

19th meeting, Brussels, 27 November 2024

JOINT DECLARATION

The EU-Montenegro Civil Society Joint Consultative Committee (JCC) is one of the bodies set up under the Stabilisation and Association Agreement between the European Union and Montenegro. It enables civil society organisations from both sides to monitor Montenegro's progress towards joining the European Union and to make recommendations to the Montenegrin government and the EU institutions. The meeting was held in Brussels, with high-level officials and representatives of organised civil society from the EESC and Montenegro playing an active part. The JCC discussed the state of play regarding EU-Montenegro relations and the accession negotiations with the EU, in particular the 2024 Enlargement Package and Montenegro Report, the Reform Agenda for Montenegro and the implementation of the new Growth Plan for the Western Balkans, the Montenegrin roadmap for meeting the negotiation chapters' closing benchmarks following the Interim Benchmark Assessment Report (IBAR), and the situation of civil society and social dialogue in Montenegro.

1. State of play regarding EU-Montenegro relations and the accession process

- 1.1 The JCC welcomes the EU-Montenegro Intergovernmental Conference (IGC) that took place on 26 June 2024 ¹, at which it was confirmed that Montenegro has, overall, met the interim benchmarks set for Chapters 23 and 24, with the Conference adopting the positive Interim Benchmark Assessment Report (IBAR) for the area of the rule of law. On this basis, the EU also set benchmarks for the provisional closure of Chapters 23 and 24. The JCC is hopeful that another EU-Montenegro IGC will be held in December 2024, at which Montenegro could provisionally close additional chapters of negotiations.
- 1.2 Members of the JCC are glad that, at her hearing in the European Parliament on 8 November 2024, Commissioner-Designate for Enlargement Marta Kos stated that Montenegro could close the remaining chapters of negotiations by the end of 2026². This would mean that Montenegro's ambitious idea of becoming the 28th EU Member State by 2028 could become a reality, provided that the Montenegrin government and all political actors deliver on necessary reforms. Now more

Sixteenth meeting of the Accession Conference with Montenegro at Ministerial level - Consilium.

^{2 &}lt;a href="https://hearings.elections.europa.eu/documents/kos/kos_verbatimreporthearing-original.pdf">https://hearings.elections.europa.eu/documents/kos/kos_verbatimreporthearing-original.pdf.

than ever, Montenegro needs political maturity, consensus, and cross-party and broader social dialogue on matters of national interest such as EU-related reforms and should avoid the political tension and polarisation that have delayed progress in the past. In this context, members of the JCC welcome the recent political platform Barometar 26 and ask for the inclusion of organised civil society.

- 1.3 The JCC calls on the re-established Committee for Comprehensive Electoral Reform to resume work and make tangible progress in the harmonisation of electoral legislation, voting and candidacy rights, transparency, the dispute resolution mechanism, and oversight of campaign finance and media. The parliamentary committee should carefully monitor amendments to citizenship legislation, including the dual citizenship issue, based on ratified bilateral agreements aiming to ensure the electoral integrity of its citizens and safeguard their right to make decisions concerning their future. Any decision regarding amendments to citizenship legislation regarding dual citizenship must have indisputable constitutional and legal grounds and be based on socio-political consensus, in order to avoid any political motives intended to implement any form of ethnic, political or electoral engineering.
- 1.4 Members of the JCC point out that the **inclusion of organised civil society in the EU accession process is of the utmost importance** and should under no circumstances be neglected or circumvented. They remind the Montenegrin authorities that social partners and civil society organisations (CSOs) are a bridge between citizens and institutions. The JCC stresses that many of the recommendations from the joint declarations adopted at the last JCC meetings held in Brussels in December 2023 and in Podgorica in April 2024 continue to be valid, and calls upon the Montenegrin authorities to study and implement them.
- 1.5 The JCC welcomes the chair's conclusions from the 10th summit meeting of **the Berlin Process**, held in Berlin on 14 October 2024³, where prime ministers from the Western Balkans signed a declaration of support for the Common Regional Market Action Plan 2025-2028⁴, along with an agreement on access to higher education and admission to study.
- 1.6 Members of the JCC agree that the **Common Regional Market (CRM)**, which is an integral part of the Growth Plan for the Western Balkans, **is the key to promoting economic growth** and improving living conditions in the region. They reiterate that progress towards the CRM will be a good litmus test for the Western Balkan economies' ability to adopt the single market *acquis*. They are also pleased that the **Central European Free Trade Agreement (CEFTA) was recently unblocked** and has been able to adopt ten decisions, one additional protocol and one Recommendation⁵ that will make a practical contribution to the development of the regional market and bring substantive benefits to people in the region.

²⁰²⁴⁻¹⁰⁻¹⁴⁻chairs-conclusion-westbalkangipfel-data.pdf and https://www.berlinprocess.de/uploads/documents/declaration-on-common-regional-market-2025-2028_1728992485.pdf.

^{4 &}lt;a href="https://www.berlinprocess.de/uploads/documents/common-regional-market-action-plan-2025-2028_1728992448.pdf">https://www.berlinprocess.de/uploads/documents/common-regional-market-action-plan-2025-2028_1728992448.pdf.

⁵ CEFTA Adopts 9 New Agreements to Boost Trade, Jobs, and Consumer Rights Across the Region.

- 1.7 Members of the JCC are glad that the EESC's Western Balkans Follow-up Committee decided to organise its 10th EU-Western Balkans Civil Society Forum in Montenegro in 2025. They note that this biennial event traditionally gathers social partners and CSOs from the EU and the region to discuss common topics and to build networks. It also helps in raising awareness about the necessity of EU enlargement towards the Western Balkans, in which Montenegro is the frontrunner. The JCC once again stresses the great **importance of the Enlargement Candidate**Members Initiative ⁶, with which the EESC has become the first EU body to include representatives of organised civil society from EU candidate countries in its work. It invites the European Commission to remain supportive of this valuable initiative in 2025 and beyond.
- 1.8 Members of the JCC condemn in the strongest possible terms the recent attack on journalist and editor Ana Raičković, which shows that violence against journalists, as well as violence against women, remains a serious problem in Montenegro. They once again urge the Montenegrin authorities to ensure a more effective response to threats, violence and pressure against journalists. These serious incidents need to be processed swiftly, efficiently, robustly and in a non-selective manner because this is the only way to fight impunity and preserve freedom of expression and media in the country, as a prerequisite for a democratic society. The JCC once again asks the Montenegrin authorities to effectively address the outstanding recommendations from the ad hoc commission for monitoring violence against the media, including in relation to important old cases. It also reiterates that systematically and effectively combating violence requires both adequate prevention and prosecution of these cases.

Economic and social situation in Montenegro

- 1.9 The JCC notes that Montenegro's **economic growth** continued in 2024, but at a more moderate pace, driven by recovering investment and strong private consumption supported by increases in minimum pensions and wages, and in employment. According to the European Economic Forecast for autumn 2024⁷, higher **disposable incomes** are set to accelerate growth in 2025, but could also contribute to higher inflation⁸. In particular, **consumer prices** are projected to grow in 2025 on the back of a substantial increase in wages and social transfers (the forecast annual average CPI in 2025 is 4.1). Higher than assumed inflation would erode the positive impact of the new policy measures on real disposable income and thus on household consumption.
- 1.10 The JCC warns that **the general government deficit** is projected to widen⁹, due to the significant increase in minimum wages and pensions, the regular indexation of pensions and lower revenue on the back of halving pension contributions. In the absence of strong compensatory measures, **public debt** is projected to increase in 2024, due to new debt issuance which is needed to accumulate reserves and prepare for the forthcoming large Eurobond repayment in 2025. Overall, the balance of risks in **the fiscal outlook** is tilted to the downside due to structural budget changes,

⁶ Enlargement Candidate Members' Initiative | EESC (europa.eu).

Furopean Economic Forecast. Autumn 2024.

⁸ Inflation was on a declining trend throughout 2024, with the monthly figure declining to 1.2% year-on-year in October 2024 (Monstat).

According to the European Commission's forecast: -2.9 and -3.9 in 2024 and 2025.

which weaken the revenue base and raise mandatory spending, and the rollover risk of public debt.

- 1.11 The JCC recognises that **employment** gains continued across all sectors, partly due to the elimination of the health contribution and a significant reduction in the pension contribution, and **the unemployment rate** declined to a record low of 11.5% in the second quarter of 2024¹⁰. However, the JCC has identified a faster employment dynamic in the public sector due to higher wages. Employment dynamics and rising wages in the public sector make it more attractive than the private sector. This could result in a **transfer of skilled workers from the private and NGO sectors towards the public administration and state-owned enterprises** (SOEs). The government should support entrepreneurs, the MSME (micro, small and medium-sized enterprises) sector and active CSOs in this context since they face serious challenges associated with the implementation of the Europe Now 2 programme and the government's 2024-2027 fiscal strategy. Finally, in accordance with Article 17 of the Law on Budget and Fiscal Responsibility, the JCC calls for the Parliament to adopt the fiscal strategy proposed by the government.
- 1.12 Members of the JCC take note of Organisation for Economic Co-operation and Development's (OECD) 2024 Competitiveness Outlook for Montenegro, which states that the country has progressed modestly since the last report in 2021. The report highlights tax and energy policies and the governance of state-owned enterprises as areas requiring substantial improvement to achieve convergence with the EU¹¹.
- 2. Reform Agenda (RA) for Montenegro and the implementation of the new Growth Plan for the Western Balkans
- 2.1 The JCC congratulates the Montenegrin government on its adoption of a Reform Agenda (RA) in line with the new Growth Plan for the Western Balkans, the Reform and Growth Facility for the Western Balkans (RGFWB) and other relevant programmes and policy documents. It welcomes the idea that the RA should accelerate progressive integration into the EU and especially socioeconomic convergence with the EU and its single market.
- 2.2 Members of the JCC welcome the recent **inclusion of Montenegro in the Single Euro Payments Area (SEPA)**, as a practical example of the implementation of the Growth Plan. They are confident that this will open new opportunities for banks and therefore reduce costs for their customers, with a positive effect on the improvement of the financial infrastructure in Montenegro.
- 2.3 The JCC stresses that, although consultations with the social partners, civil society organisations (CSOs) and other relevant stakeholders were formally held, most of the suggestions received during these consultations were not taken into consideration. Based on experience with implementing the Recovery and Resilience Facility (RRF) in the EU Member States, the JCC strongly recommends to the Montenegrin authorities that they genuinely

Employment growth is expected to accelerate in 2025; this effect is likely to weaken in 2026 as increasing wages could dampen the creation of new jobs in the services sector.

^{11 &}lt;u>Western Balkans Competitiveness Outlook 2024: Montenegro | OECD.</u>

include social partners, as along with specialised CSOs, in the country's monitoring committee to enhance the RA's implementation, coordination and monitoring¹². In addition, members of the JCC stress that all specific legislation and strategies scheduled for adoption within the RA measures should also be subject to public consultations in their own right.

- 2.4 Members of the JCC once again emphasise the **need to align the RGFWB mechanisms with EU cohesion policy principles and governance rules**, promoting territorial and social development in order to prepare the Western Balkans institutions for when they have full access to cohesion policy funding. They also reiterate the importance of aligning support for candidate countries with Member States' financial instruments for a seamless transition to membership¹³.
- 2.5 The JCC invites the European Commission to make sure that the RA complements the Instrument for Pre-accession Assistance (IPA III), the Western Balkans Investment Framework (WBIF) and all other instruments that finance projects in the areas covered by the RA, and that there are no overlaps between these funding sources.
- 2.6 Members of the JCC agree with European Commission's assessment that the main challenges for achieving socio-economic growth in Montenegro include ensuring institutional stability, diversifying the economy, tackling corruption, improving the business environment by addressing informality, and further transitioning from fossil fuels to cleaner energy sources¹⁴.
- 2.7 The JCC agrees with the European Commission's assessment that, as a small country with an open economy, reliant on tourism as a principal source of income, Montenegro is particularly vulnerable to external shocks and climate change. Therefore, once again, the JCC invites the Montenegrin government to finalise and adopt, as soon as possible and in close cooperation with the social partners and CSOs, the national energy and climate plan (NECP) to achieve decarbonisation by 2050. It also invites the Montenegrin government to adopt the country's waste management plan for the period up to 2029.
- 2.8 Members of the JCC once again call for a balance to be struck between economic and environmental interests and for better assessment of the social and economic impact of decarbonisation with a view to a fair and just transition 15. They invite the Montenegrin authorities to plan for a just transition in the Pljevlja region, in close cooperation with social partners, by providing viable alternatives to the communities that will be affected most by the potential phase out of the Pljevlja coal power plant.
- 2.9 Overall, and in line with the recommendations from its previous meeting dedicated to public administration reform, the JCC stresses that Montenegro still needs to urgently address the lack

<u>Eurofound</u>: Just transition is the term used to describe the transition to a climate-neutral economy while securing the future and livelihoods of workers and their communities. A just transition to a climate-neutral economy provides and guarantees better and decent jobs, social protection, more training opportunities and greater job security for all workers affected by global warming and climate change policies.

New growth plan and Reform and Growth Facility for the Western Balkans | EESC (europa.eu).

New growth plan and Reform and Growth Facility for the Western Balkans | EESC (europa.eu).

¹⁴ Commission Staff Working Document – Montenegro – European Commission.

¹⁵

of educated, trained public servants employed following a merit-based system at central and local level, in order to absorb funds and implement all relevant projects successfully, including the RA, in a timely, transparent and accountable way.

2.10 The JCC calls upon the Montenegrin government to speed up the digital transformation of public administration and to ensure the full functioning of and access to e-administration, providing citizens and businesses with a wide range of online administrative services. It also urges it to prioritise digital literacy, especially for the elderly, to ensure equitable access for all.

3. Montenegrin roadmap for fulfilment of the negotiation chapters' closing benchmarks following the IBAR

- 3.1 The JCC takes note that, following the positive IBAR, the EU expects Montenegro to continue the process of alignment with the EU *acquis* and standards and effective implementation and enforcement, and in general to develop, already before accession, policies, and instruments as close as possible to those of the EU¹⁶. It also notes that it will be essential for Montenegro to establish a solid and convincing track records of implementation across the board, demonstrating that the reforms deliver concrete results, with tangible and irreversible impacts on the sectors concerned¹⁷.
- 3.2 Members of the JCC invite the Montenegrin authorities to urgently address the closing benchmarks set for the provisional closure of Chapters 23 and 24, including detailed criteria for meeting these benchmarks.
- 3.3 The JCC agrees that corruption remains an issue of concern in Montenegro and that the authorities in the country need to intensify efforts to continue establishing effective anti-corruption policies, based on the rule of law, and to prevent and tackle organised crime and money laundering (including from tobacco smuggling and drug-related crimes). Members of the JCC note here the importance of showing concrete results in fighting corruption, including high-level corruption, and of ensuring that unlawfully gained assets are systematically confiscated. The JCC also shares the EU's observation that the judiciary should be free from internal and external influence and manipulation.
- 3.4 Once again, the JCC encourages the Montenegrin authorities to undertake a comprehensive reform of the election legal framework, in line with the long-standing recommendations from relevant international organisations, and continue strengthening the functioning of democratic institutions and implement a substantive reform to strengthen and modernise the public administration.
- 4. Overview of the situation of civil society and social dialogue in Montenegro

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EU common position on Chapter 23: Judiciary and fundamental rights: https://data.consilium.europa.eu/doc/document/AD-13-2024-INIT/en/pdf.

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- 4.1 The JCC finds it regrettable that the Law on Prevention of Corruption was adopted without taking into account the suggestions from organised civil society and that no provisions were introduced that would exempt representatives of social partners and CSOs who are members of the working groups and other bodies, as well as management bodies, from being treated as public officials solely because they have been formally appointed by the government. However, the JCC welcomes the official announcement published by the Agency for the Prevention of Corruption on its website on 17 September 2024 that representatives of social partners and CSOs appointed by the government are not public officials. It invites the Montenegrin government to urgently amend this Law, as well as other relevant documents, to clearly define the exception provision and thus avoid any future misinterpretations.
- 4.2 Members of the JCC once again call on the government to do everything in its power to establish and give a prominent role to a council for cooperation between government institutions and NGOs, or an alternative dialogue structure to monitor the implementation of the Law on NGOs and the Strategy for cooperation with NGOs. The JCC notes with concern that civil society's role in policy-making is formalised, yet at times purely symbolic. The government's practical implementation of this principle therefore needs to be further reinforced. They regret that not all ministries have conducted adequate if any public consultations on draft laws and that a significant number of laws are still being adopted without prior consultation with civil society, without accepting and implementing CSO suggestions, and without giving valid reasons for non-acceptance. Members of the JCC call on the government to make further efforts needed to ensure genuine and meaningful cooperation between the government and CSOs.
- 4.3 The JCC calls on the Montenegrin government to promote tripartite and bipartite social dialogue at all levels, including the signing of pending sectoral collective agreements. Once again, it reminds Montenegrin authorities, in particular the Parliament, to respect all the agreements between social partners reached by consensus within the Social Council and not to question these agreements for the sake of specific political interests. They should also be sure to consult social partners, the Social Council, the Chamber of Economy and all interested CSOs on amendments to all relevant legislative acts.
- 4.4 Members of the JCC welcome the creation of a Directorate for Social Dialogue under the new Ministry of Labour, Employment and Social Dialogue and hope that this will have a positive effect in terms of building the capacity of social partners and strengthening social dialogue in the country.
- 4.5 The JCC finds it regrettable that laws of importance to civil society such as the revised framework allowing free access to information without unnecessary restrictions, the new legislation on volunteering and a specific law on whistleblowing are still pending, and encourages the Montenegrin authorities to adopt them as a matter of priority.
- 4.6 The JCC expresses its concern about announcements regarding the possible adoption of a 'law on foreign agents' that could directly impede the work of CSOs, especially those that express critical voices. Members of the JCC remind all concerned that proposing such a law is contrary to EU values and Montenegro's ambition to become a full member of the EU.

- 4.7 The JCC stresses that the EU expects the Montenegrin authorities to establish a credible track record of implementing provisions on non-discrimination, gender equality and combating gender-based violence, protection of persons belonging to minorities, and cultural rights, in line with the EU *acquis* and European standards, and of providing effective mechanisms for redress and assistance to victims. It also asks for the adoption and implementation of a de-institutionalisation strategy for persons with disabilities, as well as a strong child protection system grounded in community-based care. Members of the JCC urge the Montenegrin authorities to conduct a swift and impartial investigation into institutional shortcomings in recent cases of **femicide** and to ensure accountability on the part of acting officials, with meaningful involvement of social partners and specialised CSOs.
- 4.8 The JCC finds it regrettable that, despite the obligation prescribed by the Law on NGOs, not all ministries have launched calls for proposals to finance NGO projects. It calls on the government to urgently strengthen ministries' capacity for strategic planning, monitoring and evaluation of support provided to CSOs to ensure public funding is awarded in a transparent and objective manner.

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This joint declaration was adopted by consensus. The JCC instructs its co-chairs to forward it to the EU-Montenegro Stabilisation and Association Council, the EU-Montenegro Stabilisation and Association Parliamentary Committee (SAPC), the European External Action Service (EEAS), the European Commission and the government of Montenegro.

The next meeting will be held in Montenegro in the first half of 2025. The agenda for the next meeting will feature an assessment of the enabling environment for civil society and social dialogue.