated. Trade union representatives have reported limitations in social dialogue and collective bargaining, as well as instances of pressure related to trade union membership.

Freedom of assembly and association

Montenegro provides adequate legal guarantees for the freedom of assembly and association, while the regulation of assemblies is satisfactory. Montenegro continued to ensure that the rights to freedom of assembly and association are respected.

Labour and trade union rights are covered in *Chapter 19* **-** *Social policy and employment*.

Property rights

The legal and institutional framework for enforcing property rights is incomplete. Montenegro needs to undertake further efforts to ensure restitution proceedings within a reasonable time and to finalise the mapping of its real estate cadastre to establish clear property ownership. Outstanding restitution cases need to be addressed.

Non-discrimination

The legal and institutional framework on non-discrimination is in place but implementation and enforcement need to be further improved.

Discrimination remains present in Montenegro mainly due to social polarisation. The people in most vulnerable situations in society (including Roma and Egyptians, people with minority racial or ethnic background, persons with disabilities, LGBTIQ+ persons) continued to be subjected to discrimination, hate speech and hate crimes.

In December 2025, Parliament adopted a new Law on the protection of equality and the prohibition of discrimination, aligning the legal framework with the EU *acquis* and European standards. The Law now provides a broader list of grounds of discrimination. In September 2026, Parliament adopted further amendments to the Law clarifying the general regime of protection against discrimination and the specific regime of protection of gender equality, particularly with regard to the application of exceptions to the prohibition of discrimination on grounds of sex.

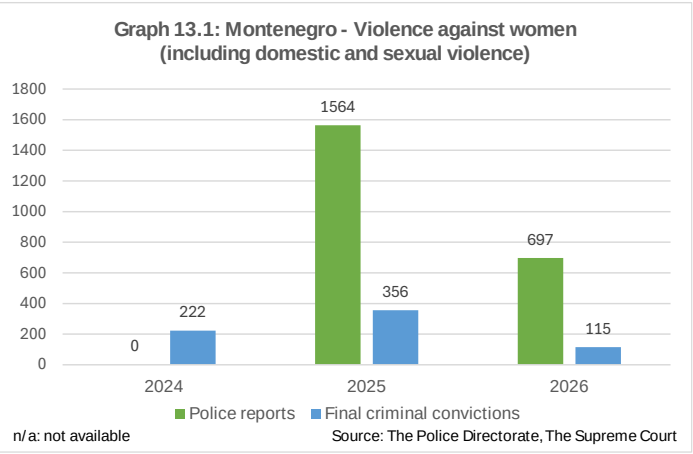
In March 2026, the Ministry of Human and Minority Rights adopted a rulebook on content and the rules for keeping a special register of cases of discrimination, which allows for a systematic collection of data.

Anti-racism and hate offences

The legal and institutional framework on anti-racism and the criminal law framework against hate offences is in place but implementation and enforcement need to be improved.

The Law on the protection of equality and the prohibition of discrimination provides a clearer definition and prohibition of hate speech as a criminal offence in line with the recommendations of ECRI.

The Ombudsperson's Office processed 18 cases of hate speech and seven cases in the field of public discourse/media, which also predominantly related to hate speech. In 2025, Basic and Higher State Prosecution Offices initiated 67 cases against hate speech, six related to hatred, and nine misdemeanours. This is a drastic increase of 241% compared to the previous year (2024: 24 cases), a consequence of the application of binding guidelines for State Prosecution Offices in cases involving hate offences, and enhanced supervision through the appointment of a coordinator. The State Prosecution Offices issued decisions on all cases from 2024.



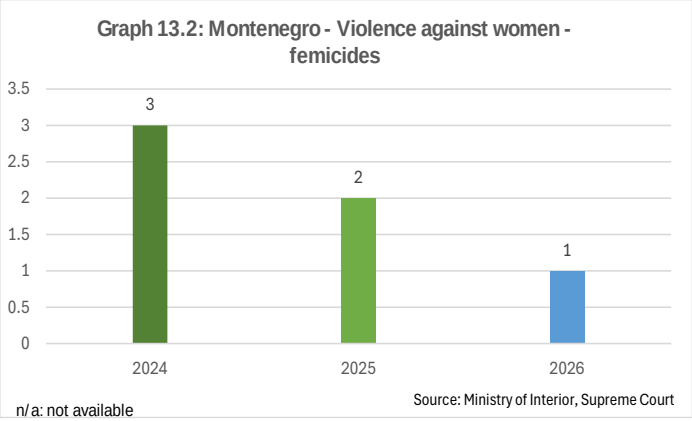
Gender equality

The legal and institutional framework on gender equality and combating gender-based violence is largely in place but implementation and enforcement need to be improved. legislative progress was made in 2026, while emerging forms of

gender-based violence, including cyber violence, require increased attention. In September 2026, Parliament adopted a Law on Gender Equality fully in line with the EU *acquis*.

Implementation of the 2025–2029 Gender Equality Strategy and its 2025–2026 Action Plan is ongoing, but adequate funding for effective implementation needs to be ensured. In June, Montenegro submitted replies to four urgent 2024 CEDAW recommendations.

Gender equality contact persons have been appointed across a large number of institutions. However, their capacities and inter-institutional coordination remain insufficient. Gender equality considerations are not yet systematically integrated into policymaking and awareness of and institutional commitment to the gender equality framework remain limited.



In April, further legislative and institutional steps were taken to strengthen the response to gender-based and sexual violence, in particular with the adoption of amendments to the Law on social and child protection. However, Montenegro has yet to fully address a number of outstanding GREVIO recommendations, including those stemming from the 2018 baseline evaluation and the 2024 thematic evaluation. Data collection by the State Prosecution Service has improved, including through greater disaggregated of data on victims, perpetrators and offences. Further efforts are needed to ensure adequate, accessible and sustainable support services for victims of gender-based violence.

The Supreme Court adopted guidelines on criminal sanctions in cases of gender-based violence, but the implementation and impact need to be closely monitored. Sentencing practices remain a concern, as lenient sentences remain predominant and more severe sanctions are imposed only rarely.

Rights of the child

The legal and institutional framework for the rights of the child is in place, but implementation and enforcement need to be improved.

The child protection system continues to face shortcomings in accountability, institutional capacity, systematic monitoring, sustainable funding, quality assurance and cross-sectoral cooperation. Further efforts are needed to develop a more integrated child protection system, in line with the Commission Recommendation on developing and strengthening integrated child protection systems in the best interests of the child.

A new Council for the Rights of the Child was established in May. However, the adoption of a National Strategy for Exercising the Rights of the Child and Montenegro's submission of its fourth periodic report to the UN Committee on the Rights of the Child remain pending since 2023.

In May, Parliament adopted amendments to the Law on the treatment of juveniles in criminal proceedings, further aligning the framework with the EU *acquis* and European standards. However, child-friendly justice safeguards are not yet systematically applied in criminal proceedings involving children. Montenegro continues to implement the 2025-2026 Action Plan of the Strategy for the prevention of and protection from violence against children, but effective implementation of the framework remains a challenge.

Persons with disabilities

The legal and institutional framework on the rights of persons with disabilities is incomplete and implementation and enforcement need to be improved. Persons with disabilities continue to face barriers to the full enjoyment of their rights and multiple forms of discrimination.

Despite some progress, further alignment with the EU *acquis* is needed, including the European Accessibility Act.

Parliament adopted a new Law on a unified disability assessment system, marking progress towards a human rights-based approach to disability assessment in line with the UN Convention on the Rights of Persons with Disabilities (UN CRPD). The new framework aims to ensure more consisent disability assessment across legislation and policies and facilitate access to rights and services. The institutional framework was also strenghtened through the establishment of the Institute for Disability Assessment as a centralised body. However, further efforts are needed to ensure effective implmenetation of the UN CRPD. The first National Action Plan 2026–2030 for the implementation of the UN CRPD was adopted.

A total of 61% of the activities in the 2025 Action Plan of the Deinstitutionalisation Strategy were implemented and an Action Plan for 2026 was adopted. Further efforts are needed to operationalise the Centre for Foster Care and Family Accommodation, improve the costing of services, further improve standards and develop additional services, and build capacities to ensure the further transition to community-based care supporting independent living.

LGBTIQ+ persons

While the legal framework protecting the rights of LGBTIQ+ persons improved, discrimination persists. Notably, hate speech against LGBTIQ+ persons remains widespread, particularly online. Such cases are often prosecuted under the Law on public order rather than the Anti-discrimination Law, resulting in inconsistent judicial practice that needs to be addressed. Montenegro continues implementing its 2024–2028 Strategy for Improving the Quality of Life of LGBTIQ+ Persons, aiming to improve the effective implementation of the legal framework drawing on recommendations from international bodies. The draft Law on Legal Gender Recognition by Self Declaration underwent preparatory drafting steps and was consulted with the European Commission, but is yet to be adopted.

Considerable progress was made in 2026 in harmonising legislation with the Law on same-sex partnerships, although further amendments remain necessary to ensure full legal consistency, effective implementation and the effective enjoyment of the rights deriving from legal recognition of same-sex couples.

Procedural rights and victims' rights

The legal framework on procedural rights, as well as on the rights of victims of crime, is overall in place.

In September 2026, Parliament adopted amendments to Criminal Procedure Code, which is now fully in line with the EU *acquis* and European and international standards on procedural rights, and on procedural safeguards for suspects and accused persons. In December 2025, the government adopted the first National Victims' Rights Strategy, a comprehensive strategic framework for the protection of victims' rights in Montenegro. In 2025, the amount spent on free legal aid was EUR 90 353.06 (compared to EUR 79 847.19 in 2024 and EUR 106 476 in 2023).

In July 2026, Parliament adopted amendments to the Law on Compensation to Victims of Criminal Offences of Violence in line with the EU *acquis*. Montenegro must sustain these efforts and continue improving the legal framework in line with the EU *acquis*, including with the Commission's Recommendation on the procedural rights of suspects and accused in pre-trial detention and on material detention conditions.

Protection of minorities

The legal and institutional framework for the protection of persons belonging to minorities is in place and persons belonging to minorities are integrated into society. The Law on minority rights and freedoms ensures the protection and respect of human rights for all people. Its revision is ongoing to improve the institutional and financial framework. The Venice Commission adopted on 9 October 2026 an opinion on the draft amendments to the Law on

minority rights and freedoms. Montenegro must ensure its recommendations are addressed timely.

Roma

The legal and institutional framework for Roma is mostly in place, but Roma people still face discrimination. The Council of Europe's three main recommendations for immediate action based on the Framework Convention for the Protection of National Minorities concern the Roma and Egyptian communities. The recommendations concern access to adequate housing; access to secondary and university education; and the setting of an electoral threshold for national minorities to ensure the principle of equal treatment.

In June 2026, the government adopted the Strategy for the improvement of the quality of life of Roma and Egyptians 2026-2030. The assessment of the previous strategy shows that ethnic distance towards Roma was reduced from 0.55% in 2021 to 0.36% in 2025, however, antigypsyism is still present, especially in employment and education.

Citizenship rights

Montenegro will have to align its legislative framework with the EU *acquis* on EU citizenship rights ahead of accession.

In 2025, the Ministry of Interior issued 38 decisions granting citizenship (ten for applicants and 28 for family members). These applications had been submitted before the expiry of the citizenship by investement scheme on 31 December 2022. It rejected eight requests (eight applicants and nine family members), and seven applicants initiated administrative appeals. Nine applicants withdrew their requests (three applicants and six family members). 21 applications are being processed. As of September 2026, 18 applications are pending.

As ruled in case C-181/23 by the Court of Justice of the European Union, investor citizenship schemes breach EU law on EU citizenship and the principle of sincere cooperation. Such schemes also pose risks related to security, money laundering, tax evasion, terrorist financing, corruption and infiltration by organised crime.

2.2.2 Chapter 24: Justice, freedom and security

The EU has common rules for border and migration management, visa policy, and asylum. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.

Fight against serious and organised crime

The legal framework on serious and organised crime is largely aligned with the EU *acquis*. The capacity to fight against serious and organised crime is broadly satisfactory.

General framework

Legal alignment, strategic and institutional frameworks

In March 2026, amendments to the Law on internal affairs were adopted by Parliament. Among other things, these amendments revise the integrity procedures covering the recruitment and dismissal of police officers. Montenegro needs to ensure that any dismissal is made on justified grounds and that those concerned have full access to legal remedies. Further amedments to the law were adopted in September 2026 to address recommendation XX from the 5th evaluation round of the second compliance report of the Group of States against Corruption (GRECO) on the internal control system of the police.

Amendments to the Law on seizure and confiscation of material benefit derived from criminal activity were prepared to bring it further into line with the EU *acquis* and adopted in September 2026.

In 2026 amendments to the Criminal Code, Criminal Procedure Code and the Law on liability of legal persons for criminal offences were prepared and adopted in September 2026 with the aim of further aligning them with the EU *acquis* on cybercrime, child sexual abuse and exploitation, financial investigations, investigating and criminalising money laundering and combatting organised.

In February 2026, the Supreme Court adopted guidelines for sentencing in cases of serious and organised crime and for offences related to the illegal production, possession, and trafficking of drugs to ensure more consistent and predictable sentencing while respecting judicial independence.

Montenegro should develop and adopt a comprehensive criminal policy document with clear priorities for fighting organised crime, high-level corruption and money laundering, endorsed by the Police Directorate, the Special State Prosecutor's Office, and the Ministry of Justice.

All police departments suffer from a serious shortage of personnel, and some are heavily understaffed. There are 5 921 positions within the Police Directorate and of this number, 3 756 positions are currently filled and 2 165 positions remain vacant. The 2025 recruitment campaign for police officers took place, and 350 new officers were hired out of the 815 posts envisaged. Two campaigns for 2026 have been launched to hire 514 officers and 500 junior police officers respectively. Montenegro needs to ensure that the ongoing recruitment campaigns are merit-based and that procedural safeguards against undue political interference in the law-enforcement authorities are in place.

In December 2025, the Director of Police was permanently appointed after a prolonged period during which the position had been filled on an acting basis. Their appointment paved the way for the permanent appointment by government in July 2026 of four deputy-directors of police (whose positions were also filled on a acting basis): the Head of the Criminal Police Sector, the Head of the Border Police Sector, the Head of the Sector for the Protection of Persons and Facilities and the Head of the General Police Sector.

A structured system of integrity testing within the police force has not yet been implemented However, progress has been made in this regard with the adoption in September 2026 of the amendments to the Law on internal affairs which introduced targeted and random integrity testing. Further efforts need to be made to combat corruption in law-enforcement agencies. The Special Investigative Measure (SIM) division of the Police Directorate should be reorganised to improve efficiency and effectiveness and reduce risks of leaking information. The SIM division should also be fully equipped with the necessary technical equipment (such as software for investigative analysis, microphones and cameras) to support its investigative activities.

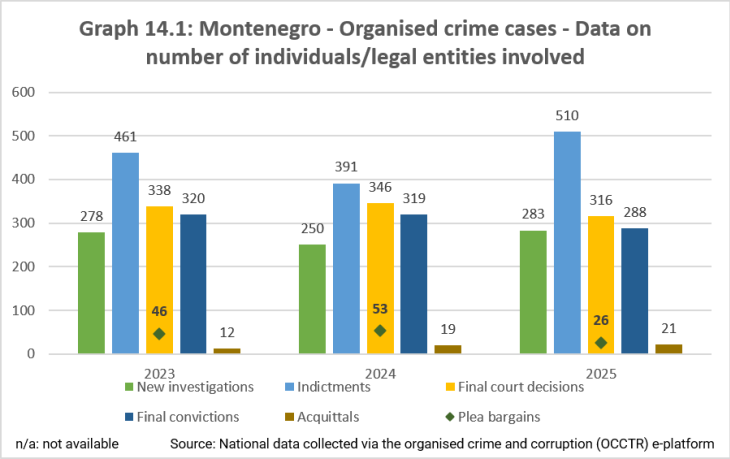
In April 2026, the construction of the new premises for the Special State Prosecutor's Office and Special Police Department was completed, following an extensive reconstruction of the former government building. In March 2026, the number of posts in the Special Police Department increased from 60 to 80. The department was further reinforced with 51 posts out of 80 currently occupied, compared to 33 in the previous reporting period. Efforts should continue to fill the remaining vacant positions.

Montenegro needs to continue strengthening all the institutions involved in combating serious and organised crime by ensuring they have adequate office conditions, specialised and sufficient human resources, sufficient financial resources, adequate equipment and access to the necessary databases.

The Asset Recovery Office (ARO) was reinforced with an additional officer, resulting in two officers now assigned to ARO-related duties within the International Police Cooperation Group (in which the ARO is embedded). Montenegro is progressing on filling the remaining vacancies in the Financial Intelligence Unit (FIU) and the Asset Management Office (AMO), in September 2026 two vacancies were filled in the AMO and in October 2026 four vacancies in the FIU.

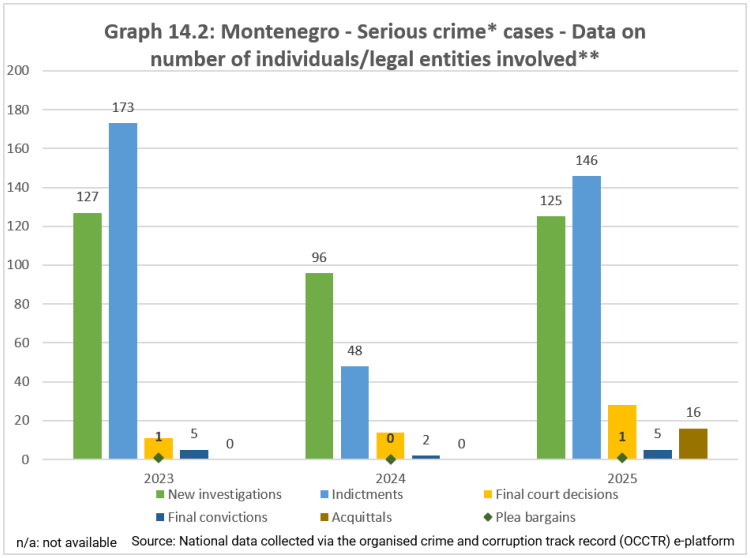
Implementation and enforcement capacity

The Special State Prosecution Office and the Supreme State Prosecution demonstrated greater proactivity in investigating and prosecuting high-risk criminal networks, leading to tangible results. These initial results should be strengthened, through further development of intelligence-led policing and the definition of a clear criminal policy. At the same time, further improvement is needed to secure convictions for the offence of creating as well as participating in a criminal organisation, with a focus on dismantling large, territorially rooted criminal structures. The track record also needs to be further improved in other areas of serious crime, particularly regarding tobacco smuggling, cybercrime, stand-alone money-laundering offences and trafficking in human beings.



In April 2026, through a landmark operation led by the Special State Prosecutor's Office and the Special Police Department, at least three members of the so-called Skaljari organised crime group, suspected of being involved in at least six assassinations over the past decade, were arrested.

In 2025, the FIU opened 998 cases, representing a 16% increase compared to 2024. The FIU actively participated in the financial investigations conducted by the Special State Prosecutor's Office and, at its request, financial analyses were performed for 168 natural and 61 legal persons subject to financial investigations. The FIU uses international operational police cooperation mechanisms, including INTERPOL's secure I-24/7 communication channel and Europol's SIENA secure communication channel.



The number of cases of asset freezing and asset seizures has slightly increased. The courts issued 31 temporary security measures in 22 organised-crime cases, 22 measures in 19 money-laundering cases, four measures in three drug-related cases, and one measure concerning 18 individuals in smuggling cases . While progress is evident in the increased application of freezing measures, seizures, and financial investigations, the track record of final confiscations remains insufficient and needs to be improved. Montenegro needs to address the challenges posed by its incomplete land register, which hampers financial investigations and the confiscation of assets, and ensure that all available confiscation instruments are utilised effectively.

Law-enforcement cooperation

Montenegro continued its good cooperation with Europol and participated in 74 separate operations (three as co-leader) of the European Multidisciplinary Platform Against Criminal Threats (EMPACT) under the 2024-2025 operational action plans, against 61 for the 2026-2027 operational action plans (with six in a co-leader position, including one in the framework

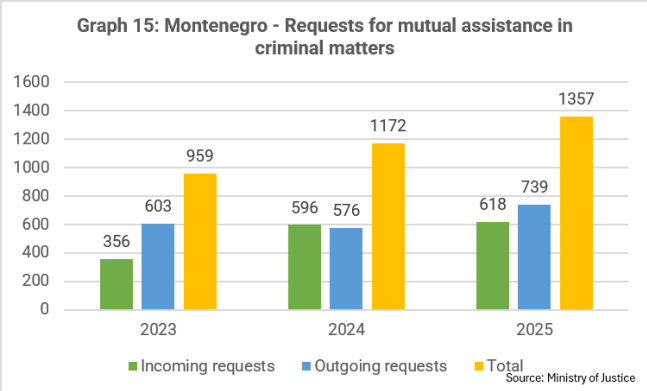
of operational action plan on Migrant Smuggling). Engagement in joint operations, information exchange, and capacity-building activities meets the expected operational and strategic standards.

In April 2026, a coordinated action supported by Europol led to the arrest of 12 suspects, including a high-value target in Montenegro. The Montenegrin authorities played a key role in the operation, notably by filing charges against several suspects for their involvement in trafficking 2.7 tonnes of cocaine and 1.5 tonnes of cannabis between October 2024 and April 2026.

Montenegro also continued its good cooperation with the EU Agency for Law Enforcement Training (CEPOL). To establish a sustainable professional development, Montenegro is encouraged to adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its domestic law enforcement training system.

Montenegro is encouraged to apply the methodology developed with support of the Counter Terrorism Support Network (CTSN) to prepare a domestic terrorism trend and situation report.

Judicial cooperation in criminal matters



The legal framework for judicial cooperation in criminal matters is partially aligned with the EU *acquis* to the extent that alignment is already possible. In October 2025, Parliament adopted the Law on the ratification of the Third and Fourth Additional Protocols to the European Convention on Extradition and in December 2025 it adopted the Law on international legal assistance in criminal matters. The Law on judicial cooperation in criminal matters with Member States of the European Union was drafted to further align with the EU *acquis* and adopted in September 2026. Further amendments are needed to bring it fully in line with the EU *acquis*.

Cooperation between Montenegro and Eurojust continued, with the country involved in 17 new cases between September 2025 and March 2026, including three as a requesting country. Most cases are related to organised crime, drug trafficking and fraud. To date, Montenegro has not been part of any joint investigation teams coordinated by Eurojust, however, it is participating for the first time in a joint investigation team with another partner in the Western Balkans. Montenegro has working arrangements in place with the European Public Prosecutor's Office. In 2025, the EPPO sent two requests for mutual legal assistance to the authorities of Montenegro. Moreover, the EPPO had four active cases with links to Montenegro at the end of 2025.

In 2025, the Supreme State Prosecution Office strengthened its bilateral and multilateral cooperation through the signing of memoranda of understanding with the Ibero-American Association of Public Prosecutors, the Office of the Prosecutor General of the Kingdom of Spain, the Office of the Prosecutor General of the Republic of Albania, the Supreme State Prosecutor's Office of the Republic of Slovenia. Bilateral memoranda of understanding were signed with the prosecution services of Brazil, Chile, Colombia, the Dominican Republic, Paraguay and Uruguay. In December 2025, Montenegro signed a joint declaration of the prosecution services of the Western Balkans, Latin America and Eurojust to establish a new structured framework of cooperation to combat the most serious forms of organised and transnational crime.

Montenegro should further improve the speed and efficiency of international judicial cooperation by increasing its use of judicial cooperation instruments, such as joint investigations teams and direct court-to-court cooperation. Montenegro needs to expedite the processing of judicial cooperation requests, particularly mutual legal assistance in criminal matters, through the application of the European Convention on Mutual Legal Assistance and its additional protocols. Furthermore, Montenegro should focus on ensuring that its authorities that are competent to deal with matters of judicial cooperation, including in the field of criminal asset recovery, have the necessary resources to deal with foreign requests quickly and effectively.

Crime areas

Investigation and criminalisation of money laundering

Amendments to the Law on the prevention of money laundering and the financing of terrorism were adopted in May 2026. Further amendments to the law were adopted in September 2026 to further align with the EU *acquis* on financial investigations.

The human resources of the unit dealing with the fight against high-level corruption and money laundering in the police was strengthened with the hiring of four additional officers in 2025.

The Special State Prosecutor's Office launched investigations in 14 cases (ten in 2024). Eight indictments were filed against 17 persons. The High Court of Podgorica finalised two cases (three in 2024), the first resulting in a conviction and the second in an acquittal.

An important Supreme Court decision clarified that judicial authorities are not required to establish the specific predicate offence from which laundered funds originate and that it is sufficient to demonstrate that the assets lack a lawful origin. Furthermore, the Court confirmed that the concept of criminal activity may also encompass misdemeanours. This ruling represents a potential milestone for Montenegro, with significant implications for enhancing the effectiveness of investigations, prosecutions and convictions in stand-alone money laundering cases.

The capacity of law enforcement and the judiciary to address cryptocurrency-related cases remains limited, particularly with regard to investigative tracing, seizure and confiscation, evidentiary standards, asset management and the regulatory framework.

Cybercrime

In December 2025, the government adopted the Law on confirmation of the Second Additional Protocol to the Convention on Cybercrime on Enhanced Cooperation and the Disclosure of Electronic Evidence. Preparations are underway for the ratfication of this Protocol. In 2026, amendments to the Criminal Code, Criminal Procedure Code and the Law on liability of legal persons for criminal offences were prepared with the aim of further aligning with the EU *acquis on* cybercrime.

The human resources of the Group for Suppression of High-Tech Crime in the Police Directorate need strengthening. As of March 2025, seven out of 18 positions were filled.

Montenegro is cooperating with the European Cybercrime Centre within Europol and participates in EMPACT activities in this area.

Child sexual abuse

In 2026, amendments to the Criminal Code, Criminal Procedure Code and the Law on liability of legal persons for criminal offences were prepared and adopted in September 2026 with the aim of further aligning with the EU *acquis on* child sexual abuse and exploitation. On child sexual abuse online and offline, the legal framework should be amended to align further with the EU *acquis* in this area**.**

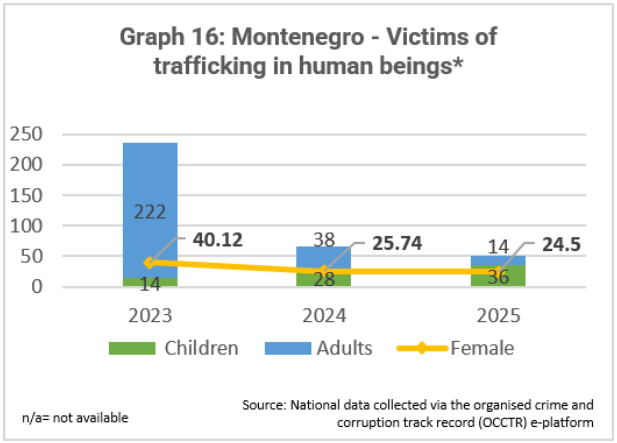
Members of the Group for Suppression of High-Tech Crime continued to carry out a prevention-focused investigative operation to identify victims of child sexual exploitation, and also hosted awareness-raising activties for minors. The members of the group also contribute to the creation of the *Help4U* platform as part of EMPACT's activities.

At the end of 2025 Montenegro participated in a joint operation aimed at combating the online sexual abuse and exploitation of children, OCSE 2.0, led by the Ministry of Interior of the United Arab Emirates, following which one individual was deprived of liberty and charged with suspicion of committing the offence of child exploitation for pornography.

Trafficking in human beings

A new Strategy to Combat Trafficking in Human Beings 2025-2028 was adopted. In 2026, amendments to the Criminal Code, Criminal Procedure Code and the Law on liability of legal persons for criminal offences were prepared and adopted in September 2026 with the aim of further aligning with the EU *acquis* on combating trafficking in human beings.

In December 2025, the Supreme Court developed and presented guidelines on the exercise of the right to compensation for victims in criminal proceedings, which also cover the offence of trafficking in human beings. Montenegro needs to ensure that victims of trafficking in human beings receive fair and appropriate compensation.



Given the increase in seasonal migrant workers, Montenegro should focus on improving the capacities of labour inspectors to detect victims of trafficking.

In 2025, the track record of prosecutions and convictions for trafficking in human beings continued to improve. Progress has been achieved in combating all forms of trafficking in human beings, particularly in the area of forced labour and forced begging.

Montenegro currently has three licensed shelters for victims of trafficking in human beings: one for women, one for men and one for children. In April 2026, a shelter was licensed to provide accommodation for two male victims of trafficking. Progress is needed particularly on expanding accommodation capacities for all victims of trafficking.

Montenegro is part of the 'RAPAX' Operational Task Force, set up within Europol, a multi-state mechanism aimed at combating trafficking in human beings for sexual exploitation, in particular networks recruiting and transporting victims from Latin America.

Migrant smuggling

In 2025, the activities of the Specialised Operational Team for the Dismantling of Migrant Smuggling Networks within the Police Directorate continued. The majority of smuggled migrants originated from Azerbaijan, Bangladesh, Egypt, Nepal, Pakistan, Syria and Tunisia.

In December 2025, Montenegro renewed its engagement in the Global Alliance to Counter Migrant Smuggling. Montenegro is a member of DigiNeX, the international Network of Experts for Combating Migrant Smuggling in the Digital Domain, led by Europol. Montenegro is also engaged in the migrant smuggling operational action plan under the new EMPACT cycle, acting as co-leader in one action. Montenegro has endorsed the Global Alliance Joint Declaration and also participated in the second Senior Officials' Meeting of the Global Alliance in July 2026.

Trafficking in firearms

Following extensive public consultations, a new Law on weapons and ammunition was adopted in July 2026 to further align with the EU *acquis*. However, further bylaws still need to

be adopted to implement the EU implementing acts on marking, alarm and signal weapons, and deactivation. In November 2025, the evaluation of the Small Arms and Light Weapons Control Strategy 2019–2025 was completed, and preparation of a new strategy is underway.

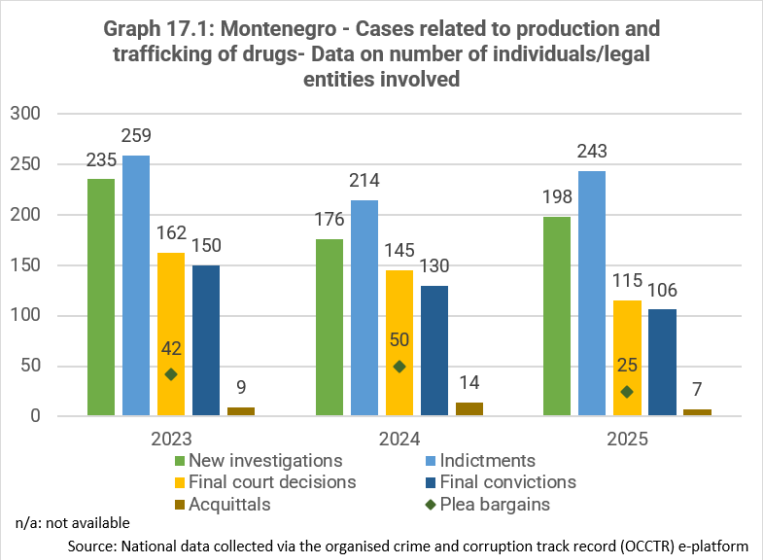
In 2025, a total of 1 353 weapons were seized, of which 1 056 were firearms. In 2025, as part of the campaign 'Respect Life – Return Your Weapons', citizens handed in a total of 4 000 firearms, more than 130 000 rounds of ammunition, 500 hand grenades and over 2 000 explosive devices..

Cooperation in the field of drugs

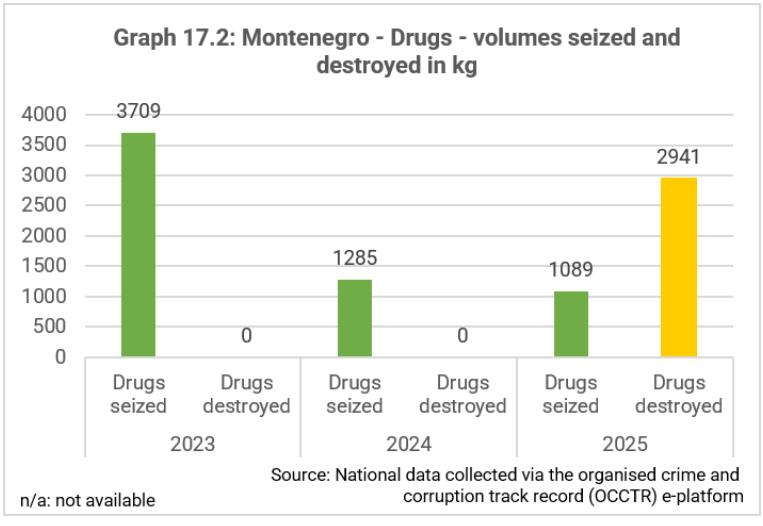
The legal framework for cooperation in the field of drugs is broadly satisfactory.

A new Law on prevention of drug abuse was adopted in July 2026 to further align with the EU *acquis*. The implemetation of the Drugs Strategy 2024–2027 continued and a new action plan for 2026-2027 was adopted in July 2026.

The National Drug Observatory is operational, with three full-time staff. Cooperation with the European Union Drugs Agency is good and progress has been made on the quality of data exchanged. Montenegro needs to establish a special registry for drug-related mortalities. The national early warning system is operational and has been linked to the EU early warning system.



In an effort to improve its capacities to store and destroy confiscated goods (including narcotics) several steps were undertaken by Montenegro. Amendments to the Criminal Procedure Code were adopted in September 2026 to allow for the collection of samples of seized narcotics for criminal proceedings and subsequent destruction of remaining quantities. In view of making progress on the regularisation of destroying narcotics, an operation was carried out in September 2026 in which 3 200 kg of narcotics from finalised criminal cases were destroyed. To improve storage capacities, adaptations were made in September 2026 to an unused bomb shelter to convert it into a temporary secure storage location for confiscated goods. Efforts need to now continue to oversee the proper and regular destruction of narcotics confiscated under the previous legal framework and preparations need to be made for the implementation of the new legal framework, including the adoption of the necessary bylaws and operational preparations for more regular destructions. Montenegro should also ensure that all confiscated goods (including narcotics) are systematically inventoried according to a



standardised methodology and a central storage location for all confiscated and seized goods is built in line with security as well as health and safety standards.

Montenegro continued to be a transit country for drugs as a part of the Balkan route.

Montenegro has sufficient operational capacity to actively engage in international police cooperation on drugs-related cases, including via Europol and INTERPOL.

Progress has been made on the funding of 'Kakaricka Gora', the public institution for rehabilitation and resocialisation of persons who use drugs, with three municipalities now contributing to the centre and negotiations ongoing with additional municipalities.

Counterfeiting of the euro

The legislation on the suppression of counterfeit currency is fully aligned with the EU *acquis*. In 2025, seven persons were reported for the criminal offence of counterfeiting money. Cooperation with Europol on euro counterfeiting needs to be improved.

Counterterrorism, prevention and resilience

Fight against terrorism and prevention of radicalisation

Legal alignment, and strategic and institutional frameworks

The legal framework for the fight against terrorism is largely aligned with the EU *acquis*. However, compliance with the EU *acquis* should be ensured, notably on explosive precursors. In 2026 amendments to the Criminal Code were prepared and adopted in September to further align with the EU *acquis*. The legal framework for countering violent extremism is largely aligned with the EU *acquis*.

In 2025, Montenegro continued to implement the measures outlined in the first Joint Action Plan on Counterterrorism for the Western Balkans. The new Joint Action Plan on Preventing and Countering Terrorism and Violent Extremism for the Western Balkans was signed by all Western Balkans partners in October 2025. In July 2026, Montenegro finalised its national roadmap for the implementation of the Joint Action Plan.

Implementation and enforcement capacity

The fight against terrorism is broadly satisfactory

The countering of violent extremism is broadly satisfactory.

In 2026, Montenegro drafted a new Strategy on the Prevention and Suppression of Radicalisation and Violent Extremism for the period 2026-2031 an Action Plan for its implementation 2026-2027. Montenegro should adopt a new Strategy on Prevention of Money Laundering and Terrorism Financing following the expiration of the previous strategy in 2025. A working group has been established to work on the new document and drafting is currently ongoing. *(See also chapter 4)*

In 2025, no individuals were convicted for terrorism-related offences in Montenegro. The Appellate Court confirmed the acquittal in the 2016 Election Day Coup case, where defendants were charged with terrorism offences, rejecting an appeal from the Special State Prosecution Office and upholding the High Court's ruling of July 2024.

A network of local contact points in municipalities for the prevention of violent extremism is at an early stage of preparation. Contact points have been appointed in five municipalities, and standard operating procedures for inter-institutional coordination have been drafted. Montenegro should continue to strengthen its preventive measures against all forms of radicalisation and violent extremism, including right-wing extremism and ethno-nationalist ideologies.

The repatriation of the remaining Montenegrin citizens reported to be in Syria and Iraq (14 Montenegrin nationals, including family members) is currently not envisaged.

Critical infrastructure protection

Legal alignment, strategic and institutional frameworks

The legal framework for the protection of critical infrastructure is largely aligned with the EU *acquis*.

In March 2026, Parliament adopted amendments to the Law on the designation and protection of critical infrastructure. The amendments create the conditions to ensure that more data is available and establish a more efficient procedure for identifying critical infrastructure. A new Law on the resilience of critical infrastructure was drafted to further align with the EU *acquis* and adopted in September 2026.

Implementation and enforcement capacity

The Decree on Sectoral Criteria for the Designation of Critical Infrastructure was adopted by the government in May 2026. The decree establishes criteria for 11 sectors and revises the existing sectoral criteria that are used to identify critical entities and to recognise additional sectors in which critical entities and critical infrastructure could be identified. Subsequently, in July 2026 the Decision on the Designation of Critical Infrastructure was adopted by the government.

The protection of critical infrastructure needs to be improved.

Migration and asylum

Legal and irregular migration and returns

The legal framework for the management of legal and irregular migration is partially aligned with the EU *acquis.*

The management of legal and irregular migration is broadly satisfactory.

Legal alignment, and strategic and institutional frameworks

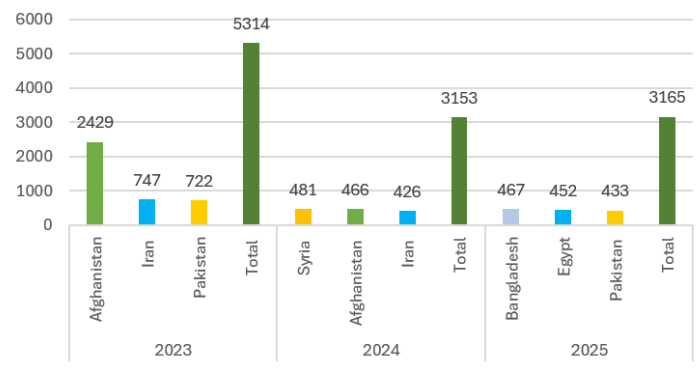
The 2021–2025 Strategy on Migration and Reintegration of Returnees expired in December 2025. Montenegro is currently preparing a new strategic framework in continuation with the previous strategy. Montenegro prepared and adopted in October 2026 amendments to the Law on foreigners to advance its alignment with the EU *acquis* on migration. In parallel, Montenegro prepared a new Law on Foreigners to further align with the EU *acquis* on legal migration.

Montenegro is starting to prepare for alignment with the legal instruments under the Pact on Migration and Asylum.

Implementation and enforcement capacity

In 2025, 3 165 migrants were apprehended crossing the borders illegally, which represents an unchanged level compared to 2024 (3 153). The majority of these migrants registered an intention to seek asylum and were provided with accommodation and healthcare at the two reception centres. In addition, 132 migrants were held in detention in the Centre for Foreigners (2024: 141). In 2025, a high number of unaccompanied minors continued to arrive (209 were registered). Montenegro must ensure the satisfactory application of standard operating procedures for the treatment of unaccompanied minors, particularly in terms of accommodation and individual assessment by social workers. In the first quarter of 2026, Montenegro experienced a significant increase in migrant arrivals, predominantly of Sudanese nationals.

Graph 18: Montenegro - Number of irregular movements



Source: Ministry of Interior

As concerns readmission with the EU, the readmission agreement continued to be implemented. As of 2025, Montenegro had implementing protocols with 16 EU Member States, which further facilitate its implementation. Montenegro continues to ensure good cooperation in responding to readmission requests. Reintegration assistance is available for Montenegrin returnees.

Regarding returns to third countries, Montenegro has 11 readmission agreements with non-EU countries, including all five Western Balkan countries and Türkiye. In 2025, 250 people were readmitted from Montenegro to neighbouring countries, mainly to Albania (2024: 184). Readmissions of non-EU nationals from neighbouring countries to Montenegro increased, with 67 readmissions in 2025 (2024: 35).

In 2025, 77 voluntary returns from Montenegro to the countries of origin were carried out (2024: 82). The border police carried out 58 returns and the International Organization for Migration carried out 19 returns.

Discussions to conclude formal agreements or administrative arrangements with the main countries of origin of migrants arriving in Montenegro should continue.

Montenegro should ensure that legal pathways developed towards third-country nationals prevent irregular secondary movements to the EU.

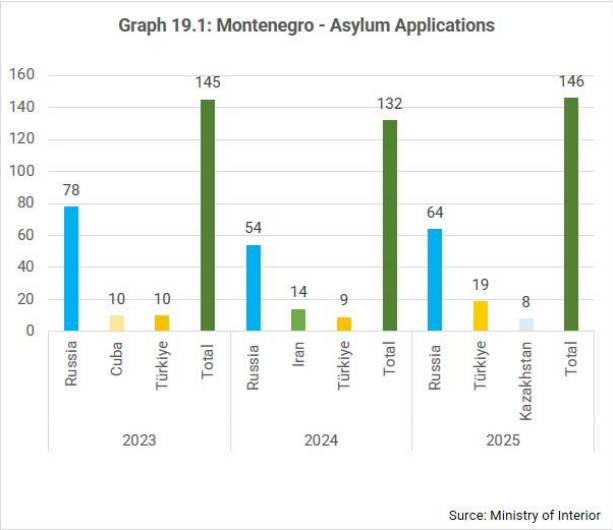
Asylum

While the legal framework on asylum in Montenegro is largely aligned with the EU *acquis* as it was in force until 12 June 2026, Montenegro should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact.

The management of asylum is broadly satisfactory.

Legal alignment, strategic and institutional frameworks

The very good cooperation with the EU Agency for Asylum continued within the framework of the Second Joint Roadmap (2024-2027). Following a testing exercise in July 2026, Montenegro is is in the final stages of preparing a contingency plan for responding to situations of mass migrant influx. Montenegro is drafting a new Law on International and Temporary Protection of Foreigners to further align with the EU *acquis.*



The Directorate for Asylum continued to operate with limited human resource capacity in the reporting period. To strengthen its capacities, in March 2026 the government allocated two additional positions to the Directorate. Furthermore, recrutiment processes were launched for five positions and in August 2026, two of these position were filled. Currently, three positions out of the 13 are vacant.

Implementation and enforcement capacity

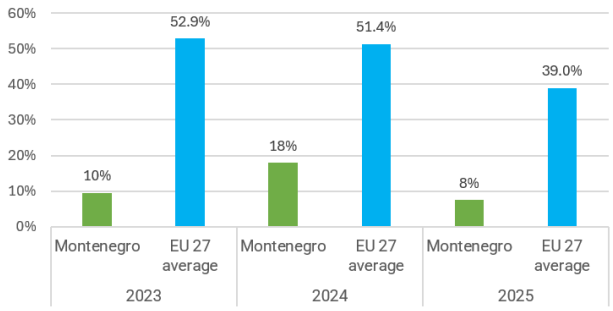
In 2025, 2 724 people registered an intention to request asylum (2024: 2 970), reflecting a similar trend in irregular entries. 146 individuals ended up lodging a formal asylum claim (2024: 132) and 11 were granted refugee status, a 54% decrease compared with 24 individuals in 2024.

In 2025, the Directorate for Asylum continued to reduce the backlog of asylum applications. Decisions are routinely made within six months except in complex cases, where a 21-month deadline applies. In 2025, Montenegro granted asylum in an increased number of complex

cases. Few decisions have been overturned at second instance in recent years, reflecting an improvement in the quality of the determination process.

In 2025, the number of applicants for international protection accommodated in Montenegro's reception centres was 2 029, a slight increase from 1 745 in 2024. Montenegro has two reception centres with a total capacity of 164 beds, and their operating costs are covered by the state budget. The reception capacities of the two centres remain limited; however, efforts are underway to improve them. Following several unsuccessful tender procedures for the improvement of the reception centres, the Ministry of Interior decided in March 2026 to transfer responsibility for the reconstruction of the centre in Bozaj and the expansion of the centre in Spuz to the Ministry of Public Works. In July 2026, construction works started in both centres. Following their completion, the total capacity of beds will increase to 364.

Graph 19.2: Montenegro - Asylum recognition rate (%)



n/a: not available

Source: Ministry of Interior
EU-27 average: ESTAT

In the region, Montenegro continued to be the country hosting the largest number of Ukrainian nationals under temporary protection, having fled Russia's war of aggression, in both absolute figures and relative to its population (7 851 temporary protection holders in 2025). The decision on granting temporary protection to them was prolonged and is currently valid until March 2027. In September 2025, Montenegro adopted a contingency plan for Ukrainian refugees. To reduce barriers to accessing healthcare faced by those under temporary protection, several pieces of implementing legislation still need to be adopted and/or amended, including the Law on asylum.

Visa policy

Montenegro's list of visa-required third countries will be aligned with that of the EU as of 31 October 2026.

In December 2025, the permitted stay for visa-free travel was shortened from 90 to 30 days for all countries. In January 2026, the permanent visa free regime with Azerbaijan was terminated. In April 2026, Montenegro removed Bahrain and Qatar from the list of permanently visa-exempt countries. However, Montenegro adopted a seasonal visa-free regime for Kazakhstan and certain third-country nationals holding a residence permit of the United Arab Emirates for the period 1 May to 1 October 2026. Seasonal visa-waivers are not compatible with the EU *acquis*. Despite acknowledging the non-compatibility of such waivers with the EU *acquis*, Montenegro had in the past kept renewing them during the tourist season. In 2026, Montenegro committed to not renewing the current waivers upon their expiry.

In July 2026, Montenegro further amended its decree on the visa regime. This decree abolishes the permanent visa-free regimes for Belarus, China, Russia, Saudi Arabia and Türkiye as of 31 October 2026, and permanently terminates the practice of seasonal visa issuance as of 1 October 2026. This thereby ends the seasonal visa regime for Kazakhstan and certain third-country nationals holding a residence permit of the United Arab Emirates. The changes introduced in the decree prevent the government from amending Montenegro's visa regime by any means other than the official decree on visas.

The 8th Report under the visa suspension mechanism found that Montenegro had made some progress on previous recommendations, including by, reducing the number of visa-free countries for which the EU requires a visa, and monitoring outstanding applications under the terminated citizenship by investment scheme. The report called on Montenegro to expand its visa issuance capabilities.

Under the Reform Agenda, Montenegro committed to reforming its national visa information system, ensuring that the system is sustainable and capable of handling an increased volume of applications. To this end, in March 2026 the government adopted a decision to establish a new visa information system, mandating the Ministry of Finance to secure the necessary funding. In July 2026, Montenegro signed an agreement with the United Nations Development Programme to support the modernisation of the VIS, including through relevant procurement processes and capacity building.

By the end of 2026, Montenegrin authorities are to set up the team that will be in charge of developing the new national visa information system. In 2027, Montenegro is expected to carry out data migration and testing. The new national visa information system will also be instrumental to establishing an electronic visa procedure for certain visa-required third-country nationals, including of countries added in 2026 to the visa-required list.

In 2025, 38 individuals were granted Montenegrin citizenship through pending applications under the citizenship by investment scheme, which ended on 31 December 2022. Of these individuals, citizenship was granted to citizens of China (nine), Saudi Arabia (nine), United States (seven), the Russian Federation (five), Pakistan (five) and India (three). Montenegro has committed to performing the necessary security checks while analysing the remaining applications (21 as of May 2026) under the provisions of the scheme and to ensuring that citizenship is not granted under the scheme to persons subject to international restrictive measures.

Schengen governance and external borders

The legislative and strategic framework for the management of external borders is largely aligned with the EU *acquis*.

The management of borders is broadly satisfactory.

Legal alignment, and strategic and institutional frameworks

Montenegro is taking a proactive approach to meeting Schengen requirements. Implementation of the Schengen *acquis* is guided by the Schengen Action Plan adopted in 2017, which is currently being updated. To further support effective Schengen governance, a National Schengen Coordinator was appointed in February 2026 and a new Section for Schengen Integration was established within the Ministry of Interior.

Amendments to the Law on border control were prepared to further align with the EU *acquis* and adopted in September 2026.

Implementation and enforcement capacity

In 2025, Montenegro continued to upgrade its border management equipment in line with Schengen standards. Progress is underway on the installation of electronic surveillance systems at Lake Skadar, the Bojana River and Lake Bileca. In June 2026, the adaptation of the maritime logistics base in Sveti Nikola was completed, providing operational facilities for up to 20 border police officers. The construction of new National Coordination Centre was finalised in August 2026. In June 2026, Montenegro signed a government-to-government agreement with Hungary to procure equipment for the border police. Reliance on support from donors for border management equipment remained high both in terms of securing funds for the purchasing of equipment, as well as for support with the acquisition of equipment. The Border Police does not yet have an adequate IT system to monitor equipment purchases, set priorities and establish a coherent procurement plan linked to the Schengen Action Plan.

Operational cooperation with the European Border and Coast Guard Agency (Frontex) continued through the Joint Operation Montenegro 2026. As of September 2026, 88 standing corps officers have been deployed across the country.

The Border Police Sector remains understaffed, with 975 officers currently employed out of the 1 507 available positions. As part of its 2025 recruitment campaign for police officers,

Montenegro recruited 62 new officers for the border police out of the 249 envisaged. Through the two recruitment campaigns in 2026, Montenegro aims to hire an additional 122 and 233 border police officers, respectively.

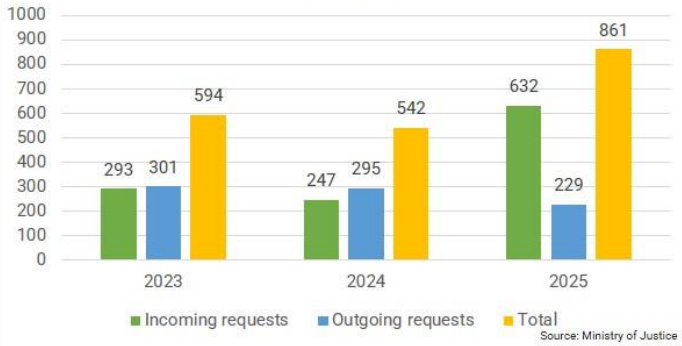
In 2025, Montenegro conducted 615 joint border patrols with neighbouring countries, predominantly with Albania (2024: 719). The border police strengthened its collaboration with the prosecution and the criminal police, leading to the opening of several new Europol SIENA cases, including cases of migrant smuggling.

Judicial cooperation in civil and commercial matters

Judicial cooperation in civil and commercial matters is broadly satisfactory.

The legal framework for judicial cooperation in civil and commercial matters is largely aligned with the EU *acquis,* to the extent that alignment is already possible. In March 2026, the 2019 Hague Convention on the Recognition and Enforcement of Foreign Court Judgments in Civil and Commercial Matters entered into force in Montenegro.

Graph 20: Montenegro - Requests for mutual assistance in civil matters



2.3 ECONOMIC CRITERIA[5]

Montenegro - Key economic figures	2017-22 average	2023	2024	2025
GDP per capita (% of EU-27 in PPS)[1)]	46	52	53	54
Real GDP growth	2.6	6.5	3.2	2.7
Activity rate of the population aged 15-64 (%), total	63.8	71.7	72.6	73.0
female	*57.0*	*66.3*	*66.4*	*67.6*
male	*70.6*	*77.0*	*78.6*	*78.3*
Unemployment rate of the population aged 15-64 (%), total	16.3	13.4	11.6	10.9
female	*16.1*	*14.3*	*12.4*	*12.1*
male	*16.3*	*12.6*	*11.0*	*9.4*
Employment of the population aged 15-64 (annual growth %)	2.1	10.5	2.9	-2.7
Nominal wages (annual growth %)	2.8	11.8	9.7	11.5
Consumer price index (annual growth %)	3.4	8.6	3.3	3.9
Exchange rate against EUR	1.0	1.0	1.0	1.0
Current account balance (% of GDP)	-15.9	-11.2	-17.1	-20.5
Net foreign direct investment, FDI (% of GDP)	10.1	6.1	6.4	6.5
General government balance (% of GDP)	-4.7	0.6	-3.3	-4.3
General government debt (% of GDP)	78.3	59.3	61.3	63.5

Notes:
1) Eurostat
2) From Q1-2025, the Labour Force Survey is based on the results of the 2023 population census, restricting comparability with previous years data.
Sources: MONSTAT, Central Bank of Montenegro, Ministry of Finance and Eurostat

2.3.1. The existence of a functioning market economy

Economic governance

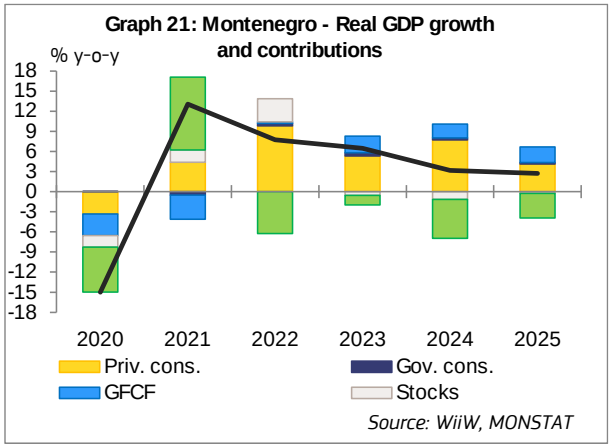
The government continued with the reforms related to EU accession and the implementation of the Reform Agenda under the EU Growth Plan. Parliament adopted a new law on SOEs, which aims to strengthen corporate governance and assess related fiscal risks through a system of continuous and centralised SOE monitoring. A revised Law on budget and fiscal responsibility was adopted in August. The law covers the main elements required by the EU rules on budgetary frameworks, including fiscal rules, a medium-term budgetary framework, stronger budget planning and execution, fiscal risk monitoring, and an independent Fiscal Council. The recently announced 'Euro Model' reform, which includes tiered increases in the minimum wage and the elimination of pension contributions, may pose significant risks to the sustainability of public finances and the external balance which remain to be assessed, following on-going consultations with the stakeholders. In June, Montenegro adopted the Master Plan for Infrastructure Development which aims to accelerate economic growth through improved management of public investments. Under the EU-supported Reform Agenda, Montenegro made progress in strengthening the business environment, the energy sector and the digital economy, as well as the rule of law.

The policy guidance set out in the conclusions of the Economic and Financial Dialogue of May 2025 has been partially implemented. Progress has been made on reviewing tax expenditures and preparing concrete budgetary recommendations to increase budget revenue. Long-pending appointments of central bank vice-governors and external members of the Council of the Central Bank have been finalised. Good progress was made in aligning the Law on the Development Bank with the EU legislation. Montenegro has also aligned its central bank framework with the EU *acquis*. Public spending and the fiscal deficit in 2025 overshot the target. The Fiscal Council was established with some delay at the end

[5] Unless otherwise indicated, the data in this section are taken from the relevant national sources (the statistical office, Ministry of Finance and central bank).

of July and further operationalised in September 2026. The 2026 budget projects the general government deficit and debt to breach the limits prescribed by the country's fiscal rules.

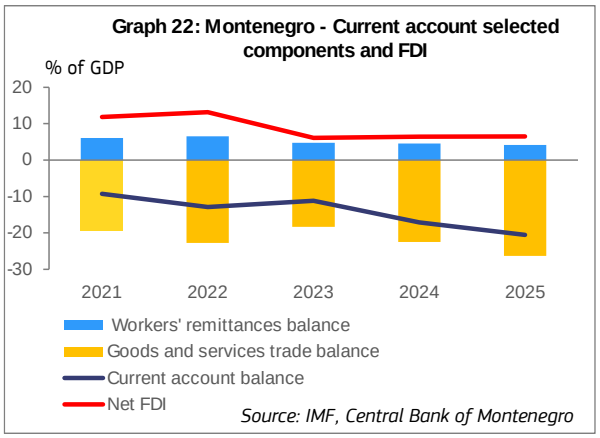
Macroeconomic stability



Economic growth slowed down in 2025 and was driven by domestic demand. GDP growth decelerated to 2.7%, down from 3.2% in 2024. Economic expansion continued to be mainly driven by private consumption and investment. While supported by rising wages and robust credit growth, private consumption decelerated compared to previous years. High public capital spending fostered investment. Exports of goods decreased, mainly due to the temporary shutdown of the Pljevlja power plant, while imports increased. A mixed tourism performance resulted in a contraction in services' exports. The contribution of net exports to GDP growth was negative. Following a subdued first quarter, GDP growth accelerated to 3.8% in the second quarter, driven by strong tourism activity and robust investment. Montenegro's per capita GDP in purchasing power standards stood at 54% of the EU-27 average in 2025 compared with 53% in 2024 and 43% in 2020.

External imbalances widened further in 2025. The current account deficit increased to 20.5% of GDP in 2025, from 17.1% in 2024, due to a deterioration in the merchandise trade balance and a subdued tourism performance. Imports of goods increased by 9.4%. The surplus in the secondary income balance declined to 5.0% of GDP in 2025, on the back of lower transfers to the government sector and a higher outflow of private transfers. By contrast, the primary income surplus increased to 0.8% of GDP due to lower dividend outflows. The current account deficit widened further, to 21.1% of GDP, by Q2 2026.

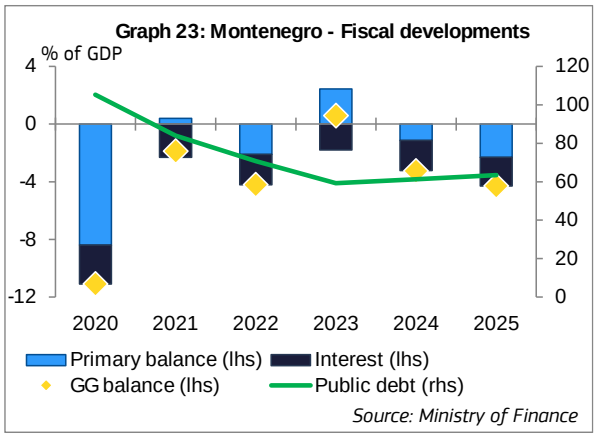
Net FDI inflows remained practically stable as a share of GDP (6.5%) in 2025, covering less than one third of the current account deficit. Net FDI inflows increased by 8% in 2025, supported by higher total inflows (14%) driven by investment in real estate (around half of all inflows) and intercompany debt. There was a significant rise in outflows (21.8%), resulting mainly from non-residents withdrawing their investments in Montenegro. Net FDI inflows were roughly stable at 6.1% of GDP in the four quarters to June 2026.



A combination of external and domestic factors led to an increase in annual inflation. Average inflation stood at 3.9% in 2025, above the 3.3% registered in 2024. While import prices, in particular of food, had a significant impact on inflation in Montenegro's small and open economy, domestic inflationary pressures came from high growth of wages and a loose fiscal policy. Core inflation averaged around 5% in 2025. Inflation showed a declining trend from mid-2025, which was, however, reversed in March 2026, partly due to the impact of the Middle East conflict on energy prices. Inflation increased from 2.6% in February to 4.5% in August, driven by transport and alcohol prices.

The 2025 budget deficit exceeded the target due to significantly higher social spending. The general government deficit stood at 4.3% of GDP, an increase of 1% of GDP compared to 2024 and well above the 3.5% target set in the revised budget adopted in September 2025. Budget revenue was above the target (41.1% of GDP instead of 40.6%),

on the back of strong tax revenue (4.8% higher than planned) while non-tax revenue was lower than budgeted. Pension contributions were 11.1% below the level planned, and their share of GDP dropped by 2.8 percentage points to 4.3% following a halving in contribution rates. Total public spending increased by 7.8% year-on-year and substantially exceeded the plan (45.4% of GDP instead of 44%), driven by rising social transfers, health-related spending and subsidies. The increase in the wage bill was contained at 1.8% year-on-year while capital spending grew by 14.9%. The general government budget targets a deficit of 3.7% of GDP[6] in 2026, which is above the fiscal rule's 3% limit.



Strong reliance on consumption taxes, a high level of mandatory spending, and large debt repayment needs point to fiscal vulnerabilities. Despite the good performance of labour and corporate taxes in 2025, a marked reliance on revenue from consumption taxes (VAT and excises accounted for 54% of total budget revenue in 2025) results in a high dependency on the business cycle. Montenegro made some progress in strengthening the tax base by introducing VAT on construction land, increasing excises on tobacco, and changing the personal income tax on income from a second job, but the impact of these measures is rather limited. Public spending is driven by high mandatory expenditure, with the public sector wage bill, social security and health transfers amounting to 68% of total general government spending in 2025. Public debt increased to 63.5% of GDP at the end of 2025 from 61.3% in 2024, reflecting new net borrowing, partly to build fiscal buffers for a large Eurobond repayment due in 2027. The general government debt-to-GDP-ratio declined below 60% in Q2 2026, but the government projects it to increase to 68%[7] at the end of 2026. Debt rollover needs, including of Eurobonds, are moderate in 2026 (EUR 383.6 million), but peak in 2027 at EUR 750 million or 8.4% of GDP. The overall financing strategy is to secure sufficient financing for debt repayment by issuing bonds on foreign and domestic markets and using accumulated government deposits in peak repayment years while trying to extend debt maturity, smoothen its repayment profile and avoid peaks every two years[8].

There is room to strengthen fiscal policy as the main tool to manage aggregate demand in Montenegro's 'euroised' economy. A loose fiscal stance in 2025 added to price pressures and to external imbalances. High mandatory spending, an ambitious investment programme and increasing interest payments do not leave much room for fiscal support in case of adverse economic shocks and make it challenging to comply with the fiscal rules in the upcoming years.

Functioning of product markets

Business environment

Some progress was made in improving the regulatory business environment. Supported by the permanent secretariat of the Competitiveness Council, the implementation of the Action Plan (aiming to eliminate 11 key barriers to business) continued, with 63% of the plan's activities completed by mid-2026. The plan focuses on four areas of action: (i) suppressing the grey economy; (ii) improving the business environment; (iii) advancing legislative work; and (iv) making the public administration more efficient.

[6] The 2026 budget, adopted in December 2025, targeted a deficit of 3.3% of GDP. Considering the worse-than-expected outcome in 2025 and new developments, the projection was revised to 3.7% of GDP in the Macroeconomic and fiscal policy guidelines for the period 2026-2029, released in July 2026.

[7] Macroeconomic and fiscal policy guidelines for the period 2026-2029.

[8] Eurobonds (EUR 500 million) will mature in 2029. A further large debt repayment is due in 2031.

Major challenges remain with respect to timely reimbursement of VAT and addressing seasonal and undeclared work, as the electronic system for processing temporary residence and work permit applications is not yet operational.

The e-government portal, which is expected to serve as a central access point for public administration services, offers around 100 e-services to citizens and businesses, but their operability still needs to be improved. Of these, 57 have been developed during 2025 and hundreds more are expected to be developed and rolled out in the next two years thanks to the EU support through the Reform Agenda. Some technical progress was made by deploying the upgraded Government Service Bus, which is used by 26 institutions in key sectors such as social protection, education, and justice. However, the integration of all public registers into the Unified System of Electronic Data Exchange has yet to be completed. The official deployment plan envisages the expansion of e-services to local government authorities, enabling more effective delivery to citizens.

While the implementation of the 'Europe Now 2' programme supported employment growth and some formalisation of wages, Montenegro's business environment continues to be hampered by the informal economy. The informal economy, accounting to 20.4% of GDP even among registered firms[9], poses a significant challenge to legally operating small and medium-sized enterprises (SMEs) and microenterprises, particularly in the services sector. Its prevalence is linked to deficiencies in the institutional and regulatory framework, labour market weaknesses, limited enforcement capacity among public authorities, as well as corruption and tax non-compliance. While indicators under the Action Plan for the Suppression of the Informal Economy 2024-2026 show some progress in formalising economic activities in 2025, e.g. in tourism, and expanding the use of digital tax and customs tools, the structural challenges persist. Further efforts are needed to strengthen institutional coordination and trust between the public and private sectors and enforce capacity of inspections through the use of digital tools.

State influence on product markets

The government continued to intervene in markets to contain price increases, while strengthening the framework for monitoring and enforcing State aid rules. The government reinstated and extended a price cap programme from November 2025 to March 2026 following the suspension of price caps in May 2025. This effort aims to restrict profit margins on 70 essential items, including basic food staples such as flour, sugar, oil and salt, and support domestic producers. In March 2026, the government reduced excise duties on diesel by 50% and on petrol by 25%, with the objective of limiting retail fuel prices. In August the petrol duty reduction was abolished, while the diesel excise reduction was scaled back, leaving the duty still 10% below its original level. The Agency for Protection of Competition (APC) increased the number of investigations processed, conducted dawn raids and assessed the compatibility of State aid measures in 2025. The APC has, in particular, finalised a number of assessments and used all procedural instruments at its disposal in landmark cases of alleged unlawful State aid, including the case of Montenegro Airlines. Further work was carried out to raise awareness of State aid rules among aid grantors and to increase the number of staff in the agency. In 2025, state aid granted by Montenegro (EUR 2.87 million or 0.04% of GDP) was significantly below the amounts provided in 2024 and 2023 (EUR 11.85 and 13.19 million, respectively).

Privatisation and restructuring

Important steps were taken to improve the monitoring and governance of SOEs. The Law on the governance of SOEs was adopted in June 2026. Its aim is to boost SOEs' financial performance by reforming their management structures and reducing political patronage. In June, the government also adopted the state ownership policy, which serves as the key strategic instrument in implementing the Law on SOEs. Activities to upgrade and update the SOE register are ongoing. The Department for fiscal risk monitoring in the

[9] OECD data.

Ministry of Finance continued to monitor SOEs and prepared an aggregate analysis of their financial performance. The government adopted this analysis, together with an accompanying fiscal risks statement, in December 2025.

Functioning of the financial market

The banking system remained stable and profitable in 2025. Banks continued to fund themselves mainly through domestic deposits, with deposit growth recovering to 6.1% in 2025 from 3.4% in 2024. In the first half of 2026 deposit growth stood at 5% year-on-year. The return on assets declined to 2% in Q4-2025 from 3% one year earlier, while the return on equity fell to 15.3% from 18.5% in the same period. The non-performing loan ratio declined to 2.4% in Q1-2026, compared with 3.5% in the end of 2024. The capital adequacy ratio of the banking sector (regulatory capital to risk-weighted assets) increased to 20.2% in 2025, comfortably exceeding the regulatory minimum.

Montenegro adopted amendments to the Law on the Development Bank that exclude deposit-taking and the provision of payment services from the scope of the Development Bank of Montenegro's (DBM) activities. Further by-laws were adopted on DBM governing minimum risk-management standards, large exposures, capital adequacy, and reporting requirements.

Credit growth accelerated amid a slight fall in lending rates. Credit growth increased to 15.3% in 2025 from 13.3% in the previous year. Given strong credit expansion and rising real estate prices, the central bank tightened macroprudential measures by raising the countercyclical capital buffer and the capital conservation buffer. Borrowing costs declined slightly, with the nominal weighted average lending rate falling to 6.2% at the end of 2025 from 6.5% one year earlier. The nominal weighted average rate on deposits stood at only 0.29%. The spread between lending and deposit rates supported the profitability of the banking sector. Credit growth remained in double digits in the first half of 2026.

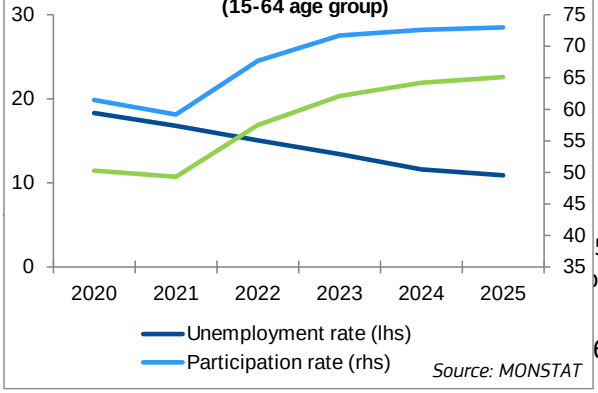
Montenegro's financial system remains bank dominated. Despite strong banking-sector indicators and rapid credit growth, SMEs continue to face financing constraints. The Montenegro Stock Exchange plays only a limited role, serving mainly as a residual market for some large corporates and SOEs, while SMEs are absent both as issuers and as market participants. Guarantee schemes, equity finance, risk-sharing instruments and investment-readiness remain underdeveloped.

Functioning of the labour market

The labour market continued to improve. According to the labour force survey, the average unemployment rate declined to 10.9% in 2025 and to 9.4% in Q2 2026, down from 11.6% in 2024. The employment rate (aged 15-64) increased to 65.1% in 2025 and to 68.3% in Q2 2026, up from 64.2% in the previous year[10]. Results of the 2026 Q2 survey once again confirmed large regional disparities, with the unemployment rate standing at 6.7% in the coastal region, 8.4% in the central region, and 19.4% in the poorer northern region.

The gender gap narrowed somewhat, but the activity rate for women (aged 15-64) in 2025 (71%) remained significantly below that of men (80%). Youth (age 15-24) unemployment declined to 25% in 2026 Q2 from 26% in 2024 but still remains one of the major structural challenges alongside the rate of long-term unemployment, with some 70% of all unemployed people looking for a job for more than 12 months. The employment agency adopted a revised catalogue of active labour market policy measures and expanded digital interoperability via the national Government

Graph 24: Montenegro - Labour market trends (15-64 age group)



Source: MONSTAT

5. From 2025 the Labour Force Survey is based on the
arability with previous years data.

Service Bus. Following the 2025 pilot phase, the nationwide roll-out of the Youth Guarantee scheme remains contingent on improving interinstitutional coordination and data-sharing between the education, social welfare and employment sectors.

2.3.2. The capacity to cope with competitive pressure and market forces within the EU

Education and innovation

Further steps were taken to address long-standing challenges in education quality and skills mismatches. Following the adoption of a comprehensive multiannual education sector strategy (2025-2035) in April 2025, the government integrated the 2025-2026 Action Plan into the national budget and launched a major initiative, 'Better Schools for All', in February 2026. In October, Parliament adopted the Law on higher education, which improved the framework for practical training. An external evaluation of practical education in school was carried out to determine the training needs of practical education teachers and instructors. While the 2025 PISA average scores improved compared with the 2022 results, overall student performance remains below the OECD average across all three tested domains.

The national innovation system benefited from a number of new initiatives. The recently established Science and Technology Park of Montenegro enhanced cross-sectoral cooperation, filling 86% of the envisaged positions by the end of 2025. Systemic support for the innovation ecosystem was provided through ten dedicated programmes. The Innovation Fund plays a vital role in implementing the national innovation policy, with funding increasing from EUR 700 000 in 2022 to EUR 3.2 million in 2024. It has introduced two strategic initiatives on artificial intelligence (AI) and a GovTech programme aimed at deploying innovative digital solutions in the public sector. However, spending on research and development (R&D) still amounted to only 0.3% of GDP. To support R&D activities, Montenegro adopted the Law on incentive measures for the development of research and innovation, which grants a corporate income tax credit equivalent to 100% of the tax due on profits reinvested in approved R&D or innovation projects.

Physical capital and quality of infrastructure

Further progress was made in improving the energy infrastructure and implementing the Green Agenda. While the share of renewable energy sources is high, heavy reliance on hydropower, which accounted for approximately 42% of total electricity production in 2025, underscores the continued need for diversification. To capitalise on strong foreign investor interest in new renewable energy projects, Montenegro needs to accelerate its permitting procedures and swiftly upgrade its electricity grid infrastructure. In May 2026 the national electric power company, EPCG, started operating the 55 MW Gvozd wind farm. The National Energy and Climate Plan was adopted in December 2025, providing the necessary strategic framework for long-term decarbonisation and energy transition. The Pljevlja coal power plant is projected to remain in service until 2041. Following a temporary closure in April 2025 for ecological reconstruction, the plant resumed operations in November, with an improved environmental performance, although it is still the main polluter in the country.

Good progress was made in the transport sector, although the lack of administrative capacity remains a bottleneck. Following the adoption of the Law on railways, the Railway Agency was formally established in early 2026. The agency started to set up its structures, which are necessary to carry out its regulatory and safety functions, overseeing the opening-up of the market as a fully independent market regulator and national safety authority. The work on the Bar-Vrbnica railway continued, but the slow pace of progress indicates persistent challenges in the management of large-scale infrastructure projects. A significant milestone was reached for the Mateševo–Andrijevica section of the Bar-Boljare highway as both the construction and supervision contracts were signed in February 2026, following a tender process conducted in accordance with the procurement rules and procedures of the European Bank for Reconstruction and Development (EBRD). In March 2026, the government adopted an ambitious transition plan for the institutional and operational restructuring of the national air navigation service provider. In July 2026, the government

decided to cancel the public call for the concession of Podgorica and Tivat airports and terminate the procedure, after the first-ranked bidder has withdrawn.

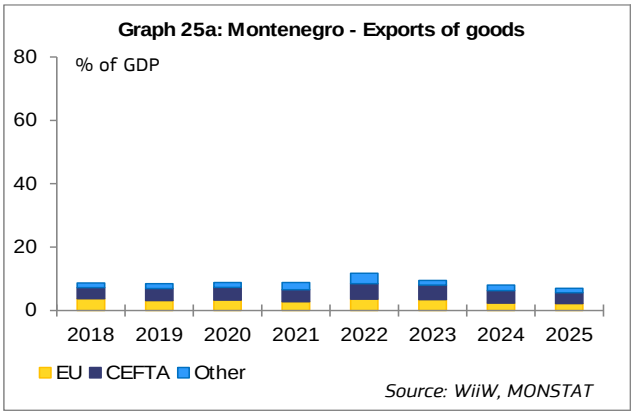
Investment in digital infrastructure accelerated. The Cybersecurity Agency was established in late 2025, significantly enhancing the national institutional framework for cyber resilience. Further efforts are needed, however, to achieve full operational capacity and strengthen its administrative and technical resources. As 5G network coverage expanded to over 95% of the population by early 2026, the focus has shifted towards the uptake of advanced digital technologies by firms and the interoperability of public databases and digital identities. Montenegro's accession to the Single Euro Payments Area (SEPA) in October 2025 is expected to contribute to the digitalisation of the economy and the modernisation of retail payments. Despite the integration of an increased number of transactional e-services on the centralised e-government portal in 2025, the full interoperability of various institutional databases and the consistent use of digital identities in public administration remain a challenge.

Sectoral and enterprise structure

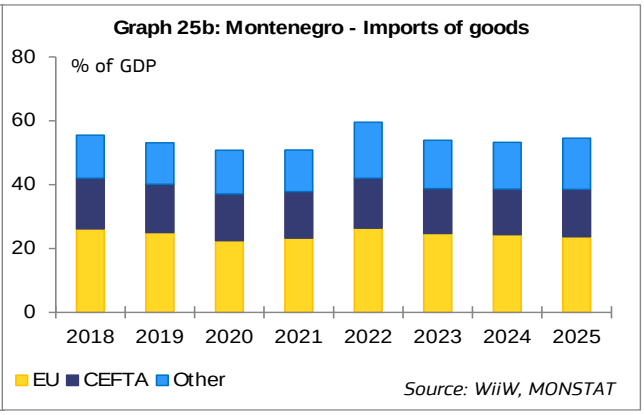
The structure of the economy remains reliant on services and small enterprises. Micro, small, and medium-sized enterprises (MSMEs) continue to serve as the backbone of the Montenegrin economy, accounting for 54.2% of total employees in 2025. The share of microenterprises within the MSME sector remained unchanged at 95% in 2025, underscoring the continued structural fragmentation of the business landscape. Across sectors, the distribution of employment in 2025 remained the same as in previous years, with the services sector absorbing around three quarters of total employment, while industry and construction (19.3%) and agriculture (4.3%) account for much lower shares. Tourism performance was mixed in 2025, with a higher number of arrivals but fewer overnight stays, resulting in peak-season concentration and environmental pressures. New hotel openings, diversification of tourist origin countries and additional flight destinations served by low-cost airlines, should help to extend the season and shift towards higher value-added services.

Economic integration with the EU and price competitiveness

Despite falling exports, foreign trade expanded on the back of import growth. Montenegro's foreign trade increased by 7.2% year-on-year, with exports of goods shrinking by 6.9% and imports growing by 9.3% in 2025. The merchandise export base remained very narrow, relying on mineral fuels and electricity. Bilateral trade in goods[11] with the EU grew by 3.7% and the EU remains Montenegro's main trade partner, accounting for 32.5% of total exports and 43.3% of total imports of goods. CEFTA (Central European Free Trade Agreement) countries also constitute an important market, accounting for 46.8% of



Graph 25a: Montenegro - Exports of goods



Graph 25b: Montenegro - Imports of goods

Montenegro's total exports and 27.3% of total imports of goods. Services exports, relying mainly on tourism, largely outweigh goods exports (amounting to 33% and 7.2% of GDP respectively in 2025). While total tourist arrivals increased by 4.7 per cent in 2025, overnight stays declined by 1.5 per cent, pointing to shorter average stays. The EU remains the main source of FDI inflows for Montenegro, accounting for 32.8% of total FDI inflows in 2025, compared with 28.2% in 2024, followed by Serbia, Türkiye and USA.[12]

2.4. PUBLIC PROCUREMENT, STATISTICS AND FINANCIAL CONTROL

Chapter 5: Public procurement

EU rules ensure that public procurement of goods, services and works in any Member State is transparent and open to all EU companies on the basis of non-discrimination and equal treatment.

Institutional set-up and legal alignment

The **legal framework** on public procurement is aligned with the EU *acquis*, the Law on public procurement includes a specific chapter on defence and security procurement. The Law on public procurement has been amended in July and September 2026, strengthening the oversight of public procurement. The Law on public-private partnership and Law on concessions are aligned with Directive 2014/23/EU.

The Agreement on Cooperation in Tourism and Real Estate Development with the United Arab Emirates (UAE), concluded in March 2025, states that any contracts, programmes and agreements with investors from UAE are exempted from legislation of both countries on public procurement. Montenegro must ensure that the implementation of this and other, similar agreements does not contravene or circumvent the EU *acquis* on public procurement.

In December 2025, the government adopted a new Strategy for the Improvement of Public Procurement Policy and Public-Private Partnership for 2026-2030. In July 2026, the government decided to cancel the public call for the concession of Podgorica and Tivat airports and terminate the procedure, after the first-ranked bidder has withdrawn. The government decision needs yet to obtain the approval from Parliament.

Implementation and enforcement capacity

[11] MONSTAT data.

[12] Central Bank of Montenegro data.

The **public procurement market** represented 12.44% of GDP in 2025 from 11.38% in 2024. The share of centralised procurement continued to increase from 3% in 2023 to 27% in 2025.

The administrative capacity in the area of public procurement is adequate and remains stable. Trainings and courses for procurement officers are organised systematically.

Regarding **prevention of corruption** in public procurement**,** amendments to the Law on the prevention of corruption and to the Law on public procurement, which revised the anti-corruption, integrity and conflict of interest framework for public procurements, were adopted by the Parliament in July 2026. The introduction of automatic detection mechanisms of irregularities into the electronic procurement system and establishment of interconnection with the database of the justice system are still awaiting.

Efficient remedy system

The **right to legal remedy** and appeal procedures are in line with EU standards and practice. There are no significant delays in treating and resolving complaints and the remedy system works efficiently.

Chapter 18: Statistics

European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria elaborated in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility and statistical confidentiality. Common rules are in place for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.

On **statistical infrastructure,** the coordination role of the Statistical Office of Montenegro has been strengthened. Amendments to the statistical law brought about alignment with the EU *acquis*, including enhanced access to administrative data sources and a high level of confidentiality and data protection. They also assigned clear responsibilities for producing government finance statistics (GFS) and excessive deficit procedure statistics (EDP). In the reporting period, cooperation among key institutions involved in the production of macroeconomic statistics – the Ministry of Finance, the Statistical Office of Montenegro (MONSTAT) and the Central Bank of Montenegro – has significantly improved. A Steering Committee for the implementation of the European System of Accounts (ESA) 2010 methodology was established to ensure a more systematic approach to alignment with the EU *acquis* in this domain. The number of datasets transmitted to Eurostat has significantly increased. Further efforts are needed to ensure full compliance and broader coverage, including for historical datasets.

The lack of adequate office space for MONSTAT and persistent understaffing, with only around 60% of positions filled at the beginning of 2026, remains a serious issue. Insufficient staffing in key areas continues to hinder the production of statistics required under the EU *acquis.* Plans to significantly increase the administrative capacity by the end of 2028 are underway, but this requires addressing the current limitations of its premises. Montenegro reached a high degree of alignment in the area of **classifications and registers.**

On business and trade statistics, there is good alignment in statistics on the production of goods and international trade in goods and services. Efforts should continue towards full alignment in short-term and structural business statistics. **Energy statistics** is fully aligned, **and** good progress has been achieved in **transport statistics**.

In the area of **macroeconomic statistics**, Montenegro completed a benchmark revision of national accounts data for the period 2006-2023, integrated new data sources (including from the recent population and agricultural censuses) and improved the methodology. Key national accounts data are produced in line with the ESA 2010 (Gross Domestic Product, Gross National Income and main aggregates). Regular production of GFS and EDP data started in 2026, marking significant progress in this area. Montenegro provided a roadmap outlining timeline and scope for further improvements in the coverage and quality of these data.

In **social statistics** Montenegro regularly provides data on asylum and on enforcement of immigration legislation. Montenegro should produce statistics on residence permits and continue improving completeness and quality of the data across all social statistics areas.

On agriculture statistics, significant progress has been registered, and efforts should continue for full alignment with detailed requirements and deadlines for data transmission.

With regard to **price statistics**, Montenegro fulfils the mandatory data transmission requirements of the EU *acquis* for the Harmonised Index of Consumer Prices.

Chapter 32: Financial control

The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure, and external audit of public funds. The financial control rules further protect the EU's financial interests against fraud in the management of EU funds and the euro against counterfeiting.

Public internal financial control (PIFC)

The legal, strategic and operational **frameworks** on PIFC are in place and recent regulatory changes have further strengthened the alignment with international standards. The strategic framework for PIFC is ensured through continuous implementation of related activities under the public finance management and public administration reform strategy. The government continues to adopt a PIFC annual report and corrective measures on improved governance were adopted to improve the uptake of its recommendations across public sector.

Good progress was noted on **internal control** with the adoption of secondary legislation to the recent Law on governance, internal control and internal audit in the public sector adopted in June 2025 for increased internal audit productivity, better coverage and implementation of audit recommendations. Also, the regulatory gap on a PIFC operational framework for state-owned enterprises (SOEs) was closed through the adoption of the SOEs law in June 2026, and this now needs to be effectively implemented and enforced. Administrative capacity across the PIFC system has improved but remains to be continuously upgraded, particularly at the local level.

On **internal control**, progress on risk management continued: the majority of budget users identify and assess strategic and operational risks, while integrating them into decision-making processes. Additionally, progress was noted on irregularity management, through upgraded procedures. Central Harmonisation Unit capacities to follow up on better functioning on internal control have been improved. Continuous efforts need to be undertaken to enhance administrative capacities for more effective enforcement of risk and irregularity management, particularly through regular trainings, quality assurance, and establishment of a centralised mechanism for reporting and data collection on irregularities. In December 2025, the Law on budget inspection was revised to better define the organisational and functional division between budget inspection and internal audit, strengthening complementarity while supporting ongoing enhancements to PIFC.

In terms of **managerial accountability**, progress was in undertaking various steps for better delegation of responsibilities, although the managerial culture in public administration remains highly centralised. In order to ensure that delegation of tasks is accompanied by clear performance indicators and audit trail the government adopted a roadmap for further reform direction. Overall. delegation of decision-making authority has improved in some line ministries, but such needs to be applied across all of them, and the government foresees clear reform ambition under the public administration reform strategy. The Ministry of Finance adopted the guidelines for managerial accountability in March 2026, which were developed with interested line ministries.

Enhanced **internal audit** is proven by the increased number of audits conducted, consistent planning, reporting, and internal quality assurance processes, including in SOEs, in line with international internal audit standards. Both adopted in October 2025, the rulebook on internal audit methodology clarified obligations, responsibilities, and roles on risk management, while the rulebook on the detailed manner of governance, management and implementation of

internal control improved the reporting on suspected irregularities and fraud and established an alternative reporting line when regular ones are not functioning. Yet, the internal audit functions need to be further strengthened.

External audit

The legal framework for external audit is in line with international standards and best practices and safeguards the institutional, financial and operational **independence** of the State Audit Institution (SAI). Such independence needs to be continuously ensured in practice. Parliament appointed the President of the Senate of the SAI in December 2025. As for SAI's **administrative capacity**, remaining vacancies are being regularly filled, as per staffing plan. **Parliamentary scrutiny** supports the uptake of SAI's recommendations by keeping the government accountable for their implementation. However, the implementation of recommendations needs to be improved.

Protection of the EU's financial interests

Montenegro adopted amendments to the Criminal Code in order to fully align its criminal legislation with the Directive on the fight against fraud to the Union's financial interests (**PIF Directive**).). Additionally, it has adopted a new national **anti-fraud strategy** 2025-2027 in July. The **anti-fraud coordination service** continues to strengthen its knowledge and skills through training activities.

In reporting period, national authorities continued to report on cases of irregularities via the Irregularity Management System. In 2025, Montenegro reported 9 irregularities, all classified as non-fraudulent.

Protection of the Euro against counterfeiting

Montenegrin legislation on the protection of the euro against counterfeiting is fully aligned with EU regulations, and the national analysis centre needs to ensure sufficient administrative capacity for technical analysis and to continue international cooperation. Relevant legislation needs also to be further amended to prepare for EU accession.

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

Good neighbourly relations and regional cooperation form an essential part of Montenegro's European integration process. They contribute to stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacies of the past.

Montenegro maintained its engagement in a number of **regional cooperation initiatives**, such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South-East European Cooperation Process (SEECP) and the Regional Cooperation Council. Montenegro also actively participates in initiatives such as the Central European Initiative, the Regional Initiative for Migration, Asylum and Refugees, and the Centre for Security Cooperation. In 2025, Montenegro became an associated participating state of the Three Seas Initiative. In 2026, Montenegro chairs the Berlin Process, the Governing Board of the Regional Youth Cooperation Office and the Western Balkans Fund.

The sixth annual **EU-Western Balkans Summit** took place in Brussels in December 2025. In June 2026, Montenegro hosted the EU-Western Balkans Summit in Tivat, reaffirming the EU membership perspective of the Western Balkans and exploring measures to further advance gradual integration. Montenegro actively engaged in the regional dimension of the **Growth Plan for the Western Balkans**, participating in both ministerial and leaders' meetings, and attended the Growth Plan Summit in Tirana in November 2025. In 2026, Montenegro held the Presidency of the Berlin Process and hosted the Berlin Process Summit in October 2026 as well as several Ministerial meetings throughout the year.

On the **Common Regional Market (CRM)**, at the Berlin process summit in London in October 2025, the leaders of the region endorsed a revised and streamlined action plan to

implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to making progress in the promotion of regional mobility and in the implementation of relevant regional agreements and CEFTA decisions. Montenegro signed the fifth mobility agreement on access to higher education and admission to studies in the Western Balkans and adopted the CRM action plan for 2025-2028. Montenegro has ratified all of the five regional mobility agreements. The **roadmap for roaming** between the Western Balkans and the EU entered the first phase of implementation. In February 2026, the Commission proposed launching negotiations with Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia to integrate them into the EU's 'Roam Like at Home' regime.

The Commission on Missing Persons of Montenegro continued to cooperate with neighbouring countries under bilateral cooperation protocols. There are 50 active cases of missing persons who are Montenegrin citizens or whose families reside in Montenegro.

Montenegro also continued preparations for assuming the six-month Presidency of the Committee of Ministers of the Council of Europe on 10 November 2026.

Montenegro generally maintains good bilateral relations with other enlargement countries in the region and with neighbouring EU Member States.

Relations with ***Albania*** remained good. High-level visits and political contacts continued to improve and strengthen bilateral cooperation in fields of mutual interest.

Relations with ***Bosnia and Herzegovina*** remained good overall. Presidential-level discussions were held on strengthening economic ties and regional cooperation. The Zupci–Sitnica joint border crossing on the Trebinje–Herceg Novi route was officially opened. Occasional developments in the *Republika Srpska* entity have sparked strong reactions from high-level Montenegrin officials.

Relations with ***Kosovo*** remained good. In July 2026, Montenegro and Kosovo signed a bilateral Agreement on the Mutual Recognition of Qualified Electronic Trust Services and Electronic Identification Schemes.

Relations with ***North Macedonia*** remained good with no pending bilateral issues. High-level meetings between representatives of both countries took place during the reporting period.

Relations with ***Serbia*** are generally stable, though tensions occasionally arise, as they did over the 20th anniversary of Montenegro's independence, following statements by the Serbian President challenging the legitimacy of Montenegro's independence. Serbia regularly backs pro-Serbian groups in Montenegro, as seen notably during the December 2025 protests in Botun. Debates remain over the status of Serbs, the Serbian language, the role of the Serbian Orthodox Church, and alleged Serbian meddling in domestic affairs, including in Montenegro's media landscape. Following the death of convicted war criminal Ratko Mladić in August 2026, significant political tensions arose after the Speaker of Parliament offered his condolences to Mladić's son.

Bilateral relations with ***Türkiye*** remained stable and included high-level meetings, including in the margins of the Balkans Peace Platform. In October 2025, Montenegro decided to temporarily suspend the visa-free regime for Turkish citizens, following a stabbing incident in Podgorica. The incident ignited a wave of protests against the Turkish community in Montenegro.The visa-free regime was reintroduced in December 2025.

Montenegro continued to provide unequivocal support to ***Ukraine*** in light of Russia's war of aggression, including humanitarian and military aid. Montenegro participated in regional initiatives and attended the Ukraine–Southeast Europe Summit in Kyiv. The presidents of the two countries met.

Relations with the ***Republic of Moldova*** are good. Montenegro and Moldova maintain relations through the SEECP. The two sides are cooperating in the area of European integration, based on a memorandum of cooperation signed in May 2025.

Relations with ***Croatia*** intensified through the ongoing dialogue to find solutions to outstanding bilateral issues. In addition to dialogue at ministerial level, several high-level visits and meetings also took place, including between the Prime Ministers in the margins of the Bled strategic forum and of the Berlin Process Summit. These efforst need to be further sustained. Following the launch of the EU Entry Exit System, in May 2026, Croatia amended its Law on Foreigners and announced the issuing of a national visa in order to facilitate cross-border mobility for professional drivers from third countries, including from Montenegro.

Relations with ***Italy*** remained good and included high-level meetings, highlighting key areas for further cooperation.

4. RESILIENCE, SECURITY, DEFENCE

Montenegro has a clear strategic orientation anchored in the EU accession process, continues to be fully aligned with the EU's common foreign and security policy, including restrictive measures, participates in EU crisis management operations and missions and is a reliable EU partner in multilateral fora.

Montenegro's advancement in economic security, and democratic resilience serves as additional indicators of its readiness for EU membership. These pillars not only define Montenegro's capacity to align with EU standards but also its potential to contribute to the Union's strategic autonomy and collective security.

Democratic resilience

The government increasingly recognised the threat posed by hybrid threats, in particular foreign information manipulation and interference (FIMI), including disinformation, which resulted in efforts to strengthen the institutional framework. Montenegro continues close cooperation with the EU on FIMI and strategic communication, leveraging the Hybrid Risk Survey to identify and tailor suitable responses to the increasing hybrid threats, including FIMI and disinformation in the final stages of EU accession negotiations and ahead of the June 2027 elections. Working together with the EU through regional and bilateral programmes efforts continue to reinforce media literacy, independent journalism, and civil society resilience and to counter external hybrid influence, while boosting preparedness to safeguard democratic processes.

Economic security and resilience

Montenegro's economy remains vulnerable to external shocks due to its reliance on tourism, low diversification of economy and external financing. Tourism accounts directly for around 20–25% of GDP and is a major destination for foreign investment, with annual FDI inflows exceeding 7% of GDP and largely concentrated in tourism, real estate and construction rather than productive sectors.

Economic security faces risks from external dependencies, critical infrastructure gaps, and economic coercion, requiring stronger resilience measures.

Trade dependencies are mainly concentrated in non-strategic consumer and manufactured products, many of which are sourced from China. More relevant vulnerabilities concern foreign-owned activities in ICT & Digital Technologies and Agrifood, where a relatively small number of investors have a significant presence. The energy system remains reliant on hydropower and coal, with lignite accounting for around 40% of electricity generation, exposing the economy to climate and energy-market volatility. Significant grid losses (11.3% in 2023) add to these challenges, while renewable potential offers opportunities for investment, provided grid capacity and system flexibility are strengthened.

Montenegro holds known **critical raw material resources**. However, the size, value and commercial exploration feasibility for most of these deposits has not been assessed yet.

Montenegro is making considerable efforts at national level on strengthening **cybersecurity** and has also developed an important role regionally. It hosts the Western Balkans Cyber Capacity Centre (WB3C), which provides the expertise and resources necessary to address

the region's growing cybersecurity challenges. Montenegro collaborates with the European Union Agency for Cybersecurity (ENISA) and is in the process of seeking access to the EU Cyber Security Reserve. Montenegro has made significant progress aligning its legislation with the EU legal framework on Cybersecurity. Montenegro has aligned with the NIS 2 Directive, established the Cybersecurity Agency and Computer Incident Response Teams, and adopted the relevant policy frameworks. Montenegro's **emerging technology sector**, particularly in **AI and cybersecurity**, presents an opportunity for deeper EU integration.

Defence capacity building and defence industrial dimension

In terms of defence capacity building, with assistance from the **European Peace Facility**, an off-budget instrument, Montenegrin armed forces are working towards strengthening capacities. In February 2025, a EUR 6 million assistance measure for Montenegro under the European Peace Facility was adopted to provide the Armed Forces with real life support equipment, equipment for chemical, biological, radiological and nuclear defence operations (CBRN), and equipment for the helicopter-borne search and rescue units. Montenegro also benefits from EPF support at regional level, as a non-EU participating nation in the Balkan Medical Task Force.

Montenegro's defence industrial base is modest in scale, comprising few SMEs, and focuses on small arms, ammunition and explosives. This presents some opportunities for integration into European defence supply chains. In the framework of the **European Defence Fund (EDF)** and the **European Defence Industry Programme (EDIP)**, entities established in the EU or in an associated country and subject to control by Montenegro or by a Montenegrin entity could be eligible for funding, provided that guarantees provided by the EU Member State or associated country of establishment are made available to the Commission. So far this has not materialised.

Military mobility is also an area of interest. Montenegro is eligible under **the Security Action for Europe (SAFE)** instrument and is adapting its defence procurement to align with joint procurement mechanisms and stockpile coordination efforts led by the **European Defence Agency (EDA)**.

Civil protection and disaster resilience

Montenegro increasingly recognises the importance of strengthening civil protection and disaster resilience, which resulted in closer alignment with European preparedness and response frameworks. Montenegro continues close cooperation with the EU through the Union Civil Protection Mechanism (UCPM).

5. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

CLUSTER 2: INTERNAL MARKET

This cluster covers: free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9) and consumer and health protection (Chapter 28).

Chapter 1: Free movement of goods

The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers

General principles

In January 2026, the government adopted the 2026 EU accession programme, which includes planning for legislative alignment with the *acquis* on free movement of goods that remain to be aligned with.

Non-harmonised areas

Montenegro continued to implement its action plan for compliance with Articles 34-36 of the Treaty on the Functioning of the European Union (TFEU) on the prohibition of quantitative restrictions. In March 2026, the government adopted a revised action plan which includes the actions taken so far, and what actions remain to be completed and by when. In March 2026, Montenegro adopted the Law on amendments to the Law on technical requirements for products and conformity assessment and related secondary legislation, introducing rules on mutual recognition of goods aiming to remove unjustified barriers to trade. In May 2026, Montenegro adopted implementing legislation specifying the content and procedure for recognising conformity documents and marks, as well as the content and form of the declaration on the mutual recognition of products.

Harmonised area: quality infrastructure

On **standardisation**, in April 2026, Montenegro amended the Law on standardisation, and the Decision on the establishment of the Institute for Standardisation of Montenegro (ISME); intending to address the recommendations of the European Committee for Standardisation (CEN) and the European Committee for Electrotechnical Standardisation (CENELEC). In April 2026, ISME submitted an application for full membership of CEN and CENELEC: to this end, a peer review by CEN/CENELEC to assess the full membership criteria is expected in Autumn 2026. In the period from 1 September 2025 to 31 August 2026, ISME published a total of 2 088 Montenegrin standards and related documents.

Regarding **metrology**, Montenegro improved the human and material capacities of their laboratories for temperature and pressure and for testing precious metal articles. In May 2026, Montenegro adopted a number of pieces of national legislation to align with the EU *acquis* on metrology, particularly the *acquis* on measuring instruments, measuring units, non-automatic weighing instruments, on bottles used as measuring containers and metrological control. In September 2026 Montenegro adopted amendments to the law on technical specifications, thus aligning with Decision 768/2008/EC on the common framework for the marketing of products. In June 2026, Montenegro adopted national legislation aligning with the *acquis* on prepacked goods.

In April 2026, Montenegro adopted a Law on amendments to the Law on accreditation. During the reporting period, the **Accreditation** Body of Montenegro (ATCG) accredited one new conformity assessment body, bringing the total number of accredited bodies to 43. A follow-up peer evaluation was carried out in March 2026 in the context of maintaining ATCG's status as a signatory of the European Cooperation for Accreditation Multilateral Agreement (MLA), which confirmed that ATCG has made significant progress in organisational structure, assessment planning, and implementation. ATCG is working to address the five non-conformities and six recommendations that the evaluation identified.

In March 2026, Montenegro adopted amendments to the Law on market surveillance aligning with the latest EU *acquis* on **market surveillance**. In 2025 2 136 market surveillance inspections were carried out, which identified 861 types of dangerous and non-compliant products (49 196 items). Montenegro has also introduced the use of the European Conformity (CE) marking in national law and in compliance with EU harmonised product rules, providing that the relevant provisions will be applicable upon Montenegro's accession to the EU.

Furthermore, in May 2026, Montenegro adopted a number of action plans proposing measures to align with some provisions of EU regulations, which become directly applicable upon accession; namely, the Internal Market Emergency and Resilience Act, the net-zero technology manufacturing ecosystem (NZIA), the strawberry regulation, on prohibiting products made with forced labour and on defence products and defence procurement.

Harmonised area: sectoral legislation

Regarding '**new and global approach product legislation**', in March, May, June, July and September 2026, Montenegro adopted implementing legislation aligning with cableway installations, gas appliances, lifts and safety components for lifts, pressure equipment, simple pressure vessels, equipment and protective systems intended for use in potentially explosive atmospheres (so called ATEX), low voltage equipment, recreational and personal watercraft, personal protective equipment, cosmetics, electromagnetic compatibility, machinery, radio equipment, drug precursors and explosive substances for civil use, on the safety of toys, detergents, noise emissions from equipment used outdoors and pyrotechnics. In April 2026 Montenegro adopted the Law on plant nutrition products aligning with the EU *acquis* on fertilising products. In May 2026 Montenegro amended its Law on construction of products to align with the EU regulation on the marketing of construction products.

Under the '**old approach product legislation,**' legislative work intensified and in February 2026, Montenegro adopted the Law on medicines and a number of pieces of implementing legislation to align with the core EU *acquis* on medicinal products for human use and for veterinary medicinal products. Further amendments to the Law on Medicines were adopted in June 2026. Montenegro also adopted implementing legislation concerning substances essential for the treatment of equine species, the prohibition of the use of certain substances and veterinary medicinal products in animals, and good laboratory practice. Furthermore, in September 2025, Montenegro adopted implementing legislation to align with the EU Directive relating to the transparency of measures regulating the pricing of medicinal products for human use. In June 2026, Montenegro adopted implementing legislation to align with aerosols dispenser. In June 2026 Montenegro adopted the Law on the homologation of vehicles, vehicle systems, components and separate technical units aligning broadly with the overarching EU regulations in the field of motor vehicles and thereby establishing a vehicle homologation system in Montenegro In July 2026, Montenegro adopted the new Law on chemicals aligning with good laboratory practice and related inspections, and key chemical legislation such as Regulation (EC) 1907/2006 on Registration, Evaluation, Authorisation, and Restriction of Chemicals (better known as REACH). Significant progress is also noted concerning alignment with the legislation on classification, labelling and packaging of substances and mixtures (CLP). Work is ongoing to adopt further secondary legislation concerning CLP implementation particularly Annex VI and Annex VIII.

On **procedural measures**, Montenegro adopted in March 2026 and May 2026 national legislation aligning with EU *acquis* on crystal glass products, labelling of footwear and textile products, medical products pricing, on the return of cultural objects unlawfully removed from the territory of a Member State and on firearms. Further amendments to the Law on obligations and the Law on weapons and ammunition were adopted in July 2026.

On **anti-corruption measures** under this chapter, integrity plans are in place across all key institutions, including the Administration for Inspection Affairs, the Ministry of Economic Development, the Bureau of Metrology, the Institute for Standardisation, the Accreditation Body of Montenegro (ATCG), and the Institute for Medicines and Medical Devices (CInMED).

Chapter 2: Freedom of movement for workers

Nationals of one Member State have the right to work in another Member State and must be given the same working and social conditions as other worker nationals of that Member State.

Regarding **access to the labour market**, Montenegro aligned its legal framework with the *acquis* in this area. In December 2025, Parliament adopted amendments to the Law on foreigners, establishing a distinct and autonomous legal regime for the free movement and residence of EU citizens and their family members. To ensure equal treatment between EU citizens and Montenegrin nationals in employment, education, and social benefits, a series of legislative amendments were adopted between October 2025 and March 2026. These acts align the national framework with the principle of non-discrimination, with most provisions entering into force upon accession to the EU. In 2025, a total of 40 567 permits for temporary

residence and work were issued, representing a 6.7% increase compared to 2024. The utilisation of the allocated quota for 2025 reached 95.52%, with construction and hospitality remaining the predominant sectors. The government set the 2026 annual quota at 28 988 permits for temporary residence and work of foreigners.

On **European Network of Employment Services (EURES)**, Montenegro strengthened its institutional readiness by adopting in January 2026 an updated action plan for Montenegro's Accession to the EURES Network (2025-2028). A multidisciplinary EURES Working Group and a National Coordination Office were established to coordinate technical interoperability. A dedicated department for EURES and employment mediation abroad were established within the Employment Agency of Montenegro (EAM). The modernisation of the EAM's IT infrastructure continued, focusing on digital interoperability and integration in the EURES common platform, including the adoption of the European Skills, Competences, Qualifications and Occupations classification.

Regarding the **coordination of social security systems**, the government adopted in February 2026 the action plan for the coordination of social security systems 2026-2028 defining key activities, deadlines and institutional responsibilities and designated the Pension and Disability Insurance Fund as the national access point for the Electronic Exchange of Social Security Information (EESSI). The Plan targets full operational readiness for the EESSI system by the date of EU accession. On the bilateral coordination of social security systems, Montenegro has 26 social security agreements in place, of which 16 are with EU Member States. No new bilateral agreements with EU Member States were concluded in the reporting period.

The **European Health Insurance Card (EHIC)** is recognised under the Law on compulsory health insurance, but it will only be introduced after EU accession. The feasibility study on the introduction of EHIC was updated with 2025 statistical data, confirming no significant financial obstacles to its implementation. The assessment determined that Montenegro has a basic legal and administrative framework for the introduction of the EHIC system in place, while further strengthening of technical and information capacities is required. These findings were integrated into the action plan for the Coordination of Social Security Systems which outlines the technical and IT upgrades required prior to accession.

Chapter 3: Right of establishment and freedom to provide services

EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.

On the **right of establishment and freedom to provide cross-border services**, Montenegro further aligned its sectoral legislation with the EU Service Directive. In December 2025, updated its Point of Single Contact (PSC) portal by incorporating an integrated inventory of 327 services. Further efforts are needed to enhance the PSC into an interactive tool enabling online submission of applications. Montenegro is yet to develop implementing legislation governing the use of Internal Market Information (IMI) and set up IMI coordination structures. Administrative capacity remains limited, with the Directorate for EU Integration and the PSC having filled only three of its nine planned positions. Montenegro needs to step up efforts to strengthen its administrative capacities and develop IT infrastructure to facilitate cooperation with the competent authorities of other Member States upon accession.

On **postal services**, national legislation is aligned with the Postal Services Directive and amendments to the Law on postal services were adopted to further align with the Regulation on cross-border parcel delivery services. The Strategy for the Development of Postal Services 2024-2028 continued to be implemented. At the end of the reporting period, the number of active postal operators increased to 44. Montenegro should continue

strengthening the administrative capacity to efficiently monitor the postal market and ensure compliance with the postal law.

On **mutual recognition of professional qualifications**, Montenegro continued aligning with the Directive 2005/36/EC by adopting amendments to the rulebook for the recognition of professional qualifications of licensed architects. Work continued for aligning and adopting the study training programmes for five regulated professions (doctors with basic medical training, dental practitioners, architects, general care nurses and pharmacists) with the Minimum Training Requirements of Directive 2005/36/EC. A training model curriculum for veterinarians and midwives is being developed. Work is also ongoing to ensure alignment with all the remaining provisions of the Professional Qualifications Directive beyond minimum training requirements, and with the proportionality test directive. Amendments to the law on the recognition of professional qualifications for the pursuit of regulated professions, together the draft Rulebook on the proportionality assessment were prepared to ensure full alignment with Directive (EU) 2018/958.

Montenegro needs to intensify efforts to strengthen its institutional capacity. This includes establishing the organisational structure and training the competent authorities responsible for the recognition of professional qualifications. Efforts to ensure harmonisation with the minimum training requirements for all professions benefiting from automatic recognition should continue.

Chapter 4: Free movement of capital

In the EU, capital and investments must be able to move without restriction, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.

In the area of **capital movements**, Montenegro has ensured that all restrictions for acquisition of real estate and land, including agricultural land by EU citizens would be lifted upon accession. However, the country still needs to make sure that the restrictions are lifted for non-EU EEA nationals. Geographical restrictions in the Law on voluntary pension funds have not been fully lifted. Amendments to the Law on comparability of fees and payment account with basic features were adopted in May 2026.

In the area of **payments**, amendments to the payment system Law, ensuring alignment with SEPA, cross-border payments and instant payments *acquis*, were adopted in July 2026. The national instant payments system has been launched in July 2026. The national system mirrors the EU instant payments system (TIPS), and should allow for a smooth technical integration into TIPS depending on the Eurosystem's decision making process. Following Montenegro's inclusion in the geographical scope of the Single Euro Payments Area (SEPA), all Montenegrin banks have been operational in the relevant schemes since October 2025, with the central bank reporting substantial savings on transaction costs.

In November 2025, Parliament adopted amendments to the Law on the Development Bank of Montenegro, addressing the concerns on alignment with the EU *acquis*.

In the area of **fight against money laundering and terrorism financing**, in May 2026 the Parliament adopted amendments to the Law on the prevention of money laundering and financing of terrorism. Some discrepancies remain between the national legislation in force and the EU *acquis* (definition of terrorism financing, data protection and record retention periods, sanctions) that need yet to be addressed. In February 2026, the central bank developed guidelines for managing money laundering and terrorist financing risks in the instant payments system.

In the reporting period, the central bank imposed 6 supervisory measures, including 1 fine, upon detecting irregularities in this area. The number of suspicion transaction reports to the Financial Intelligence Unit increased by 16%, to 998.

Chapter 6: Company law

The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting, and statutory audit.

In the area of **company law**, Montenegro adopted legislative amendments to the Law on Companies and the Law on Registration of business and other entities and this legislative work is continuing , focusing in particular on the digitalisation of company law procedures, thus further aligning its national legislation with the core EU Company Law *acquis*In September 2025, Montenegro finalised and adopted the revised Corporate Governance Code. Further efforts are needed to ensure that all companies, including SOEs, comply with the Company Law as soon as possible, in particular by submitting the required information to the Business Registry without delay. Montenegro should ensure that the national business register is technically ready to interconnect with the Business Registers Interconnection System (BRIS).

Montenegro should also complete alignment with the corporate sustainability due diligence Directive (CSDDD), as amended by the Directive (EU) 2026/470 (Omnibus I). Montenegro has further align with the EU acquis in this area, notably with the CSRD provisions of the Omnibus I Directive.

In the area of **company reporting and statutory audit**, in February 2026, Montenegro adopted a new Law on the Capital Market, incorporating provisions related to the European Single Access Point (ESAP) framework and multiple-vote share structures, and designating the Capital Market Authority as the competent authority for collecting, managing and submitting information falling within its supervisory remit for the purposes of ESAP. The capacity of both the Department for Audit Oversight, with two quality assurance inspectors, and the Department for Accounting, with two employees, requires further strengthening in the coming period.

Chapter 7: Intellectual property law

The EU has to a large extent harmonised rules for the legal protection and enforcement of copyright and related rights, as well as of industrial property rights, including *trademarks, designs, patents* and related *supplementary protection certificates (SPCs), geographical indications (GIs), including craft and industrial GIs.*

Significant progress was registered in all areas in this chapter, which was provisionally closed in December 2024. In the area of **copyright and related rights**, legislation is being implemented smoothly. Training and awareness raising in these areas continued.

When it comes to **industrial property rights**, Montenegro started its work on alignment with the EU Designs Directive. In December 2025 Montenegro opened its new patent information centre (PATLIB Centre) 'IP4Innovation', designed to serve as a hub for researchers, entrepreneurs, start-ups and innovators in the field of intellectual property. In May 2026, the government adopted the 2026 action plan for the implementation of the IPR strategy 2023-2026 and the report on the implementation of the 2025 action plan. Training for officers in the field of intellectual property continued. Data accessibility improved and the functional exchange of data with regional and global databases (European Patent Office, WIPO, EUIPO) is ensured. The website of the Ministry of Economic Development was improved with features including a separate easily accessible and regularly updated intellectual property section which was translated into English for international users.

In December 2025 the working agreement on search cooperation between Montenegro and the European Patent Office entered into force, marking a significant step in Montenegro's patent protection system.

On **enforcement**, 2025 records show a minimal upward trend in the number of controls executed and the amount of fines imposed through misdemeanour orders compared to 2024. The number of procedures in suspected cases of infringements of intellectual property rights

at the border undertaken by the Customs Administration increased by 5% in 2025, compared to 2024. When it comes to intellectual property rights procedures undertaken by other responsible authorities, the number of inspections conducted in 2025 was 681, and the number of irregularities detected amounted to 102, while in 2024 the corresponding numbers were 561 and 80 respectively. Three criminal offences were noted in the reporting period. Training sessions on intellectual property including for police officers continued. Joint actions aimed at preventing and suppressing violations of intellectual property rights were conducted in July and August 2026 in Kotor. Two "Intellectual Property Open Days" were held in June at the Chamber of Commerce of Montenegro and in July at the Intellectual Property Directorate.

Efforts should continue in strengthening administrative capacities by hiring additional personnel. One new civil servant was recruited in the Ministry of Economic Development. Four new inspectors and one senior advisor were hired in the Department for Market Inspection. The staffing plan for 2026 was adopted in April 2026 which foresees hiring twelve additional personnel, notably six market inspectors. In the Customs Administration, coordinators for intellectual property issues were appointed for each regional unit - Customs House.

Chapter 8: Competition policy

EU rules protecting free competition include abuses of dominant positions, rules prohibiting concentrations which would significantly impede effective competition and antitrust rules prohibiting restrictive agreements between companies. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.

Antitrust and mergers

On the **legislative framework,** in 2026 Montenegro adopted the Law on protection of competition and additional implementing legislation, aligning Montenegro with key EU *acquis* in the area of antitrust and mergers. The Law on procedures for compensation of damage due to violation of competition in the market was adopted in 2026, aligning with the relevant provisions of Directive 2014/104/EU. Further alignment with the applicable EU *acquis* for the antitrust and merger instruments was achieved with the adoption of further implementing acts and rulebooks.

As regards the **institutional framework**, the Law on protection of competition significantly increased the independence of the Agency for Protection of Competition (APC). The 2026 budget for the APC increased nearly 10% as compared with 2025. In March 2026, the government adopted an action plan for strengthening administrative capacities under Chapter 8 until accession, in accordance with which APC recruited four additional case-handlers. Furthermore, salary increases introduced by the new law aim to attract qualified staff. A comprehensive system of professional training was established to reinforce both administrative and judicial capacities in competition and State aid, with a progressive increase of the number of trained staff over the past year. The action plan envisages a continued building of staff expertise through targeted programmes. The effectiveness of this system was demonstrated in the reporting period, as the Agency's decisions challenged before the courts have been consistently upheld.

As regards **enforcement**, during the reporting period, the APC launched two sectorial analyses, issued 65 merger approval decisions, most with extraterritorial effect, closed one investigation and issued three opinions on abuse of dominant position. The APC submitted six requests to initiate misdemeanour proceedings following *ex officio* investigations. With the new Law on the protection of competition, Montenegro abolished the practice of individual exemptions in conformity with EU competition rules.

State aid

Montenegro aligned its legislative framework with the EU *acquis* by adopting the Law on State aid control in 2025 and its subsequent amendments in 2026, as well as a number of implementing acts and rulebooks.

On **enforcement**, in 2025, the APC adopted 32 decisions and issued 16 opinions in *ex ante* procedures, initiated two investigative procedures *ex officio*, and concluded one investigative procedure in *ex post* control.

Overall, enforcement trends remained positive both in competition and State aid sectors.

Regarding the benchmark cases on potential unlawful State aid, the APC has completed the required assessments and exhausted all available procedural means. In the cases concerning the Bar-Boljare Highway and Uniprom KAP, the APC concluded that no incompatible State aid was present. In the Montenegro Airlines case, the APC adopted recovery decisions for incompatible State aid and addressed the related recovery issues in the context of insolvency proceedings, which continue before the Commercial Court.

Liberalisation

There are no significant new developments in this area.

Chapter 9: Financial services

EU rules aim at ensuring fair competition among financial institutions, and the stability and integrity of financial markets, namely in the field of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.

In the area of **banks and financial conglomerates**, in February 2026, Montenegro amended several key laws, including the Law on credit institutions, the Law on resolution of credit institutions and the Law on financial conglomerates to align rules on capital requirements, bank recovery and resolution, and the supervision of financial conglomerates with the currently applicable EU standards.

In November 2025, Parliament amended the Law on the Development Bank of Montenegro, to address the concerns on alignment with the EU *acquis*.

In the area of **insurances and occupational pensions**, in December 2025 and March 2026, Montenegro amended the Law on insurance to further align with the EU *acquis.* Additionally, the Law on voluntary pension funds was amended in February 2026 and the Law on compulsory traffic insurance in July 2026, further aligning with the EU *acquis*.

Regarding **financial market infrastructure**, in February 2026 Montenegro adopted or amended six key laws, including a new Law on the capital market, comprehensively overhauling the national legislation in an effort to further align with EU *acquis*.

On **securities markets and investment services**, in February 2026, Parliament adopted or amended four laws, aiming to align with the EU *acquis* on securities markets, notably on asset management. Consequently, the national legislation has been also comprehensively overhauled in this area to align with the EU *acquis*.

On **sustainable and digital finance,** as a part of comprehensive legal changes to financial services of February 2026, Montenegro adopted the Laws on digital operational resilience of the financial sector and on green and sustainable bonds. Both laws aim to align with several EU legal acts in this field.

Chapter 28: Consumer and health protection

EU rules protect consumers' economic interests and in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats, including communicable diseases.

Consumer protection

In the area of **horizontal aspects** of consumer protection and product safety, in April 2026 Montenegro adopted an action plan for strengthening capacities in the area of consumer protection 2026-2028 to address the findings of a peer review in this area. This foresees the

recruitment of additional staff and other measures and a corresponding timeline for strengthening institutional capacity before accession. This includes the establishment of the single liaison office and a European Consumer Centre, strengthening the readiness of the Consumer Protection Council and Consumer Protection Cooperation (CPC) and engaging local authorities. Montenegro also designated the Agency for Protection of Competition as the host institution for the future European Consumer Centre.

In February 2026, Montenegro adopted a new Law on consumer protection, ensuring alignment with EU *acquis* on consumer rights, on unfair commercial practices, on unfair contract terms, on digital content, and on the sale of goods. The Law also introduces measures facilitating the implementation of the EU *acquis* on CPC, including the designation of a single liaison office and strengthened enforcement powers and alternative dispute resolution. Additional progress was made with the adoption of the Law on collective actions for the protection of consumers' interests, which aligns with the EU *acquis* on representative actions for the protection of the collective interests of consumers**.** In June 2026, Montenegro adopted amendments to the Law on prohibited advertising, further aligning national legislation with the EU *acquis* on misleading and comparative advertising. The government also adopted the 2026 action plan for implementing the 2025 - 2027 National Consumer Protection Programme, focusing on stronger market surveillance, interinstitutional cooperation and product safety.

Concerning **enforcement and redress**, the composition of the Committee for out-of-court settlement of consumer disputes was improved. A total of 579 complaints were registered in the central consumer information system in 2025. As regards complaints, more than 92.97% were resolved; of these, 35.97% were resolved fully or partially in favour of consumers, while more than 17.26% were found to be unfounded, and the requests could not be granted, with consumers being referred to seek protection of their rights through judicial/out-of-court proceedings. In more than 46% of cases, consumers withdrew their complaints.

Regarding **product safety**, Montenegro aligned with the latest EU *acquis* on general product safety. The consumer protection action plan foresees the establishment of a coordination body and a national contact point, as well as budget for upgrading IT systems and operational resources to carry out inspections and product testing.

Public health

In the area of **public health,** on e-Health, Montenegro adopted at Law on data management in the field of health and digital health and amendments to the Law on healthcare, providing for the establishment of a Digital Health Agency. On cardiovascular health, Montenegro is encouraged to use as reference the Safe Hearts Plan to develop its national cardiovascular health strategy.

There were no developments on **tobacco control**. On **communicable diseases** and **cross-border health threats**, in January 2026 Montenegro adopted an action plan for the prevention and preparedness for cross-border health threats and a Law on the protection of the population from infectious diseases, leading to training activities, and the development of operational procedures and preparedness documents. Further efforts are needed to complete alignment with directive 2011/24/EU on the application of patient's rights in cross-border healthcare. The national immunisation strategy needs to be finalised and adopted. Initiatives were launched to increase the immunisation rate of children against measles, mumps, and rubella. On **antimicrobial resistance** (AMR), three workshops were held aimed at rationalising antibiotic use in hospitals.

On **blood, tissues, cells and organs** the Law on transplantation of human organs was amended in March 2026 along with implementing legislation, ensuring alignment with the EU *acquis* on the quality and safety of human organs intended for transplantation. In March 2026, the government adopted an action plan for substances of human origin to strengthen capacities in this area.

On **mental health**, in 2025, a national psychological support helpline was introduced, which operates within the Psychiatric Clinic of the Clinical Centre of Montenegro. The helpline

remained operational and recorded 2,690 calls in 2025, of which 1,010 required professional psychological intervention. Montenegro also established its first child and adolescent psychiatry department within the Clinical Centre of Montenegro and continued implementing the 2025–2026 Mental Health Improvement Programme, with a focus on community-based services and support for young people. Montenegro should use as reference the Commission Communication on a comprehensive approach on mental health of 2023. Montenegro is yet to align with the recent EU *acquis* on health technology assessment.

Regarding **cancer**, in December 2025, the government adopted a 2026-2028 programme for the prevention and control of malignant diseases with an action plan. On cancer screening programmes implementation continued through the organised breast, cervical and colorectal cancer screening programmes. Activities included invitations to the target population, monitoring of programme quality indicators, efforts to increase screening coverage and the application of standard operating procedures. On **drug abuse and harm prevention** in September 2026 the Government adopted the implementation report for the 2024 - 2025 action plan under the 2024–2027 Drugs Strategy, together with a new action plan for 2026 - 2027. On **nutrition**, a number of awareness-raising activities were organised regarding breastfeeding as well as proper nutrition and physical activity for children. There were no developments to report on harmful use of alcohol.

On **health inequalities**, measures were introduced to improve access to services for vulnerable groups, including the development of an information system for voluntary counselling and testing and the systematisation of positions for Roma and Egyptian health mediators in primary healthcare institutions. On **disabilities** Montenegro is encouraged to use the new EU guidelines on improving access to healthcare for people with disabilities.

On **anti-corruption**, in November 2025, the Ministry of Health adopted a new integrity plan and carried out awareness-raising activities on corruption in healthcare, alongside measures to increase transparency.

CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

This cluster covers: digital transformation and media (Chapter 10); taxation (Chapter 16); economic and monetary policy (Chapter 17); social policy and employment (Chapter 19); industrial policy (Chapter 20); science and research (Chapter 25); education and culture (Chapter 26); and customs union (Chapter 29).

Chapter 10: Digital transformation and media

The EU supports the smooth functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.

In the field of **electronic communications**, Montenegro adopted relevant implementing legislation under the Law on electronic communications, further aligned national legislation with the Gigabit Infrastructure Act and established a secure information system. Furthermore, Montenegro has taken steps to align its legislation with the EU roaming *acquis*. Montenegro seeks to align its regulatory framework with the EU Roam Like at Home (RLAH) framework, as a step towards possible participation in the EU RLAH area and accelerated integration into the EU digital market. By December 2025, 5G population coverage, calculated as a composite for all three mobile networks, reached 96%, while territorial coverage amounted to 60.36%. Concerning **digital services**, Montenegro held a public consultation on national laws for the implementation of the Digital Services Act (DSA) and the Digital Markets Act (DMA) upon EU accession. Montenegro needs to take steps to build the societal and institutional capacity and to establish the legal basis to effectively support the enforcement of the DSA and the DMA as of EU accession, in line with the considerations and requirements outlined at the 2026 TAIEX workshops. Montenegro needs to accelerate alignment with the Interoperable Europe Act and to continue its work on the DSA and the DMA. This includes ensuring compliance with accessibility standards and cross-border access to digital public

services. Preparatory work is ongoing, with alignment and operationalisation planned by the end of 2026.

On **AI**, Montenegro should develop the necessary AI regulation, governance and enforcement structures in line with the EU AI Act. Montenegro established the working group on AI, and it should accelerate its work on alignment with the EU framework.

As regards **semiconductions**, Montenegro currently does not participate in the Chips Joint Undertaking under Horizon Europe and still has to implement the European Chips Act.

Regarding **digital trust and cybersecurity**, in April 2026, Parliament adopted the Law on electronic communication to align with the NIS 2 Directive. Montenegro established the Cybersecurity Agency and Computer Incident Response Teams and adopted relevant cybersecurity frameworks. Montenegro needs to step up its efforts so that the cybersecurity agency is fully staffed and operational. Montenegro should start implementing the EU 5G Cybersecurity Toolbox, including by assessing suppliers' risk profiles and putting in place appropriate restrictions and/or exclusions for high-risk suppliers. Regarding electronic identification and trust services, in July 2026 Montenegro adopted national legislation with the eIDAS 2 Regulation and is progressing towards joining the EU third countries list for advanced electronic signatures by the end of the year.

Montenegro updated the Law on free access to information to align with the Open Data Directive. Montenegro is not yet aligned with the General Data Protection Regulation, the e-Privacy Directive.

On **media**, the effective implementation of the media laws adopted in 2024 remains essential, including safeguarding the independence of the media regulator. Montenegro is encouraged to appoint the last member of the Council of the Agency for Audiovisual Media Services. Montenegro needs to align national media legislation with the European Media Freedom Act.

In March 2026, the government established a coordination body for the protection against foreign information influence, and efforts on this domain should be accelerated. Montenegro should strengthen its institutional response to disinformation, in line with the National Media Strategy 2023-2027.

Montenegro continued to implement its legal framework for protecting whistleblowers by adopting the Law on whistleblower protection, aligning with the EU *acquis* and European standards.

Chapter 16: Taxation

EU rules on taxation cover value-added tax, excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.

In the area of **indirect taxation**, in December 2025, Parliament amended the Law on VAT, as well the Law on excise duties. Further amendments to the Laws on VAT and on excises duties were adopted in July 2026. The Excise Liaison Office was established through the rulebook on internal organisation and job classification in the Customs Administration. The Law on Implementation of Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of Value Added Tax and Law on Tax exemption for certain means of transport temporarily imported from one member state into another was adopted in July 2026.

Regarding **direct taxation**, in December 2025, Parliament amended the Law on ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting. In 2026, Parliament amended the Law on Tax Administration for alignment with Directive (EU) 2021/514 (DAC 7) and Directive (EU) 2023/2226 (DAC 8), thereby introducing the obligation to report on users of digital platforms and users of services related to crypto-assets for the purpose of exchange of information with EU Member States, as well as with Directive 2010/24 on mutual assistance for the recovery of claims. In order to

comply with requirements from the OECD - Global Forum, instructions were issued by the Tax Administration in the rulebook on the detailed manner of reporting and reporting forms based on the Common Reporting Standard and Manual for Exchange of Information Upon Request.

On **administrative cooperation and mutual assistance**, the Tax Administration adopted in March 2026 an employment action plan for the period 2026-2028. Under the 2025 staffing plan, recruitment procedures have been launched for 60 positions, while the 2026 staffing plan foresees the filling of an additional 60 positions. The Strategy for Professional Development, Training and Capacity Building of Tax Administration officials for the period 2026-2028, as well as the training plan for 2026, were adopted. In July 2026, the Law on mechanisms for resolving tax disputes in the European Union was adopted.

As concerns **operational capacity and digitalisation,** the Integrated Revenue Management System (IRMS) was implemented and operationalised in January 2026, establishing a unified information system for managing tax processes. In parallel with the implementation of the IRMS system, pending the outcome of the OECD indepth review, the Tax Administration worked to establish a system for Automatic Exchange of Information in line with international standards (FATCA, CRS) and EU Directives on administrative cooperation (DAC). The Tax Administration is also working on establishing a connection to the European Commission's communication network CCN/CSI (Common Communication Network/Common System Interface), as well as connecting to the CCN2 channel through which data exchange with OECD jurisdictions will be carried out from the date of accession. Lastly, Montenegro is preparing for the implementation of its Excise Movement Control System.

On **anti-corruption measures**, in accordance with Anti-Corruption Strategy 2024-2028 and the accompanying action plan 2024-2025, integrity tests in the Tax Administration were conducted with 202 officials. New training plans were devised on the basis of these tests.

Chapter 17: Economic and monetary policy

EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.

Monetary policy

Montenegro does not have standard **monetary policy** tools at its disposal, as it uses the euro as legal tender, leaving fiscal policy as the main macroeconomic policy instrument. Montenegro's use of the euro is fully distinct from membership of the euro area. In the framework of the accession negotiations, in May 2026, Montenegro accepted the solution developed by the EU on how to apply the EU's framework for the adoption of the euro after EU accession.

Montenegro has aligned its central bank framework with the EU *acquis*, particularly through amendments to the Law on the Central Bank of Montenegro and by adopting, on 24 August 2026, a constitutional amendment ensuring the objective of price stability in the primary law. These changes ensure compliance with central bank independence, as outlined in the TFEU and the European System of Central Banks (ESCB)/European Central Bank Statute. Montenegro's legal framework also prohibits monetary financing of the public sector and complies with the prohibition of privileged access of public authorities to financial institutions. In addition, Montenegro has showed significant progress on the integration of its central bank into the ESCB and, at a later stage, into the Eurosystem.

After long delays, vacancies at the top of the Central Bank of Montenegro were filled, with the parliamentary appointments of vice-governors and external members of the Central Bank of Montenegro Council. In April 2026, the government and the CBCG signed an agreement to ensure stable financing to the Central Bank of Montenegro in the period before the country formally joins the euro area and the CBM becomes a member of the ESCB/Eurosystem. To prepare for future integration into the ESCB, in June 2026 the Central Bank of Montenegro completed a comprehensive needs assessment analysis, coordinated by several central

banks of the Eurosystem. On its basis, it developed a roadmap to assume future obligations within the ESCB/Eurosystem framework.

Economic policy

In the area of **economic policy**, Parliament adopted a new Law on budget and fiscal responsibility on 24 August. The law covers the main elements required by the EU rules on budgetary frameworks, including fiscal rules, a medium-term budgetary framework, stronger budget planning and execution, fiscal risk monitoring, and an independent Fiscal Council. Montenegro appointed all members of the Fiscal Council on 31 July 2026.

A new cooperation agreement between the Ministry of Finance, the CBM, and the Statistical Office entered into force in November 2025. The agreement defines clear responsibilities for producing tables and datasets in the context of the government finance statistics and the excessive deficit procedure statistics (see Chapter 18). However, further efforts are needed to develop the appropriate capacity to produce these data and fiscal notifications in line with the EU *acquis*.

In January 2026, the government adopted and submitted its 2026-2028 **Economic Reform Programme (ERP)**, setting out a macroeconomic and fiscal framework for 2026-28 and supporting reforms. The annual submission of the ERP has become an important tool for economic policy making. The implementation of the policy guidance jointly agreed in the Economic and Financial Dialogue with regional partners of May 2025 has been partial.

Chapter 19: Social policy and employment

EU rules in the social field include minimum standards for labour law, equality and non-discrimination and health and safety at work. They also promote social inclusion and social protection, and social dialogue at EU level.

On **labour law,** Montenegro aligned with EU legislation on transparent and predictable working conditions, pay transparency and equal pay, adequate minimum wages, employee information and consultation, and incorporated the EU Framework Agreement on Telework. Montenegro adopted a national Law on platform work with the purpose of transposing the Platform Work Directive further aligned its national legislation under this area with EU *acquis* regarding sector-specific working time rules and platform work. The government adopted the action plan for strengthening the capacity of the Labour Inspectorate for 2025-2027.

On **health and safety at work,** the Law on occupational health and safety (OSH) was aligned with the framework Directive on safety and health at work, and Directives on construction sites, and protection of temporary workers, and is supported by extensive implementing legislation aligning with the EU *acquis*.

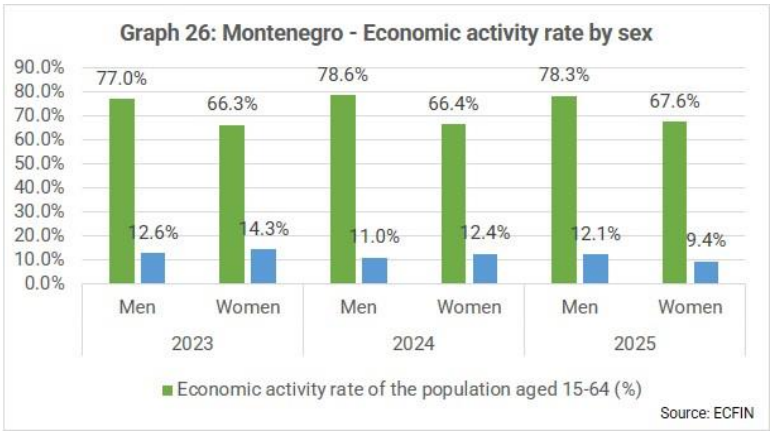
The government adopted the action plan for building capacities of occupational safety and health inspection 2026-2028 to establish a strategic reporting framework, implement professional development programmes and digitalise inspection processes. The government further adopted the action plan for OSH systems in Montenegro 2025-2028 to improve coordination among responsible bodies, apply the legal framework and strengthen enforcement capacities.

On **social dialogue**, the Law on the Social Council, adopted in April 2026, further strengthens the Social Council's role, particularly in monitoring and promoting pay transparency and equal pay. In the reporting period three sessions of the Social Council and six sessions of the Presidency of the Social Council were held. Opinions of the Social Council are often not considered and remain without formal feedback from the government. Social partners are involved in relevant policymaking processes on labour, but their involvement in other areas is weak and needs to be strengthened. Collective bargaining is primarily conducted at the sector and national level, with agreements predominantly regulating employees' salaries and working hours. Important sectors remain without collective agreements, such as banking, media and retail. Capacity building of social partners needs to continue.

On **employment policy**, the effectiveness and coverage of active labour market measures are insufficient, especially among young people and marginalised groups. The incapacity to ensure multiannual budgeting is limiting the implementation of active labour market policy measures. The Employment Agency continued its modernisation efforts through the preparation of a new catalogue of active labour market policy measures specifically targeting women, groups in vulnerable situations and long-term unemployed and the extension of its digital services and increased data interoperability. The implementation of the Youth Guarantee lacks overall coordination among the relevant sectors and institutions. A Strategy for the Development of the Social and Solidarity Economy 2025-2029 and its action plan 2026-2027 was adopted in December 2025. A Law on the social economy is pending adoption. Unemployment and the number of persons registered with the Employment Agency further decreased, while revenues continued to increase, boosted by the implementation of the 'Europe Now 2' reform and increased minimum wage levels, which continues to point toward further formalisation of the labour market. Nevertheless, undeclared work and the informal economy remain persistent challenges that require continued structural and regulatory attention.

Regarding **labour force participation and unemployment rate** *see the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria.*

Concerning **social protection and inclusion**, the Law on social and child protection was amended to advance the progressive transition from a benefit-centred to a service-centred and rights-based model, with particular emphasis on deinstitutionalisation, family-based care and community services, and the reform of disability assessment. In this respect, the Commission Notice – Guidance on independent living for persons with disabilities aiming at facilitating de-institutionalisation and independent living is to be taken into account. The risk of poverty rate in Montenegro is 29.2% with children being the most exposed. Income inequality persists, with the northern region at a higher risk of poverty. According to MONSTAT, 35.0% of children under 18 years were 'at the risk of poverty or social exclusion' as per the at-risk of poverty or social exclusion (AROPE) indicator in 2025 (34.6% in 2024 and 38.2% in 2023). An analysis of existing and missing community-based services at national and local level has been completed. The national action plan for the European Child Guarantee is in the final state of drafting.



On **non-discrimination in employment and social policy,** Montenegro adopted a new Law on protection of equality and the prohibition of discrimination, completing the alignment of the legal framework with the EU *acquis* and European standards, including the Employment Equality Directive and the Racial Equality Directive. Most complaints submitted to the Protector of Human Rights and Freedoms continue to concern the field of employment and labour.

With regard to **equality between women and men in employment and social policy**, Montenegro adopted the new Law on gender equality and is broadly aligned with the EU *acquis* on gender equality in the area of employment and social policy, notably through legislative alignment with the principle of equal treatment for women and men in matters of social security, on employment and self-employment, on improving gender balance on company boards, on maternity leave and on work-life balance for parents and carers. The gender equality index has increased over the last years. However, the latest estimate of the gender pay gap in Montenegro is around 20% (2021). The biggest share of women is in wholesale and retail, education and health, and social work. Although the majority of

employees in these areas are women, only a fraction of them reach decision-making positions.

Preparations for the participation in the **European Social Fund** are progressing. Montenegro regularly participates in meetings of the Employment and Social Innovation technical working group. *(See also Chapter 22 - Regional policy and coordination of structural instruments).*

Chapter 20: Enterprise and industrial policy

EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).

In the area of **enterprise and industrial policy**, the implementation of the 2024-2028 industrial policy, aligned with the current EU industrial policy, is ongoing. The report on the implementation of the industrial policy for 2025 (action plan 2025-2026) shows that 75% of planned activities were fully implemented and 22.06% partially implemented. Montenegro continued to implement the Programme for the suppression of the informal economy 2024-2026. The annual implementation report for 2026 considers that 56% of the assessed activities have been fully implemented and 39% partially implemented.

In the area of **enterprise policy and instruments**, the action plan on barriers for doing business is continuously monitored through quarterly reporting. The level of implementation increased from 42% in Q3 2025 to 63% in Q2 2026. However, challenges remain in dealing with business barriers that ensure timely VAT refunds and address seasonal and undeclared work. The Law on the Credit Guarantee Fund was adopted on 13 August 2025, with EUR 10 million in initial capital, and the appointment of the Board was confirmed in February 2026. The SME definition still diverges from the EU recommendation.

Montenegro is participating in the EU Single Market Programme and member of the Enterprise Europe Network. Montenegro also takes part in the Single Market Highway initiative, which represents a new framework for bilateral industrial cooperation between the EU and the Western Balkan countries.

Regarding **sectoral policies**, in June 2026, Parliament adopted the Law on the management of companies in state ownership, introducing a new framework for governance, oversight and accountability of SOEs. Given the importance of tourism for Montenegro’s economy, further efforts are needed to support a more sustainable and resilient development of the sector and reduce its vulnerability to external shocks.

Chapter 25: Science and research

The EU provides significant support for research and innovation. All EU Member States, associated countries and third countries participate in the EU’s research and innovation programmes, and can benefit from them, especially where there is a scientific excellence and solid investment in research and innovation.

Concerning **research and innovation policy**, Montenegro adopted key accompanying implementing legislation of the Law on scientific research activity. The new Smart Specialisation Strategy 2026-2031 and its first Action Plan for 2026–2027 as well as the Action Plan for the Implementation of the Scientific Research Activity Strategy 2024–2028 for the period 2026–2027 were adopted in May 2026. The government adopted the Programme for Science and Innovation 2026-2030 in December 2025. In September 2025, the government adopted the Decision on the establishment of a new Council for Scientific Research Activity.

In December 2025, Montenegro also established the PATLIB centre providing local access to patent information and related issues.

The Innovation Fund continues to provide grants and support to innovative start-ups and companies.

In October 2025, the House of Digital Revolution was opened at the Innovation Entrepreneurship Centre Technopolis, TechLab and Maker Space with advanced 3D equipment for industrial design. In 2025, the Science and Technology Park recorded further growth and diversification of project activities by participating in eight international projects, including Horizon Europe and Interreg programmes. It also prepared 14 project applications for funding from EU and other international sources.

Budget allocations for science in Montenegro show continuous growth and almost tripled for the period 2021-2026. However, data show that growth in funding has not yet been fully accompanied by a proportional strengthening of the private sector as a driver of innovation. Even if the summary innovation index under the European Innovation Scoreboard has changed positively compared to 2025, Montenegro performs at only 44,7% of the EU average.

Regarding the **EU Framework Programme for research and innovation**, Montenegro continues to promote the Horizon Europe programme and opened its Horizon Office in the Science and Technology Park. In March 2026 Montenegro acquired the observer status in the Extreme Light Infrastructure European Research Infrastructure Consortium (ELI ERIC) and in June 2026 the observer status in the Biobanking and BioMolecular Resources Research Infrastructure (BBMRI) ERIC. Since the beginning of Horizon Europe Montenegro signed 39 grants worth EUR 19.1 million. In the reporting period 10 grants were signed in the value of EUR 14.5 million. Montenegro was awarded a Teaming for Excellence grant to establish a Centre of Excellence for advanced environmental monitoring and nature-based solutions in protected areas (CENNA), under Horizon Europe.

Researchers from Montenegro participated in 52.6% of actions of the European Cooperation in Science and Technology (COST). For the first time, a proposal led by a researcher from Montenegro as the Main Proposer was approved for funding as a COST Action.

After the successful assessment of its Climate City Contract, Podgorica was awarded the EU Mission Label under the Climate-neutral & Smart Cities mission.

Chapter 26: Education and culture

The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policies through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds

In **education and training**, the government continued the implementation of the Education Reform Strategy 2025-2035 and accelerated the implementation of its action plan 2025-26, completing 81% of planned activities. In October 2025, Parliament adopted the Law on higher education and the Law on education of children with special educational needs, updating the 2010 legislation. Parliament also adopted the Law on preschool education and care, replacing the 2002 law, to ensure high-quality preschool education while supporting family well-being and child development.

In the 2026 state budget, the total allocation for education amounts to EUR 368,2 million or ca. 4.3% of GDP (2026 estimate), slighly below the EU average of 4.7% of GDP (2023), out of which 46.05% is allocated to preschool and primary education, 15.86% to secondary education, and 13.91% to higher education.

The total number of children enrolled in **preschool and school education** in 2025/2026 was 26 786 in preschool education, 69 295 pupils in primary education and 27 004 pupils in secondary education. Montenegro launched a new programme for qualifications as assistant for early childhood development.

Concerning **international assessments** for school education, Montenegro participated in the Progress in International Reading Literacy Study 2026. The test provides evidence-based data on children's literacy achievement and identify trends. Montenegro also participated in the PISA 2025 assessment. Results published in September 2026 showed that 60% of

students attained at least basic proficiency (Level 2 or higher) in science, 45% in mathematics and 55% in reading. While results remain below the OECD average, they have improved when compared to PISA 2022. Montenegro took part in the Teaching and Learning International Survey 2024 whose results were issued in October 2025. The survery revealed a stark trend: one in four teachers in Montenegro intend to leave the profession within the next five years.

Regarding **vocational education and training (VET**), as a continuation of the Osnabruck Declaration, Montenegro endorsed the Herning Declaration in September 2025, reaffirming its commitment to modernising VET provision, improving skills and to delivering reforms to address skills mismatches. The 2025 amendments to the VET Law introduced measures to further strengthen dual and practical education. To this end, the Ministry of Education established a Dual Education Support Fund, accompanied by a dedicated rulebook published in December 2025.

Montenegro is a member of the European Alliance for Apprenticeships (EAfA) since 2015, demonstrating its commitment to improving youth and adult employment and has hosted the last EAfA-ETF event in October 2025. However, the country should encourage more local stakeholders to join the Alliance through pledges, enabling them to exchange good practices and strengthen quality apprenticeships. It could also consider to renew its national commitment.

Montenegro continued the implementation of the higher education strategy with the aim to improve the quality, accessibility, and financial stability of the education system. Montenegro has been a member of the Bologna Process since 2003 and is actively implementing its commitments set out in the strategy. As part of this reform, Montenegro adopted the new Law on higher education in October 2025, strengthening Montenegro's alignment with European Higher Education Area (EHEA) standards.

In the academic year 2025/2026, 4 071 students enrolled in postgraduate and doctoral studies at higher education institutions in Montenegro.

Regarding adult education, Montenegro has developed a solid strategic and legal basis for adult learning, including reforms on micro-qualifications, flexible pathways and free access to first qualifications, but participation remains very low at 5.47% in 2024, far below the EU target of 60% by 2030. Progress is constrained by weak implementation of the Adult Education Strategy, insufficient funding and coordination, scarce and incomplete data, and uneven educator quality — although a dedicated budget line was introduced in 2026.Adult learning provision in Montenegro is broad, covering remedial education, non-for mal learning and micro-qualifications, but it only partly responds to the needs of diverse adult groups and often lacks recognised outcomes or clear labour market relevance. Participation is further limited by weak outreach and underdeveloped career guidance for groups beyond the unemployed.

As for **inclusive education**, enrolment of Roma and Egyptian children remained a challenge. In 2025, enrolment of Roma and Egyptian children in early childhood education increased by 14.43%, totalling 333 children. However, enrolment declined by 1% in primary and by 8% in secondary education. In 2025, the number of children with special educational needs in regular schools across all education levels was 1 794. While the number of enrolments in preschools and secondary education saw a decrease of 3% and 0.3%, respectively, a significant increase of 7% in primary school enrolment was recorded in 2025 in comparison to 2024. Continuous capacity building for education professionals is needed. Montenegro launched a new training programme, including examinations, for teaching assistants for children with special educational needs.

In terms of **gender balance**, participation in education was relatively even between boys and girls in primary and secondary schools in the 2025/2026 period. However, there was a substantial difference at higher education level in the 2025/2026 [period, with 59% female and 41% male students enrolled. At the postgraduate level females constituted 63% of all students in master's studies and 58% in PhD programmes.

Digital skills have been recognised in the 2025-2035 Education Reform Strategy, and Montenegro made some progress in the area of digitalisation of education. With the support of the EU, more than 100 EdTech laboratories were established, particularly in northern municipalities. To help young female students develop their digital skills, Montenegro ran the CyberHER programme, benefiting more than 130 young female secondary students.

Montenegro benefits from the international dimension of the 2021-2027 Erasmus+ Programme. Under the guidance of the European Commission, as of 2025 Montenegro started the preparations of national structures for the association to the Erasmus+ programme. Montenegro has committed to establishing a National Agency for EU Programmes by the end October 2026. The Agency will be tasked, among others, to manage the Erasmus+ programme's implementation in the country once it will become fully associated. The University of Montenegro is full partner in a European University Alliance.

Montenegro is largely aligned with the European **Youth** Strategy. However, further efforts are needed to strengthen youth participation in decision-making and to ensure explicit legal recognition of youth-led organisations. Montenegro continued the implementation of the 2023-2027 Youth Strategy. Funding is limited for youth centres and clubs, while collaboration with municipalities is minimal. In November 2025, Podgorica became the country's first city named 2028 European Youth Capital. In April 2026, the city adopted its local action plan for Youth.

In the field of **sports**, the government continued the implementation of the 2024-2028 Strategy for Development of Sports. The Ministry of Sports and Youth initiated amendments to the Law on youth to improve the existing legal framework. The authorities conducted relevant public consultations and submitted the draft for further procedural deliberations. Montenegro continued taking part in the European Week of Sport.

Montenegro continues its full participation in the Creative Europe Programme 2021-2027. Nikšić was designated 2030 European Capital of **Culture** in October 2025. In the first half of 2026, Montenegro progressed towards the adoption of the amendments of the principal laws in the field of culture, including the Law on Culture, the Law on Protection of Cultural Properties and the Law on Archive field, with their finalization planned by the end of 2026. A public consultation on the draft new Law on Culture is ongoing.

On the fight against corruption, Montenegrin authorities are requested to prevent, detect and report irregularities. In April 2026 Montenegro prepared a report on corruption in the field of education

Chapter 29: Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity, and access to and interoperability with the EU electronic customs environment.

On customs legislation, in December 2025, Parliament amended the Law on customs and adopted the Law on drug precursors and psychotropic substances to further align with EU *acquis*. It also amended the Law on the restriction of the use of tobacco products, making an important step towards establishing a 'Track & Trace' system that prevents smuggling and reduces illegal trade in tobacco products. Also in December 2025, the government adopted the Customs Tariff for 2026, aligned with the Combined Nomenclature of the EU for 2026.

In February 2026, Parliament adopted the new Law on free zones, aimed at enhancing control mechanisms within free zones, reinforcing supervision, transparency and compliance with international standards. Amendments to the Law on prevention of money laundering and terrorist financing, adopted by Parliament in May 2026, brought about alignment with the EU *acquis* on cash controls at the borders, including on cargo and postal packages. In June 2026, Parliament adopted amendments to the Law on the protection of cultural goods.

In November 2025, Montenegro joined the Common Transit Convention and the Convention on the Simplification of Formalities in Trade in Goods.

As regards **administrative and operational capacity**, Montenegro concluded an international agreement with Slovenia in February 2026 on the donation of 11 IT systems that, once implemented in the country, should enable interoperability with the EU digital customs environment. A contract for the integration of these systems into the Montenegrin customs IT environment was signed in April 2026. In July 2026, Montenegro started the implementation of IT systems for the automated export system and the import control system.

National Customs Decision System has become fully operational as of 1 April 2026. The upgrade of the Customs Information System, allowing, among others, for the electronic submission and storing of declarations and accompanying documents (e-documents), became fully operational in September 2026.

In October 2025 the government adopted implementing legislation on the internal organisation and job classification of the Customs Administration. The plan foresees a total of 606 job positions, while the current number of employees is 476. The budget for hiring 28 additional staff is secured for 2026, with further 79 posts planned for 2027 and 2028. In February 2026, the ethics committee was established in the Customs Administration.

Montenegro Customs has granted Authorised Economic Opertor status to 19 operators.

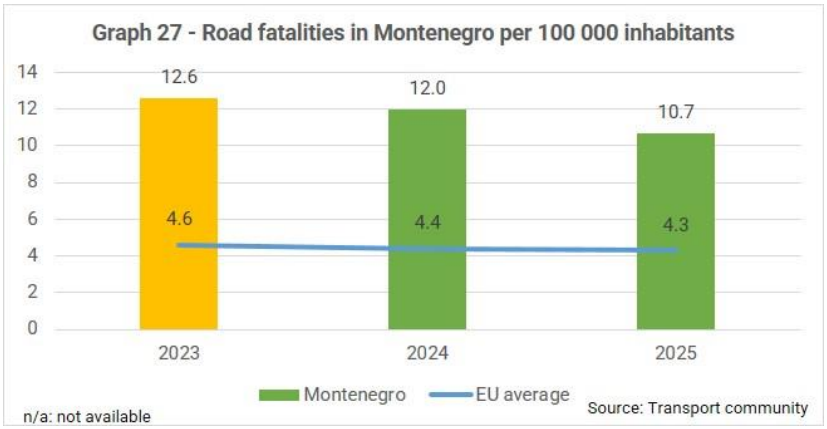
CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

This cluster covers: transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

Chapter 14: Transport policy

The EU has common rules on technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.

As regards **general transport,** the national transport development strategy is being updated and due for adoption by the end of 2026. Montenegro advanced in implementing the Transport Community next generation action plans and other transport-related reforms. In June 2026, Montenegro adopted new legislation on electronic freight transport information, and in May 2026 it ratified the additional protocol to the Convention on the Contract for the International Carriage of Goods by Road (CMR) on electronic consignment note. The strengthening of inter-ministerial coordination and implementation and enforcement capacities in the road, maritime and rail sectors should continue as a matter of priority. The national accident investigation body lacks working and financial arrangements for major air crash investigations. The development of sustainable urban mobility plans has not advanced.



In the area of **road transport,** key national legislation on road transport was adopted, including a new Law on working hours, mandatory break periods of transport workers and recording equipment in road transport, last amended in April 2026. The law ensures alignment with the EU *acquis* on social rules in road transport and tachographs. In April 2026, amendments to the Law on road transport and the Law on roads were adopted ensuring further alignment with the *acquis* on access to the road transport market, road

charging and intelligent transport systems (ITS). In November 2025, the government established a national coordination body to implement the new road safety strategy. However, more effort is needed to achieve targets set for reducing the high number of road deaths and serious road traffic injuries. Full implementation of the ITS investment plan for national roads is still pending subject to the provision of a loan of up to EUR 30 million by the EBRD.

On **rail transport**, in December 2025, Montenegro adopted a new law on railway safety and interoperability, subsequently amended in March 2026. Along with the previously adopted law on railways, Montenegro has ensured alignment with the technical and market pillar of the EU railway *acquis*. It has also ensured that the legal framework is in place for the setting up the new Railway Agency, which was formally established in January 2026, and has been operational since May 2026. Adequate administrative capacity of the new agency is yet to be ensured with a view to effectively carry out inspection and regulatory functions in the sector. In addition, the methodology for calculation of direct costs for setting of infrastructure charges for railway undertakings remains to be fully aligned with the EU *acquis*. In March 2026, by the judgement of the administrative court, the ban on providing freight operations was lifted for the only private sector rail operator. In February 2026, the government adopted a modernised long-term public service contract for passenger transport services by rail. The adoption of the strategic and policy frameworks for implementation of the European Rail Traffic Management System has been delayed.

In the area of **maritime transport,** in December 2025, Montenegro adopted a number of sectorial laws and related implementing legislation. This included the law on maritime safety, which ensures alignment with the *acquis* on port state control, flag state requirements, inspection of vessels, investigation of accidents and vessels traffic monitoring system, the law on ports and the law on prevention of sea pollution from the ships. Work is ongoing to fully implement a corrective action plan in response to the European Maritime Safety Agency findings on compliance with the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers (STCW).

In the area of **inland waterway transport**, in April 2026 Montenegro adopted a new law on working time and rest periods of mobile workers on inland waterway vessels aiming alignment with the EU *acquis*. However, there were no relevant developments of the legislative framework in other areas of inland waterway transport.

As regards **aviation,** Montenegro has made considerable progress with regard to the implementation of the first transitional phase of the European Common Aviation Area Agreement. In April 2026, Montenegro adopted a new law on air transport followed by implementing legislation in May 2026 to align with the technical aspects of air traffic management and the Single European Sky (SES 2+) Regulation. When it comes to the issue of the joint air navigation services provider with Serbia, in March 2026, the government adopted a transition plan for 2026-2030 with the aim of reaching full compliance with the SES2+ and performance and charging schemes. Montenegro is required to establish a fully operational national air navigation service provider in compliance with the EU's rules on ownership and control. The transition plan requires significant financial resources and a sufficient number of highly trained human resources for its full implementation.

There were no relevant developments on **multimodal transport**. The Law on combined transport from 2014 aimed to align with the EU *acquis*, but the implementation and enforcement of incentives for road users and establishing the intermodal terminal(s) remain challenging.

On **passenger rights**, Montenegro successfully aligned with the EU *acquis* by adopting new legislation in the area of bus and coach transport as well as laws on contracts on transport of passengers by sea and rail, including concerning persons with disabilities and persons with reduced mobility. The effective implementation and enforcement of passenger rights regulations regarding air, rail, maritime, and bus and coach passenger rights should continue to be monitored by designated national enforcement bodies.

With regard to **anti-corruption measures**, following the restructuring of the transport administration, the Ministry of Maritime Affairs adopted an integrity plan in December 2025.

Chapter 15: Energy

EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy and nuclear safety, radiation protection, and nuclear safeguards.

In the area of **security of supply,** Montenegro has continued to make significant progress in establishing its emergency oil stockholding system. Stocks equivalent to around 35 days of supply have been secured, largely through industry-held volumes, while the development of public inventories by the Hydrocarbons Administration remains the main area requiring further effort. Stockholding fees aim to provide a functioning financing mechanism for the build-up. The refurbishment of state-owned storage tanks at the Port of Bar is in progress. The Crisis Plan for Resolving Disruptions in the Supply of Petroleum Products was adopted in May 2026, further strengthening the emergency response framework. In the electricity sector, alignment with the Risk-Preparedness Regulation was achieved by the adoption of the Law on cross-border exchanges in electricity and natural gas in January 2026, but a risk-preparedness plan has still not been drafted. Alignment by Montenegro with the 2024 Regulation establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows is still pending.

Montenegro has no functional **gas market**. The country has partially aligned its gas legislation with the Third Energy Package, but there is no transmission or distribution infrastructure, nor gas consumption on a commercial scale.

With regard to the **internal energy market,** following the adoption of the 2026 Law on cross-border exchanges in electricity and natural gas, and related implementing legislation, together with the previously adopted Law on energy, Montenegro introduced a new legal framework aiming at the full alignment with the Electricity Integration Package. The day-ahead electricity market is operational, while the intraday market has not yet been launched. Regarding regional cooperation, Montenegro's transmission system operation made progress by signing a contract with the regional coordination centre. The cooperation between the transmission system operators of Italy and Montenegro within the capacity calculation region is progressing, which is important towards optimised electricity trading in the region. The retail market in Montenegro is fully liberalised, and electricity prices are set freely by suppliers. However, although there are seven licensed suppliers, EPCG, the former vertically integrated company, continues to supply the entire retail market.

In the area of **hydrocarbons**, following the previous adoption of the Law on safety measures in offshore exploration and production of hydrocarbons, related implementing legislation was adopted to further align with the EU *acquis*.

Montenegro has completed its legislative alignment with the **Renewable Energy** Directive (RED II) by adoption of amendments to the Law on the use of energy from renewable sources and related implementing legislation between March and August 2026, including provisions on biofuels. The country has also started alignment with RED III Directive by adopting implementing legislation in May 2026, aligning with provisions related to the mapping of its territory for the deployment of renewable energy and to the simplified permit-granting procedure. Montenegro continues to develop documentation for hydropower plants to increase the energy baseload while taking steps on the gradual phasing out of the thermal power plant in Pljevlja. In May 2026, the Gvozd wind farm was commissioned while plans exist to increase its capacity from 54.6 MW to 75.6 MW. The first solar power auction had to be cancelled and was not relaunched.

In the area of **energy efficiency**, Montenegro has achieved a high level of alignment with the EU legal framework. In September 2025, Montenegro amended its Law on energy efficiency to align with EU standards. Montenegro started alignment with the 2023 Energy Efficiency Directive and the 2024 Energy Performance of Buildings Directive. In April 2026, Montenegro

adopted a detailed roadmap committing to fully align with the remaining provisions by March 2027 and to adopt the National Building Renovation Plan by end of 2027. Institutional capacity of relevant institutions has been further strengthened through training on energy audits and certification.

On **energy labelling and eco-design,** Montenegro's legal framework has a high level of alignment with the EU *acquis,* but continued efforts are necessary to fully implement and enforce these standards.

In the area of **governance,** the National Energy and Climate Plan (NECP), setting Montenegro's climate and energy targets until 2030, was adopted in December 2025.

Regarding **nuclear energy, nuclear safety, radioactive waste management and radiation protection**, in December 2025, Montenegro adopted implementing legislation related to the Law on ionising radiation protection, radiation and nuclear safety and security, to further align with the EU *acquis*. Montenegro should accelerate its efforts to participate in the European Radiological Data Exchange Platform by strengthening its technical and operational capacity to operate early warning systems and auxiliary tools, inter alia by recruiting specialised personnel. It should also continue its efforts to increase its administrative capacity in the areas of nuclear safety and radiation protection and to develop its Radioactive Waste Management Programme covering disposal of all the radioactive waste.

On **nuclear safeguards**, upon EU accession, the existing systems of accountancy and control of nuclear materials in Montenegro would need to be adapted to accommodate for the safeguard provisions of the Euratom Treaty.

With regard to **anti-corruption measures**, the Ministry of Energy and Mining adopted an integrity plan for the period 2026-2028 in February 2026.

Chapter 21: Trans-European networks

The EU promotes trans-European networks in transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.

On **transport networks**, the Commission agreed with Montenegro on the list of priority transport projects in the country in line with the trans-European networks in transport (TEN-T) objectives. Montenegro continued preparation for participation in the Connecting Europe Facility (CEF), possible only upon EU accession. In this context, in December 2025, the government adopted a multi-year strategic plan (2025-2027) for participation in CEF, aimed at strengthening the administrative capacities of relevant institutions through the provision of an adequate number of employees and financial resources.

In the area of **rail transport networks**, the development of the TEN-T rail corridor 4 Bar-Vrbnica continued with a significant delay. Limited progress was observed on the implementation of two major Western Balkans Investment Framework investments focused on renewal, interoperability and digitalisation of approximately 60 km of the railway line. Procurement of contractors for the section Bar-Golubovci of the rail corridor 4 is still to be launched. Scoping for the modernisation of several sub-sections north from Golubovci should be carried out to facilitate budgeting and final project preparation activities. Ongoing main design activities related to rail corridor 2 towards Albania should be accelerated.

On **road networks**, in February 2026, the government signed a contract for the construction of a 23 km long section of the Bar-Boljare highway with financing from the state budget and co-financing from the EBRD (EUR 200 million loan) and the EU (EUR 150 million grant). The preparation of detailed design documentation for one of the remaining Bar-Boljare sections, for which EU funds have also been secured, has been pending for an extended period.

In October 2025, Parliament ratified two intergovernmental agreements on cooperation in the field of infrastructure with Hungary and France respectively, which enables involvement of their economic entities without conducting a public procurement. In July 2026, a similar agreement was ratified by Parliament with the United States of America for award of strategic infrastructure projects, including Adriatic-Ionian TEN-T road corridor, with exemptions from

the public procurement, taxes and customs. The implementation of the agreement formally started in August 2026 when the U.S. Embassy in Podgorica published a call inviting U.S. companies to express interest in participating in the development of the Adriatic–Ionian motorway and gas connection.

In the area of **energy networks**, in February 2026, the Law on cross-border energy infrastructure projects was adopted, aligning with the Trans-European Energy Network (TEN-E) Regulation. On electricity interconnection with neighbouring countries, the Montenegrin section of the Trans-Balkan electricity corridor, connecting the thermal power plant in Pljevlja to the substation Lastva via a 400 kV transmission line, entered in trial operation in July 2026. There was further progress in developing Montenegro's regional electricity connections in line with the Central and South-Eastern Europe Energy Connectivity (CESEC) action plan on electricity and renewable energy and the Projects of Energy Community Interest in respect to section 4 of the Trans-Balkan corridor (in Montenegro from Pljevlja to the border with Serbia) and increasing the capacity of the existing 220 kV transmission line Trebinje – Perućica (Bosnia and Herzegovina). A project for the second interconnection between Villanova (Italy) and Lastva (Montenegro), which consists of another 600 MW high-voltage direct current cable, doubling the existing interconnection capacity between two countries, received a status of Project of Mutual Interest in April 2026.

Chapter 27: Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing environmental issues, climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.

In the fields of environment and climate change, Montenegro has made progress in strengthening its administrative capacities at central and local level by hiring additional personnel and addressing insufficient inspection services at both levels. In June 2026, the government adopted an action plan to this effect which includes an assessment of current and projected administrative capabilities and indicates future recruitments and timelines by sector up to 2030 with a key milestone for 2028. In June 2026 Montenegro recruited one environmental inspector. As of September 2026, the Ministry of Ecology, Sustainable Development and Northern Region Development had recruited nine permanent staff members. Three of them were recruited under the Employment Plan and assigned to the organisational units responsible for international cooperation, inspection supervision and nature protection. Montenegro should ensure continued implementation of this action plan, and the set-up of an institutional structure to deliver coordinated, strategic planning for sustainable environmental and climate investments and their implementation. Montenegro also needs to ensure adequate public consultations and awareness-raising campaigns on nature protection, Natura 2000 networks, climate change, waste recycling and noise pollution.

Environment

On **horizontal legislation**, in the reporting period, Montenegro completed alignment with a number of important pieces of EU legislation, namely the strategic environmental assessment (SEA), environmental impact assessment (EIA) and the INSPIRE Directive. Montenegro is encouraged to continue increasing synergies and coordination between SEA and EIA to make better use of such documents for planning and implementation purposes. In August 2026, amendments were adopted to the Criminal Code and the Law on environmental liability for environmental damage and in September 2026 the Law on the liability of legal entities for criminal offences was also amended to ensure alignment with the environmental crime Directive. Institutional capacity has been strengthened through the establishment of a specialised police unit and an operational team within the prosecution. A digital platform for reporting environmental offences was introduced to enhance enforcement and compliance.

On **air quality,** in July 2026, Montenegro adopted the air quality management strategy 2026-2029 aligning it with the country's national energy and climate plans adopted in December 2025**.** The Strategy includes emission reduction projections, a national air pollution control programme, as well as air quality plans for all zones in Montenegro. In August 2026, Montenegro also adopted the Law on air quality and the Air Protection Act and related implementing legislation in October 2026, further aligning with the National Emission Ceilings Directive.

On **waste management**, in August 2026, Montenegro adopted amendments to the Law on waste management, together with implementing legislation in October 2026, to further align with the EU Waste Framework Directive, the landfill, the single use plastic and the batteries Regulation. Media awareness-raising campaigns and proper enforcement rules, targeting citizens and local authorities, about prevention, separation of waste and recycling, are ongoing. Local government units still need to adopt local waste management plans and implement them.

On **water quality**, in December 2025, the government adopted the 2026 programme for monitoring surface and ground water as well as the flood risk-management plans in the water areas of the Danube and Adriatic basins. In August 2026, Montenegro adopted the Law on water for human use to align with EU Drinking Water Directive and in May 2026 the strategy for the protection of the marine environment until 2036.

On **nature protection,** in August 2026, Montenegro adopted the Law on nature protection further aligning with the Habitats and the Birds Directives. The national strategy for biodiversity 2026-2031 and its action plan for the years 2026-2028 were also adopted in June 2026. The work on establishing the Natura 2000 network continued and, in June 2026, Montenegro submitted its proposed List of NATURA 2000 sites together with a proposed governance structure, which are under assessment by the European Commission. Montenegro still needs to address the recommendation of the Bern Convention related to Skadar Lake and to find adequate solution for the military training polygon at Sinjajevina. In January 2026 an agreement was reached between the government and the municipality of Ulcinj on the management of the site; a new management company is in the process of being established and should be in place by end of 2026. To this end, in October 2026 the government of Montenegro adopted a roadmap on the future management of the site and conservation measures. The municipality of Ulcinj adopted the Management Plan of the site in July 2026, which focuses, among other things, on the conservation measures of the site. The government allocated EUR 510 000 from the State Budget for restoration works.

On **industrial pollution and risk management**, the ecological reconstruction for Pljevlja coal power plant is ongoing but concerns remain regarding core issues for its long-term viability. Montenegro should step up efforts to permanently close the plant to meet EU emission standards and to create more sustainable economic opportunities in the region. A strategic approach is needed for a just transition that provides economic alternatives to the communities who will be most affected by the coal phase-out. Work is ongoing to align with the **l**imitation of emissions of certain pollutants into the air from medium combustion plants Directive and the industrial emissions Directive.

In July 2026 Montenegro adopted amendments to the Law on **chemicals** to ensure alignment with REACH, the asbestos Directive, prior informed consent Regulation and the persistent organic pollutants regulation, and the volatile organic compounds regulation. Further action is needed to complete alignment with the biocidal products Regulation. A national Helpdesk, Chemicals Register and biocidal product records are in place, though further digitalisation, data quality and security improvements are needed for interoperability with European Chemicals Agency (ECHA) systems.

On **noise**, In July 2026, Montenegro adopted the Law on environmental noise protection to align with the EU *acquis***.** While considerable progress has been achieved in preparing the strategic noise maps and noise action plans for 13 major roads, these should be submitted to the Commission via the digital platform Reportnet3, along the information on the presence of

all the major noise sources, including all the agglomerations, in its territory. Further efforts are needed on noise management and public awareness raising campaigns to reduce exposure to environmental noise. During the reporting period, a guide to environmental noise management was also developed and published on the Ministry's website.

Regarding **civil protection**, Montenegro is a member of the Union Civil Protection Mechanism and, since 2024, is connected to the common emergency communication and information system (CECIS). The country has been consistently and actively involved in UCPM activities, including disaster risk management reporting to the Commission and disaster prevention and preparedness capacity building. Montenegro made progress in Host Nation Support after hosting aerial firefighting response assets. Nevertheless, the country should continue to improve Host Nation Support, with a focus on ensuring aerial coordination structures operate effectively to facilitate response during wildfires. In December 2025, the government adopted the National Plan for Rescue and Protection from Extreme Weather and Climate Events, and the Strategy for Disaster Risk Reduction for 2025-2030 with an action plan for 2025-2026. In January 2026, Montenegro adopted the Law on post-disaster recovery.

Climate change

On **climate change,** Montenegro has made good progress in increasing its legislative alignment with EU *acquis*, however there is still a need to significantly strengthen administrative capacity and ensuring adequate implementation and enforcement.

In December 2025, Montenegro adopted the Law on climate change with a legally binding commitment to achieve climate neutrality by 2050. The law further sets the legal basis for the monitoring, reporting, verification and accreditation (MRVA) system covering the EU emissions trading system (ETS1) sectors (power generation, industry, aviation and maritime transport) and ETS2 sectors (buildings, road transport and small industry). The Law was further amended in May 2026, and further secondary legislation (eight Rulebooks) was adopted in July 2026, that would facilitate the implementation of MRVA in all EU ETS sectors by the end of 2026). The two regulated entities submitted their monitoring plans, and one greenhouse gas emission (GHG) permit was issued in June 2026. Montenegro must ensure that all regulated entities receive their GHG permits by the end of 2026 and are ready to commence monitoring on 1 January 2027, at the latest. Decisive steps are needed to improve the country's current domestic carbon pricing mechanisms, to facilitate the transition into the EU ETS upon accession.

Montenegro adopted the national energy and climate plan in December 2025, and the low carbon-development strategy (2026-2050) in February 2026. This strategy provides a long-term decarbonisation pathway to 2050 in line with the Paris Agreement and Montenegro's climate neutrality commitment. Montenegro adopted further secondary legislation increasing alignment with the EU Governance Regulation and EU *acquis* concerning emissions from the land and use, land use change and forestry (LULUCF) sector and has increased its timelines and completeness of reports required by the adapted Governance Regulation adopted under the Energy Community Treaty. Montenegro still needs to align with EU *acquis* on ozone depleting substances, fluorinated gases, carbon removals certification framework and climate legislation concerning road transport (CO_2 performance standards, car labelling and fuel quality). To this end, Montenegro adopted in June 2026, a Plan for putting arrangements in place to transpose, implement and enforce the EU climate *acquis* that should enable to achieve full alignment with EU *acquis* and prepare Montenegro for its full implementation.

CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy and coordination of structural instruments (Chapter 22); and financial and budgetary provisions (Chapter 33).

Chapter 11: Agriculture and rural development

The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.

On **horizontal issues**, staffing of the paying agency remains a critical issue. Recruitment of 48 personnel is envisaged in 2026, and it is essential that this proceeds without delay to facilitate progress with the setting up of the paying agency and the establishment of an integrated administration and control system. For the land parcel identification system, new ortophoto maps are being delivered. Its update needs to proceed speedily, ensuring adequate staff resources are available for the task. Detailed steps for developing the area monitoring system must be elaborated and a pilot project launched without delay. There was no progress in the development of the farm sustainability data network. Farm advisory services remain to be strengthened.

As regards **agricultural markets - common market organisation**, Montenegro advanced its alignment by amending the Law on the organisation of the market of agricultural products as well by adopting secondary legislation regarding the quality of olive oil, and honey. Efforts for its implementation must continue. Work on the electronic vineyard register remains to be completed.

In the area of **rural development**, implementation of the IPARD III programme is progressing with ongoing contracting and implementation of projects. Montenegro is encouraged to ensure full absorption of the available EU funding, by obtaining entrustment to implement further measures under IPARD III.

On quality policy, the law on quality schemes for agricultural and food products was amended, further aligning with the *acquis*. Activities to strengthen control and enforcement continued.

On organic farming, alignment with the *acquis* continued with the adoption of legislation on plant and livestock organic production, on processing, collection, packaging, transport and storage of products, on labelling of organic production and of the List of products and substances allowed in organic production. Activities to strengthen control and enforcement continued.

On the fight against corruption, the Montenegrin authorities are obliged to prevent, detect and report irregularities

Chapter 12: Food safety, veterinary and phytosanitary policy

The EU food acquis, including hygiene rules for foodstuff production, ensures a high level of food and feed safety and a high level of protection of consumers' interests. Animal health and welfare and the safety of food of animal origin are safeguarded, together with plant health, quality of seeds, plant reproductive material, pro, animal nutrition and the use of plant protection products.

In the area of **general food safety,** in April 2026, Parliament adopted the Food Safety Law that is aligned with the EU *acquis.* The Administration for Food Safety, Veterinary and Phytosanitary (AFSVPA) implemented the 2025 programme for food and feed safety quality measures and adopted the 2026 programme. The 2025 national residue monitoring plan was implemented and the 2026 plan was approved. In July 2026, the government adopted a revised programme for improving the quality of raw milk with an action plan and a plan for dealing with non-compliant raw milk. Montenegro has yet to complete the harmonisation of its national framework with EU requirements relating to secondary legislation. Regarding the horizontal framework of administrative capacity and official controls**,** some progress has been made in strengthening administrative and inspection capacities. In July2026 the government adopted the revised action plan for strengthening the administrative capacities of the

AFSVPA, which in the period up to 2030 envisages the recruitment of 147 additional employees. The announcement of 26 vacant positions for 2026 was published.

Parliament adopted the **Official Controls** Law in May 2026. Thematic trainings on official control for competent inspections in the field of food safety were provided, along with the development of guidance materials and tools, including a guide for official controls in facilities for slaughtering, cutting and processing meat, a handbook on official control of milk processing facilities, a manual for the primary production of food of animal origin. Checklists were also prepared for the implementation of official controls on farms for the production and distribution of raw milk. The development of control procedures is ongoing and includes measures to prevent conflicts of interest in the production of products of animal origin. Notable progress was made on the required border control posts (BCPs). In February 2026 the government adopted the roadmap for the construction and improvement of border control posts and instructed the Ministry of Finance to allocate the required funds. It envisages the construction or reconstruction of six BCPs ahead of EU accession. The revised Roadmap, which includes a contingency plan, was adopted by the government in July 2026.

An action plan for strengthening the administrative capacity which provides the successive recruitment and training of 147 officials until 2030 has been presented and linked to areas falling in EU Official Controls Regulation (OCR)

In July 2026, the Government adopted a roadmap for the designation and supervision of **official laboratories and national reference laboratories for official controls**.) Some progress was made when it comes to the requirement for a detailed and evidence-based assessment to determine which reference functions are feasible in the territory of Montenegro and which functions should be designated to laboratories of EU Member States.

On **veterinary policy**, Parliament adopted the Law on Animal Health in June 2026. Montenegro has established competent authorities and a system of official controls. Control activities are carried out in practice, laboratories support surveillance programmes, and awareness campaigns and simulation exercises are organised for relevant animal diseases. Certain structural weaknesses still affect the effectiveness and consistency of the system, therefore further efforts by Montenegro are needed addressing the organisation of official controls (which is not sufficiently supported by documented procedures, risk-based planning and central oversight), safeguards to prevent conflicts of interest for authorised veterinarians, staffing constraints, the efficient use of resources and the absence of systematic performance assessment (which limits effective supervision), the animal identification and registration database (which remains inaccurate and incomplete and which weakens traceability and disease control), surveillance systems (which are in place but do not consistently ensure early detection and targeted monitoring). In June 2026, Montenegro adopted a new Animal Health Law, which will enter into force in 2027, and which sets a basis for further alignment with the EU *acquis* in this area. Further efforts are needed from Montenegro to continue with legislative alignment and implementation of relevant animal health legislation under Animal Helath Law and other frameworks while ensuring full compliance with the EU *acquis* in this animal health field upon accession.

The AFSVPA implemented the 2025 programme of mandatory animal health protection measures and adopted the 2026 programme with a strengthened measures for supervision, including the introduction of incentive measures for reporting dead wild birds. The rabies vaccination of wild animals continued, and an aerial vaccination campaign was carried out in spring 2026. In June 2026, Montenegro was included in the list of third countries which can derogate from the rabies antibody titration test requirement when moving dogs, cats or ferrets to the EU. Montenegro also advanced on the development of border control point procedures, including biosecurity guidelines and instructions for documentary, identity and physical checks, sampling and handling.

The country advanced on training on animal welfare during slaughter, the preparation of key procedures and manuals (covering slaughterhouse checklists, certification of slaughter competence, and on-farm welfare assessments). The consistent implementation of animal welfare standards during transport, at farm and at the time of slaughter, remains a significant

area for improvement in many establishments and small operators. Greater efforts are also needed on enforcement and efficient risk based official controls related to animal welfare at farm, during transport and at time of slaughter and killing animals, including ensuring sufficient and trained staff in charge of animal welfare within the competent authorities. Secondary legislation was adopted to further align the national legal framework with the *acquis* in the field of farmed animal welfare and animal protection during killing.

With regard to placing **on the market of food, feed and animal by-products**, the Parliament adopted the law on management and handling of animal by-products in April 2026. The Government adopted in April the updated Revised Plan for the Management of Animal by- Products not intended for human Consumption defining a phased approach to establishing a compliant system

in February 2026, the government adopted the innovative plan for the improvement of facilities for food of animal origin after consultation with the Commission. Montenegro committed to submit an updated list of facilities for food of animal origin to the Commission every three months, starting from the end of March 2026. The authorities still need to demonstrate that the planned national rules will not weaken EU food safety standards, allow unjustified exemptions, or be used to compensate for structural shortcomings or delay necessary investments. Any flexibility should be strictly limited to specific cases, while remaining proportionate and ensuring the same level of food safety. Otherwise, no national derogations could be applied, approvals would be granted only to fully compliant establishments, and authorities would have to refuse or withdraw authorisation where full compliance is not ensured. In the area of food **safety rules** and its **specific rules for feed**, AFSVPA implemented the 2025 programme of food and feed safety measures and adopted the 2026 programme.

With regard to animal by-products, the plan for the management of animal by-products togehter with the action plan were adopted by the government in 2018 and further updated in April 2026. Montenegro demonstrated further progress in implementing that plan in the recent years. In particular, on 27 April 2026, Montenegro adopted the Law on management and handling of animal by-products, aligning with Regulation (EC) No 1069/2009 and certain provisions of Commission Regulation (EU) No 142/2011. Montenegro has also committed to establish a system for safe collection and disposal of animal by-products, compliant with EU rules by the date of accession, and eventually to construct a processing plant for certain animal by-products in the country by 1 January 2031.

In the area of **phytosanitary policy,** in March2026, Parliament adopted the Plant Health Law and in April 2026, it adopted the Plant Protection Products Law that is aligned with the *acquis*. The AFSVPA implemented the 2025 programme of phytosanitary measures, including the programme of plant health protection, the programme of plant protection products (including pesticide residue monitoring) and the programme for the control of the production of seeds, planting material and plant genetic resources. The programme of phytosanitary measures for 2026 was adopted. Additionally, the plan of official controls in phytosanitary area for 2025 was implemented, and the plan for 2026 was adopted. Since December 2025, activities have begun on the design, development and implementation of the phytosanitary information system within the framework of an EU-financed project.

On the marketing of seed and other plant reproductive material, the country should first align its national legislation with the EU *acquis* on the rules plant (PRM) and forest reproductive material (FRM). Considering the ambitious timeframes, Montenegro should focus both on establishing the necessary institutional frameworks and technical capacities to implement and enforce the *acquis* effectively, and also setting up functioning seed certification systems, including as regards the evaluation and registration of varieties for PRM, the approval and registration of basic material for FRM, official inspection and controls, testing and laboratory infrastructures, and the registration and supervision of operators.

In the area of genetically modified organisms, no progress was reported and further work remains necessary.

On the fight against corruption, Montenegrin authorities should prevent, detect and report irregularities

Chapter 13: Fisheries and aquaculture

The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.

As regards **resource and fleet management**, work is ongoing to further update and upgrade the fisheries information system. Management plans have been developed for bottom nets, longlines, coastal nets and European eel. In February 2026, the Parliament adopted the Law on freshwater fisheries, which is harmonised with the EU *acquis* in the area of traceability of fish products and management of eel stocks.

Regarding **inspections and control**, guidelines were developed for at-sea inspections and during landings, however the adminsitrative capacity for inspection would still need to be increased. Procedures for at-sea inspections, traceability and vessel monitoring and surveillance systems were prepared for the fisheries monitoring centre. Annual work plan for inspection was prepared.

As regards **international agreements,** Montenegro became the 55th member of International Commission for the Conservation of Atlantic Tunas. The implementation of the European Strategy for the Adriatic-Ionian Region and collaboration with the General Fisheries Commission for the Mediterranean continued.

Regarding **data collection,** the annual implementation of the data collection programme (DCF-DCRF) continued, covering both commercial catch data and biological data**.** The new data collection plan is under preparation.

There were no developments during the reporting period with regard to **maritime spatial planning, structural actions and State aid.**

Chapter 22: Regional policy and coordination of structural instruments

Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It is operating through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and control and also the fulfilment of other EU acquis elements such as environmental or public procurement legislation.

Regarding the **legislative framework**, the government adopted the new law on regional development in July 2026 that lays down the legal, institutional, and strategic framework for regional development. A coordination body and six thematic working groups were established to develop a draft strategic planning document which will constitute the basis for programming future cohesion policy related EU funding.

Concerning the **institutional framework**, the government adopted, in February 2026, a proposal for the institutional and programming framework for EU funds after accession, with coordinating authority, managing authorities, and audit authority. Montenegro received the European Commission's entrustment for budget implementation under indirect management for the IPA 2025-2027 multi-annual action programme and the sector operational programme on employment and social policy and conditional entrustment for the sector operational programme on environment and climate change.

Administrative capacity remains a key priority, given high staff turnover and persistent vacancies. Recruitments have been launched in line with adopted systematisation but still need to be completed. Management verifications for Interreg programmes require reinforcement. Montenegro prepared individual organisational development strategies and

developed a comprehensive capacity-building framework through competency mapping, training needs analyses and the preparation of an Administrative Capacity Building Roadmap.

On programming, Montenegro prepared a Strategic Planning Document providing the basis for the cohesion elements of the future National and Regional Partnership Plan (NRPP). The Council for Public Investments developed an Infrastructure Public Investment Marster Plan to monitor all capital investments, regardless of funding source. Programming and contract preparations under the IPA III operational programmes progressed but should be accelerated to ensure timely and effective absorption of EU funds. Montenegro continued to participate in Interreg cooperation programmes and macro-regional strategies, further strengthening its experience with shared management and contributing to preparation for the future Interreg programming period. The Council for Public Investments developed a Master Plan for Infrastructure Development to monitor all capital investments, regardless of funding source, and improve alignment with strategic priorities.

In the area of **monitoring and evaluation**, a monitoring and evaluation plan and a Management Information System implementation plan were prepared. Monitoring committees have been established for both IPA III operational programmes and for the Reform and Growth Facility, in line with the European Code of Conduct on Partnership principles. Montenegro is also a member of the monitoring committees of all seven Interreg programmes it participates in. Inter-ministerial coordination as well as regular dialogue with local municipalities and civil society need to be strengthened and turned into a structured process allowing further engagement, tracking and regular monitoring. Under indirect and shared management, the coordination and implementation capacities of beneficiary institutions remain to be strengthened.

On **financial management, control and audit**, systems are established under the IPA programmes, but problems with management verifications persist under Interreg programmes. In April 2026, a decree was adopted to confirm Montenegro's coordination and fund management set-up under the Reform and Growth Facility, defining responsible bodies, financial management procedures, coordination, monitoring and reporting systems, and measures to prevent and address irregularities and fraud.

On **fight against corruption,** in the reporting period six cases were registered on the Irregularity Management System operated under the Anti-Fraud Information System. Four of these cases have been closed and two remain open.

Chapter 33: Financial and budgetary provisions

This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) the non-recycled plastic resource; and (iv) a resource based on value-added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.

Montenegro accelerated accession preparation and advanced in underlying policy areas affecting the own resources system (for progress in these areas, see chapters 16: Taxation, 18: Statistics, 27: Environment and climate change; 29: Customs union, and 32: Financial control).

On **traditional own resources**, in October 2025, the Customs Administration adopted a new rulebook on the internal organisation and systematisation of the Customs Administration. It established a Department of the Management of Traditional Own Resources and foresaw recruitment of three additional officials in this department for 2026. In December 2025, the government introduced amendments to the Customs Law, providing the legal basis to undertake enforced collection of customs debt, including collection from movable and immovable property. The authorities continued preparations to ensure full operationalisation of A/B accounts, including upgrading its relevant information system.

As regards **VAT-based resources**, the tax administration continued improving its administrative capacities, standardising procedures and improving its information system to enable accurate data calculation and reporting. The Statistical Office continued preparatory work for correct calculation of the average weighted VAT rate.

In the area of **gross national income-based (GNI) resources**, Montenegro prepared and submitted to the EC its GNI Inventory and a roadmap for outstanding methodological issues for statistics in line with the European System of Accounts (ESA) 2010 methodology, while the informal economy is calculated in accordance with the OECD and Eurostat manuals.

On **non-recycled plastic packaging waste own resource**, Montenegro continued improving its regulatory and operational framework in the area of waste management and extended producer responsibility, providing for a normative basis for collection, processing, and control of data related to non-recyclable plastic packaging waste own resource.

As regards **administrative infrastructure**, in March 2026, with government-adopted amendments an interinstitutional working group to coordinate work for the provisional closure of Chapter 33 was established. To ensure administrative capacity for own resources management, procedures for recruitment of 30 additional qualified staff have started, including 9 positions in 2026. As of June 2026, only five positions were filled, thus the recruitment process needs to be accelerated.

CLUSTER 6: EXTERNAL RELATIONS

There are two chapters in this cluster: external relations (Chapter 30) and foreign, security and defence policy (Chapter 31).

Chapter 30: External relations

The EU has a common commercial policy towards non-EU countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules in the field of humanitarian aid and development policy.

On the **common commercial policy**, Montenegro continued to align its positions with those of the EU, including within the World Trade Organisation (WTO). The country continued to implement obligations arising from WTO multilateral and plurilateral agreements.

Montenegro remained an active participant in the Central European Free Trade Agreement (CEFTA) working groups and the Joint CommitteeIn May 2026, Parliament adopted the Law on the Ratification of Decision No 5/2024 of the Joint Committee of the Central European Free Trade Agreement on Trade-Related Aspects of Intellectual Property Rights, adopted on 9 October 2024, which establishes a unified regional framework designed to modernize and harmonize intellectual property rights protection across CEFTA parties in alignment with European Union (EU) and TRIPS standards. . Additional Protocol 7 (Trade in Services) was ratified in July 2026.

The country remains committed to the Common Regional Market action plan 2025-2027 to strengthen regional economic cooperation.

In June 2026 the government adopted secondary legislation on credit insurance against non-market risks. The Development Bank of Montenegro is mandated to perform export credit insurance operations. In the area of **dual-use goods**, Montenegro has yet to join the Australia Group and the Wassenaar Arrangement. Montenegro decided to adhere unilaterally to the Australia Group in September 2025. A visit from the Wassenaar Arrangement rapporteurs took place in April 2026. Montenegro is yet to align with the EU's 2025 dual-use export control list and the EU framework for the FDI screening.

In July 2026, Montenegro's Parliament ratified an intergovernmental agreement with the US. As foreseen under the Stabilisation and Association Agreement with Montenegro and the EU law, Montenegro is required to bring its legislation, including all incompatible provisions

under the existing, and particularly recently signed intergovernmental agreements, fully in line with the EU *acquis* at the latest by the date of accession

On **bilateral trade agreements**, in December 2025 Montenegro agreed to implement the revised rules of the Pan-Euro-Mediterranean (PEM) Convention with Türkiye and Ukraine. The revised PEM are in application across all relevant agreements (Stabilisation and Association Agreement with the EU, CEFTA, EFTA, and Türkiye) since January 2026. Montenegro has 25 bilateral investment treaties in force, including 15 with EU Member States. In the field of **development policy and humanitarian aid**, Montenegro adopted the 2026-202gramme of International Development Cooperation and Humanitarian Aid in December 2025. Official Development Assistance stood at 0.019% of GNI in 2024, with a similar level reported for 2025. To strengthen the legislative framework on humanitarian aid, the Law on post-disaster recovery and a National Plan for Rescue and Protection against Extreme Weather were adopted in December 2025.

Chapter 31: Foreign, security and defence policy

Member States must be able to conduct political dialogue under the EU foreign, security and defence policy (CFSP), align with EU statements, take part in EU actions, and apply agreed restrictive measures.

Montenegro remained actively engaged in **political dialogue** with the EU on foreign and security policy issues. In December 2025, the first EU–Montenegro Security and Defence Dialogue was held. Montenegro participated in the EU–Western Balkans meetings of Political Directors in October 2025, in Brussels in April 2026 and in Kruje in October 2026, the informal meetings of the Foreign Ministers in November 2025 and May 2026, as well as in the EU-Western Balkans Summit in December 2025 and hosted the EU-Western Balkans Summit in June 2026.

The institutional framework enabling Montenegro's participation in the **EU common foreign and security policy** is in place and operational. Montenegro sustained full alignment with EU CFSP: including with statements by the High Representative on behalf of the EU and Council Decisions on restrictive measures.

During the reporting period, seven regular and one extraordinary sessions of the Permanent Coordination Body for Restrictive Measures took place, and steps were taken to strengthen capacities on implementation, including training for public and private sector representatives. Montenegro should continue strengthening its capacity to implement and enforce EU sanctions.

Montenegro maintained active cooperation in **international organisations** (UN, OSCE and Council of Europe). Montenegro aligned fully with all EU statements and positions at the United Nations General Assembly and many other multilateral fora. In February 2026, Montenegro co-sponsored the United Nations General Assembly resolution on 'Support for lasting peace in Ukraine' and in December 2025, the resolution on 'Return of Ukrainian Children'. Montenegro was the only Western Balkan partner to join 35 other states and the EU to create the Special Tribunal for the Crime of Aggression against Ukraine under the Council of Europe in May 2026. Montenegro is a member of the International Coalition for the Return of Ukrainian Children, and it participated in the High-Level Meeting organised in May 2026. In December 2025 Montenegro signed the Convention for establishing and International Claims Commission for Ukraine regarding claims for damages, loss, or injury caused by Russia's invasion. In November 2025, Montenegro became co-chair of the Group of Friends on Cultural Rights of Persons with Disabilities in the Human Rights Council. Since September 2025, Montenegro participates in the 'Prove It Matters' initiative on children in armed conflict. Implementation of the second National Action Plan on **Women, Peace and Security** is ongoing, with a need for accompanying funding, civil society inclusion and localised accountability. In September 2025, the Ministry of Defence organised a regional conference marking the 25th anniversary UNSC Resolution 1325 and in November 2025 a Working Group on Networking Women in the Security Sector was established.

Montenegro is party to the Rome Statue of the **International Criminal Court**. Montenegro remained aligned with the Council Decision 2011/168/CFSP of 21 March 2011 and the related EU guiding principles on bilateral immunity agreements, following its decision to terminate the bilateral immunity agreement with the United States on the International Criminal Court in September 2025.

Concerning **conflict prevention**, Montenegro continued to align with EU and UN initiatives, including through the contribution to EU missions as well as to UN and NATO missions. Montenegro continued to participate in the implementation of the Agreement on Sub-Regional Arms Control under Article IV of Annex 1B of the Dayton Peace Accords and will assume its Chairpersonship from July to December 2026.

Regarding **non-proliferation and disarmament,** Montenegro is a party to most international treaties and conventions. It remains actively engaged in the implementation of the Western Balkans roadmap on small arms and light weapons (SALW). Preparations for a new strategy on combating illegal possession, misuse and trafficking of SALW for 2026-2030 are underway. Implementation of the 2023-2028 plan for the prevention, detection, response and protection against chemical, biological, radiological and nuclear threats and risks (CBRN), and for preventing the proliferation of weapons of mass destruction and their means of delivery, continued Montenegro also continued efforts to join the Wassenaar Arrangement and the Australia Group. On arms export control, Montenegro remains fully aligned with the EU Common Position 2008/944.

In terms of **security measures**, Montenegro continued to implement the agreement with the EU on procedures for the exchange and protection of classified information.

As regards **common security and defence policy (CSDP)**, Montenegro has expressed strong interest in concluding a Security and Defence Partnership with the EU. It continues to participate in **EU crisis management missions and operations**, currently in the EU NAVFOR ATALANTA. Montenegro also prepared its participation in the EU Military Assistance Mission in support of Ukraine (EUMAM Ukraine). Montenegro also continues to contribute to UN peacekeeping operations in the Western Sahara (MINURSO) and in Cyprus (UNFICYP). Montenegro continues to contribute to regional cooperation in military medicine through the Balkan Medical Task Force. It participates in training activities of the European Security and Defence College (ESDC).

As **regards hybrid threats**, Montenegro continued to strengthen its institutional framework and cooperation with the EU. The implementation of the National Strategy for Countering Hybrid Threats 2025-2029, adopted in 2025, continues. During the first EU–Montenegro Security and Defence Dialogue in December 2025, foreign information manipulation and interference (FIMI) and cyber security issues were discussed. Montenegro requested additional EU support in these areas in March 2026, including a new tailored Hybrid Risk Survey. In March 2026 the Prime Minister joined the high-level panel with HRVP in the EEAS annual counter-FIMI conference in Brussels. In March 2026, Montenegro signed the host country agreement for the Western Balkans Cyber Capacity Centre, the first international organisation headquartered in Podgorica. Additionally, Montenegro has actively engaged in the first negotiations of the new UN Global Mechanism on Information and Communications Technologies in the Context of International Security. In March 2026, the Coordinating Body for Protection against FIMI was established, further efforts are needed in building a coordinated institutional response and enhancing societal resilience to FIMI and other forms of hybrid threats.

ANNEX I – RELATIONS BETWEEN THE EU AND MONTENEGRO

Within the framework of the **accession negotiations**, by June 2025 all 33 screened chapters had been opened, 21of which have been provisionally closed.

Montenegro is participating in the **Stabilisation and Association Process**. Montenegro continued to broadly implement its obligations under the **Stabilisation and Association Agreement** (SAA). Regular political and economic dialogue between the EU and Montenegro has continued through the SAA's structures. Regular subcommittee meetings were held throughout the period. The Stabilisation and Association Committee met in March 2026 and the Stabilisation and Association Council in July 2022. The Stabilisation and Association Parliamentary Committee met regularly.

Montenegro participates in the ministerial dialogue between the economic and finance ministers of the EU and the candidate countries, which aims at helping the latter to gradually meet the economic accession criteria and be better prepared in terms of economic reforms, competitiveness and job creation.

Montenegro is also a beneficiary of the EU's autonomous trade measures (ATMs) in favour of the Western Balkans.

The EU is Montenegro's main trading partner. In 2025, total EU-Montenegro trade in goods reached EUR 2.63 billion, with Montenegro exporting EUR 432 million to the EU and importing EUR 2.2 billion.

The EU Montenegro has maintained its full **alignment with the EU common foreign and security policy** and has continued to contribute to **EU crisis-management missions and operations** under the CSDP. In February 2025 a EUR 6 million assistance measure for Montenegro under the European Peace Facility was adopted to provide the Armed Forces with real life support equipment, equipment for chemical, biological, radiological and nuclear defence operations (CBRN), and equipment for the helicopter-borne search and rescue units.

Visa liberalisation for citizens of Montenegro travelling to the Schengen area has been in force since December 2009. As part of the visa liberalisation monitoring mechanism, the Commission has been regularly assessing the progress made by the country in implementing reforms introduced under the visa roadmap. The Commission's eighth report under the Visa Suspension Mechanism adopted in December 2025 concluded that Montenegro addressed some of the Commission's previous recommendations, in particular by reducing the list of visa-free countries for which the EU requires a visa, and by continuing to monitor the processing of the remaining applications from the terminated investment citizenship scheme. Montenegro amended its visa policy decree to fully align with the EU list of visa-required third countries as of 31 October 2026. A **readmission agreement** between the European Union and Montenegro has been in force since 2008. In accordance with Regulation (EU)2026/464[13], candidate countries and potential candidates are, in principle, designated since 2026 as safe countries of origin at Union level.

Under the **Reform and Growth Facility (RGF)**, Montenegro's indicative maximum allocation amounts to EUR 383.5 million. Release of EU funds under the RGF is conditional on compliance with the preconditions, general conditions and on delivery of reforms set out in the Reform Agenda, which the Commission approved in October 2024. As of May 2026, EUR 89 million have been released to Montenegro (including pre-financing) covering the first three reporting periods.

[13] REGULATION (EU) 2026/464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 February 2026 amending Regulation (EU) 2024/1348 as regards the establishment of a list of safe countries of origin at Union level

The **Instrument for Pre-accession Assistance 2021-2027 (IPA III)** continues to provide financial support to the region and finances the Economic and Investment Plan for the Western Balkans. While programming of IPA III remaining funds was completed in 2024, implementation of the programmes continues. This includes significant support for further alignment with the EU action plan and institutional capacity building. For IPA 2021, Montenegro contracted EUR 9.1 million (i.e. 73.5% of the available amounts) under indirect management by the December 2025 contracting deadline. The entrustment of IPA III Operational Programmes for employment and social policy as well as for the environment was completed and procurement procedures have been launched.

The bilateral annual programmes are complemented by a package of multi-country and regional programmes, supporting the environmental sector, and dealing with migration and social housing, as well as TAIEX and competitiveness programmes together with International Financial Institutions and International Organisations. Montenegro also benefits from the rural development programme **IPARD III** (in continuation of the IPARD II support), providing a significant contribution to the implementation of the Economic and Investment Plan for the Western Balkans and the Green Agenda. Montenegro continues to participate actively in cross-border cooperation programmes with neighbouring countries and EU Member States (Adriatic and Danube – macro-regional strategies), as well as transnational cooperation programmes and Union Programmes.

The EU provides support via IPA and the Foreign Policy Instrument to strengthen the resilience of the Western Balkans partners to face hybrid threats including cyber threats and foreign information manipulation and interference.

ANNEX II – STATISTICAL ANNEX

STATISTICAL DATA (as of 14/09/2026)

Montenegro

Basic data	Note	2013	2021	2022	2023	2024	2025
Population (thousand)		621 i	621 i	618 i	617 i	624 i	623 i
Total area of the country (km²)		13 882	13 882	13 882	13 882	13 882	13 882

National accounts	Note	2013	2021	2022	2023	2024	2025
Gross domestic product (GDP) (million national currency)		3 330	4 923	5 944	7 069	7 645	8 171 p
Gross domestic product (GDP) (million euro)		3 330	4 923	5 944	7 069	7 645	8 171 p
GDP per capita (euro)		5 350	7 880	9 530	11 340	12 260	13 110 p
GDP per capita (in purchasing power standards (PPS)		10 605	15 111	17 316	19 903	21 365	22 545 p
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		40.4	45.4	47.9	51.9	53.4	54.1 p
Real GDP growth rate: change on previous year of GDP volume (%)		3.4	13.0	7.7	6.5	3.2	2.7 p
Employment growth (national accounts data), relative to the previous year (%)		0	2	18	9	4	3 p
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		3	10	- 9	- 2	- 1	- 1 p
Unit labour cost growth, relative to the previous year (%)		- 12	- 11	9	14	10	6 p
Nominal unit labour cost index based on persons (3 year % change)		- 10.5	1.8	11.3	11.6	36.8	33.0 p
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		55	60	54	54	54	53 p
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		6.4	4.7	5.0	4.7	4.4	4.3 p
Industry (%)		13.8	12.3	11.1	11.1	10.5	9.6 p
Construction (%)		5.2	6.0	5.6	4.8	4.9	4.8 p
Services (%)		74.5 i	77.0 i	78.3 i	79.4 i	80.3 i	81.2 pi
Final consumption expenditure, as a share of GDP (%)		101.4	94.0	95.2	92.9	96.6	98.7 p
Gross fixed capital formation, as a share of GDP (%)		20.4	22.2	21.7	20.4	21.1	22.3 p
Exports of goods and services, relative to GDP (%)		41.8	43.1	51.3	49.2	43.7	40.1 p
Imports of goods and services, relative to GDP (%)		62.0	62.6	74.1	67.6	66.2	65.7 p
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		:	:	:	:	:	:

Business	Note	2013	2021	2022	2023	2024	2025
Industrial production volume index (2015 = 100)		94.0	99.7	96.8	103.0	102.9	93.5
Number of active enterprises (number)		:	:	43 313	51 266	55 931	:

Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		16.2 w	11.4 w	21.6 w	16.3 w	12.3 w	10.6 w
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		4.3 w	4.9 w	5.6 w	4.9 w	4.8 w	3.2 w
People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)		:	:	:	:	:	:
Value added by SMEs (in the non-financial business economy) (EUR million)		:	:	:	:	:	:
Total value added (in the non-financial business economy) (EUR million)		:	:	2 862	3 503	3 630	:

Inflation rate and house prices	Note	2013	2021	2022	2023	2024	2025
Consumer price index (CPI), change relative to the previous year (%)		:	2.5 d	11.9 d	8.7 d	3.6 d	4.1 d

Balance of payments	Note	2013	2021	2022	2023	2024	2025
Balance of payments: current account total (million euro)		- 383.0	- 457.0	- 766.0	- 791.0	- 1 306.0	- 1 679.0
Balance of payments current account: trade balance (million euro)		- 1 328.0	- 1 914.0	- 2 671.0	- 2 986.0	- 3 299.0	- 3 735.0
Balance of payments current account: net services (million euro)		653.0	956.0	1 317.0	1 688.0	1 583.0	1 592.0
Balance of payments current account: net balance for primary income (million euro)		66.0	103.0	119.0	67.0	- 21.0	64.0
Balance of payments current account: net balance for secondary income (million euro)		227.0	401.0	469.0	438.0	430.0	408.0
Net balance for primary and secondary income: of which government transfers (million euro)		21.0	66.0	41.0	60.0	34.0	21.0
*3 year backward moving average of the current account balance relative to GDP (%)		:	- 16.7	- 16.2	- 11.1	- 13.7	- 16.3
*Five year change in share of world exports of goods and services (%)		:	5.0	17.0	29.1	14.0	92.1
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)		323.8 i	582.0 i	783.0 i	434.0 i	491.0 i	:
Foreign direct investment (FDI) abroad (million euro)		13.1	9.0	50.0	53.0	63.0	:
of which FDI of the reporting economy in the EU-27 countries (million euro)		:	- 8.0	8.0	13.0	20.0	:
Foreign direct investment (FDI) in the reporting economy (million euro)		336.9	591.0	833.0	487.0	554.0	:
of which FDI of the EU-27 countries in the reporting economy (million euro)		:	175.0	226.0	108.0	99.0	:
*Net international investment position, relative to GDP (%)		:	- 158.6	- 123.7	- 104.4	- 104.3	- 111.5
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)		6.4 i	6.9 i	7.3 i	5.5 i	5.4 i	:

Public finance	Note	2013	2021	2022	2023	2024	2025
General government deficit / surplus, relative to GDP (%)		:	:	:	:	:	:
General government gross debt relative to GDP (%)		:	:	:	:	:	:
Total government revenues, as a percentage of GDP (%)		:	:	:	:	:	:
Total government expenditure, as a percentage of GDP (%)		:	:	:	:	:	:

Financial indicators	Note	2013	2021	2022	2023	2024	2025
Gross external debt of the whole economy, relative to GDP (%)		:	193.5 i	158.1 i	128.2 i	126.6 i	126.3 i

Gross external debt of the whole economy, relative to total exports (%)		379.2 w	448.8 w	307.9 w	260.4 w	289.4 w	315.0 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)		:	:	:	:	:	:
Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:
Interest rates: day-to-day money rate, per annum (%)		:	:	:	:	:	:
Euro exchange rates: average of period (1 euro = … national currency)		1 w	1 w	1 w	1 w	1 w	1 w
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
Value of reserve assets (including gold) (million euro)		77.0	8.0	164.0	- 482.0	242.0	208.0

External trade in goods	Note	2013	2021	2022	2023	2024	2025
Value of imports: all goods, all partners (million euro)		1 773	2 504	3 540	3 810	4 068	4 458
Value of exports: all goods, all partners (million euro)		376	437	700	674	615	572
Trade balance: all goods, all partners (million euro)		- 1 398	- 2 067	- 2 840	- 3 136	- 3 453	- 3 886
Terms of trade (export price index / import price index * 100) (number)		98.9 iw	99.8 iw	110.6 iw	102.2 iw	:	:
Share of exports to EU-27 countries in value of total exports (%)		40.6 iw	31.1 iw	30.3 iw	36.1 iw	29.1 iw	:
Share of imports from EU-27 countries in value of total imports (%)		43.6 iw	45.7 iw	44.3 iw	45.8 iw	45.7 iw	:

Demography	Note	2013	2021	2022	2023	2024	2025
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		2.5	- 3.4	- 0.1	1.1	1.0	0.8
Infant mortality rate deaths of children under one year of age (per thousand live births)		4.4	1.4	:	2.1	1.6	:
Life expectancy at birth: male (years)		74.1	70.8	:	75.1	75.2 b	:
Life expectancy at birth: female (years)		79.0	77.0	:	80.2	80.1 b	:

Labour market	Note	2013	2021	2022	2023	2024	2025
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		65.1 w	64.7 w	73.3 w	76.3 w	78.2 w	78.0 w
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		52.6 w	54.2 w	62.5 w	66.5 w	69.7 w	69.8 w
Male employment rate for persons aged 20–64 (%)		57.8 w	59.8 w	66.9 w	72.0 w	76.1 w	73.7 w
Female employment rate for persons aged 20–64 (%)		47.5 w	48.7 w	58.2 w	61.0 w	63.3 w	65.7 w
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		38.7 w	41.1 w	59.0 w	60.2 w	63.4 w	53.9 w
Employment by main sectors							
Agriculture, forestry and fisheries (%)		4.5 w	6.4 w	4.3 w	4.5 w	4.3 w	4.3 w

Industry (%)		11.9 w	10.2 w	10.0 w	9.8 w	10.4 w	10.1 w
Construction (%)		5.9 w	6.7 w	9.1 w	8.6 w	8.7 w	9.2 w
Services (%)		77.7 w	76.7 w	76.7 w	77.1 w	76.6 w	76.4 w
People employed in the public sector as a share of total employment, persons aged 20–64 (%)		36.0 w	32.7 w	28.8 w	28.3 w	29.8 w	33.2 w
People employed in the private sector as a share of total employment, persons aged 20–64 (%)		48.1 w	63.7 w	67.0 w	68.4 w	66.7 w	64.5 w
Unemployment rate: proportion of the labour force that is unemployed (%)		19.5 w	16.6 w	14.7 w	13.1 w	11.4 w	10.7 w
Male unemployment rate (%)		20.1 w	17.1 w	16.2 w	12.2 w	10.8 w	11.9 w
Female unemployment rate (%)		18.8 w	15.9 w	12.8 w	14.0 w	12.2 w	9.3 w
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		41.6 w	37.1 w	29.4 w	23.3 w	26.0 w	23.9 w
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		16.0 w	11.0 w	10.2 w	9.4 w	8.5 w	6.6 w
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		39.7 w	31.0 w	23.5 w	21.2 w	23.1 w	18.5 w
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		9.0 w	11.5 w	10.3 w	7.9 w	6.6 w	7.6 w

Social cohesion	Note	2013	2021	2022	2023	2024	2025
Average nominal monthly wages and salaries (national currency)		726 w	793 w	883 w	987 w	1 083 w	1 206 w
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		:	:	:	:	:	:
Gini coefficient		:	33	32	:	:	:
Poverty gap		39.7	29.5	29.5	28.0	33.8	:

Standard of living	Note	2013	2021	2022	2023	2024	2025
Number of passenger cars relative to population size (number per thousand population)		:	358.0	369.0	389.0	417.0	442.0

Infrastructure	Note	2013	2021	2022	2023	2024	2025
Density of railway network (lines in operation per thousand km²)		17.9 i	18.0 i	18.0 i	18.0 i	18.0 i	:
Length of motorways (kilometres)		0	0	0	0	0	:

Education, Innovation and Research	Note	2013	2021	2022	2023	2024	2025
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		28.0 w	39.0 w	39.3 w	40.9 w	41.3 w	52.2 w
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		24.7 w	34.9 w	33.2 w	37.7 w	41.4 w	45.5 w
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		31.5 w	43.0 w	45.4 w	44.1 w	41.3 w	58.4 w
Participation in early childhood education (children aged 3 and over)		:	71.6 w	76.0 w	81.5 w	82.3 w	85.4 w

Participation in early childhood education (children aged 3 and over), males		:	72.6 w	76.7 w	82.5 w	83.4 w	86.7 w
Participation in early childhood education (children aged 3 and over), females		:	70.5 w	75.2 w	80.4 w	81.1 w	84.1 w
Low achieving 15-year-olds in reading (%)		:	:	52.9	:	:	:
Low achieving 15-year-olds in mathematics (%)		:	:	59.5	:	:	:
Low achieving 15-year-olds in science (%)		:	:	54.9	:	:	:
Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		5.8 w	6.7 w	5.2 w	6.8 w	4.9 w	3.8 w
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		:	:	:	:	:	:
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		3.1 w	5.2 w	3.2 w	2.8 w	3.6 w	2.7 w
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		3.0 w	5.0 w	3.0 w	2.2 w	2.6 w	1.9 w
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		3.3 w	5.4 w	3.4 w	3.5 w	4.6 w	3.4 w
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	:	:	:	:
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	47.2	:	52.0	:	44.2
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	48.5	:	53.5	:	44.0
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	45.7	:	50.0	:	44.4
Public expenditure on education relative to GDP (%)		:	:	:	:	:	:
Gross domestic expenditure on R&D relative to GDP (%)		0.38	0.51 p	0.32 p	0.34 p	0.29 p	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	0.02 p	0.01 p	0.02 p	0.02 p	:
Percentage of households who have internet access at home (%)		:	80.8	81.0	81.3	84.5	88.1

Environment	Note	2013	2021	2022	2023	2024	2025
Index of greenhouse gas emissions, CO_2 equivalent (1990 = 100)		66.0 w	71.6 w	72.1 w	74.2 w	71.7 w	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		288.9	269.5	243.0	236.1	238.7	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		49.1	60.5	68.5	67.5	66.6	63.1 p
Road share of inland freight transport (based on tonne-km) (%)		100.0 bw	65.1 w	47.4 w	61.2 w	50.9 w	67.8 w

Energy	Note	2013	2021	2022	2023	2024	2025
Primary production of all energy products (thousand TOE)		761	749	743	829	779	:

Primary production of crude oil (thousand TOE)		0	0	0	0	0	:
Primary production of solid fuels (thousand TOE)		372	371	416	430	389	:
Primary production of gas (thousand TOE)		0	0	0	0	0	:
Net imports of all energy products (thousand TOE)		234 i	340 i	309 i	261 i	374 i	:
Gross inland energy consumption (thousand TOE)		995	1 093	1 062	1 099	1 146	:
Gross electricity generation (GWh)		3 945	3 777	3 322	4 187	3 552	:

Agriculture	Note	2013	2021	2022	2023	2024	2025
Agricultural output volume index (at producer prices) (2015 = 100)		:	:	:	:	:	:
Utilised agricultural area (thousand hectares)		223.1	255.6 p	253.7 p	263.5 p	248.3	:
Livestock numbers: live bovine animals (thousand heads, end of period)		89.0	71.2	70.8	68.8	67.5 p	68.5
Livestock numbers: live swine (thousand heads, end of period)		21.0	24.3	24.5	24.2	29.3 p	33.2
Livestock numbers: live sheep and live goats (thousand heads, end of period)		221.0 i	195.0 i	190.5 i	184.1 i	171.8 pi	183.6 i
Raw milk available on farms (thousand tonnes)		186.4	:	:	:	:	:
Harvested crop production: cereals (including rice) (thousand tonnes)		8.1	7.1 p	7.2 p	7.7 p	7.7	:
Harvested crop production: sugar beet (thousand tonnes)		0.0	0.0	0.0	0.0	0.0	:
Harvested crop production: vegetables (thousand tonnes)		31.2	40.9 p	40.9 p	42.1 p	63.4	:

Source: Eurostat and/or the statistical authorities in Montenegro

: = not available
b = break in time series
d = definition differs
p = provisional
i = Eurostat estimate
w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology
* = Macroeconomic Imbalance Procedure (MIP) indicator