



Funded by  
the European Union



MONTENEGRO

# Reform Agenda Update - Reform Monitor

2<sup>ND</sup> SEMESTER, 2025



# Reform Agenda Update - Reform Monitor

Montenegro - 2<sup>ND</sup> SEMESTER, 2025

Publisher:

**Institut Alternativa (IA)**

Authors:

**Marko Sošić, IA**

Editor:

**Stefan Ristovski, European Policy Institute - EPI**

Design:

**Relativ**

Podgorica, March 2026

This publication was funded by the European Union and co-funded by the Ministry of Regional-Investment Development and Cooperation with Non-Governmental Organizations of the Government of Montenegro. Its contents are the sole responsibility of Institut Alternativa and the Think for Europe Network, and do not necessarily reflect the views of the European Union or the Government of Montenegro.

# CONTENTS

INTRODUCTORY NOTE	04
KEY FINDINGS & RECOMMENDATIONS	05
RGF PROCESS MONITORING:	08
LEGAL AND INSTITUTIONAL ARRANGEMENTS	08
REQUESTS AND RELEASE OF FUNDS	10
REFORM AGENDA IMPLEMENTATION (SEMESTER 2 <sup>nd</sup> , 2025) REFORMS IN FOCUS: REFORM MONITOR POLICY DOMAINS	13
RULE OF LAW AND FUNDAMENTAL RIGHTS	15
JUDICIAL REFORMS	15
ANTI-CORRUPTION	18
FIGHT AGAINST ORGANISED CRIME	21
DIGITAL TRANSITION	24
DIGITAL PUBLIC SERVICES	24
CYBER SECURITY	31
ENERGY AND GREEN TRANSITION	36
ENERGY EFFICIENCY	36
RENEWABLES	41
HUMAN CAPITAL	46
VOCATIONAL EDUCATION AND TRAINING	46
BUSINESS ENVIRONMENT AND PRIVATE SECTOR DEVELOPMENT	50
STATE OWNED ENTERPRISES (SOEs)   COMPETITION POLICY & STATE-AID	50

This publication is part of the series “Reform Agenda Updates”, national monitoring reports that track the implementation of the Reform Agendas as part of the Reform and Growth Facility for the Western Balkans, within the Reform Monitor project.

The “Reform Agenda Updates” assessment focuses on the implementation progress of country-specific obligations under the RGF. Monitoring is conducted through a set of procedural, reform implementation, and financial indicators. The core of the monitoring exercise tracks reform steps with defined deadlines, assessing their implementation status based on publicly available evidence and official documentation obtained by national authorities, and, where relevant, complemented by information from independent institutions and civil society sources. Cross-cutting attention is given to stakeholder participation and transparency.

The monitoring exercise covers selected reforms organised into so-called “*policy domains*,” created by coding the sub-areas of the harmonised policy areas in the Reform Agendas. The selected policy domains, which enable regional-level analyses, benchmarking, and comparability, are supported by the available human resources and the thematic expertise of the TEN network.

For methodological notes and the reform steps selection process, see the draft methodology note at the [link](#).

The Reform Agenda Update is structured as follows. The Key findings and recommendations provide a high-level summary. The Legal and Institutional Arrangements and Requests and Release of Funds sections monitor overall progress in the procedural and financial aspects of implementing the Reform Agenda. The last section, Reforms in Focus: Reform Monitor policy domains, provides independent monitoring findings on selected reforms. Here, each section provides a narrative snapshot of progress and obstacles in implementing Serbia’s Reform Agenda.

The cut-off date for data collection and assessment for this update is 31.12.2025. Further policy developments may shift the status of currently pending reforms and will be reflected in subsequent updates.

These monitoring updates are not a substitute for the European Commission’s formal assessment role.



Think for Europe Network



European Policy Institute. Skopje



Montenegro demonstrates a generally **good level of procedural readiness and formal compliance with the governance framework of the Reform and Growth Facility**. Core legal and administrative preconditions enabling participation in the Facility were fulfilled, including the submission and adoption of the Reform Agenda, ratification of the Facility and Loan Agreements, and appointment of the National Reform Agenda Coordinator. Institutional oversight structures are formally in place, including the establishment of the RGF Monitoring Committee and the operational coordination framework within the Ministry of European Affairs. Civil society participation has also been enabled through permanent representation selected through public calls.

Despite the completion of formal procedural milestones, **the operational functioning of governance structures remains at an early stage**. The Monitoring Committee's activities remain largely procedural, with limited evidence of systematic preparatory documentation and structured discussion prior to meetings. Coordination between line ministries appears to function through regular technical exchanges and reporting cycles, yet monitoring practices would benefit from clearer documentation flows, stronger analytical preparation, and more proactive and transparent use of monitoring mechanisms.

From a **funding continuity perspective**, Montenegro has successfully maintained eligibility for RGF support. The European Commission confirmed compliance with preconditions and general payment conditions under Regulation (EU) 2024/1449, enabling the release of the first and second tranches of funding. National reporting obligations have been fulfilled, including the submission of the third semi-annual implementation report in January 2026. At the time of reporting, the Commission's assessment remains ongoing within the established 90-working-day evaluation period. Consequently, the timing of the next disbursement depends primarily on EU-level assessment procedures. **The amounts actually disbursed remain significantly below the total allocations**. The highest disbursement ratio was recorded for pre-financing (59.51%), while S2 2025 shows the lowest share (27%), indicating the phased and performance-based nature of RGF disbursements. Approximately 75% of released funds are managed by national authorities, with the remaining share implemented through the Western Balkans Investment Framework. This highlights the importance of closely monitoring disbursement timelines in the upcoming reporting periods. **Limited public availability of documentation related to payment requests and verification processes reduces transparency regarding the sequencing of disbursement requests and evaluations**.

Across **policy domains**, implementation progress shows several identifiable patterns emerging.

In the **rule of law domain**, progress is mixed. An important institutional milestone, the appointment of the President of the Supreme Court, was completed through the prescribed multi-step procedure, demonstrating the functionality of judicial governance mechanisms. However, structural reforms intended to strengthen judicial independence have experienced delays. In particular, the proposed constitutional amendment concerning the composition of the Judicial Council was withdrawn from parliamentary procedure before completion of legislative review, postponing a reform step linked to EU recommendations regarding judicial governance. Additional institutional reforms aimed at strengthening prosecutorial efficiency and case management systems are progressing, but have not yet reached full operational interoperability.

The **economic governance and competition policy domain**, covering the governance of state-owned enterprises (SOEs), transparency in public procurement, and state aid and competition control, shows partial progress but remains dependent on pending legislative adoption. Public registers of state-owned and municipal enterprises have been established, but important methodological elements, including the frequency of updates and monitoring procedures, are not clearly defined in public documentation. Legislative reforms intended to strengthen SOE corporate governance have progressed at the drafting stage, with the preparation of a Law on the Management of State-Owned Enterprises and a State Ownership Policy introducing merit-based board appointments and performance monitoring mechanisms. These reforms have not yet been formally adopted by Parliament.

In the **public procurement and state aid framework**, implementation also remains partial. Montenegro's electronic procurement system provides access to documentation for certain intergovernmental and third-country infrastructure agreements, demonstrating some progress in transparency. In the area of state aid and competition policy, the Law on State Aid Control was adopted, providing the legal basis for state aid oversight. At the same time, the Law on Protection of Competition remains in draft form, while the operational capacity of the Agency for Protection of State Aid and Competition is still developing.

In the **education and labour market policy domain**, implementation progress remains uneven across reform steps. The adoption of the Career Guidance and Counselling Strategy 2025–2030 is followed by initial implementation measures, but the National Career Centre is not yet fully operationalized, indicating that institutional implementation remains at an early stage.

In contrast, the reform introducing **work-based learning (WBL) in higher education** faces verification challenges. Publicly available information does not allow verification that the reform target has been achieved.

Across policy domains, **several cross-cutting implementation challenges emerge:**

- transparency and accessibility of monitoring documentation remain inconsistent, particularly regarding reform verification data and procurement transparency mechanisms,
- a number of reforms have progressed through drafting and consultation stages, but remain dependent on formal legislative adoption, creating implementation bottlenecks,
- several reforms have achieved strategic or institutional milestones, but have not yet reached full operational functionality.

Montenegro continues to demonstrate strong procedural compliance with RGF governance requirements, but the transition from policy adoption to fully operational implementation remains uneven. **Addressing legislative delays, strengthening transparency of monitoring data and evidence of implementation, and ensuring institutional operationalisation of adopted reforms will be essential for maintaining reform momentum and ensuring predictable access to RGF funding in future implementation cycles.**

#### Key Recommendations:

- Make the RGF Monitoring Committee operational rather than merely formal by setting a fixed calendar of meetings, circulating agendas and background materials sufficiently in advance, and systematically recording decisions, follow-up actions and responsibilities.
- Introduce a standardised internal reporting and evidence protocol across all implementing institutions, so that reform progress is supported by complete, accessible and verifiable documentation before national reports are submitted to the European Commission.
- Prioritise the completion of delayed and carried-over reform steps that have direct implications for payment requests, in order to reduce the accumulation of unresolved obligations across reporting cycles and improve the predictability of disbursements.
- Increase transparency around the funding cycle by publishing key information on payment requests, assessment status, and the reasons why specific amounts are delayed, reduced or carried forward, so that implementation gaps can be identified and addressed earlier.
- Focus the next cycle on reforms that are stalled between policy preparation and actual delivery, particularly where legislative adoption, institutional operationalisation or public verification remain incomplete. This should include accelerating pending laws and strategies, ensuring implementing bodies are fully functional, and closing evidence gaps in domains where progress is reported but cannot yet be independently confirmed.

Montenegro demonstrated a high level of compliance with the legal and institutional requirements necessary to access and maintain funding under the Reform and Growth Facility (RGF). All core legal and administrative milestones that enable eligibility for RGF support, including the submission and adoption of the Reform Agenda, the ratification of the Facility and Loan Agreements, and the appointment of the National Reform Agenda Coordinator, have been completed. Recurring procedural obligations during the semester were largely fulfilled.

The RGF Monitoring Committee was formally established and convened its first meeting, ensuring an operational framework for oversight and reporting. Civil society participation has been enabled through permanent CSO representation selected via public calls, and regular technical and thematic coordination meetings among line ministries have supported ongoing monitoring and reporting processes. The availability of the Committee has not been at an optimal level, as evidenced by the absence of pre-circulated materials for one of the convened meetings, and the agenda itself was only provided the day prior to the session. Notes from the meeting were shared subsequently, but the work of the Committee remains neither dynamic nor actively progressing at this stage. According to unofficial information, the next meeting is tentatively scheduled for April, though it remains to be seen how thoroughly preparations will be conducted in advance. This indicates a need for more structured and proactive engagement to ensure that the committee can operate efficiently and produce substantive outcomes.

The main weaknesses observed do not concern formal compliance, but the quality of implementation of procedural requirements. Available evidence points to limited advance preparation for Monitoring Committee meetings, including late circulation of agendas and a lack of systematically shared background materials, which reduces the Committee's ability to perform substantive oversight. While these shortcomings do not currently appear to threaten Montenegro's eligibility for funding, they may weaken monitoring quality, reduce transparency, and make it harder to identify implementation risks early enough to support timely assessment and disbursement.

Looking ahead, the main procedural priority for the next semester is therefore not the completion of missing formal steps, but the strengthening of governance practices within the structures already established. More predictable meeting schedules, better preparatory documentation, more proactive use of monitoring mechanisms and continued effective coordination among responsible institutions would improve procedural credibility, support smoother implementation in future reporting cycles and avoid potential risks to assessment processes or disbursement timelines.

LEGAL AND INSTITUTIONAL ARRANGEMENTS

Procedural Step	Status	Progress Details
Reform Agenda Submission to the EU	Achieved	Final Reform Agenda submitted on 19.06/2024
Reform Agenda Implementing Decision	Achieved	EC implementing decision adopted on 23.10/2024.
Facility Agreement Ratification and Entry Into Force	Achieved	Entered into force on 14.03.2025.
Loan Agreement Ratification and Entry Into Force	Achieved	The Government of Montenegro adopted on 13.03/2025, the Loan Agreement. It entered into force the same day.
National RA Coordinator Appointment	Achieved	The Minister of European Affairs is the RA coordinator.
Anti-Fraud Coordination Service	Achieved	RA funds may be audited by Montenegro's State Audit Institution, the Ministry of Finance, the European Commission, OLAF, the European Court of Auditors, and the EPPO
RGF Monitoring Committee Establishment	Achieved	The Monitoring Committee for Montenegro's participation in the RGF has been established. It is co-chaired by a European Commission representative and the National Coordinator for the Reform Agenda, includes bearers of RA steps and four NGO representatives
RGF Monitoring Committee Functioning	Achieved	The first meeting of the RGF Monitoring Committee was held on 20.11/2025.
Civil Society Participation in the RGF Monitoring Committee	Achieved	Five CSO representatives have permanent participant status, selected through public calls.
Technical Infrastructure for Monitoring and Reporting	Achieved	The Coordination Body for the RA, led by the Ministry of European Affairs, with representatives from relevant ministries, holds regular technical and thematic meetings to monitor implementation and discuss reports. They also develop internal action plans for the implementation of reform steps.
Communication and visibility plan	Achieved	Prepared in October 2024.

Montenegro completed the key procedural steps required to request and secure RGF funding, ensuring continuity of disbursements under the Facility. Compliance with prescribed procedures, particularly the submission of formal requests using agreed templates and timely national reporting, has enabled both pre-financing disbursements and the continuation of the semi-annual payment cycle, confirming that procedural compliance directly governs access to and timing of RGF funding. General Conditions met. Pre-Conditions met. In its implementing decisions of 30 July 2025 and 8 October 2025, including an annex assessing Montenegro's fulfilment of the payment conditions, the European Commission concluded that Montenegro complied with the preconditions and the general payment conditions required under Regulation (EU) 2024/1449. By that, the first and second releases of funds to Montenegro under the Reform and Growth Facility for the Western Balkans were approved.

No delays attributable to national authorities were identified during the semester, as all reporting obligations were met within the agreed timelines. However, the absence of publicly available information on the exact dates of submitted payment requests and accompanying templates limits transparency regarding the procedural sequencing of requests and assessments. While financial disbursement data reflect the status of fulfilled and unfulfilled steps, they do not provide insight into potential delays related to document submission or verification.

At this stage, no recurring procedural compliance issues have been identified that would pose a systemic risk to future disbursement cycles (although their amount varies due to the uncompleted reform steps). EC assessments represent a structural dependency that may affect the predictability of future releases, underscoring the importance of maintaining close coordination between national authorities and the European Commission in upcoming semesters.

Procedural Step	Status	Progress Details
Pre-Financing request	Achieved	Montenegro submitted the Request for prefinancing on 22.11.2024.
Pre-Financing disbursement	Achieved	The first, fully grant-based, amounting to €7,704,063.86, was released on 29.4.2025, and the second, loan-based, totaling €19,140,531.33, was released on 6.5.2025.
Semi-annual payment request submission	Archived	Montenegro submitted semi-annual payment requests on 6.5.2025, 11.7.2025 and 16.1.2026.
Supporting documentation for reform completion (national semi-annual reporting)	Achieved	Montenegro submitted the Third semi-annual report on RA implementation in January 2026 and the Report is available on <a href="#">MNE Gov website</a> .
EC assessment on RA implementation		Underway, with [T-90 days from the day of report submission] days remaining for the EC to provide assessment.
General Conditions met		Underway, with [T-90 days from the day of report submission] days remaining for the EC to provide assessment.
Pre-Conditions met		Underway, with [T-90 days from the day of report submission] days remaining for the EC to provide assessment.
Annual RGF Implementation Report Prepared and Submitted	Achieved	The annual RGF Implementation report was submitted to the EC on 27.2.2026.

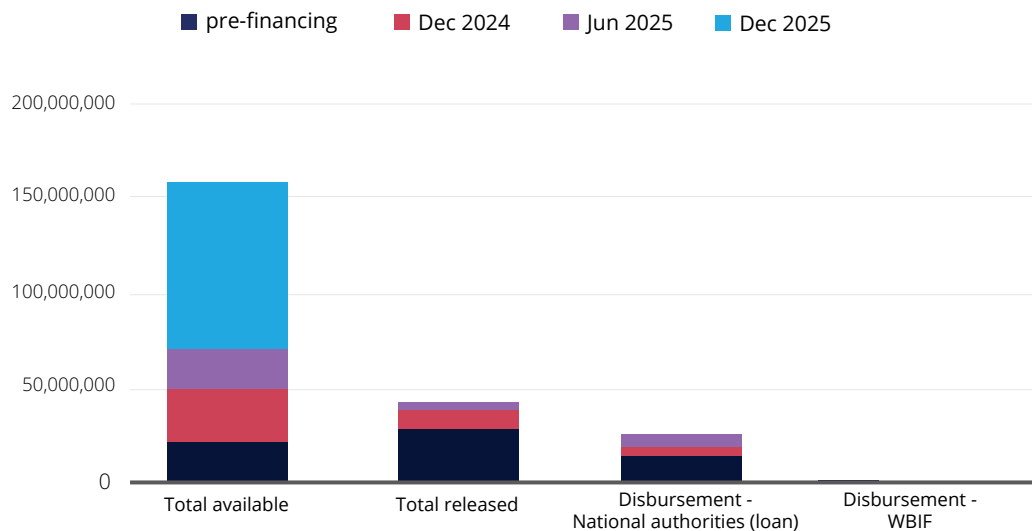
Two pre-financing tranches were requested and disbursed earlier in the implementation cycle. In the current semester, Montenegro fulfilled its recurring obligation by submitting its third semi-annual national report on the implementation of the Reform Agenda in January 2026. At the time of reporting, the European Commission's assessment of this report is still ongoing, within the 90-working-day deadline foreseen under the Facility Agreement, indicating that the timing of subsequent disbursements now depends on the completion of the EU-side assessment rather than national procedural action.

The total RGF funding potentially available for the third semester amounts to EUR 115,859,280.06, corresponding to all 45 reform steps under assessment. Of this amount, EUR 11,585,928.01 refers to four reform steps carried over from the first reporting period, EUR 3,475,778.40 to three steps carried over from the second reporting period (i.e., June 2025), and EUR 44,026,526.42 to 17 new reform steps, proportionally reduced by the 7% pre-financing. These 17 new steps have been implemented in line with the Government's assessment; the evaluation by the European Commission is still pending, and its formal assessment is not yet available. With regard to the funding request submitted by Montenegro for the third reporting period, the document is not publicly available. Access has therefore been formally requested in accordance with the Law on Free Access to Information, in order to verify whether the financial assessment presented by the Ministry of Finance corresponds to the estimates

contained in the Report. This verification is particularly relevant given that the Ministry of Finance applies a more stringent evaluation when assessing the fulfilment of reform steps, and that the Government’s assessment in the reporting document does not always fully align with the Ministry of Finance’s assessment reflected in the formal disbursement request.

At this stage, the status of the European Commission’s assessment, the amount of funding actually disbursed, and any funds not accessed and the reasons for this, are not yet available, as the Commission’s evaluation of the Third Semi-Annual Report is still ongoing. Consequently, no definitive information can be provided until the assessment process is formally concluded and published.

Montenegro use of RGF funds, S2 2025 (Jul-Dec 2025)



Total available funds for Montenegro, according to European Commission data, show an increasing trend across the periods: prefinancing (€20,985,449.17), S1 2024 (€22,592,559.61) and S2 2025 (€29,544,116.40). This increase in S1 and S2 is consistent with the rising number of reform steps reported during these periods. The amounts actually released remain below the total allocated, with the highest percentage for Prefinancing (59,51%) and the lowest for S2 2025 (27%), indicating a gradual disbursement of funds. National authorities manage the majority of released funds (75%), including both grants and loans, while the Western Balkans Investment Framework contributes about one quarter of the released funds. Trends show that a significant portion of the budget remains unutilized. Monitoring highlights the need to track timely fund releases in the upcoming periods, particularly for S2 (after the grace period) and the third reporting period.

In this update, the Reform Monitor tracked 26 reform steps across the selected policy domains, out of the 57 scheduled for implementation by the cut-off date. The coverage includes reform steps with deadlines in the reporting semester, as well as outstanding steps from earlier deadlines (e.g. December 2024 and June 2025) that remain relevant for implementation and RGF assessment.

The table below provides a summary overview by policy area and policy domain, indicating which reforms are covered. It indicates how many reform steps are monitored in each case as an entry point to the detailed policy-domain analysis and reform-step assessments presented in the following sections.

Policy area (harmonised)		
Reform (ID & Title)	Progress Details	In focus [due and monitored]
<b>Fundamentals and Rule of Law</b>		
Judicial reforms	The judiciary and the prosecution are independent/autonomous, impartial, and accountable and act with integrity and professionalism.	2/2 reform steps due and monitored
Anti-corruption	Effective enforcement of legislation to combat corruption, including high-level corruption, including financial investigations and seizure and confiscation of assets, in line with the EU acquis, European and international standards, including the recommendations of the 2022 review mission as well as the recommendations of GRECO and OSCE.	2/2 due and monitored
Fight against organised crime	Improving the results of investigations, confirmed indictments and final rulings in cases of organized crime (including money laundering, cybercrime, smuggling of cigarettes, weapons and drugs, human trafficking, including cases of sexual and labor exploitation).	1/1 due and monitored
<b>Digital Transition</b>		
Digital public services	E-signature and deployment of digital identity wallet.	1/1 reform step due and monitored
	User friendly digital public service delivery.	2/2 due and monitored
Cyber resilience	Setting up a comprehensive framework for cyber resilience (introducing requirements of NIS2 Directive and strengthening relevant institutions).	4/4 due and monitored
<b>Energy and Green Transition</b>		
Energy efficiency	Implementing energy efficiency and air pollution legislation.	4/4 reform steps due and monitored
Renewables	Developing transparent, competitive procedures for deployment of renewable energy and foreseeing the entry of newcomers.	1/1 due and monitored
	Implementation of the Renewable Energy Directive (permitting, guarantees of origin, prosumers).	2/2 due and monitored
	Developing transparent, competitive procedures for deployment of renewable energy and foreseeing the entry of newcomers.	1/1 due and monitored
<b>Human Capital</b>		
Vocational education and training (VET)	Address labor market mismatches through lifelong learning and increase employability of graduates with work-based practical learning, including for jobs in green and digital economy.	2/2 reform steps due and monitored
<b>Business Environment and Private Sector Development</b>		
Competition policy / State aid	Revising public procurement processes and State Aid policies. Enhancing transparency, efficiency, and integrity in the public procurement processes and State Aid.	2/2 reform steps due and monitored
State-owned enterprises (SOEs)	Reforming the governance of State-Owned Enterprises (SOEs). Improving the governance, efficiency, and accountability of State-Owned Enterprises (SOEs) to enhance their contribution to the economy.	2/3 due and monitored

The policy domain covering the judiciary and the fight against corruption within the Reform Agenda 2024–2027 aims to strengthen institutional capacity, improve human resources management, and enhance the effectiveness of courts and prosecution services, particularly in high-level corruption cases. These reforms are critical domestically for restoring public trust in the rule of law, and they are directly linked to EU integration benchmarks under Chapters 23 and 24.

By the reporting cut-off, two reform steps were due in this domain, including one carried over from earlier deadlines. A key milestone, the appointment of the Supreme Court President in December 2024, was successfully completed. However, the planned constitutional amendment to revise the composition of the Judicial Council and clarify the Minister of Justice's role in disciplinary proceedings was withdrawn from Parliament in February 2026, highlighting persistent delays in structural reforms.

In terms of judicial capacity, staffing levels remain below planned figures. At the end of 2024, 243 out of 329 judicial positions were filled (73.86%), reflecting a persistent shortage, particularly in basic courts, whereas prosecutorial staffing is higher (80.85%), with 31 new prosecutors appointed in 2024. Quantitative progress in administrative capacities of courts handling corruption cases (STEP 4.3.1.2) has exceeded expectations: the baseline of 60 civil servants increased by approximately 73% to 104 advisers and court clerks engaged in such cases. Nonetheless, qualitative limitations remain, including a lack of public information on recruitment, qualifications, specialisation, or training of these personnel, raising concerns about sustainability and transparency.

The partial implementation of reform steps, particularly the withdrawal of the constitutional amendment, together with ongoing human resource shortages, may constrain the effectiveness of the judiciary and influence the disbursement of RGF funds linked to judicial and anti-corruption reforms. In the next semester, monitoring will focus on renewed efforts to address legislative delays, improve qualitative staffing in courts handling corruption cases, and ensure compliance with EU standards. Key risks include political inertia, insufficient transparency in human resources management, and the potential for continued delays in the implementation of structural reforms.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
The judiciary and the prosecution are independent/autonomous, impartial, and accountable and act with integrity and professionalism			
4.2.1.1: Appointment of the Supreme Court President	Dec 2024	Achieved EC: achieved (S1)	Supreme Court President elected on 29.11.2024 and took the oath before the Judicial Council of Montenegro on 2.12. 2024.
4.2.1.2: Amended Constitution, in accordance with the acquis of the EU and European standards on the independence, responsibility, integrity, impartiality and professionalism of the judiciary and prosecution, including addressing the already existing recommendations of the European Commission, opinions of the Venice Commission and recommendations of the Group of States of the Anti-Corruption Council (GRECO).	Jun 2025	Not achieved EC: not achieved	The Government of Montenegro adopted a Draft Constitutional Amendment on 17.4. 2025, to revise the composition of the Judicial Council and clarify the role of the Minister of Justice in disciplinary proceedings. The draft was submitted to Parliament on May 28, 2025 (Act No. 11-011/25-1301/5). On 19.2. 2026, the Government formally withdrew the draft from parliamentary procedure.

**4.2.1.1. Appointment of the Supreme Court President**

This reform step concerns the appointment of the President of the Supreme Court of Montenegro in line with the legally prescribed procedure.

By the cut-off date, the procedure for [the election of the President of the Supreme Court](#) was completed. The new President was nominated by the judges of the Supreme Court after receiving the support of ten out of fifteen judges, thereby fulfilling the requirement that at least half of the court’s judges endorse the candidate. Following the nomination, the Judicial Council reviewed the candidacy and elected the President of the Supreme Court with unanimous support from all seven Council members present.

The final procedural step was also completed, as the newly elected President took the oath of office before the Judicial Council of Montenegro on 2 December 2024, formally assuming the position. The completion of the nomination, election, and oath-taking indicates that the procedure established by the institutional framework was implemented as planned. New President previously served as Montenegro’s representative to the European Court of Human Rights in Strasbourg and as a judge in both the Basic and Special Divisions of the High Court in Podgorica.

**4.2.1.2. Amended Constitution, in accordance with the acquis of the EU and European standards on the independence, responsibility, integrity, impartiality and professionalism of the judiciary and prosecution, including addressing the already existing recommendations of the European Commission, opinions of the Venice Commission and recommendations of the Group of States of the Anti-Corruption Council (GRECO).**

This reform step concerns the preparation and adoption of constitutional amendments related to the composition of the Judicial Council, aimed at strengthening judicial independence and aligning Montenegro's institutional framework with EU standards, particularly under Chapter 23 on the judiciary and fundamental rights.

By the cut-off date, the Government of Montenegro adopted a [Proposal to amend the Constitution](#) at its session on 17 April 2025 and submitted it to the Parliament of Montenegro for consideration by Act No. 11-011/25-1301/5 of 28 May 2025. The proposed amendments primarily concerned changes to the composition of the Judicial Council, including the removal of the Minister of Justice as a member, ensuring that judges elected by their peers would constitute the majority of the Council, and defining objective criteria related to professional merit and integrity for the selection of non-judicial members. The proposal was prepared in the context of Montenegro's EU integration process and took into account recommendations from international bodies such as GRECO, the Venice Commission, and the European Commission, which emphasised the need to reduce potential political influence and strengthen the independence and transparency of the Council. The draft was published on the Government's website, although the publicly available information remained limited, and based on available sources, there is no evidence that a public consultation process was conducted during its preparation.

The parliamentary review of the proposed amendments was not completed. On 19 February 2026, the Government submitted a proposal to [withdraw the Draft Constitutional Amendment](#) from the parliamentary procedure, noting that the Parliament had not finalised its consideration and that additional issues had emerged within the EU integration process, particularly regarding the need for the composition of the Prosecutorial Council to be regulated at the constitutional level. In accordance with Article 165(2) of the Rules of Procedure of the Parliament, which allows the proposer to withdraw a constitutional amendment before the completion of its review, the Government formally informed the Parliament of the withdrawal of the proposal. As a result, although the preparation and submission of the draft amendment were completed, the legislative process did not progress to parliamentary adoption within the reporting period.

During the reporting semester, implementation of the relevant RA measure concerning integrity planning in the customs and tax administration sector formally indicates progress; however, substantive verification remains limited due to transparency constraints. The referenced Integrity plans reportedly include a risk map covering both job positions and organisational units, as well as a formal Decision on its adoption. Furthermore, the report states that the 30% indicator related to integrity plan implementation in both the Customs Administration and the Tax Administration has already been exceeded. From a formal compliance perspective, this suggests that integrity planning instruments have been adopted, risk mapping has been conducted at both structural and operational levels, and quantitative performance targets under the RA framework have been achieved or surpassed. However, several critical limitations significantly affect the credibility and assessability of implementation: absence of publicly available documentation, since there are no publicly accessible integrity plans for either the Customs Administration or the Tax Administration. This restricts external scrutiny and undermines transparency standards typically associated with anti-corruption governance reforms. Although the S3 report lists specific decisions and integrity plans as evidence, the report has been published in PDF format without functional access to the referenced documents. The inability to open or independently review the documents prevents verification of the scope and methodology of risk assessment, the quality and specificity of risk mitigation measures, alignment with national anti-corruption guidelines and institutional accountability mechanisms. The data provided in the report remain at a general, declarative level. While the 30% indicator is reported as exceeded in both institutions, the absence of supporting documentation prevents assessment.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Effective enforcement of legislation to combat corruption, including high-level corruption, including financial investigations and seizure and confiscation of assets, in line with the EU acquis, European and international standards, including the recommendations of the 2022 review mission, as well as recommendations of GRECO and OSCE			
4.3.1.1. Anti-corruption strategy/ action plan implementation: Integrity tests are created and delivered in the Customs Admin- istration and the Tax Administra- tion - target is reaching at least 30% of staff	Dec 2025	Currently under review	While integrity plans in the Customs and Tax Administrations are formally reported as adopted and the 30% implementation indicator is declared exceeded, the absence of publicly accessible documentation and verifiable evidence significantly limits transparency, credibility, and independent assessment of the reform's substantive implementation.

<p>4.3.1.2. Increase by 20% of filling in vacant positions - in accordance with the Rulebook on the internal organization and systematization of positions - in competent courts for the fight against corruption</p>	<p>Dec 2025</p>	<p>Currently under review</p>	<p>Although quantitative targets for strengthening administrative capacity in corruption-related courts have been significantly exceeded (73% increase compared to the baseline), persistent judicial staffing shortages, lack of transparency, and absence of qualitative data on recruitment and qualifications limit the assessment of sustainability and substantive impact of the reform.</p>
---	-----------------	-------------------------------	--

**4.3.1.1. Anti-corruption strategy/action plan implementation: Integrity tests are created and delivered in the Customs Administration and the Tax Administration - target is reaching at least 30% of staff**

This reform step aims to operationalise integrity testing within the Customs Administration of Montenegro and the Tax Administration of Montenegro, with the target of covering at least 30% of staff, as part of the broader anti-corruption framework.

Regarding the milestone on **delivery of integrity tests in the Customs Administration**, the referenced documents are not publicly accessible and cannot be independently reviewed, as they are without functional access. Consequently, while formal adoption and reported quantitative targets suggest progress, external verification of the scope, methodology and actual implementation of integrity testing remains limited.

Concerning the milestone on **delivery of integrity tests in the Tax Administration**, similar limitations apply and no publicly available integrity plan or supporting documentation is accessible for independent scrutiny. The absence of verifiable evidence prevents assessment of the quality of risk assessment, the criteria used for selecting staff for integrity testing, and the consistency of implementation with national anti-corruption standards.

Due to the lack of publicly accessible documentation and the inability to verify reported results, the milestone implementation can only be confirmed at a formal and declarative level (due to S3 Government Report sent to the European Commission), while substantive and independently verifiable implementation remains insufficiently demonstrated.

**4.3.1.2. Increase by 20% of filling in vacant positions - in accordance with the Rulebook on the internal organisation and systematisation of positions - in competent courts for the fight against corruption**

This reform step aims to strengthen the administrative and professional capacities of courts competent for high-level corruption cases through a 20% increase in staffing, in line with the Rulebook on internal organisation and systematisation of positions.

Regarding the milestone on **Formal Adoption and Staffing of HR Positions**, the baseline under the Reform Agenda framework was 60 civil servants engaged in competent courts, with a target of at least 72 employees (20% increase). According to the Report of the Judicial Council of Montenegro dated 12 December 2025, and the subsequently adopted Plan of Vacant Judicial Positions for 2026–2027 (23 December 2025), a total of 104 advisers and court clerks are currently engaged in courts handling high-level corruption cases, including the High Court in Podgorica (Special Department), High Court in Bijelo Polje, the Court of Appeal of Montenegro and the Supreme Court of Montenegro (Criminal Department), as well as additional staff in basic courts dealing with corruption-related cases. This represents an increase of approximately 73% compared to the baseline, thus quantitatively exceeding the planned target. However, the relevant documentation is not publicly accessible, and no detailed data are available regarding recruitment procedures, qualifications, or professional profiles of the newly engaged personnel. While the numerical objective has been surpassed, qualitative assessment of staffing adequacy remains constrained by limited transparency.

With respect to **transparent and merit-based appointment procedures**, a new evaluation and promotion framework for judges and prosecutors has been introduced, aligning formally with European merit-based standards. Appointment decisions are regularly published, sessions of the Judicial Council are public, and participation of civil society and media has been enabled. Nevertheless, structural concerns persist, including the minority representation of judges elected by their peers within the Judicial Council, as well as inconsistencies in publishing detailed reasoning for promotions and disciplinary decisions. The legal and procedural framework is therefore in place, and implementation has commenced, but practical transparency and consistency in merit-based application are not yet fully consolidated.

The reform step demonstrates strong quantitative progress in increasing staffing levels in courts competent for corruption cases and formal advancement in merit-based governance mechanisms. At the same time, limitations in public accessibility of documentation and incomplete transparency regarding recruitment and promotion practices indicate that qualitative consolidation of these staffing measures remains ongoing.

When it comes to the remaining non-implemented step from S2 period, linking and access to the databases of the Revenue and Customs Administration and other state bodies with which the Special Prosecution Office cooperates, according to the 2024 Report of the Prosecutorial Council of Montenegro, a formal decision was adopted to establish a Case Management System (CMS) within the State Prosecutor's Office. In parallel, a dedicated Commission was formed to monitor the development process and implementation dynamics of the system. The CMS project includes the development of an application for managing cases and documents and is designed to be implemented through a phased approach, with clearly defined stages and completion of key functionalities within a 15-month timeframe. This indicates that the reform is institutionally planned, procedurally documented, and subject to internal monitoring, reflecting a structured approach to strengthening prosecutorial efficiency and case management.

In addition to system development, progress has been made in expanding access to institutional databases relevant for criminal investigations. The Special State Prosecutor's Office has access to databases maintained by the Ministry of Justice of Montenegro, the Ministry of Internal Affairs of Montenegro, the Tax Administration of Montenegro, the Customs Administration of Montenegro, the Central Bank of Montenegro, and the Real Estate Administration of Montenegro, as well as the Financial Intelligence Sector within the Police Directorate. Furthermore, pursuant to the Agreement on Enhancing Cooperation in the Field of Crime Suppression, the Tax Administration provided access to its Data Warehouse containing fiscalised turnover data of business entities subject to fiscalisation. The available information suggests that the reform process is documented and institutionally transparent to a certain extent. The adoption of formal decisions, the establishment of a monitoring commission, and the description of phased implementation indicate that the process is structured and traceable within the institutional framework. However, while transparency appears to be ensured at the institutional and oversight level, full public transparency is not fully confirmed. Despite improvements in database access and system planning, the objectives related to full operational capacity and interoperability have not yet been fully met. There is no clear indication that a fully integrated system has been established that would consolidate data from all relevant sources and enable automated searching, cross-referencing, and linking of information. The absence of confirmed unified data integration and automated workflows suggests that operational interoperability has not yet been achieved.

The Prosecutorial Council’s report indicates that efforts to improve database access and data exchange are still ongoing. This demonstrates that the lack of full integration and automated data use continues to limit the overall efficiency and effectiveness of investigative processes. The reform has not yet reached the stage of full functional interoperability and publicly verifiable transparency.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Improving the results of investigations, confirmed indictments and final rulings in cases of organized crime (including money laundering, cybercrime, smuggling of cigarettes, weapons and drugs, human trafficking, including cases of sexual and labor exploitation)			
4.5.1.1. Linking and access to the databases of the Revenue and Customs Administration and other state bodies with which the Special Prosecution Office cooperates	Jun 2025	Not achieved Grace period until Dec 2026	Full operational interoperability and publicly verifiable transparency have not yet been achieved, as data access remains fragmented and system integration incomplete.

### IMPROVING THE RESULTS OF INVESTIGATIONS, CONFIRMED INDICTMENTS AND FINAL RULINGS IN CASES OF ORGANIZED CRIME (INCLUDING MONEY LAUNDERING, CYBERCRIME, SMUGGLING OF CIGARETTES, WEAPONS AND DRUGS, HUMAN TRAFFICKING, INCLUDING CASES OF SEXUAL AND LABOR EXPLOITATION)

#### **4.5.1.2. Linking and Access to the Databases of the Revenue and Customs Administration and Other State Bodies with which the Special Prosecution Office Cooperates – Delayed [EC assessment]**

This reform step aims to ensure structured linking and effective access of the Special State Prosecutor’s Office to relevant institutional databases, in order to strengthen financial investigations, enable data-driven case management and improve interinstitutional cooperation.

Regarding Institutional Setup and Functionality, formal decisions establishing the Case Management System (CMS) and the corresponding monitoring mechanism have been adopted by the Prosecutorial Council of Montenegro, and access to several key institutional databases has been secured. While the governance and planning framework is in place, the CMS remains under phased development and full system functionality has not yet been operationalised.

Concerning transparency of reform implementation, the reform process is documented through official reporting and institutional decisions, ensuring traceability within the prosecutorial system. However, comprehensive public information on implementation progress, measurable outputs and interoperability outcomes remains limited, which constrains full verification of transparency beyond institutional oversight structures.

With respect to operational capacity and interoperability, improvements in database access have been recorded, including enhanced cooperation with the Tax Administration of Montenegro and the Customs Administration of Montenegro. Nevertheless, there is no confirmed evidence of fully integrated digital workflows or automated cross-institutional data exchange. Interoperability remains partial and operational coordination continues to rely on segmented access points.

As regards the Availability and Use of Integrated Databases, the Special State Prosecutor's Office uses accessible databases in investigative practice. However, a unified system enabling consolidated searches, automated linking of datasets and real-time analytical processing across all relevant institutions has not yet been established. Ongoing activities indicate progress, but full technical integration and functional maturity have not been achieved within the reporting period.

During the reporting semester, Montenegro's Reform Agenda in the digital governance and cybersecurity policy domain focused on strengthening legal, institutional, and operational frameworks for public e-services, digital identity, and national cybersecurity in line with EU standards. This domain is critical for domestic administrative efficiency, citizen access to digital services, and cross-border interoperability, while also supporting compliance with the EU Digital Identity Regulation and the NIS2 Directive.

By the cut-off date, several reform steps were due, including the deployment of the first tranche of public e-services, the operationalisation of national cybersecurity frameworks and authorities, and initial measures for Digital ID alignment. Implementation has been mixed: the phased rollout of public e-services and operationalisation of national and governmental CIRTs were fully achieved, demonstrating effective institutional coordination and technical readiness. The introduction of NIS2-aligned cybersecurity frameworks was also completed, providing a solid legal foundation. However, the establishment of the fully staffed Cybersecurity Agency and the finalisation of the list of entities remain partially achieved, while steps towards the EU Digital ID Wallet have not yet been achieved, highlighting delays in legislative updates and operational execution. These gaps may slow downstream activities.

Looking ahead, progress in the next semester is expected to focus on completing the staffing and operationalisation of the Cybersecurity Agency, finalising entity lists, and advancing legal and technical preparations for the Digital ID Wallet. Key risks include delays in legislative adoption, recruitment bottlenecks, and ensuring institutional capacity to meet EU interoperability requirements.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor finding
E-signature and deployment of digital identity wallet			
2.4.2.1. Compliance with the EU Digital ID resolution	Dec 2025	Currently under review	No new or amended legislation transposing Regulation (EU) 2024/1183 has been adopted. Plans to develop a platform and update legislation by the end of 2026 exist.
User friendly digital public service delivery			
2.4.3.1. 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.	Dec 2024	Achieved - EC assessment (S1)	This step was implemented on time.
2.4.3.2. Deployment of part of public e-services based on the Plan (1st step)	Dec 2025	Currently under review	57 e-services deployed by 2025, meeting the annual target.

## E-SIGNATURE AND DEPLOYMENT OF DIGITAL IDENTITY WALLET

### **2.4.2.1. Compliance with the EU Digital ID resolution**

This reform step aims to ensure Montenegro's progressive alignment with the updated EU Digital Identity framework, including the establishment of a legal and technical basis for the implementation of a Digital Identity Wallet interoperable with the EU Digital Identity Wallet ecosystem.

The Ministry of Public Administration has prepared a draft Law on Electronic Identification and Trust Services, which has been aligned with EU Regulation 2024/1183 of the European Parliament and of the Council of 11 April 2024, establishing a framework for the European Digital Identity and amending Regulation EU 910/2014 (eIDAS2). In line with this, a public call for preliminary consultations and a report on those consultations is completed from 24 March to 24 April 2025. The draft law is currently in the inter-institutional coordination phase, after which it will be sent to the European Commission for an opinion, and subsequently submitted to the Government for adoption of the law proposal, that will be forwarded to the Parliament. This information was provided by the Ministry in response to a request for free access to information.

In regards to the **Institutional and technical framework for Digital ID Wallet implementation**, in October 2025, the Ministry of Public Administration publicly highlighted ongoing national efforts to develop a digital identity solution and a digital wallet platform intended to be interoperable with the EU Digital Identity Wallet, with particular emphasis on privacy safeguards and trust requirements. Government planning documents further indicate that Montenegro intends to update its legislation on electronic identification and trust services by late 2026 to integrate the requirements of the updated EU Digital Identity Regulation, followed by the adoption of secondary legislation and technical standards. Nevertheless, by the cut-off date, no formal institutional structure, technical architecture, or legally established implementation framework for a compliant Digital ID Wallet has been adopted or operationalised.

## USER FRIENDLY DIGITAL PUBLIC SERVICE DELIVERY

### **2.4.3.1. 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.**

The reform step focuses on advancing the digital transformation of public administration through the full implementation of transactional electronic public services at both national and local levels for the period 2025–2027. The aim is to enhance service delivery efficiency, accessibility, and interoperability across institutions, in line with the broader development of e-Government systems.

The Ministry of Public Administration has prepared [the Plan for the full implementation of transactional e-services](#), which defines the scope and timeline for the digitalisation of public services over a three-year period. It was formally adopted by the Government of Montenegro on 20 February 2025.

An Operational Team was established (information on the Operational Team is available within the document titled [Information on the Implementation of the Plan for the Full Deployment of Transactional Public e-Services at the National and Local Levels for 2025–2027](#)). The team was involved in planning and coordination activities related to the reform. The Plan includes the digitalisation of 171 public services. In addition, the Ministry of Interior identified nine services for prioritised digital transformation, with a focus on services relevant to citizens and businesses.

Activities related to technical infrastructure include the launch of a new e-Government portal and the continued development of the Joint System for Electronic Data Exchange (JSERP), which supports data exchange between institutions. At the same time, an interoperability platform for registers is under development, with its functionality planned to enable secure and efficient data sharing across public administration systems.

### **2.4.3.2. Deployment of part of public e-services based on the Plan (1st step)**

This reform step aims to implement Montenegro's planned public e-services in a phased manner, improving accessibility, interoperability, and efficiency of government services at both national and local levels, in line with the strategic framework for digital transformation. The step focuses on deploying transactional e-services according to a structured plan, supported by institutional coordination and technical infrastructure.

Regarding milestone one, one-third of planned e-services implemented in a given year, progress has been achieved. The Ministry of Public Administration developed the Plan for Full Implementation of Transactional Public e-Services at the National and Local Levels (2025–2027), which establishes the strategic framework for digital transformation, prioritises expanding citizen access to transactional e-services, and ensures interoperability between national registers and information systems. To coordinate the Plan's implementation, an Operational Team for Service Digitalisation was formed, comprising 28 members from 22 institutions, acting as the primary body for monitoring, supervision, and reporting. In 2024, 22 institutions proposed the digitalisation of 171 public services, with a phased implementation foreseeing 57 services in 2025, 70 in 2026, and 44 in 2027. By the end of 2025, all 57 e-services planned for that year were implemented, achieving 100% of the annual target.

#### 1. Ministry of Public Administration:

- » Application for taking the professional exam for work in state bodies with secondary vocational education (SSS)
- » Application for taking the professional exam for work in state bodies with higher vocational education (VSS)
- » Application for the professional qualification exam for performing municipal police duties
- » Application for retaking the professional exam for work in state bodies with secondary vocational education (SSS)
- » Application for retaking the professional exam for work in state bodies with higher vocational education (VSS)
- » Application for retaking the professional qualification exam for performing municipal police duties

#### 2. Ministry of Sports and Youth:

- » Determination of the status of athletes with top representative results
- » Determination of the status of promising athletes
- » Determination of the right to a scholarship
- » Determination of the right to a prize
- » Issuance of a certificate of registration in the Register of Sports Organisations
- » Request for the Athlete of the Year award

#### 3. Ministry of Energy:

- » Professional exam in the field of electric power
- » Retake the exam in the field of electric power
- » Professional exam in the field of thermal energy
- » Retake the exam in the field of thermal energy

#### 4. Ministry of Justice:

- » Request for a copy of the certificate of passing the judicial exam
- » Request for a copy of the certificate of passing the professional exam
- » Initiative form for oversight of public enforcement officers – individuals
- » Initiative form for oversight of public enforcement officers – legal entities
- » Initiative form for oversight of notaries – individuals
- » Initiative form for oversight of notaries – legal entities
- » Request for access to the registry of fines and misdemeanour records
- » Request for data from criminal records – individuals
- » Request for data from criminal records – legal entities
- » Request for data from misdemeanour records – individuals
- » Request for data from misdemeanour records – legal entities
- » Request for APOSTILLE certification

#### 5. Ministry of Diaspora:

- » Request for registration of diaspora members

#### 6. Ministry of Education, Science, and Innovation:

- » Request for exemption from student loan repayment
- » Submission of applications for accreditation of training programs for professional development of employees in educational institutions

#### 7. Ministry of Social Welfare, Family Care, and Demography:

- » Service for reimbursement of salary during maternity or parental leave

#### 8. Employment Agency of Montenegro:

- » Registration of unemployed persons
- » Registration of job vacancies
- » Submission of applications for subsidies for persons with disabilities
- » Submission of applications for participation in active employment measures (including Youth Guarantee)

#### 9. Ministry of Health:

- » Electronic service for retrieving laboratory results

#### 10. Pension and Disability Insurance Fund (PIO Fund):

- » Display of data recorded in the database of active insured persons

#### 11. Customs Administration:

- » Request for issuance of license for representation before customs authorities
- » Request for extension of license for representation before customs authorities
- » Request for authorization to perform representation before customs authorities
- » Request for initiation of customs measures
- » Request for extension of the period for initiation of customs measures
- » Request for issuance of binding tariff information (BTI)

## 12. Ministry of Finance:

- » Submission of requests for authorization to import tobacco, processed tobacco, and tobacco products
- » Submission of requests for authorization to export tobacco, processed tobacco, and tobacco products
- » Submission of requests for issuance/extension of authorization for retail trade in tobacco products
- » Submission of requests for issuance of authorization for wholesale trade in tobacco products
- » Submission of requests for authorization to process tobacco
- » Submission of requests for registration of tobacco product brands
- » Submission of requests for authorization to manufacture tobacco products

## 13. Ministry of Labor, Employment, and Social Dialogue:

- » Registration/change/deletion of representative trade unions in the Register
- » Registration/change/deletion of trade unions in the Register
- » Application/exemption for taking the professional exam for occupational health and safety coordinators during project/construction phases
- » Application/exemption for taking the professional exam for employees performing occupational health and safety duties
- » Issuance of certificate of registration in the register of representative trade unions
- » Issuance of certificate of registration in the register of trade unions

To fully implement the services identified in the Service Plan for Digitalisation, the Ministry of Public Administration conducted a tender procedure to implement 30 electronic services via the IBM BPM platform for digitalization and business process automation. These services fall under the jurisdiction of the following institutions:

- » Ministry of Finance
- » Ministry of Energy and Mining
- » Ministry of Sports and Youth
- » Ministry of Labor, Employment, and Social Dialogue
- » Customs Administration
- » PIO Fund

The revised plan of services was formally adopted by the Government of Montenegro during its 107th session on 10 December 2025. The implementation is further supported by the newly introduced GSB (X-Road) platform, which enables secure and efficient data exchange among government institutions. Key registers from the Ministry of Interior and Tax Administration are already integrated, and the platform includes a Meta Register containing over 150 electronic registers, streamlining administrative processes, enhancing transparency, and improving coordination across public administration. These developments provide verifiable evidence of completion of the first-year targets.

This reform step is followed-up with another where Montenegro committed to full rollout of planned e-services by the end of 2027), the implementation remains ongoing. By the end of 2025, all 57 e-services planned for that year were successfully implemented. Additional services under the Employment Agency are technically implemented and await launch following the adoption of the new Employment Mediation Law. Montenegro has successfully implemented the 2025 tranche of its public e-services Plan, achieving all annual targets and establishing a robust institutional and technical foundation for subsequent phases.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Setting up a comprehensive framework for cyber resilience (introducing requirements of NIS2 Directive and strengthening relevant institutions)			
2.4.4.1: Adoption of the Law on Information Security by the Parliament in full alignment with the NIS2 directive	Dec 2024	EC assessment: Achieved	Montenegro's Parliament adopted the Law on Information Security in November 2024, aligned with the EU NIS2 Directive. The law entered into force on 5.12. 2024 and is publicly available through official government, Parliament, and Official Gazette portals.
2.4.4.2 Frameworks introduced through NIS2 alignment (Coordinated Vulnerability Disclosure framework, crisis management framework), are in place and in use	Dec 2025	Currently under review	The law is published, legally binding, and operational, providing the foundation for national cybersecurity governance, including the Cybersecurity Agency, national CSIRT, and structured mechanisms for coordinated vulnerability disclosure and crisis management.
2.4.4.3 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	Dec 2025	Currently under review	The Agency is not yet fully operational, staffing remains incomplete, and the comprehensive list of entities in scope has not been finalised or publicly published. While the institutional and legal foundations are in place, full operationalisation and transparent staffing have not yet been completed.
2.4.4.4. National and governmental CIRT are operational in line with NIS2 requirements and reach at least "accredited" status on TF CSIRT Trusted Introducer	Dec 2025	Currently under review	The CIRT provides continuous monitoring, incident response, and coordination at both national and international levels. Furthermore, the national CIRT (CIRT.ME) has been listed as a candidate in the TF-CSIRT Trusted Introducer directory.

## SETTING UP A COMPREHENSIVE FRAMEWORK FOR CYBER RESILIENCE (INTRODUCING REQUIREMENTS OF NIS2 DIRECTIVE AND STRENGTHENING RELEVANT INSTITUTIONS)

### ***2.4.4.1. Adoption of the Law on Information Security by the Parliament in full alignment with the NIS2 directive***

This reform step entailed the adoption of [Montenegro's Law on Information Security](#), fully aligned with the EU NIS2 Directive, to strengthen the legal framework for cybersecurity and network resilience. By the cut-off date, the law was adopted by Parliament on 27 November 2024 and entered into force on 5 December 2024, as evidenced by its publication in the Official Gazette and availability on government and parliamentary portals.

Key milestones for this reform included multi-stage public consultations and expert engagement. Stakeholders were invited [to contribute to the initial draft from 10 November to 5 December 2022](#), followed by a [formal public debate from 1 to 21 March 2023](#). Additional focus groups and a [panel discussion with experts in March 2025](#) assessed the law's applicability and alignment with NIS2 and international standards. These activities demonstrate that the procedural and substantive requirements of the reform step were met, including stakeholder participation, transparency, and EU alignment.

The qualitative assessment shows that the milestone is realised: the law provides a comprehensive legal framework for network and information security, ensures compliance with EU directives, but the [EC expects full alignment](#) of national legislation with the NIS 2 and the Open Data Directive.

### ***2.4.4.2. Frameworks introduced through NIS2 alignment (Coordinated Vulnerability Disclosure framework, crisis management framework) are in place and in use***

This reform step establishes and operationalises Montenegro's **national cybersecurity legal framework in alignment with the requirements of the EU NIS2 Directive**, serving as the foundational legislative measure for strengthening national cyber resilience and governance. By the cut-off date, the reform was completed through the adoption of the Law on Information Security, which incorporates NIS2-aligned provisions concerning risk management obligations, incident reporting requirements, supervisory measures, enforcement mechanisms, and the designation of competent authorities. The Law was approved by the Parliament of Montenegro on 19 November 2024, published in the [Official Gazette No. 113/2024 on 27 November 2024](#), and entered into force on 5 December 2024, constituting verifiable legal evidence of

implementation. The adopted framework provides legal basis for establishment and functioning of national cybersecurity authorities, including the Cybersecurity Agency and the national CSIRT, and introduces structured mechanisms for coordinated vulnerability disclosure and crisis management in line with EU standards. The milestone related to the adoption and entry into force of an NIS2-aligned national legal framework has therefore been fulfilled, as the legislative act has been formally enacted, published, and is legally binding and applicable.

Additionally, the Government adopted [the National Plan for Responding to Cyber Threats, Serious Cyber Threats, Incidents, and Cyber Crises](#) on December 25th, 2026, as a supporting operational document that will facilitate the application of the law, as well as the Disaster Recovery Plan and the List of critical and important entities. The Standard Operating Procedure for Vulnerability Management has also been introduced, along with a Standard Operating Procedure for the Prevention, Detection, and Response to Specific Cyber Threats and Attack Techniques. The National Plan is publicly available while all other documents are classified as *Internal*. This information was obtained in response to a request for free access to information.

**2.4.4.3. 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**

This reform step aims to operationalise the institutional and supervisory architecture required under the NIS2 Directive through the establishment of a fully functional competent authority and the finalisation of the list of entities falling within the scope of the national legislation.

With regard to **the Institutional set-up**, Montenegro established the legal basis for the competent authority through the adoption of the Law on Information Security, which transposes the NIS2 Directive into national legislation and designates the Cybersecurity Agency as the national competent authority. The law provides the agency with supervisory and enforcement powers over critical and important entities, including inspection rights, information-gathering powers, and oversight of compliance with cybersecurity risk management and incident reporting obligations. The [Agency has been formally established and an Acting Director](#), has been appointed, confirming the formal institutional set-up. However, by the cut-off date, the agency is not yet fully operational in practice, and the comprehensive and officially published list of entities falling

within the scope of the Law, corresponding to NIS2 categories, has not yet been finalised and made publicly available. While the institutional framework is legally in place, operational execution remains in progress.

Regarding the **merit basis and transparent milestone staffing**, the Government adopted the [Decision on the Salary Coefficients for Employees of the Cybersecurity Agency](#) on 1 January 2026, thereby defining the remuneration framework and enabling the initiation of recruitment procedures. However, by the cut-off date, the agency is not yet fully staffed. Furthermore, based on a review of publicly available vacancy announcements and competitions published on the website of the [Human Resources Agency](#), no job advertisements for positions within the Cybersecurity Agency have been published. This indicates that the recruitment process has not yet formally commenced in practice. Consequently, although the legal and administrative groundwork for staffing has been laid, the milestone related to completed and transparent staffing has not yet been achieved, so this remains outstanding to fully meet the objectives of this reform step.

**2.4.4.4. National and governmental CIRT are operational in line with NIS2 requirements and reach at least “accredited” status on TF CSIRT Trusted Introducer**

This reform step aims to ensure that Montenegro’s national and governmental Computer Incident Response Teams (CIRTs) operate in line with NIS2 requirements and achieve at least “accredited” status within the European TF-CSIRT Trusted Introducer framework, thereby strengthening national incident response capacity and international trust-based cooperation.

With regard to milestone **National and Governmental CIRT operational**, Montenegro maintains an operational national and [governmental CIRT](#) responsible for monitoring, detecting, preventing, and responding to cybersecurity incidents affecting government information systems and critical digital infrastructure. The CIRT operates through the Government Security Operations Centre (G-SOC) in Podgorica, providing continuous monitoring services, issuing security advisories, coordinating technical incident response, and engaging in regional and international cybersecurity cooperation. Its operational activities include incident handling, vulnerability notifications, threat information exchange, and coordination with relevant public authorities and international partners. Although the newly established Cybersecurity Agency, designated as the competent authority under the NIS2 Directive, is still undergoing full institutional consolidation, the existing governmental CIRT structure continues to deliver core operational capabilities consistent with the functional requirements of NIS2, including availability, incident response procedures, and

cooperation mechanisms. Based on verifiable operational continuity and institutional functioning, this milestone is considered achieved. Regarding **CIRT status at TF-CSIRT Trusted Introducer**, Inclusion in the Trusted Introducer directory demonstrates compliance with baseline organisational and operational criteria required for membership and enables structured cross-border cooperation and information exchange within the European cybersecurity ecosystem. The State Administration CIRT has established formal agreements on support and sponsorship with partner CIRT teams from Slovenia and Latvia, and obtained [List Candidate status](#). As of March 1, 2026, the CIRT became part of the Cybersecurity Agency, and consequently, its [listed status](#) was transferred to the Agency. The CIRT is expected to achieve Accredited status by June 2026, as per the information obtained from the Ministry of Public Administration.

In the Reform Agenda 2024–2027, this policy domain encompasses energy transition, energy efficiency in buildings, renewable energy market design and air quality management, forming a core component of Montenegro’s alignment with the EU acquis under Energy Community obligations and negotiation Chapters 15 and 27. Beyond compliance, implementation directly affects investment predictability, medium-term fiscal planning and access to funding under the Reform and Growth Facility (RGF). By the cut-off date, four reform steps were due in this domain (including those carried over from earlier deadlines), with overall performance assessed as mixed (see Table above).

Substantive progress has been achieved in the energy efficiency segment. The framework for energy performance certification is operational and aligned with the EPBD methodology, while the long-term renovation strategy has been formally adopted within the NECP, increasing the public building renovation target to 3% annually and establishing a structured implementation pathway. The annual renovation rate target has reportedly been exceeded, but verification is constrained by fragmented and non-consolidated public data, which limits traceability and weakens transparency safeguards. In contrast, the Strategy on Air Quality Management has not yet been formally adopted despite preparatory and consultation steps, representing a key outstanding benchmark under Chapter 27 and a potential bottleneck for RGF disbursement linked to environmental conditionality.

In the next semester, formal adoption of the air quality strategy and demonstrable closure of the consultation cycle will be critical to reduce compliance risk. In parallel, improved consolidation and public reporting of renovation data will be necessary to enhance.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Implementation of energy efficiency and air pollution legislation			
2.3.4.1: 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	Dec 2024	EC assessment: Achieved	Montenegro has adopted EPC-related rulebooks and deployed MEEC software, with the system operational from July–August 2024 and fully aligned with EU EPBD standards.
2.3.4.3. 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	Dec 2025	Currently under review	Progress has been made at the preparatory and procedural level, including drafting of the Strategy and initiation of public consultation. The key milestone, formal adoption of the Strategy on Air Quality Management 2024–2029, has not yet been achieved.

2.3.4.5 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	Dec 2025	Currently under review	The Government reports that 122,509.20 m <sup>2</sup> were renovated in 2024/2025, exceeding the annual target of 60,000 m <sup>2</sup> . However, this cannot be independently verified, as publicly available project data are fragmented, and not consolidated into a single verifiable record.
2.3.4.2. 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	June 2025	EC assessment: Not achieved	The Long-Term Building Renovation Strategy has been adopted as part of the NECP, stakeholder consultations have been conducted, the strategy aligns with EU and Energy Community requirements, and it is publicly available. Implementation has commenced with a clear 3% annual renovation target for public buildings.

## IMPLEMENTATION OF ENERGY EFFICIENCY AND AIR POLLUTION LEGISLATION

### **2.3.4.1. 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**

Montenegro has made significant progress in implementing a new framework for building energy efficiency in accordance with the Energy Performance of Buildings Directive (EPBD), particularly through the [Rulebook on Minimum Energy Efficiency Requirements](#) and the [Rulebook on Energy Performance Certification \(EPC\)](#). The updated Regulation on Minimum Requirements came into effect on 1 July 2024, while the EPC Regulation was introduced on 1 August 2024, making certificates mandatory for new and renovated buildings. The methodology has been fully integrated into the national [MEEC software \(The Ministry has announced that this software can be downloaded for free from the website \[www.meec.me\]\(http://www.meec.me\), but the link is not currently functional\)](#), aligned with EPBD standards (DIN V 18599 methodology), ensuring that energy performance calculations and EPC issuance are consistent with EU requirements.

Additional measures include the establishment of a registry of issued energy certificates by the end of 2024, an increased renovation target for state-owned buildings, and the adoption of implementing legislation on primary energy

savings and labelling, demonstrating alignment with the EU legal framework. Efforts to strengthen professional capacity through targeted training cycles, specialisation programs, and workshops have also been emphasised, enabling both public authorities and private sector practitioners to effectively apply the updated methodologies and MEEC software.

However, the **public consultation process** for EPC-specific rulebooks is only partially documented. While stakeholder engagement events, such as the October 2023 roundtable, indicate some technical involvement, there is no clearly visible formal public consultation on the Ministry's portals comparable to that for primary legislation. This limits transparency and the ability to fully verify the consultative process.

#### ***2.3.4.3. 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***

This reform step represents a foundational policy measure under Chapter 27 (Environment and Climate Change), aimed at aligning Montenegro's air quality framework with the requirements of the EU environmental acquis, notably the National Emission Ceilings (NEC) Directive and the Ambient Air Quality Directive. The step is designed as an enabling measure: adoption of the Strategy on Air Quality Management 2024–2029 constitutes the strategic framework for subsequent preparation or revision of air quality plans in zones where limit values are exceeded.

The 2025 EC Country Report for Montenegro emphasised the need to significantly intensify work to meet closing benchmarks under Chapter 27, specifically calling for the adoption of the air quality management strategy.

As of the cut-off date, the Strategy **has not yet been formally adopted by the Government**. Although preparatory steps have been undertaken (drafting and publication of the draft document), no Government decision confirming adoption has been recorded. Consequently, the enabling framework for systematic development or update of air quality plans in zones exceeding limit values remains pending.

[The Public call for non-governmental organisations to nominate one representative as a member of the Working Group](#) for the development of the Air Quality Management Strategy for the period 2026–2029 was published on April 23, 2025. Initial **consultation efforts** were launched on 24 April 2025, when the Government issued a Public Call for consultation on the Strategy on Air Quality Control. However, no publicly available information confirms the completion of that consultation process or publication of a consultation report.

Subsequently, on 11 February 2026, the Ministry launched a new Public Call for public debate on the Strategy on Air Quality Control 2026–2029, coinciding with the publication of the draft Strategy on the Government website. A round table discussion was scheduled for 2 March 2026. On March 12, 2026, [the Report on the conducted public consultation](#) for the Draft Air Quality Strategy for the period 2026–2029 was published. Out of a total of 31 submitted comments, 11 were not accepted, 15 were accepted, and 5 were partially accepted. Based on verifiable evidence, the consultation process has been initiated and structured.

**2.3.4.5. 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**

This reform step aims to increase the annual rate of building renovation and public street lighting upgrades, in line with Energy Community targets, with a key milestone of achieving at least 60,000 m<sup>2</sup> of renovated floor area by December 2025.

Regarding the milestone related to **the annual rate of renovation**, earlier assessments noted the absence of a consolidated official document specifying the total renovated area by the end of 2025, as project-level information was fragmented and primarily focused on financial allocations and types of measures. However, according to the Government's S3 report, the total renovated area eligible for reporting for the period 2024/2025 amounts to 122,509.20 m<sup>2</sup>, thereby more than doubling the 60,000 m<sup>2</sup> target. The report clarifies that the calculation was conducted in full compliance with the “no double funding” principle and includes only programmes implemented within 2024/2025 with clearly verified funding sources. The S3 report consolidates data from dedicated energy efficiency projects in public buildings, including ones implemented with the support of international financial institutions and incentive programmes targeting households and the private sector, including grants and credit lines. It is the only available comprehensive information that systematically aggregates and verifies progress towards the renovation target.

#### **2.3.4.2. 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**

This reform step aims to implement a long-term building renovation strategy targeting retrofitting of existing public buildings, aligned with the annual 3% renovation target in line with Energy Community recommendations and the EU Renovation Wave initiative. The strategy provides a clear framework for sectoral and macro-level targets up to 2030 and beyond.

The [Long-Term Building Renovation Strategy](#) was formally adopted by the Government on 10 December 2025 as part of the National Energy and Climate Plan (NECP). Adoption followed the procedures of the Ministry of Energy and Mining and is fully aligned with Energy Community recommendations. The strategy sets a 3% annual renovation target for public buildings and defines macro-sectoral objectives for 2030 and beyond. [A public call for stakeholder input](#) was launched on 30 June 2025, with a consultation report published on 20 December 2025. These consultations ensured engagement of relevant public-sector actors and allowed feedback on sectoral priorities, renovation measures, and implementation modalities. [The strategy aligns with EU requirements and Energy Community obligations](#) (Page 92). It explicitly increases the annual renovation target for public buildings from 1% to 3%, in line with the EU Renovation Wave. The Government adopted a [Plan for reconstruction of central government buildings for 2024–2026](#), establishing a clear timeline and sectoral targets for implementation. **The strategy document is publicly available** on the Government portal, and adoption has been accompanied by official statements from the Government and Ministry of Energy and Mining, ensuring transparency and verifiable evidence of adoption and implementation.

The renewable energy policy domain in the Reform Agenda focuses on aligning Montenegro's legal and regulatory framework with the EU Renewable Energy Directive (RED II), establishing market-based support schemes, streamlining permitting procedures, and operationalising systems such as guarantees of origin. These reforms are critical for accelerating renewable energy deployment domestically and for facilitating Montenegro's integration into the EU energy market. By the cut-off date, all primary legislative and regulatory steps due in this domain, including the adoption of the Law on the Use of Energy from Renewable Sources, issuance of secondary bylaws, operationalisation of the guarantees of origin system, and formal launch of the first market-premium auction, have been substantively completed, although the first auction did not result in contract awards due to non-compliant bids.

The completed steps provide a robust legal and technical foundation for renewable energy support mechanisms, with key institutions designated, permitting guidance published, and software platforms for GOs fully operational. Implementation challenges remain, notably the absence of expert evaluations for secondary legislation and the cancellation of the first auction, which may temporarily slow investor confidence and the uptake of market premiums. In the next semester, attention will focus on the preparation and successful execution of subsequent auctions, further alignment of the GO system with regional markets, and monitoring the effectiveness of permitting and support mechanisms. Key risks include potential delays in auction processes, technical integration issues, and limited engagement from market participants.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Implementation of the Renewable Energy Directive (permitting, guarantees of origin, prosumers)			
2.3.2.1: 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)	Dec 2024	EC assessment: Not achieved	The Law on the Use of Energy from Renewable Sources was adopted, accompanied by the necessary bylaws regulating its implementation, including provisions on energy permits, privileged producers, market premium mechanisms, and guarantees of origin. Key RED II requirements, including those related to biofuels and bioliquids, have been transposed.
2.3.2.2: Operationalise the system of guarantees of origin	Jun 2025	EC assessment: Achieved	COTEE has been formally designated and legally empowered to issue, transfer, and terminate Guarantees of Origin (GOs), establishing a clear institutional framework. The GO software system has been operational since July 2024.
Developing transparent, competitive procedures for deployment of renewable energy and foreseeing the entry of newcomers			
2.3.1.1. Announce 3-year auction plan of at least 400 MW and launch the first auction	June 2025	EC assessment: Not achieved	The reform step is substantively implemented in terms of legal framework, procedural launch, and multiannual planning.

## IMPLEMENTATION OF THE RENEWABLE ENERGY DIRECTIVE (PERMITTING, GUARANTEES OF ORIGIN, PROSUMERS)

### **2.3.2.1. 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)**

During the previous semester, Albania adopted a three-year action plan<sup>1</sup> for auctioning renewable energy capacity, providing a timetable for at least 600 MW of renewable capacity. The plan, based on the renewable energy law, schedules several solar and wind auctions between 2025 and 2027 and sets the rules and criteria for selecting beneficiaries. On this basis, the Commission considered the reform step achieved.

This reform step concerns the adoption and entry into force of a comprehensive legislative and regulatory framework governing the use of energy from renewable sources, including transposition of RED II requirements and establishment of implementing mechanisms.

By the cut-off date, the [Law on the Use of Energy from Renewable Sources](#) has been **adopted and has entered into force**, thereby completing the primary legislative milestone. The law transposes key RED II provisions, including those related to support schemes, guarantees of origin, permitting procedures, and sustainability criteria for biofuels and bioliquids. The legislative process included publication of the draft law by the Ministry of Energy and Mining (8 February 2024), a **public consultation phase** with an invitation for comments and roundtables ([Gov portal Public Call, Explanation](#)) and subsequent approval of the proposed law by the Government (6 June 2024) prior to its adoption in Parliament. Verifiable evidence includes the published draft law, accompanying explanatory note, and RIA form, and official government and parliamentary records ([RIA](#), [Draft of the Law Public Call for round tables](#)).

A secondary milestone related to the **adoption of implementing bylaws** has also been achieved. Several rulebooks have been published in Official Gazette of Montenegro 66/25:

- » [Rulebook on the Content of the Application for Issuance of an Energy Permit, the Required Documentation, the Content of Application Forms, and the Content of the Register of Issued Energy Permits;](#)
- » [Rulebook on Detailed Conditions to Be Fulfilled by a Legal Entity for the Assessment and Measurement of the Potential of Renewable Energy Sources;](#)

<sup>1</sup> Order of the Minister of Infrastructure and Energy No. 321, 30.12.2024 approving the quantity-based auction plan for the installation of at least 600 MW of new renewable energy capacity for the following three years.

- » Rulebook on the Detailed Content and the Method of Keeping the Register of Privileged Producers;
- » Rulebook on the Content of the Request for the Transfer of the Status of a Privileged Electricity Producer and the Evidence of Fulfilment of the Conditions for the Transfer of Privileged Producer Status;
- » Rulebook on Unit Compensation for Positive or Negative Balance Deviations of Privileged Producers in the Market Premium System;
- » Rulebook on the Detailed Manner of Issuing, Using, Transferring, and Terminating the Validity of Guarantees of Origin for Energy Produced from Renewable Source.

These bylaws provide the necessary secondary legislation to operationalise the law and ensure enforceability of support schemes and market mechanisms.

In addition, pursuant to the law, the [Guide on Permitting Procedures for the Construction of Renewable Energy Power Plants](#) was **prepared and published** in December 2024. The Guide provides a structured overview of administrative procedures for large-scale renewable installations, as well as small-scale and prosumer systems, thus addressing the RED II requirement to simplify and clarify permitting processes.

Although no standalone expert evaluation document is available, official documentation from the Ministry and references in supporting materials indicate alignment with EU standards. No publicly available information confirms a structured consultation process for the adopted bylaws.

### **2.3.2.2. Operationalise the system of guarantees of origin**

This reform step focuses on establishing a formal institutional and technical framework for the issuance, transfer, and management of Guarantees of Origin (GOs) for renewable electricity, ensuring compliance with RED II and enabling participation in the regional GO market ([Rulebook on the detailed manner of issuing, using, transferring and terminating the validity of the guarantee of origin for energy produced from renewable sources Official Gazette of MNE 64/2025](#), [Rules on guarantees of origin Official Gazette of MNE 66/2025](#))

By the cut-off date, the key institutional milestone has been completed with the designation of **COTEE (Montenegrin electricity market operator)** as the responsible body for issuing and transferring GOs. COTEE is legally and operationally empowered to manage the system, providing a formally recognized entity responsible for guarantees of origin in Montenegro.

On the technical side, the **software platform for GOs has been operational** since July 2024 ([Conclusion of the second annual contract for the procurement of services for renting and maintaining the system for the administration of](#)

guarantees of origin) allowing renewable energy producers to register and enabling the electronic issuance and transfer of certificates for each MWh produced (Register of GoS). This confirms that the system is technically functional and ready for market operations. Additionally, a **public GO registry portal** provides stakeholders and the general public with access to periodic reports on renewable energy production and certificates issued, ensuring transparency. Formal registration procedures are in place for producers and other market participants, providing clear guidance on accessing and participating in the GO system.

COTEE's participation in the **European Association for the Issuance of Guarantees of Origin (pending full membership)** would ensure interoperability with other European GO systems, supporting regional market integration.

The combination of legal designation, operational software, public registry, and registration procedures demonstrates that the key milestones for establishing and operationalising the GO system have been substantially achieved by the cut-off date, which the EC confirmed too.

## DEVELOPING TRANSPARENT, COMPETITIVE PROCEDURES FOR DEPLOYMENT OF RENEWABLE ENERGY AND FORESEEING THE ENTRY OF NEWCOMER

### **2.3.1.1. Announce 3-year auction plan of at least 400 MW and launch the first auction**

On 11 July 2025, the Ministry of Energy and Mining published a [Public Call for the allocation of market premiums for renewable energy projects](#), marking the formal launch of Montenegro's first competitive auction procedure for solar photovoltaic projects. The call was made a few days after the submission of the government's second report on the implementation of the Reform Agenda, in which this measure was reported, and the European Commission's assessment was that this obligation had not been fulfilled. The call was issued on the basis of the newly adopted Law on the Use of Energy from Renewable Sources (August 2024), which replaced previous feed-in support schemes with a market-premium mechanism. The launch was supported by an extensive **secondary legislative framework**, including:

- » Rulebook on unit compensation for positive or negative imbalances of privileged producers under the market premium system (Official Gazette No. 66/2025);
- » Regulation on the methodology for determining the maximum (ceiling) price;
- » Regulation on rules for filling the auction quota;
- » Decision on the quota for the first auction;
- » Decision on the maximum price for the first auction.

The deadline for submission of bids expired on 10 November 2025. On 13 January 2026, the Ministry announced that [bidders failed to meet tender requirements](#), leading to cancellation of the call. Despite this outcome, the procedural act of formally launching the auction and completing the submission phase clearly occurred. Given that the reform requirement concerns the formal launch of the first auction, rather than its successful award, this milestone has been achieved from a procedural and legal standpoint.

The Law on the Use of Energy from Renewable Sources (adopted August 2024) established the legal basis for a market-premium support model. In parallel, a new Energy Law aligned with EU legislation was enacted. A comprehensive set of implementing bylaws was subsequently adopted, regulating pricing methodology, auction quotas, balancing responsibilities, financial guarantees, and contractual arrangements. The auction documentation defined:

- » clear eligibility criteria,
- » competitive bidding rules,
- » contract structures for market premiums,
- » financial guarantee requirements,
- » maximum price caps determined via regulatory methodology.

Preparation of the auction framework was carried out with [technical assistance from the EBRD](#), supporting alignment with international good practice and EU-compliant competitive allocation mechanisms. The existence of a complete legal and regulatory framework, combined with structured tender documentation and external technical support, suggests alignment with EU best practices. This milestone can therefore be considered substantively achieved.

The public call was officially published on the Government website and received [extensive media coverage](#).

Government conclusions approving the tender documentation and authorizing the launch were publicly accessible. The relevant bylaws were published in the Official Gazette of Montenegro. [The tender documentation](#) established clear procedural rules and financial requirements, ensuring legal certainty and predictability for investors. Although the auction was later cancelled due to non-compliant bids, the transparency of the process itself, including publication, defined deadlines, and public announcement of the outcome, is verifiable.

The Ministry of Energy and Mining led the process with technical assistance from the EBRD. The legal and administrative system functioned in accordance with defined rules.

The policy domain covering **work-based learning (WBL) in higher education and career guidance and counselling** aims to strengthen students' employability, practical skills, and career readiness. These reforms are critical for aligning Montenegro's education system with labor market needs, supporting inclusive access to career guidance, and meeting EU education and skills policy requirements.

By the cut-off date, two reform steps were monitored. Progress varies, the Career Guidance and Counselling Strategy 2025–2030 has been adopted, preparatory work for the National Career Centre is underway, and operational measures such as training programs, curriculum integration, and development of a student career tracking platform are ongoing. In contrast, implementation of work-based learning in higher education has not yet produced verifiable evidence that the 20 percent student participation target, including gender balance, has been met, and no consolidated public reporting exists.

Key challenges include limited transparency and insufficient public verification mechanisms, particularly for WBL, and delays in fully operationalizing the National Career Centre. These factors constrain the ability to monitor achievement and could affect the effective implementation of related reform activities.

For the next semester, expected developments include further operationalisation of the National Career Centre, expansion of career guidance programs across education levels, and improvements in reporting and monitoring of WBL participation. Key risks remain the lack of publicly available verification data for WBL and potential delays in scaling up career guidance implementation.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Address labor market mismatches through lifelong learning and increase employability of graduates with work-based practical learning, including for jobs in green and digital economy			
3.1.1.3. Work based learning in higher education: 20% of total students (of which approx. 50% women) benefit from substantial work-based learning with employers during their respective education	Dec 2025	Currently under review	There is no publicly available verification that this step is implemented and full achievement of the reform target cannot be confirmed.
3.1.1.4. A new model for career guidance and counselling adopted within the Strategy on career guidance and counselling 2025-2030	Dec 2025	Currently under review	The Strategy on Career Guidance and Counselling 2025–2030 has been adopted, but preparatory work for the National Career Centre is underway.

**3.1.1.3. Work based learning in higher education: 20% of total students (of which approx. 50% women) benefit from substantial work-based learning with employers during their respective education.**

This reform step aims to strengthen the employability and practical skills of higher education students by ensuring that at least 20 percent of total students complete substantial work-based learning with employers during their studies, with approximately 50 percent of beneficiaries being women. The measure is aligned with Montenegro's 2025–2035 Education Reform Strategy and supports closer cooperation between higher education institutions and the labour market, in line with EU education and skills policy priorities.

By the cut-off date, there is no publicly available, verifiable evidence confirming that 20 percent of students have completed substantial **WBL placements**, nor that **female participation in completed WBL programmes** targets have been met. In addition, the absence of a centralised public reporting mechanism constrains transparency and monitoring. While the strategic and policy framework is established and implementation activities are ongoing, the absence of verifiable completion data, including gender-disaggregated figures, means that achievement of the quantitative target cannot be confirmed.

Although WBL is referenced in strategic documents and reform planning, monitoring outputs and performance indicators are not systematically disclosed in a unified and publicly accessible format. The lack of consolidated **public reporting** limits transparency and independent verification of progress toward the quantitative and gender-related targets. While policy development and pilot implementation are ongoing, public disclosure mechanisms remain underdeveloped.

In its S3 report, the Government states that a Coordination Group for monitoring cooperation between higher education institutions and employers has been established and that it has undertaken verification of agreements, oversight of practical training arrangements and preparation of an electronic monitoring system. However, a review of the Ministry's official website does not identify any publicly available decision establishing this body, information on its composition, minutes of meetings or reports on its activities.

The report provides detailed information on faculties that concluded cooperation agreements with employers and includes gender-disaggregated data on students who completed practical training in 2025. Based on available data, it was not possible to determine whether the reported 738 students of which 535 women, represent 20 percent of all enrolled higher education students in Montenegro. No reference is provided to the total student population for the reporting year, nor is there a consolidated public database enabling verifica-

tion of coverage. Consequently, while participation and gender-disaggregated figures are reported, the available evidence does not allow confirmation that the quantitative benchmark of 20 percent has been achieved. In accordance with the Ministry's response to the request for free access to information, it was clarified that the baseline is defined by the number of students enrolled in study programmes where practical training is planned and implemented. It was further stated that approximately 3,500 students participate in such practical training annually, and that this figure serves as the reference point for measuring this reform step. 738 is 21% of 3,500, which means first indicator is achieved, as well as the second was related to women participation. In this case, the wording of the measure appears imprecise, as it suggests reference to the total number of students (not total number of students who attend practical training per year). Furthermore, the use of an approximate figure (around 3,500 students per year) indicates the absence of a precise and systematically recorded dataset.

#### ***3.1.1.4. A new model for career guidance and counselling adopted within the Strategy on career guidance and counselling 2025-2030***

This reform step focuses on establishing a modern, inclusive, and sustainable model for career guidance and counselling in Montenegro, as formalized in the [Strategy on Career Guidance and Counselling 2025–2030](#) (adopted by the Government on July 31, 2025).

The **Career Guidance and Counselling Strategy 2025–2030**, establishes a comprehensive framework covering educational institutions and the labor market. The Strategy introduces mechanisms to support youth, unemployed persons, and vulnerable groups, and emphasizes inclusion, gender equality, digitalization, and alignment with the green transition.

**Transparency** was ensured throughout the drafting process. In January 2025, the Ministry of Education, Science and Innovation issued a public call inviting CSOs to propose representatives for participation in drafting. The draft Strategy underwent [a public consultation period](#) from late June to mid-July 2025, complemented by an open roundtable discussion, and lately published [the Report on consultations](#). A natural person and the Chamber of Commerce of Montenegro participated in the public consultation and five received suggestions were accepted. Additionally, beyond the public call for participation, regional initiatives and pilot projects, such as EmployVET workshops in October 2025 provided practical insights into integrating career guidance into education and labor systems. Feedback from these consultations informed the Strategy, This inclusive and proactive engagement effectively met the milestone's objective of **early and meaningful stakeholder participation**.

Preparatory work for the **National Career Centre** is underway. By December 2025, the Ministry of Education established the Directorate for Career Guidance and Counselling to coordinate activities between schools, the Employment Agency, employers, and other stakeholders. Key operational steps include training 30 trainers and 800 career counselors, integrating career guidance into the curriculum, developing a student career tracking platform, and adopting a competency framework and ethical code for practitioners. While functional coordination exists, the Centre is not yet fully operational.

The policy domain covers the governance and accountability of State-Owned Enterprises (SOEs), transparency in public procurement, and the regulation of state aid and competition. These reforms are critical domestically to strengthen public sector efficiency, ensure financial sustainability of SOEs, and increase transparency and integrity in procurement processes. They are also essential for EU integration, as they align Montenegro's legal and institutional frameworks with EU acquis, improve public financial management, and support compliance with EU state aid and competition rules.

By the reporting cut-off, four steps were due, including updates to SOE registers-corporate governance reforms, publication of inter-governmental agreements (IGAs) and third-country contracts, and adoption of key state aid and competition legislation. Implementation has progressed in part: publicly available registers of SOEs and municipal companies exist, including detailed financial performance indicators, but methodological clarity and update frequency remain uncertain. Drafts for a new Law on Management of SOEs and State Ownership Policy have been prepared, yet formal adoption by Parliament is pending.

In public procurement, CeJN now documents some key G2G projects and makes project documents available. The semi-annual report does not provide any concrete examples, limiting transparency. Regarding state aid and competition, the Law on State Aid Control has been adopted and entered into force, providing a legal basis for the Agency's operations, but the Law on Protection of Competition remains in draft form, and full operationalization of the Agency is pending. Public consultation processes have occurred but engagement has been minimal.

Major delays relate to the formal adoption of corporate governance and competition legislation, incomplete operationalization of the Agency for State Aid and Competition, and the absence of systematic reporting for IGAs and third-country contracts. These delays could hinder full compliance with EU requirements.

Looking ahead, expected developments include the submission of the SOE governance law to Parliament, full operationalization of the Agency for State Aid and Competition, adoption of the Law on Protection of Competition and the continued implementation of CeJN functionalities for G2G and third-country contracts. Key risks include legislative delays, insufficient stakeholder engagement.

Reforms Reform steps	Deadline (due in)	Implementation status	Reform Monitor findings
Reforming the governance of State-Owned Enterprises (SOEs). Improving the governance, efficiency, and accountability of State-Owned Enterprises (SOEs) to enhance their contribution to the economy			
1.1.1.1. Keeping a publicly available and up to date register of SOEs and companies with State's participation, including municipal companies. The register should be regularly updated with all relevant data on the financial performance of SOEs [liquidity, profitability, solvency], as well as the data on results of external audits	Dec-24	EC assessment: Achieved	Registers of state-owned and locally owned enterprises have been established and published online, but important methodological aspects remain unclear.
1.1.1.2. Corporate governance and accountability. Amend corporate law or adopt new law/bylaw to introduce new rules and criteria for the nomination and selection of board members of SOEs. The nominations are to be subject to an open, independent and merit-based selection process, while also increasing diversity and number of independent board members. Strengthen the governance, ownership function and oversight of SOEs by establishing the performance-based incentives to assess the efficiency of SOEs based on mandatory annual financial reports, which should be available in the register of SOEs	Jun-25	EC assessment: Not achieved	Drafts of the Law on the Management of State-Owned Enterprises and the State Ownership Policy have been prepared, but neither has been formally adopted. The legal and strategic framework is pending parliamentary approval.
Revising public procurement processes and State Aid policies. Enhancing transparency, efficiency, and integrity in the public procurement processes and State Aid.			
1.1.2.1. Inter-governmental agreements and third-country contracts. The level of transparency regarding all projects (completed, ongoing and future contracts) contracted under intergovernmental agreements is increased by introducing and making publicly available project-specific information in the e-procurement system	Dec 2024	EC assessment: Achieved	CeJN shows progress in documenting key G2G projects, with some project documents publicly available, but there is no dedicated module or formal instructions for systematic reporting of all inter-governmental and third-country contracts.
1.1.2.5. Adoption by Parliament of the new Law on Protection of Competition and the new Law on the control of State aid, ensuring full financial independence of the Agency for Protection of State Aid and Competition to enforce state aid control and competition rules	Dec 2025	Currently under review	The Law on State Aid Control has been adopted, and full operationalization of the Agency is still pending. The Law on Protection of Competition remains in draft form and has not yet been adopted.

**1.1.1.1. Keeping a publicly available and up to date register of SOEs and companies with State's participation, including municipal companies. The register should be regularly updated with all relevant data on the financial performance of SOEs (liquidity, profitability, solvency) as well as the data on results of external audits**

Register of Public Enterprises and Companies with Majority State Ownership and Register of Companies at the Local Level are published on the official website of the Ministry of Finance and can be publicly accessed and downloaded (Excel format) from the Government of Montenegro's portal.

Register of Public Enterprises and Companies with Majority State Ownership (50 companies included) contains information on all enterprises included in it. For each entity, it provides basic information about the company, as well as financial data and performance indicators. The financial section includes indicators of profitability, liquidity, and solvency.

Profitability indicators include Return on Assets (ROA), Return on Equity (ROE), and Cost Recovery. Liquidity indicators include the current ratio, quick ratio, days sales outstanding (DSO), and days payable outstanding (DPO). Solvency indicators include asset leverage, equity leverage, the debt-to-EBITDA ratio, interest coverage, cash interest coverage, and debt coverage. In addition, the register provides an overall risk assessment expressed as a weighted average, as well as the Z-score indicator. The register also includes the titles of internal corporate acts, as well as financial statements, income statements and balance sheets, presented by year and accompanied by graphical representations.

Register of Companies at the Local Level (124 companies) contains financial and organisational information for enterprises owned by municipalities. The dataset includes annual data for the period 2021–2023. For each enterprise, the register provides the number of employees (2021, 2022, 2023), total assets (2021, 2022, 2023), total equity (2021, 2022, 2023), total liabilities (2021, 2022, 2023), total revenues (2021, 2022, 2023), EBIT (2021, 2022, 2023), and net result (2021, 2022, 2023). It is not clear at what time interval the register is updated, i.e. how frequently the data in the register are refreshed. Publicly available documentation does not clearly specify the methodology for data collection, for monitoring the data, or the frequency with which the register is updated.

**1.1.1.2. Corporate governance and accountability. Amend corporate law or adopt new law/bylaw to introduce new rules and criteria for the nomination and selection of board members of SOEs. The nominations are to be subject to an open, independent and merit-based selection process, while also increasing diversity and number of independent board members. Strengthen the governance, ownership function and oversight of SOEs by establishing the performance-based incentives to assess the efficiency of SOEs based on mandatory annual financial reports, which should be available in the register of SOEs**

The Ministry of Finance has prepared drafts of both the Law on the Management of State-Owned Enterprises and the Policy on State Ownership. These documents introduce clear rules for the appointment and selection of members of supervisory, management, and boards of directors, including a minimum of one-third independent members, and establish procedures based on public competitions. The draft law also sets out letters of expectations and key performance indicators to monitor and assess SOE performance. A public consultation process was conducted in [October](#) and a round table was organized in [November 2025](#), and the [public consultation report has been published](#). As per the Government's report International partners, including the World Bank and IMF, reviewed the documents and confirmed their alignment with OECD principles of good corporate governance. The drafts are in the final stages of national-level review and will be submitted to the government and parliament for adoption, after which the government is expected to adopt a Corporate Governance Strategy for SOEs aimed at improving efficiency, accountability, and public value creation.

As of early 2026, neither the Law on the Management of State-Owned Enterprises nor the State Ownership Policy has been formally adopted in Montenegro. [The draft law has been approved by the government](#) and is pending consideration by Parliament, while the ownership policy remains in draft and has not yet been enacted.

**1.1.2.1. Inter-governmental agreements and third-country contracts. The level of transparency regarding all projects (completed, ongoing and future contracts) contracted under intergovernmental agreements is increased by introducing and making publicly available project-specific information in the e-procurement system**

Montenegro's e-procurement system (CeJN) is functional for general public procurement purposes, and the available data show that certain inter-governmental agreements (IGAs) and third-country projects are recorded in the system: The G2G project Construction of the priority section Smokovac-Uvač-Mateševo, for which attachments such as project documentation and the Law on the Ratification of the Agreement between the Government of Montenegro and China are available and The G2G cooperation agreement in infrastructure development between the Government of Montenegro and the Government of Hungary, with the ratifying law attached.

These examples indicate that a certain level of transparency exists for key G2G projects and that project-related documents are accessible in the system. However, there is no evidence that CeJN currently has a dedicated module systematically tracking and publishing all inter-governmental and third-country contracts as a separate category with comprehensive compliance indicators. No specific public instructions available and requiring all contracting authorities to publish these data, and the existing [semi-annual](#) report do not distinguish G2G and third-country projects with detailed transparency metrics. It states: "In June 2024, an improvement was made to the existing software solution, namely the electronic public procurement system, by introducing a new functionality that allows the publication of all inter-governmental agreements and third-country contracts concluded by contracting authorities in Montenegro. This function is available on the electronic public procurement system at: [CeJN](#)" The semi-annual report does not mention a single example of any inter-governmental agreement.

The existing data in CeJN demonstrate progress in documenting individual key G2G projects, but the goal of full transparency and systematic reporting for all inter-governmental and third-country contracts has not yet been achieved, and there is no evidence that contracting authorities have been formally instructed to report on these agreements.

### **1.1.2.5. Adoption by Parliament of the new Law on Protection of Competition and the new Law on the control of State aid, ensuring full financial independence of the Agency for Protection of State Aid and Competition to enforce state aid control and competition rules**

This reform step aims to strengthen Montenegro's regulatory framework by adopting a new Law on Protection of Competition and a new Law on State Aid Control, ensuring full financial independence of the Agency for Protection of State Aid and Competition, and enabling it to enforce state aid and competition rules effectively.

The Government prepared a draft [Competition Protection Law](#) and published it on 6 February 2025. As of the cut-off date, the draft has not yet been considered by the Parliament, and the law has therefore not been adopted. Progress exists at the drafting stage, but the milestone is not fully realized.

The Parliament of Montenegro adopted the [Law on State Aid Control](#) on 30 July 2025. The law was published in the Official Gazette and entered into force on 8 August 2025. Adoption and entry into force have been completed, fulfilling the legal basis for state aid control.

Both draft laws were published online, ensuring formal accessibility. [The State Aid Control law was accompanied by a public consultation report](#). While accessible, the transparency of the **consultation process** was limited, with no submissions received during the electronic-only consultation period. Therefore, accessibility exists, but meaningful transparency is only partially achieved.

A public consultation for the Law on State Aid Control ran from 19 July to 13 September 2025. However, the consultation allowed only electronic submission and did not attract any stakeholder feedback ([Page 19](#)). Engagement was thus minimal, and the milestone is partially achieved, as formal consultation occurred but did not ensure meaningful participation.

The Law on State Aid Control incorporates key EU instruments, including Council Regulation (EU) 2015/1589 and the Commission Notice on recovery of unlawful and incompatible state aid (2019/C 247/01). This demonstrates alignment with EU requirements for state aid control. Alignment with EU acquis for the Competition Protection Law cannot yet be assessed, as the draft has not been considered by Parliament.

The Agency for Protection of State Aid and Competition has not yet fully implemented the new legal framework, and the latest annual report covering the new law is not yet available. While the law provides a foundation for operational capacity, full enforcement and reporting remain pending.

