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Country update 2024

MONTENEGRO



Girls and adult women discussing around table on a workshop

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Flags of Montenegro and United Nations

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Introduction



This is the third update of the United Nation’s Common Country Analysis (CCA); the UN’s analysis of the development context.¹ The inaugural CCA outlined the development challenges to Montenegro achieving the Sustainable Development Goals. The two updates since have outlined the main changes to those challenges, including how the COVID-19 pandemic and the consequences of the war in Ukraine have affected Montenegro and its development trajectory. All three analyses have highlighted how Montenegro has been a frontrunner in the Western Balkans on many indicators, but progress lags in some key sectors where acceleration is needed to fulfil the promises of the 2030 Agenda for Sustainable Development.

This is a light-touch update since there have been no major negative shocks to Montenegro’s overall development trajectory. This update, like previous updates, summarises the main issues that have arisen in the past year and progress in the three strategic priority areas of the UN Cooperation Framework: Inclusive economic development and environmental sustainability; Human capital development, reducing vulnerability, and social inclusion and; Social cohesion, people-centred governance, rule of law, and human rights. The update also explores two other themes, the 2023 census and what the data mean for Montenegro’s development trajectory and the second “Europe Now” programme. The information contained within this document is current until 31st December 2024.

¹ The inaugural CCA was released in 2021, there have been CCA updates in 2022, and 2023.

This year’s CCA update includes a new common chapter for the Western Balkans region. This can be found at Annex A. It was developed in agreement with other UN Country Teams in the Western Balkans region. The common chapter explores certain factors that affect the region, namely the political economy, trade and investment, and transboundary issues.





Father with a daughter in the playground, both smiling

© UNICEF Montenegro / Duško Miljanić

Executive Summary



Since the inaugural CCA, a number of factors have had a tumultuous impact on the globe and efforts to achieve the SDGs. In Montenegro's case the consequences of the war in Ukraine have created social and economic headwinds. Montenegro has shown resilience to these challenges and continued to make progress on the SDGs, following the COVID-19 pandemic, which set back progress by several years.

The previous year has seen continued broad progress, with some areas lagging; a similar trajectory to that in 2023. Economic growth was 6.3 percent in 2023, although it is expected to moderate in 2024. This has had a positive impact on social and economic indicators, most notably poverty has continued its downward trend, and labour market indicators have hit historic positive highs and lows in the case of employment and unemployment, respectively.² However, while those elements get better, other areas either have shown little progress or have backtracked, such as gender income equality and educational outcomes.

Some prominent vulnerabilities and inequalities, and their drivers, remain. Gender equality, whilst improving in terms of labour force indicators, has shown little progress in others. Despite improving, female labour participation and employment data continue to lag male data.

² Monstat Labour Force Survey and Survey of Income and Living Conditions

The most glaring disparity appears to be in terms of gender income equality. Women on average earn less than their male counterparts in similar jobs, despite often being better qualified.

Further impacts of the COVID-19 pandemic became clearer. PISA scores for 2022 showed a substantial decline during the COVID-19 pandemic. A similar decline in PISA scores was tracked in OECD countries. Montenegro was starting from a lower base than OECD countries so while the decline was not greater in terms of a proportionate drop, it did drop to levels from prior to 2015, reflecting the lost progress due to COVID that will impact Montenegro's long-term potential.

The Government announced the second phase of the "Europe Now" programme. The programme has both social and economic consequences. It includes an increase of the minimum wage and a reduction in pensions and disability insurance contributions. The minimum wage increased for those employed with secondary education from €450 to €600, and for tertiary educated from €450 to €800. The programme resulted in increases in expected fiscal deficits as the lower contributions will need to be offset by higher tax revenues, which will likely come from VAT.

Montenegro has now closed 6 chapters of the EU Acquis Communautaire. Three chapters were closed in December 2024, following 7 years without closing a chapter. The closure of the chapters heightens expect-

tations that Montenegro will join the European Union at the beginning of 2028. Montenegro achieved a favourable IBAR assessment in June 2024. The favourable assessment of interim benchmarks on chapters 23 and 24 on judiciary and fundamental rights, and justice freedom and security were key steps in being able to close further chapters. There still remain 27 chapters to close by the end of 2026, if Montenegro is to join the EU at the beginning of 2028. Montenegro aims to close a further 8 by the end of 2025, with the remaining 19 by the end of 2026.

The census revealed the extent of Montenegro's demographic transition. There have been several notable findings. There has been a significant ageing of the population, especially in Northern municipalities. Northern municipalities have also experienced significant migration, both abroad and to Podgorica and coastal municipalities. Finally, the marginal increase in the size of the population has come from immigration, namely of Russian, Ukrainian and Turkish migrants, without which the population would have been lower than in 2011.

All these factors mean that despite progress, there are still numerous challenges to overcome, especially as Montenegro attempts to move into the last mile of its EU accession process, which has many complementarities with Agenda 2030.



A girl cuddles a donkey behind a fence at a donkey farm



A village with the mountains and forests in the background, North of Montenegro

Source: FREEPIK

Strategic priority 1: Inclusive economic development and environmental sustainability



Montenegro’s climate appears to be getting warmer year on year. The summer was drier and hotter than in 2023, when previous records were set. In July the average temperature exceeded the maximum recorded average in 8 out of 12, mostly Northern, municipalities, where data is available. Rainfall in the first 8 months has been around that of an average year. Resultingly there were wildfires during the summer, drier months. In the summer, Podgorica experienced temperatures exceeding 45 degrees Celsius. The winter was also warmer than average temperatures. In February 2024, the average temperature in seven (mainly coastal and central) municipalities exceeded the previous record. In September 2024, there were floods in Bosnia and Herzegovina and Montenegro. While the severity of the floods in Montenegro was not as high as in Bosnia and Herzegovina, there was still widespread damage done to infrastructure and disruption caused.³⁴

Air pollution is still causing serious health concerns. According to UNICEF’s Children’s Climate Risk Index⁵ from 2022, 99 percent of children in the Western Balkans are exposed to air pollution, which can cause severe health conditions, such as neurological disorders and be a contributing factors to higher mortality rates. Moreover, according to the Environmental Protection Agency’s data from 2023, the air quality in Montenegro

3 Montenegro Meteorological Institute
4 World Bank, July 2024, Western Balkans 6 Country Climate and Development report
5 UNICEF Children’s Climate Risk Index

is lowest in municipalities such as Bijelo Polje, Nikšić, Pljevlja (where the thermal power plant is located) and Podgorica. Due to factors such as a higher breathing rate, less developed lungs and lower resistance to harmful particles, children are at a much higher risk of illness. According to the European Environment Agency data, the mortality rate from fine-particle air pollution PM2.5 in Montenegro is one of the highest in Europe, where the premature death rate (174 deaths per 100,000 population) is more than three times the EU average.⁶

In September 2024, there were reported cases of Q fever in Montenegro in both livestock and humans. This highlighted Montenegro’s continued vulnerability to infectious diseases. Q fever is a bacterial infection that can be passed through the consumption of the infected animal’s milk. By the middle of September, around 66 cattle, that had tested positive, had been euthanised to prevent the further spread of the disease. The loss of livestock, estimated at approximately €625,000. The losses have particularly hit smallholder farmers who lack the assets to cope with economic shocks. In response, the Government announced a compensation scheme for affected farmers. The disease also spread to humans with 10 registered cases by the Institute for Public Health.⁷

6 Health at a Glance: Europe 2024, OECD
7 Institute for Public Health



The climatic conditions also impacted the reliance on the thermal power plant (TPP), although there was a lower reliance than in 2022. In 2023, there was still a reliance on the TPP for 39.1 percent of Montenegro's electricity with the other 60.9 percent coming mostly from hydroelectric power plants, with a small proportion from wind and solar. Montenegro also exported 866.5 GWh of electricity in 2023. In 2022, drier conditions led to an increased reliance on the TPP for around 60 percent of Montenegro's domestic electricity generation.⁸

Growth has moderated in 2024 after a strong post-COVID pandemic recovery. The World Bank is estimating that real economic growth will moderate to 3.4 percent in 2024 having been 6.3 percent in 2023. Growth moderated following a weaker tourism season with lower foreign tourist arrivals and overnight stays and no further influxes of Ukrainian, Russian and Turkish migrants. Consumption remains the main driving force behind growth. Total factor productivity growth is not really a factor driving these improving living standards, weakening the sustainability of economic growth.⁹

The growth has come alongside continued improvements in the labour market. Activity, employment, and unemployment rates all showed improvements, with employment and unemployment hitting record highs and lows, respectively, in 2024. This came after Montenegro

had hit record levels in 2023 for those indicators. The 2024 gains in employment appear to come across all economic sectors, but the continued growth of the information and communication technology (ICT), retail, and hospitality sectors was particularly important.¹⁰ Labour migration has also become important with the results of the census showing that there are several thousand Russian, Ukrainian, and Turkish migrants working in Montenegro. Key institutions still struggle to deal with this caseload. On top of the Russian, Ukrainian and Turkish migrants there is also still intra Western Balkans region labour mobility especially around the tourism season, when workers from across the Western Balkans take up seasonal employment related to the hospitality sector.

Data now show that despite 1,500 jobs being added to the public sector between 2022 and 2023, the private sector added over ten times that amount in the same period. This increased growth in the private sector has continued into 2024, while public sector employment has remained broadly constant; a further 5000 jobs have been added in the private sector in 2024. There has also been a 65 percent increase in the number of foreign-owned businesses, reflecting the influx of Turkish, Ukrainian and Russian migrants. The total number of foreign owned businesses was 14,673 in 2021 and 24,278 in 2023. The percentage of those working in the public sector compared to total employment fell from 23 percent to 21.7 percent despite it increasing in absolute terms between 2022 and 2023. One of the main drivers

⁸ Monstat, Energy Balance

⁹ World Bank, 2024, Fall Western Balkans Regular Economic Report: Retaining the Growth Momentum

¹⁰ Monstat, Labour Force Survey



Three women sitting around the table during local dialogue workshop

for the private sector jobs growth, besides the influx of foreign-owned businesses, has been the growth in the ICT sector in Montenegro since the beginning of 2022.¹¹

Sub-national economic inequality has narrowed. While income data is not available, labour force survey shows sustained improvement in employment, unemployed and activity data in the Northern region. Inequality remains, but the trend is convergence with the other regions as the pace of employment growth is higher in the Northern region than in the coastal and central regions which are already exceeding 50 percent employment rates.¹²

Despite some aspects of gender equality narrowing, research, released at the end of 2023, showed that Montenegro has the highest gender pay gap in the non-EU Western Balkans. The average gender pay gap in Montenegro was 21.6 percent in 2021, meaning that on average women earned 78.4 cents for every euro earned by men. The analysis also shows that the gender pay gap is higher for women at the top of the wage distribution and in several categories: prime-age workers, highly educated workers, foreign workers, and employees with fixed-term contracts. These wage differentials exist even though female employees in Montenegro have a higher educational attainment compared to male employees on average. This shows that the gender pay gap cannot

¹¹ Government of Montenegro, 2024, The number of employed in the public sector

¹² Monstat, Labour Force Survey

be explained by differences between men and women in terms of education, age, sector, occupation or other observable factors. Rather, it suggests that an important part of the gender pay gap is due to direct or indirect discrimination in pay.¹³

Inflationary pressures have eased in 2024 and wage growth has broadly outpaced inflation. Average inflation in 2022 was 13 percent, and 8.7 percent in 2023. In 2024, year on year inflation fell to 2.2 percent in August, reflecting the lowest inflation has been since April 2021. Since the end of 2021, the indexed price level has increased 25 percent by September 2024 (prior to the Europe Now 2 programme see Box 1). However, the index of nominal net wages during the same period has increased 60 percent reflecting how wage growth has outpaced the growth in prices. Both these dynamics have contributed to broader poverty reduction and narrowing inequality. However, the Government announced that in the new year electricity and water prices would increase which will increase domestic inflationary pressures and increase the cost of living for households.¹⁴

Montenegro continues to have a current account deficit although it narrowed as a percent of GDP compared to 2023. This continued a trend of recent years where Montenegro is reliant on goods imports,

¹³ ILO, 2023, The Gender Pay Gap in Montenegro <https://www.ilo.org/publications/gender-pay-gap-montenegro-statistical-update-and-policy-implications>

¹⁴ Monstat, inflation and wage data



most notably fuel and food imports. The current account deficit, and Montenegro's reliance on tourism receipts to offset it, means that Montenegro continues to be vulnerable to external economic shocks. While the current account deficit as a percent of GDP narrowed in 2023 on the back of a record tourism season and increased inward remittances, initial data from 2024 suggests that the summer tourism season has not met the same heights as that of 2023.¹⁵¹⁶

Real estate continues to be the main driving force behind foreign direct investment (FDI). In 2022, 39 percent of all FDI was in the form of real estate investment. In 2023, it was 54 percent. In the first 9 months of 2024, it was 49 percent. FDI is an important source of foreign income, needed to offset the current account deficit. The continued importance of real estate reflects how foreign investment is usually not in the form of foreign companies establishing a presence in Montenegro.¹⁷

The next phase of the Bar-Boljare Highway has been pushed to 2026. The construction of the next section of the highway, is intended to connect Podgorica with the Serbian Border. The first section of the highway, a 41km long dual carriageway from Smokovac to Matesevo, was opened in July 2022. There are a remaining 128km to be constructed to connect Belgrade with the Adriatic Coast in Bar.

¹⁵ Central Bank of Montenegro, Balance of Payments

¹⁶ Monstat, tourism data

¹⁷ Central Bank of Montenegro, Balance of Payments

What is driving or constraining progress?

Much of the economic vulnerability is still explained by the undiversified base of the economy, despite growth in sectors other than tourism. Montenegro's economic vulnerability is still manifested in internal and external imbalances; namely in persistent fiscal and current account deficits. Fiscal deficits and high debt to GDP limit Montenegro's ability to respond to economic shocks, whilst its reliance on fuel and food imports mean it still has a wide current account deficit. Much of this can be explained by Montenegro's focus on tourism as the driver of economic growth and the limited development of other sectors such as processing, agriculture and services. This, in turn, has other consequences such as limited creation of higher value jobs and limited private sector development.

Despite improvements in living standards, Montenegro's economy still struggles to accelerate them to the level of EU member states. Real economic growth rates expected to moderate to around 3 percent according to projections by the World Bank. The World Bank estimates that growth rates in excess of 5 percent are required to achieve convergence with EU standards. The growth rates struggle to hit the level required, due to the issues raised above, namely the undiversified base of production, but also other reasons. Firstly, the private sector has grown faster than the public sector, but there are still a substantial number of state-owned enterprises

that require reform. Secondly, Montenegro's small size and competitiveness limit its potential to develop new sectors, but also to compete with other markets. Finally, Montenegro's inflation is mostly influenced by global factors, meaning that increased global inflationary pressures impact heavily on Montenegrin consumers and create risks for poverty reduction or limit efforts to raise living standards.

One of the more complex elements for Montenegro's accession will be chapter 27 on environment. The need to phase out coal is but one of the environmental issues facing Montenegro. There are other environmental challenges that are driven somewhat by factors outside of Montenegro's control. Numerous parts of the country show high exposure to floods, earthquakes, and landslides. There is also growing evidence that Montenegro has been impacted by climate change. The rise in more volatile climatic conditions, one of the signs of climate change, is something broadly outside of Montenegro's control. However, there are internal issues that require attention such as environmental protections (such as the issue of Plav lake draining), waste management, and biodiversity.

“Europe Now 2” programme

In January 2022, Montenegro introduced the “Europe Now” programme (later called the minimum wage tax policy programme) to improve living standards. Its central policy tool was to increase the monthly minimum wage from €250 to €450 alongside other measures to offset increased costs to employers. These measures included:

1. The introduction of tax-free income (tax allowance) for gross wage up to 700 euro (the personal income tax rate reduced to 0 percent for the gross wage up to 700 euro);
2. The introduction of an increased personal income tax rate of 15 percent on the gross wage more than 1,000 euro;
3. The abolishment of the obligation to pay compulsory health insurance contributions (contribution rates charged both to the employee and employer were abolished).

The first “Europe Now” programme resulted in an adjustment in the burden of taxation. The abolition of health contributions cost about 4 percent of GDP in revenues, and Personal Income Tax (PIT) revenues fell by about 1 percent of GDP due to the increase of the tax-free allowance to 700 euros per



month. An increase in Corporate Income Tax revenue by 0.7 percent of GDP in 2023 coincided with the progressivity of CIT system coming into effect for 2023 partially offset these losses. However, the biggest contribution to the offsetting were reduced expenditures and VAT revenues from higher private consumption due to the 2022 reforms and the inflow of migrants. VAT revenues increased by up to 1.5 percent of GDP in 2023.¹⁸¹⁹

Analysis published by the Central Bank of Montenegro suggest that the inflationary impact of the first “Europe Now” programme is inconclusive. Analysts contest that the first “Europe Now” programme led to increased inflationary pressures due to increased household demand and consumption. However, with the increased inflationary pressures caused by the increase in commodity prices in the wake of the war in Ukraine, it was not possible to differentiate between what was driving inflation.²⁰

The minimum wage increase led to an increase in the average wage. A few months after the

¹⁸ Europe Now Programme 2021

¹⁹ IMF Article IV 2024

²⁰ Central Bank of Montenegro, 2023, Working paper no. 32 Diagnostic inflation analysis in Montenegro

launch, inflation accelerate to average 13 percent in 2022, caused by the consequences of the war in Ukraine. Following the war in Ukraine globally corporations increased prices in expectation of increased prices of oil, gas and commodities. However, their expectations exceeded reality meaning that profits pushed prices higher than other factors such as wages. The increase in wages more than offset the increased prices, meaning that poverty reduction and living standards continued their positive trajectories despite the increased inflationary pressures. In January 2024, the minimum pension increased to €450, which brought it into line with the minimum wage. The fact that real wages increased in the aftermath of the increased inflationary pressures also contributed to the reductions in poverty experienced in both 2022 and 2023 (see strategic priority 2), although the reductions would have been considerably more if inflation had remained at its baseline level.

In June 2024, the Government announced a second phase of the “Europe Now” programme again centred on increasing the minimum wage. The policy came into effect in October 2024. As part of the programme the Government reaffirmed its intentions for Montenegro to accede to the EU by 2028.

The measures included:

1. Increase of monthly minimum wage for secondary education from €450 to €600, for tertiary educated from €450 to €800. Estimated median monthly wage increase to €1,000 from €838 in June.
2. An increase in pensions of between 7 and 8 percent (equivalent to €50-€60) in the first quarter of 2025.
3. Decreasing pension fund contributions for the employer to zero, while contributions by employees will reduce from 15 percent to 10 percent. Despite the changes in contributions there will be no amendments to pensions calculations and pensions will be financed from the state budget.
4. The social policies were announced alongside several foreseen infrastructure projects including the construction of the next phases of the Bar-Boljare highway from Matesevo to Andrijevica and from Podgorica to Bar.²¹

One of the biggest questions surrounding the programme was how shifting from pension contributions to coming from the general budget would impact overall fiscal sustainability.

²¹ Europe Now 2, Movement for Europe Now, 2024

The Government released its Fiscal Strategy 2024-2027, which outlined its overall plan to fiscal policy. The reform reduces the labour tax wedge as the contributions for pension disability insurance at the expense of the employee and the employer are reduced from a total of 20.5 percent to 10 percent. The aim is to increase the net salary of employees, while at the same time lower the gross cost of salary fund payments for employers. Pension and disability insurance have been financed from contributions and other income, while any deficit to pay for pensions is paid from the state budget. However, due to significant growth in the collection of contributions, the share of transfers from the budget in the pension financing structure is constantly decreasing. In December 2023, Montenegro made the pensionable age for both sexes to 65 (it had previously been 61 for women and 66 for men).²²²³

The Fiscal Strategy 2024-2027 confirmed that the Government is relying on increased private consumption to offset the losses in pensions contributions. In the period from 2024-2027 the fiscal deficit is expected to expand from €223.3 million to €268.7 million, although in percent of GDP terms this remain constant from 3.1 percent of GDP in 2024 and 2027. However, the primary

²² Fiscal Strategy 2024-2027

²³ Decent Work Country Programme 2024-2027



fiscal deficit is set to reduce from €70.9 million to €48.1 million between 2024 to 2027, equivalent to 1.0 to 0.6 percent of GDP. Although both expenditures and revenues will increase, their percentage of GDP will decline. The expectation is that revenues from contributions will decrease from 2024, due to the removal of pensions contributions by employers. This will be offset by increased income from value added tax, the assumption being that greater disposable incomes will lead to increased private consumption.²⁴

The 2025 law on the budget broadly reflected the changes outlined in the Fiscal Strategy 2024-2027. The fiscal deficit is set to widen to 3.6 percent of GDP, as pensions contributions will fall. According to the budget contributions for pensions and disability insurance (PIO) are set to fall from €560 million in 2024 to €397 million in 2025. Despite the decrease in contributions for PIO the overall budget for social protection increased by €57 million, The decrease in expected contributions is expected to be offset by increase in VAT. The budget showed an increase in expenditures for multiple ministries, including in key sectors such as education and health insurance. The capital budget is expected to increase by 40 million to €280 million in 2025. However, the increase was broadly to meet higher current expenditures as

²⁴ Ibid

staff costs have increased under the “Europe Now 2” programme (with the increase in the minimum wage and increase in average wages).

The worsening fiscal balance will lead to increased debt making Montenegro more vulnerable to economic shocks and at a time when it is expected to make large repayments to its Eurobond. The World Bank and the Fiscal Strategy 2024-2027 estimate that Montenegro’s debt to GDP will grow with the Fiscal Strategy 2024-2027 suggesting it will rise above 65 percent in 2025 and beyond. Montenegro has three large repayments to make on its Eurobond in 2025, 2027, and 2029 of €500 million, €750 million, and €500 million. Additionally, Montenegro will need to get its debt to GDP to below 60 percent and maintain a fiscal deficit of 3 percent to meet the Maastricht criteria to formally join the Eurozone.²⁵ Moreover, the increasing debt to GDP and fiscal deficits exceeding 3 percent will leave Montenegro with little fiscal space, leaving it vulnerable to further economic shocks. However, there are no indications that the increased debt will be unsustainable.²⁶

²⁵ Montenegro has already euroized but would not be allowed to join the Eurozone and have the ECB set interest rates until these criteria are met.

²⁶ Fiscal Strategy 2024-2027



Female facilitator helping a boy participating in a local dialogue workshop

Strategic priority 2:

Human capital development, reducing vulnerability, and social inclusion



Montenegro showed a sharp decline in educational outcomes based on PISA scores based on OECD data released at the end of 2023. The data shows how during the COVID-19 pandemic educational outcomes declined in all three categories assessed; mathematics, reading, and science.²⁷ This meant that Montenegrin students lag the OECD PISA average performance by almost three academic years. This has also slowed Montenegro's convergence with EU member states in terms of educational outcomes.²⁸

The data broadly tracked that experience in OECD countries following the COVID-19 pandemic. Many countries showed a similar decline to that of Montenegro, reflecting that the loss in hours of schooling, distance learning and other factors played a major role in diminishing educational outcomes. However, Montenegro was starting from a lower base than OECD countries so while the decline was not greater in terms of a proportionate drop, it did drop to levels from prior to 2015, reflecting the lost progress due to COVID that will impact Montenegro's long-term potential. According to PISA 2022, the percentage of Montenegrin students not reaching basic literacy level in reading, science, and math equalled as many as 52.9, 54.9, and 59.5 percent, respectively.²⁹ Fourth-grade pupils from Montenegro, at the international Trends in International Mathematics

²⁷ OECD, 2023, PISA 2022 results, The state of learning and equity in education.

²⁸ Ibid.

²⁹ Ibid.

and Science Study (TIMSS test) for 2023 in mathematics and natural sciences, achieved 477 and 461 points, respectively, which is an improved result compared to the previous cycle of TIMSS 2019 (453 points in both mathematics and natural sciences), but is lower than the TIMSS average, which is 500 points. The percentages of pupils achieving the advanced level in mathematics and natural sciences were 2 percent and 1 percent, respectively, while 84 percent and 80 percent achieved the basic level in the respective subjects. However, 16 percent and 20 percent of pupils, respectively, did not achieve even the basic level in mathematics and natural sciences. Advantaged pupils significantly outperformed their disadvantaged peers.³⁰ On average across the region, the performance gap between advantaged and disadvantaged pupils was equivalent to more than three years of schooling in OECD member states. This inequality extends beyond academic performance: advantaged pupils report a greater sense of belonging in school and were more likely than their disadvantaged peers to report that they expect to complete tertiary education.

There are increasingly more children attending school, although vulnerable groups lag their peers. In 2024 there were around 120,000 children in the education system in Montenegro. The number of children enrolled in preschool education increased 3.4 percent, to 25,932 (12,366 girls and 13,566 boys) in 2024. For stateless or at-risk of statelessness Roma children, enrolment remains disproportionately low, especially in

³⁰ Education in Montenegro – OECD PISA



preschools, where barriers include financial constraints and inadequate targeted support. Despite progress in the last few years, the number of Roma and Egyptian children attending preschool education is still low compared to other groups; only 291 (155 boys, 136 girls). Primary school attendance is at 69,808 students; 33,665 girls and 36,143 boys out of which only 1,746 (880 boys, 866 girls) children are Roma and Egyptian, which is a 7 percent decrease in comparison to the previous (2023) school year. There was a decrease of 16 percent for Roma and Egyptian children in secondary school. Namely, only 177 children (104 boys, 88 girls) from Roma and Egyptian community attended secondary education.

Positive trends are evident for children with disabilities. In 2024, the percentage of children with disabilities attending preschool education increased by 27 percent and by 15 percent for those attending primary education in comparison to the previous school year. 26,714 (13,677 boys, 13,037 girls) children with disabilities attend secondary education. There has been little progress regarding the number of children with disabilities in secondary school with less than a 1 percent increase in attendance. However, only 322 (199 boys, 123 girls) children with disabilities attend secondary school. Almost 6 percent of children across all three levels of education receive material family allowance and almost 7 percent are foreign nationals.

The lack of legal status (statelessness) of some exacerbates exclusion, especially among Roma and

Egyptians. In Montenegro, in 2024 423 persons were at risk of statelessness, the majority belonging to Roma and Egyptian communities. Without legal status, they are at risk of being excluded from essential services such as social protection, healthcare, education, and employment. Montenegro has made significant strides in addressing statelessness through legislative and administrative reforms, including the introduction of a statelessness determination procedure (SDP) in 2018 and improvements in birth registration. However, challenges persist in effectively identifying stateless individuals, fully implementing birth registration procedures, and ensuring access to Montenegrin citizenship.

Roma and Egyptian communities at risk of statelessness still encounter legal and administrative barriers that limit their access to fundamental rights. While the SDP is a crucial mechanism, it requires further refinement to ensure unrestricted access and to prevent restrictive residency-based eligibility criteria. Additionally, gaps in digital infrastructure and the lack of state-funded legal aid for administrative procedures further hinder efforts to prevent and resolve statelessness.

At the primary and secondary levels, Roma and Egyptian children also face difficulties in accessing additional language support and tailored resources to bridge educational gaps.³¹ Addressing these gaps requires expanded capacities, sustainable funding, and tailored interventions for vulnerable groups, ensuring that

³¹ UNHCR, 2024, Desk review on access to rights – education.

education systems are inclusive and capable of meeting diverse needs. The legal status regularisation remains the key durable solution for this vulnerable population.

The rates of measles, mumps and rubella (MMR) vaccinations in preschool children remained low, leaving children more vulnerable to infection. In particular, coverage with the first dose of the MMR vaccine has been declining for more than a decade, with a slight increase in 2022 due to a government catch-up campaign. However, in 2023 the rates decreased again, to 24 percent vaccinated. Montenegro became the country with the lowest rate of coverage with the first dose of the vaccine in the world. Coverage with the third dose of the DTP vaccine slightly increased in 2023 as compared to 2022 and amounted to 81 percent. However subregional disparities are large. In 2023, Montenegro faced an outbreak of measles, with 27 cases and with an epidemic declared in three municipalities (Budva, Podgorica and Rožaje). Out of the 27 cases, 18 were among children aged up to 9 years of age.

Gaps remain in terms of hospital care for mothers and newborns. In February 2024, the Ministry of Health launched the third assessment of the quality of hospital care of mothers and newborns. The assessment noted several areas where Montenegro needs to improve care. There is an insufficient number of single-patient rooms dedicated to labour and delivery in most hospitals; the option of having an active birth is mostly not in place and outdated, while harmful practices persist. Prepared-

ness for obstetrical and neonatal emergencies, including neonatal resuscitation, is not sufficient to meet potential needs. The rate of caesarean section surgery is as high as 60 percent in some medical facilities. National guidelines and protocols are missing or require updating. Perinatal audits are not conducted. In addition, clinical record keeping is not sufficient for data to be systematically analysed and used to develop solutions/recommendations to improve the quality of care. The assessment highlighted that a “*substantial improvement in the dimensions of information, communication, counselling, respecting dignity, confidentiality and privacy, and avoidance of unnecessary or painful procedures*” is required. Restrictions in access and involvement in care of mothers and family members was noted in all hospitals. In some facilities, companionship in labour is not permitted and promoted; sick newborns are separated from mothers (in most maternity hospital and in neonatal intensive care unit). The separation of mother and babies can lead to low rates of early initiation of breastfeeding.³²

There are significant regional inequalities in the health workforce for maternal and child health (MCH), affecting the accessibility, availability and quality of services, especially in underserved areas. A comprehensive analysis conducted by UNICEF and the Montenegrin health authorities examined the available human resources in the primary healthcare system. There is a deficit of at least 24 patronage nurses (nurses

³² Ministry of Health and UNICEF, 2024, Assessment of the quality of healthcare for newborns and mothers



providing home-based care), stressing the need for an increase of almost a third to the currently available number of nurses, and 4 to 13 paediatric teams being needed to meet the national standards, suggesting a need for a 20 percent increase in existing capacities. Many paediatricians are at their patient registration quota limits, resulting in adult doctors treating more children, which can lead to a suboptimal quality of care at the primary level. An ageing workforce compounds the issue, with 11 percent of the 81 paediatricians at the primary healthcare level already over the retirement age. Currently, the system is relying on extending the retirement age of health workers, with a projected shortage of at least 20 paediatricians by 2028 if no new specialists are recruited.

The 2022 Montenegro Nutrition Survey (MONS) showed that more than 25 percent of non-pregnant women are anaemic, denoting a “moderate” public health problem, according to the WHO criteria. Nearly 60 percent of non-pregnant women are iron-deficient. The combined vitamin D deficiency and insufficiency affects 43 per cent of all women, with the highest prevalence found in breastfeeding women (58 percent). Anaemia is found in 13 percent of children aged 6–59 months, while more than 40 percent of children are iron-deficient. Conservative estimates of the Situation Analysis of Early Childhood Intervention (ECI) in Montenegro show that, between 10 percent (3,700) and 15 percent (5,550) of children from 0 to 6 years require ECI services annually, among which only every third to second child (from 31 percent to 46 percent) has been identified and served.

There is limited progress in social and child protection. The strategic framework is improved, as the Strategy for the Development of Social and Child Protection System 2025-2028 with the Action Plan for 2025 was adopted in December 2024. However, child, family and victim support services still struggle to meet demand. Regarding the deinstitutionalisation, the first national Strategy for Deinstitutionalisation 2025-2028 with the Action Plan for 2025 was adopted, however, insufficient progress has been made to continue the transition from institutional to community and family-based services. Centres for Social Work continue to lack adequate staffing, organisation and capacities. The Institute for Social and Child Protection does not have sufficient human capacities to ensure quality assurance and professional supervision. Montenegro will meet the benchmark for Chapter 23 (EU IBAR) once it, inter alia: implements a de-institutionalisation strategy for persons with disabilities, as well as a strong child protection system grounded in community-based care, with the best interest of the child as the guiding principle, including as regards children deprived of parental care or with disabilities.

Poverty, risk of poverty, and inequality have continued a downward trend. Montenegro is still one of the best performers in the non-EU Western Balkans region in terms of poverty.³³ It was estimated to be 8.1 percent in 2024, down from 8.8 percent in 2023. This is behind

³³ As measured by the World Bank’s upper middle income \$6.85 per day 2017 purchasing power parity

only Serbia in the non-EU Western Balkans region.³⁴ The reduction in poverty reflects the continuing increase in real wages as net nominal wages have risen 75.8 percent between December 2021 and October 2024, when the second phase of the “Europe Now” programme was launched. Inflationary pressures have also receded since their peak in 2022.

At risk of poverty has declined but at a slower rate than overall poverty. This reflects the difference in how the two indicators are measured and what they respectively represent, with risk of poverty a relative poverty measure rather than an absolute one. The latest data is also the first since the introduction of the universal child benefit and the increase in the minimum wage in 2022.³⁵ The at risk of poverty rate fell marginally by 0.2 percentage points in 2023 compared to 2022, from 20.3 to 20.1 percent. Based on the income data, the limited overall reduction in the at risk of poverty rate is most likely a result of the increase in the minimum wage which pushed up incomes, but also the 60 percent threshold against which it is assessed. However, there was a large drop in severe material and social deprivation, from 18 to 12.3 percent, which potentially reflects the impact of the increase in the minimum wage in reducing households’ economic vulnerability.³⁶

³⁴ Ibid (cite World Bank RER)

³⁵ Please note the reference period for income data is from 2022, whereas for material deprivation it is 2023.

³⁶ Monstat, Survey of Income and Living Conditions 2023

Child risk of poverty fell but at a slower rate than in the previous year. In 2023, it fell 1.1 percentage points compared to 2022, to 27.3 percent. In 2022, it had fallen 2.1 percentage points compared to 2021 (30.5 percent). It is still too early to gauge the impact of the universal child benefit which was first introduced in 2021 for parents of children up to 6 years old, but was made universal to all parents of children up to 18 years old in 2022. However, it should be mentioned that the at-risk-of-poverty rate for children fell below 30 percent for the first time in 2022 (28.4 percent), since its measurement started, and this reduction correlates with the quasi-universal child allowance introduction in the year before. When exploring household categories, households with the highest risk of poverty in the last three years, households with three or more children or single parent households, had seen an overall decrease in the at risk of poverty rate. The other factor which makes gauging the impact of the universal child benefit difficult, is the increase in the minimum wage, which occurred in the same year.³⁷

The sub-national composition of at risk of poverty also changed. The at risk of poverty rate fell in the Northern region, but rose in the Central and Coastal regions, which is the converse of what has typically occurred.³⁸ Historically, the rate of risk of poverty has been higher in Northern and rural areas and had not started converging until 2022. In 2023, the rate of risk of poverty in the Northern region converged faster than in 2022.

³⁷ Ibid

³⁸ Ibid



This is likely a reflection of the increase in the minimum wage which has increased the wages across the country, but disproportionately had a bigger impact in the Northern region where wages were lower compared to the other regions.³⁹

The Gini coefficient reduced showing that inequality has narrowed in Montenegro, although this is not the case for all groups. The Gini coefficient reduced to 29.4 in 2023, from 31.5 in 2022.⁴⁰ A smaller Gini coefficient signifies narrowing inequality. Montenegro's Gini coefficient is equal to that of Germany's in 2023. Other indicators show that inequality is narrowing in Montenegro. The ratio of income earned by the top 20 percent income earners was 5.1 times that earned by the bottom 20 percent. This is the lowest it has been since data started to be collected.^{41,42}

Youth unemployment still lags the national rate, but is also more seasonal. Youth unemployment and employment began to converge with the respective national rates following the COVID-19 pandemic. In 2024, youth employment and unemployment hit historic highs and lows of 50.3 and 18.6 percent, respectively, in the third quarter of 2024. However, the seasonality of youth employment, mainly centred around quarters two and three, suggests that youth employment depends more

on the summer tourism season. Employment appears to be much more seasonal for youth categories than other categories suggesting that youth are in short-term employment, less stable employment (see Annex B). NEET – not in employment, education or training – was 17.6 percent for 15-24, and 20.8 percent for 15-29 in 2023. This was a decrease from 2022, when it was 20 percent and 23.2 percent respectively.⁴³

Women still lag men in employment and participation in the economy. There has been no further update in Montenegro's gender equality or inequality indexes. However, one area where data and evidence show the gap between men and women is the labour force survey; while women are experiencing higher employment and lower unemployment, they are still not converging with men in terms of their respective employment and participation rates. Younger women, particularly those with only primary education, experience the highest unemployment rates, exacerbating their vulnerability to poverty and economic instability. Women's employment rate in the third quarter of 2024 was 52.7, while that for men was 62.3. Long-term unemployment continues its downward trend, hitting 8.2 percent in the second quarter of 2024 compared to 9.6 in the same quarter of 2023. Women are more likely to be in long-term unemployment than men and youth labour market indicators reflect the same gender disparities that the macro data does⁴⁴

Even within some groups there is a disparity of service delivery. Analysis conducted by UNHCR has highlighted gaps in access to education for Ukrainian refugees and stateless persons, many of whom are members of the Roma and Egyptian communities. The legal status regularisation of persons at risk of statelessness, which together with tailored support for Roma and Egyptian children, is critical to reducing vulnerabilities and promoting access to education and broader, social inclusion.

The integration of Ukrainian refugee children into Montenegro's education system presents some challenges.⁴⁵ The majority of Ukrainian children continue online education provided by Ukraine, with 365 Ukrainian refugee children enrolled in Montenegrin schools, despite primary education being available to them.⁴⁶ This lack of physical school attendance limits social interaction and peer integration, potentially affecting their mental well-being and language acquisition.

Accessing employment remains a critical challenge for refugees, asylum seekers, and stateless persons in Montenegro. While refugees and persons granted subsidiary protection can work without a permit, the absence of biometric identification for asylum seekers and limited recognition of foreign qualifications force many into jobs below their skill level.⁴⁷ Language barriers fur-

ther constrain opportunities, particularly for women and single mothers, who face additional challenges balancing work and caregiving responsibilities. Despite these obstacles, a significant portion of refugees and persons under temporary protection express interest in entrepreneurship but lack adequate support for business development.⁴⁸

Refugees and persons with subsidiary protection generally have access to benefits equivalent to those of Montenegrin citizens, though inconsistencies in implementation at the local level remain.⁴⁹ Montenegro's reception capacity is not sufficient to accommodate migrants, transiting through Montenegro, particularly in the Reception Centre in Božaj. Additionally, vulnerabilities among at-risk groups, including unaccompanied and separated children (UASC) and victims of trafficking, further exacerbate protection efforts. In 2024, 2,970 people initiated the asylum procedure, a 40 percent decrease compared to 2023. According to IOM Displacement Tracking Matrix reports⁵⁰, migration trends have shown an increase in the number of unaccompanied minors, while the overall migrant flow remains dynamic. The majority of migrants, predominantly from Egypt, Syria, and Afghanistan, transit through the country within a week, primarily entering from Albania and Serbia and exiting towards Bosnia and Herzegovina. Seasonal fluctuations have been observed, with peaks in

³⁹ Ibid

⁴⁰ Ibid

⁴¹ Ibid

⁴² Eurostat, Gini coefficient

⁴³ Monstat, Labour Force Survey

⁴⁴ Ibid

⁴⁵ UNHCR, 2024, Desk review on access to rights – education.

⁴⁶ There are 8,615 Ukrainian refugees under Temporary Protection in Montenegro.

⁴⁷ UNHCR, 2024, Desk review on access to rights – employment

⁴⁸ Ibid

⁴⁹ UNHCR, 2024, Desk review on social protection.

⁵⁰ <https://dtm.iom.int/montenegro>.



March and April due to shifts in migration control policies in neighbouring countries. While the overall number of asylum applications has declined, the number of individuals granted international protection has risen in the past three years, with Syrians and Pakistanis being the most common nationalities among applicants, while Russians filed the most formal asylum claims. Stateless persons and asylum seekers face severe limitations, with social assistance often inadequate to meet basic needs. Children in these groups, particularly those with disabilities or separated from parents, are at a higher risk of exclusion from essential social protection services. The lack of legal status remains the main challenge in fostering inclusion and access to social protection.

In 2023, Montenegro had one of the highest traffic-related fatality rates in the region. It significantly exceeded the rates of Slovenia, Serbia, Croatia, North Macedonia, and the EU average.⁵¹ In 2023, 78 individuals lost their lives in car accidents, reflecting a 41.7 percent increase compared to 2021⁵². While Montenegro recently adopted a new Strategy for Road Traffic Safety Improvement (2024-2030), the two-year delay in its adoption slowed progress.

⁵¹ https://cdn.who.int/media/docs/default-source/country-profiles/road-safety/road-safety-2023-mne.pdf?sfvrsn=8f28b97_3&download=true
<https://data.who.int/indicators/i/B9D9E6A/D6176E2>

⁵² Monstat- Annual statistics of transport storage and communication 2021; Annual statistics of transport storage and communications 2023

Despite a low HIV prevalence (0.1 percent in 2023), several groups remain at risk. These include men who have sex with men (MSM), people who use drugs (PUD), and sex workers (SW). While HIV prevalence among MSM is notably high (12.5 percent), rates among PUD (0.5 percent) and SW (0.9 percent) remain low.

The primary transmission mode (84 percent) is sexual contact, with MSM accounting for the majority of cases (56 percent). Risky behaviours like inconsistent condom use persist. Limited HIV testing rates (11/1,000 population) and legal barriers for NGO-led services exacerbate the challenge, with late-stage diagnosis common. Prevention and social support activities rely heavily on donor funding and non-governmental organisations, with no dedicated state budget for HIV programmes.

What is driving or constraining progress?

Inequality and vulnerabilities are persisting due to numerous connected and cross-cutting factors. One of the main factors is the unequal base of economic production and social assistance mechanisms which contribute to both gender and sub-national inequality, reflected in persistent disparities in terms of income and opportunity. However, persistent cultural and social norms can have a significant impact. And the capacity of institutions to be able to deliver key services such as education and health.

Even with the progress made on EU accession, Montenegro still lags the EU average on several key indicators. Montenegro has a human development index score classified as very high, and it is ranked higher than some EU member states. However, risk of poverty and child risk of poverty remain higher than the EU average. According to the EU-SILC 2023, 16.2 percent of people were at the at-risk of poverty in the EU compared to 20.1 percent in Montenegro. At-risk of poverty rate among children in the EU in 2023 was 24.8 percent compared to 27.3 percent in Montenegro. And other educational and health indicators lag those of EU member states. The PISA scores following the COVID-19 pandemic show how much convergence is still needed before Montenegro is on a par with the EU average in terms of living standards.



A female facilitator of the workshop showing an old car plate to the audience



A young woman taking a selfie, smiling, with the group of young people behind her

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Strategic priority 3: Social cohesion, people-centred governance, rule of law and human rights



The legal, strategic and institutional framework to protect and promote human rights was strengthened, though some key laws remained in draft and challenges remain in implementation of laws and strategies. A comprehensive media legislative package, including a new Media Law, a new Law on Audiovisual Media Services, and a new Law on the Public Broadcaster RTCG, came into force in June. It guarantees freedom of expression of the press, and prohibiting media from spreading, inciting or justifying violence, hatred or discrimination both online and offline, while enforcing transparency in media ownership and supporting self-regulatory mechanisms to enhance ethical and professional standards. The new anti-discrimination law was still in draft by end of year. The draft law on legal gender recognition on self-determination, foreseen for adoption by end 2024, was not tabled for discussion by Government. This was despite numerous organisations and individuals expressing support for the draft law, and of recommendations to adopt the legislation from various UN human rights mechanisms made in and before 2024. Requiring sterilisation for a person to change his or her gender marker, as is the practice in Montenegro, has been found to violate international and European human rights standards, and could even constitute torture.⁵³ A new five-year Strategy to Improve the Quality of Life of LGBTIQ persons was adopted in 2024, with a two-year action plan that included the adoption of the draft law. There was no progress in adopting amendments to by-

⁵³ See for instance: OHCHR, A/HRC/29/23, para. 79(i), CESCR, E/C.12/GC/22 (2016), para. 58 and IE SOGI, A/73/152 (2018).

laws needed to ensure adequate implementation the 2020 Law on Same Sex Partnerships. The government adopted a five-year Strategy on Minority Policy with a two-year action plan in July.

A UN supported evaluation of the implementation of the 2022-2027 Strategy on the Protection from Discrimination of Persons with Disabilities and the Promotion of Equality found there had been limited implementation of the 2022-2023 action plan. The evaluation noted the abolition of the relevant directorate in the Ministry, lack of a coordination mechanism to monitor the strategy’s implementation, frequent change of government, and the cyberattack in 2022 as obstacles to implementation. A new two-year action plan was designed under the leadership of the Directorate on the Rights of Persons with Disabilities in the Ministry of Human and Minority Rights which was re-established in early 2024.⁵⁴

By the end of 2024, a broad-based working group prepared a first draft of a new law on the Protector for Human Rights and Freedoms. The law should bring the now B-Status accredited institution in line with the UN’s Paris Principles relating to the status of national institutions, and strengthen the institution’s independence and effectiveness. The Independent Monitoring Mechanism (IMM) composed of the Protector and ten organisations of persons with disabilities, established in

⁵⁴ <https://www.gov.me/dokumenta/85c7306c-5dfc-4396-8f27-fdd4c4ceb264>



2023, published its first comprehensive report on findings from monitoring, including visits to seven municipalities, in mid-2024 and presented it to Parliament on the International Day of Persons with Disabilities. Based on identified gaps, the IMM made recommendations in a range of areas, including social and child protection, legal capacity, labour, health, education, participation and data.⁵⁵

There was progress on transitional justice though tangible results are yet to be achieved. The Supreme State Prosecutors office of Montenegro did sign an Agreement on Understanding and Cooperation regarding the support of witnesses, injured parties, and victims in criminal proceedings for war crimes with Bosnia and Herzegovina⁵⁶. Additionally, the same agreement was signed with Prosecutor's office for War Crimes in Serbia, in the beginning of December 2024.⁵⁷ Additionally, an amendment to the criminal procedure code allowing the use in Montenegro's court of evidence of war crimes obtained by international criminal tribunals came into force in June. The Supreme State Prosecutors Office adopted a new war crimes investigation strategy with a two-year action plan, also in June.⁵⁸ The strategy includes actions to review cases that had already been concluded legally, with the aim of identifying new defendants and facts,

and considering all forms of responsibility.⁵⁹ However, to date, no one has been prosecuted in Montenegro for command responsibility, while in previous cases, concerns have been expressed that legal errors were made in application of international humanitarian law.⁶⁰

There was good collaboration between the Office of The Prosecutor (OTP) of the International Residual Mechanism of Criminal Tribunals in The Hague and the Special State Prosecutor's Office (SSPO) in Montenegro in charge of war crimes. The OTP handed over evidence of war crimes and the two institutions established a joint task force to move forward the necessary investigations.⁶¹ Twelve new cases of war crimes were under investigation in 2024.⁶² Progress in ongoing cases appeared slow, with the only case on trial since 2022 pending conclusion by 2024. The defendant was released in October, after his preventive detention reached the legally prescribed maximum of three years. One new indictment was filed in June 2024. There was no progress in clarifying the whereabouts of 51 persons from Montenegro who went missing during the 1990s wars in the region. Civil society, partly with UN support, continued to lead efforts in providing legal support to victims and in memorialisation, including with youth.

⁵⁵ https://www.ombudsman.co.me/docs/1730899415_ombudsman%20izvjestaj11.pdf

⁵⁶ <https://sudovi.me/vrdt/sadrzaj/5MPM>

⁵⁷ <https://sudovi.me/vrdt/sadrzaj/6xoQ>

⁵⁸ <https://tuzilastvo.me/vrdt/sadrzaj/6QaL>

⁵⁹ <https://tuzilastvo.me/vrdt/sadrzaj/EDgp>

⁶⁰ See for instance, EC progress report, 2020.

⁶¹ <https://www.irmct.org/en/news/chief-prosecutor-serge-brammertz-meets-officials-montenegro>.

⁶² EU progress report, October 2024.

Montenegro voted in support of the May 2024 UN resolution to establish 11 July as the International Day of Reflection and Commemoration of the 1995 Genocide in Srebrenica. Leaders of two political parties, who deny the Srebrenica genocide and who criticised Montenegro's vote at the UN General Assembly, subsequently proposed a Parliamentary resolution condemning genocide against Serbs, Jews, Roma and other national groups, in Jasenovac (Croatia), Mauthausen (Austria) and Dachau (Germany) in World War II. While the opposition boycotted the vote, the resolution was adopted on 28 June. Croatia responded strongly, declaring the resolution's proponents and a Deputy Prime Minister who voted in favour, persona non-grata, in July, and blocking the closing of a fourth chapter of the EU acquis, 31 that deals with foreign, security and defence policy, in December. Members of civil society expressed criticism of the Jasenovac resolution, calling it unnecessary⁶³ and in an open letter to the Croatian public distanced themselves from the resolution.⁶⁴

The Committee on the Elimination of Discrimination Against Women (the CEDAW Committee) reviewed Montenegro in May and noted that a culture of gender inequality persists in Montenegrin society due to deep-rooted patriarchal attitudes and related gender roles and stereotypes. The Committee welcomed

⁶³ www.hraction.org/2024/12/10/international-human-rights-day-in-montenegro-2/?lang=en

⁶⁴ <https://n1info.hr/english/news/montenegrin-intellectuals-distance-themselves-from-jasenovac-resolution/>

the adoption of legislation and efforts to strengthen the institutional and policy framework on gender equality since the Committee's last review in 2017. The Committee highlighted the high incidence and acceptance of gender-based violence in Montenegro and the exposure to violence of rural women. It expressed concern about the continued practice of child marriage, particularly in Roma and Egyptian communities, and about lenient sentences for gender-based violence. The Committee found that women with disabilities face intersecting forms of discrimination in accessing justice, education, employment and health care. The Committee noted the absence of temporary special measures, except for electoral quotas – and even these are too low and not always adhered to – to ensure substantive equality of men and women in the country. The Committee made a range of recommendations including criminalisation of femicide, effective investigations and sanctioning of gender-based violence, ensuring parity between women and men in public and political life, and increase human and financial resources in the gender machinery.⁶⁵

In July 2024, the Ministry of Interior released an analysis that found a “growing trend of all forms of violence”. In 2024 alone, 370 cases of domestic violence were reported. While the overall number of actual cases of violence could be increasing, it is not possible to fully ascertain whether an increase in reporting means there is an actual rise in the number of cases in Montenegro.

⁶⁵ CEDAW/C/MNE/CO/3, Concluding observations on the third periodic report of Montenegro.



In the past, a high tolerance and acceptance of violence has been a key challenge; a higher number of reported cases may be a sign that the acceptance and tolerance of violence is diminishing, or that trust in police handling the cases is increasing.⁶⁶ To improve the state response to cases of violence, in October, the Supreme State Prosecutor issued binding guidelines for handling cases of domestic or family violence and the Strategy for the Prevention and Protection of Children from Violence 2025-2029 and Action Plan for 2025 were adopted in December 2024.⁶⁷ However, in 2024, Montenegro was the only Western Balkans country to experience a decline in its femicide rate from 2022 to 2023 (from 1.96 to 0.3 cases per 100,000 women). In contrast, Croatia, Albania, and North Macedonia all reported an increase in femicide cases over the same period.

Despite progress in victim identification and prosecution, Montenegro's institutions struggle to deal with the issue. In 2024, 28 victims were identified, a rise from 18 in 2023. While the number of identified victims has increased, particularly among women and children, local strategies rarely address trafficking directly, leaving municipalities dependent on national resources for identification, coordination, and victim support, but

these mechanisms are often insufficient.⁶⁸ Online recruitment is an emerging risk, requiring improved victim identification mechanisms. Detection of labour trafficking remains low; labour inspectors lack training and resources to identify trafficking indicators effectively and cooperation between labour inspectors and other sectors, particularly law enforcement, remains limited and inconsistent. Victim support struggles to meet demand, with only one NGO shelter available for 3 adult women and no specialized facilities for male victims.

Hate speech and divisive narratives continued. The CEDAW Committee noted the rise in hate speech, as well as gender-based violence, against women in politics and in public life in recent years. It called for the adoption by political parties of a code of conduct to promote gender equality, and for holding social media companies accountable for content produced by its users, which is discriminatory.⁶⁹

The European Commission also reported 'growing right-wing extremist content online, hate speech and disinformation, exacerbated by Russia's war of aggression in Ukraine and the war in Gaza'.⁷⁰ Hate speech continued to affect the LGBTI community, with the NGO LGBT Fo-

rum Progres filing more than 140 cases of hate speech, mainly occurring online, to the authorities in 2024, noting that in most cases, fines only are issued.⁷¹

The implementation of child-friendly proceedings in criminal court cases for children is uneven. There is limited specialisation of professionals working with juvenile delinquents, child victims and witnesses of crime, including providing a child friendly environment during proceedings. In addition, children's opinion and participation in civil and family law-related court and misdemeanour proceedings often not taken into consideration. To compound this, the amendments to the Law on the Treatment of Juveniles in Criminal Proceedings, which should guarantee better protection for children in criminal proceedings and define child as recommended by the CRC were pending adoption at the end of 2024. However, the amendments of the Law on Legal Aid were adopted in December 2024 providing for a greater scope of groups of children eligible to free legal aid regardless of their financial situation, including children who initiated a procedure for the protection of the child's rights in accordance with the provisions of the law governing family relations. The closing benchmarks for Chapter 23 (EU IBAR) called on Montenegro to "*step-up efforts to safeguard the human and social rights of the child, including by fully implementing European and international standards and recommendations, tackling violence against children and ensuring a strong child protection system is in place, grounded in community-based care*

and the best interest of the child as the guiding principle, including as regards children deprived of parental care, with disabilities or in contact with the law."

Montenegro closed three chapters of the EU Acquis Communautaire in December 2024. Montenegro achieved a favourable assessment in the EU IBAR, reflecting improvements in governance, which opened the possibility to close these chapters. The favourable assessment regarding the fulfilment of the interim benchmarks in Chapters 23 and 24, obtained in June 2024, resulted in Montenegro receiving final benchmarks for Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom, and Security). Montenegro received support from all EU member states, but also a message that "*the final stage of negotiations requires a steady focus and the same amount of commitment to reforms*".

The favourable assessment followed appointments of key positions in the judiciary and prosecution, the adoption of strategies (on judicial reform, anti-corruption and war crimes), and legislation and legal amendments (regarding the judiciary, media and anti-corruption).⁷² In December 2024 Montenegro closed chapters 7, 10, and 20, on Intellectual property law, Information society and media, and Enterprise and industrial policy, respectively. The Government of Montenegro's ambition is to close the remaining 26 by the end of 2026. This would enable Montenegro to join the EU at the start of 2028.

⁶⁶ Ministry of Internal Affairs, 2024, Sector analysis – domestic violence.

⁶⁷ https://tuzilastvo.me/static//vrtd/doc/UPUTSTVO_zapostupanje_drzavnih_tuzilastava_u_slucajevima_nasilja_u_porodici_ili_porodicnoj_zajednici.pdf

⁶⁸ International Organization for Migration (IOM) (2024). *Analysis of the capacity of the local response to human trafficking in Montenegro*. IOM, Montenegro.

⁶⁹ CEDAW/C/MNE/CO/3, Concluding observations on the third periodic report of Montenegro.

⁷⁰ EC progress report on Montenegro, 2024.

⁷¹ <https://lgbtprogres.me/publikacije/tragovima-mrznje/>.

⁷² EU Delegation, June 2024.



Political stability broadly held with no changes in Government following two votes of no confidence in 2022, and Presidential and early Parliamentary elections in 2023, though there were developments of concern.

There was a vote of no confidence in the mayor of Podgorica leading to early local elections in September 2024. The vote of no confidence came after the President left the ruling Movement for Europe Now to form his own political platform.

By end December, a new municipal Government was elected in Podgorica. The national Government was reconstructed in July 2024. There was no progress on electoral reform. Due to dissatisfaction by the political opposition over a decision by Parliament regarding the Constitutional Court (see below), the opposition by end of year boycotted the Parliamentary Committee supposed to deal with reform. Thus, there is no initiative to lower the threshold for Roma and Egyptians to ensure their representation in Parliament, like there is for other minorities. The boycott also impacted on the 2025 State Budget, which could not be adopted by end of year.

On 17 December, the Parliament adopted a decision resulting in the retirement of one Constitutional Court judge. This came despite strong opposition of several political parties, who claimed that legal procedures had not been followed and that the Constitution had been violated. The EU expressed concern about the decision to terminate the office of the judge, and called on all institutions to uphold to rule of law and respect

the Constitution.⁷³ The decision of Parliament resulted in a boycott by the opposition of aspects of the work of Parliament, including on electoral reform.

The efficiency and effectiveness of the judiciary has seemingly worsened and still lag EU standards.

This is typically manifested in the ability of the judiciary to deal with its caseload. The backlog of cases has risen, which has resulted in the prolonged detention of some prior to their trial. By the end of 2023, the number of cases older than 3 years increased by 20 percent. The average disposition time increased to 309 days (2022: 238 days) in 2023. The disposition time of Administrative Court cases further increased to 1,411 days (2022: 1,158). These increases reflect the struggles of the judiciary to effectively and efficiently administer cases. One of the driving forces for these struggles is simply an insufficient number of qualified professionals to fill key positions.⁷⁴

The Special Rapporteur on the independence of judges and lawyers presented the report on her September 2023 visit to Montenegro, to the Human Rights Council in June 2024. She noted considerable progress in reforming Montenegro's institutional and legislative framework, and significant advances in the fight against corruption and organized crime. The Special Rapporteur

⁷³ <https://en.vijesti.me/news-b/politika/737775/mercije-eu-is-worried-about-the-assembly%27s-decision-to-state-the-termination-of-djuranovic%27s-position>.

⁷⁴ Council of Europe, CEPEJ Montenegro report 2024

teur expressed concern about attacks by politicians on the judiciary, legal gaps to ensure the independence of the courts and autonomy of the prosecution, challenges in the functioning of both the Judicial and Prosecutorial Councils, inadequate working conditions for those in judicial functions, incidents of attacks on lawyers, and limited access to justice for members of discriminated groups including women, victims of gender-based violence and persons with disabilities.⁷⁵ She recommended the continuation of reform in an inclusive process. She called on politicians and State officials to refrain from making statements about the work of judges and prosecutors dealing with politically sensitive cases. She recommended improving the conditions of work in the judiciary, including remuneration, and specific legal measures to strengthen the independence of the Judiciary Council and the autonomy of the Prosecution Council. She noted vetting of judicial actors as a last resort, and only to be imposed if parliament and government – after an inclusive debate – find it necessary to combat systemic corruption and human rights violations.

There was limited progress in establishing accountability for alleged torture. The European Commission noted systemic shortcoming and delays in investigations and prosecution into violence by police and in prison.⁷⁶ There was no conclusion in three cases of alleged tor-

⁷⁵ A/HRC/56/62/Add.1: Visit to Montenegro - Report of the Special Rapporteur on the independence of judges and lawyers, Margaret Satterthwaite.

⁷⁶ EC progress report, 2024.

ture by police regarding which three Special Procedures of the UN Human Rights Council made inquiries with Government in 2020. Positively, the statute of limitations for torture was abolished through an amendment to the Criminal Code in June 2024, in line with a recommendation by the UN Committee Against Torture in 2022. However, the statute remains in force for ill-treatment and the definition of torture is still not aligned with the Convention Against Torture. In May 2024, the Ministry of Justice set up an Operational Team to monitor the implementation of the Government's action plan to implement CAT Committee's recommendation. Civil society criticised it for not including its representatives on the team.⁷⁷ The Supreme State Prosecutor issued a binding instruction in 2024 to prosecutors to ensure effective investigations into torture and the protection of victims.⁷⁸

While it appears that there has been a small improvement in the track record of the fight against corruption, there are signs that the expediency of dealing with cases is slow and there is evidence of the infiltration of corruption and organised criminality in State Structures. In 2023, the Agency for the Prevention of Corruption received an increase of 11.5 percent

⁷⁷ <https://www.hraction.org/2024/06/26/montenegro-can-not-join-the-european-union-without-effective-protection-against-torture-and-violence/?lang=en>, and https://www.hraction.org/wp-content/uploads/2024/06/Protestno-pismo_HRA-i-CZP.pdf

⁷⁸ <https://tuzilastvo.me/vrdt/sadrzaj/02Gq>



in income and assets declarations. The growth is due to an increased number of newly appointed public officials, as well as a higher number of declarations submitted on termination of office. There was also an increase in whistleblower reports. One hundred and ninety were received in 2023, 45 percent of which were made anonymously.⁷⁹ A new Law on the prevention of corruption was adopted in June 2024, after the adoption of a new five-year Strategy on anti-corruption in May. Nevertheless, the European Commission noted that measures to eliminate irregularities regarding asset declarations, whistleblowers and lobbying are not effective.

Also, it noted the absence of convictions of judges and prosecutors in criminal proceedings related to asset declaration. The OSCE noted that despite progress in recruiting key positions in judicial bodies, there is a lack of expediency in proceedings. Out of the 59 cases that the OSCE was monitoring, only two have been finalised. One resulted in an acquittal, while the other was finalised at the pre-trial stage as the indictment was not confirmed. Only eight cases were completed in the first instance trial. The final decisions that were taken contribute to a perception of impunity.^{80 81}

⁷⁹ European Commission, 2024, Montenegro progress report (also here, same wording for all footnotes when referring to EC PR) sorry didn't do it consistently myself)

⁸⁰ European Commission, 2024, Rule of Law Report: Country Chapter on the rule of law situation in Montenegro

⁸¹ OSCE, 2024, The Western Balkan Trial Monitoring Report

Journalists continue to be subject to threats and violence, although the severity of such cases reduced compared to the past. In April, the Supreme State Prosecutor instructed all state prosecutors' offices to intensify investigations into cases involving violence against journalists and attacks on media property, and to cooperate with victims.⁸² Full accountability for the murder of Dusko Jovanovic, the editor of the daily Dan in 2004, was yet to be established. Six defendants were indicted for the shooting of Vijesti journalist Olivera Lakic in 2018 with the trial expected to start in January 2025.⁸³ In November 2024, Ana Raičković from "*Pobjeda*" newspaper was physically assaulted. Two suspects were remanded in custody.⁸⁴ The prosecution of Boban Batričević for an article critical of church leaders, published in August 2023, ended in March. Civil society had expressed strong criticism of the charges and called for the withdrawal of the case.⁸⁵ In a letter to Government in March, four UN Special Rapporteurs expressed concern that the prosecution 'would have a chilling effect on freedom of opinion and expression in the country, especially on voices or opinions seen as critical'.⁸⁶

⁸² <https://tuzilastvo.me/vrdt/sadrzaj/xO4b>

⁸³ <https://libertaspress.me/single-news/3138?form=MG0AV3>

⁸⁴ <https://montenegro.un.org/en/283352-joint-statement-un-resident-coordinator-montenegro-and-unesco-regarding-attack-journalist>. See also Vijesti, November 12, 2024, Attack on Ana Raičković and her son: They insulted, pulled, hit and choked.

⁸⁵ <https://cgo-cce.org/en/2023/12/21/22-ngos-appeal-to-the-state-prosecutors-office-to-drop-the-misdemeanour-proceedings-against-historian-boban-batricevic/>

⁸⁶ <https://spcommreports.ohchr.org/TMResultsBase/DownloadPublicCommunicationFile?gld=28803>

Government responded to the Special Rapporteurs' letter in May that the charges had been withdrawn.⁸⁷ Civil society continued to conduct advocacy and participate in decision-making, though this participation was not always systematic. An idea of introducing a law on foreign agents, proposed by parties in the Parliamentary majority, did not get traction even within that same majority and was criticised by civil society and others alike. At the global level, UN and regional human rights experts warned against such the uptake of such laws globally, noting that these laws are restrictive of the freedom of association and threaten the existence of independent civil society.⁸⁸

What is driving or constraining progress?

Despite progress, which was noted in the positive IBAR assessment, the fulfilment of human rights is still being hindered by numerous factors. While the EU accession process and political stability has helped enable the processing of laws and strategies, in some areas, these are however yet to translate into concrete results. This is due to persistent cultural and social norms, frequent changes in the administration, politicisation of issues, political rather than merit-based appointments, weak or non-functioning mechanisms for systematic monitoring, inadequate allocation of resources, insuf-

⁸⁷ <https://spcommreports.ohchr.org/TMResultsBase/DownloadFile?gld=38408>

⁸⁸ <https://www.ohchr.org/sites/default/files/documents/issues/association/statements/2024-09-13-statement-sr-foaa.pdf>

ficient inter-institutional cooperation, and inadequate accountability. Politicisation has also contributed to low trust in institutions to uphold the rule of law.

2023 Census⁸⁹

In October 2023, Montenegro conducted its first census since 2011. The initial findings were made available in March 2024. Full findings were released on 15 October 2024, which show that the population was 623,633 in 2023, compared to 620,029 in 2011. This represents a 0.6 percent increase in the size of the population, equivalent to the population increasing by 0.05 percent each year.

The census highlights three trends, all of which present challenges for Montenegro. Firstly a depopulation of Northern and Central municipalities and urbanisation of Podgorica and the coastal region. Secondly, an ageing population, especially in the Northern and Central regions. And finally, what appears to be strong inward migration of Russian, Ukrainian and Turkish citizens coupled with an outward migration of young Montenegrin citizens.

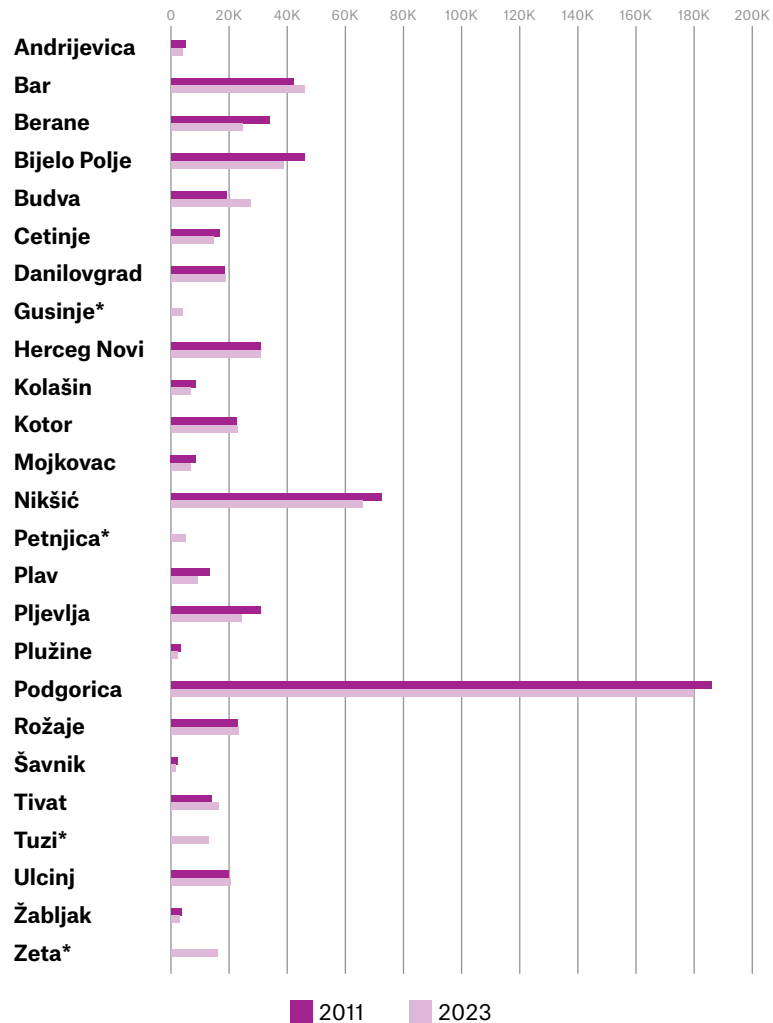
⁸⁹ All data withheld in this section are from Monstat Census data, unless otherwise stated



Table 1: Population by municipality

Municipality	2011	Percent	2023	Percent
Andrijevica	5,071	0.82	3,910	0.63
Bar	42,048	6.78	45,812	7.35
Berane	33,970	5.48	24,645	3.95
Bijelo Polje	46,051	7.43	38,662	6.20
Budva	19,218	3.10	27,445	4.40
Cetinje	16,657	2.69	14,494	2.32
Danilovgrad	18,472	2.98	18,617	2.99
Gusinje	-	-	3,933	0.63
Herceg Novi	30,864	4.98	30,824	4.94
Kolašin	8,380	1.35	6,700	1.07
Kotor	22,601	3.65	22,746	3.65
Mojkovac	8,622	1.39	6,728	1.08
Nikšić	72,443	11.68	65,705	10.54
Petnjica	-	-	4,957	0.79
Plav	13,108	2.11	9,050	1.45
Pljevlja	30,786	4.97	24,134	3.87
Plužine	3,246	0.52	2,177	0.35
Podgorica	185,937	29.99	179,505	28.78
Rožaje	22,964	3.70	23,184	3.72
Šavnik	2,070	0.33	1,569	0.25
Tivat	14,031	2.26	16,338	2.62
Tuzi	-	-	12,979	2.08
Ulcinj	19,921	3.21	20,507	3.29
Žabljak	3,569	0.58	2,941	0.47
Zeta	-	-	16,071	2.58
Total	620,029		623,633	

Figure A: Population by municipality



* Zeta and Tuzi were formed from Podgorica municipality, Gusinje from Plav municipality, and Petnjica from Berane municipality.

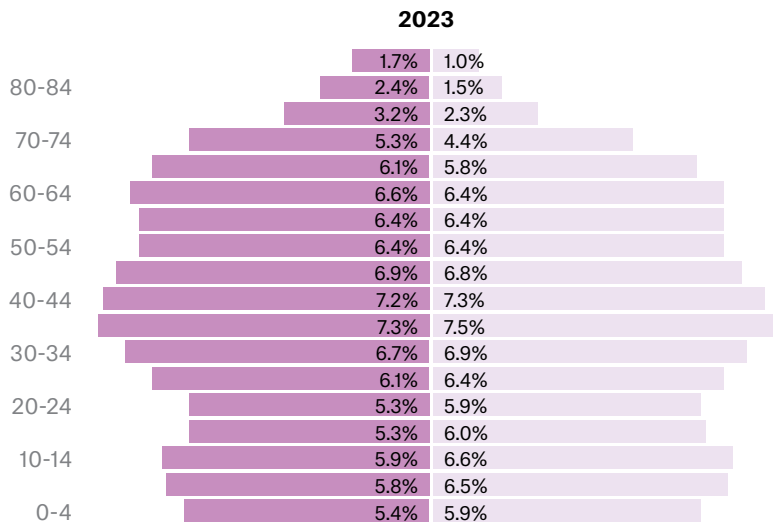
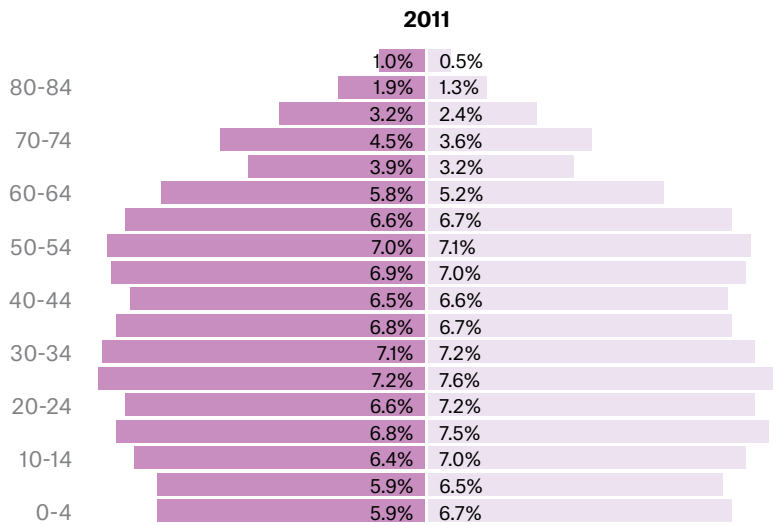
All Northern municipalities experienced declining populations, except for Rozaje, demonstrating a de-population of the Northern region.

Overall the population of all Northern municipalities decreased by 24,178, a 13.8 percent decline. Other municipalities in the central region, such as Cetinje and Niksic, also experienced declining populations. The population in the municipality of Podgorica, if including municipalities that were separated from it since the 2011 census, and the municipality of Danilovgrad expanded (although Danilovgrad’s population grew by only less than 200 people). Podgorica municipality (if including Tuzi and Zeta that were separated in 2018 and 2022, respectively) has seen the most substantial growth. Between 2011 and 2023 it grew by 22,618 or 12.1 percent. In the coastal region, all muni-

palities experienced an increase in population, except for Herceg Novi.

The scale of the population decline in some Northern and Central region municipalities has been quite severe.

Pluzine municipality experienced a population decrease of a third. Savnik municipality’s population fell by nearly a quarter (24.2 percent). Andrijevica municipality’s population declined 22.9 percent. There were similar large declines in other Northern municipalities, some whose populations only numbered a few thousand in 2011. This contrasts with Budva municipality in the Coastal region which experienced a 42.8 percent population increase. Its population increased more than any other municipality, by 8,227.



Figures B and C: Population pyramids



Montenegro is experiencing a rapidly ageing population. The population pyramids in figures B and C show how the structure of age groups has shifted between 2011 and 2023 with fewer younger people compared to older generations in 2023 than in 2011. In 2023 the structure has shifted towards more of the population being in age groups between 20 and 50, with the biggest increase coming from age groups between 35 and

44. But that there is increasingly a smaller proportion of the population within the age group 0-19. This suggests that fertility rates are not keeping pace with that during previous generations. Furthermore, 20.1 percent of the population in 2011 was between 0 and 19 years old and this fell to 17.6 percent in 2023, but it also fell in absolute terms from 162,844 to 147,694 respectively. In this age group, there are still 5,712 more male children than fe-

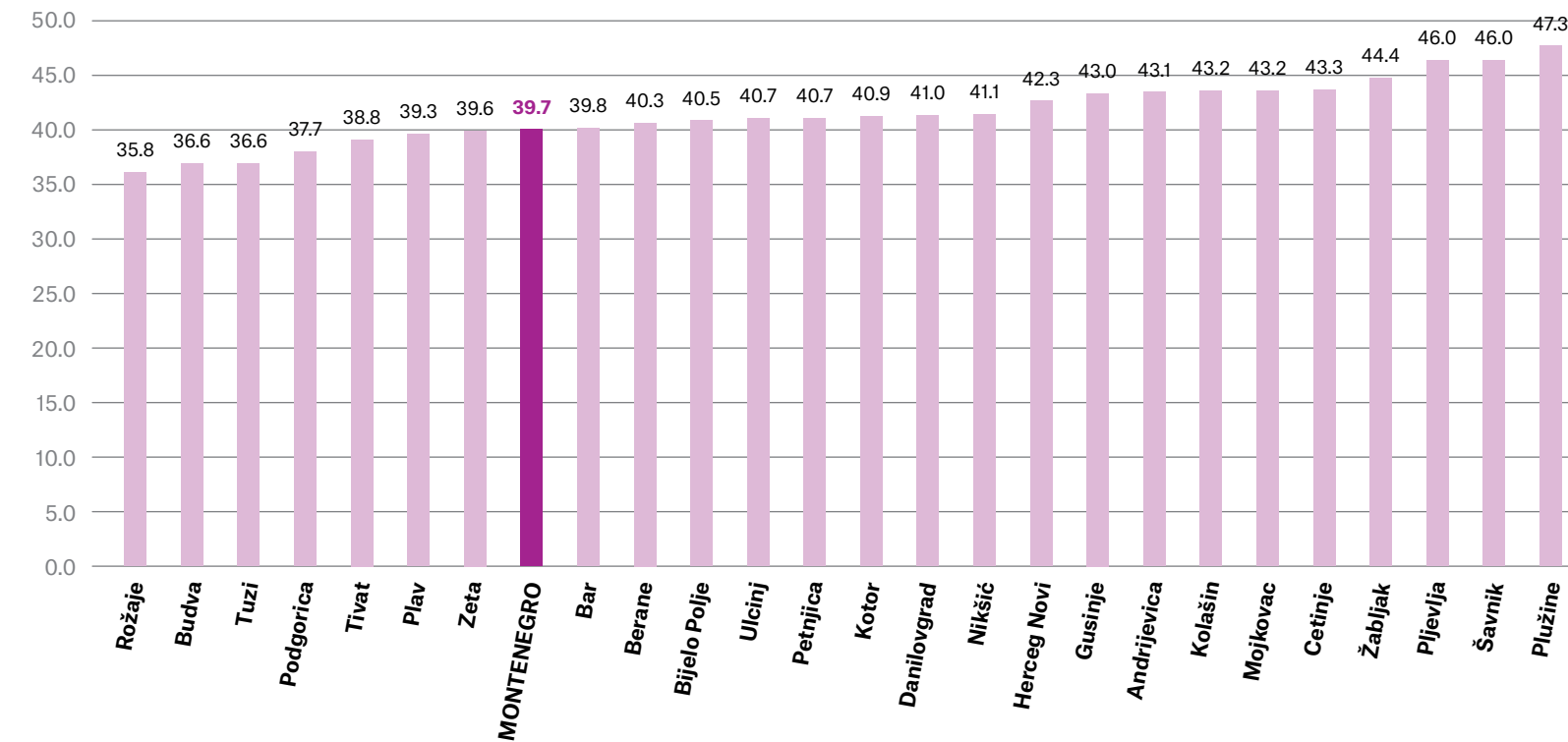
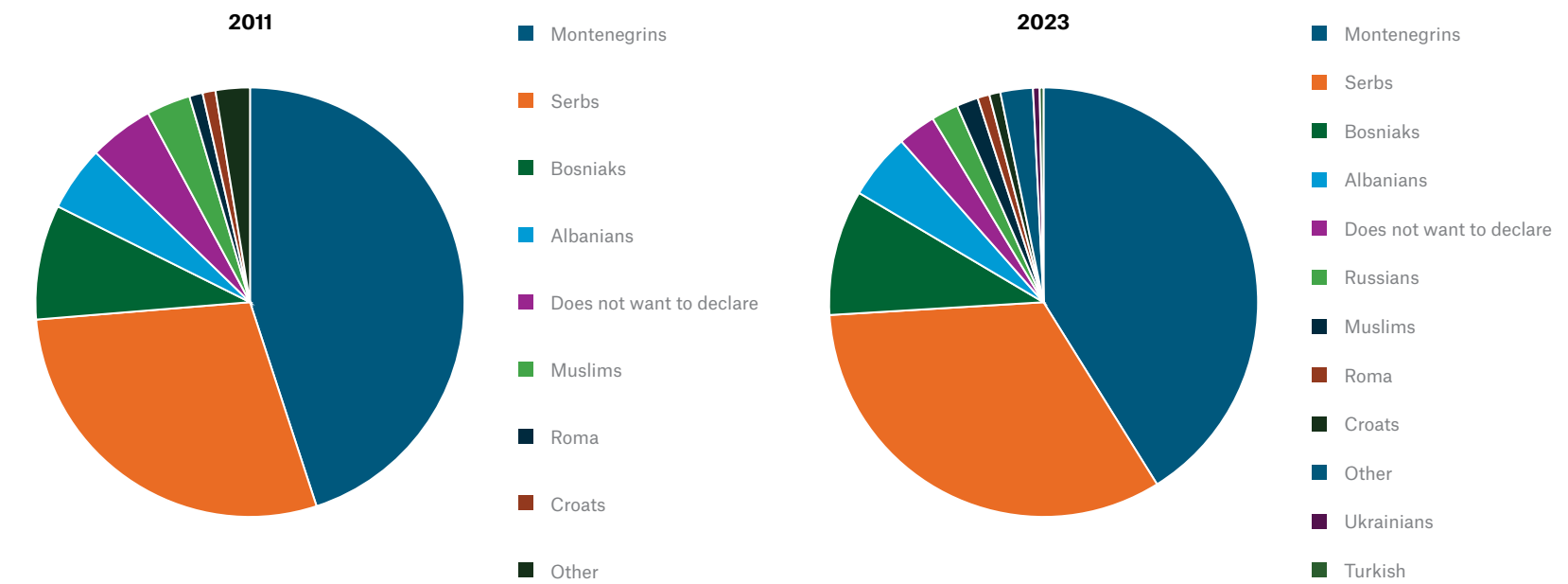


Figure D: Average age by municipality

male (7.4 percent difference for that age group), despite the population showing 49.2 percent being male overall and 50.8 female. This was 49.4 and 50.6 percent respectively in 2011.

The average age in Montenegro has increased since 2011. When looking at age groups by municipality it shows that the Northern region is not only experiencing population decline, but that young people are leaving the North with the average age increasing above 43 in all municipalities except Rozaje. This is despite 5,337 people from Rozaje living abroad and two thirds of those people



Figures E and F: Population by ethno-national group

being under the age of 40. This ageing in the various municipalities is in line with the experiences of other European countries where rural and more economically disadvantaged municipalities experience young people leaving in search of better economic opportunities. This demonstrates that Montenegro is continuing to the latter stages of its economic transition. An interesting element for the situation in the north is about marital status, where the top six municipalities as per the proportion of unmarried both male and female population of 15+. These data are to be interpreted only in the context of the higher probability of continuing the trend with ageing population and



lower fertility rates, if no significant measures to boost socio-economic situation in these municipalities are undertaken. The Northern region is also at the bottom of the list with regards to IT skills, which can be linked to higher average age, while almost the same distribution applies to the knowledge of foreign languages.

Without the influx of Russians, Ukrainians and Turkish nationals, Montenegro's population would have declined between 2011 and 2023. In fact, the largest proportionate increase in national or ethnic groups in Montenegro, come from Russians, Ukrainians and Turks. However, this may not be a true reflection of the total number of foreign nationals in Montenegro, since other estimates have these groups higher (even by 100 percent), and only foreign residents, who intend to stay for more than a year, were requested to participate. According to the Ministry of Internal Affairs data, as of 1 November 2024, 8,625 Ukrainians have applied for temporary protection, with 8,202 receiving this protection status, a higher figure than that those that declared themselves in the census.⁹⁰ The other notable changes were the reduction in the number of those declaring themselves as Montenegrin, and the increases in those declaring themselves as Serbs and Bosniaks.⁹¹ There was also a reduction in the number of people who did not want to declare their ethno-national group.

⁹⁰ Ministry of Internal Affairs

⁹¹ Looking at the population as a whole (in the population of those with Montenegrin citizenship, the percentage for Montenegrins is 44.57)

At the release of the census, Monstat also announced that an estimated 44,017 persons with Montenegrin citizenship are living abroad. This would bring the total population to 667,650 if those expatriates lived in Montenegro, equivalent to 6.6 percent of the total population. However, it shows a level of emigration, higher than typically found in EU countries. The largest outward migration occurred in 2023, where over almost 7,000 Montenegrin citizens moved abroad. This was more than double the rate at which they left in 2022. In the EU, the highest level of emigration per 1000 population, in 2022 was in Luxembourg at 22 per 1000, although the stock of emigration is notoriously hard to measure so there is likely some margin of error.⁹² Serbia is the most frequent choice for studying, while Germany, USA, and Luxembourg are selected for economic opportunities/family circumstances.

Emigration is disproportionately affecting the Northern region of Montenegro. The municipalities of the Northern region see the highest proportion of their populations either working or studying overseas. Petnjica has the highest percentage of its population emigrated, at 40 percent. Other Northern municipalities that have experienced higher rates of emigration are Gusinje (21 percent), Rozaje (19 percent), Plav (16 percent), and Bijelo Polje (14 percent). The Northern region has seen an increase in average ages suggesting that it is young persons that are leaving these municipalities in search of opportunities. The largest number of emigrants have

⁹² Eurostat, Migration and migrant population statistics, 2022

moved to Germany, followed by Serbia and then the USA. The majority of those who emigrated are male and of working age (between 20 and 50 years old). Overall around 21,000 of the 44,000 are working overseas and around 11,000 are with family.

Data on persons with disabilities was published⁹³. While it appears that the number of persons with disabilities fell from 11 percent in 2011 to 8 percent in 2023, more thorough analysis reveals that there could have been a misinterpretation of the disability related questions in the census questionnaire. For example, the highest percentage of persons with disabilities is in the elderly population groups (70 to 80+), and they mostly report difficulties in walking, seeing, hearing and taking care of themselves, which does not necessarily mean that they are persons with disabilities.

Adversely, the number of reported persons with disabilities in younger populations seems unrealistically low when compared to available administrative data from health, education and social protection sectors. To conclude, data on persons with disabilities must be cross-checked with other data bases. Establishing the register of persons with disabilities in the upcoming years is of crucial importance to obtain reliable data on this population for policy making.

⁹³ MONSTAT refers to it as population that faces difficulties in performing everyday functions, but this set of questions was based on the Washington group of questions on disability

Various factors are responsible for the demographic trends between 2011 and 2023. Some are highlighted in other parts of this CCA update, such as the uneven production base. This is a driving factor in why young Montenegrins are leaving the Northern region in search of education or economic opportunities elsewhere. The continuing demographic transition that Montenegro is going through, experienced by other upper-middle income and higher income countries, is partially driven by economic factors, such as the rising cost of living, but also declining fertility rates and longer life expectancies. This coupled with young people leaving the Northern region, is why the average ages of Northern municipalities are the highest in the country.

There are various implications from the findings of the census. The demographic transition, manifested in an ageing population coupled with low fertility rates, will put pressure on services and on pensions expenditures as there are more retirees and fewer working age people to pay taxes. Montenegro will find it increasingly harder to pay for pensions as, in the future, there will be fewer taxpayers compared to those claiming their pensions. Added to the complexity of supporting an ageing population, there is the issue of young people leaving Montenegro, but especially the Northern region. Important policy implication could also be linked with the increasing number of foreigners in Montenegro, looking at what influence this has on the local market competitiveness, service provision and how to consequently utilise this part of the population as important human capital, going forward.



Workshop participants around table discussing

© UNDP Montenegro / Marko Ilić

Strategic Considerations



In the autumn of 2024, the UN in Montenegro initiated a process with UN Results Groups to explore the key areas that require attention. There are important processes ongoing in Montenegro that support progress on the SDGs, namely the EU accession process. As highlighted above Montenegro remains the frontrunner in its progress to join the EU out of all accession candidates. Montenegro closed 3 in December 2024 and the remaining 27 chapters are to be closed by the end of 2026, which would enable them to join by the start of 2028. The European Commission has also launched major programmes such as the Growth Plan for the Western Balkans, to raise Montenegro’s living standards to the level of those in the EU. These processes offer opportunities to accelerate progress on the SDGs where the UN can leverage finance and policies that leave no one behind. Based on the analysis above in the CCA and the Results Groups discussions, there are several cross-cutting areas that could require further attention. These could potentially form the basis for joint programmes under the Montenegro SDG Acceleration Fund or through other ventures if funds become available:

1. Social protection reform. The Government has increased the budget for social protection by 57 million in 2025. However, there are some notable elements around this. Firstly, the pace of poverty reduction has not accelerated despite these increases, which suggests that the expenditures could be better targeted. Secondly, there are still groups that miss out on support due to exclusion and inclusion areas. Final-

ly, while the pace of poverty reduction has slowed, there are also certain groups where poverty and risk of poverty persist, which again suggests that expenditures could be better targeted.

- 2. Job creation, especially for women.** Despite the improvements in labour market indicators, those of women still lag male indicators. The EU has highlighted as part of its Western Balkans Growth Plan the importance of labour market participation for women. The research by the ILO has also suggested that while women are often better educated than their male counterparts, they do not receive equal pay in higher positions.
- 3. Just/green transition.** The continued reliance on the TPP in Pljevlja is a major issue for Montenegro, not just in terms of health and environment, but also politically as part of its aims to join the EU. However, there are further industrial questions, where Pljevlja is but one of the issues that faces Montenegro. The aluminium plant, KAP⁹⁴, has ceased activities. The land will need to be rehabilitated from the environmental damage and alternative employment will need to be found for affected workers. There has still been no solution to the Solana salt production plant, which has social, environmental and economic consequences, but to name two. There are other such examples where an old industry needs to be rehabilitated and economic, social and environmental solutions need to be found.

⁹⁴ This was highlighted in the 2023 CCA update

4. **One health.** The issues created by Q fever have highlighted the need to address both human health and veterinary vulnerabilities. Ensuring that Montenegro reduces its vulnerabilities to such zoonotic diseases is important to improving health and livelihood outcomes.
5. **Care reform.** Montenegro is facing an ageing population. While EU accession will likely bring economic and educational opportunities to young people, ensuring the elderly in rural and Northern municipalities have the social services they need will be essential to ensure no one is left behind.
6. **Addressing gender disparities and gender-based violence.** Gender inequalities are a persistent challenge in Montenegro as evidenced by the findings of the CEDAW, including persistent violence against women, including femicide and child marriage.



Three teenage girls with Down syndrome smiling



UN staff at the Montenegro Pride with sign “We stand up for LGBTI equality” on the back of their shirts

© UN Montenegro / Miloš Vujović

ANNEX A:

Western Balkans Common Chapter



The Common Chapter explores mutual processes and challenges that affect multiple countries simultaneously. This chapter outlines some of these common issues such as in terms of the political economy, demographic resilience, trade and investment, and transboundary issues. These issues are ones that either affect multiple countries simultaneously or have cross-border dynamics.

Political economy

EU accession process

European Union (EU) accession is a foreign policy priority for all Western Balkans countries/territories and shapes political and social economic developments in the region. All of the Western Balkans countries/territories are at different stages of their accession process. They have Stabilisation and Association Agreements with the EU, that aim at facilitating trade and accelerating harmonisation of the Western Balkans with EU policies. The Stabilisation and Association Agreements provide the overall framework for the relations of the EU with the Western Balkans. The EU accession process closely aligns with the achievement of the SDGs. Studies in Montenegro found that nearly two thirds of the SDGs can be accelerated through the EU accession process alone given the synergies and complementarities of the two agendas. The EU accession process also comes with various financial supports to accession countries/territories, which are outlined below. The EU has attempted to reinvigorate the accession process in recent

years after some countries saw progress slow. Montenegro has progressed the most with EU accession. It has opened all chapters of the EU Acquis Communautaire and provisionally closed six. Serbia has opened 22 out of 35 chapters, two of which are provisionally closed. In 2021 the enlargement methodology was revised for both Serbia and Montenegro emphasising fundamental reforms and political steer, while aligning the chapters under 6 clusters.⁹⁵ North Macedonia and Albania have both embarked on the screening process as part of their accession processes. Bosnia and Herzegovina (BiH) is a EU candidate since 2022, and the EU Council decided to open the accession negotiations in March 2024. Kosovo⁹⁶ is a potential candidate for EU accession and submitted its application for membership in December 2022. However, there are factors that some countries/territories need to consider as part of their accession process. such as alignment with the EU Foreign and Security Policy as well as normalisation of relations in the case of Belgrade and Pristina.

Berlin process

The Berlin Process, established in 2014, is a platform for high-level cooperation between the Western Balkans EU and UK. Germany initiated the process to improve regional cooperation on several areas. The Berlin Pro-

⁹⁵ 1) Fundamentals; 2) Internal market; 3) Competitiveness and inclusive growth; 4) Green agenda and sustainable connectivity; 5) Resources, agriculture, and cohesion; 6) External relations.

⁹⁶ All references to Kosovo should be understood in *the* context of United Nations Security Council Resolution 1244

cess has four declared objectives: the solution of open bilateral and internal problems of the Western Balkans states, reconciliation within and between societies in the region, the improvement of regional economic cooperation, and the creation of a basis for sustainable growth. EU membership is not the explicit objective of the process.

Common Regional Market

The Common Regional Market (CRM) is an initiative coming out of the Berlin Process and is a regionally owned framework based on EU rules and standards-with the objective to consolidate and enhance competitiveness and dismantle barriers along the lines of the EU's four freedoms (free movement of goods, services, capital, and people). It aims at serving as a catalyst for deeper regional economic integration and a stepping stone of the region towards the EU Single Market, in the framework of the Central European Free Trade Agreement (CEFTA). The Secretariat of the CRM is with the Regional Cooperation Council, also a product of the Berlin Process. The Common Regional Market (is the most ambitious regional integration effort to date in the Western Balkans. It aims to integrate the region's economies more closely with the EU through the free movement of goods, services, capital, and people. Key areas include regional trade, investment alignment with EU standards, digital integration, and industrial innovation. A notable achievement was the 2022 adoption of mobility agreements on qualifications and identity cards.

EU programmes in the Western Balkans

The EU is the largest donor to the Western Balkans. Since 2007, a total of €37.5 billion were allocated by EU to support reforms in six Western Balkans countries and Türkiye, through the Instrument for Pre-accession Assistance (IPA I 2007-2013 – €10.5 billion, IPA II 2014-2020 – €12.8 billion). IPA III 2021-2027 of €14.2 billion, focuses on accession reforms (Rule of Law, Good Governance and Acquis, Green agenda and sustainable connectivity, Competitiveness and inclusive growth, Territorial, and cross-border cooperation), with no country allocations. The attribution of funds is based on performance, relevance and maturity of the projects.

The Global Gateway refers to a European Commission strategy to boost smart investments in quality infrastructure, in line with the highest social and environmental standards, and in line with the EU's values and standards. In the Western Balkans, the Economic Investment Plan and the EU Growth Plan are the tools to implement the Global Gateway.

- The Economic and Investment Plan for the Western Balkans (EIP) is the long-term recovery plan of the region through 10 investment flagship areas including sustainable transport (with significant investments in improving rail and road transportation corridors), clean energy, environment and climate, digital future, human capital and private sector. Transport connectivity is a particular issue, highlighted by the countries of the region's historically low rankings in terms



of this category in the World Economic Forum Global Competitive Index⁹⁷. The EIP will be implemented through the Western Balkans Investment Framework (WBIF) which includes the Western Balkans Enterprise Development and Innovation Facility; and the Western Balkans Guarantee Facility. The EIP allocates up to €9 billion in EU funds (IPA), with the potential to mobilise up to €20 billion of investments through the Western Balkans Guarantee Facility.

- The EU Growth Plan for Western Balkans aims to double the size of Western Balkans economies within the next decade, incentivize the adoption and implementation of the EU acquis, and accelerate the accession process. It rests on four pillars: i) enhance integration with the EU single market; ii) boost economic integration within the Western Balkans Common Regional Market., iii) accelerate fundamental reforms, and iv) increase financial assistance for the region conditional on implementing reforms through a new financing instrument: the Reform and Growth Facility for the Western Balkans worth €6 billion.

The proposal for the new financing instrument was adopted by the Council of the EU and the European Parliament and countries are to submit Reform Agendas to the European Commission in August 2024, for which they will receive financial support. It is designed to include €3 billion through direct support to the national budgets of Western Balkans countries and at least €3

⁹⁷ World Economic Forum Global Competitive Index 2020

billion through WBIF investments. €2 billion of the funds will be provided as grants and €4 billion as favourable loans, all disbursed based on reform performance.⁹⁸

Demographic Resilience

The Western Balkans region is experiencing population decline and population ageing. This is attributable to a sustained decline in fertility levels, falling below replacement level, exacerbated by high rates of emigration. These demographic trends result in a shrinking economically active population needed to support a growing economically inactive population. This negatively impacts economic growth prospects and the sustainability of pensions, increases healthcare costs compounded by a smaller healthcare labour force. These trends also have negative implications for social spending, welfare investment, and affect virtually all development goals on the national and regional development agenda, including efforts to promote more inclusive economies. While there are no proven ways to increase fertility in a sustained manner, effective policies exist to help manage the impact of population decline. Investments in human capital through education and health, increasing the labour force by enhancing female labour market participation, easing the transition of young people into the labour market, raising the retirement age, and creating

⁹⁸ <https://www.consilium.europa.eu/en/press/press-releases/2022/05/25/western-balkans-and-turkey-joint-conclusions-of-the-economic-and-financial-dialogue-of-24-may-2022/>

a society that is attractive to live in, along with helping women realize their fertility aspirations, can help countries/territories better manage the demographic transition. The Gender Equality Index varies greatly between the Western Balkan countries.⁹⁹ All countries/territories have broadly experienced improvements in the Index between 2019 and 2021, although the scores still lag the EU-27 average.

Mixed Movement: Migration and Asylum Management

In recent years, the Western Balkans countries/territories have moved from being almost exclusively providers of the labour force to neighbouring EU member states and other more advanced economies, to being countries of transit migration and a key corridor for refugees and migrants heading to the EU, especially from the Middle East, Asia, Africa and Ukraine. The route remains the second most used to the EU¹⁰⁰. Refugees and migrants are often compelled to use services of smugglers, which often benefits organised criminal networks, and places refugees and migrants at high risk of exploitation, violence, and abuse. In response, the EU has invested in border management, capacities to manage migration in the region, cooperation on returns, and combatting traf-

⁹⁹ https://eige.europa.eu/sites/default/files/documents/20233289_PDF_MH0323262ENN_002.pdf
¹⁰⁰ In 2023, some 162,149 refugees and migrants were estimated to have arrived in the Western Balkans as a part of mixed movement. This is 17 percent lower compared to 2022 (196,100).

ficking.¹⁰¹ In 2023 approximately 1,280 asylum applications were lodged in the Western Balkans, 7 percent less compared to 2022 (1,383).

In recent years, the Western Balkans has experienced growing labour shortages due to demographic trends. There are still common challenges for the six Western Balkan economies, most notably related to emigration. Today, one-fifth of the Western Balkan population lives abroad.¹⁰² Emigrants within the 20–44 years of age cohort represent 50 percent of nationals leaving their country¹⁰³, with women now making up almost half of all emigrants. In recent years, many migrants have moved from the Western Balkans to EU countries..¹⁰⁴ As a result of educated emigrants leaving, the region loses 3 per cent of its GDP annually due to sunk costs in education.¹⁰⁵ There are numerous push and pull factors that drive emigration, including low-wage employment opportunities in the Western Balkans vs higher-paid employment op-

¹⁰¹ <https://www.consilium.europa.eu/en/policies/eu-migration-policy/western-balkans-route/>
¹⁰² RCC (2023) Annual Report 2022-2023 (1).pdf. According to this report 4.6 million Western Balkan nationals live abroad; 17.7 million remain in the region).
¹⁰³ ETF, 2021. How migration, human capital and the labour market interact in Albania
¹⁰⁴ In 2022 the EU issued 250,000 work permits to migrants from the Western Balkans . EUROSTAT database: First permits by reason, length of validity and citizenship, accessed May 16, 2023.
¹⁰⁵ ETF 2022. Use it or lose it! How do migration, human capital and the labour market interact in the Western Balkans?



portunities in the EU, job security and social security.¹⁰⁶ Within the region there is increasing legal migration as migrant workers from some Western Balkans countries will travel to coastal countries of the region during summer months to meet the demand for labour in the tourist industry. Plus, there are still unskilled migrants who travel to some EU countries for seasonal labour opportunities in the agriculture sector.¹⁰⁷

Trade and investment

There are initiatives in place to facilitate trade and decent work in the region. Alongside the Stabilisation and Association Agreements, the Central European Free Trade Agreement (CEFTA) is the first comprehensive regional agreement, signed at the end of 2006 by the Western Balkans and Moldova. Romania, Bulgaria and Croatia, although the latter three pulled out from the initial CEFTA upon their accession to the EU.

The initiative’s objective is to eliminate trade barriers between members and attract investment by harmonizing their regulatory frameworks with the EU and international standards, including on protection of intellectual property rights, competition rules and state aid.

¹⁰⁶ The future of work in the Western Balkans | ETF (europa.eu)
¹⁰⁷ OECD, 2022, Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits

Intra and Extra Western Balkans Trade Flows¹⁰⁸

The Western Balkans have experienced dynamic trade patterns over the past five years. Intra-Western Balkans trade increased from €2.2 billion in 2018 to €3.5 billion in 2022, representing 4.7 percent of total trade in 2018 and 6.3 percent in 2022. Over the same period, external Western Balkans trade was €45 billion (exports to EU: €18.2 billion, imports from EU: €20.5 billion) in 2018 and €52.5 billion in 2022. Intra-Western Balkans trade remains a small fraction of the region’s total trade. In contrast, intra-EU trade, which exceeded €3 trillion in 2022, forms a substantial part of the EU’s total trade - representing almost 20 percent of the total EU’s trade of €15.6 trillion, highlighting deeper economic integration.

Bilateral trade flows vary significantly between countries reflecting the structures of the Western Balkans economies and geopolitical realities, as shown in the table below. This is also reflected in the various trade balances of the Western Balkans economies. All are net importers

¹⁰⁸ Sources: European Commission. (2023). EU Trade Statistics. Link to report. This source provides data on extra-Western Balkans trade with the EU; World Bank. (2023). Western Balkans Regular Economic Report. Link to report. This source includes overall economic and trade data for the Western Balkans, including intra-regional trade figures; CEFTA Statistical Portal. This source provides specific data on intra-Western Balkans trade and trade facilitation efforts within the region; World Bank WITS Database: <https://wits.worldbank.org/Default.aspx>; This source provides specific data on all bilateral trade.



of goods, including Serbia which has the largest volume of goods exports at \$28.3 billion in 2022 (44.5 percent of GDP), compared to the lowest, Montenegro, which only had goods exports of \$0.8 billion (13 percent of GDP).

However, when including the export of services Montenegro's total exports as a percentage were 51 percent of GDP and Serbia's were 62.8 percent.

Country ¹⁰⁹	3 main goods export destinations	3 main goods import sources
ALBANIA	1. Italy (42 percent) 2. Serbia (11 percent) 3. Spain (6 percent)	1. Italy (24 percent) 2. Turkiye (11 percent) 3. China (8 percent)
BOSNIA AND HERZEGOVINA	1. Germany (15 percent) 2. Croatia (13 percent) 3. Serbia (13 percent)	1. Italy (12 percent) 2. Germany (12 percent) 3. Serbia (11 percent)
MONTENEGRO	1. Serbia (25 percent) 2. Switzerland (12 percent) 3. BiH (8 percent)	1. Serbia (20 percent) 2. China (10 percent) 3. Germany (9 percent)
NORTH MACEDONIA	1. Germany (47 percent) 2. Serbia (9 percent) 3. Bulgaria (5 percent)	1. United Kingdom (17 percent) 2. Serbia (8 percent) 3. Germany (7 percent)
SERBIA	1. Germany (13 percent) 2. Italy (9 percent) 3. BiH (7 percent)	1. Germany (13 percent) 2. China (12 percent) 3. Italy (8 percent)

¹⁰⁹ Bilateral data for Kosovo is not tracked by the World Bank WITS dataset.

Trade to countries outside the Western Balkans is much larger. The EU is the largest trading partner of the Western Balkans, with exports to the EU totalling €24.1 billion and imports at €28.4 billion in 2022. Other major trading partners include China and Turkiye.

Western Balkans investment

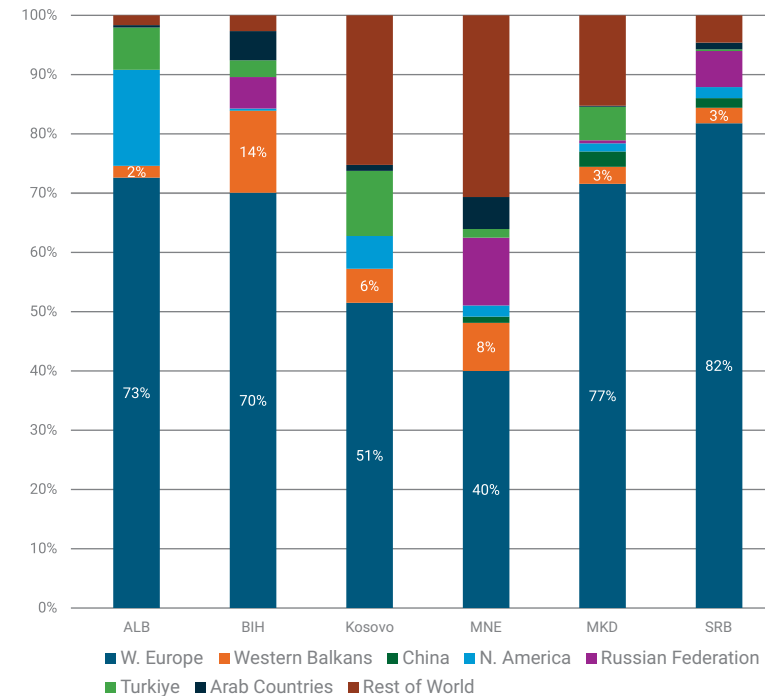
Attracting foreign direct investment (FDI) is a policy priority for the economies of the Western Balkans. Each economy has specialized state agencies, and provides benefit packages to foreign investors. Additionally, the recently established Western Balkans Enterprise Development & Innovation Facility (WB EDIF) opened a new channel for funnelling foreign venture capital into the region, by providing support to start ups, seed investments, blended finance and guarantees to SMEs in the Western Balkans in their early development stages.

FDI has grown at an annualized average rate of 10 percent during the last decade. FDI also proved resilient to the pandemic and to the consequences of the war in Ukraine. After a decline in 2020, total FDI inflows to the Western Balkans recovered to above 2019 levels in 2021 and reached a record high of 8.4 billion dollars in 2022, even as global FDI suffered a further setback.¹¹⁰

FDI inflows to Western Balkans economies averaged 6.1 percent of GDP. This is considerably higher than other countries in Central, East and South-East Europe where

¹¹⁰ UNCTAD, World Investment Report, 2023.

the average during the same period was 2.6 percent of GDP¹¹¹. There is a disparity between countries in terms of the share of FDI on GDP; a high of 11.8 percent in Montenegro, followed by 8.4 percent in Albania and 6 percent in Serbia, while it is much lower in Bosnia and Herzegovina at 2.4 percent.



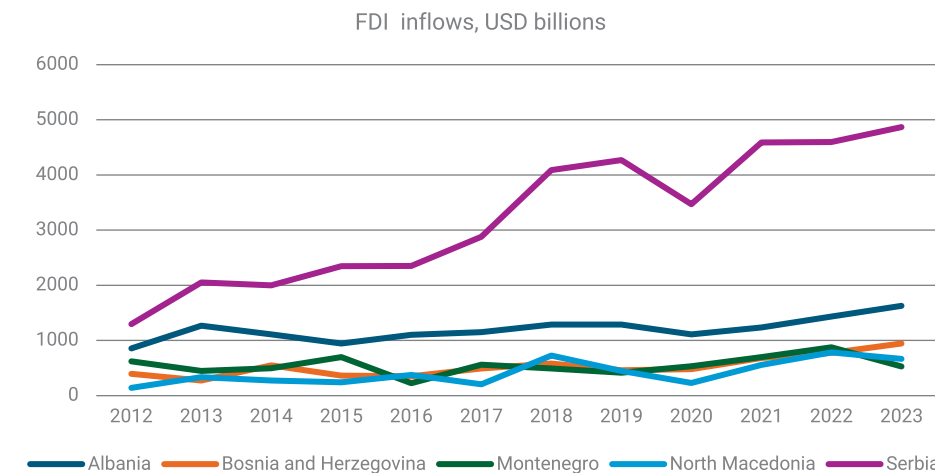
Figures G: Geographical breakdown, 2019, percent of total FDI

¹¹¹ The Vienna Institute for International Economic Studies (wiiw): Getting Stronger After COVID-19: Nearshoring Potential in the Western Balkans, 2021 and Eurostat Foreign direct investment flows, 2011-2022, percent of GDP.



Similar to the analysis of trade flows, the geographical composition of FDI inflows into the WB economies is also quite heterogeneous. For all WB economies, Western Europe – including the EU, EEA countries and the UK – is the main source of FDI. The share of other investment partners also ranges significantly. China's share is much larger in Serbia than in any of the other economies, as is Russia's share in Montenegro, and Türkiye's share in Albania and Kosovo.

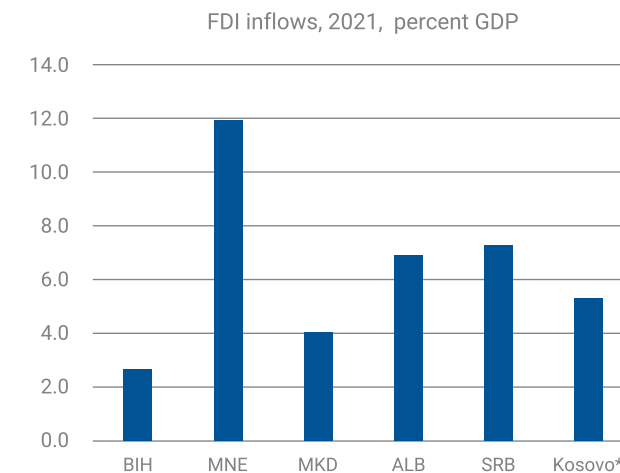
The share of intra-regional FDI on total FDI was 4 percent in 2019, highest in Bosnia and Herzegovina at 14 percent, followed by Montenegro with 8 percent and lowest for Albania, Macedonia and Kosovo. Overall, considering the size of the various economies, these shares are not modest in the context of the region.



Figures H: FDI inflows, USD billions

There are several barriers to trade and investment in the Western Balkans:

- **Non-Tariff Barriers:** Complex regulatory environments, differing standards, and cumbersome customs procedures impede trade flows.
- **Infrastructure Gaps:** Poor transport and logistics infrastructure increase costs and reduce the efficiency of cross-border trade and intra-regional investment.
- **Political Instability:** Historical tensions and ongoing political issues contribute to an uncertain business environment, deterring investment and trade.
- **Limited Economic Diversification:** The economies of the Western Balkans are relatively undiversified, relying heavily on a few key sectors, which limits the scope of intra-regional trade.



Figures I: FDI inflows, 2021, percent GDP

Environmental and transboundary issues

In the Western Balkans, there are still border disputes between the states that gained their independence after the breakup of Yugoslavia. Bosnia and Herzegovina has border disputes with neighbouring countries. Croatia and Montenegro have not resolved the Prevlaka Peninsula and the border issues between Croatia and Serbia are waiting to be resolved. Border disputes can be the root cause of transboundary issues over water, forestry, waste management, and air pollution.

Water Resources

Water resources in the Western Balkans support the economic development and environmental sustainability of the whole region. However, the Western Balkans is also a region exposed to a range of natural hazards, such as floods, landslides, and droughts.

These natural hazards are often cross-border in nature. Major river systems such as the Danube, Sava, Drin, and Vardar traverse multiple countries/territories, creating interdependencies and potential conflicts over water usage.

The water of the Drin River Basin, which traverses the borders of Albania, Montenegro, North Macedonia and Kosovo, is used for hydropower, irrigation, and drinking water. According to the Global Water Partnership, approximately 60 percent of the Drin Basin's water is used

for hydropower, highlighting the critical role of coordinated management in ensuring sustainable usage and energy production.¹¹²

The International Sava River Basin Commission has been established to foster transboundary cooperation for the Sava River, which flows through Slovenia, Croatia, Bosnia and Herzegovina, and Serbia. The commission focuses on integrated water management, flood prevention, and sustainable development. The Danube River, Europe's second-longest river, also illustrates the importance of regional collaboration, as it serves as a waterway for transportation, commerce, and ecosystem services across ten countries in Central and South-Eastern Europe, including Serbia and Bosnia and Herzegovina in the Western Balkans.

Forestry

Forests in the Western Balkans are another transboundary/regional resource, contributing to biodiversity conservation, climate regulation, and local economies. Forest fires also present a formidable natural hazard to the region with the summer months particularly prone and many forest areas cross the borders of the region. Forests cover approximately 38¹¹³ percent of the territory of the Western Balkans, providing essential ecosystems

¹¹² Global Water Partnership: Global Environment Facility <https://www.gwp.org/en/GWP-Mediterranean/WE-ACT/Programmes-per-theme/Transboundary-Water-Resources-Management/gef-drin-project/>

¹¹³ <https://forest-data.unece.org>

and livelihoods for rural communities. In Bosnia and Herzegovina, forests cover around 63 percent of the country's territory, making it one of the most forested countries in Europe. While Albania has the lowest forest cover at 29 percent of its total territory. Unregistered tree cutting and illegal logging still poses a significant threat. Cross-border forest areas, such as the Šar Mountains spanning Albania, North Macedonia, and Kosovo, experience unregistered tree cutting and illegal logging. As well as illegal logging, land-use change, demand for fuelwood and unregistered cutting still pose challenges. There are initiatives to combat these challenges, although these efforts are hindered by data gaps and uncoordinated actions on forest resources.

Waste Management

Waste management presents a challenge for the Western Balkans, with inadequate infrastructure and regulatory frameworks leading to environmental degradation and public health risks. Financial constraints and limited access to funding hinder the construction and maintenance of wastewater treatment plants. Transboundary waste issues arise when waste is improperly disposed of or transported across borders, causing pollution and health hazards in neighbouring countries. For instance, the Drina River, flowing between Bosnia and Herzegovina, Montenegro, and Serbia, often suffers from pollution due to illegal dumping and inadequate waste management practices upstream. This affects water quality and has a detrimental impact on ecosystems and communities downstream. The European Environment Agency

reports that only about 25 percent of municipal waste is recycled in the Western Balkans, compared to the EU average of 47 percent, highlighting the disparity in practices. E-waste collection only averages 27 percent, while the waste material's composition leads to challenges in its proper disposal.

Air Pollution

Air pollution remains a challenge in the Western Balkans. Emissions from one country often affecting air quality in neighbouring states. Industrial activities, transportation, and residential heating contribute to high levels of pollutants such as particulate matter, sulphur dioxide, and nitrogen oxides, which can travel long distances and impact public health and the environment¹¹⁴. Emissions from coal-fired power plants in Serbia, Bosnia and Herzegovina, North Macedonia Montenegro and Kosovo contribute to poor air quality in surrounding countries, exacerbating respiratory problems, and increasing healthcare costs. Air pollution is the single greatest environmental threat to human health in the region, with city dwellers breathing air with concentrations of pollutants up to five times higher than levels specified in national and European guidelines, with children most at risk to its effects and to life-long health consequences. A recent study analysing 19 cities across the region has

¹¹⁴ According to the World Health Organization, cities in the Western Balkans, such as Sarajevo, Belgrade, and Skopje, frequently exceed recommended air quality levels, with particulate matter concentrations often two to three times higher than the safe limits.

shown that air pollution causes between 15-19 percent of total mortality and reduces life expectancy by 1.1-1.3 years. The region's topography, characterized by mountain ranges and valleys, can also trap pollutants, leading to prolonged exposure, heightening health risks.

Conclusions

There are many common issues that affect the Western Balkans outlined in this chapter. These issues have various implications. In terms of EU accession, in recent years the EU has attempted to reinvigorate and accelerate accession of the Western Balkans. With the strong correlation between EU accession and the achievement of the SDGs, the imperative will be to support reforms and legal frameworks that accelerate progress. Trade and investment are important economic factors in the Western Balkans development, but there are some significant barriers to be overcome. This will require a multi-dimensional response to address trade facilitation, infrastructure, diversification and economic management. Finally, transboundary issues have resulted in exacerbating environmental indicators often with the root causes in border disputes or cross-border governance. These cross-border issues will require improved cross-border governance and agreements to respond to the challenges faced, which may necessitate regional responses.



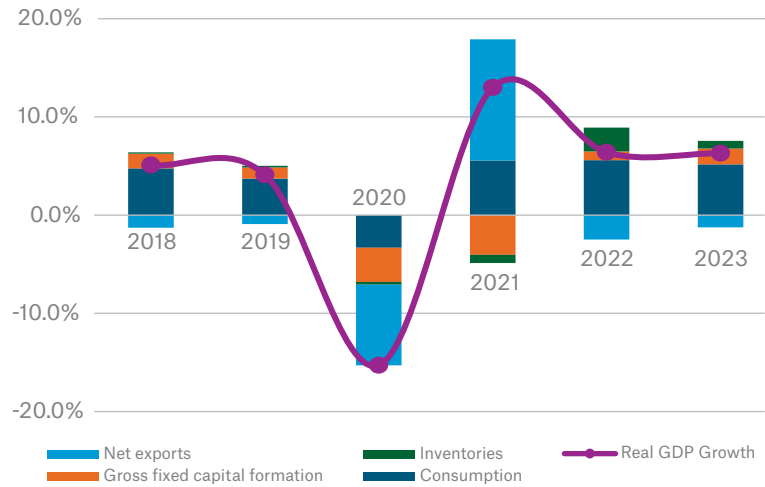
A teenage girl holding a pen and smiling to teenage boy during a local dialogue workshop

© UNDP Montenegro / Radonja Sredanović

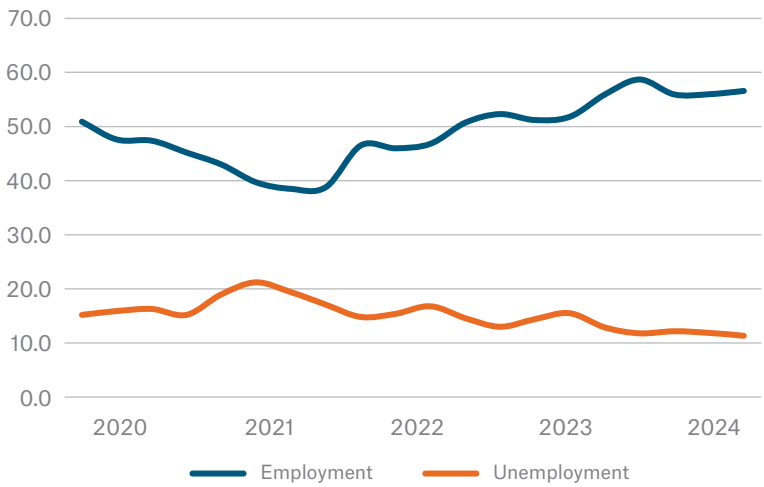
ANNEX B: Data charts



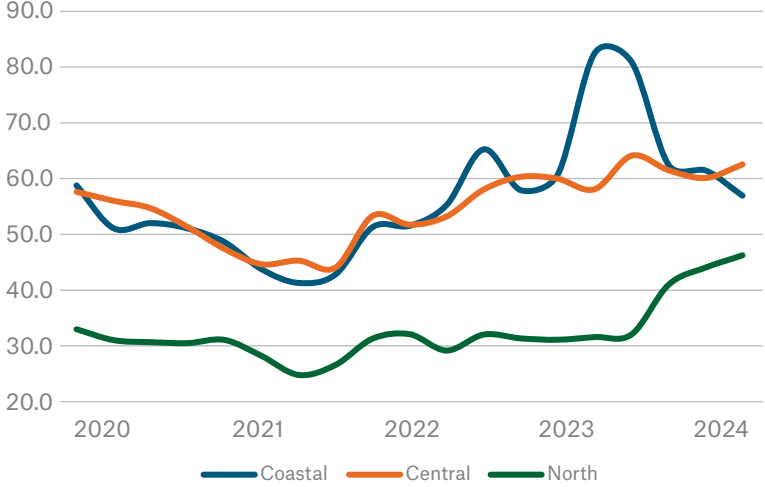
Drivers of growth



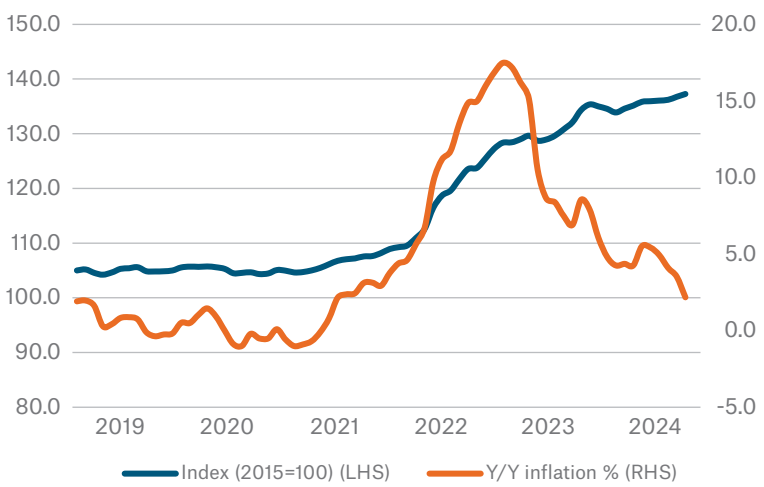
Unemployment and employment



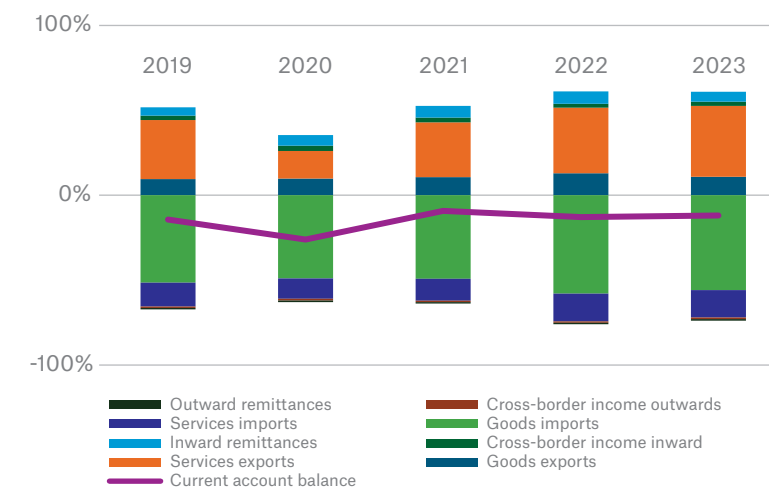
Sub-national employment rate



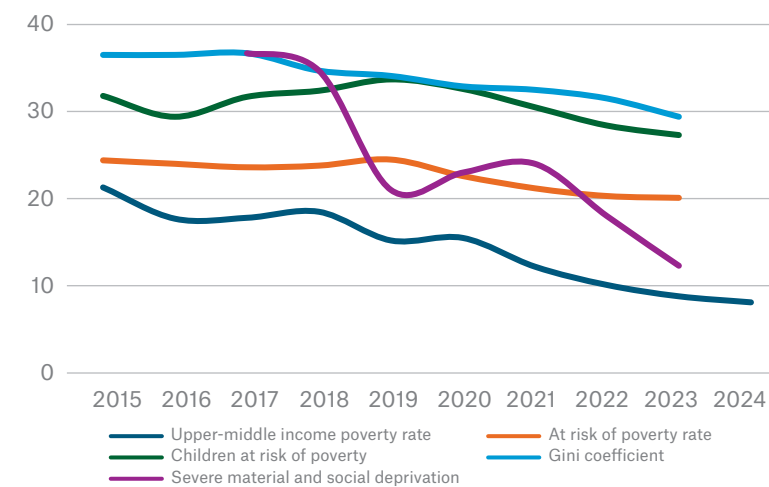
CPI



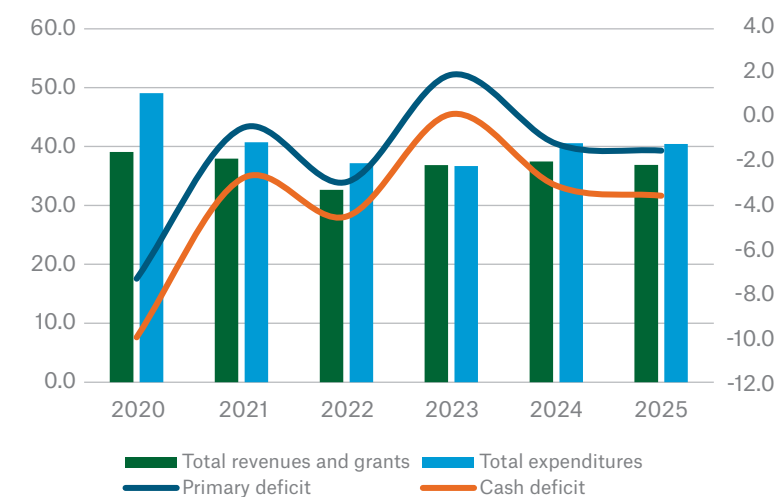
Current account



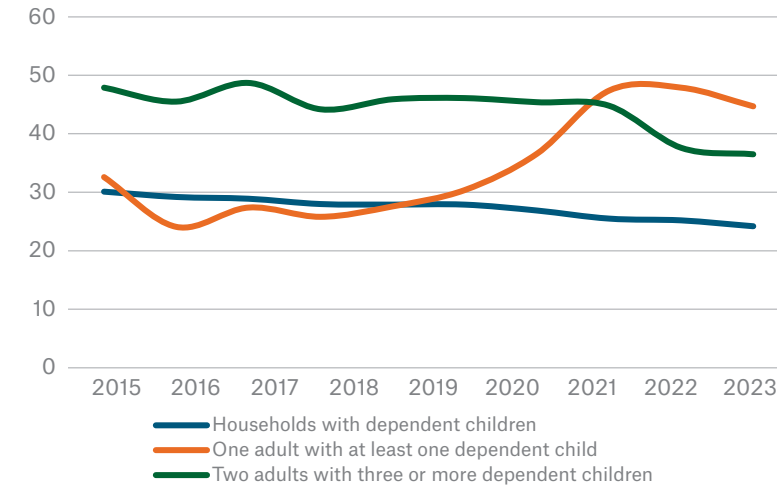
At risk of poverty and inequality



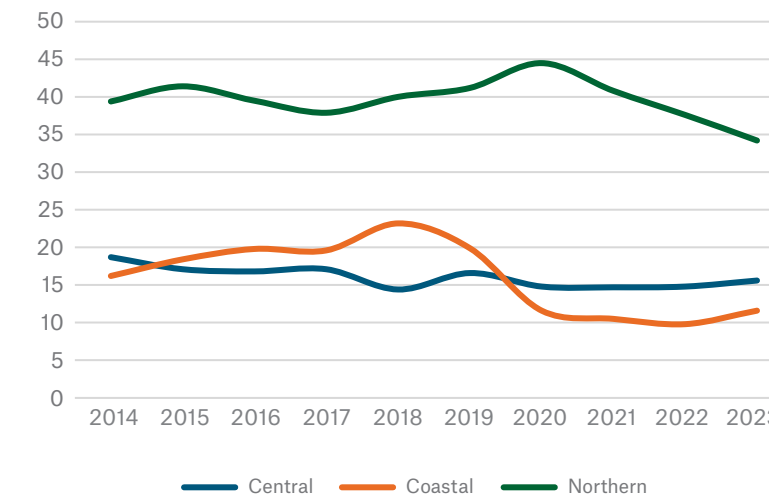
Fiscal balance



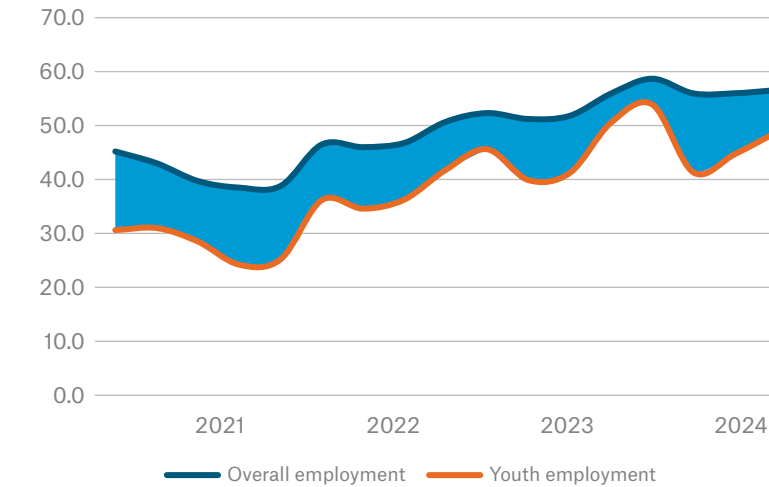
At risk of poverty by household type



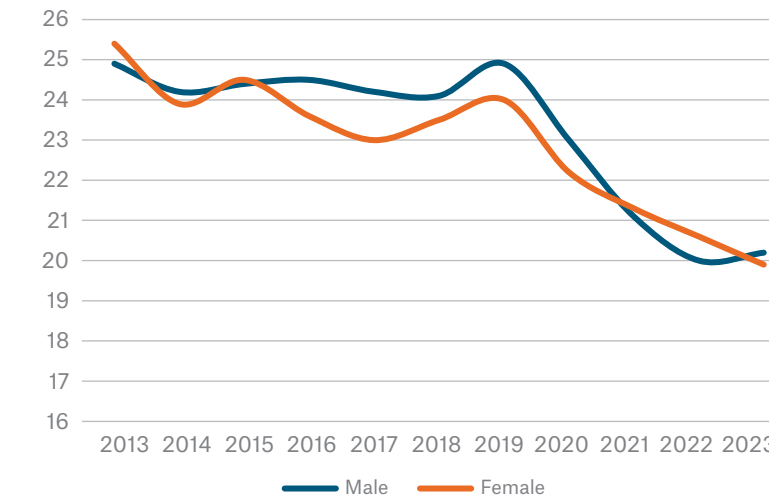
At risk of poverty by region



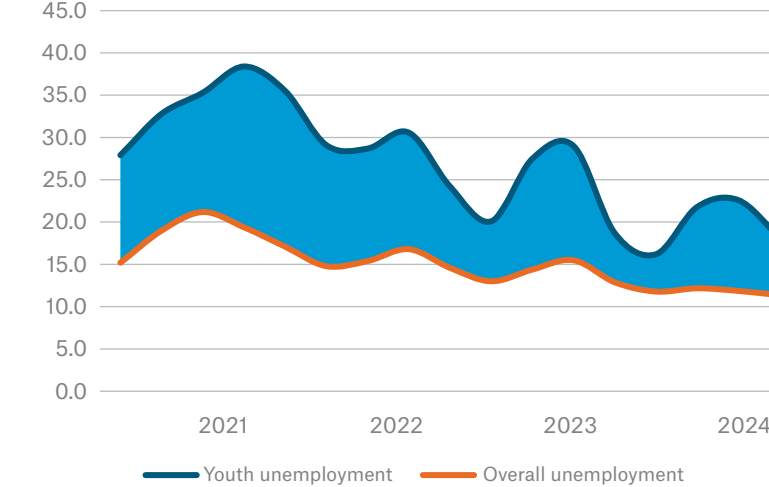
Youth employment



Gender disaggregated at risk of poverty



Youth unemployment



Aerial shot of solar boat in the sea





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