

PROMOTING ACCOUNTABILITY
THROUGH ONLINE MEDIA

EUROPE IS
WITHIN REACH,
BUT THE
REFORMS ARE
STILL ON PAUSE



Project:

Promoting Accountability through Online Media

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EUROPE IS WITHIN REACH, BUT THE REFORMS ARE STILL ON PAUSE**Publisher:**

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**PROMOTING ACCOUNTABILITY
THROUGH ONLINE MEDIA**
**PROMOVISANJE ODGOVORNOSTI
PREKO ONLAJN MEDIJA**

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INTRODUCTION

The electronic publication *Europe is within reach*, but the reforms are still on pause compiles part of the investigations conducted during the multi-year project *Promoting Accountability through Online Media*, implemented by the Center for Investigative Journalism of Montenegro (CIN-CG) with the support of the National Endowment for Democracy (NED) from Washington, D.C. In addition to research, the publication also includes conclusions and recommendations drawn after the conference *Montenegrin Legal Framework, Foreign Investments, and the Country's Strategic Goals*, which, in the final phase of the project, brought together a large number of experts and decision-makers.

The aim of this project was to strengthen responsible reporting on key policies necessary for Montenegro's transition to a functional democracy.

During the two-year research period, we explored various topics – from the nature of foreign investments, through the problem of partisan employment, to issues of sustainable development and the comprehensive reforms necessary for Montenegro's accession to the European Union. As can be seen from the contents of this publication, although the country has fulfilled part of the tasks set by official Brussels and is getting closer to the European Union, the country's genuine transition to full democracy is delayed due to the lack of fundamental reforms and political will.

BILATERAL INVESTMENT TREATIES:



Protecting Investors Instead of the State

/// Đurđa Radulović/Predrag Nikolić //////////////////////////////////////

The conclusion of bilateral agreements on economic cooperation, such as those in the fields of infrastructure development, real estate, tourism, telecommunications, e-governance, and healthcare investments, must comply with EU regulations and national legislation that uphold the principles of transparency, free competition, non-discrimination, and level ground for bidders, said Gordana Đurović, Professor at the Faculty of Economics (University of Montenegro), in an interview with the Centre for Investigative Journalism of Montenegro (CIN-CG).

According to CIN-CG sources, the newly planned agreements could cause serious harm

if Montenegro continues to conclude agreements that circumvent the public procurement system, it risks losing credibility, delaying EU accession, and undermining its own legal framework, thereby directly endangering its position, reputation, and economic security, experts warn.

through provisions that fail to protect Montenegro's interests and instead serve only those of investors, similar to the Agreement with the United Arab Emirates (UAE) on cooperation in tourism and real estate development.

During the summer, following the signing of the controversial agreement with the UAE, the Government of Montenegro prepared four additional draft agreements. In June and July, it drafted two agreements with the Government of Hungary, one on cooperation in infrastructure development and another on telecommunications. In June, it also prepared a draft agreement with Ukraine on e-government services, as well as a draft framework for negotiations and the conclusion of an agreement with

the Government of France on the implementation of priority projects in Montenegro. None of these drafts have yet been signed.

The planned agreements reportedly contain problematic provisions similar to those found in the UAE deal, effectively overriding domestic and EU laws on competition and transparent processes. The Montenegrin Parliament recently concluded discussions on granting consent for two intergovernmental agreements with Hungary and France. Critics have raised concerns that these agreements would allow companies from France and Hungary to carry out some of Montenegro's key capital projects without open tenders.

The agreement with Hungary, related to railway and highway infrastructure development, contains a clause, mirroring the UAE agreement, that allows Hungarian companies to be directly engaged as primary contractors and operators "without the need for public procurement procedures in accordance with Montenegro's national legislation."

The agreement with Ukraine also states that there will be no need for public procurement or tenders for e-government services. According to the draft, "the e-government project shall not, for either party, and in particular not for Montenegro, be subject to any public procurement, tender, public competition, or any other procedure defined under the national legislation of Ukraine or Montenegro following ratification of the Agreement."

The proposed agreement with France concerns the implementation of priority projects, including the design and construction of a new university clinical center in Podgorica, as well as other healthcare, energy, digital, and transport infrastructure projects. The future agreement would also regulate sources of financing to be provided by France and its institutions, such as the French Development Agency (AFD).

Any international agreement that provides for direct contracting with foreign companies without

applying public procurement procedures established by domestic law and EU legal standards is inconsistent with Montenegro's obligations as an EU candidate country, Đurović stressed. She added that Montenegro should conclude all international agreements in the fields of tourism, real estate, and infrastructure strictly within the existing legal framework, fully respecting the principles of public accountability, transparency, and market competition.

EU May Penalize Montenegro for Unlawful State Aid

Montenegro has signed 27 bilateral investment treaties to date. However, the practice of bypassing tenders and ignoring competition law was not typical of earlier agreements, explained Maja Kostić-Mandić, Professor of International Law at the University of Montenegro.

"This is definitely not standard practice for the treaties Montenegro has signed so far. Nor have I encountered such provisions in UAE agreements with other countries. On the contrary, their recent agreements, such as the one with India, contain no references to the abolition of competition," said Kostić-Mandić.

Granting special privileges to investors may constitute a form of prohibited state aid under the EU Stabilisation and Association Agreement, Kostić-Mandić explained. She referred to the well-known Micula case, in which the General Court of the European Union ruled that

Romania had breached its obligations under a bilateral investment treaty with Swedish investors of Romanian origin. Romania was found responsible both for withdrawing promised state aid upon joining the EU and for subsequently compensating the investors under an arbitration award, prompting the European Commission to initiate proceedings against Romania for violating EU state aid rules.



Gordana Đurović,
Foto Boris Pejović

“A similar scenario could befall Montenegro after joining the EU,” Kostić-Mandić warned, “having to pay both the investor and the EU for breaching its rules.”

According to her, the Montenegro - UAE agreement on tourism and real estate development is atypical because it creates a fundamental imbalance in the obligations of the contracting parties, which is detrimental to Montenegro’s interests. “The provisions effectively transfer part of national sovereignty to a foreign government, granting it significant influence in identifying and classifying projects as strategic and of public interest,” she said.

The legal scholar further emphasized that, due to the economic asymmetry between the contracting parties, the UAE Government does not assume binding obligations that would make it legally accountable in case of non-performance. “The UAE is merely obliged to ‘encourage investors,’ while Montenegro undertakes substantial international obligations toward an undefined investor, obligations which, if unfulfilled, often lead to investor-state arbitration claims,” Kostić-Mandić explained.

She also noted that many regional legal experts have informally expressed concerns over the lack of protection for Montenegro’s interests in the agreement. “It is questionable whether any independent legal expert, unaffiliated with UAE interests, had the opportunity to review the text before signing,” she added.

Unlike Montenegro’s earlier bilateral investment treaties (BITs), the recent and planned agreements do not include the Most-Favoured-Nation (MFN) clause, which allows investors to claim equal treatment if another



Maja Kostić Mandić,
foto: UCG

foreign investor receives more favourable conditions. Montenegro currently has 15 active BITs containing the MFN clause, meaning that investors from those countries could initiate disputes if investors from the UAE or Hungary are granted preferential treatment, such as exemption from tenders. “Montenegro could face multimillion-euro liabilities and costly legal defences, regardless of the outcome,” Kostić-Mandić warned.

Absence of the “Denial of Benefits” Clause

According to Časlav Pejović, Professor at Kyushu University (Japan) and an expert in international investment law, none of Montenegro’s agreements contain a Denial of Benefits Clause, a provision that allows a state to deny treaty protections to investors who do not have genuine links to the contracting country.

Pejović explained that many companies use countries like the Netherlands, one of the states with the most BITs, to set up shell subsidiaries solely to gain access to investor-state arbitration. He cited the example of a U.S. water infrastructure company that sued Bolivia through its Dutch subsidiary because the U.S. and Bolivia had no bilateral investment treaty.

“Bilateral treaties are, in fact, a form of soft power,” Pejović noted. “Today, power relations are established through this kind of ‘force in gloves’ rather than cannons and weapons.” He added that poor countries often bear the brunt of massive compensation claims, for instance, Ecuador was ordered to pay over one billion dollars to a U.S. company under such a treaty.

Pejović questioned why Montenegro’s government has re-



Miloš Vuković,
foto Boris Pejović

peatedly violated the constitutional principle of competitiveness in its recent agreements. “This is entirely inconsistent with the Constitution,” he said.

The Government insists that the agreements are fully aligned with Montenegro’s Constitution and its obligations under the EU Stabilisation and Association Agreement. However, the EU Delegation in Montenegro warned that, “under EU and Montenegrin public procurement legislation, as well as the Reform Agenda, Montenegro must fully apply the principles of equal treatment, non-discrimination, and transparency in implementing all contracts concluded under cooperation agreements with the UAE.”

Pejović further explained that the mere signing of such treaties does not guarantee economic benefits. “Countries without BITs can still attract high levels of foreign investment. Brazil, for example, the world’s fifth-largest recipient of foreign investment, has only a handful of such treaties. Montenegro, on the other hand, has 27, but little to show for it,” he concluded.

Historical and Structural Context

The first intergovernmental investment agreement was signed between Pakistan and West Germany in 1959, followed by the 1964 Convention on the Settlement of Investment Disputes. Until the 1990s, fewer than 500 BITs existed worldwide. The collapse of the Berlin Wall triggered an explosion of neoliberal investment policies, encouraged by the World Bank and IMF, which promoted BITs as a “passport to prosperity.”

By 2008, there were nearly 3,000 BITs worldwide, though the trend has since declined as many countries recognized the risks of surrendering sovereignty and facing costly arbitration. “Some states, such as the U.S., have since introduced ‘regulatory power’ clauses protecting their right to regulate in areas such as the environment,

health, and safety,” Pejović said. The EU is likewise developing mechanisms for a dedicated investment court system.

Public Procurement Red Flags

Professor Đurović emphasized that identifying “red flags” in public procurement is crucial to preventing corruption and protecting public funds. Common indicators include single-bid procedures, unusually short deadlines, inflated prices, frequent contract amendments, overly restrictive qualification criteria, and repetitive awards to the same bidders, all of which undermine transparency and fair competition.

The European Union uses a multi-level “red flag system” to detect irregularities, integrating data analysis and e-procurement tools. North Macedonia has already implemented an automated version of this system, developed with international partners such as SIGMA, the Open Contracting Partnership, and the European Bank for Reconstruction and Development (EBRD).

The EU has formally urged Montenegro to ensure the timely and consistent implementation of procurement reforms and will

closely monitor compliance.

Conclusion

As economic analyst Miloš Vuković noted, “The UAE Agreement effectively excludes the application of Montenegro’s public procurement framework, bypassing mandatory tenders for projects worth billions of euros. This undermines equal market access and creates serious risks of abuse and mismanagement of public funds.”

He added, “If purchases as small as €8,000 require publication and a minimum three-day bidding period, it is incomprehensible that multi-billion-euro projects should be exempt from any procurement oversight.”



Časlav Pejović,
foto: personal archive

INSUFFICIENT EU AND NATO INVESTMENTS:



Foreign Capital Favors Real Estate Over Development

/// Đurđa Radulović/Predrag Nikolić //////////////////////////////////////

In the past year, Serbia, Russia, and Turkey were the leading foreign investors in Montenegro, accounting for over a third of the total foreign direct investments (FDI) in 2024. These three countries collectively invested approximately 318 million euros out of 889 million euros in FDI. In contrast, investments from the European Union (EU) countries were significantly lower, totaling only 250.5 million euros.

“The depth of the integration process is not reflected in the shift of investor profiles, as EU countries do not dominate the top of the list. This statistic reveals significant gaps

Investors from Serbia, Russia, and Turkey were the leading contributors to Montenegro’s investment landscape last year. However, the profiles of these countries do not align with Montenegro’s Euro-Atlantic aspirations. Many foreign investors have expressed dissatisfaction with the investment climate, while the Government lacks a clear strategy to address these concerns.

that warrant further investigation,” Gordana Đurović, a full professor at the Faculty of Economics and former Minister for European Integration, says in an interview with the Center for Investigative Journalism of Montenegro (CIN-CG).

The trend of investments from countries outside the Western bloc continued even after Montenegro regained independence in 2006 and declared EU and NATO membership as key priorities. Since then, Montenegro has received over 14.6 billion euros in foreign direct investments (FDI). Of this total, ten countries accounted for approximately

Country*	Inflow of FDI
Russian Federation	2.067.812.251
Switzerland	1.099.197.661
Italy	1.054.593.732
Serbia	1.025.011.964
Austria	730.741.382
Cyprus	622.893.351
Germany	613.324.140
United Arab Emirates	574.945.104
Turkey	548.174.241
Azerbaijan	543.084.012
The Netherlands	534.326.274
Great Britain	532.713.416
Hungary	467.389.142
Slovenia	438.176.636
USA	418.080.882
Norway	263.538.704
Bosnia i Hercegovina	193.060.555
Luxembourg	188.654.246
Virgin Islands (British)	184.294.952
Panama	173.257.627
Top 20 total	12.273.270.271
Total inflow of FDI	14.772.767.759

FDI by Country of Origin, Table Based on CBCG Data

nine billion euros in assets. Among them, only four are members of both the EU and NATO, along with Turkey, which is part of the NATO alliance.

Italy, Austria, Cyprus, and Germany are among the top ten foreign investors from EU countries, with their total investments exceeding three billion euros.

Russia leads in foreign direct investment (FDI) with over two billion euros invested, maintaining a position in the top five investors every year since Montenegro's independence. Following Russia are Switzerland, Italy, and Serbia, each contributing slightly more than one billion euros. The top ten also includes Turkey, along with the United Arab Emirates (UAE) and Azerbaijan, each investing over half a billion euros.

Since 2006, investments from EU countries account for less than half of the total FDI, totaling 6.1 billion euros.

In a statement to CIN-CG, the office of Prime Minister Milojko Spajić highlighted some of Montenegro's most significant projects, such as the submarine energy cable between Montenegro and Italy, implemented by the Italian company Terna. They also pointed out that many representative offices of foreign companies based in Serbia indirectly contribute to investments in Montenegro.

Furthermore, they assert that, in line with Montenegro's EU accession process, a greater influx of investments from Western European countries is expected.

"Due to global developments in recent years, there has been a decline in interest from Russian investors, while interest from the EU and other countries has increased. Therefore, we disagree with the statement that developed EU countries are not investing in Montenegro," the Prime Minister's office states.

However, data from the previous year, based on statistics from the Central Bank of Montenegro (CBCG), contradicts these claims. Serbia, Russia, and Turkey remain the leading foreign direct investors.

Tax Havens: A Major Source of Foreign Capital in Montenegro

Since its independence, the top 20 most prominent investors in Montenegro include tax havens, such as the Virgin Islands, with 184 million euros, and Panama, with 173 million euros. When investments from other similar destinations—like Barbados, the Bahamas, Belize, Jersey, Mauritius, Seychelles, Gibraltar, Bahrain, the Cayman Islands, and the Marshall Islands—are included, the total exceeds 600 million euros. This amount alone surpasses the total investments from Germany, one of the largest EU investors, since Montenegro's independence.

In reality, investments from non-transparent regions are likely even higher. Offshore companies based in countries like Cyprus, the UK,

the Netherlands, and others are not reflected in these figures, as there is no available data to differentiate between investments from offshore companies and those from entities with transparent ownership structures.

“Investment through offshore companies may suggest an attempt to conceal the true owner or the origin of the capital,” Zarija Pejović, an economic analyst, says in an interview with CIN-CG. “Domestic capital can also set up a company in a tax haven and then establish a subsidiary in Montenegro, benefiting from lower tax rates at the parent company level. In such cases, the oversight of the Tax Administration is crucial.”

There has generally been a lack of oversight regarding the influx of substantial capital into Montenegro. The investments made by hidden owners have had a greater impact on the personal enrichment of individuals than on the overall well-being of society and its citizens. Investing through offshore companies was frequently utilized by Montenegrin nationals to conceal the origins of suspiciously acquired capital and subsequently legalize it within the country.

The Pandora Papers, a global investigation into offshore financial activities, was conducted by the International Consortium of Investigative Journalists (ICIJ) in collaboration with partners from 117 countries. The leaked database includes nearly 12 million documents sourced from registries in jurisdictions such as the British Virgin Islands, Panama, Belize, Cyprus, the United Arab Emirates, Singapore, the United Kingdom, Switzerland, and others.

This 2021 affair has yet to reach a judicial

conclusion in Montenegro. The Panama Papers reveal that former Prime Minister and President Milo Đukanović and his son Blažo were involved in secret asset management agreements in 2012, concealing their assets through a network of companies registered in the United Kingdom, Switzerland, the British Virgin Islands, Panama, and Gibraltar.

Lack of Investment in Montenegro's Development

The issue goes beyond the source of the money. Gordana Đurović emphasizes that, in terms of structure, the investments fail to demonstrate a focus on active engagement in the real sector, which is critical for the country's development. This presents a significant challenge, as Montenegro has relied almost entirely on foreign direct investment (FDI) for its growth and development since gaining independence. “The net inflow of FDI has averaged about 14 percent of GDP annually, highlighting a development model that is largely based on attracting FDI, without a strong export orientation, particularly in terms of commodity exports,” Professor Đurović explains to CIN-CG.

However, despite foreign direct investment (FDI) since independence approaching 15 billion euros, with nearly 10 billion euros in net FDI, these funds have been insufficiently utilized for the country's development, Đurović explains.

The structure of investments since Montenegro's independence reveals that the largest share of capital went into real estate (32.9%), followed by investments in the real sector (31.6%). In comparison, 30.6% of foreign direct investment (FDI) went into intercompany debt—essentially loans from parent companies to their subsidiaries in Montenegro. These loans do not contribute to increasing the basic capital of the local companies.

Zarija Pejović explains that the high share of intercompany debt (30.6%) suggests that parent companies prefer lending to their subsidiaries in Montenegro instead of recapitalizing them.

Category	Total Inflow (€)	Share (%)
Investments in Companies and Banks	4.662.553.015	31,6
Intercompany Debt	4.515.359.060	30,6
Real Estate	4.865.284.910	32,9
Other	729.570.774	4,9
Total Inflow	14.772.767.759	

FDI Structure, Table Based on CBCG Data

This strategy allows them to reduce taxable profits by deducting interest rate expenses, thus lowering their tax liabilities in Montenegro.

According to CIN-CG sources, investments in real estate accounted for over half of the total FDI in 2023 and 2024, a worrying trend considering Montenegro's failure to diversify its economic sectors and encourage exports. "Healthier investments, such as those from Serbia, contribute to the real sector, which supports the country's development. In contrast, Russian investments predominantly flow into real estate, which stifles development," Đurović says.

Pejović adds, "The impact of real estate investments on economic growth is primarily seen in increased consumption. This drives up property prices, making it harder for the local population to afford homes for basic needs."

However, the Prime Minister's office argues that real estate investments can benefit society. "They don't necessarily hurt the economy, especially through growth in the construction sector, increased tourism, business, and housing capacities, and the rise in consumption linked to property purchases—investments that typically offer quicker returns than those in the real sector." They also highlight that such investments contribute to employment, strengthen supporting activities, and increase budget revenues through taxes and fees. "Moreover, this type of investment, particularly through the economic citizenship program, has accelerated the development of northern municipalities, especially Kolašin," the Prime Minister's office stated in an interview with CIN-CG.

However, several experts, architects, and urban planners have warned that the rapid urbanization of Kolašin, driven in part by the economic citizenship program, has led to the city's degradation and the destruction of surrounding areas. This phenomenon of accelerated urbanization has similarly



Miloško Spajić
foto: gov.me

impacted other valuable regions in Montenegro.

Investments in Companies Decline Since the COVID-19 Crisis

Foreign direct investment (FDI) has significantly declined over the past two years, following the increases in 2021 and 2022. The drop in investment, particularly in companies and banks, is especially notable. In both 2022 and 2023, investments in domestic

companies were lower than in 2020, the year of the COVID-19 crisis, when they totaled 123 million euros. When accounting for inflation since 2020, the figures become even more concerning. In 2020, investments amounted to 123.8 million euros, rising to 215 million in 2021 and 219.4 million in 2022. However, in 2023, there was a dramatic decline, with only 95.2 million euros invested from abroad. While the situation slightly improved in 2024, investments in companies only reached 113.9 million euros, almost half of what was invested in 2023.

Despite the sharp decline in company investments, CBCG data shows that real estate investments have remained steady, averaging around 450 million euros annually over the past three years.

"Analysis of FDI inflows into Montenegro reveals a downward trend in recent periods, accompanied by shifts in the structure of invest-

	Investment in Domestic Banks and Companies (in millions of euros)	Real Estate Sales in Montenegro (in millions of euros)
2020.	123,8	116,3
2021.	215	278
2022.	219,4	448,2
2023.	95,2	463,3
2024.	113,9	455,3

FDI Structure (2020-2024), Based on CBCG Data

stments. Specifically, there has been a decline in investments in companies and banks, while the real estate sector has seen an increase. This shift indicates a weakening of Montenegro's investment attractiveness, further exacerbated by political instability in the country, according to the 2024 White Book by the Montenegrin Foreign Investors Council.

The trend of rising investments was particularly notable in the post-pandemic period and following Russia's aggression against Ukraine. In 2021, the first year of the invasion, FDI surged, nearing the one billion euro mark, and in 2022, it surpassed one billion. However, in 2023 and 2024, FDI dropped below 900 million euros.

"Montenegro needs more investments in companies and fewer in real estate, as only such investments can have a sustainable and measurable impact on the development of local communities and the country as a whole," Gordana Đurović notes.

According to data from various sources, approximately 100,000 foreign citizens have temporarily settled in Montenegro. However, as highlighted by CIN-CG sources, this influx has not led to significant investments in the real sector or the creation of new jobs.

Research by BIRN in 2023 revealed that 64% of the nearly 6,000 companies established in Montenegro by Russian citizens following the invasion of Ukraine have only one employee, while over 20% have no registered employees beyond the founder. In the first year of Russia's aggression against Ukraine, these companies contributed just 4.8 million euros to Montenegro's budget, according to BIRN's findings.

Government's Absence of a Clear Strategic Vision

Spajić's cabinet informed CIN-CG that the Government's priority is to direct investments, particularly foreign ones, into the real sector of

Montenegro's economy. However, according to Gordana Đurović, the investment community perceives Montenegro, like other Western Balkan countries, as lacking sufficient security for private property and investments. She adds that the absence of effective control over foreign investors, slow responses to poor business practices, breaches of contracts, and violations of investment deadlines all work against the state's interests.

"The potential for foreign investment in Montenegro, and its potential for economic development and diversification, is unquestionable. However, to fully realize this potential, it is necessary to ensure a predictable and transparent business environment," the Foreign Investors Council in Montenegro stated. They emphasized that strengthening the rule of law is essential for creating a predictable and stimulating investment climate. Despite highlighting this need for years, they noted that the situation has yet to improve.

On the other hand, the Government pointed out to CIN-CG that Montenegro is actively strengthening economic stability, creating new jobs, and boosting competitiveness. They claim to address challenges such as the availability of skilled labor, infrastructure development, environmental protection, and restitution, which have caused delays in investments in the real sector. Furthermore, they are focused on improving the legislative framework to enhance the investment climate.

However, the Foreign Investors Council in Montenegro believes that despite some post-pandemic progress, the fundamental issues persist, as detailed in their 2024 White Book. "The Government's reform efforts are insufficient to address the serious challenges threatening the sustainability of Montenegro's economy," the publication states. It also points out that the GDP growth the Government promotes is largely driven by increases in wages and pensions, rather than a boost in productivity from production



Zarija Pejović
foto: personal archive

and investment, which undermines long-term development. They further assert that the stabilization of public finances is mainly due to foreign spending rather than genuine structural reforms. The increase in minimum wages, they argue, is also questionable as it is not tied to growth in the real sector.

The White Book highlights several alarming issues: the economy's dependence on consumption, an alarming trade deficit of 14%, a lack of exports, inflation surpassing the EU average in 2022 and 2023, which has hindered the survival of small and medium-sized enterprises, especially in underdeveloped regions, and an oversized public sector, which remains the country's largest employer. It also stresses the lack of economic diversification and the over-reliance on tourism.

The publication also includes recommendations for urgent action: developing agriculture, processing industries, and technological sectors; reducing excessive employment in the public sector; supporting small and medium-sized enterprises, particularly in underdeveloped regions like the north; and fostering an environment conducive to productive FDI.

Should these recommendations be implemented, the structure of FDI in Montenegro could shift significantly, favoring the real sector and contributing to more sustainable economic conditions in the country.

FOREIGN INVESTMENTS IN OUR COUNTRY:



Is Montenegro Becoming Increasingly Dependent on Serbia?

/// Đurđa Radulović/Predrag Nikolić //////////////////////////////////////

Serbia has been the leading source of foreign direct investment (FDI) in Montenegro for the past three years, according to data from the Central Bank of Montenegro (CBCG).

In the first nine months of 2024, 92 million euros were invested from that country. Last year, in 2023, Serbia was the top investor with 125 million euros, as well as in 2022 with 137 million. In 2022, Serbian investments surged, almost fivefold compared to 2020, when they amounted to only around 27 million euros. Until 2020, Russia had been the leading source of FDI in Montenegro.

Experts interviewed by the Center for Investigative Journalism of Montenegro (CIN-CG) say

Since the change of government in 2020, the northern neighbor has become the leading source of foreign direct investment, the number of companies registered here, and is also among the top in tourism revenues and remittances.

that the increasing investments from Serbia are the result of traditional historical ties, but also the growing presence of international investors in Serbia who use it as a base for investments across the region.

Among some experts, there is a certain level of concern that Serbia's dominance in investments could be part of a broader strategy by official Belgrade, tied to political aspirations to make Montenegro economica-

lly dependent on its larger neighbor. However, analysts emphasize that the problem is not the amount of money coming from Serbia, but the fact that Montenegro lacks a well-designed economic development strategy, a diversified economy, structural reforms, and measures to

reduce corruption, all of which would attract a wider variety of investors.

“Economic relations between Serbia and Montenegro have historically been strong. Serbia’s dominance as one of the main sources of FDI, more than half of which, 51.4 million euros, flows into the real estate sector, highlights the importance of this country for Montenegro’s economy,” economic analyst Miloš Vuković told CIN-CG.

However, Vuković argues that the trends legitimately raise questions about dependency and long-term sustainability. “We can speak of a certain level of Montenegro’s economic dependence on Serbia. Capital from Serbia dominates the real estate sector, where prices are rising, making housing less affordable for the local population. Also, a large number of Serbian companies operating in Montenegro sell their products here, and there are remittances and the dominance of tourists from that country, all of which indicate that Montenegro’s economy depends significantly on the Serbian market,” Vuković says, adding that all this makes Montenegro vulnerable to economic and political changes in Serbia.

On the The Central Bank of Montenegro (CBCG) list of foreign direct investments for 2024, Serbia is followed by Russia (€80 million), then Turkey (€75.8 million), Germany (€57 million), and Switzerland (€41 million). The top ten also include the United States (USA), United Arab Emirates (UAE), Cyprus, the United Kingdom, and Croatia.

A Quarter of Foreign Investment in Companies Came from Serbia

Most of the money from Serbia this year was invested in real estate (€51.4 million) while investments in companies and banks amounted to €25.3 million.

By September this year, about €100 million had been invested from abroad into domestic

companies, of which Serbian investments were the largest and accounted for one quarter. Investments by Russian investors into domestic companies were also significant, exceeding €19 million. Thus, almost half of these investments come from Serbian and Russian capital. Investments from other countries in Montenegrin companies are significantly smaller.

According to MONSTAT data, of 851 foreign company branches operating in Montenegro, most are owned by Serbian nationals (179), or 21% of the total. Companies from Serbia also generated the highest turnover last year when viewed by country, around €718 million. This represents 28% of the total turnover of foreign branches on the Montenegrin market, which in 2023 amounted to about €2.5 billion.

These companies also employ a large number of workers. The Serbian branches in Montenegro with the highest number of employees are Idea, with 1,733 workers, Aroma, with 1,224, and Mtel, with 483 employees.

In terms of the number of foreign branches in Montenegro, Serbia is followed by: Turkey with 83, Bosnia and Herzegovina (BiH) with 33, and Slovenia and the

United Kingdom with 32 each. After Serbia, the highest turnovers were generated by companies from Switzerland—€297.4 million (11.6%), Slovenia—€261.3 million, the UAE—€146.6 million (5.7%), and Cyprus—€144.9 million (5.6%).

Serbia was dominant in terms of foreign branches and turnover even before the 2020 political changes. According to MONSTAT data from 2019, the highest number of foreign branches came from Serbia, 134 out of 464 total branches, nearly 30%, and Serbian branches generated the highest turnover among foreign companies even then. However, it is also evident that the total number of foreign branches in Montenegro has increased significantly since 2020.

Serbia ranks third in terms of the number of active business entities in foreign ownership, with



Mila Kasalica

foto: personal archive

Year/Position	Inflow from Serbia	Outflow from Serbia	Net effect from Serbia	Inflow from other countries	Outflow from other countries	Net effect from other countries
2021 in mil EUR						
New investments	27,2	3,5	23,7	187,8	3,1	184,7
Real estate	36,8	28,1	8,7	243,2	59,8	183,4
Intercompany and other FDI	11,9	10,7	1,2	421,1	241,0	180,1
TOTAL	75,9	42,3	33,6	852,1	303,9	548,2
2022 in mil EUR						
New investments	19,1	8,1	11,0	200,3	3,9	196,4
Real estate	54,2	45,8	8,4	396,6	80,0	316,6
Intercompany and other FDI	63,7	39,7	24,0	417,8	191,5	226,3
TOTAL	137,0	93,6	43,4	1.014,7	275,4	739,3
2023 in mil EUR						
New investments	13,3	9,3	4,0	81,8	15,6	66,2
Real estate	80,4	48,6	31,8	385,5	109,2	276,3
Intercompany and other FDI	31,6	25,1	6,5	269,8	220,7	49,1
TOTAL	125,3	83,0	42,3	737,1	345,5	391,6
9/2024 in mil EUR						
New investments	25,3	1,8	23,5	74,7	5,6	69,1
Real estate	53,0	37,9	15,1	269,8	75,5	194,3
Intercompany and other FDI	14,1	17,6	- 3,5	221,9	146,7	75,2
TOTAL	92,4	57,3	35,1	566,4	227,8	338,6

Inflows and Outflows of Money by Country Source: CBCG, compiled by Mila Kasalica

2,140 such entities, representing 11.6% of the total. The highest number of active foreign-owned business entities, by country of origin, comes from Turkey (27%), followed by Russia (about 23%).

“The fact that investments originating from Serbia are the most prevalent in Montenegro can be explained by the traditional ties between Montenegro and Serbia, as well as cultural similarities that influence Serbian investors to invest in Montenegro,” economic analyst Zarija Pejović explained to CIN-CG.

In Montenegrin public discourse, there has been talk about Serbia investing in state-owned companies such as the Electric Power Company of Montenegro (EPCG) or the Port of Bar, but none of this has materialized so far. Serbia also has not yet invested in key infrastructure projects, which could, through greater economic involvement, lead to greater political influence.

“Political influence through investments could be discussed in cases of investment in public infrastructure of strategic importance, such as energy potential, but such types of investments, or the sale of public assets to investors from Serbia, do not exist at this point, according to

my information,” Pejović explains.

Serbia Leads in Outflows, Tourism and Remittances

“Serbia is at the same time the leading country in terms of outflows from Montenegro, which confirms that in this relationship neither economy is losing or at risk when it comes to investments,” economist Mila Kasalica told CIN-CG. She explains that, year after year, up to one third of the total inflow from Serbia remains in Montenegro.

Serbia is Montenegro’s largest foreign trade partner in both imports and exports, according to MONSTAT data, with imports from Serbia amounting to €396 million and exports to Serbia €98.8 million from January to July 2024. However,

Montenegro’s exports have been declining year after year, which represents a decrease in the country’s competitiveness in this area, Fidelity Consulting warned earlier this year.

As Kasalica explains, the data confirm that in this relationship, neither the Montenegrin nor the Serbian economy is at a loss or at risk regarding investments. “This demonstrates many positive aspects of the Montenegrin economy: one should not overlook its persistent attractiveness and significant potential as entrepreneurs cooperate, since the Montenegrin economy is import-dependent and oriented toward service exports,” Kasalica says.

Our tourism heavily depends on visitors from Serbia, as well as on remittances from that country. Over the past year, the most overnight stays were recorded by tourists from Russia (23.6%), followed closely by Serbia (21.5%) and then Bosnia and Herzegovina (8.5%). Visits by German tourists last year slightly declined compared to 2022, accounting for just 4.9%.

According to Fidelity Consulting, in 2021, remittance inflows to Montenegro from individuals totaled \$794 million. The largest portion came

Year/Countries in mil EUR		Serbia	Russian Federation	West (EU, USA, Australia, Canada)	Other (Turkey, UAE, China, Ukraine etc.)	TOTAL
sept.24	Priliv	92,3	80,9	293,7	190,7	657,6
	Odliv	57,2	16,5	146,1	65,3	285,1
	NETO	35,1	64,4	147,6	125,4	372,5
2023	Priliv	125,3	112,6	408,3	216,1	862,3
	Odliv	83,0	23,3	235,8	86,6	428,7
	NETO	42,3	89,3	172,5	129,5	433,6
2022	Priliv	137,0	127,2	563,5	324,0	1.151,7
	Odliv	93,6	27,5	203,1	44,9	369,1
	NETO	43,4	99,7	360,4	279,1	782,6
2021	Priliv	76,0	192,0	474,2	185,9	928,1
	Odliv	42,4	25,6	172,3	106,1	346,4
	NETO	33,6	166,4	301,9	79,8	581,7

Foreign Investments by Country Source: CBCG, compiled by Mila Kasalica

from Serbia (\$390 million, or 54% of total remittances), followed by Germany (\$153 million, or 21%), and North Macedonia (\$50 million, or 7%).

The Central Bank of Montenegro (CBCG) told CIN-CG that it does not maintain records of remittance inflows by country, only the total amount. According to World Bank data, Montenegro is among the countries with the highest share of personal remittances in GDP—10.9% in 2023. In the region, only Kosovo has a higher share of remittances in GDP at 17.6%, while Serbia's share is 7.7%.

Real Estate Does Not Contribute to Development

The structure of foreign direct investment (FDI) indicates a decline in investments in productive sectors. By far, the largest share of foreign investment in Montenegro goes into real estate purchased by foreign nationals. The European Bank for Reconstruction and Development (EBRD) also highlighted in its 2021–2026 strategy for Montenegro that although per capita FDI is high, most of it is in real estate.

This year, by September, roughly half of all FDI went into real estate. In 2023, of the €862.3 million invested, more than half (€463.3 million)

was in real estate. Last year, the largest share of real estate investments (€78.3 million) came from buyers from Serbia, followed by investors from Russia (€55.9 million), Turkey (€51 million out of a total of €85.3 million), and Germany (over two-thirds of €72.8 million, i.e., more than €51 million). Of Ukrainian investments, which have been growing since the invasion, the majority, over €15 million, went into real estate.

“Investments in Montenegro have primarily gone into the real estate sector. Not all of it went into apartments; there has also been construction of new hotels, which is positive for tourism development. However, these investments are concentrated in areas with ‘natural rent,’ such as the attractive coastline. Since natural resources like land are non-renewable, this raises questions about sustainability,” Pejović explains.

By Net Effect, Most Investments Come from the West

Kasalica emphasizes that in terms of net effect, that is, the difference between outflows and inflows, the majority of investments come from Western and developed countries, including the European Union (EU), Canada, Australia, and the USA.

In the EBRD Strategy for Montenegro, continuous cooperation with the EU is emphasized, including various Instruments for Pre-Accession Assistance (IPA), while donor contributions through mechanisms such as the Western Balkans Investment Framework (WBIF) remain of key importance.

Montenegro remains attractive to the EBRD, the European Investment Bank (EIB), and the World Bank. The country has also had open doors to the Abu Dhabi Fund and the ongoing OPEC Fund, Kasalica notes, emphasizing that these experiences should have taught state leaders the importance of transparency and how to attract credible investors through “political, institutional, and structural reforms in Montenegro.”

Without Strategic Changes, Healthy Investments Cannot be Attracted

Interviewees for CIN-CG agree that Montenegro should diversify foreign investments and increase investment in the real economy. Corruption and government opacity remain major obstacles. Without strategic reforms, the country remains insufficiently attractive to Western capital, missing opportunities for long-term development and economic stability, Vuković notes.

“Western companies seek stability, innovative sectors, and a predictable business environment, but Montenegro relies predominantly on tourism and real estate, which does not align with their interests. Competition from regional investors, such as those from Serbia, complicates Western capital inflow, and weak promotion of Montenegro as a destination further worsens the situation,” explains Vuković.

He also points out the inefficient legal system, which, combined with corruption and bureaucratic hurdles, creates distrust among investors. “The small market size and political instability

further reduce the country’s attractiveness,” Vuković adds.

To attract Western investment, Montenegro must reform its legal system, reduce administrative barriers, and focus on developing innovative sectors such as IT and renewable energy. “The key lies in better market regulation, strengthening legal certainty, and strategically directing investments toward sectors that contribute to long-term economic development,” he says.

The EBRD, in its Strategy for Montenegro (2021–2026), highlights the need for economic diversification “to move away from solely seasonal tourism that relies on sun, sand, and sea.” It also emphasizes the need to reform inefficient state-owned enterprises, implement green economy principles, further integrate regional transport and energy networks, and advance digitalization to foster greater connectivity and create new jobs. However, no government since the 2020

changes has seriously addressed these challenges or followed the suggestions of strategic foreign partners such as the EU, World Bank, or EBRD regarding structural reforms in the economic sphere.

Montenegro lacks investments in the manufacturing sector, says economic analyst Zarija Pejović in an interview with CIN-CG. “Such investments would be particularly important in northern Montenegro, which is rich in forestry and mineral resources. Unfortunately, the state has not sufficiently worked on attracting these investments,” she explains.

She also points out that policies leading to the deindustrialization of Montenegro have resulted in a shortage of qualified labor, which manufacturing investments could have employed.

Currently, personal consumption as a driver of growth is unsustainable, Kasalica notes: “Such a goal is short-term, while the national economy must be planned for the next fifty years.”



Ines Mrdović
foto: TV Vijesti

Government Opacity is Also The Problem

While better Western investor presence is desirable and represents an unquestionable development goal, Kasalica emphasizes that Montenegro's negative experiences with foreign investments from developed countries must also be considered. She cites examples of German investments in water treatment plants in Budva, scandals in the Regional Water Supply project involving an Austrian company, and unresolved cases involving several Montenegrin institutions and foreign investors. "Holding the ideal that a Western investor is inherently better than any other investor is not a standard anywhere in the world, and has not been for decades," Kasalica explains.

"Montenegrin politicians, both before and after August 30, do not address the fundamental question of the sustainability of Montenegro's economy, that is, consciously and responsibly moving away from opacity," Kasalica adds. As a result, the Montenegrin economy pays a high price for a poor reputation and the cost of distrust among its own citizens.

Ines Mrdović, from the Action for Social Justice (Akcija za socijalnu pravdu), told CIN-CG that transparency in FDI has never been at a sufficient level. "It is enough to mention that we still do not have a database of foreign investors in Montenegro," Mrdović said. She added that SDI over the past two decades has not significantly contributed to the economic development of Montenegro, as evidenced by the country's low standards of living and persistent poverty.

Serbians Interested in Montenegrin Citizenship

Among foreign citizens with the largest SDI in Montenegro, the highest number of citizenship requests comes from Serbia and Russia.

According to the latest data from the Ministry of Interior, the majority of requests for Montenegrin citizenship over the past two years have come from Serbian citizens. From January 2023

to October 31, 2024, Serbia submitted 1,197 applications. Russians follow with 928 applications, then citizens of Bosnia and Herzegovina with 542, Albania with 160, and Kosovo with 124. Interestingly, 94 citizens of the United States also applied for a Montenegrin passport.

Most applications from Russia were also the most approved through the Economic Citizenship Program. From 2019 to 2024, more than half of the citizenships granted went to Russian nationals, 1,055 out of a total of 2,074, according to the Center for Civic Education (CGO).

Serbia Successful in Attracting European FDI

From 2007 until early 2024, Serbia attracted more than €4.6 billion in foreign direct investments, according to the National Bank of Serbia. This year, by October, it managed to attract €3.2 billion.

Unlike Montenegro, several of the top investors in Serbia come from Western countries. Germany leads with 13.5% of total inflows, followed by Italy with 11.7%. The United States and Russia each account for 10.9% of the inflows. China, a consistent partner of Serbia in recent years through investments in public capital projects, ranks fourth with 10.5%, followed by France at 8.5%.

Foreign companies operating in Serbia include Bosch, Michelin, Siemens, ZF, Panasonic, NCR, Gazprom, Zijin, Microsoft, Gorenje, Magna, Leoni, Fiat-Chrysler, Schneider Electric, and many others.

The EBRD, in its Strategy for Serbia (2023–2028), notes that strong FDI inflows in Serbia stimulate higher exports and economic complexity. Unlike Montenegro, Serbia's GDP growth is based on exports, which have increased thanks to consistently high SDI inflows into the country's productive sectors.

A COUNTRY PEOPLE ARE LEAVING EN MASSE:



Almost One-Third of Montenegro Lives Abroad

/// Kristina Radović/Predrag Nikolić //////////////////////////////////////

Approximately one-third of Montenegrin citizens (213,478 people) were living abroad on the census day, October 31, 2023, according to an estimate provided to the Centre for Investigative Journalism of Montenegro (CIN-CG) by the Association of Statisticians and Demographers of Montenegro (DSDCG).

The Statistical Office of Montenegro (Monstat) stated, based on last year's census data, that just over 44,000 Montenegrin citizens live outside the country.

“Although the census collected data for 44,017

Experts from the Association of Statisticians and Demographers estimate that over two hundred thousand Montenegrin citizens are living abroad, and that the census figure showing just over 44,000 residing outside the country represents only a fraction of the real number. It is difficult to determine exactly how many of our citizens live beyond the country's borders because institutions neither track this information nor possess relevant data, and the long-announced diaspora registry still does not exist.

people, that represents only 20 percent of the estimated number of the diaspora, while 80 percent (169,461 people) were not included because, at the time of the census, they did not have a household member present in Montenegro who could provide information on their behalf,” Gordana Radojević from DSDCG told CIN-CG.

Radojević, who served for many years as the director of Monstat, explains that this shows traditional censuses are not a reliable source of information about the diaspora or Montenegrin

citizens living abroad.

“Therefore, it is necessary to conduct a separate survey that would allow citizens in the diaspora to submit the requested data through an electronic form. The initiative for this survey to be part of the 2023 population census was defined in a special Government conclusion from 2018,” she said.

Despite the conclusion of the then government led by Duško Marković, even after the census we still do not know the exact number of Montenegrin citizens living abroad. The Ministry of Diaspora Affairs (MD) says that Montenegro does not have precise and accurate data on the size of its diaspora.

“The existing registers are not updated, and therefore the Ministry of Diaspora Affairs has set as its primary task the creation of a diaspora register. We are already working on the technical plan for creating the register, and we expect it to be presented to the wider public, especially our diaspora, by 2025.”

The goal of the register is to obtain at least approximately accurate data on the number of Montenegrins living abroad, through a standard demographic questionnaire, the Ministry explains.

Migration is changing Montenegro’s demographics, which has already led to serious crises.

“If appropriate measures for demographic recovery are not undertaken, the depopulation process will continue to spread uncontrollably. Low fertility, longer life expectancy, and migration have changed the demographic profile of many areas in Montenegro,” demographer Miroslav Doderović told CIN-CG.

In addition to numerous facts about depopulation published after the recent release of census results, Doderović adds that the share of people aged 65 and older in Montenegro was 7.1 percent in the 1971 census, while the latest census shows this share has risen to 16.8 percent.

Unemployment and Low Income are the Main Reasons Young People Leave

One in five young people in Montenegro (20.59 percent) expressed a desire to leave the country due to poor social, living, and economic standards and conditions, according to the Youth Study Southeast Europe 2024 by the Friedrich Ebert Foundation.

“The main reasons young people leave are the inability to find work in their field, low income, and a low standard of living,” says Doderović.

Along with the characteristics of the labor market, a range of policies: education, housing, tax policy, labor market policy, nepotism, and corruption, makes it difficult for young people to

integrate into society. This is especially true for the young, those who migrate, and those who should be the bearers of positive demographic change, he emphasizes.

“The population census currently represents the only source of data on young people studying abroad. According to the latest census, 8,230 Montenegrin citizens reside abroad for education, of whom 43 percent, or 3,607 individuals, study in Serbia,” says Radojević.

Young performing artist Sara Vujadinović has been living in Lisbon for nine years. She left Montenegro after receiving a scholarship for her master’s studies.

“My reason for applying was that I felt the need for a broader environment that would give me more opportunities for the kind of education I was interested in, and for discovering what I wanted to do and create.”

“I would return to Montenegro with the intention of somehow ‘bringing’ and developing dance theatre back home. This is very important to me personally, but I would return only if I knew I could go back to Lisbon when needed, because I fear I would be disappointed by the limited artistic scene and lack of opportunities in Montenegro,”



Gordana Radojević

foto: personal archive

Vujadinović says.

Although state institutions do not have precise data on the diaspora, some emigrant associations do. The president of the Montenegrin Ethnic Association of Australia, Mihailo Mandić, says that about 5,000 Montenegrins live in Australia.

Mandić stresses that younger generations are leaving Montenegro because they cannot cope with the obvious injustice they encounter everywhere.

“Nepotism, corruption, political primitivism, religious narrow-mindedness, this is the atmosphere driving away civilized, intelligent, capable, and educated people. They seek organized systems where their knowledge and abilities will be recognized and where they will have protection as citizens,” he says.

Unlike the second half of the last century, when mostly lower-skilled workers were leaving the country, recent decades have seen the emigration of many highly educated individuals.

“Montenegro produces more healthcare workers than the average OECD country, but most current doctors are considering leaving, and shortages of certain specialists are already appearing in some health sectors,” Doderović explains.

The shortage of workers and professional staff is not limited to healthcare, it affects all sectors in Montenegro.

Germany – One of the Most Desirable Destinations

Economic motives are dominant when it comes to emigration to Western countries, but in Montenegro’s case, there is a range of additional motives. Monstat data confirms this: the largest number of citizens recorded as leaving Montenegro in 2023 cited economic reasons (21,449 people) while 10,735 Montenegrins are abroad for family reasons.

“On the one hand, you have highly educated professionals who see emigration as an opportunity to advance professionally and financially secure their families. On the other hand, you have low-skilled workers who see an opportunity to

secure basic livelihood in the systems of Western Europe, especially Germany,” Doderović explains.

Among Western European countries, Germany ranks at the very top as a destination for emigrants from Montenegro, especially from the northern regions. According to Monstat, the largest number of Montenegrin citizens working, studying, or residing abroad are in Germany (10,413 individuals).

“Unfortunately, the Ministry of Internal Affairs does not possess accurate data on the number of emigrated citizens, nor on the reasons for their departure, because those who leave Montenegro do not deregister their residence in order to keep certain rights in Montenegro. This makes it difficult to assess the total volume of migration. Therefore, systematic migration monitoring is the first and most important step, especially considering that youth surveys show that a stable 50 percent of young people want to leave Montenegro,” says Doderović.

According to Monstat, Germany, Serbia, and the United States (USA) are at the top of the list of countries chosen by Montenegrin citizens for work, residence, or education. Following these three are Luxembourg, Switzerland, Sweden, France, Bosnia and Herzegovina, Italy, and Slovenia.

The Ministry of Diaspora Affairs says that the largest share of Montenegro’s diaspora is in the region, as well as in Western European countries such as Germany, Luxembourg, and Switzerland.

“Our diaspora is also very numerous in North America and Canada. When it comes to emigrants, Turkey and Latin American countries must also be mentioned,” the ministry headed by Mirsad Azemović states.

The president of the Union of Montenegrin Associations in Germany (SCANJ), Nedžad Nurković, says it is difficult to determine how many Montenegrin citizens live in Germany, but according to his estimates, there are about 70,000.

This is an enormous number, more than 10 percent of Montenegro’s entire population.

A striking photo circulating on social media, taken in the hallway of a building in Munich,

shows that, based on surnames, nearly all residents of that building are from the Balkans.

An Estimated 550,000 Montenegrins Live Abroad

Construction jobs, medical staff, nurses and technicians, elderly caregivers, and cleaning workers are the occupations Montenegrins most frequently perform in Germany, says Nurković.

Mandić says that Montenegrins arrived in Australia in waves. Earlier generations came mostly uneducated, working primarily manual labor jobs.

“These were jobs in construction, public services, mining... Alongside them came mechanics, drivers, service workers. Newly arrived generations, however, have solid university education and good English skills. They have found better jobs that provide greater financial security. Today many of our people teach at universities across Australia, and work as doctors, dentists, in banking, accounting, private business, etc.,” he tells CIN-CG.

Besides the new wave of emigrants, a large number of people of Montenegrin ancestry live around the world, though there is no reliable statistics on them, nor does the state pay particular attention to this.

By combining available data with estimates of emigrant numbers in various parts of the world, professor Doderović says it can be estimated that around 550,000 people of Montenegrin origin live outside Montenegro.

According to his estimates, around 100,000 people of Montenegrin origin live in Turkey, about 40,000 in the US, 30,000 in Argentina, 25–30,000 in Germany, 12,000 in Luxembourg, and about the same number in Albania.

In addition to the lack of records on citizens living abroad, especially those whose ancestors left long ago, many members of the diaspora interviewed by CIN-CG say that no one from Mon-

tenegro has contacted them or supported them in any way. State engagement outside Montenegro is mostly limited to administrative matters handled by consulates and embassies. There is no thoughtful policy, no initiatives involving culture, art, or economic projects, something well-organized countries routinely do to maintain ties with their citizens abroad.

Thus, the state is effectively abandoning citizens who could greatly contribute back to their country, economically, culturally, scientifically, and in many other fields. Countries in the region, especially Serbia and Croatia, maintain a much more serious relationship with their diaspora, which significantly contributes to their development.

According to estimates, around 40,000 emigrants of Montenegrin origin live in the United States. Most reside in major cities: New York, Chicago, Detroit, and San Francisco.

Senad Perazić runs the “Rumija” Cultural Center in Chicago. Founded in 1996, the center has about 200 members, mostly emigrants from the Bar municipality. Perazić believes the largest Montenegrin diaspora community in the US is in New York, though he says it is difficult to determine the exact number of Montenegrins in the country.

“Earlier generations worked various jobs: building maintenance, trades, crafts. Today we have a completely different picture: our emigrants are now owners of small and mid-sized businesses, doctors, lawyers, engineers...” Perazić says, adding that the main reason for leaving Montenegro was economic.

“As for cooperation with institutions in Montenegro, it was quite good until three or four years ago. We previously had annual visits from the Diaspora Administration and the mayor of Bar. In recent years this has stopped, so I would say cooperation is now minimal or nonexistent,” Perazić concludes.

Stevan Mićović, president of the Montenegrin



Gordan Stojović

foto: personal archive

Association in Bolivia, tells CIN-CG that around 900 people of Montenegrin descent live in Bolivia, while the number across all of South America is significantly higher.

A major wave of Montenegrin immigration to Latin America occurred at the beginning of the 20th century. Gordan Stojović, former Montenegrin ambassador to Argentina, says that between 1918 and 1953, around 18,000 people born in what is now Montenegro settled in Argentina. He believes that at least 60,000 to 80,000 descendants of these emigrants live in Argentina today, all carrying some family roots from Montenegro.

“The state has gone through various phases over the past decades, from completely ignoring and being unaware that the descendants of our emigrants even exist, to one of the key moments of institutionalization, marked by the opening of the embassy as an outstretched hand toward them. Numerous projects followed in the years after that, and I believe that in the past 27 years, we have managed to move forward significantly, thanks to the great efforts of enthusiasts, civilians, the media... In the last two years, I have visited Argentina regularly and can see that emigrant institutions there are open and willing to work on further strengthening cooperation with Montenegro,” says Stojović.

“Currently, there are no support programs from the Government of Montenegro, at least not in Bolivia. Until 2018, we had an excellent start in reconnecting with our roots, thanks to the support of former ambassador Gordan Stojović, who served as ambassador to Argentina, Chile, Brazil, and Uruguay. At present we have been forgotten, both by the Government of Montenegro and by the current diplomats in Buenos Aires, we do not even know the name of the ambassador, assuming one has been appointed at all,” Mićović says.

The Montenegrin community in Uruguay has about 300 members, mostly in Montevideo and Carmelo, says the president of the Montenegrin

Community in Uruguay, Daniel Klisić. He notes that their immigration is very old, most arrived at the beginning of the 20th century, but they have managed to preserve traditions and, recently, to revive the Montenegrin language.

Artist Vujadinović also tells CIN-CG that she receives no support from the Montenegrin authorities or institutions.

“On a few occasions, several years ago, I applied for open arts funding programs through the Ministry of Culture, but I never even received a reply,” she says.

Monstat’s census data show that, after Germany, the largest number of Montenegrin citizens reside in Serbia (7,346), followed by the USA with 6,428. In Luxembourg there are 3,578, in Switzerland 1,987, in Sweden 1,408, and in France 1,381.

The data show that emigration has increased in recent years. According to Monstat’s report, 6,930 Montenegrin citizens went abroad for work, education, or residence in 2023, which is twice as many as the year before, when 3,394 citizens left Montenegro.

During 2021, 2,786 left the country, and in 2020 – 2,396. The data show that between 2015 and 2019, 8,499 people left Montenegro, again twice as many as in the period from 2010 to 2014, when 4,180 citizens moved abroad.

Emigration also affects Montenegro’s ethnic structure. Interestingly, considering their population share, Bosniaks, Albanians, and Muslims emigrate the most. Montenegrin citizens recorded as working, studying, or residing abroad declared their national or

ethnic affiliation as follows: Bosniaks (15,486), Serbs (11,789), Montenegrins (8,790), Albanians (4,938), Muslims (1,628)... In terms of geographic origin, the largest number of persons working or studying abroad come from Podgorica (6,384).

“Census data on the number of citizens residing abroad can offer only a partial insight and cannot be considered an accurate reflection of the total national structure of Montenegrin citizens living



Miroslav Doderović
foto: personal archive

abroad. To ensure greater representativeness, it would have been necessary to consider introducing the option of electronic census participation. This would allow emigrants to take part without being physically present. Such a solution would significantly improve coverage and accuracy of data on emigrants and allow for better analysis of their characteristics, including national structure,” Radojević emphasizes.

Migration trends in Montenegro will be significantly affected by the upcoming expected integration into the European Union (EU) and global developments. According to data from the Croatian Bureau of Statistics, from its accession to the EU in 2013 until 2023, Croatia was left by 389,197 people. In the last ten years, every ninth resident has left Croatia, and every tenth has left Bulgaria.

Given Montenegro’s favorable climate, as well as EU integration, it can be expected that a number of foreign citizens will move to Montenegro. The inflow of population will come from various parts of the world and from different age groups. Some elderly people may come due to the climate and favorable living conditions, as happened in Spain. According to one of Monstat’s scenarios, in the coming period a large number of immigrants will arrive from Asian and African countries, motivated by various reasons, including requests for international protection.

History of Emigration from Montenegro

In Montenegro, around 130,000 citizens live on the edge of poverty, of which only 19,400 receive social assistance. Social benefits range from 86 to 167 euros, and it is very difficult to live on that amount of money, explains demographer Doderović for CIN-CG.

“In our country, the authorities do not mention the poverty of employed people, nor the unfair and disproportionately high level of employment in public administration. Social housing as a way to reduce poverty among vulnerable groups, but also others, is not sufficiently prioritized by policymakers. A social pension still has not been

implemented,” says Doderović.

In the past as well, people emigrated from Montenegro mainly due to poverty. Migration was intense in the 18th century and massive in the 19th and first half of the 20th century, especially after the Balkan Wars, the First World War, and the Second World War.

“Although one could say of Montenegro that ‘it settled others but did not depopulate itself,’ its emigrant communities, scattered in smaller or larger groups, enclaves, and colonies over several centuries, were largely absorbed into their new environments,” Doderović notes.

After international recognition in 1878 at the Berlin Congress, the first population census was carried out in Montenegro. In Đordije Pejović’s work ‘Emigration of Montenegrins in the 19th Century’, Titograd, 1962, it is stated that the country had about 200,000 inhabitants at the moment of recognition.

Pejović writes about the years marked by “famine epidemics”; throughout the 19th century, there were more than two decades of famine, followed by epidemics of cholera, smallpox, and childhood diseases. It is estimated that in 1898 Montenegro had around 200,000 inhabitants, and that only three years later, in 1901, this number had fallen to around 160,000. There is also the example that in 1907 around 15,000 Montenegrins were working in America, and on the eve of the Balkan Wars, around 20,000, about 10 percent of the total population.

The 1921 census was the first organized and systematic method of obtaining not only a reliable population count but also other characteristics of Montenegro’s population. At that time, Montenegro had been incorporated into the Kingdom of Serbs, Croats, and Slovenes, and within today’s borders, it had 311,341 inhabitants.

In the 1931 census, Montenegro within modern borders had 360,044 inhabitants. The census scheduled for 1941 was not conducted due to the outbreak of the Second World War. However, it is estimated that in that year Montenegro, within today’s borders, had 425,964 inhabitants.

In the 1971 census, when many Yugoslavs were going abroad for work, the number of registered

Montenegrin citizens living abroad was 11,000; in 1981 this number increased to 18,000, in 1991 to 23,000, and in 2003, when they were counted for the last time, their number was 55,000. However, these numbers are not precise due to incomplete records on emigrants.

That Montenegro has been continuously losing population, mostly young people, is confirmed by official Monstat data: in the 1991 census Montenegro had 615,035 inhabitants, and 32 years later, in 2023, only a few thousand more (623,633), including over 90,000 foreign nationals.

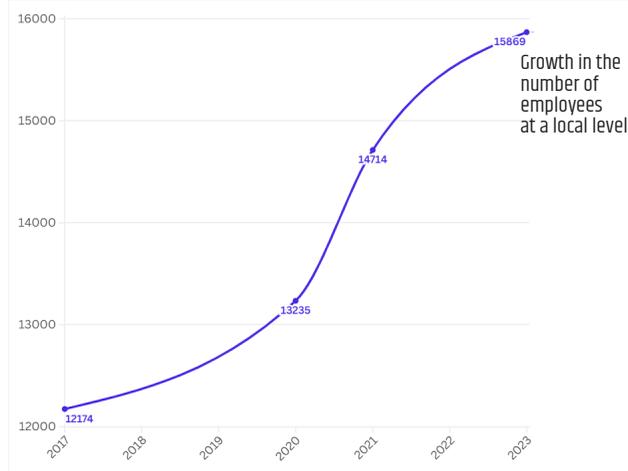
Natural population growth was positive each year, and between 1991 and 2015 it amounted to 73,126. The number of immigrants arriving in Montenegro during this period was at least 72,000. This means that, without emigration, the population should have been larger by 145,000.

“The number of citizens Montenegro ‘lost’ during this period is twice the population of the municipality of Nikšić,” concludes demographer Doderović. According to United Nations (UN) projections, Montenegro will have 93,000 fewer inhabitants by 2050.

largest public sector employees at the national level were in education and science, with more than 17,500 workers. Additionally, over 11,000 individuals were employed in various ministries.

The Government's website does not provide information on the number of employees following the reconstruction of Prime Minister Spajić's cabinet, which saw an increase in the number of ministries. The reshaped Government is notably larger than its original composition, now featuring seven vice presidents, 25 ministries, and one minister without portfolio.

Local governments are also seeing significant growth. At the end of 2017, just over 12,000 people were employed in local administration bodies



and companies, while by the end of 2023, that number had risen to nearly 16,000.

The Report on the revision of the Bill on the final account of Montenegro's 2022 budget notes that between 2019 and 2022, the largest increase in public administration employment occurred in the health sector, with over 1,000 new hires, followed by education, which saw nearly 1,000 additional employees.

Municipalities Also Burdened by Growing Administrative Staff

These figures do not account for temporary, casual, and work contracts, of which thousands have been signed in recent years. For instance, the

Municipality of Budva, with the approval of Mayor Marko Carević, signed 136 temporary and casual contracts in 2020 alone. Similarly, the Municipality of Ulcinj, under the consent of President Ljor Nrekić, concluded 189 such agreements.

Milena Muk from the Alternative Institute (IA) told CIN-CG that while the official data is quite conservative and its reliability may be questionable, it reflects a consistent growth trend in public-sector employment. She also pointed out that there is no comprehensive record of the number of people working in companies that are majority owned by the state or local governments.

According to the Ministry of Education and Culture's data from June 2024, Podgorica has the highest number of employees in local administration, with 1,129 staff members. In second place is Budva, which, despite having a significantly smaller population than the capital, employs 729 people.

It is noteworthy that Budva, with roughly two and a half times fewer inhabitants than Nikšić, has more public administration employees.

According to Ines Mrdović, executive director of Action for Social Justice (ASP), one of Montenegro's biggest challenges is that the Government rewards political loyalty, family members, and close associates with jobs rather than ensuring that the administration is staffed by highly skilled professionals who prioritize the interests of citizens.

"In addition to this issue, we must not forget the thousands of diplomas that have been purchased, resulting in a public administration that is not only dominated by party loyalty and nepotism but also compromised. Many individuals falsely present themselves as qualified professionals, such as lawyers or economists, which undermines the administration's ability to perform its duties effectively," Mrdović emphasizes.

Annual Growth in the Budget: A Persistent Trend

Public administration spending continues to rise each year. According to an analysis by IA, when the DPS government under Prime Minister

Duško Marković began its mandate in 2016, the annual gross wages for state-level employees totaled 422 million euros. By the end of its term in 2020, this figure had nearly reached half a billion euros.

The new Government further increased these expenditures to 535 million euros in 2021. Last year, this amount hit a record high of 643 million euros.

Until December 2020, there was a majority Government of the Democratic Party of Socialists (DPS) of Prime Minister Duško Marković. The Government of Zdravko Krivokapić replaced that administration until February 2022. After that, two more governments were led by Dritan Abazović and the current Prime Minister Milojko Spajić.

Until December 2020, the Government was led by the Democratic Party of Socialists (DPS) under Prime Minister Duško Marković. This administration was succeeded by Zdravko Krivokapić's Government, which lasted until February 2022. Since then, two additional governments have taken office: one led by Dritan Abazović and the current administration under Prime Minister Milojko Spajić.

According to official data from the Ministry of Public Administration, as of June 2024, the largest public sector employees at the national level were in education and science, with more than 17,500 workers. Additionally, over 11,000 individuals were employed in various ministries.

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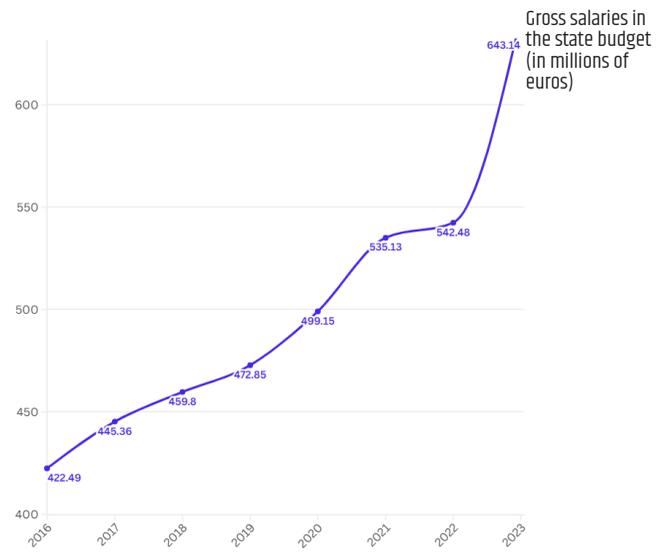
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In 2016, local governments spent 45 million euros on employee wages; by 2019, this figure had risen to 51.7 million euros across all local administrations. According to the Public Administration Reform Strategy 2022-2026 (Strategy), this period also saw an increase in expenditures for work contracts and temporary and casual job contracts.

"Until now, no government has dared to tackle this issue seriously, as this type of employment benefits political parties in power. Any government attempting to rationalize the number of public sector employees would likely lose the next election. Moreover, such a move would undoubtedly have a significant financial impact on the budget, as public sector employees, protected by collective agreements, are entitled to substantial severance pay, unlike their counterparts in the private sector," says Mrdović.

Fast-Tracking Employment in the Public Sector

The former Government was characterized by a lack of transparency, nepotism, and party-based employment practices, which have persisted under the current administration.

"Regarding employment systems and transparency, the DPS developed mechanisms for what we call a 'shortcut' to the administration, such as work contracts, consulting engagements, volunteering, and more. This system is still in place today. For example, you hire someone on a temporary work contract, extend it month by month, and eventually announce a competition. The individual receives the test questions in advance, and as a senior official, you give them the highest marks, leading to indefinite employment. These shortcuts have become the standard way of hiring," explains Mrdović.

The Report reveals that in 2020 alone, the number of employees at the central level increased by 1,179, and at the local level by 319. "The largest number of new hires and engagements occurred in the second half of 2020, coinciding with the parliamentary elections in August," the document states.

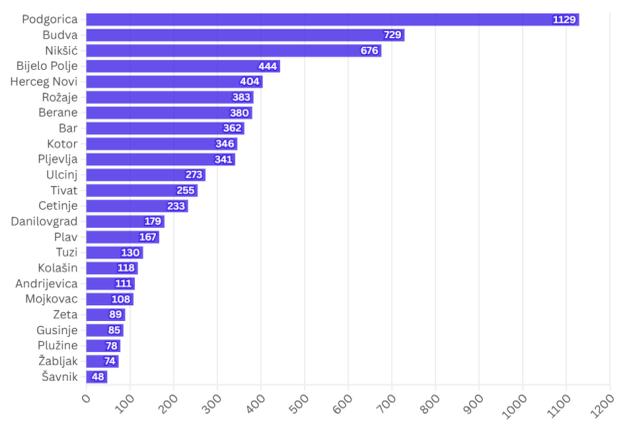
Muk notes that the underlying issues are flawed employment procedures and the absence of a meritocratic vision within the Government. "I use the term 'meritocracy' intentionally, as many of today's politicians promised it when they were in opposition," Muk adds.

A recent example of returning to old practices is the reintroduction of a rule allowing the Mini-

ster of Education, rather than school boards, to decide on the appointment of school principals.

“For less than two years, these provisions were repealed and reintroduced in the same way—through the Assembly, without public discussion, explanation, or a systematic approach. The new parliamentary majority, led by the Europe Now Movement (PES), justified stripping school boards of their powers by citing poor results,” Muk explains.

Number of employees by municipalities, June 2024



He emphasizes that true depoliticization or professionalization cannot occur without a clear, predictable procedure and transparent criteria for evaluating all candidates.

One anonymous source told CIN-CG about their experience with recruitment in exchange for votes. “During the summer of 2020, I worked at one of Montenegro’s companies, and I saw that four colleagues were given indefinite contracts in exchange for votes in the elections held on August 30, 2020.”

Hiring Without Transparency: Jobs Granted Without Public Advertisements

Between 2020 and 2024, large state-owned enterprises hired thousands of new employees, with some adding hundreds to their workforce.

For example, Pljevlja Coal Mine hired 477 people over four years—an increase of two-thirds from 2020, when the company had 691 employees. By the end of 2023, the workforce at Coal Mine had grown to 1,168.

The 2023 Annual Financial Report for “Coal Mine” Pljevlja, published by the State Audit Institution (DRI), states that in 2022 and 2023, the company filled positions by transferring employees from other employers, primarily from the private sector, and signing work contracts with them.

“The actions described above violate Article 24 of the Labor Law, which mandates that the Employment Service must publicly advertise vacant positions in companies, public institutions, and other public services that are founded or majority-owned by the state or local governments, upon the employer’s request,” states the SAI Report.

Over the past four years, the number of employees at the Montenegrin Electric Distribution System (CEDIS) has increased by 361, reaching 1,721 workers by the end of 2023.

The 2022 annual financial report for “Montenegro elektrodistributivni sistem” LLC, prepared by the SAI, notes that the internal organization and job systematization, revised on September 8, 2022, included 511 positions. “The total number of employees in the company at the end of 2022 was 1,643, with 1,334 holding indefinite-term contracts and 309 on fixed-term contracts, marking a 4.8% increase from 2021, despite the workforce plan aiming for a reduction to 1,549 employees for 2022.”

The Report further states that CEDIS hired employees without conducting public advertisements.

Over the past four years, the Post of Montenegro (PCG) hired 201 people, while the Hotel Group “Budvanska Riviera” (HGBR) added 183 employees, bringing its total to 595. Additionally, AAD “Elektroprivreda Crne Gore” Nikšić (EPCG) employed 163 people, resulting in 1,124 employees by the end of 2023.

Research by the Balkan Investigative Reporting Network of Montenegro (BIRN-CG) revealed a significant increase in the number of employees across five state-owned power companies: Elektroprivreda Crne Gore AD Nikšić, CEDIS, Montenegrin Electric Transmission System AD Podgorica, EPCG Solar Gradnja LLC Nikšić, and EPCG - Željezara Nikšić LLC.

The growth in the number of companies over the years must also be considered.

BIRN researchers highlight that the workforce in the electrical sector has grown significantly, from fewer than 2,600 employees in 2018 to over 3,800 by 2023. This increase includes Željezara, which EPCG acquired, and the newly established Solar Construction.

The Report also notes that in sectors such as state administration, defense, and mandatory social insurance, the number of employees in 2022 had risen by more than 20 percent compared to 2010.

Diverse Data on Employee Numbers

Mrdović emphasizes that the burdensome public administration is a significant financial cost, not only through wages but also due to a range of additional benefits provided to public sector employees, including cars, fuel, phones, daily allowances, bonuses, workgroup payments, commissions, and more.

Interestingly, the Ministry of Justice’s Report reveals that during the final three months of Predrag Bošković’s mandate, there was a sudden spike in the number of employees in the Ministry of Defense (MO) and the Army of Montenegro (VCG). From August 31, 2020, when the DPS lost power, until November 30, 2020, before Bošković left office, 186 new hires were made. As of March 2024, the Ministry of Justice data show that VCG has 1,920 employees.

CIN-CG’s research also revealed discrepancies between the employee numbers reported by the Ministry of Internal Affairs (MJU) and the Tax Administration (TA). For 2020, there was a gap of approximately six thousand employees between the figures from the Public Administration (PU) and MJU.

A similar disagreement occurred in 2021. Official data from the Ministry of Education and Culture reported that there were nearly 45,000 employees at the state level and over 6,500 at the local level



Milena Muk
foto: personal archive

in November 2021. However, PU data showed significantly higher numbers, with the Tax Administration reporting just over 50,000 at the state level and slightly over 6,000 at the local level.

The MJU website does not have data for 2022. The 2023 data also differ significantly, showing discrepancies of nearly 5,000 employees at the state level and about 400 at the local level.

On the MJU website, it states, “This scope does not include companies majority-owned by the state and municipalities.” Similarly, in a response to CIN-CG, the PU clarified that these numbers do not account for state-owned or locally owned companies.

In response to these discrepancies, CIN-CG contacted the Ministry of Justice, which referred us to the Ministry of Finance (MoF), but no answers were received by the time of publication.

The PU informed CIN-CG that the data they provide are registration-based and represent figures for the entire year, suggesting that comparing monthly data with annual data might explain some inconsistencies.

Experts interviewed by CIN-CG suggest that PU tracks all payments, including those based on work contracts, which could contribute to the discrepancies in the reported figures.

Optimization Plan: A Mere Formality

Muk explains that efforts to reduce and align the number of employees with the actual needs of the public sector—referred to as “optimization”—have disappeared from the Government’s reform plans, including the recently presented Fiscal Strategy Draft. This comes despite a decision made during the last DPS government to reduce public administration staffing levels significantly.

The Plan for the Optimization of Public Administration in Montenegro 2018–2020 set a target of reducing the number of employees by 3%—or 1,179 employees—by the end of 2018. However, instead of streamlining, the administration has

only expanded.

“The Government’s approach to the public sector is fragmented, with the rules scattered across various sectors. Data management and accountability are lacking, even where clear rules and penalties for monitoring wages and employees exist,” Muk emphasizes.

It is difficult to determine the actual number of employees in public administration accurately. Muk points out that records are often not kept for individuals hired on work contracts or temporary jobs and stresses the need for more transparent contracting practices, with clear plans and justifiable needs.

The EU is also calling for greater transparency in this area. According to the European Commission’s 2023 report on Montenegro, the Parliament adopted amendments to the Law on Local Self-Government to align it with the Law on Civil Servants and State Employees, despite the Commission’s recommendation.

“Relaxed conditions remain a major concern for ensuring employment based on merit, expertise, and the independence of civil servants. Ongoing personnel changes in the public administration have resulted in a loss of crucial knowledge on EU accession issues and a general slowdown in reform progress,” the report states.

Although all post-August 30 governments have highlighted the acceleration of European integration as a key goal, none have yet implemented the Brussels recommendations regarding public administration and employment practices.

STATE-OWNED, PARTY-CONTROLLED:



Inside the Ruling Majority's Enterprise Network

/// Predrag Nikolić //////////////////////////////////////

Montenegro has 178 public companies—123 municipal and 55 state-owned. These companies employ over 22,000 people, 8,403 of whom work in municipal enterprises and 13,702 in state-owned ones.

Of the 55 state-owned enterprises, the majority, 39, operated profitably in 2023, generating a combined profit of €146 million. However, a significant portion of this amount is attributed to the strong performance of the Electric Power Company of Montenegro (EPCG) and its affiliated companies. In contrast, 15 state-owned enterprises reported losses, totaling

The ruling parties have divided the spoils of power and appointed their people to most public companies, where the number of employees is growing at an alarming rate. Even managers who generate losses are handsomely rewarded. Most companies operate without transparency, while the new leadership directs generous donations to the Serbian Orthodox Church.

€22.8 million.

The Institute Alternative collects and regularly updates this data through its My Money platform.

The highest salary among state-owned enterprise officials is earned by Milutin Đukanović, a senior official of the New Serbian Democracy (NSD) and President of the EPCG Board of Directors, who receives €4,611 monthly. He is followed by Boris Raonić, director of the public broadcaster RTCG, with an average monthly

salary of €3,966 in the past year. Although RTCG is funded from the state budget, it is not among the loss-making companies. Raonić's salary—

despite his appointment being ruled unlawful by the courts—was later reduced to €3,400 following public backlash and was maintained after his reappointment.

Another NSD official, Igor Čađenović, is the director of the state-owned company Plantaže 13. jul also ranks among the highest-paid. Despite the company recording a loss of over €6 million in 2023—the largest among state enterprises—Čađenović earned an average monthly salary of €3,961. His asset declarations show that his income was even higher in some months; in September 2023, for example, he reported earnings of €4,145.

Black list

Plantaže 13. jul, once a successful and well-known Montenegrin enterprise, was driven to the brink of collapse under the long-standing administration of the Democratic Party of Socialists (DPS), led by Veselin Vukotić and Verica Maraš. In September of this year, the Higher Court in Podgorica confirmed the indictment filed by the Special State Prosecutor's Office against Vukotić and Maraš on suspicion of committing the criminal offense of abuse of office in business operations. Following the political changes in 2020, efforts to restructure and stabilize this once-prominent brand and major exporter began.

In 2021, the company faced a debt of €20 million. In October of that year, Dr. Zoran Miladinović was appointed executive director of Plantaže. By the time he resigned in November 2022, the debt had been reduced to €13 million. Following his departure, Igor Čađenović took over the position and managed to reduce last year's deficit, which stood at €6 million. Despite ongoing losses, the company increased its workforce in 2023 by 14 employees, bringing the total number to 637.

Economist Igor Čađenović, who was previously Director of Marketing and Sales at Plantaže, signed the resignation of former director Miladinović at the beginning of this year. Additionally, Alternative Montenegro filed a criminal complaint against Čađenović due to a well-founded suspicion that he forged a diploma.

The second-largest loss among state-owned

companies is Željezara Nikšić, which was registered as a company in February 2023 and is fully owned by EPCG. The company reported a loss of €3.5 million last year and employs 252 people. The executive director, Nevenka Janković, has no publicly available property record, making her earnings as executive director unclear. Janković, appointed to the position at the end of last year, is entitled to a monthly salary of €2,000, with potential increases for prior work experience, and boasts 21 years of experience in this company. After Željezara was leased to the Swiss company 8B Capital SA at the end of September, traffic engineer Miloš Nikolić was appointed acting executive director.

The Dr. Simo Milošević Institute ranks third on the list of losses, reporting a deficit of €2.8 million. The number of employees has decreased from 642 in 2002 to 573 in 2023. Similarly, the company's debt has been reduced, from €8 million in 2019 to €2.8 million last year.

At the end of last year, Dr. Zoran Kovačević, a professor at the Maritime Faculty in Kotor, was appointed executive director of the Institute. He previously held the same position from 2012 to 2015, and later served as a councilor and President of the DPS Councilors' Club in the Assembly of Herceg Novi. Information regarding his salary is not publicly available, nor is the compensation paid to Predrag Dragojlović from Belgrade, who became President of the Institute's Board of Directors in January of this year, representing the Investment and Development Fund of Montenegro (IRF). However, it is known that the compensation for members of the Board of Directors amounts to €417.

At the end of September, a celebration was held at the Nikšić Theater to mark the third anniversary of Solar Construction (Solar gradnja), a subsidiary of EPCG.

“Solar Construction is a company with a promising future, one of the few state-owned enterprises that is genuinely operational, profitable, and of immeasurable importance for the development of Montenegro's energy sector,” Milutin Đukanović, President of the Board of Directors of the Electric Power Company, said.

In addition to its marketing efforts, the company concluded last year with a loss of €2.7 million, compared to a €2.2 million loss in 2022 and a loss of €55,202 in 2021, the year of its establishment. The number of employees has also grown significantly, starting with just one employee in 2021, increasing to 319 in 2022, and reaching 420 last year. In a statement made in August, the dismissed executive director, Valerija Savić, confirmed that salaries within the company are above average:

“The average monthly wage expenditure at EPCG SG during my tenure as its head was approximately €480,000.”

Saveljić, a member of the URA, has served as the executive director of Solar Construction since November last year, with a salary of €3,371.

After her dismissal in August, Minister Saša Mujović stated that the Board of Directors of EPCG Solar Construction had removed her without justifying, calling it a “politically motivated dismissal.”

However, this week, Mujović offered a different perspective on her performance. The minister explained that Saveljić had falsified business results: “Despite having access to the information, the ministry was not informed that it had received a negative internal audit report. This report revealed that some invoices, which had been shown to produce a profit of over €600,000, were deemed unacceptable and uncollectible by internal audit. Saveljić presented these results to the ministry as being highly positive, but the reality is that she left the company with a debt of €346,000.”

Saveljić denied these allegations, asserting that she was performing well and accusing NSD officials Milutin Đukanović and Marina Jočić of using Mujović’s statements as a cover for their actions.

In March of this year, the Board of Directors of EPCG appointed a new board for its subsidiary, Solar Gradnja. The board is chaired by Marina

Jočić, a member of the New Serbian Democracy, with Miroslav Doderović (Democrats), Ahmet Đonbaljaj (Albanian Alternative), Veljko Vasiljević, Zoran Čolaković (Democratic People’s Party), Neđeljko Lekić, and Igor Vlahović serving as board members.

Marina Jočić, the President of the Board, is a longtime Mandić party official. Following the change of Government on August 30, 2020, she took on leadership roles in several public companies across various sectors, including nature protection, culture, and energy production. For instance, she served as the President of the Board of Directors of National Parks and PI Museums and Galleries in Podgorica and is currently leading EPCG Solar Construction.

Jočić is not the only member of her family employed at Solar Construction. Her daughter, Iva Čukić Šoškić, was the head of the PR department until she was dismissed by Saveljić, who claimed the dismissal was due to non-compliance with work obligations. Following her dismissal, Čukić Šoškić was reassigned to a lower position.

Before her dismissal, Saveljić also terminated the business and technical cooperation agreement with Kaldera, a company linked to Republika Srpska President Milorad Dodik, also on the U.S. sanctions list.

Montenegro’s railway infrastructure reported a loss of €2.5 million last year. The number of employees increased from 779 in 2022 to 817 during the year. Marina Bošković, who was appointed executive director in March 2021, receives a salary of €1,700. Bošković is the cousin of Milan Knežević, the leader of the Democratic People’s Party (DNP).

Jelena Kljajević, appointed President of the board of directors

of this company by the Government in March, is affiliated with the same party. Kljajević previously served as the President of the Democratic People’s Party’s Municipal Committee in Bijelo Polje and as the director of National Parks. She was dismissed from that position at the end of 2021. According



Boris raonić
foto: Boris Pejović

to the Government's explanation, her dismissal was due to a negative assessment of the legality of her actions and business results, and the blocking of the company's account due to questionable operations. Despite this, she continued to advance in her career and hold state positions.

Kljajević receives a € 598 bonus for chairing the Board of Directors at Railway Infrastructure and an additional €1,000 for her work at the state-owned company Budvanska Rivijera.

Another railway company on the list of losses is Maintenance of Railway Rolling Stock JSC Podgorica, which employs 189 people and has been incurring increasing losses year after year—€500,000 in 2021, €873,000 in 2022, and €908,000 last year.

At the end of February this year, Goran Đurković was appointed executive director, earning a salary of €1,386. His predecessor, Dragana Lukšić, was appointed assistant minister of transport for railway transport.

The Government also recently appointed a predominantly party-affiliated Board of Directors for this company, including Predrag Burzanović (NSD), Tom Đonaj (AA), Bojan Babić (Workers' Party), Radovan Mujović as an expert, and Igor Racković representing minority shareholders.

The chairman of the Board, Predrag Burzanović, receives compensation of €632. He is the principal of the "Marko Miljanov" elementary school, a physical education professor, and holds a master's degree in political science and international relations. Burzanović first gained public attention in early 2022 for insulting MP Draganja Vuksanović, later claiming to have "repented in a way" after the backlash.

Montecargo JSC Podgorica, which specializes in cargo transport for both international and domestic rail, also faces financial struggles. With 321 employees, the company posted a loss of €10 million in 2022, which was reduced to €602,000 in 2023. Executive director Dušanka Dragojević receives a salary of €1,783, while the chairman

of the Board, Miroslav Brajović, is compensated €789. Brajović, an NSD official, not only chairs Montecargo but also serves as an advisor to the director of Railway Transport of Montenegro.

The Innovation Fund of Montenegro, which operated with a positive zero last year, is no longer on the list of state-owned enterprise losers. Founded by the Government in June 2021, its

mission is to foster collaboration between the scientific and economic sectors. With only eight employees, the Fund incurred a €20,000 loss in its founding year, reducing the deficit to just €1 in 2022.

The Fund's Executive Director is Bojana Femić Radosavović, earning €1,679 per month. The President of the Board, Vasilije Čarapić, a senior official of the Europe Now Movement, receives compensation of €712. According to Čarapić's property record from March of this year, as a counselor

in the Assembly of the Capital, he also received a monthly allowance of €150 to €200, and a parliamentary salary of €1,629. This year, his salary in the Assembly increased to €2,000.



Milutin Đukanović
foto: EPCG

White list

Out of the total €146.8 million in state-owned enterprise revenues last year, more than €104 million came from the operations of Elektropriroda and its affiliated companies — including €52 million from EPCG, €35.7 million from the Electric Transmission System of Montenegro, €15 million from the Pljevlja Coal Mine, and €2 million from the Montenegrin Electric Distribution System (CEDIS).

In February of this year, Ivan Bulatović was appointed Executive Director of EPCG. While his exact salary has not yet been disclosed, his employment contract stipulates that he is entitled to a wage three times the company's average. He succeeded Nikola Rovčanin, a member of the Main Board of the Democrats, whose monthly

salary was €3,741. Bulatović has been part of the system for a considerable time, having served as the Director of CEDIS since 2016.

Compared to 2020, when EPCG had 961 employees, the number rose to 1,124 last year, an increase of 15 percent. The company's business performance tends to fluctuate and is often influenced by external factors beyond its control, such as international energy prices, weather conditions, and similar variables.

In 2020, while the DPS still controlled state-owned land and enterprises, EPCG recorded a net profit of €16 million. After the change in Government in 2021, profits rose to €47.5 million. However, in 2022, it dropped significantly to €3.9 million. Last year, EPCG achieved a record net profit of €52 million.

The net business results of the Pljevlja Coal Mine have also shown fluctuations — €13 million in 2020, dropping to €4.4 million in 2021, then rising to €9.4 million in 2022, and reaching €15 million last year. The number of employees also increased, from 691 in 2020 to 1,168 in 2023 — almost 50 percent.

Milan Lekić, head of Pljevlja's branch of New Serbian Democracy (NSD), served as the company's Executive Director, earning a monthly salary of €3,295. He later became President of the Board of Directors of Pljevlja's largest company, a position he held until recently.

Since the beginning of last year, the Montenegrin Prosecutor's Office has been investigating allegations that former Coal Mine Director Milan Lekić signed a damaging contract with Electric Power Company of Srbija in May 2022, allegedly selling coal at prices significantly below market value.

In October last year, Milan Lekić was involved in a traffic accident while driving an official vehicle under the influence of alcohol, not for the first time. Following the incident, he resigned.

Much like the situation in the energy sector, the new ruling majority has extended its influence

over other state-owned enterprises by appointing its people.

In March of this year, the Government appointed Aleksandar Dožić, a Democratic People's Party official, President of the Monteput Board of Directors. He receives a monthly salary of €1,850.

The national airline company To Montenegro, founded in 2021, has a President of the Board of Directors named Tihomir Dragaš. He is a member of the Presidency of the Europe Now Movement (PES). His salary has not been disclosed.

Mladen Mikijelj, elected President of the Municipal Board of NSD Budva in May this year, currently leads the Public Enterprise for the Management of Marine Assets (Morsko dobro). He receives a salary of €3,200. In the year he assumed the role, the company recorded a modest net profit of €29,000, but last year that figure rose sharply to a €2.3 million surplus. Between 2022 and 2023, the number of employees grew by 42, bringing the total to 102.

Vladimir Čadenović, a member of the Democrats' presidency, was appointed President of the Board of Directors of CEDIS in March of this year. He had previously served as the company's Executive Director, during which time his salary exceeded €3,000. Although his current compensation is unknown, under his leadership, CEDIS — a company

majority-owned by EPCG — reduced its losses from €11.7 million in 2022 to a €400,000 profit last year. At the same time, the number of employees rose by about 20 percent, from 1,428 in 2021 to 1,721 in 2023.

Jovica Gregović, head of the Budva branch of the Democratic People's Party (DNP), has served as Executive Director of the Hotel Group Budvanska Riviera since July 2021. Mijomir Pejović, President of the Municipal Board of the Democrats in Budva, holds the position of President of the Board of Directors of the same company. Gregović earns a salary of €3,784, while Pejović receives €3,164. After recording a loss of more than €9 million in



Igor Čadenović
foto: Luka Zeković

2020, the company ended last year with a profit of €1.9 million. The workforce also grew from 412 employees in 2022 to 595 in 2023.

Zoran Lakušić, a DNP official, is President of the Board of Directors of the Regional Water Supply Company for the Montenegrin Coast, with a salary of €3,471, higher than that of Executive Director Borislav Ivković, who earns €3,094.

In March of this year, Dušan Masoničić, a member of the Democrats, was unanimously elected President of the Board of Directors of Luka Bar. His party colleague, Nikola Plamenac, is Executive Director of “Sveti Stefan Hotels,” which owns the city hotel Sveti Stefan and Villa Miločer. The President of the Board of Directors is Milica Kažanegra, a member of the Socialist People’s Party (SPP).

Đuro Milošević, affiliated with the SPP, is the Executive Director of Ski Resorts of Montenegro. After ending 2021 with a loss of €200,000, the company operated at a profit of the same amount in 2023.

Slađana Adžić Džaković, a Democrat councilor from Plužine, was appointed President of the Montenegro Bonus Board of Directors.

The Montenegrin Electricity Market Operator in Podgorica has been aligned with the Bosniak Party. The Executive Director is Mersudin Gređić, a member of the party’s presidency, while his colleague Nermin Škretović from Bar serves as President of the Board of Directors.

In March of this year, the Shareholders’ Assembly appointed several new members to the Board of Directors of Railway Transport of Montenegro (ŽPCG): Tripko Draganić (NSD), Željko Miladinović (DPP), Dejan Konatar (Democrats), Pavlo Popović (expert member), and Marko Bertanjolik (minority shareholder). Draganić, notably, holds a PhD in religious tourism—the first in the region—and is also a published poet and cultural advocate. He co-founded the Institute for Serbian Culture in Nikšić and NGOs such as “Vladika Sava Kosanović” and “Nikola Tesla.”

The post of Montenegro illustrates another example of the intertwining of party and public functions. Dragan Tufegdžić, former Executive Director of the Post and President of the Democrats’

Bar Municipal Committee, resigned from party positions in June 2023 but remained a member. His successor in both roles is Josip Đurašković, also from Bar. Earlier this year, Tufegdžić was appointed Montenegro’s ambassador to Slovenia.

The current President of the Board of Directors of the Post of Montenegro is SPP member Igor Bulatović. The company’s employees grew from 988 in 2020 to 1,189 in 2023. Financially, the company posted a net profit of €842,000 in 2020, which dropped to just €126,000 last year.

Donations Primarily Directed Towards Sports and the Serbian Orthodox Church

Although state-owned enterprises are required to transparently disclose information about their sponsorships, donations, and gifts, only a few do so consistently.

One of the exceptions is Marine Assets (Morsko Dobro), which allocates significant sums for donations each year and ensures transparency in its reporting. In 2023, this company allocated €273,000 in donations, with the most going to sports clubs. FC Petrovac received €40,000, while YFC Grbalj and the Water Polo and Swimming Association of Montenegro each received €20,000. Additionally, €10,000 was donated to FC Otrant and the Volleyball Association of Montenegro. The same amount was given to the Monastery of St. Archangel Michael on Prevlaka. At the same time, the Eparchy of Budimlja and Nikšić received €3,000, the Monastery in Kosierevo €2,500, and the Franciscan Monastery in Petrovac €7,967.

Donations for 2023 are not publicly available on CEDIS’s website. However, in 2022, the company allocated €187,000 in donations. The most considerable sums — €30,000 — went to the Water Polo and Swimming Association, followed by €25,000 for the Clinical Center of Montenegro (KCCG) and €10,000 to the Faculty of Electrical Engineering. CEDIS also donated to religious buildings affiliated with the Serbian Orthodox Church (SOC). These included €1,500 to the Duga-Bioče Monastery, €4,990 to the Duljevo Monastery, €2,500 to the Čelija Piperska

Monastery, €1,000 to the Apostolic Vicariate of Herzegovina, €1,000 to the Church Board of St. Nicholas, €700 to the Church Board of Vaso's Church Nožica, and €4,000 to the Montenegrin Coastal Metropolia.

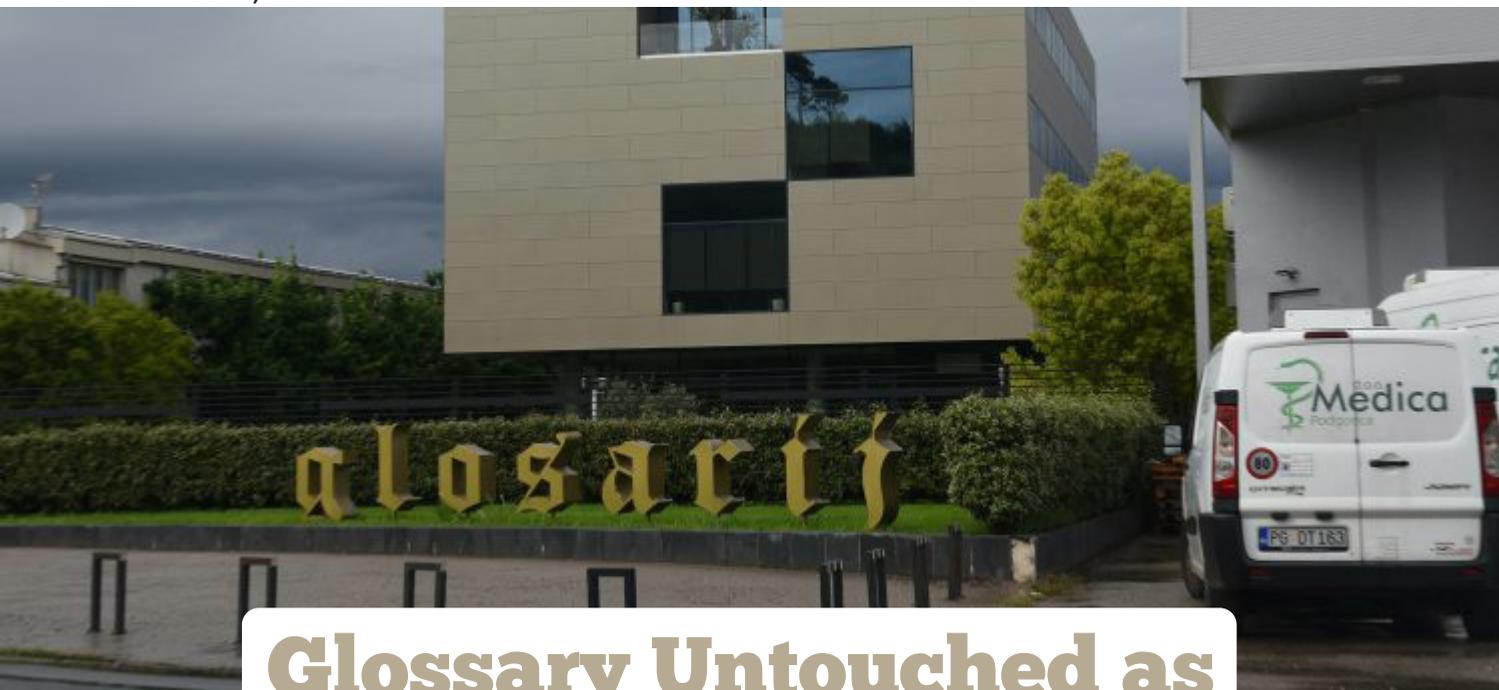
Other state-owned enterprises have similarly directed their sponsorships primarily to religious buildings of the Serbian Orthodox Church and organizations associated with the community. Last year, the Regional Water Supply allocated €11,280 in donations, ranging from €100 to €300. Individual recipients included the Dujevo Monastery, St. George's Monastery, Kolašin Parish, and the St. Michael's Choir in Budva, each receiving €200.

A similar practice is followed by Ski Resorts of Montenegro, where donations ranging from €100 to €300 totaled €12,000 in 2022. Among the recipients was the Brotherhood of Orthodox Youth "Sveti Dimitrije," which received €300.

The Radio Diffusion Center (RDC) allocated €12,200 for sponsorships in 2023, supporting school associations, schools, and non-governmental organizations with donations ranging from €100 to €400. The largest individual donation of €850 went to the Eparchy of Budimlja and Nikšić — the Church Board in Župa Nikšićka, followed by €450 for the Construction Committee for the Serbian Orthodox Church.

The Innovation and Entrepreneurship Center "Tehnopolis" LLC, Nikšić, distributed €2,330 in donations in the past year. The Nikšić Theater received the largest donation of €500, while the NGO Charitable Foundation of the Metropolis of Montenegro and Littoral received €300.

NEW REGIME, SAME GAME: HOW POWER SHIFTS LEAVE DRUG TRADE MONOPOLIES UNTOUCHED



Glossary Untouched as Successive Regimes Maintain the Old Trade Practices

/// Predrag Nikolić ///

Currently, 906 branded medicines are listed under the basic, supplementary, and special regime categories, all funded by the Republic Health Fund (FZO). Of these, 92 percent are represented or exclusively distributed by Glosarij, a company owned by Branimir Martinović, along with its subsidiaries Glosarij CD and Medica. Another 7.5 percent is represented by Farmerga, a company owned by the German group Fenix, while a few smaller Montenegrin pharmaceutical companies distribute the remaining 0.5 percent.

“This effectively means that for 92 percent

Under Đukanović’s tenure, Branimir Martinović’s company emerged as the leading pharmaceutical distributor. In the decades that followed, it reached a turnover of hundreds of millions, yet it continues to maintain a monopoly, effectively rendering public tenders in this sector meaningless

of these medicines listed in public procurement tenders, the supplier is predetermined, as they are the authorized agent and distributor—in this case, Glosarij and its subsidiaries,” wrote Goran Marinović, former director of Montefarm, in a letter to relevant institutions. “The same applies to Farmerga and the other few players involved. This situation makes public tenders meaningless, as the outcome is known in advance.”

Marinović proposed that this issue be addressed through amendments to the new Law on Health Care, suggesting that Montefarm or the

FZO take over at least part of the procurement responsibilities to ensure greater transparency and competition.

Instead of responding with a plan to dismantle the decades-long monopoly of a private company over the pharmaceutical market, which continues to grow and now exceeds €100 million annually, the Government dismissed Goran Marinović. The Minister of Health, Dr. Vojislav Šimun of the Europe Now Movement (PES), even announced plans to file a criminal complaint against Marinović for alleged misconduct.

Marinović told the Center for Investigative Journalism of Montenegro (CIN-CG) that his dismissal was politically motivated. During the rule of the Democratic Party of Socialists (DPS), the opposition repeatedly accused Glosarij of enjoying a privileged status. It claimed that the company was one of the key financial backers of Milo Đukanović's party.

Following the change of Government in 2020, Nebojša Medojević, president of the Movement for Change (PZP), accused Miloško Spajić, then Minister of Finance in the 42nd Government, of making an illegal deal with Glosarij. He later alleged that the company was also a financier of the Europe Now Movement (PES) election campaign.

In February 2023, just before officially retiring from Government and at the start of the presidential election race, Spajić launched his campaign from the City Tavern (Gradska kafana) in Cetinje—a venue owned by Branimir Martinović.

Domination

Following the change of Government, Glosarij not only retained the monopoly it held during the rule of the Democratic Party of Socialists (DPS), but its profits also surged significantly. The company was recognized as the fastest-growing business in Montenegro for two consecutive years, in 2021 and 2022.

Over the past three years, Glosarij recorded total revenues exceeding €340 million, €99.9 million in 2021, €112.8 million in 2022, and €128.3 million in 2023. The company posted a net profit of over €5 million each year, totaling more than

€16 million across the three years.

The Center for Investigative Journalism of Montenegro (CIN-CG) has obtained documentation indicating the existence of a systemically legalized monopoly in the pharmaceutical procurement system.

In 2023, Montefarm's medicine procurement budget was €99.1 million, of which 83.15 percent was awarded to Glosarij. After a mid-year budget revision raised the amount to €115.4 million, Glosarij still captured 71.38 percent of the total, amounting to €82.4 million. The company also held the dominant share in Montefarm's procurement budget in the previous two years.

According to Article 14 of Montenegro's Law on the Protection of Competition, a market participant is presumed to hold a dominant position if its market share exceeds 50 percent. Furthermore, the law states that two or more participants are supposed to hold a collective dominant position if they control more than 60 percent of the market and face no significant competition.

Such a market structure—particularly in the critical area of pharmaceutical procurement—is considered highly problematic by European Union standards. Under EU law and practice, monopolies in healthcare procurement pose a serious threat to public finances and the integrity of the health system. Yet, Montenegrin authorities, including the Agency for the Protection of Competition, have not taken adequate steps to address the issue.

According to CIN-CG sources, foreign experts, the World Bank, and other international institutions have raised concerns about this monopoly, warning of its risks regarding potential corruption and the absence of genuine competition.

Despite holding an overwhelming monopoly in the pharmaceutical market, Glosarij did not operate alone. Through its affiliated companies—Glosarij CD and Medica—it exercised what the law defines as collective dominance. In the past year alone, Glosarij CD received €13.6 million from the public budget for medicine procurement, and Medica received €6.4 million. Combined with Glosarij's share, the total reached €102.5 million, accounting for a staggering 88.8 percent of the overall budget for medicine procurement in 2023.

This concentration has been consistent in recent years: in 2022, these three companies controlled 76.68 percent of the procurement budget, and in 2021, 76.30 percent.

Another major player, Farmerga, held a smaller yet significant share. 2023 it received €19.9 million, or 17.29 percent of the budget. In 2022, the company's share was 17.17 percent (€13.1 million); in 2021, €14.6 million, making up 18.67 percent of the total medicine procurement funds.

Remarkably, due to a mid-year budget rebalancing, the final disbursements exceeded the original allocation. As a result, private companies collectively withdrew 106 percent of the initial state budget for medicine procurement in 2023, a figure enabled by the reallocation of public funds.

Montefarm's Import Practices: No Imports Unless It's a Crisis

The state-owned company Montefarm has been excluded from these substantial transactions for nearly a decade.

"Montefarm has not imported any medicines in the last seven or eight years, except for occasional emergency purchases when stocks run low. For these purchases, approval must come from the Ministry of Health," Goran Marinović explained to CIN-CG.

"This is a critical moment to implement simple legal solutions that would prevent this practice,

curbing unnecessary spending and, ultimately, the enrichment of private individuals. Until this issue is addressed, it doesn't matter who organizes the public procurement process—the outcome of every tender is already predetermined," Marinović stated in a letter to relevant institutions in October last year.

Marinović proposes that the law be amended to allow Montefarm, a state-owned entity, to purchase medicines directly from manufacturers. This way, the state could capture rebates or hidden discounts typically provided to distributors, which often account for around 30 percent of the total turnover. It is estimated that such a reform could save between €28 and €30 million annually on medicines listed for public procurement.

This document highlights that the current Montenegrin pharmaceutical market exhibits characteristics that are uncommon not only in the region but across Europe, stemming from decades of state privatization.

This situation's origins date back to 1991, when the Montenegrin Assembly established the state-owned institution Montefarm, tasked with supplying medicines and medical supplies to the population and health institutions.

1992 Glosarij, Montenegro's first private wholesale drug distributor, was founded in Cetinje. While numerous pharmaceutical companies failed throughout the 1990s, Glosarij thrived and significantly expanded in the new millennium.

The groundwork for the company's monopoly position began in the late 1990s.

"All ministers of health and directors of the Health Fund receive monthly bribes in cash from the pharmaceutical mafia," Nebojša Medojević has repeatedly stated. "This corrupt practice was introduced by Ramo Bralić of the SDP and Aco Đukanović," he added. "For this reason, all assets accumulated by

	<i>Business revenues 2021</i>	<i>Business revenues 2022</i>	<i>Business revenues 2023</i>	<i>Net profit 2021</i>	<i>Net profit 2022</i>	<i>Net profit 2023</i>
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GLOSARIJ	99.895.446€	112.776.871€	128.268.040€	5.280.476€	5.131.659€	5.694.912€
GLOSARIJ CD	11.511.742€	12.526.961€	14.782.576€	2.727.660€	2.610.277€	3.129.146€
MEDICA	6.628.870€	8.376.560€	10.096.709€	420.800€	462.452€	693.398€
TEA MEDICA	19.394.125€	19.925.527€	21.646.924€	949.273€	850.497€	972.204€
MOJ LAB	9.037.071€	5.660.526€	6.556.520€	2.830.174€	50.214€	-462.765€

Medicine, Business, and Basketball: Unraveling the Ties That Bind

Vladimir Martinović owns four companies: Glossarij, Glossarij CD, Keywork Estate, and Monte Resort. His primary source of business revenue is Glossarij, which generated 128 million euros in income last year and a profit of 5.6 million euros.

2023 Glossarij CD recorded 14.7 million euros in income, with a net profit of 3.1 million euros.

Keywork Estate, which Martinović wholly owns, reported 411,000 euros in income last year and a profit of 191,964 euros.

Over the past three years, Monte Resort has earned 200,000 euros in income. While the profit was 6,000 euros in 2021, it increased to 94,000 euros in 2022 and 2023.

Through Glossarij, Martinović also owns a 10 percent stake in The Badger MNE. This company has not generated any business income in the past three years and reported a loss of 22,000 euros last year.

Until September 2022, Martinović also owned Gradska kafana in Cetinje, which is now co-owned by Jovan Martinović and Marko Martinović. In 2023, this company achieved 1.3 million euros in revenue and a profit of 77,000 euros.

Previously, Martinović was the co-owner and executive director of Evergreen, a company under blockade since the end of 2005, with a debt of 629 euros. Until mid-2016, he held a 50 percent stake in Terra Properties d.o.o. Belgrade, a company that has been blocked since October 2018, has debts totaling 152,000 euros. Before 2014, Martinović co-owned Monte Vila Kotor, a family business now in liquidation.

He was also an indirect owner of Glossarij M and Glossarij PH, both in liquidation, and co-owned the now-deleted company Sensilab. Until May 2008, Martinović was a co-owner of Baypharm, whose representative was Oleg Obradović, former chairman of the board of First Bank and a key figure in the Telekom affair. Baypharm entered bankruptcy in 2022, with a tax debt of 352,000 euros.

Martinović's sons own Tea Medica, one of Montenegro's largest pharmacies. Last year, the company reported 21 million euros in income and a profit of 972,000 euros.

In the health sector, Martinović, Dragan Bokan, and Milan Mijović co-own Moj Lab, each holding a one-third share. The company's profit dropped from 2.8 million euros in 2021 to 50,000 euros in 2022, and it posted a loss of 462,000 euros last year.

Basketball also connects these three individuals. Milan Mijović is a former doctor for the Budućnost Basketball Club and the Montenegrin national basketball team. Dragan Bokan is the head of the management board of Budućnost Voli, and Martinović is a member of its management board.

It's worth noting that Milo Đukanović, former president of Montenegro, served as the long-term president of the Basketball Association of Montenegro.

ministers of health and Health Fund directors since 1998, which they cannot justify with their regular income, should be seized!"

The MANS Research Center revealed that in 2013, Glosarij and Farmerga were among the privileged companies that benefited from the Investment and Development Fund (IRF). They received favorable loans and had the Fund purchase their million-dollar claims—€1.8 million each.

As their business expanded, Branimir Martinović established Glosarij CD in 2012.

According to an earlier CIN-CG study, Glosarij received over €90 million from the state for medicines and medical devices between 2012 and 2017. This amount represents nearly half of the total funds available to Montefarm for medicine procurement from the state budget.

Many of these funds went to Glosarij while Budimir Stanišić was director of Montefarm. After stepping down in early 2017, Stanišić bought 50 percent of the shares in Medica, a company with which he had previously entered into procurement contracts on behalf of the state. Goran Martinović, the son of Glosarij's owner, purchased the remaining shares, who left the company in early 2018 and now works there.

The demand for medicines has continued to grow. 2012 Montefarm's budget for medicines was €36.99 million, rising to €49.43 million by 2016. In 2014, Glosarij received €31.6 million of the €42.5 million allocated for medicine procurement by Montefarm. Official data shows that from 2018 to 2022, pharmaceutical spending in Montenegro nearly doubled, from €61.4 million

to €119.4 million, representing an average annual growth of 18 percent. During the same period, the number of prescriptions grew by an average of 5 percent annually, from 5 million to 6.2 million.

What Radunović, Čirgić, Hrapović said

The issues with medicine procurement tenders were highlighted during the DPS era. In 2012, Miodrag Radunović, then Minister of Health, warned Milorad Katnić, the Minister of Finance, that unless the Law on Public Procurement was urgently amended, Montenegro would face a severe shortage of medicines due to overly complicated and prolonged procedures.

“A tender for insulin procurement was announced, but due to a complaint, the process was delayed by 57 days. I wonder who has the right to jeopardize the lives of 35,000 people with diabetes in Montenegro, simply because bureaucratic procedures—unrelated to life-saving needs—say so,” Radunović remarked at the time.

He further emphasized, “Someone sitting in an office, far removed from reality, has equated the procurement of building materials, cement, or bricks with the procurement of medicines.”

Concerns about a monopoly in this highly profitable sector resurfaced in 2017, when the Health Fund urged the Ministry of Finance to revise its approach to medicine and medical device procurement. Led by Sead Čirgić, the Health Fund warned that the complex and time-consuming public procurement procedures were fostering monopolies, driving up prices for specific medications, and causing frequent shortages. They also noted that a significant portion of the market was dominated by a single supplier, directly impacting pricing. In some cases, they reported that the price of certain medications had risen by as much as 97 percent in just two years.

At the end of 2018, a scandal broke over the

inflated prices of medicines in Montenegro, which were three to five times higher than in Serbia. In response, the Ministry of Health, then headed by Kenan Hrapović, issued a warning to wholesalers and license holders for the sale of medicines. The Ministry stated that if double pricing and unjustifiably high prices continued, they would report the issue to the Ministry of Economy and the Agency for the Protection of Competition. However, no action was taken following this warning. At the time, the Atlas Group alleged that Budimir Šegrt, Hrapović’s predecessor and a figure appointed by Milo Đukanović as the director of the Meljine hospital, had been involved in extracting money from the hospital through wholesalers Glosarij and Montefarm.

In a later session of the Montenegrin Assembly, Nebojša Medojević claimed that the authorities had refrained from arresting the owner of Glosarij for illegal activities due to his connections, specifically that he was the godfather of the chief Special Prosecutor, Milivoje Katnić.

MANS (the Network for the Affirmation of the Non-Governmental Sector) revealed in 2021 that in July 2009, Katnić had purchased a 54-square-meter apartment in Podgorica for €67,800. Four months later, he sold the same apartment to Glosarij for €96,000. Katnić justified the €30,000 price increase by claiming he had renovated significantly. MANS alleged that this transaction was a form of corruption through a gift.

When the COVID-19 pandemic began, over €8 million in donations were made to the National Coordinating Body for Infectious Diseases (NKT) in just four months to help combat the virus. Of that amount, €1.7 million was spent, with the most significant portion—€537,837—paid to Glosarij. Public outrage and opposition concerns arose when it was revealed that Hajriz Brcvak, a noted humanitarian, had donated ventilators to the NKT for \$4,700 to \$5,000 each. At the same time, Glosarij bought similar ventilators



Goran Marinović
foto: Luka Zeković

and sold them to the state for \$19,000 each.

The Final Hours: Health system on the brink of collapse

After the pandemic and the change in Government, the Health Insurance Fund (FZO) warned that the country's health system was on the brink of collapse. It was revealed that the FZO owed approximately €45 million to wholesalers and suppliers of medicines for Montefarm, with nearly 75 percent of that amount—€30 million—owed to a single company, Glosarij, as announced by the then-director of the Fund, Dragoslav Šćekić.

At the end of 2021, Šćekić called on the prosecutor's office to investigate how the health system had been driven into a subordinate and controlled state. He highlighted that Montefarm was unable to import medicines and was instead forced to purchase all its supplies from Glosarij, which had invoiced a staggering €114 million over the previous two years.

In 2022, Šćekić was appointed Minister of Health, but the Europe Now Movement has accused him of numerous failures in the healthcare sector. In September 2022, Montefarm responded to a summons from the PES (Europe Now Movement) and the minister and to accusations from former ministers Milojko Spajić and Jakov Milatović.

“Outstanding debts in 2021 to Glosarij, amounting to €15 million, were transferred to 2022 through factoring, at your insistence, with a firm promise that these funds would be allocated in the 2022 budget. As expected, no action was taken on your promise,” Montefarm responded.

At the same time, Nebojša Medojević called on the Chief Special Prosecutor, Vladimir Novović, to investigate a 2021 deal between the then Minister of Finance, Milojko Spajić, and Glosarij, in which the state provided guarantees and paid €17 million through cession.

In March of the previous year, during a government session, the then Minister of Health, Dragoslav Šćekić, emphasized the need to confront the pharmaceutical mafia. At that time, Prime Minister Dritan Abazović suggested that Montefarm should spearhead efforts to establi-

sh a pharmaceutical manufacturing facility in Montenegro.

“Montefarm has essentially become the Glovo of medicines in Montenegro—just a distribution center. Instead of focusing on domestic production, Montefarm has been reduced to a logistical hub, where medicines arrive and are then transported to pharmacies. Maybe that was the vision of the previous Government. But I can say with certainty that Montefarm could begin producing medicines, at least those for mass consumption,” Abazović asserted.

Plans for a New Medicine Factory Halted

Marinović told CIN-CG they had conducted a preliminary study for the factory project. The study determined that taking on debt was unnecessary, as the construction could be financed using the 6,300 square meters of land owned by Montefarm next to the Atlas Capital Center. The plan projects that the new factory's output could capture around 40 percent of the domestic market share, with the potential for expansion depending on domestic and export market demands.

Marinović further explains that the factory would employ 400 people. In the first year, the projected profit would be €5 million, growing to €25 million by the fifth year. Beyond the market impact, the factory would also address the lack of laboratories in Montenegro and play a critical role in establishing national drug reserves, which the country currently lacks.

In the Development Plan from last year, it was emphasized as a priority that Montenegro should establish at least one factory for essential medicines. One of the key points highlighted was that Montenegro remains the only country in the region without its galenic laboratory (which produces simple drugs in small batches), and there is an urgent need to establish one as soon as possible.

“According to the plan, the new galenic laboratory within Montefarm would produce between 180 and 200 galenic drugs on an area of 700 to 900 square meters, with the required funding for

its establishment estimated at €880,000 to €1 million.” However, the Ministry of Finance halted the project’s implementation last fall.

A year after the public launch of this initiative, the situation remains unchanged. In the last three years and three months of this year, Glosarij secured 226 tenders. In terms of buyers, Montefarm dominates with a 94 percent share, followed by KCCG with 3 percent, and the Institute for Public Health and other buyers, each with 1 percent.

Uncovering the Link: Acting Director of Montefarma and the Glossary Connection

The business continues to grow, with the Martinović family owning one of the largest private pharmacies, Tea Medica. Additionally, Branimir Martinović, the owner of Glosarij, holds a 33 percent stake in the healthcare institution Moj Lab. Moj Lab operates three polyclinics in Podgorica, Ulcinj, and Budva, along with laboratories in 10 other cities across Montenegro. Co-owners of Moj Lab with an equal stake include Dragan Bokan, the owner of Voli, and Milan Mijović, a former director of KCCG and a surgeon.

Vojislav Šimun, the Minister of Health from the PES, recently accused Marinović in the Assembly of allowing certain lobbies to flourish during his tenure, asserting that he is neither part of nor intends to be part of the pharmaceutical lobby.

“One wholesale drugstore accounted for 83.8 percent of the budget in 2021, 106.4 percent the following year, and 90 percent in 2023, while another company held 18 percent, simply because it sold much more expensive drugs,” Šimun pointed out.

He also announced that he would refer the matter to the prosecution.

After Marinović’s dismissal, Aleksandar Bogavac was appointed acting director of Montefarm. According to his biography, he previously worked as a sales officer and medical representative at the company Farmegra and later as marketing and sales supervisor at the company Alkaloid in Podgorica.

Interestingly, the authorized distributor for the Alkaloid factory in Skopje for Montenegro is Glosarij.

NATURE PARK 'RIJEKA ZETA' THREATENED BY ILLEGAL DUMPING AND UNLAWFUL CONSTRUCTION:



Disregard for Laws and Environmental Protection

/// Tijana Lekić //////////////////////////////////////

Wildlandfills in the “Rijeka Zeta” Nature Park contain various waste—tires, construction debris, dead animals, food scraps, textiles, car parts, and furniture. There seems to be no limit to what ends up in these illegal dumpsites.

This protected area spans 120 square kilometers and covers parts of both the Podgorica and Danilovgrad municipalities. The Podgorica section, which covers 26 square kilometers, is managed by the Agency for Management of Protected Areas of Podgorica (AUZP), while the remainder of the park falls within Danilovgrad.

The largest landfill, covering an area of one square kilometer, is located in Mareza, alongsi-

Despite being a protected area, the effectiveness of protection in ‘Rijeka Zeta’ is undermined by inadequate legal frameworks and poor implementation. Additionally, waste in the region poses a threat to public health.

de the highway near the “Imanje Knjaz” restaurant, just outside Podgorica. This massive dump is a severe threat to the local ecosystem and public health.

According to staff from the AUZP Protection Service, the rangers responsible for monitoring the Podgorica section of the park, the large landfill in Mareza is flooded across the first rains, causing the waste to spread across the flooded area. Illegal landfills attract pests like mice, flies, and rats, which can spread infectious diseases. They also contaminate the soil and groundwater, as the waste often contains heavy metals and other hazardous substances.

A few months after the park was established,

in early 2020, AUZP encountered a problem with unclear jurisdiction regarding the illegal dumping of waste, particularly between the Podgorica Communal Police and the Environmental Inspection.

AUZP informed the Center for Investigative Journalism of Montenegro (CIN-CG) that the Environmental Inspection considers itself responsible only for hazardous waste. At the same time, according to the Inspection, the Podgorica Municipal Police is tasked with managing other types of garbage.

However, the Communal Police assert that the Environmental Inspection is responsible for all types of waste in protected areas under the Nature Protection Act.

“Regarding protected areas, the rangers are responsible for monitoring the terrain. If they detect any issues, they report them to the Directorate for Inspection Affairs so that the necessary procedures can be initiated,” the Podgorica Communal Police told CIN-CG. However, they did not answer questions about potential legal gaps that might limit their effectiveness.

An even more pressing issue is that the Law on Waste Management does not address private land, meaning the Podgorica service “Čistoća” is not obligated to remove waste from private properties.

“We only remove waste upon request from private landowners,” the “Čistoća” service said in a statement to CIN-CG.

Thanks to field data provided by the rangers, AUZP’s professional service has created a comprehensive database detailing the locations and types of waste.

“Čistoća has removed all landfills located on state-owned plots identified by the rangers during their daily patrols, but these sites are often re-established,” AUZP reported.

Many illegal landfills in the “Rijeka Zeta” Nature Park have existed for years, likely even before the area was designated a protected zone, and they continue to proliferate despite the designation. People responsible for improper waste disposal often dump at night, a pattern confirmed by AUZP.

“The fines imposed are insufficient for the severity of the offense. According to informa-

tion from the Municipal Police, the fine for the improper disposal of waste by trucks is only 20 euros,” AUZP told CIN-CG.

Under the Decision on Communal Order, the owner of a private plot within a protected area is responsible for maintaining their property. If they fail, the inspector or ranger visits the site, records the condition in a report, and instructs the property owner to clean up their yard.

“The fine for a natural person ranges from 20 to 1,000 euros,” the Podgorica Communal Police stated.

EU countries enforce much stricter regulations. In Italy, fines for illegal waste dumping range from 300 to 3,000 euros, with penalties increasing to 1,000 to 10,000 euros as of October 2023. In cases involving hazardous waste, the fine can rise to 20,000 euros. The Italian Code of the Cultural and Landscape Heritage holds the individual who dumps the waste responsible, and the landowner where the waste is found.

“Since 2020, no criminal cases have been filed for the offense of polluting the environment with waste,” the Basic Court in Podgorica reported to CIN-CG.

Montenegro’s Criminal Code prescribes prison sentences ranging from three months to eight years for those who, through waste management activities, endanger human life, health, or the environment. If the offense was committed negligently, penalties range from fines to five years in prison, and if the offense results in serious injury, health damage, or death, the sentence can be between two and twelve years.

AUZP informed CIN-CG that three months ago, representatives from relevant institutions, companies, and inspections responsible for waste management met in Podgorica. The meeting concluded with a decision to invite plot owners with wild landfills to a meeting in the capital.

“The Property Directorate of Podgorica has been tasked with identifying the owners of these landfills using the AUZP’s database and inviting them to a meeting in Podgorica. Some owners may not be aware of the condition of their properties,” AUZP explained.

At the meeting, owners will be informed that

the landfills will be removed, but if the waste is disposed of again, they will be held accountable, and legal action will be taken.

It is common for people to set fire to waste in these illegal dumps, posing significant risks to the health of nearby residents. When waste burns, harmful substances such as dioxins are released into the air, contaminating the air, water, and soil.

According to rangers interviewed by CIN-CG, land near the largest landfill is being exploited. “We caught people stealing land from the area and then selling it.”

The question remains where this land goes, what it is used for, and what health risks it may pose.

One of the five main objectives of the Green Agenda for the Western Balkans, which Montenegro signed in 2020, is reducing air, water, and soil pollution. In April 2024, the Law on Waste Management was adopted, but it does not detail the issue of landfills on private properties in protected areas.

Recently, a group of NGOs proposed implementing the digitalization of inspection services and applications as part of reorganizing the Directorate for Inspection Affairs. This could improve transparency, combat corruption, and increase service efficiency.

Construction First, Consequences Later: The Cost of Unplanned Development

A woman sits in front of her house, reading a newspaper, while excavators and backhoes work beside a high concrete fence, laying foundations for new construction. In Velje Brdo, within the protected “Rijeka Zeta” Nature Park, an entire new settlement is emerging—just one of many construction sites in the area.

For this investigation, a CIN-CG journalist visited the Podgorica section of the “Rijeka Zeta” Nature Park with AUZP rangers and observed seven newly constructed illegal buildings in Velje Brdo alone. Foundations, concrete slabs, and load-bearing walls were visible at some sites. While many buildings were unfinished, some had notices from the Environmental Inspection

prohibiting construction, with a few also receiving construction bans from the Building Inspection.

However, these warnings were often ignored. Some construction continues in the park’s third protection zone, while others are being built in the second zone, where only temporary structures are permitted by law.

None of these buildings had been demolished. At one site under construction for months, workers continued digging freely in front of the CIN-CG team despite the owner’s lack of approval from the Environmental Protection Agency (EPA) at the time. CIN-CG later learned that the EPA approval was obtained the day after the visit.

Such cases highlight a common issue in Montenegro—construction begins without permits, and the licenses are sought afterward, resulting in the eventual legalization of many structures.

The rangers explain that those building in the protected area were initially afraid of the Podgorica Protected Areas Management Agency’s enforcement efforts. However, as time passed and no serious sanctions were imposed, more people began building without concern. “The inspection comes, issues a report, and then construction continues,” the rangers explain.

Conditional Penalties for Illegal Construction: A Threat to the Environment

In recent months, rangers have submitted 11 requests to the Environmental Inspection and eight to the Building Inspection regarding illegal construction in the “Rijeka Zeta” Nature Park.

The Urban and Construction Inspection, part of the Ministry of Spatial Planning, Urbanism, and State Property (MDUP), oversees illegal buildings under the Law on Spatial Planning and Construction of Buildings. Meanwhile, the Environmental Inspection monitors protected areas under the Law on Environmental Protection.

“Regarding illegal construction, since 2020, 14 decisions have been made to halt further activities, six requests for misdemeanor proceedings have been filed, and one criminal report has been submitted,” the Environmental Inspection told CIN-CG.

Rampant Bird Poaching Threatens Wildlife in Montenegro

Poaching is a major contributor to the degradation of the “Rijeka Zeta” Nature Park, with birds being the primary target.

While hunting is permitted on Sundays, illegal practices occur throughout the week. Poachers use decoys, such as speakers, MP3 players, and batteries, expressly prohibited devices. At night, the sounds of quails’ calls, amplified by these devices, can be heard for kilometers. The quails are drawn to the sound, landing to rest and feed, only to be ambushed by poachers at dawn.

The Montenegrin Law on Game and Hunting explicitly forbids the use of decoys, recognizing that they lead to the mass killing of wildlife. Rangers told CIN-CG, “Given the number of spent cartridges found in the dugouts, it’s clear that the birds were lured there in advance.”

Montenegro is home to 352 bird species, representing 65% of Europe’s total biodiversity, which includes 533 species. The “Rijeka Zeta” Nature Park is rich in plant and animal species, many of which are protected under EU Natura 2000 laws.

Fish poaching has been less prevalent in the Podgorica section of the park, but rangers still encounter hidden boats. They caution that fish caught in the area should not be consumed due to pollution.

They also highlighted a legal paradox: the current Law on Nature Protection does not impose misdemeanor liability on individuals engaging in unauthorized activities in protected areas, even though such provisions should exist. “We believe that penalties should be enforced through other regulations, such as spatial planning documents,” the Environmental Inspection added.

As of the publication of this article, CIN-CG had not received responses to the numerous questions sent to the Urban Planning and Construction Inspection.

The Basic Court in Podgorica informed CIN-CG that from 2020 to the present, 35 verdicts and 29 judgments were issued for the criminal offense of building without proper registration or construction documentation across the capital. All of the sentences in these cases were conditional, except for one involving a repeat offense, resulting in three months of house arrest, despite the crime being punishable by six to five years in prison.

Of the 29 cases, only two plots were involved within the “Rijeka Zeta” Nature Park in the Velje Brdo area, and both resulted in conditional sentences.

The Podgorica Basic Court also reported that since 2020, no cases have been filed for the criminal offense of illegal construction, commissioning, or operation of facilities that pollute the

environment, and no final judgments have been made for this offense—penalties for this crime range from six months to 12 years in prison.

In Italy, Illegal Construction Can Lead to the Seizure of Property

In European Union countries, such as Italy, the legal representative of a protected natural area—like Montenegro’s AUZP—has the authority to immediately suspend construction and mandate the restoration of the area to its original state. Those who authorized the illegal construction and the companies involved are legally required to cover all costs associated with rehabilitating the damaged area. If they fail to do so, the municipality has the right to seize the property.

Montenegro still has a long way to go, aligning its practices with those of the EU and enforcing its own laws, which are often disregarded. As a result, protected areas and public health remain compromised, with little accountability for those responsible.

TEHNOPUT'S ASPHALT BASE SPARKS ENVIRONMENTAL ALARM:



Institutions accused of failing to protect Bolje sestre water source

/// Predrag Nikolić/Andrea Perišić //////////////////////////////////////

The residents of Donja Cijevna and Mahala are exposed to constant noise and air pollution caused by asphalt, sand particles, and various harmful substances. Some live fifty meters away from as many as three asphalt production plants.

All of this is happening on the banks of the Cijevna River, which is primarily protected by law and designated a natural monument. Along with the Morača River, it feeds the endangered Bolje Sestre water source, listed by UNESCO as one of the world's 150 most essential karst springs. Directly across from the

The Environmental Protection Agency approved the Environmental Impact Assessment Report for Tehnoput, which relies on data up to seven years old. Meanwhile, companies actively damaging the Cijevna and Morača rivers continue operations without valid water permits

asphalt plants, on the opposite riverbank, lie extensive Plantaže vineyards and fields of medicinal herbs and sandy everlasting, all of which are also at risk from harmful airborne particles.

Along the riverbank, several companies operate bases equipped with complete machinery, crushers, and rolling stock, including Putevi, Bemax, Genex, and Tehnoput. The latter recently obtained approval from the Environmental Protection Agency (EPA) for its Environmental Impact Assessment and work permit. According to research by the Center for Investigative Jour-

nalism of Montenegro (CIN-CG), however, the assessment relies on data up to seven years old, much of which is irrelevant to the specific location.

In response to CIN-CG, the EPA emphasized that its approval of the Environmental Impact Assessment is just one of many documents Tehnoput requires to carry out its operations. They also noted that if the approval had been denied, the Agency could have faced a lawsuit and potential compensation claims from the company. “We could find no legal grounds to withhold consent for the assessment,” the Agency stated.

Saša Aćimić’s Tehnoput company has operated concrete production and gravel extraction activities on state-owned land. Since 2012, it has failed to obtain a building permit for its facilities. In January 2023, the construction inspection and the police sealed Tehnoput’s asphalt base on the Cijevna River. However, the seal was quickly removed, and illegal activities resumed. The prosecution intervened, leading to Aćimić’s arrest, but he was soon released to face the charges in court.

When the Montenegro Petrol plant was demolished in February 2023, residents and the public hoped it marked the end of gravel theft and restoring order to the area. However, the recent issuance of environmental approval for Tehnoput suggests that the situation is not moving in that direction.

Saša Bošković, a resident of Donja Cijevna, told CIN-CG, “We thought the issue was resolved, but it was all a farce. The bases never stopped operating, from six in the morning until four in the afternoon. The Putevi base was a primitive operation, but a new one was installed a year and a half ago and began functioning without a water permit or proper authorization. Gravel theft continues, and now it’s carried out by those with political backing or strong family connections...”

The dramatic decline in the yield of the Bolje Sestre spring most clearly illustrates the devastating impact of illegal gravel extraction. In 2010, when it was selected as the primary source for supplying the Montenegrin coast, its output was 2,600 liters per second. By 2020, however, this had plummeted to nearly eight times less, just 334 liters per second. In 2021 and 2022, the yield

further decreased to 265 liters per second. However, following some state interventions, the yield saw a notable recovery in 2023, rising to 677 liters per second, an increase of two and a half times.

The Regional Waterworks—Montenegrin Coast (Vodovod) explained to CIN-CG that efforts to halt the illegal extraction of gravel and sand until early 2023 had not produced the desired results, with the yield continuously decreasing. They reported that the Morača riverbed in the II sanitary protection zone had been lowered below the permitted 10 meters above sea level, with some areas dropping even below three meters.

Despite this, the Waterworks remain hopeful that the additional water supply contracted from the Bolje Sestre spring will meet the demands for the upcoming summer tourist season. “The construction of the sand foundation is expected to increase the spring’s yield by an additional 50 to 70 liters per second. Moreover, the ongoing construction of a water purification filter plant aims to provide an extra 100 liters per second,” the Waterworks Agency stated.

Not a Single Company Holds Water Permits

All residents interviewed by CIN-CG claim that none of the companies managing the asphalt plants have received water permits from the Water Administration, which confirmed this.

“We have not issued water permits for the asphalt plants on Cijevna. Under the Water Law, investors are not required to obtain a water permit before receiving the Environmental Impact Assessment approval. However, the law is clear: a use permit cannot be granted for any facility or structure without a prior water permit,” the Administration stated.

The Agency emphasizes that this issue has been blown out of proportion, as the companies cannot legally operate without a water permit. Despite this, all these companies continue to operate smoothly, even though they lack the necessary water licenses.

According to the Water Law, an asphalt plant is considered a facility that could significantly

Many Companies Operate Illegally, Yet Police Fail to Respond

The Center for Investigative Journalism of Montenegro (CIN-CG) gained access to a report titled “Information on the Status of Inspection Procedures for Engineering Facilities – Asphalt Bases, Concrete Bases, and Crushing Plants,” prepared by the Directorate for Inspection Supervision of the Ministry of Ecology, Spatial Planning, and Urbanism at the end of January 2023.

This document outlines the results of inspections, decisions to rectify violations, demolitions, prohibitions, and requests to initiate misdemeanor proceedings against companies responsible for environmental damage in the Cijevna and Morača regions.

Regarding the Tehnoput facility in Cijevna, the Ministry decided in 2023 to halt construction, and the site was sealed. Despite 14 inspections and four decisions to rectify violations, the company continued its operations. Recently, the Urban and Construction Inspection issued another decision prohibiting construction, but it remains uncertain whether this will stop their activities, as previous decisions have had no effect.

Three demolition orders were issued for Bemax’s asphalt base due to construction contrary to approved plans, and the legalization process was halted. Despite 13 inspections and the issuance of decisions to correct violations, Bemax continues to operate at the site.

Cijevna Komerc received a demolition order for two concrete bases built without proper permits, and inspections found violations related to selling unapproved concrete. In this case, the Environmental Inspection conducted 11 inspections, issued four decisions requiring the elimination of irregularities, and submitted two requests to initiate misdemeanor proceedings. The Market Inspection found that records related to the purchase and sale of bulk goods were not made available during the inspection, which constitutes a violation of the Law on Internal Trade. Furthermore, as was the case with Bemax, it was determined that concrete had been placed on the market without verified proof of usability. Yet, the company remains active in Cijevna.

Putevi had one asphalt base removed and a temporary facility installed. The company was subject to the most inspections (20) and numerous orders for violation corrections, but it continues operations at the location.

In Morača, Čelebić was prohibited from using a building not registered in the real estate cadastre. The company also violated internal trade laws. The Environmental Inspection conducted five inspections and issued three orders to rectify identified irregularities. The Market Inspection also recorded a violation of the Law on Internal Trade, as records of bulk goods transactions were not available at the time of inspection, mirroring previous cases. Additionally, it was found that the company was placing concrete on the market without verified usability through a statement of properties. Significant activity by Čelebić continues at the Morača site.

Montenegro Petrol is the only company whose facility was demolished because it was built in violation of the applicable planning documents and without the necessary permits. The Environmental Inspection carried out 19 inspections, issued six orders to eliminate irregularities, and submitted four requests to initiate misdemeanor proceedings. The Market Inspection found violations of both the Law on Internal Trade and the Law on Construction Products, for the same reasons previously identified in the case of Čelebić.

Despite these violations, all companies continue to operate without interruption. This is supported by information obtained by CIN-CG, which indicates that representatives of the competent environmental and water protection authorities in Montenegro recently visited the area, accompanied by foreign embassy officials, to demonstrate how gravel is being illegally extracted. During the visit, one embassy representative asked: “Why don’t we call the police?”

impact water pollution and must meet strict criteria to obtain a water permit. These criteria include methods of operation, remediation measures, assessments of impacts on aquatic life and surrounding springs, records of extracted materials, and many other conditions.

This raises the question of how these companies can continue operating without impediment and receive approval from state institutions, even though in February 2023, the Government

of Montenegro adopted a decision to urgently implement land remediation measures in the Bolje Sestre water source catchment area, along the Morača and Cijevna rivers, due to an ecological disaster. The Government also tasked the Ministry of Ecology, Spatial Planning, and Urbanism (MPPUDI) and the Environmental Protection Agency (EPA) with removing and demolishing buildings in this area.

CIN-CG sent inquiries to the Ministry of Spatial

Planning, Urbanism, and State Property (MPPUDI) asking how many facilities for the exploitation of gravel currently operate in the Morača and Cijevna areas, whether they are active, and why the facility operated by Montenegro Petrol has not been removed. Despite a lengthy wait, no answers were provided when this report was published.

Aleksandar Perović, the director of the NGO Ozon, points out to CIN-CG that the real issue lies in systemic dysfunction. “If, for example, one permit is missing—either a water permit or an environmental permit—this signals a lack of intersectoral cooperation and raises concerns about potential corruption and incompetence. It is inconceivable that institutions responsible for environmental and water protection cannot agree,” he believes.

The EPA has stated that it will work to address this non-cooperation. CIN-CG has learned that, by the end of the month, at the Agency’s initiative, a meeting will be held with representatives from the Water Administration, the Regional Water Supply (Montenegrin Coast), and the Municipality of Zeta. The goal of the meeting is for these institutions to come together to find a solution to the issue of asphalt plants.

Currently, the spatial plans in force classify the area where these plants are located as an industrial zone. If someone were to propose a nuclear power plant there, it would even be possible. Therefore, according to the Environmental Protection Agency, the only viable solution is to impose a moratorium on construction until new spatial plans are adopted that would redefine the purpose of the land.

Everything problematic is concentrated in the Zeta area. We face serious environmental issues—KAP, red mud, gravel extraction, asphalt plants, and sewage collectors. The current spatial plans even allow for the establishment of smelters, ironworks, refineries, and the storage of flammable waste. I’m concerned that a

complex and troubling situation lies ahead. The spatial plan needs to be revised to reflect the local community’s needs better,” Tatjana Torbica, a resident near the asphalt plants, said in an interview with CIN-CG.

Tehnoput Report Based on Irrelevant Data

Several noteworthy points emerge in the recently approved Elaboration of the Tehnoput, which the EPA approved at the end of last month.

The section discussing the current air quality state explicitly states that measurements were not taken at the project site. The report notes, “Air quality measurements at the project location were not conducted, as the site is situated near KAP.” Instead, the earlier results of these measurements, as far back as 2017, are listed.

Similarly, soil quality data were not collected at the project location. Instead, the data dates back to March 2019 and pertains to a nearby site.

More recent data on environmental quality comes from the Morača River, specifically for the

monitoring profile located downstream of the Cijevna River mouth. These measurements were sourced from the Ecological Yearbook III-21 of the Institute for Hydrometeorology and Seismology of Montenegro for 2021.

It is striking that the EPA approved the study in which, under the section titled “Population,” the following statement appears: “In the vicinity of the site, specifically in the southwestern and southern parts, there are the settlements of Cijevna (61 inhabitants), Srpska (868 inhabitants), Balijače-Mahala (1,354 inhabitants), and Mitrovići (299 inhabitants).” Despite this, the study concludes that there will be no impact on the local population, stating: “There are no residential buildings in the immediate vicinity, and its exploitation will not have an impact on the local population... Normal operation of the asphalt



Saša Bošković
foto: personal archive

base will not negatively affect people's health.”

In response, the residents of Donje Cijevna and Mahala have filed a complaint against the Tehnoput Elaboration recently submitted to the EPA, to which CIN-CG had access. The locals argue that this statement is so inaccurate that it raises questions about whether the authors even understand the planned work's location and nature. As the complaint states, “The report contains a list of measures that can be taken to protect soil, water, air..., however,...nowhere is it precisely stated which of these measures the investor will undertake in his work and in what way.”

Furthermore, Ozon emphasizes that environmental compliance requires consistent air, soil, and water quality monitoring, with regular reports submitted to the relevant authorities. Perović notes, “Practice shows that this is not being done.”

Unseen Consequences: The Overlooked Health Impact of Dense Asphalt Plants Amidst Agricultural Lands

Donja Cijevna and Mahala residents are increasingly alarmed that no comprehensive analysis has ever been conducted to assess the impact of multiple asphalt plants concentrated in such a small area on human health.

Notably, in 2022, the Protector of Property and Legal Interests of Montenegro addressed a letter to the Environmental Protection Agency (EPA), urging the Agency to evaluate the cumulative environmental impact of all three asphalt plants—something residents have been demanding for years, but without success.

The EPA, led by Milan Gazdić, replied to the Protector that the Law on Liability for Environmental Damage does not recognize claims that companies managing asphalt bases have polluted the environment. Instead of conducting new assessments, the Agency referred to existing findings from the Environmental Inspection and the Center for Ecotoxicological Testing (CETI), citing previously approved Environmental Impact Assessment studies for the facilities.

Despite this, residents have persistently submitted evidence indicating that the asphalt plants do not comply with environmental standards. “We face constant air and water pollution, unbearable noise, and serious health risks due to the plants operating without regulated working hours,” Torbica warned.

She also highlighted the ongoing environmental degradation of the surrounding land and the direct discharge of wastewater into the Cijevna River. “On top of that, large mounds of waste material are scattered across the area, and when the wind picks up, it blows that dust right into our homes,” she added.

Residents have repeatedly pointed out inaccuracies in the Environmental Impact Assessment. One of their letters to municipal authorities, seen by CIN-CG, challenges claims that there is no agricultural land near the asphalt plants. “On the eastern side, there are vineyards owned by Plantaže, and the potential harm to these crops has never been investigated. On the other side of the riverbank, near the railway, there is a privately-owned wheat farm, along with extensive fields of aromatic plants,” the letter notes.

CIN-CG verified these claims through on-site visits and also contacted Plantaže.

The company stated: “Although no negative impact has been officially recorded in the micro-locations nearest the asphalt plants, we continue to monitor the situation closely as part of our regular field activities.”

Residents had hoped all the plants would be shut down. “Two are already in operation, and now a third one, which has been here for 10 years without permits, approvals, or environmental studies, is about to start. We raised these issues with the previous Government, and now with the new one, but no one has responded,” Bošković said.

Locals Lose Trust in Environmental Agency

Torbica points out that they have not received any response from the institutions about the damage so far. She is particularly disappointed in the work of the Environmental Protection

Agency. “We addressed them; we even had a verbal promise from Milan Gazdić. He said that he would provide us with an assessment of the damage caused by the operation of the asphalt bases a couple of years ago, and we never received an answer,” she says.

After obtaining approval for the construction of another base at Cijevna, the EPA, the Regional Waterworks - Montenegrin Coast, and the Water Administration followed a fight over who was to blame for the permit being issued in the first place.

In September of last year, the Regional Waterworks decisively announced that it was impossible to issue a consent to the Tehnoput Elaboration due to the protection of the Bolje Sestre water source. The EPA states that the Water Administration noted in its statement that the plot of the asphalt base is not located in the sanitary protection zone of the water source and that the base is about six kilometers away from it as the crow flies. The Water Administration states that the plot where the base is located is not covered by the second sanitary protection zone, nor by this source’s proposed third protection zone.

Interestingly, however, this Administration has not determined the boundaries of this area’s wider protection zone since 2008.

Torbica thinks the regional water supply had to hire an accredited institution that would make a realistic assessment of the wider sanitary protection zones. “Someone, by accident, left this area out of the wider zone of sanitary protection, from the third zone,” she says.

The Regional Water Supply previously explained why asphalt bases cannot be in sanitary protection zones. “Considering that the operation of the base causes the release of chemicals into the air during production, including many toxic air pollutants such as arsenic, benzene, formaldehyde, cadmium, phenol and hexane, it is unacceptable and unfair to pollute the Morača River in this way and thus endanger the Bolje

Sestre water source”

Gazdić has stated on several occasions that investors are obliged to observe measures to prevent or eliminate harmful effects.

“We cannot rely on the fact that the protection measures proposed in the studies will be taken, because this has not been the case until now either.” Bemax, for example, discharges wastewater that is the product of washing their machines directly into Cijevna. If we know that the worst chemicals are used for this, and that it all goes into our rivers and Lake Skadar, what are we talking about then?” Bošković asks.

It is no wonder that the citizens do not trust that they will work according to the law. The Agency itself announced in November 2023 that the companies Montenegro petrol, Bemax, Cijevna Komerc, and Beton Montenegro did not comply with the legal obligation and did not submit the approval of a proposal for remedial measures due to the damage done in the bed of the Morača river.

By the way, the Law on Liability for Environmental Damage foresees a misdemeanor fine of two to forty thousand euros for a legal entity that does not prepare and submit a proposal for remedial measures within the time limit set by the decision. CIN-CG previously wrote that out of 25 criminal proceedings initiated due to the illegal exploitation of gravel in the last five years, only five were completed. Two were rejected, and in three, the perpetrators received symbolic punishments — two fines of 1,700 euros and 800 euros, and one suspended sentence.

Montenegro petrol, on the other hand, has been stealing gravel on state land for decades. It has initiated proceedings against the state before the Commercial Court and is seeking compensation of four million euros!

Bošković points out that their struggle and ignoring the institutions has been going on for 10 years and announces that they will go on protesting if they do not receive an answer.



Tatjana Torbica
foto: personal archive

Asphalt Bases in the Region Are Located at a Distance from Populated Areas

Many asphalt plants in Montenegro are located far from densely populated areas. Examples include Teko Mining Vinča in Grocka, SremPut in Ruma, HidroKop in Banja Luka, Bjelovar Road, Zagreb Road, and Novi Pazar Road.

In certain countries, ecological asphalt associations prioritize the sustainable use of recycled asphalt, commonly referred to as “green asphalt.” This includes the production of low-temperature asphalt, which emits fewer harmful substances.

The European Commission (EC) has warned for years that the asphalt industry is one of the most significant energy and raw materials consumers, contributing significantly to greenhouse gas emissions. Their proposed solution is the development of new technologies that integrate waste and recycled materials into the asphalt production process. This would enhance sustainability, reduce the carbon footprint, and minimize environmental impact. One such project, supported by the EC in Spain in 2014, presented the concept of eco-asphalt, which combines green binders, recycled aggregates from construction waste, and regenerated asphalt.

Although these eco-friendly practices have been implemented in Europe for years, they remain distant from Montenegro. Despite being intended as temporary, asphalt plants often stay in one location for decades. Donje Cijevna and Mahala residents express their frustration, stating they have no other place to call home. “Asphalt plants are mobile and can be relocated to more suitable areas, considering their destructive environmental impact,” they say. With bitterness, they recall how, when they sought assistance from authorities, they were told that a similar plant was in the center of Berlin.

MILO BOŽOVIĆ'S PRISON DEALS: OVER €12 MILLION SIGNED OFF FROM BEHIND BARS



Connections to Bemax

/// Predrag Nikolić

According to multiple sources, Božović and Perović are godfathers. In early October of last year, Dragan's brother, Radovan Perović, was arrested. The Special State Prosecutor's Office (SSPO) suspects that he, along with Bojan Ojđanić and Vjekoslav Lambulić, was involved in forming a criminal organization and in the illicit production, possession, and distribution of narcotic drugs.

Their arrests were a continuation of the broader investigation already being conducted by the SSPO against Božović.

This is just one of several contracts—collectively worth over 12 million euros—that the mayor of Budva signed while in remand prison.

One of the most significant contracts signed by the mayor of Budva, originally from Spuz, is with the company Carat, led by Dragan Perović—a figure with whom Mayor Božović shares both personal and business connections. In Dubovica, where Carat is engaged in infrastructure development, the two are co-owners of land and residential property

However, the most valuable is the deal with his godfather, totaling 4,499,181 euros. The contract with the company Carat covers infrastructure works for constructing three roads within the scope of the Detailed Urban Plan (DUP) Dubovica 1. According to the agreement, the project will be financed across multiple budget years, with 400,000 euros allocated in last year's budget.

Božović and Perović are connected not only by personal ties but also by business interests, particularly in Dubovica, the location of Božović's ancestral home. There, the two are co-owners of both land and residential property. One plot, measuring over 1,000 square meters, has eight owners; Božović holds a 50%

stake, while Perović owns 24 out of 480 shares. On a second parcel of 1,738 square meters, Božović again holds half, and Perović's company, Carat, owns a sixteenth—an ownership structure mirrored in a third plot of 320 square meters.

The same ownership ratio—one-half held by Božović and one-sixteenth by Carat—applies to an 824-square-meter residential property in Dubovica. According to documents reviewed by the Center for Investigative Journalism of Montenegro (CIN-CG), Carat sold several apartments within this building in February and March of last year.

In July 2023, around the same time as the Dubovica agreement, Božović and Perović signed another contract—this one for the construction of road A 75-75 in Bečići, valued at 346,813 euros. Carat, the main contractor, engaged several subcontractors for the project, including Ving (Pljevlja), La Collina (Podgorica), Geo Plus (Podgorica), and Hidromont Engineering (Podgorica).

Over the past year, Božović signed multiple public procurement contracts totaling more than 10 million euros while incarcerated in Spuž prison. This practice continued into the current year, with Božović signing public procurement agreements worth two million euros in the first two months alone.

Milo Božović was arrested on the morning of April 13, 2023. The Special State Prosecutor's Office filed an indictment against him, accusing him of organizing a criminal group and trafficking drugs. While the indictment is still pending before the High Court, the court has allowed Božović to continue signing municipal documents from prison and to lead the Municipality.

Public Tenders Made Available After Journalists' Request

On the Municipality of Budva's website, information about all contracts was previously

unavailable to the public under the 'Tenders and Public Procurements' section. Only after inquiries from CIN-CG at the end of February were the tenders and public procurements updated and made accessible.

Bemax is the Municipality's second major partner. Božović signed a contract with this company for one of the most significant investments—reconstructing two key streets in the city center, 22 Novembar and Mediteranska. The project involves converting these streets into boulevards and constructing a roundabout.

With permission from the High Court, Božović signed this contract while in the Investi-

gation Prison in Spuž at the end of last year. On January 12, Miladin Mijajlović, executive director of Bemax, and Sonja Novaković, the company's authorized representative, signed the agreement. The contract is valued at nearly three million euros, specifically 2,924,681 euros. It was noted that the investment will be financed across multiple budget years, with 1,650,000 euros allocated for this year. Bemax's work in the city center is expected to be completed in time for the tourist season, with a 160-day deadline from the start of the contractor's work.

Just a week after the contract was signed, members of the Special Police Department arrested Aleksandar Aco Mijajlović, one of the recent co-owners of the company Bemax. He, along with five others, was taken into custody on suspicion of cigarette smuggling, specifically for allegedly forming a criminal organization and committing the extended criminal offense of smuggling.

One of Bemax's subcontractors on this project is BB Solar, owned by businessman Blažo Đukanović, the son of former Prime Minister and President Milo Đukanović. According to the contract, Đukanović's company is responsible for electrical engineering work. The subcontract is valued at 16.27 percent of the total project cost, approximately 488,000 euros.



Milo Božović
foto: Boris Pejović

Earlier this year, Božović signed a contract worth over a million euros for constructing a road in the Blizikuće settlement above Sveti Stefan. The contract, valued at 1,249,637 euros, was signed with the SBM consortium, represented by Vladimir Mirković.

Vladimir Mirković is the executive director of Asphalt-Beton Construction, based in Podgorica, which is the lead bidder on the project. The consortium also includes several other companies: Đurković from Nikšić with a 32.23% stake, Tofi from Rožaje with 6.81%, Breznamont from Nikšić with 5.48%, Hidromont from Podgorica with 4.31%, and Geotin MNE, also from Podgorica, with a 0.96% share.

In addition to earning half a million euros from the road construction project, Asphalt-Beton Gradnja secured another contract with Božović just before the New Year for the maintenance of city infrastructure, valued at 389,871 euros. The company had also been awarded a similar contract the previous year for the same amount and a separate agreement for the rehabilitation of existing roads, worth over 400,000 euros.

Asphalt-Beton Gradnja holds a 21.65% share in the previously mentioned major infrastructure project worth 4.5 million euros, led by Carat.

Their collaboration with this company continued into this year. On February 21, a new contract for land servicing works, valued at 35,829 euros, was signed.

From Carević to Božović: A Tradition of Controversial Deals

By awarding five contracts worth over two million euros to Asphalt-Beton Gradnja, Mayor Milo Božović has continued the practice established by his predecessor, Marko Carević, who is also a member of the Democratic Front.

In May 2020, the NGO MANS filed a criminal complaint against Carević with the Special State

Prosecutor's Office (SSPO), alleging that he awarded road asphaltting contracts to Asphalt-Beton Gradnja to benefit his own company, Carinvest, which acted as a subcontractor on million-euro projects. At the time, MANS claimed that Carević had signed 11 contracts with Asphalt-Beton Gradnja, with a total value nearing two million euros. However, in October 2020, the SSPO, under the leadership of Milivoje Katnić, dismissed the complaint.

Among the numerous contracts Božović has signed—worth more than three million euros in total—several were concluded with the Podgorica-based company Inženjer Gogić. In January of this year, Božović signed a contract with this company for the construction of the lower slab of a canal beneath a bridge structure in Bečići, including its

connection to the existing canal system. The contract was valued at 47,632 euros.

In February of the previous year, Božović signed three more contracts with Inženjer Gogić. One was for constructing a street with complete infrastructure along the Slatava stream in Buljarica, valued at 1,638,757 euros. The other two were for works regulating the Bečić stream—Lot 1 worth 1,075,555 euros and Lot 2 worth 470,760 euros.

These contracts were signed on behalf of Inženjer Gogić by Zerina Idrizović, the company's executive director. According to the Central Register of Business Entities, the company's founder and majority owner is Miljan Gogić, who holds a 90 percent stake. The remaining 10 percent is owned by the Tuzi-based Koti Group, a company registered for non-specialized wholesale trade. Koti Group's founder, executive director, and authorized representative is Veljko Lakočević.

Lakočević was the majority owner of Inženjer Gogić until March 2021. A year earlier, he purchased a large glass office building in central Podgorica, located directly across from Njegošev Park, through this very company.

In December 2021, MANS published an investi-



Blažo Đukanović
foto: Boris Pejović

gation revealing that despite identifying irregularities, the Property Administration did not cancel the tender for a controversial real estate project. Instead, it signed a contract worth approximately 8.7 million euros with Koti nekretnine.

At the time of the transaction, Koti nekretnine was owned by Inženjer Gogić. In September 2019, Vladan Ivanović transferred his stake in Inženjer Gogić to Veljko Lakočević without compensation.

Vladan Ivanović also owns Master Engineering and was part of the ownership structure of Novi Volvox, a company linked to his uncle, Milan Ivanović. The Ivanović family has long been perceived as close to the Đukanović political circle.

Following the scandal surrounding the so-called “nobody’s house” in Gorica, businessman Duško Knežević publicly stated:

“Everyone in Montenegro knows that the house belongs to Đukanović, even though it’s officially registered under his friend Vladan Ivanović.”

According to the Municipality of Budva’s Public Procurement Plan as of January 31, 2023, the total projected value of public procurements for that year was 26 million euros. However, based on the contracts available, only around 15 million euros’ worth of contracts for works, services, and goods were signed, indicating that the plan was not fully realized.

This year’s procurement plan totals just over 19 million euros, with roughly 17 million remaining uncontracted.

After Mayor Božović’s arrest, there were widespread concerns that public procurement procedures and other official matters would halt, especially since he had not appointed any deputy mayors before his detention. His resignation was publicly requested to ensure the Municipality could function. The legal uncertainty was eventually addressed by the High Court in Podgorica, which authorized Božović to continue signing official municipal documents from prison.

Meanwhile, amid ongoing legal and administrative confusion in the Municipality of Budva, the Ministry of Public Administration has announced that it has finally launched a review into the legality of the actions taken by the detained mayor, Milo Božović.

MONTENEGRO'S ENVIRONMENTAL SETBACK:



The Ongoing Struggle to Keep Up with Europe's Recycling Standards

/// Andrea Perišić ///

“For the past two years, I’ve been collecting every plastic and glass bottle, hoping to find a place where I can ensure they’ll be properly recycled,” an interviewee from Podgorica shared with the Center for Investigative Journalism of Montenegro (CIN-CG). She is among the few who actively separate waste in the household.

Montenegro has only 13 recycling centers, located in Podgorica, Herceg Novi, and Kotor. In 2019, a mobile waste container was introduced in the capital, and more recently, recycling machines have been installed in some areas.

In the recycling yard located in Zabjelo, Podgorica, various containers are designated

Montenegro has over 300 uncontrolled landfills, and most municipalities fail to implement recycling or waste separation practices. Alarming, the situation has worsened over the past decade. Every year, millions of euros are wasted, and the environment continues to suffer from increasing pollution.

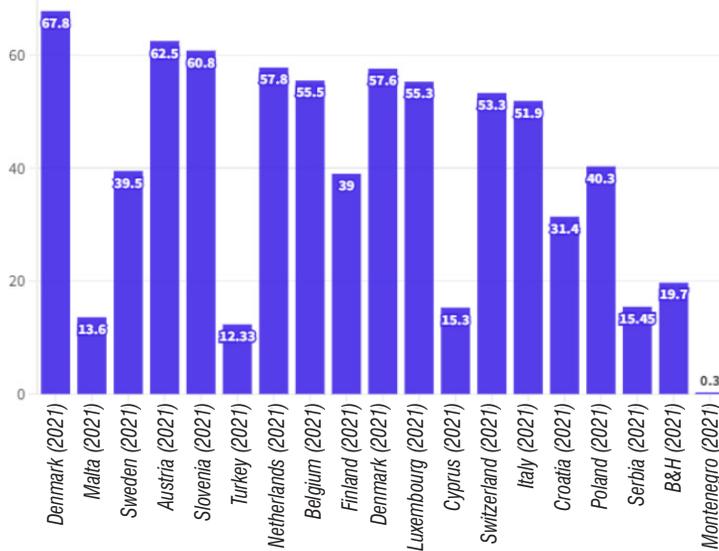
as the one for electronic waste, which holds only a handful.

Most people are unaware of these recycling yards, and recycling efforts are poorly promoted. The issue lies in the fact that the centers in

for different types of waste: electronic and electrical items, paper and cardboard, glass, tires, aluminum cans, PET packaging, plastic, white goods, bulky metal waste, fluorescent tubes, batteries, eco-waste, and waste oil. Nearly everything is recyclable here except textiles.

However, few people use these recycling yards. The containers are often half-empty, with some barely containing anything, such

Recycling rates in Europe



Data from the European Environment Agency (EEA), the MONSTAT Statistical Office report on generated and processed waste for 2022, #EUZATEBE data, and data from the Agency for Statistics of Bosnia and Herzegovina.

Podgorica are situated in locations that are not easily accessible to most of the population.

Since these recycling yards are used voluntarily, they are primarily utilized by environmentally conscious citizens. Waste separation should be mandatory and implemented at the source, directly from door to door. This would make the system more accessible and convenient, which is key to its success and achieving good results. Only then can we expect higher rates of separate waste collection and recycling,” representatives from the NGO Zero Waste Montenegro stated to CIN-CG.

According to the NGO, once the infrastructure for waste separation is in place, it is crucial to focus on education and raising awareness about recycling and proper waste management.

The lack of awareness about the importance of recycling is clearly reflected in the situation, which has worsened compared to a decade ago, when Montenegro began negotiations with the European Union (EU), where waste management was one of the key topics.

“This is the fourth year without a State Waste Management Plan, and as a result, there are no

local plans either. In a sense, waste management in Montenegro is happening in an unmanaged, ‘natural’ way,” Ivana Vojinović, director of the Center for Climate Change, Natural Resources, and Energy at the University of Donja Gorica (UDG) says to CIN-CG.

According to her, no waste prevention plans have been implemented at the local level, despite being a requirement of European legislation and a crucial first step in fostering a recycling culture.

The country loses tens of millions of euros annually, if not more, while the environment suffers due to the lack of recycling and waste separation.

As part of its EU accession negotiations, Montenegro is required to recycle at least 50 percent of municipal waste by 2030. However, in 2022, the country recycled less than half a percent. This is highlighted in the Report of the Statistical Office of Montenegro (Monstat), published at the end of last year. In 2022, approximately 336,000 tons of municipal waste were produced, with just over 1,000 tons being recycled.

According to Monstat data, in 2022, Montenegro generated 1.412 million tons of waste, of which approximately 20 percent were classified as hazardous. Additionally, the average resident produced 544 kilograms of waste annually, or roughly 1.5 kilograms per day.

Landfill and Recycling Ltd, from Podgorica, which manages the recycling center, informed CIN-CG that in 2023, 560 tons of municipal waste were recycled. The materials sorted include cardboard, paper, iron, aluminum cans, plastic bags, PET packaging, and mixed plastics.

Moving Backwards Instead of Forward

As Montenegro recycled less than half a percent of its waste in 2022, the country is regressing rather than progressing in its EU negotiations.

In 2021, recycling rates were around two percent, similar to 2020 and 2019. Interestingly, Montenegro recycled more in 2013, when EU negotiations first began, than it has in recent years.

The Strategy for Waste Management in Montenegro until 2030 only provides data on waste composition for 2013. That year, approximately 244,000 tons of municipal waste were generated, including about 32,000 tons of paper, 29,000 tons of plastic, 20,000 tons of glass, and 13,000 tons of PET packaging.

According to the current price list from the Podgorica company “Landfill and Recycling Ltd.” the purchase price for old newsprint and office paper ranges from 20 to 60 euros per ton, depending on the grade and type. Plastic is priced at 25, 30, or 50 euros per ton, while PET packaging is valued between 80 and 250 euros per ton. If these materials were recycled, Montenegro could save millions of euros, which currently end up in illegal or poorly managed landfills. At the lowest prices, recycling paper alone could generate around 650,000 euros, recycling plastic could bring in 725,000 euros, and PET packaging could yield over a million euros.

In the Report on the Implementation of the State Waste Management Plan for 2013, it was stated that in most municipalities, containers for the primary selection of municipal waste (paper, cardboard, metal, plastic, glass) were installed, but that the collection of selected fractions is not done separately. Still, the containers with selected and mixed waste are emptied simultaneously, and the selected part then ends up in one of the mixed landfills.

CIN-CG contacted all municipalities in Montenegro and found that most do not implement separate waste collection despite local authorities’ decisions to do so.

“We were unable to implement the decision due to personnel and technical limitations,” stated the “Communal Activities” department in Šavnik to CIN-CG.

Other municipalities have expressed the same concerns.

“Waste recycling has never been implemented in Žabljak, although we do have a facility that was used for sorting waste, not recycling, even during its operational period,” officials from the Office of the President of the Municipality of Žabljak told CIN-CG.

Cetinje lacks a facility for recycling and sorting mixed municipal waste, and the existing planning documentation does not include plans for its construction.

“Mixed municipal waste collected by LLC ‘Municipal Services’ Cetinje is transported daily from the municipality to the regional sanitary landfill ‘Livade’ in Podgorica, where it is sorted in a dedicated facility,” the Office of the Mayor of the Capital City Cetinje told CIN-CG.

The municipality confirmed that there is no recycling center in Andrijevića and that no funding is available for its construction.

According to the Plav municipality, starting in 2021, Plav began recycling paper, PVC waste, cardboard, and glass using dedicated presses.

Local authorities in Herceg Novi say the decision on separate waste disposal is only partially implemented due to low awareness among residents. They also highlight that non-compliance with the Waste Management Law is one of the major challenges for recycling.

Meanwhile, the proposal for this law was adopted by the Parliament of Montenegro at the end of last year. It addresses the management of waste from single-use plastic products and plastic-containing fishing gear, among other issues.



Ivana Vojinović
foto: personal archive

Improper Waste Disposal in Podgorica: Mixed Waste Found in Dry Fraction Bins

Municipal Service from Podgorica also confirmed that separate waste collection has yielded minimal results to CIN-CG. They explained that

the system was initially designed with three bins (for paper, plastic, and metal), later reduced to two bins (for dry and wet municipal waste fractions). However, the crucial element of waste separation at the source, specifically in households, was lacking. As a result, the bins are predominantly filled with mixed municipal waste.

In mid-January of this year, the company monitored the unloading of a truck emptying containers designated for the dry fraction of waste to assess the content of

the collected material. The analysis revealed that citizens were not correctly using the container for the dry fraction, despite prominent labels and numerous appeals through the media. Instead, they are disposing of mixed municipal waste in it.

“This confirms that citizens are not embracing this waste disposal system. Given that changing habits is challenging, we believe implementing a penalty policy would be the quickest way to address non-compliance with waste management rules,” the company stated.

The Office of the Mayor of Cetinje explains that no effective, incentivizing pricing policy is in place. Companies providing municipal waste collection services could offer discounts to households that separate recyclable waste generated within the home.

Montenegro Lacks a Landfill for Hazardous Waste and Has No Plans to Build One

“A woman from Podgorica, researching pesticides, told CIN-CG, that the company for sanitary and environmental protection “Hemosan” Ltd. Bar the only one licensed for proper hazardous waste disposal, wanted to charge me around 100 euros, plus VAT, for transporting two small pesticide packages from Podgorica to Bar and storing them—services I was hoping to dispose of.”

In the end, despite the pesticides being classified as hazardous waste, she had no choice but



Ivana Čogurić

foto: personal archive

to dispose of them in a regular container.

Unfortunately, it's not uncommon for irresponsible individuals to leave waste outside containers, including dangerous materials.

Montenegro lacks a designated landfill for hazardous waste, and there are no plans to establish one in the current State Waste Management Plan for 2015-2020 or the draft plan for 2023-2028.

For years, in the Konik settlement of Podgorica, in Čemovsko

Polje and behind the landfill, irresponsible individuals have been setting fire to tires in order to extract and sell the wire. These fires have often spread uncontrollably. The burning of tires releases dioxin, a highly toxic pollutant that, according to the World Health Organization (WHO), can cause reproductive and developmental issues, weaken the immune system, disrupt hormones, and lead to serious diseases, including cancer.

For decades, the government has failed to find an effective solution to address this problem.

Medical waste, various types of batteries, and accumulators continue to be disposed of recklessly.

In Montenegro, the planned opening of the Brskovo mine near Mojkovac raises concerns, as the potential consequences of the waste generated there have been overlooked. If mishandled, the waste from the mine, which could contain mercury and other heavy metals such as cadmium and arsenic, poses a significant risk to both the environment and the health of Montenegro's residents.

Kotor is the Only City Separating Paper, Plastic, Glass, and Metal for Recycling

By the time this investigation was published, CIN-CG had not received responses to several questions from other municipalities. However, the 2022 Report on the Implementation of the

State Plan for Waste Management in Montenegro, released at the end of last year, reveals that municipalities such as Bijelo Polje, Danilovgrad, Gusinje, Pljevlja, Ulcinj, Tuzi, Rožaje, Petnjica, Berane, Budva, and Bar do not have separate waste disposal systems in place.

The situation is somewhat better in Herceg Novi, Kolašin, Kotor, and Tivat, where bulky and green waste are collected separately, and compost bins are used to process significant amounts of green waste. A composting plant is planned for four municipalities—Kotor, Herceg Novi, Budva, and Tivat—but its capacity is limited, meaning it currently only processes waste from the city of Kotor.

These data indicate that the municipalities of Andrijevica, Berane, Bijelo Polje, Žabljak, Danilovgrad, Nikšić, Gusinje, Pljevlja, Plužine, Cetinje, Rožaje, Ulcinj, Šavnik, Petnjica, and Tuzi have not separated any waste for recycling.

The other municipalities included in the report—Bar, Mojkovac, Budva, Podgorica, Kolašin, Tivat, and Herceg Novi—separate at least some paper, glass, plastic, and metal for recycling. However, Kotor stands out by preparing all these materials for reuse, processing about a thousand tons of waste.

“The recycling issue is deeply systemic, as many local governments struggle to manage the waste they generate. At the state level, there are no clear guidelines outlining who is responsible for the complex waste collection, sorting, and recycling process. Additionally, there is little incentive to change the status quo, as recycling is not currently a competitive alternative to traditional waste disposal,” Ivana Vojinović explains.

As she explains, to make the recycling system effective, the work of inspection authorities must be enhanced.

“Montenegro needs to improve its recycling rate, which is currently one of the lowest in Europe. Adopting European standards would transform how we manage waste, leading to more household bins, better waste disposal planning, and the procurement of specialized bins and bags. This approach, which has long been established in many countries, would foster a recycling

culture still in its early stages in Montenegro,” Vojinović says.

CIN-CG contacted the communal police of several municipalities to inquire about the number of fines issued for improper waste disposal from 2018 through the end of last year. Only the municipalities of Pljevlja, Budva, and Kotor responded.

Only three fines, ranging from 30 to 1,000 euros, were issued for this offense in Pljevlja, all of which were imposed on individuals. “In many cases, it was impossible to identify the perpetrator,” Pljevlja Communal Police stated.

In Budva, 354 misdemeanor orders were issued, totaling 65,470 euros, for improper waste disposal, mostly near container stations and along local and main roads. “The municipality of Budva has not had a designated waste disposal site for five years, as required by planning documents, which complicates enforcement,” representatives of the Budva Municipal Police stated. They noted that illegal dumping typically occurs in the evening, when fewer communal inspectors are on duty, with frequent violations reported in areas such as Jaz, Topliški Put, Markovići, Stanišići, Reževici, Bečići, Paštrovska Gora, and Buljarica.

According to the Kotor Inspection Service, 15 individuals were fined 7,500 euros, while 16 legal entities were penalized with fines totaling 22,000 euros.

Waste Management Crisis in Nikšić: No Plan in Sight Despite Rising Pollution

Nikšić lacks a system for separate municipal waste collection and recycling, making it the only municipality in Montenegro without a plan for managing municipal and non-hazardous construction waste for years.

“They clearly don’t understand their priorities,” activist Ivana Čogurić says.

“The Gračanica River has been turned into a landfill along its entire course. Instead of addressing this environmental issue, they are focusing on the reconstruction of bridges over the river, which, according to experts, are in excellent condition,” Čogurić from the “Ecopatriotism” movement highlights.

She emphasizes recognizing waste as a resource and suggests street recycling machines to encourage citizens to recycle beyond their homes. “This way, people could receive money for recycling cans and bottles immediately.”

Recently, Podgorica installed recycling machines in five locations where citizens can exchange plastic bottles (PET) or cans for food for homeless dogs. A similar initiative exists in Kotor, where citizens can “buy” food for street cats by recycling plastic bottles, a symbol of the city.

The Nikšić Municipality’s Secretariat for Communal Affairs and Traffic told CIN-CG they have prepared a Draft Local Plan for managing Communal and Non-Hazardous Construction Waste. They also reported that technical documentation for building a recycling yard is in progress, along with a draft decision on the municipality’s separate collection and disposal of communal waste.

30%, Bosnia and Herzegovina around 20%, and Serbia approximately 15%. All of these countries outperform Montenegro in waste recycling.

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Europe Recycles Over 50% of Municipal Waste

According to data from the Draft State Waste Management Plan for the period from 2023 to 2028, in 2020, Montenegro recorded over 300 illegal landfills. The highest concentration of these uncontrolled dumpsites is in Bijelo Polje, which accounts for 106.

For years, the European Commission (EC) has repeatedly warned that little progress has been made in waste management, and that Montenegro’s national legislation is only partially aligned with EU standards.

According to the European Environment Agency (EEA), nearly all European countries, except Sweden, have significantly improved their municipal waste recycling rates since 2004. Countries like Germany, Austria, Slovenia, the Netherlands, Denmark, Belgium, Luxembourg, Switzerland, and Italy recycle up to 50% or more of their municipal waste.

Finland and Sweden recycle about 40% of their waste, while Poland recycles even more.

However, some countries, such as Cyprus, Malta, Turkey, and Romania, still recycle less than 20% of their waste. Croatia recycles about

HOW THE FORMER CITY ADMINISTRATION GAVE AWAY PRIME INDEPENDENCE SQUARE PROPERTY FOR A NOMINAL FEE



The Deal Behind the Lowest Bid

/// Andrea Perišić ///

Podcafe F&B LLC was granted a 600-square-meter space in the heart of Podgorica, on Independence Square, under highly favorable terms by the former administration of the Capital City, specifically the Public Institution National Library Radosav Ljumović. This space now houses the Hard Rock Café (HRC), located within the library building, offering views of the Square.

The agreement was finalized in 2022, during the final months of Ivan Vuković's tenure as mayor of Podgorica and the rule of the Democratic Party of Socialists (DPS). Under the terms of the deal, Podcafe F&B, owned by Dejan Pejović and Mladen Brnović, secured the use of a prime location in the City for just 3,684 euros per month, with

The company owned by businessman Dejan Pejović was granted a 600-square-meter space for the Hard Rock Café following a tender process in which the conditions were altered mid-course, contrary to regulations. As a result, bidders who had offered significantly higher lease amounts were disqualified, while the highest-ranked bidder—Pejović's business partner—ultimately withdrew from the project. This incident mirrors a previous situation in which Pejović secured a lease for a section of Kamenovo beach for a nominal fee.

a 10-year lease and an option to extend for an additional 10 years.

However, even this relatively low rental amount could have been further reduced. According to the contract, which the Center for Investigative Journalism of Montenegro (CIN-CG) had insight into, the lessor is committed to deducting the costs of adapting the premises from the rent, following an investment assessment by a commission appointed by the mayor.

The amount invested in the Hard Rock Café and the rent paid by Pejović's company remain unclear, as CIN-CG could not obtain this information. How-

ever, expert estimates suggest that several hundred thousand euros were spent on this upscale establishment. As a result, the capital city may receive only a symbolic sum for such a prime location.

National Library Radosav Ljumović, the institution housing the Hard Rock Café, told CIN-CG that they currently have no information on the amount the company invested in the Hard Rock Café or the exact rent being paid. They explained that, according to the procedure, the rent payments go directly into the Capital City's budget.

According to the documentation held by CIN-CG, rent collection for the Hard Rock Café was initially scheduled to begin on November 1, 2022. However, assessing the value of the funds invested in the building's renovation was first necessary.

The first meeting of the Investment Assessment Commission, appointed by former mayor Vuković in September 2022, occurred in mid-November of the same year. However, the Commission did not provide an assessment. According to the conclusion, which CIN-CG had insight into, it was stated that "without the report from the expert supervision of the works, the Commission will be unable to determine the total value of the completed works, delivered and installed devices, equipment, and other goods and services." Notably, the conclusion lacks both signatures and seals. It is also worth mentioning that the president of the Commission was Sanja Vojinović, who was the assistant director of the Library at the time.

The Capital City informed CIN-CG that, on May 11, 2023, the Library submitted a request to the Office of Mayor Olivera Injac to appoint a new Commission, as two members of the previous Commission, Filip Aleksić and Filip Lalić, were no longer employed by the City. However, they did not clarify whether the new Commission was formed or whether any assessments were conducted.

Until the publication of this investigation, CIN-CG had not received any responses from Dejan Pejović, the owner of Podcafe F&B, to questions regarding the amount spent on the adaptation of the Hard Rock Café or whether rent payments are being made.

It's immediately apparent that a significant investment has gone into the space. The interior features the signature style of the Hard Rock brand, with a spacious bar, high ceilings, and

luxurious lighting and flooring. Additionally, there is a store where visitors can purchase branded merchandise.

Pejović's Business Partner, the Top Bidder, Fails to Appear at Bid Opening

Five bidders responded to the public call for leasing the space, issued by the National Library Radosav Ljumović in January 2022: Bip Hotels LLC, Podcafe F&B LLC, Tabacco&Drinks LLC, I&S Team LLC, and Dejan Labović, as an individual. The tender also specified that the future tenant would be required to organize cultural activities in line with the guidelines set by the Capital City.

Bip Hotels submitted the highest bid, offering a monthly rent of 11,408 euros and committing to organizing 43 cultural events.

Tabacco & Drinks offered 10,060 euros per month in rent and organized 12 cultural events, while I&S Team submitted a lower bid of 7,800 euros per month, including 12 cultural events.

Dejan Labović proposed a rent of 7,050 euros per month and committed to organizing 12 cultural events.

The winning bidder, Podcafe F&B, submitted the lowest lease offer, at just 3,684 euros, slightly above the minimum required by the tender. However, the company stood out by proposing the most cultural events, a total of 80.

How could the company with the lowest lease offer win the tender? One month after the competition was announced, the criteria were changed mid-procedure, disqualifying three bids: Tabacco & Drinks, I&S Team, and Dejan Labović. Labović and Tabacco & Drinks filed appeals with the Administrative Court and submitted objections to the Commission's decision. Meanwhile, the top-ranked bidder, Bip Hotels, failed to show up and withdrew from the process. As a result, the company offering the least for the lease emerged as the winner.

This is not the first time Dejan Pejović, co-owner of Podcafe F&B, has benefited from a tender despite not submitting the best offer. In 2016, his company, Kamenovo Beach, secured a lease for a part of Kamenovo Beach, offering just three

euros more than the minimum price set in the invitation. As a result, this prime space, famous for hosting student parties, was leased for only 26,475 euros for one year.

Similar to the situation with the Hard Rock Café location, the top-ranked bidder for Kamenovo beach withdrew from the tender despite offering a substantial sum, nearly half a million euros. The first-ranked bidder, Vaso Dedivanović, notably worked as the general manager at Pejović's company on Kamenovo after Pejović took over the beach.

At the time, other tender participants raised concerns and warned that the beaches were being leased out for an unreasonably low price through fraudulent practices. One company would submit a large bid to eliminate competitors, only for another company to offer slightly more than the initial bid and secure the lease after the first-ranked bidder withdrew.

Pejović was also granted the space of the former student buffet in the Technical Faculty building in Podgorica for the Desetka café during a time when Miloš Pavićević, a close relative of Pejović, was in charge of the University Sports and Cultural Center. Vijesti and other media outlets have

previously investigated this.

The interconnected nature of this deal is evident in several ways. For instance, Bip Hotels, which made the best offer for the space on the Square but then withdrew, was previously operated by the owner of the former Pejović bar Desetka. According to the Central Register of Business Entities, Stanko Vidaković, listed as one of the founders of Bip Hotels in 2015, is now the company's owner. Vidaković is Pejović's business partner through Montenegro Beach, a sister company of Pejović's former company, Kamenovo Beach. Furthermore, CIN-CG has been told unofficially that Vidaković is Pejović's godfather. Interestingly, Vaso Dedivanović was employed as a manager at Bip Hotels.

Bip Hotels' address is Studentska Street BB, Lamela 7, the same location where other Pejović companies, such as Montenegro Tourist Service, are based. Stanko Vidaković's LinkedIn profile further reveals that he previously worked as a sales manager at Montenegro Tourist Service.

Disqualified Bidders File Lawsuits

Let's revisit the tender: one month after the initial call, the Radosav Ljumović Public Library has issued Amendments to the Public Call, revising several key points.

These amendments require bidders to hold a certificate for an established environmental protection management system compliant with the "MEST EN ISO 14001:2016" standard issued by an accredited certification body. In the original call, bidders were only asked to refrain from using single-use plastic products in accordance with the "ISO 14001:2016" international certification.

Additionally, the scoring criteria for organizing cultural events have been revised.



COMPANY NAME	FOR LEASE	NR. OF CULTURAL EVENTS IT HAS COMMITTED TO ORGANIZE
BIP hotels	11 408 EUR	43
Tabacco&drinks	10 060 EUR	12
I&S Team	7 800 EUR	12
Dejan Labović	7 050 EUR	12
Podcafe F&B	3 684 EUR	80

As a result, the tender appeared to be specifically tailored to Pejović and his company. Three bidders were disqualified for lacking the required certificate, even though it was not stipulated when the competition was initially announced. The Commission justified its disqualification with claims of “untidy, improperly submitted documentation.” This left only Pejović and his godfather in the running.

The bidders who filed complaints, Dejan Labović and Tabacco & Drinks LLC, argued that the amendments to the public invitation altered the conditions in a way that influenced the decision, which they believe violated the procedure and contradicted the bidders’ expectations. Their objections focused on the certificate for the established environmental protection management system, the plan and proposal for cultural activities, and the failure to publish the invitation in the public media.

Labović’s complaint states, “The notification is filled with unfounded and inaccurate claims, lacking an established factual basis, and contradicts the original requirements. It also questions the legitimacy of the Commission, as it failed to establish the relevant facts necessary for resolving this specific administrative matter, which are outlined in the applicable substantive regulations.”

In its complaint, Tabacco & Drinks LLC states that “the client’s statements are incorrect and based on generalizations and unverified facts.”

At the end of April 2022, Labović and Tabacco & Drinks LLC filed disputes with the Administrative Court. In these lawsuits, lawyer Saša Vukotić, as CIN-CG has learned, argued that obtaining the additional certificate required more time and that such a certificate is not mandatory, primarily if the bidder is not engaged in production activities, in which case the certificate is unnecessary.

In its complaint, Tabacco & Drinks LLC also asserts that the top-ranked company, Bip Hotels LLC, is registered for “hotel and similar accommodation services,” rather than for “restaurant and mobile catering activities.”

It is up to the new authorities to determine what motivated the Capital City’s decision, under Ivan Vuković’s leadership, to lease this exclusive

space to Pejović. Until then, this privileged businessman continues to control public assets that were essentially handed to him for a nominal fee.

Rents in the City Center Are Significantly Higher

Advertisements from 2022, as shown on the Estitor website, reveal that even smaller commercial spaces in the center of Podgorica were rented for higher prices at that time.

For example, a 260-square-meter business space in the “Hilton” was rented for 4,160 euros, while the 600-square-meter space now occupied by Hard Rock Café was leased for just over 3,500 euros.

A 502-square-meter space in the city center, though in a less favorable location than the one leased to Podcafe F&B, was rented for 5,000 euros. Additionally, a 120-square-meter office space on Bokeška Street went for 2,500 euros, and another 90-square-meter space on Njegoševa Street was leased for 1,400 euros.

Citizens Asked for New Tourist Attractions in the Heart of the Capital

Hard Rock Café is a global chain of themed restaurants, with its first location opening over 50 years ago in London. The brand has since expanded to include cafés, hotels, and casinos, and now operates in more than 200 locations worldwide. The first Hard Rock Café in Montenegro opened in 2015 within the Atlas Capital Plaza complex, marking the franchise’s debut in the region. Spanning 800 square meters, it featured a café, a restaurant with over 150 seats, a spacious terrace, a stage, and a Rock Shop offering a variety of merchandise such as t-shirts, caps, hoodies, and more.

However, the bar has since closed due to poor performance, particularly during the COVID-19 pandemic. The Investor portal reported that the restaurant had been operating at a loss from the start, with accumulated losses exceeding one million euros by the end of 2018. At that time, according to Montenegrin media, the restaurant

was managed by a company with a similar name, Padcafe, owned by EE F&B HOLDING LIMITED from the Cayman Islands. In contrast, the franchise itself was owned by the Abu Dhabi Financial Group (ADFG).

The reopening of this establishment, however, sparked significant reactions. The public Facebook group Eyes of Podgorica, where citizens report local issues, was filled with mostly unfavorable comments regarding assigning such a prime location to this chain. Many expressed concerns, questioning which tourists would be drawn to Podgorica by brands like Hard Rock Café, especially when they occupy the best space in the City.

Citizens argued that such a prime location should host a venue that would be recognized for its cultural and artistic content.

CONTROVERSIES IN THE DRAFT SPATIAL PLAN OF MONTENEGRO:



Fostering Conflicts Rather Than Solutions for Nature Protection

/// Maja Boričić //////////////////////////////////////

The Strategic Impact Assessment (SIA) of the Draft Spatial Plan of Montenegro until 2040 warns that the construction of hydropower plants on the Komarnica and Piva rivers would irreparably harm biodiversity, habitats, and the landscape. Despite these warnings from the non-governmental sector and segments of the professional community, the Plan still allows for the possibility of building these hydropower plants.

The government of Dritan Abazović adopted the

The strategic impact assessment sharply critiques several proposals in the Draft Spatial Plan of Montenegro, highlighting their failure to adequately consider protected areas, sustainable development, and society's genuine needs. Issues persist with problematic solutions, including the dam on Komarnica and the military training ground on Sinjajevina.

Draft Spatial Plan of Montenegro in the final weeks of its mandate. Initial reactions indicate that the Plan contains numerous controversial provisions, which could intensify debates over the future management of the region and the direction in which Montenegro should develop.

The newly established Ministry of Spatial Planning, Urbanism, and State Property, led by Janko Odović, has not responded to multiple inquiries from the Center for Investigative Jour-

nalism of Montenegro (CIN-CG) concerning the Draft Spatial Plan.

Hydropower Plants: Komarnica, Krusevo, and Boka

The Draft Spatial Plan includes proposals for the Komarnica hydropower plant, the Kruševo HPP, and the Boka HPP along the coast. These areas are classified as Emerald sites, potential UNESCO World Heritage extensions, and regional park zones.

Experts consulted by CIN-CG argue that these projects should be removed from the Plan.

While the Komarnica HPP is technically the most advanced, it faces significant opposition due to its environmental impact and lack of support from institutions responsible for environmental protection. The draft plan mentions this issue but offers no clear resolution.

The document also states that Montenegro's domestic power plants can currently meet most of the country's electricity needs, with imports now accounting for less than 10% of total consumption—a shift driven by the closure of the Kombinat Aluminum Plant (KAP) in Podgorica.

Nataša Kovačević from CEE Bankwatch highlights a UNESCO decision that obligates Montenegro to carefully assess the potential impacts of the Komarnica HPP on the Dragišnica and Komarnica Nature Park. If the project results in negative environmental effects, it must be rejected.

Kovačević also points out that international spatial planning practices typically include clear decisions on whether certain areas, particularly protected or sensitive zones, should be excluded from projects.

The Draft Plan's Strategic Im-



Janko Odović
foto: gov.me

pact Assessment identifies the proposed hydropower plants as clearly conflicting with nature protection goals. Despite this, the Plan leaves the Komarnica HPP proposal unresolved without a definitive stance from the state.

Regarding the Kruševo HPP, the Assessment highlights its location within the Dragišnica Komarnica Nature Park, noting a direct conflict with the park's preservation and Montenegro's Nature Protection Law. Experts suggest that alternative locations

should be considered.

The Boka HPP is deemed “completely unacceptable” in the draft plan, due to its potential to release large volumes of freshwater into the Risan Bay. This could disrupt the natural balance of the marine ecosystem, especially given the nearby protected areas of Sopot and Dražin vrt, which are set to receive permanent protection by the end of the strategic assessment process. Additionally, the transfer of such a large volume of freshwater from Lake Bileća would severely disrupt the natural balance of the marine ecosystem in this section of the bay.

Andrijana Mićanović from the Montenegrin Society of Ecologists (CDE) warns that the continued push for outdated projects, such as these hydropower plants, reflects a failure to evolve beyond the mindset that prevailed when the last Spatial Plan was created.

She argues that Montenegro is pushing projects that have long been abandoned in developed countries, while disregarding recommendations from the European Union (EU), UNESCO, the Berne Convention, and various other agreements the government has signed. “If we are planning the destruction of areas like the Komarnica River canyon, which is recognized and protected



Andrijana Mićanović
foto: personal archive

Many Goals Without Clear Solutions

Mićanović concludes that the prevailing focus remains on rapid economic growth—a fundamentally unsustainable approach. Nature protection, she notes, continues to be portrayed as a constraint on development rather than an integral part of it.

The Strategic Environmental Impact Assessment echoes this concern, stating that while the Draft Spatial Plan outlines numerous objectives, it lacks clear, actionable strategies for achieving them.

Furthermore, the document questions why the scenario of intensified environmental protection—referred to as the “ecological scenario”—has been dismissed without proper justification.

“The claim that Montenegro is not yet ready for such a scenario, without defined or evaluated criteria, reveals a lack of political will, expertise, and ambition to pursue a direct transition toward sustainable development. This position contradicts the country’s commitments under various international agreements,” the Assessment states.

It also highlights that the mapping of Emerald and Natura 2000 habitats has identified many ecologically significant areas—areas that remain unprotected and are increasingly exposed to human-induced pressures.

“The Spatial Plan of Montenegro must incorporate proper conservation guidelines for these habitats and ensure that planning decisions do not conflict with the imperative of their protection,” the Assessment concludes.

nationally and internationally, it clearly shows that we lack a coherent vision for our country’s development,” Mićanović explains.

The Strategic Impact Assessment further highlights that many proposed locations for energy sector development directly conflict with nature protection and the preservation of biodiversity-rich areas.

The document emphasizes that “insufficiently clear guidelines for land use allow concession contracts to be signed first, only to recognize conflicts with nature and environmental protection later. This is a long-standing issue in Montenegro that must be addressed.”

Thermal power plant “Pljevlja”

In its annual report on Montenegro, the European Commission (EC) highlights the lack of focus on environmental standards in energy infrastructure projects and the lack of progress in finding alternative energy solutions.

The report emphasizes that Montenegro must strategically decide to replace the Pljevlja Thermal Power Plant, which currently generates about 50% of the country’s electricity but remains the leading polluter.

The EC further assesses that the ecological reconstruction of the Pljevlja Thermal Power Plant (TE Pljevlja) does not address the fundamental issues, urging Montenegro to accelerate efforts to close the plant permanently. “Montenegro must plan a just transition by providing economic alternatives to communities most affected by the coal phase-out,” the report states.

Despite numerous environmental concerns and Montenegro’s international commitments on greenhouse gas emissions, the report notes that the expensive reconstruction of the Pljevlja TPP has continued.

Nataša Kovačević, coordinator for decarbonization in the district heating sector of the Western Balkans, points out that the draft spatial plan ensures the uninterrupted operation of the Pljevlja TPP, with no clear indication of a plan to phase out coal. According to Montenegro’s international obligations, this should happen by 2035 or potentially earlier, given the financial burden from continued coal burning.

Kovačević stresses that renewable energy sources and energy efficiency must be prioritized in Montenegro, but these projects should be implemented in line with the “do no significant harm” principle.

She adds that, based on the draft plan’s priorities, developers have not considered Montenegro’s future EU membership by 2040 and the binding decarbonization regulations that will accompany it. Additionally, the Plan includes short-term coal mining projects in Pljevlja (Mataruge, Glisnica), which could endanger the region’s sole water source.

Kovačević also notes the lack of clear guidelines for decarbonizing the heating sector, even though air quality in cities such as Podgorica, Nikšić, and Pljevlja is critically poor, primarily due to heating-related combustion.

She emphasizes the need for precise demographic data from the new census, a detailed national and energy climate plan, and clear timelines for phasing out fossil fuels to achieve net-zero emissions by 2050, in line with the just transition roadmap.

In conclusion, Kovačević argues that the draft plan requires significant revisions before it can be subject to public debate and that it is unlikely to be ready by the end of this year.

Sinjajevina

The draft document still fails to address some of the most significant conflicts that arose during the discussion of the Spatial Plan concept,

including the proposed military training ground on Sinjajevina, the construction of a wind power plant on Brajići, and the high-speed road corridor in the coastal region.

The Draft Plan suggests that Sinjajevina could be used as a temporary military training ground and for agricultural purposes.

However, the strategic impact assessment recommends relocating military exercises outside of Montenegro, arguing that “Montenegro is a mosaic of areas with exceptional natural value and is too small to afford the ‘luxury’ of sacrificing any part for military exercises, which would have a significant negative impact on biodiversity, habitats, and the lives of people who traditionally stay in the mountains in summer.”

Nevertheless, the Draft Plan notes that the Interdepartmental Working Group (IDWG) report indicates artillery exercises would occur two to three times a year, lasting up to 10 days, during periods when local agriculture is inactive. From

Kovačević Demands Removal of Gas Power Plants from National Plan

Kovačević identifies the construction of gas power plants in Bar, Podgorica, and Pljevlja and associated gas infrastructure as among the most problematic elements of the Draft Spatial Plan. She firmly argues that these projects must be removed from the Plan.

“These are fossil gas investments,” Kovačević warns, “and the construction of an LNG terminal would effectively block Montenegro from meeting the goals of the Green Agenda—particularly the phase-out of fossil fuels by 2050—and from honoring its commitments under the Sofia Declaration for a carbon-neutral Europe.”

Rather than transitioning toward renewable energy sources, Kovačević criticizes the government for proposing infrastructure that would lock the country into long-term dependence on imported gas.

Montenegro consumes almost no gas, is not connected to international gas networks, and lacks a domestic gas distribution system. The construction of an LNG terminal would take five to ten years, meaning it wouldn’t become operational before 2030,” she explains.

She notes that this timeline would result in the terminal operating through the 2050s, precisely when Montenegro is expected to achieve climate neutrality.

“In other words, we’re looking at a long-term investment that will become a stranded asset worth over a billion euros by the time Montenegro is meant to be climate-neutral,” Kovačević concludes.

Montenegro Aspires to Become an Oil and Gas Producer

The Draft PPCG argues that the belief that the era of diesel and gasoline consumption is ending is an illusion.

It notes that even a complete global transition to electric passenger vehicles would reduce oil and gas consumption by only 20 percent. The Draft explains that the remaining 80 percent will continue to be driven by freight and maritime transport, aviation, and the massive demands of the petrochemical industry.

“Oil and gas will continue to play the role of primary energy sources worldwide for a long time. Bearing that in mind, Montenegro must continue developing the oil and gas exploration sector to become an oil and gas producing country,” the document states.

Despite these ambitions, the existence of commercially viable oil and gas reserves in Montenegro has yet to be confirmed.

October to May, the military would use the area for training activities that did not involve artillery.

“The army will not build permanent facilities on Sinjajevina, but will use temporary ones, such as tents and containers. Once the activity is complete, the area will be rehabilitated,” states the IDWG report.

The report further clarifies that artillery fire would impact only about nine square kilometers of the 74.5 square kilometers designated for the Military Shooting Ground on Sinjajevina.

According to the IDWG report, the Government decision allows the Ministry of Defense temporary use of the Sinjajevina area, with the possibility of revocation if expert agencies identify environmental risks.

In the Municipality of Žabljak, the revision of the Draft Spatial Plan proposes declaring Sinjajevina a regional nature park to protect and promote the area for agricultural and tourism purposes only. The representative from Žabljak emphasizes that this would prevent the construction of military facilities and activities, which could lead to the complete degradation of the mountain.

Nataša Kovačević argues that having a military training ground in Sinjajevina is incompatible with the area’s traditional agricultural practices. She points out that the Plan designates Sinjajevina as a potential nature park, noting that it is also an Emerald area and a critical bird habitat (IBA).

Kovačević warns that the military training ground will likely be established if the decision is left to the defense sector: “Military activities would displace shepherds and tourists from a large part of the mountain.”

Brajići

The Draft Spatial Plan includes plans for constructing the Brajići wind farm, spanning the municipalities of Budva and Bar.

However, in its revision of the draft Plan, the Municipality of Bar points out that the Detailed

Spatial Plan for the wind farm states explicitly that the area is unsuitable due to low wind conditions.

The Municipality of Budva is particularly opposed to the project, arguing that building a wind farm at Brajići would permanently damage an area rich in natural springs, cultural and historical landmarks, and rural residential structures.

Ornithologist Bojan Zeković from the Center for the Protection of Birds (CZIP) warns that the wind farm would significantly threaten birdlife. He explains that Montenegro has two primary bird migration corridors: one passing through the Bojana River delta and Lake Skadar, with

a high concentration of raptors moving through Bjelopavlići to Nikšić polje, and the other along the coastal mountains of Orjen, Lovćen, and Rumija.

Zeković notes that out of 19 Griffon Vultures, four were spotted near the proposed wind farm location. The Egyptian vulture—a species recently reintroduced to Montenegro after nearly three decades—also passed through the Brajići area. He adds that Brajići is home to several endangered raptor species, including the striped eagle, which no longer nests in the area but still follows migratory routes through the region.

Traffic

The Draft Spatial Plan of Montenegro no longer includes constructing the Virpazar port. However, the potential development of a waterway along the Bojana River—connecting Lake Skadar to the Adriatic Sea—remains on the table.

The Strategic Environmental Assessment (SEA) stresses that Lake Skadar, a protected RAMSAR site and National Park, must not be subjected to nautical traffic development, particularly without clear regulations regarding the size and number of vessels.

In addition, the Draft Spatial Plan explores the possibility of constructing new airports in Ulcinj, Bar, Berane, Nikšić, Pljevlja, and Žabljak.



Nataša Kovačević
foto: privatna arhiva

The SEA recommends re-evaluating these proposed locations. It specifically warns against building an airport in Ulcinj due to its proximity to the Ulcinj Saltworks, a protected site of international importance for bird species.

“It is important to note that the Ulcinj Saltworks constitutes over 30 percent of the criteria for closing Chapter 27 in the EU accession negotiations,” the SEA emphasizes.

The proposed airport in Ulcinj would be located in the hinterland of Velika plaža, an ecologically sensitive area with unique species and habitats. The SEA argues that the construction of key transport routes such as the Bar–Boljare and Adriatic–Ionian highways will significantly improve access to the Ulcinj Riviera, eliminating the need for an airport.

The Center for Protection and Research of Birds (CZIP) has previously warned that Gornji Štoj, the proposed airport site, is the most important nesting ground for the bee-eater, a legally protected bird species. Developing airport infrastructure in this area would destroy its habitat.

CZIP Executive Director Jovana Janjušević told CIN-CG that the Draft Spatial Plan 2040 contains numerous dangerous and problematic proposals, which, if implemented, would mark Montenegro’s environmental downfall.

She also criticized placing an airport near the Ulcinj Saltworks, highlighting its crucial role in meeting ecological benchmarks required for EU membership.

“If aircraft—one of the biggest polluters—are considered part of a plan to reduce CO2 and other climate-impacting emissions, then perhaps we should pave over Gornji Štoj entirely and replace the colorful birdlife with a ‘hectic’ airport,” Janjušević stated sarcastically.

The Draft also suggests a controversial “high-speed road” along the coast, including a bridge crossing, contingent on consultation with relevant ministries, the Cultural Heritage Administration, and UNESCO. A 2018 UNESCO Report recommended abandoning the proposed Verige bridge.

In its comments on the Draft, the Municipality of Tivat insists that the expressway’s route through the Bay of Kotor be clearly defined. The

Municipality of Kotor also firmly opposes the construction of a bridge at Verige.

The SEA underscores the need for Montenegro’s ministries to intensify dialogue with UNESCO and to consider conducting an additional Heritage Impact Assessment (HIA) for any proposed crossing of the Bay of Kotor as the Draft Spatial Plan evolves.



Conclusions and Recommendations from the Conference: “Montenegro’s Legal Framework, Foreign Investment and the Country’s Strategic Goals”

Conclusions and recommendations

* Balancing Investment and National Interest

Montenegro requires foreign direct investment (FDI); however, even in the case of large-scale projects, the state must first and foremost safeguard its vital interests and long-term strategic objectives.

* Investment Outcomes Since Independence

Since regaining independence in 2006, Montenegro has attracted approximately 15 billion euros in FDI. Despite the scale of these inflows, they

have not significantly contributed to economic diversification or the creation of added value. This is largely because the majority of investments have been concentrated in the real estate sector rather than in industry, agriculture, innovation, or knowledge-based activities.

* Need for Development-Oriented Investments

Montenegro needs development-oriented investments that foster sustainable economic growth. Long-term development depends primarily on investments in technology and knowledge, areas that have so far received insufficient

attention. Investment in real estate, particularly in residential construction, tends to yield substantial profits for investors but contributes little to generating new value or advancing the country's broader development goals.

* Limited EU Investment and Structural Challenges

Most FDI inflows have originated from countries outside the European Union (EU), which do not share Montenegro's strategic foreign policy priorities. One possible explanation for the relatively low level of investment from EU member states is the perceived uncertainty of the business environment, characterized by frequent regulatory changes, corruption, and persistent weaknesses in the rule of law.

* Risks from Offshore and Non-Transparent Capital

A notable share of FDI has also come from offshore jurisdictions and tax havens, raising concerns that some companies registered in those territories may have been used for money laundering purposes, including the laundering of capital originating from domestic business, political, or criminal networks.

* Focus on Investment Quality Over Origin

The origin of investment is ultimately less important than its destination, specifically, the sectors in which funds are deployed. It is also less important whether the process is transparent and aligned with the country's key national priorities.

* Bilateral Treaties and Investment Soundness

Bilateral investment treaties (BITs) that Montenegro has concluded with various countries do not necessarily ensure the influx of sound or productive investments. Such agreements and foreign investments must not compromise the fundamental principles of fair competition and equal opportunity, which are essential to a healthy economy and sustainable development.

In many cases, bilateral investment treaties afford greater protection to foreign investors than to the host state, granting investors the

right to initiate arbitration proceedings against the government.

* Risks from the UAE and Most-Favoured-Nation Clauses

The agreements signed with the United Arab Emirates (UAE) could have potentially adverse consequences, not only because of the preferential treatment granted to investors from that country, but also due to the implications of the "most-favoured-nation" clauses contained in treaties Montenegro has concluded with other countries, such as the Netherlands and Serbia. These provisions could allow investors from those states to demand the same privileges as those extended to UAE investors. Should such claims be denied, they could pursue arbitration, exposing Montenegro to potentially significant financial liabilities.

* Expert Oversight of Treaty Negotiations

To effectively protect Montenegro's national interests in bilateral investment treaties, greater attention must be devoted to their preparation, negotiation, and content, with the active involvement of qualified experts.

* Modern Clauses for State Protection

All bilateral agreements signed by Montenegro should reflect contemporary international practice and include a regulatory power clause, which affirms the state's sovereign right to adopt measures and enact regulations in the public interest, such as for the protection of public health, the environment, or cultural heritage, without incurring liability for potential losses investors may claim as a result. Additionally, agreements should incorporate a denial of benefits clause to prevent abuses such as treaty shopping by companies seeking to exploit loopholes in investment treaties.

* Introducing an Investment Public Interest Filter

An "investment public interest filter" should also be introduced. For every project exceeding a defined investment threshold, a standardized

cost-benefit analysis should be conducted to assess its overall impact on GDP, exports, productivity, technological advancement, engagement of local suppliers, creation of quality jobs, public revenues, and crucially, its environmental and spatial effects.

*** Mandatory Independent Legal Review**

To prevent potential abuses, Montenegro should establish a system of mandatory and independent legal review before signing any contract related to state assets, land, construction rights, concessions, or other long-term obligations. A robust system of legal oversight not only protects public administration but also safeguards the interests of citizens.

*** Full Transparency of Investment Agreements**

When concluding bilateral agreements or contracts with foreign investors, full transparency must be guaranteed. A comprehensive public register should be established containing all contracts, annexes, subcontracts, forms of state aid, and fiscal incentives, which should be readily accessible to the public.

*** Institutional Balance and Oversight**

An institutional balance must also be maintained throughout the investment process. Regardless of whether a ministry, agency, or commission leads the process, there must be a clearly mandated oversight body with well-defined powers that includes independent experts.

*** Transparency as a Safeguard, Not an Obstacle**

Transparency does not hinder investments; on the contrary, it protects them from reputational risks and ensures a level playing field for all investors.

*** Projects Must Be Subject to the Highest Standards of Environmental and Social Impact Assessment**

Projects that may affect the environment or cultural heritage must be subject to the highest standards of environmental and social impact assessment, including genuine public consulta-

tions with realistic timelines, expert evaluation bodies, and a clear obligation to either accommodate or transparently justify the rejection of public comments.

*** Local Content and Knowledge Transfer Requirements**

Strategic investment projects should also contain a strong local content component, including minimum participation requirements for domestic suppliers and the local workforce, as well as plans for training, knowledge transfer, and incentives for the reinvestment of profits within Montenegro.

*** Promoting Regional Investment Balance**

Equally important is the need to ensure regional balance in attracting FDI. This can be achieved through targeted incentives for investments in the northern and other less developed regions, as well as preferential treatment for investors who utilize domestic raw materials, invest in research and innovation, develop processing capacities, create stable employment, and preserve natural resources.

*** Strengthening Domestic Institutions**

Montenegro must also strengthen its domestic institutions, particularly the Agency for Foreign Investments, to ensure that foreign direct investments generate the greatest possible benefit for the country and its citizens.

*** Alignment with EU Standards and Practices**

Finally, all FDI should be fully aligned with EU standards and principles. If Montenegro's strategic goal remains accession to the European Union, then the rules on state aid, competition, public procurement, and the EU's green taxonomy must be integral components of every major investment project. This alignment would send a clear signal to reputable international investors that Montenegro operates under the same standards and principles as EU member states, ensuring predictability, fairness, and long-term sustainability.

