



MONITORING REPORT 3

MONTENEGRO ACTION PLANS COMMON REGIONAL MARKET (CRM) - REGIONAL DIGITAL AREA AND GREEN AGENDA - DECARBONISATION REFERENCE IN REFORM AGENDA

Montenegro

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The project "Parliamentary Diplomacy: Regional Cooperation Through Enhanced Parliamentary Dialogue" is led by the Institute for Democracy (IDSCS) with the partners from the Western Balkan region: Institute Alternativa (IA), Institute for Political Studies (ISP), CRTA - Center for Research, Transparency and Accountability, Kosova Democratic Institute (KDI), and the Network of Progressive Initiatives (NPI). You can find more about the project at the following link: <https://idscs.org.mk/en/2023/06/23/parliamentary-diplomacy-regional-cooperation-through-enhanced-parliamentary-dialogue/>

This report looks into the alignment between the Plan for the Common Regional Market (CRM) – Digitalisation, the Green Agenda (GA) – Decarbonisation, a key initiative under the Berlin Process, and the Reform Agenda within the Growth Plan (GP) for the Western Balkans. The analysis focuses on objectives, implementation progress, sectoral priorities, institutional roles, and anticipated impacts to understand how these frameworks interact and complement one another.

REFORM AGENDA OF MONTENEGRO 2024-2027 FOR THE EU INSTRUMENT FOR REFORMS AND GROWTH WITHIN THE EU GROWTH PLAN FOR THE WESTERN BALKANS

The Reform Agenda of Montenegro 2024-2027 for the EU Instrument for Reforms and Growth¹, as part of the EU Growth Plan for the Western Balkans, is a key document aimed at accelerating Montenegro's economic convergence toward the European Union average and implementing necessary reforms to fast-track EU integration. The European Commission (EC) adopted the new Growth Plan on November 8, 2023, projecting that EU reforms and financial support will positively impact the economic growth of candidate countries. The plan includes a combination of grants and favourable loans totalling

€6 billion for the period 2024-2027, with **€383.5 million allocated to Montenegro** - **€110 million in grants** and **€273.5 million in favourable loans**.

Out of the total financial support, **€178.5 million is planned as budgetary support**, while the remaining **€205 million will fund infrastructure projects** through the Western Balkans Investment Framework (WBIF). According to the European Commission's announcements, **7% of the total funds** will be disbursed at the beginning of the Growth Plan's implementation as pre-financing, while the remainder will be distributed in **six semi-annual support tranches**, depending on the progress of planned reforms.

The funds available to Montenegro are **conditional on the successful implementation of reform measures** outlined in the Reform Agenda, making this document crucial for the country's economic and political development and the acceleration of European integration.

The final version of the document was adopted by the Government in September, while the European Commission approved it on 10 October 2024.

KEY SECTORS AND PRIORITIES OF THE REFORM AGENDA

Montenegro's Reform agenda focuses on **four priority sectors** with **32 indicative reforms and a total of 114 individual steps** essential for achieving **sustainable economic growth, improving the business**

¹ The Reform Agenda of Montenegro 2024-2027 for the EU Instrument for Reforms and Growth, September 2024, available at: <https://wapi.gov.me/download-preview/2cc3baa0-65d6-4d97-a25c-fa171aa559b3?version=1.0>



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environment, strengthening the rule of law, and enhancing citizens' quality of life.

These key sectors are:

- 1. Business environment and private sector development**
- 2. Digital and energy/green transition**
- 3. Human capital development**
- 4. Rule of law and fundamental rights**

BUSINESS ENVIRONMENT AND PRIVATE SECTOR DEVELOPMENT

Montenegro is prioritising improvements in the business environment, governance, and efficiency of state-owned enterprises, with a total financial support of **€93.3 million**. This area includes **two subcategories - Business Environment and Business Sector Competitiveness** - comprising **seven key reforms and 33 specific steps**. Initial efforts focus on creating and implementing a registry of state-owned enterprises and removing business and administrative barriers. Key initiatives include digitising company registrations and payments, strengthening anti-corruption measures, improving the electronic cadastre and spatial planning, and addressing illegal construction. Additionally, reforms target the efficiency of inspection authorities and the public procurement system.

The Ministry of Finance is the primary driver of these reforms, alongside the Ministry of Spatial Planning, Urbanism, and State Property, the Tax Administration, and the Agency for Prevention of Corruption.

However, once the reforms enter the legislative process, the Parliament of Montenegro is responsible for adopting amended and new legislation.

DIGITAL AND ENERGY/ GREEN TRANSITION

This policy area is divided into **two subareas: Energy/Green Transformation and Digital Transformation, with a total of 12 indicative reforms and 42 specific steps**. Successful implementation of these measures is essential for fulfilling Montenegro's reform commitments.

Digital transformation is a key part of Montenegro's modernisation, supporting the country's integration into global digital trends. The Reform Agenda lays the groundwork for advancing **digital infrastructure, strengthening cybersecurity, and enhancing public digital services**. The allocated budget for this subarea is **€37.1 million**. Responsibilities will be carried out by the Ministry of Public Administration and the Ministry of Economic Development. The primary reform efforts concentrate on:

- **Implementing 5G networks**
- **Enhancing broadband network security**
- **Digitising public services** through full implementation of electronic signatures and digital identity wallets
- **Establishing a comprehensive cybersecurity framework**

At the same time, **energy transition** is a priority, particularly in developing **sustainable energy sources** and reducing reliance on fossil fuels. The energy sector reforms include:

- **Improving energy efficiency**
- **Integrating electricity markets**
- **Reducing energy poverty**
- **Implementing carbon pricing mechanisms** and emissions trading to support decarbonisation
- **Decreasing fossil fuel use in transportation** while promoting e-mobility
- **Developing renewable energy sources** and enhancing infrastructure to connect with neighbouring energy systems

The allocated budget for this subarea is **€81.1 million**. The primary responsibility lies with the Ministry of Energy, along with state-owned energy enterprises such as the Montenegrin Electric Power Company (Elektroprivreda Crne Gore), the Pljevlja Coal Mine, and local governments, including the Municipality of Pljevlja. Additionally, key institutions involved include the Ministry of Mining, Oil, and Gas, the Eco Fund, the National Council for Sustainable Development, the Ministry of Ecology, Sustainable Development, and Northern Region Development, the General Secretariat of the Government, and local self-governments.

HUMAN CAPITAL DEVELOPMENT

Montenegro aims to strengthen human capital to support economic growth and EU integration, addressing the inclusion of vulnerable groups such as women, youth, people with disabilities, and social welfare beneficiaries. With a budget of **€75.3 million, five key reforms and ten specific steps** are planned. These include expanding preschool capacities, hiring childcare professionals, and amending the Law on Social and Child Protection. Reforms also focus on improving career counseling, bridging the gap between education and labor market needs, and establishing better support services to enhance the independence and employability of vulnerable groups.

Educational institutions and state administrative bodies bear the responsibility for implementing these steps. The primary focus is placed on higher education institutions, such as the University of Montenegro, the Ministry of Education, Science, and Innovation, the Ministry of Labour, Employment, and Social Dialogue, as well as the Employment Agency of Montenegro and the Administration for Capital Projects.

RULE OF LAW AND FUNDAMENTAL RIGHTS

Montenegro is focused on strengthening the rule of law and meeting EU accession benchmarks in Chapters 23 and 24, with emphasis on judiciary reform, media



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freedom, and anti-corruption efforts. Key measures include improving investigations, prosecutions, final judgments, and asset confiscation in corruption cases, alongside implementing the Anti-Corruption Strategy and filling judicial vacancies. With a budget of **€96.7 million, eight reforms and 29 steps** are planned. Challenges include complex constitutional amendments requiring a three-fifths parliamentary majority and political deadlock. Reforms align with EU standards, Venice Commission opinions, and GRECO recommendations to enhance judicial independence, accountability, and integrity.

Practically all three branches of government will need to be involved in implementing these reforms—from parliament to the Judicial and Prosecutorial Councils, the Supreme Court of Montenegro, the Special Prosecutor's Office, and the Government's National Anti-Corruption Council, along with nearly all ministries, led by the Ministry of Justice.

BERLIN PROCESS: PROGRESS IN THE COMMON REGIONAL MARKET AND THE GREEN AGENDA

Montenegro is advancing its energy and climate agenda with a comprehensive set of initiatives aimed at achieving ambitious targets by 2030. At the core of these efforts is the National Energy and Climate Plan (NECP), which outlines policies to reduce CO₂ emissions by 55% compared to 1990 levels, increase the share of renewable

energy to 50%, and limit primary and final energy consumption. In alignment with EU regulations, Montenegro is revising its legislation to support the decarbonisation of the energy sector, including new laws on renewables and energy infrastructure. Special focus is given to regions heavily dependent on coal, such as Pljevlja, where a Just Transition Roadmap is being developed. Energy efficiency is a key priority, with updated building regulations and €15 million allocated for subsidies to promote renewables in households, tourism, and small businesses. The country is also working to improve investment conditions for renewables, aligning with EU directives and fostering regional cooperation.

In transport, Montenegro is modernising infrastructure with smart technologies, railway reform, and sustainable mobility initiatives. The country has adopted EU regulations on intelligent transport systems (ITS) and is integrating ITS into road networks with support from the EBRD. Railway modernization includes new legislation for safety and interoperability, infrastructure upgrades, and a €30 million investment in electric trains. Efforts are underway to shift road traffic to more sustainable transport modes, with a renewed transport strategy, cross-border rail station upgrades, and safety improvement projects. Montenegro is also integrating climate resilience into transport planning and promoting sustainable urban mobility. The country is preparing a national policy framework for alternative fuel infrastructure and establishing mechanisms for EV charging station deployment, reinforcing regional cooperation for sustainable transport solutions.

In digitalisation, Montenegro has strengthened broadband infrastructure, allocated 5G frequencies, and signed a regional roaming agreement. Digital education has advanced with new content, online learning platforms, and teacher training. The country is enhancing its digital economy by improving interoperability in public administration and launching initiatives to develop ICT skills. Montenegro has also made progress in cybersecurity, aligning data protection laws with GDPR, establishing a cyber incident response team (CIRT), and planning a Cybersecurity Agency. Regional cooperation in cybersecurity and digital governance remains a priority.

MONTENEGRO'S PATH TO DECARBONISATION AND DIGITAL TRANSFORMATION THROUGH THE REFORM AGENDA AND THE BERLIN PROCESS

Montenegro has been approved for approximately €334 million in funding under the Western Balkans Investment Framework (WBIF), including projects within the Berlin Process. Of this amount, €63.7 million has been allocated to 49 national projects for project documentation development, while €270.3 million has been designated for nine infrastructure projects co-financed under the Berlin Process. Additionally, one project application for technical support was approved in the latest WBIF call, with grants totaling approximately €75 million.

As part of the EU Reform and Growth Instrument, Montenegro has mapped priority infrastructure projects in energy, transport, human capital development, and digital infrastructure. These priorities were presented on February 20, 2024, during a European Commission DG NEAR mission. The mission emphasised the need for the government to define a clear list of prioritised projects across sectors. The goal is to compile a project list worth approximately €500 million, with €213 million expected in EU support and the remainder financed through international loans or the national budget. Key priority areas include education, healthcare, digitalisation, energy, and transport.

DECARBONISATION

Montenegro is advancing **energy sector reforms** by finalising its **National Energy and Climate Plan (NECP)**, which will define key policies and measures to achieve new targets by 2030. A key focus is the **energy transition**, particularly in **Plijevlja**, ensuring socio-economic support and workforce retraining as coal-based energy production is phased out.

To align with the **EU ETS**, Montenegro is implementing a **carbon pricing mechanism**, encouraging **cleaner technologies** and **renewable energy investments**, with revenues supporting sustainability projects. **Building renovations**, a priority under the **European Green Deal**, aim to improve **energy efficiency** and reduce emissions, while also stimulating economic growth.



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The country is shifting from **subsidised renewables** to a **market-based system**, in line with the **EU RED II Directive**, using competitive auctions to increase **renewable energy investments**. Plans include expanding **renewable capacity by 20%** through new **wind farms, hydro upgrades, and solar projects**.

The **Ministry of Energy** leads energy efficiency efforts, working with **the Ministry of Ecology, Eco Fund, and industry stakeholders** to enhance **air quality, regulatory enforcement, and workforce training**.

Montenegro is making significant efforts to modernise its **transport infrastructure** through **smart technologies, railway reform, and sustainable mobility initiatives**. By adopting EU regulations on Intelligent Transport Systems (ITS) and integrating them into the road network with support from the EBRD, the country is enhancing traffic safety and efficiency. Railway modernisation includes new legislation for safety and interoperability, infrastructure upgrades, and investments in environmentally friendly trains.

DIGITALISATION

Montenegro is advancing **digital transformation** through **legislation, regulations, and strategic initiatives** to enhance ICT infrastructure and public services. The country invests in **technical, organisational, and human resources**, aligning its **legislative framework** with

international standards while engaging in regional and global ICT initiatives.

Digital transformation is a proclaimed priority for Montenegro's government, aiming to establish a secure and efficient e-government system tailored to citizens' needs. The focus is on **developing a unified public services portal, enhancing digital capacities and raising awareness of digitalisation's benefits**.

A key priority is expanding **broadband infrastructure** to bridge the digital divide between urban and rural areas, ensuring equal access to high-speed internet. **Implementing secure 5G networks** and aligning with **EU cybersecurity regulations** will strengthen Montenegro's digital resilience.

Digital identity and e-signatures will streamline access to administrative, tax, social, and educational services, improving efficiency and reducing bureaucracy. The full implementation of transactional e-government services will enhance transparency and combat corruption.

Cybersecurity remains a critical focus, with plans to adopt an **Information Security Law** in line with the **EU's NIS2 directive**. Strengthening cyber resilience and crisis response mechanisms will protect national and private infrastructure from cyber threats.

In **digital education**, major challenges include **outdated IT systems, a lack of a digital ecosystem, and low digital skills**

among students and teachers. The **Education System Digitalisation Strategy (2022-2027)** aims to **modernise education** by enhancing digital skills and integrating ICT across all subjects through improved **technological infrastructure** in schools.

Through these reforms, Montenegro is aligning with European standards and laying the foundation for **sustainable economic growth in the digital era**, ensuring long-term benefits for society and the economy.

CONCLUSION

Montenegro is actively pursuing digital transformation and energy transition as key pillars of its long-term development strategy, aligning with European Union policies and international standards. The Reform Agenda sets the foundation for these efforts, focusing on strengthening ICT infrastructure, enhancing cybersecurity, modernising public services, and transitioning towards a more sustainable and decarbonised economy. However, a thorough analysis of the reform measures and action plans for the Common Regional Market (CRM) - Regional Digital Area and the Green Agenda - Decarbonisation reveals several gaps related to the alignment of these documents.

Certain measures identified in the analysis of Action Plans of Common Regional Market (CRM) - Digitalisation and the Green Agenda (GA) - Decarbonisation are not included in the Reform Agenda. While

some reform objectives are clearly outlined, others appear in a different form or can only be inferred from broader descriptions of reform initiatives. The CRM plan, which is relevant for digital transformation, is not explicitly referenced in the strategic compliance framework. It is mentioned only within a single activity, stating that by implementing the outlined measures, Montenegro will fulfill its obligations under the Common Regional Market (CRM) 2021-2024 action plan in the area of Regional Digital Integration for the Western Balkans' inclusion in the pan-European digital market. Its limited presence indicates a potential misalignment between the two strategic documents.

In the field of **digitalisation**, Montenegro is focused on regulatory improvements, infrastructure investments, and the modernisation of public services. Efforts such as the development of digital identities, e-signatures, and the establishment of a unified e-government portal demonstrate a commitment to creating a more efficient and transparent public administration. However, challenges remain, including the need to further integrate digital solutions across various sectors, increase digital literacy, and ensure a more user-centric approach to e-services. Some measures related to digital transformation can be inferred from reform descriptions, but a more explicit and structured approach is necessary to guarantee their full implementation.

Regarding **decarbonisation**, Montenegro is taking steps to transition towards a climate-neutral economy, aligning with EU climate



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policies and the Green Agenda for the Western Balkans. Investments in renewable energy, improvements in energy efficiency, and the planned phase-out of carbon-intensive industries indicate a commitment to sustainability. However, while certain measures are mentioned in the reform framework, they are not always presented in a structured and detailed manner. A clearer roadmap for decarbonisation, including specific timelines, investment plans, and regulatory adjustments, is

essential to ensure a smooth transition.

This misalignment highlights a broader issue of harmonising strategic documents at the national level, ensuring consistency between reform measures, action plans, and sectoral strategies. Securing that all relevant initiatives are clearly included and properly structured will enhance the effectiveness of reforms, prevent implementation delays, and facilitate Montenegro's advancement in digital and energy sectors.

MONITORING REPORTS

PRIORITY 1: COMMON REGIONAL MARKET AND REFORM AGENDA

Common Regional Market – Regional Digital Area– Reform Agenda -Action Plan

Activity in CRM AP 2.0	Deadline	Progress (policies, activities) - Instructions: provide the latest updates from your previous monitoring reports or if something has changed provide that info here	Activity in Reform Agenda Action Plan	Dead- line in Reform Agenda
Provide fixed broadband internet access for the vast majority of household	2024		Adoption of the National Plan for deployment of Broadband infrastructure by the government Compliance with the Gigabit Infrastructure Act: legislation in place (primary and secondary) to set-up a secure information system Rulebook as bylaw of new Law on Electronic Communications in compliance with the EU 5G cybersecurity toolbox Secure broadband infrastructure and network deployment in rural areas	By Dec 2024 By Dec 2025 By Dec 2026 By Dec 2027
Establish Broadband Competence Offices (BCOs) in WB (where they do not exist) and strengthen their capacities to support broadband deployment	2021	Established national office/directorate for competence in the field of broadband access: The Directorate for Broadband Internet Access was formed. ; The Directorate for Broadband Internet Access was successfully formed within the Directorate for Electronic Communications, Postal Activities and Radio Spectrum in the Ministry of Economic Development and Tourism, which also fulfilled the obligation to establish the National Office for Broadband (Broadband Competence Office - BCO), foreseen in the Action Plan for Joint regional market (Common Regional Market).		
Interconnection of academic and research networks in WB6, with the support and cooperation of GEANT	2022			.

Develop 5G road-map for Western Balkans and ensure effective implementation in line with the timeline defined therein	2023	Mobile operators are assigned radio frequencies from the 700 MHz and 3.6 GHz bands.; The total revenues from the allocation of radio frequencies in the public bidding process, which represent the revenues of the Budget of Montenegro, amount to 8,836,000.00 EUR. In this way, the activity Allocation of radio frequencies from the pioneering 5G bands, determined by the Roadmap for the introduction of 5G mobile communication networks adopted by the Government of Montenegro in December 2021, was successfully implemented.		
Reduce roaming charges intra-WB6 and EU-WB through implementation of WB Roaming Agreement and the Roadmap for lowering the roaming charges between EU and WB	2023			
Complete the final phase of the Regional Roaming Agreement	2021	Western Balkan Roaming Agreement with the objective to introduce the Roam Like at Home regime as of 1 July 2021 signed and implementation started.		
Finalise the Roadmap for lowering the roaming charges between EU and WB and effective implementation in line with the timeline defined therein				
Develop digital skills strategies and agree on short and mid-term regional actions for digital upskilling	2022-2023	Implementation of the Strategy for Digitisation of Education System progressed, in addition to the creation of digital content for students, teachers and parents, with the aim of raising the level of knowledge as well as developing digital skills of these target groups. In addition, the training on improving digital skills for 1,200 teachers was implemented.	2,000 teachers/participants participated in trainings on digital competences as per the adopted Framework on Teachers' Digital Competences. 7,500 (cumulative for the entire period) teachers/participants participated in trainings on digital competences as per the adopted Framework on Teachers' Digital Competences. 17% of the total number of primary and secondary schools have an EdTech hub, i.e. 25% of students (of which approx. 50% female) have the opportunity to use it 34% of the total number of primary and secondary schools have an EdTech hub, i.e. 50% of students (of which approx. 50% female) have the opportunity to use it In elementary and secondary schools there is on average minimum one technological device (laptop, desktop, tablet, TV, projector) available per 11 students.	By Dec 2025 By Dec 2027 By June 2026 By June 2027 By June 2027

Establish a repository of courses and other training programmes developed by different organisations, including MOOCs with established universities based on WB gap analysis and digital skills needs for targeted groups	2022	Expansion of Digital School with the possibility of online self-learning through <i>Digionica</i> , based on the Learning Passport platform. ² Two e-services were launched for submitting applications for enrolment in private preschool institutions and student dormitories.		
Develop Digital Education Action Plans and promote equality in access, in particular for disadvantaged groups and minorities, particularly Roma	2022			
Organise regular high-level meetings, including Annual Digital Summit, to ensure digital agenda stands at the forefront of regional transformation	Annually	Six events were organised (Sarajevo 2023, Pristina 2022, Podgorica 2021, Tirana 2020, Belgrade 2018, Skopje 2017).		
Align standards for metadata for open data at regional level based on EU standards to be implemented throughout the region and foster open data principle	2023		Legislative compliance with the Open Data Directive	By Dec 2026
Reach an agreement on regional interoperability of toll services in WB	2022-2024			
Agree on principles and standards used for smart cities, based on EU standards, with a view to ensure data and services interoperability	2023	Activities on establishing ICT network of civil servants for development of interoperable public administration services launched.	Plan for full deployment of transactional national and local level public electronic services 2025-2027 adopted by the Government (additional to services piloted by 2024); e-government platform and inter-operability of registers functional. Deployment of public e-services based on the Plan Deployment of public e-services based on the Plan	By Dec 2024 By Dec 2025 By Dec 2027

Undertake regional actions to promote Artificial Intelligence (AI) in selected aspects and based on EU practices	2024	Government of Montenegro signed the European Union Programme <i>Digital Europe</i> (2021-2027) in June 2023. Digital Academy of Montenegro, as a platform for all, has been established for strengthening digital skills and competencies of public officials, students and the vulnerable groups of strategic importance.		
Undertake regional activities to facilitate participation of WB in EU HPC	2023-2024			
Undertake regional activities to improve availability, analysis and monitoring of high quality digital economy statistics, building on EU's DESI and ITU's ICT Development Index	2022			
Regional cooperation in regard to exchange of good practice in the field of digital transformation, in particular e-government	Annually	Regular meetings.		
Agree on minimum technical standards and specifications to allow an exchange of data and documents, and conduct pilot activities	2021 Pilots 2022-2023	"Feasibility study for identification of technical interoperability in Montenegro" has been completed and published, containing the relevant list of technical standards. ³	Compliance with the EU Digital ID resolution Implement a Digital Identity Wallet, including as a minimum: the new EU Digital Identity Regulation; Signing and implementation of the Mutual Recognition Agreement (MRA) of Trust Services with other countries of the Western Balkans; join the list of EU third countries trusted list for e-signature validation as first step towards the EU ID Wallet; Participation in Balkan Identity Wallet Full roll-out of electronic IDs allowing for connection to the public administration digital services (including tax, social and education services) and full participation into the EU ID Wallet	By Dec 2025 By Dec 2026 By Dec 2027

3 More information on the feasibility study, available at:
<https://www.rcc.int/pubs/147/feasibility-study-for-identification-of-technical-interoperability-in-montenegro>

Align regional actions to ensure the protection of personal data and privacy in Western Balkans, based on EU standards	2023	Law on Personal Data Protection has been drafted, aligned with the GDPR Directive.	Adoption of the Law on Information Security by the Parliament in full alignment with the NIS2 directive Frameworks introduced through NIS2 alignment (Coordinated Vulnerability Disclosure framework, crisis management framework), are in place and in use	By Dec 2024 By Dec 2025
Develop mentoring programmes for WB CSIRTs and other institutions as longer-term cooperation with advanced CSIRTs and other partners	2023	CIRT unit exists within the Ministry of Public Administration.	National and governmental CIRT are operational in line with NIS2 requirements and reach at least 'accredited' status on TF CSIRT Trusted Introducer	By Dec 2025
Strengthen cybersecurity capacities in the WB region through cooperation with ENISA	2021-2024	Montenegro is open in strengthening capacities through cooperation with ENISA.	Establishment of a competent authority and list of entities. The Cybersecurity Agency (acting as competent authority as defined in the NIS2) is operational: sufficiently staffed, equipped with supervisory powers, performing supervisory checks. List of entities in scope of the national law corresponding to the NIS2 Directive is finalized	By Dec 2025
Enhance resilience of cyberspace in the WB through increased participation of business community in strengthening cybersecurity capacities in WB	2022-2023	Regional Centre for Cyber Security has been established, with the aim of developing cyber capacities and cyber security education.		



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GREEN AGENDA – DECARBONISATION – REFORM AGENDA ACTION PLAN

Action	Dead- line	Progress (policies, activities)	Activities in Reform Agenda Action Plan	Dead- lines
1. Align with the EU Climate Law with a vision of achieving climate neutrality by 2050.	2025	<p>In order to further harmonise with the EU legal acquis, the Ministry of tourism, ecology, sustainable development and northern region development has been drafting a new Law on Protection from the Negative Impacts of Climate Change and Protection of the Ozone Layer.</p> <p>The new law will allow further harmonisation with the EU acquis, in particular the functioning of the emissions trading system (EU ETS) in line with the EU ETS Directive 2003/87/EC and its amendments, as well as monitoring and reporting, accreditation and verification, EU registers, free awards and auctions.</p> <p>The new law will also ensure harmonisation with the EU acquis in the area of monitoring and reporting greenhouse gas emissions in line with Regulation (EU) 2018/2066 and Regulation (EU) 2018/2067 on accreditation and data verification.</p>	Law on protection from the negative impacts of climate change and protection of ozone layer in line with a climate neutrality target for 2050 enters into force.	By Dec 2025
2. Set forward-looking 2030 energy and climate targets.	2022 (Ongoing).	<p>In June 2021, the Government of Montenegro adopted the Report for the preparation of the updated Nationally Determined Contribution (NDC) from 2020, committing to reduce greenhouse gas emissions by 35% compared to the base year 1990. The new target set by the Energy Community is to reduce gas emissions by 55%.</p> <p><i>The World Bank has approved funds for the development of the Low-Carbon Development Strategy Framework, which will enable the development of models, scenarios, as well as parallel consultations with stakeholders, with the aim of drafting the best possible Strategy Framework.</i></p>	<p>Complete transposition of the electricity integration package in line with the Energy Community requirements and continue its implementation</p> <p>Continue implementation of the electricity integration package by TSO and NEMOs joining day ahead market coupling with the EU</p> <p>Finalize implementation of the electricity integration package by coupling the intra-day electricity market</p>	<p>By Dec 2024</p> <p>By June 2026</p> <p>By Dec 2026</p>

3. Develop and implement integrated Energy and Climate Plans	2022 (Ongoing).	<p>The National energy and climate plan (NECP) is in its final stage of development. NECP will cover policies and measures that need to be implemented with aim of achievement of the new national energy and climate targets by 2030 as follows:</p> <ul style="list-style-type: none"> - Decrease of 55.0% below 1990 CO₂ levels; - Share of energy from renewable sources in total final energy consumption 50%; - Primary energy consumption 0.92 Mtoe, and final energy consumption 0.73 Mtoe 	Governance structures mandated to implement and monitor just transition actions are operational and have adopted a plan for training and job creation for people employed in mining and coal power production	By June 2025
			Establishment of the training center and scheme for retraining and re-employment focusing on implementation of comprehensive Programme as well as on other industry or service jobs	By Dec 2026
			Short-term human capital development measures focusing on retraining and re-employment in Pljevlja coal region are completed in line with the just transition action plan. 100 persons out of which 15% women are retrained under the action plan (pilot) baseline December 2024	By Dec 2026
			Implementation of the comprehensive Programme for renovation of public and private buildings in Pljevlja coal region, offering financial solutions for energy efficiency and replacement of fossil heating systems;	By Dec 2027
			90% of the individual heating systems in the public buildings and 70% individual heating systems in the private buildings switched from coal to clean fuel	By Dec 2027
			At least 400 persons out of which 15% women trained under the scheme for retraining and re-employment focusing on implementation of comprehensive Programme as well as on other industry or service jobs. Baseline December 2024	By Dec 2027
4. Prepare and implement climate adaptation strategies	2028 Ongoing	<p>In cooperation with the United Nations Development Program (UNDP), the Ministry of tourism, ecology, sustainable development and development of north region is continuing the implementation of the project <i>“Enhancing Montenegro’s capacity to integrate climate change risks into the planning process”</i> for the development of the National Climate Change Adaptation Plan-NAP, which is financed by the Green Climate Fund (GCF). The project covers four sectors which are most vulnerable to adaptation: water, health, tourism and agriculture.</p>		

5. Align with the EU Emissions Trading System and/or introduce other carbon pricing instruments	2024 Ongoing	The Government of Montenegro has established a commission for the implementation of a public auction with the Decision on the establishment of a commission for conducting a public auction for the allocation of emission credits ("Official Gazette of Montenegro", no. 151/22) tasked with conducting a public auction, awarding emission credits and allocating the collected funds. On February 14, 2023, the previous Ministry (Ministry of Ecology, Spatial Planning and Urbanism) announced a public call for the allocation of emission credits for 2022. In addition, by the new law the ETS regulation will be updated.	Full implementation of Monitoring, Reporting, Verification and Accreditation (MRVA)	By Dec 2025
6. Increase opportunities for the deployment of nature-based solutions to mitigate and adapt to climate change	2025	With the support of the IUCN, the Ministry of Tourism, ecology, sustainable development and northern region development conducts the project ADAPT, in order to strengthen capacities of stakeholders involved in the process of adaptation to climate change.		
7. Ensure participation of WB economies in the European Climate Pact or consider the development of a similar mechanism	2022			
8. Review and revise, where necessary, all relevant legislation to support progressive decarbonisation of the energy sector	2022-2030 Ongoing	Montenegro has an obligation to align its legislation in the energy field with the EU Clean Energy Package which will provide decarbonization of the energy sector. In addition to that Montenegro has to achieve quite ambitious 2030 targets for energy efficiency, renewable energy sources and reduction of CO2 emissions. Strategy for achievement of the new targets will be part of the NECP.	Adopt legislation in line with the Renewable Energy Directive (RED II) including a regulatory framework for prosumers and streamlining of permit-granting procedures (e.g. designation of a single contact point)	By Dec 2024
9. Prepare an assessment of the socio-economic impact of decarbonisation at the individual economy and regional level	2022	Socio-economic aspects of the decarbonisation will be elaborated in NECP and Strategic Impact Assessment which will be developed for this document. In addition to that, Roadmap for just transition region of Pljevlja is under development which will elaborate socio-economic impact of decarbonisation and coal phase-out for this specific region.	Operationalise the system of guarantees of origin	By June 2025
10. Priorities energy efficiency and improve it in all sectors	Ongoing	Energy efficiency is recognized as one of the priorities of the energy efficiency policy. Legal framework in this area is highly harmonised with EU acquis – more than 70 legal acts were adopted in the previous period.	One of energy communities established and operational Adoption of the Strategy on Air Quality Management 2024-2029 including the development/update of air quality plans for zones where the NEC Directive limit values for air quality are exceeded	By June 2026 By Dec 2025

11. Transposition and full enforcement of the Energy Performance of Buildings Directive	2023	<p>New energy efficiency building codes are prepared and adopted in May 2023 which has introduces:</p> <ul style="list-style-type: none"> - New, stricter energy efficiency requirements for buildings construction - Energy performance certification of building which shall be applied from 1st of August 2024 <p>By this Montenegro has fully aligned its legal framework with the requirements of Energy Performance of Buildings Directive.</p>	Ensure the issuing of Energy Performance Certificates (in line with the EPBD regulation) and amend relevant legislation to enable effective decision-making on energy efficiency investments for homeowners	By Dec 2024
12. Support private and public buildings renovation schemes and secure appropriate financing	Ongoing	The Ministry of Energy and Mining initiated implementation of wider support for energy efficiency which is financed from EC support package, state budget and Eco-fund. In total the budget of cca 15 million euros has been allocated for subsidies for improvement of energy efficiency and larger use of the RES for implementation of 3 programs intended to: citizens/households, tourism sector and SMEs. Priority was given to these sectors because energy efficiency is recognized as an economical and fast way to increase the security of energy supply and to reduce greenhouse gas emissions responsible for climate change.	<p>Long-term renovation strategy and action plan adopted and starts to be implemented with retrofitting of existing public buildings ongoing and aligned with the annual 3% renovation target</p> <p>Implementation of the Ecodesign regulation for solid fuel local space heaters through establishment of effective infrastructure for market surveillance and initiation of a replacement scheme for domestic heating</p> <p>Increase annual rate of building renovation and street lighting in accordance with the targets agreed in the Energy Community at least 60.000 sqm renovated</p> <p>Increase annual rate of building renovation and street lighting in accordance with the targets agreed in the Energy Community at least 130.000 sqm renovated</p> <p>Increase annual rate of building renovation and street lighting in accordance with the targets agreed in the Energy Community at least 200.000 sqm renovated</p>	<p>By June 2025</p> <p>By Dec 2026</p> <p>By Dec 2025</p> <p>By Dec 2026</p> <p>By Dec 2027</p>
13. Increase the share of renewable energy sources and provide the necessary investment conditions	Ongoing	In order to improve the environment for investment in RES, the Ministry of Energy and Mining has prepared a Law on Use of Energy from Renewable Sources which is in procedure of adoption. Law is aligned with the latest EU acquis in this area.	<p>Announce 3-year auction plan of at least 400 MW and launch the first auction</p> <p>At least 200 MW new renewable energy (solar and wind) capacities installed and connected to the grid in line with the targets agreed within the Energy Community</p>	<p>By June 2025</p> <p>By June 2027</p>
14. Decrease and gradually phase out coal subsidies, strictly respecting state aid rules	Ongoing			
15. Ensure participation in the Coal Regions in Transition initiative for the Western Balkans	Ongoing	Municipality of Pljevlja as a coal region in Montenegro is included in the regional exchange regarding just transition with Municipality Velenje from Slovenia. This process is supported by the Office for Sustainable Development of the Government of Montenegro.		

16. Develop programmes for addressing energy poverty and financing schemes for household renovation and providing basic standards of living.	2024 Ongoing	Issue of energy poverty as regulated at the EU level will be subject of the new Energy Law which is under preparation. Mechanism for support of vulnerable households will be established after adoption of the Law and relevant by-laws.	Phase out of public intervention in the price-setting for the supply of electricity in line with Article 5 of the Directive 2019/944 on common rules for the internal market for electricity Implementation of measures aimed at protecting energy poor and vulnerable customers including developing methodology to define energy poor groups and monitoring tools Electricity price for households reflects the market price in line with EU best practice (for ex. Linking bilateral supply contracts between the generator and the supplier of electricity to annual average of the day-ahead market price) as a priority.	By Dec 2024 By June 2025 By Dec 2027
17. Support the development of smart transport infrastructure, promote fostering of innovative technologies (such as paperless transport, artificial intelligence, multimodal passengers ticketing, mobility as a service, border/boundary crossing applications, 5G corridors, etc.)	Ongoing	Directive 2010/40/EU relating to ITS has been fully transposed. Currently ITS equipment is installed on the highway section and in the Sozina tunnel. The Government of Montenegro has adopted a four-year Program for the introduction of ITS in road traffic. Currently, with the financial support of the EBRD, it is ongoing preparation of the Study of the introduction of traffic counters and cameras for traffic control, as part of ITS. Also, the available technical assistance, which aims to strengthen the capacity of competent authorities for the implementation of ITS. The Transport Administration has allocated funds for this purpose in its budget. For the part related to the Road Traffic, it is planned the public procurement of software that will facilitate the issuance of licences, permits, consents, etc.	Alignment with Regulation (EU) 2020/1056 on electronic freight transport information (eFTI) - By Dec 2025 Ratification of the international convention on road transport (eCMR) necessary for the implementation of eFTI - By June 2026 Implementation of the ITS framework and standards for roads and railways - By Dec 2026 ITS operational on 62 km of the TEN-T road network - By Dec 2027 Supplementing the traffic counting system on state roads - Year 2026 Upgrade of the meteorological information system on state roads - Year 2027 Upgrade of the variable traffic signage system - Year 2027 Implementation of a secure and safe parking system for freight and commercial vehicles - Year 2027 Introduction of a traffic control and management system on the Bar-Boljare motorway, section Mateševo-Andrijevica - Year 2027 Implementation of an electronic toll collection system on the Bar-Boljare motorway, section Mateševo-Andrijevica - Year 2027 Implementation of a traffic safety management system - Year 2027 Implementation of fixed radar systems on state roads - Year 2024 Variable traffic signage (main, regional, and municipal roads) - Year 2027 Upgrade of stationary preventive radar speed display systems on state roads (main and regional roads) - Year 2027 Parking management system - Year 2027 Transposition of the Interoperability Directive (EU) 2016/797 and the Safety Directive (EU) 2016/798 - End of 2024	

18. Implement the Regional Action Plan for Rail Reforms	2023	<p>The work on the drafting of the new Law on Railways and the new Law on Railway Safety and Interoperability is underway. By implementing these regulations, in addition to the opening of the railway market, Montenegro will improve the conditions for the introduction and implementation of technical specifications of interoperability (TSI), that is, EU technical standards that apply both to the modernization and construction of railway infrastructure and to the railway vehicles. By adopting these regulations, Montenegro will achieve compliance with the package IV of EU regulations in the field of railways.</p> <p>In accordance with the current legislation, the Railway Authority functions as a regulatory authority and safety authority. With the reorganisation of the state administration, the Railway Authority was established as a body that is independent in terms of decision-making, while in the case of appeals, the Ministry of Transport and Maritime Affairs acts as a second-level body. The new Law on Railways proposes a model of independence of the Regulatory Body for Railways as it is the case of the Agency for the Protection of Competition, with funding from the state budget and with the conditions of the Recast Directive regarding appeals against the decisions of the Regulatory Body (appeals are submitted to the Court).</p> <p>The Ministry has initiated or supported a number of infrastructure projects related to the reconstruction and modernization of the railway infrastructure, and in the coming period we expect the conclusion of a financing contract for the purchase of new electric trains worth up to 30 million euros. Modernised infrastructure and new rolling stock will, in addition to increasing the level of safety of railway traffic, also increase the competitiveness of railways in relation to other modes of transport, and therefore also fulfil the goals outlined in the Green Agenda.</p>
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19. Define rail freight and inland waterway transport corridors	2027	<p>EU legislation from the Transport Community Action Plan related to inland waterways, in the part that is applicable in Montenegro, was transposed through the First Draft of the Law on Inland Navigation, which was prepared with consulting support provided through IPA 2017 project „Technical assistance in strengthening capacities and harmonising national legislation with EU legislation in the transport sector”.</p>
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20. Define an overall strategy to shift traffic from road to more environmentally friendly modes	2021	The contract with the World Bank as part of the Trade and Transport Facilitation Program in the Western Balkans was signed on February 13, 2023, and it includes the update of the Traffic Development Strategy 2019-2035 in accordance with the Smart and Sustainable Mobility Strategy for the Western Balkans.
21. Identify the EU technical standards and ensure their implementation and digitalization of all transport modes	2030	An overview of the current situation is provided through the Report on the progress of the implementation of action plans of the Transport Community, Chapter I Monitoring the transposition of Annex I of the Agreement on the Transport Community.
22. Implement the Regional Transport Facilitation Action Plan	2023	One of the most important goals implemented as the project Reconstruction of the cross-border railway station Bijelo Polje on the railway line Vrbnica-Bar was completed.
23. Implement the Regional Road Safety Action Plan	2022	<p>A lot of activities are ongoing:</p> <ul style="list-style-type: none"> - Strategy for improving road traffic safety (2024-2030) with an Action Plan for 2024-2025 year was drafted, and after receiving comments by EC, it is expected to be adopted by the Government. - In 2023, an analysis of potential black spots on the national road network was prepared. - about 50 Montenegrin engineers are certified for RSA and RSI (road safety audit and road safety inspection), so Transport administration in previous period has announced a tender for: <ol style="list-style-type: none"> 1. preparation of RSI reports for several sections on the state road network, 2. preparation of RSA reports for several sections on the state road network, 3. project design for arranging school zones in 15 locations on the state road network, 4. improving traffic safety in 4 tunnels (reconstruction of equipment and tunnel lighting). - We adopted a methodology for collecting KPI (key safety performance indicators) that is in line with the EU methodology, and all KPIs are being measured from 2022. - Investigations and making reports on traffic accidents are in accordance with the CADaS protocol. - EBRD provided funds for the development and implementation of the following ITS components in road traffic in Montenegro: <ol style="list-style-type: none"> a) Traffic data collection system; b) Traffic cameras

24. Implement the Road Action Plan	2024	<p>Transport administration through the EBRD's grant reached an agreement at the end of 2021 on the establishment of the RAMS for trunk and regional roads (roads of national importance).</p> <p>The Ministry of Transport and Maritime Affairs has adopted 5 bylaws related to the transposition of the respective EU Directive 2010/40/EU and Directive 2004/52/EC as per Annex I.3 of the Transport Community Treaty.</p> <p>Montenegro has adopted a series of documents to tackle climate change, such as the „National strategy in the field of climate change until 2030” and Law on protection from the negative impact of climate change, and the Manual for the preparation of the low carbon development strategy until 2050 is finalised, as well as the “Road Map of decarbonisation of transport in Montenegro”.</p> <p>When it comes to projects that are on the TEN-T road network, a climate resilience plan is being prepared as part of the project documentation.</p>
25. Develop and implement climate resilience plans for Western Balkan economies' transport networks	2022	<p>The upcoming update of the Traffic Development Strategy 2019-2035 will include updating the Strategy with “green” elements, along with the preparation of the Intermodality Development Study in Montenegro, which, along with the implementation of ITS solutions in all types of traffic, will be the starting point for further defining traffic solutions for the so-called urban hubs, although even at this moment it is possible to clearly recognize several key ones, such as Bar, Podgorica, area of the Bay of Kotor.</p>
26. Promote preparation and implementation of Sustainable Urban Mobility Plans for urban areas in the Western Balkans	2025	<p>Ministry of Transport and Maritime Affairs plans to create a fleet renewal program by the end of 2024 (old vehicle for new vehicle)</p> <p>The Smart and Sustainable Mobility Strategy for the Western Balkans was prepared by the Transport Community and was adopted in 2021. The purpose of this Strategy is to adapt the goals and activities of the EU to the Western Balkans region through a road map for decarbonisation and digitalization of the transport sector.</p>
27. Define sustainable mobility solutions at the regional level including plans for deployment of alternative fuels	2024	<p>Under the IPA 2021 project Technical assistance for capacity building and improved legal harmonisation, performance and efficiency within the transport sector in Montenegro it will be prepared National policy frameworks for the deployment of alternative fuels infrastructure.</p>
27a. Define a plan for deployment and building of charging stations for electric vehicles	2022	<p>At the beginning, need to be discussed and clarified on the Government level precisely which institutions will be in charge for the coordination of the process.</p>
28. Increase regional cooperation in the area of alternative fuels infrastructure development	2023	<p>Under the IPA 2021 project Technical assistance for capacity building and improved legal harmonisation, performance and efficiency within the transport sector in Montenegro it will be prepared National policy frameworks for the deployment of alternative fuels infrastructure.</p>