



Government of Montenegro
Ministry of Labour, Employment and Social Dialogue

**REPORT ON THE NON-ACCEPTED PROVISIONS OF THE REVISED
EUROPEAN SOCIAL CHARTER**

Submitted by

MONTENEGRO

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Montenegro ratified the revised European Social Charter on 3 March 2010, accepting 66 of its 98 Charter paragraphs. The following provisions have not yet been accepted: Article 2§§3, 4, 5 and 7, Article 4§§1 and 4, Article 7§10, Article 10§5, Article 18§§1 to 4, Article 19§§1 to 10, Article 21, Article 22, Article 25, Article 26§2, Article 27§1 b),c), and d), Article 29, Article 30, Article 31§§1, 2 and 3 (32 provisions in total).

In accordance with the obligations arising from the Article C and Article 22 of Part IV of the Charter, Montenegro submits its Report on the non-accepted provisions of the revised European Social Charter.

It covers 32 articles of the Charter that have not yet been accepted by Montenegro.

Table of accepted and non-accepted provisions by Montenegro

Grey = Accepted provisions

1.1	1.2	1.3	1.4	2.1	2.2	2.3	2.4	2.5	2.6	2.7	3.1
3.2	3.3	3.4	4.1	4.2	4.3	4.4	4.5	5	6.1	6.2	6.3
6.4	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.8	7.9	7.10	8.1
8.2	8.3	8.4	8.5	9	10.1	10.2	10.3	10.4	10.5	11.1	11.2
11.3	12.1	12.2	12.3	12.4	13.1	13.2	13.3	13.4	14.1	14.2	15.1
15.2	15.3	16	17.1	17.2	18.1	18.2	18.3	18.4	19.1	19.2	19.3
19.4	19.5	19.6	19.7	19.8	19.9	19.10	19.11	19.12	20	21	22
23	24	25	26.1	26.2	27.1*	27.2	27.3	28	29	30	31.1
31.2	31.3										

* only subparagraph (a) of Article 27.1 was accepted

Article 2 – The right to just conditions of work

With a view to ensuring the effective exercise of the right to just conditions of work, the Parties undertake:

3 to provide for a minimum of four weeks' annual holiday with pay;

4 to eliminate risks in inherently dangerous or unhealthy occupations, and where it has not yet been possible to eliminate or reduce sufficiently these risks, to provide for either a reduction of working hours or additional paid holidays for workers engaged in such occupations;

5 to ensure a weekly rest period which shall, as far as possible, coincide with the day recognised by tradition or custom in the country or region concerned as a day of rest;

7 to ensure that workers performing night work benefit from measures which take account of the special nature of the work.

Article 2 of the European Social Charter encompasses the right to just conditions of work, which includes providing a minimum of four weeks of paid annual leave. In Montenegro, the Labour Law regulates in detail the right to annual leave in order to achieve this goal.

According to Article 81 of the Labour Law (*"Official Gazette of Montenegro"*, nos. 74/2019, 8/2021, 59/2021, 68/2021, 145/2021, 77/2024, 84/2024 other law, and 86/2024), in each calendar year, the employee is entitled to annual leave determined by the collective agreement or employment contract of at least 20 working days.

An employee who works part-time (works in a workplace where, despite the application of occupational safety and health measures, it is not possible to protect the employee from harmful effects, which results in the working hours being proportionally reduced to the harmful impact of working conditions on the health and working capacity of the employee, up to 36 hours per working week), is entitled to annual leave lasting at least 30 working days.

An employee who works six working days is entitled to annual leave of 24 working days.

The length of annual leave is determined by increasing the number of working days based on criteria set by the collective agreement and the employment contract.

According to Article 5 of the General Collective Agreement, employees exercise the right to increased annual leave above the statutory minimum, depending on various criteria. The length of service plays a significant role: employees with 5 to 15 years of service receive one additional working day, those with 15 to 25 years of service are entitled to two additional days, employees with 25 to 35 years of service are entitled to three additional days, and for more than 35 years of service, annual leave is increased by five working days. Special attention is paid to the health condition of employees: persons with disabilities, as well as parents of children with developmental disabilities, are entitled to an additional three working days of annual leave. A single parent of a child under the age of 15 is entitled to two additional working days of leave. Apart from these cases, annual leave may also be increased based on working conditions, work contribution, and other criteria established by a branch collective agreement, employer-level collective agreement, or the employment contract itself.

Article 79 of the Labour Law of Montenegro prescribes that an employee is entitled to paid annual leave, the duration of which is determined in proportion to the time spent in employment. For each month of work started, the employee is entitled to 1/12 of annual leave, which represents progress compared to the previous solution, as every month started is considered, not only those completed. This ensures that the right to leave is exercised in proportion to the time spent working.

The Labour Law also contains a mandatory provision that prohibits an employee from waiving the right to annual leave or having that right denied. This right cannot be replaced with financial compensation, except in the case of termination of employment. This protection ensures that employees fully exercise their right to leave, which is a key aspect of just working conditions.

According to the Law on Occupational Safety and Health ("Official Gazette of Montenegro", nos. 034/14, 044/18, 084/24), risk assessment is the systematic recording and evaluation of all factors in the work process, in accordance with the nature of the business activity of the company or entrepreneur, with the aim of identifying potential causes of occupational injuries, occupational diseases, or work-related illnesses, **and determining the possibilities or methods of preventing, eliminating, or reducing risks;**

Furthermore, it is stipulated that prevention includes all steps and/or occupational safety and health measures undertaken or planned at all levels of work by the employer, to prevent or reduce risks to the life and health of employees.

Po In addition, it is prescribed that the employer plans and ensures occupational safety and health measures in all work processes, in order to prevent or reduce risks to life and health of employees, in the following processes:

- 1) designing, constructing, using and maintaining buildings intended for work and auxiliary premises, as well as buildings intended for outdoor work, for the purpose of safe work processes;
- 2) designing, constructing, using and maintaining technological work processes with all associated work equipment, to ensure safe work of employees and harmonization of chemical, physical and biological substances, explosive atmospheres, asbestos, microclimate and lighting at workplaces and in work and auxiliary premises with prescribed measures and standards for the activity carried out in those workplaces and premises;
- 3) designing, manufacturing, using and maintaining work equipment, constructions and facilities for collective occupational health and safety, auxiliary constructions and facilities and other resources used in the work process or otherwise connected with the work process, so that their use does not cause injury or health damage to employees;
- 4) production, packaging, transportation, storage, use and destruction of hazardous substances, in accordance with regulations and rules that eliminate the possibility of injury or health damage to employees;
- 5) designing, manufacturing and using personal protective equipment, whose use eliminates risks or dangers that could not be eliminated by applying appropriate occupational safety and health measures;
- 6) education, training and qualification in the field of occupational safety and health. These measures are further regulated by bylaws in the field of occupational safety and health and other regulations.

When implementing occupational safety and health measures, the employer is obliged to comply with the following general principles:

- avoiding risks;
- risk assessment;
- eliminating risks at the source;

- adapting the work and workplace to the employee, especially regarding the design of the workplace, the choice of work equipment, selection of working and production methods, with a view to avoiding monotonous work and work at a predetermined pace and reducing their effect on health;

- adapting to technical progress;

- **replacing dangerous with harmless or less dangerous circumstances;**

- developing a comprehensive occupational safety and health policy that includes technology, work organization, working conditions, interpersonal relations and factors of the working environment;

- giving priority to collective occupational safety and health measures over individual protection measures;

- providing appropriate instructions and information to employees.

According to Article 76 of the Labour Law, the employee has the right to a weekly rest of at least 24 hours, which is used continuously and usually includes Sunday and one additional day that precedes or follows Sunday. This provision coincides with the traditional day of rest in Montenegro, which is generally Sunday. The law also prescribes that the total rest period, including daily rest, amounts to 36 continuous hours. The law also provides for exceptions when the nature of the job or work organization does not allow the use of weekly rest on Sunday. In such cases, the employer is obliged to assign other days for rest and notify the employee of the schedule. This flexibility allows the right to weekly rest to be exercised under various working conditions.

According to Article 15 of the General Collective Agreement, if the employee works on Sunday, the base salary for work on Sunday is increased by 80% per hour. Exceptionally, this increase does not apply to employees assigned to workplaces where the nature of the job requires continuous work (shift work), as well as employees working in hospitality and public passenger transport.

Article 120 of the Law also provides special protection for employees under the age of 18 regarding the obligation that these individuals are entitled to weekly rest lasting at least two consecutive days, one of which must be Sunday. This protection ensures that young workers have adequate time for rest and recreation, which is important for their physical and mental development.

According to Article 208 of the Law, employers who do not respect the right to weekly rest may be subject to fines ranging from 2,000 to 20,000 euros.

According to Article 70 of the Labour Law, night work is defined as work performed between 10 p.m. and 6 a.m. the following day. An employee who performs night work for at least three hours of their daily working time is entitled to special protection, in accordance with regulations in the field of occupational safety and health. An employee performing night work during a period of four months may not work at night longer than an average of eight hours in every 24-hour period. An employee performing night work

who is exposed during work to particular hazards or heavy physical or mental effort may not work more than eight hours during the 24-hour period in which they perform night work. The law prescribes that employers organizing night work must inform the labour inspection about it. Furthermore, workers performing night work are entitled to increased pay, which is determined by a collective agreement or employment contract. These measures ensure that workers performing night work have adequate protection and compensation for the special conditions under which they work.

The Montenegrin Labour Law provides special protection for vulnerable groups, such as minors and pregnant women, who cannot be assigned to night work.

The law prescribes special protective measures for vulnerable groups. According to Article 125, night work is prohibited for pregnant employees, employees who have recently given birth, and employees who are breastfeeding. A pregnant woman or a woman who has a child under the age of three may not work overtime or night shifts. The employer is obliged to assign the woman to work outside of night shifts that matches her qualifications and work capacity, or to provide her with paid leave if that is not possible. Protection from night work also applies to the following categories, who may perform night work only if they provide written consent: a female employee who has a child older than two years, as well as one of the parents, adopters, guardians, or foster parents of a child with developmental disabilities, and a single parent of a child younger than seven years.

According to Article 15 of the General Collective Agreement, base salary is increased by 40% per hour for night work (between 10 p.m. and 6 a.m. the following day).

Article 4 – The right to a fair remuneration

With a view to ensuring the effective exercise of the right to a fair remuneration, the Parties undertake:

1 to recognise the right of workers to a remuneration such as will give them and their families a decent standard of living;

4 to recognise the right of all workers to a reasonable period of notice for termination of employment;

The Labour Law, in Article 101, regulates in detail the right of employees to a minimum wage for standard work performance and full-time work, or work time that is considered equivalent to full-time. The minimum wage, in net amount, may not be lower than 600 euros for employees at positions up to qualification level V, or 800 euros for employees with qualification level VI and above. The amount of the minimum wage is determined by the Government of Montenegro at the proposal of the Social Council, based on the general level of wages in the country, cost of living and its changes, and economic factors such as the requirements of economic development, the level of productivity, and the need for a high level of employment. This system ensures that the minimum wage serves not only as protection for the lowest-paid categories of employees but also as an instrument to prevent unfair competition based on low wages, thereby protecting the interests of employers as well. The average gross wage in January 2025 in Montenegro amounted to 1,198 euros, while the average wage excluding taxes and contributions (net) amounted to 1,004 euros.

The European Social Charter prescribes that every worker has the right to a reasonable notice period in the event of termination of employment, which is in Montenegro regulated in detail by Article 177 of the Labour Law.

According to this article, the employee has the right and obligation to remain at work for a minimum of 30 days from the day the notice of termination of the employment contract or the decision on termination of employment is delivered. This notice period provides protection for both the employee and the employer, as it allows the employee to prepare for a new phase of life and the employer to organize work and, if necessary, find a replacement. Exceptionally, the employer may terminate the employment contract without observing the notice period in cases of serious violation of work obligations or behaviour by the employee that prevents further work, such as: unjustified absence from work for three or more consecutive working days or five working days with interruptions over 12 months; violent, inappropriate, or offensive behaviour towards clients or employees; commission of a criminal offence at work or in connection with work; use and handling of official vehicles, machinery, or tools contrary to the employer's regulations; termination of employment due to a sanction imposed in a disciplinary procedure; abuse of sick leave or unjustified failure to return to work after unpaid leave.

The employee may, by mutual agreement with the employer, cease working before the expiry of the notice period, with the right to wage compensation in the amount determined by the collective agreement or employment contract. This compensation may be lower than the regular wage, but only if agreed; otherwise, the full amount shall be paid as if the employee had worked until the end of the notice period.

If the employee, at the request of the employer, ceases work before the expiry of the notice period, they are entitled to full wage compensation and other employment rights as if they had worked until the end of that period. This is particularly important for rights such as compensation for unused annual leave. During the notice period, the employee has the right to be absent from work for at least four hours per week to seek new employment, without a reduction of pay. This right enables the employee to actively search for a new job and better prepare for the change. The notice period is counted even in cases of temporary incapacity for work, i.e., if the employee becomes temporarily incapacitated for work during the notice period, the notice period continues to run and the employee retains all rights as usual.

Regarding probationary work, if the employee does not meet the expectations of the job during the probationary period, the employment shall end on the day the probationary period expires. Exceptionally, during the probationary period, either contractual party may terminate the employment contract before the expiry of the probationary period in accordance with the collective agreement and the employment contract, whereby the notice period shall be at least 5 days.

The exercise of these rights shall be achieved by freely concluded collective agreements, by statutory wage-fixing machinery, or by other means appropriate to national conditions.

Article 7 – The right of children and young persons to protection

With a view to ensuring the effective exercise of the right of children and young persons to protection, the Parties undertake:

10 to ensure special protection against physical and moral dangers to which children and young persons are exposed, and particularly against those resulting directly or indirectly from their work.

According to Article 118 of the Labour Law, employees under the age of 18, along with persons with disabilities and women, are entitled to special protection of rights in accordance with the law. This protection is based on the constitutional prohibition of discrimination and the obligation of the state to create conditions for equality and protection of the most vulnerable groups, especially children and young people. Special protective measures may be applied only until the goals for which they were undertaken are achieved, and they are reflected in more favourable working conditions, bans on certain types of work, and additional rights regarding rest, health, and safety at work.

Article 120 of the Law prescribes comprehensive special protection for employees under the age of 18, in order to ensure that young people are not exposed to dangers that exceed their physical and psychological capabilities. First and foremost, minors may not work in jobs that are particularly physically demanding, such as work underground or underwater, nor in jobs that may harmfully and with increased risk affect their health. This prohibition also includes jobs where they might be exposed to hazardous substances, extreme temperatures, noise, vibrations, or other risks that they cannot properly recognize or avoid due to their age and lack of experience. Additionally, a minor may not be assigned to work in another location outside their place of residence or stay, which protects their integrity and allows better control over working conditions. A collective agreement may determine shorter working hours than full-time for a minor, whereby they still exercise all employment rights in full scope, and overtime and night work for this category of employees are absolutely prohibited, and daily working hours must not exceed eight hours. During the workday, young workers who work at least four hours are entitled to a break lasting at least 30 continuous minutes, while weekly rest for them must be longer than standard — it must last at least two consecutive days, one of which is Sunday, thus enabling proper rest and recovery. Annual leave for minors amounts to at least 24 working days, which is more compared to other categories of employees. At the time of employment, written consent from a parent, adoptive parent, foster parent, or guardian is required for the minor, as well as a finding from the competent health authority determining fitness for performing the work for which the employment contract is being concluded, and the work must not endanger the health, development, morality, or education of the child. The Labour Inspectorate regularly monitors compliance with these provisions, and employers are obliged to provide workplaces that correspond to the needs and capabilities of young workers.

Additionally, the Rulebook on Occupational Safety and Health Measures in the Working Environment and Workplace ("Official Gazette of Montenegro", No. 104/20), adopted based on the Law on Occupational Safety and Health, prescribes that the employer must provide minors with workplaces that will not adversely affect their development and that they are not assigned to jobs that: – are objectively beyond their physical or psychological capabilities; – involve exposure to dangerous and harmful substances that cause hereditary genetic damage or otherwise chronically affect health; – involve risks of accidents that minors may be presumed not to be able to recognize or avoid due to their insufficient attention or lack of experience; – pose a health risk due to extreme cold or heat, noise, or vibration. The employer must ensure that minors are not exposed to work with specific risks and harmful exposures, including:

- 1) Physical substances: - work in a hyperbaric atmosphere, such as enclosed spaces under pressure and underwater diving;
- 2) Biological substances from risk groups 3 and 4, in accordance with the Rulebook on Protection Measures at Work from Risks of Exposure to Biological Substances;
- 3) Chemical substances:

a) substances and mixtures that meet classification criteria for one or more of the following hazard classes with one or more of the following hazard statements: – acute toxicity category 1, 2, or 3 (H300, H310, H330, H301, H311, H331), – skin corrosion category 1.A, 1.B, or 1.C (H314), – flammable gas category 1 or 2 (H220, H221), – flammable aerosols category 1 (H222), – flammable liquid category 1 or 2 (H224, H225), – explosives category “unstable explosives” or explosives subclass 1.1, 1.2, 1.3, 1.4, and 1.5 (H200, H201, H202, H203, H204, H205), – self-reactive substances and mixtures types A, B, C, or D (H240, H241, H242), – organic peroxides types A or B (H240, H241), – specific target organ toxicity – single exposure, category 1 or 2 (H370, H371), – specific target organ toxicity – repeated exposure, category 1 or 2 (H372, H373), – respiratory sensitization category 1, subcategory 1.A or 1.B (H334), – skin sensitization category 1, subcategory 1.A or 1.B (H317), – carcinogenicity category 1.A, 1.B, or 2 (H350, H350i, H351), – germ cell mutagenicity category 1.A, 1.B, or 2 (H340, H341), – reproductive toxicity category 1.A or 1.B (H360, H360F, H360FD, H360Fd, H360D, H360Df);

b) chemical substances and processes in industry, including: – auramine production, – exposure to polycyclic aromatic hydrocarbons present in soot, tar, or coal pitch, – exposure to dust, smoke, and aerosols produced during annealing and electro-refining of copper-nickel compounds, – isopropyl alcohol production in the presence of strong acids, – exposure to hardwood dust, – exposure to oils previously used in internal combustion engines for lubricating and cooling moving parts of the engine;

c) lead and its compounds that can be absorbed into the body; and d) asbestos.

4) Other risks: – production and handling of devices, pyrotechnic products, or other items containing explosives, – work with wild or poisonous animals, – industrial slaughter of animals, – work involving handling equipment for the production, storage, or use of compressed, liquefied, or dissolved gases, – work with barrels, tanks, reservoirs, or balloons containing chemical substances listed in Article 8, paragraph 1, point 3 of this Rulebook, – work involving the risk of collapse, – work involving high-voltage electricity, – work where the pace is determined by machines.

As a fundamental instrument for protecting children’s rights, Article 56 of the Family Law ("Official Gazette of Montenegro", No. 53/2016 and 76/2020) proclaims the principle of protection of the best interests of the child. In this sense, it is prescribed that everyone must be guided by the best interests of the child in all activities that directly or indirectly concern the child. The Family Law also stipulates that a parent who abuses parental rights or grossly neglects parental duties shall be deprived of parental rights. Abuse of rights includes behaviour where the parent exploits the child by forcing them into excessive work or work that endangers the child’s morals, health, or education, or into work prohibited by law.

Criminal protection of children in the context of work is provided through Article 219 of the Criminal Code (neglect and abuse of a child), which states that a parent, adoptive parent, guardian, or other person who abuses a child or forces them into excessive work or work inappropriate for the child’s age or into begging or, for profit, induces them to perform other acts harmful to their development, shall be punished with imprisonment from three months to five years. Furthermore, a special group of criminal offences in the Criminal Code relates to violations of labour rights. Among them, Article 224 (violation of labour rights) is important, which in paragraph 1 states that anyone who knowingly fails to comply with laws or other regulations, collective agreements, and other general acts on labour rights and special protection at work of youth, women, and persons with disabilities, thereby depriving or limiting another person’s right, shall be punished with a fine or imprisonment of up to two years. Also punishable is the offence under Article 232 (failure to implement occupational safety measures), which prescribes that a person responsible for

implementing safety measures who knowingly fails to comply with laws or other regulations or general acts on occupational safety measures, thereby endangering the life or health of employees, shall be punished with a fine or imprisonment of up to one year.

Article 10 – The right to vocational training

With a view to ensuring the effective exercise of the right to vocational training, the Parties undertake:

5 to encourage the full utilisation of the facilities provided by appropriate measures such as:

a reducing or abolishing any fees or charges;

b granting financial assistance in appropriate cases;

c including in the normal working hours time spent on supplementary training taken by the worker, at the request of his employer, during employment;

d ensuring, through adequate supervision, in consultation with the employers' and workers' organisations, the efficiency of apprenticeship and other training arrangements for young workers, and the adequate protection of young workers generally.

In accordance with Article 92 of the Labour Law, the employer is obligated to provide each employee with appropriate training for safe work, in accordance with legal regulations. This training is, as a rule, organized during working hours, if it suits the needs of the work process and the type of professional training, thus enabling employees to acquire the necessary knowledge and skills without reduction of their labour rights and obligations.

According to Article 93 of the Labour Law of Montenegro, the employee is obligated to continuously undergo professional training and development in accordance with their capabilities and the requirements of the work process. The costs of professional training are borne by the employer, with the possibility of financing from other sources, in accordance with legal regulations and provisions of the collective agreement. Professional training is, as a rule, conducted during working hours, unless the employer and employee agree otherwise. This provision ensures that the professional development of employees is an integral part of their work engagement, enabling them to acquire new knowledge and skills without compromising labour rights and obligations, which also contributes to the improvement of work quality and the overall competitiveness of the economy.

Article 6 of the General Collective Agreement ("Official Gazette of Montenegro", nos. 74/19, 8/21, 59/21, 68/21, and 145/21) prescribes the right of employees to paid leave, which represents important support for their professional training. Specifically, for taking a professional exam that is directly related to performing tasks with the employer, the employee is granted up to five working days of leave with salary compensation. For taking a professional exam not related to work tasks with the employer, the employee has the right to two working days of paid leave.

With regard to civil servants and state employees, the Human Resources Administration continuously organizes a Training Program for acquiring knowledge and skills for working in public administration for officials and employees. Trainings are held during working hours and are free of charge for all participants. Professional training and development, as well as human resource development, represent a key element

in the field of human resource management and a systemic function of the human resource management body.

The Sector for Professional Training and Development of State and Local Officials and Employees within the Human Resources Administration has been patiently building a system of continuous professional training and development since its inception. The work of the Sector is strategically oriented, and includes analyses of strategic documents, laws and other regulations, conducted trainings, workshops and seminars, and other forms of education, providing feedback that is key to establishing the basis for creating the content of training programs.

After many years of experience in implementing various training and development programs for state officials and employees, the human resources management body increasingly turns to programs of non-formal adult education. The ultimate goal of each training is the acquisition and improvement of business skills, acquiring basic knowledge and experience, as well as tools to stimulate innovation in the business environment. Training helps institutions make employees competent for performing everyday work tasks.

In addition, the Judicial and Prosecutorial Training Center, as an independent organization, conducts training in the judiciary, i.e., for judges, state prosecutors, advisors, interns, and can organize trainings for lawyers, notaries, and public enforcement officers—professions that are part of the justice system—on topics from substantive and procedural laws that are part of the Annual Training Program.

In defining program activities within the scope of active employment policy defined by the Law on Employment Mediation and Unemployment Rights, the starting points are:

- the high unemployment rate of persons exposed to labour market risk;
- structural unemployment; and finally,
- the need to ensure continuity in the implementation of employment policy measures and programs, aligned with available funds for these purposes.

Labour market indicators point to the need to improve labour force supply and access to employment, skills and competencies aligned with market demands. As a response to market needs, active measures aim to contribute to job creation and the development of qualified human resources.

Education and training in Montenegro are implemented through active labour market policy programs organized by the Employment Agency, with the aim of acquiring professional qualifications, key skills and competencies, and enabling internships and work experience necessary for independent work. These programs are primarily intended for unemployed persons registered with the Employment Agency, but also for employees whose work is no longer needed due to technological, economic or restructuring changes. For the unemployed, these programs increase employability and job prospects, while for employees they enable job retention amid workplace or enterprise changes.

The program organizer can be a licensed training provider, and the Employment Agency announces public calls for organizers via the internet, notice boards of employment offices, and printed media, after which a check of eligibility is carried out and a list of licensed organizers is published. Unemployed persons have the freedom to choose the organizer at which they will attend the program, and mutual rights, obligations and responsibilities of the Agency, the organizer, and the participant are defined by contract prior to the start of training. The training provider, based on the publicly valid program, prepares an operational plan

specifying the method and dynamics of implementation, and upon completion, organizes assessment of acquired knowledge and skills. Successful participants receive a public certificate of completion, which improves their labour market position. In addition to educational institutions, the training provider can also be an employer who conducts training and internship programs for their own needs or the needs of the labour market, thereby ensuring workforce adaptability and employment sustainability amid dynamic changes in the economy and society. This system of education and training ensures continuous improvement of knowledge and skills, encourages employability, and facilitates workforce adaptation to new labour market and employer demands.

The active labour market program offer also includes programs intended for long-term unemployed persons with certain structural characteristics that place them in the category of hard-to-employ persons, but not programs intended solely for the long-term unemployed. However, there are plans to create/redesign existing active employment measures primarily aimed at improving the position of long-term unemployed persons on the labour market. As this target group of unemployed persons often faces multiple barriers to employment, existing measures will be redesigned and new ones developed to meet their actual labour market needs.

In accordance with the Law on Vocational Education, the school can conduct vocational education as a whole or the theoretical part at the school, and practical education or a part of practical education at the employer. If the practical education is carried out as a whole (dual form of education), the mutual rights and obligations of the student and the employer are regulated by an individual contract on education concluded by the employer and the parent. The student has the right to compensation for the duration of the individual education contract with the employer. The amount of the fee is for the first year of education at least 10%, for the second year of education at least 15%, and for the third year of education at least 20% of the average net salary in Montenegro, that is, the monthly fee per student from September 2024 is: for the first grade 86.10 euros, for the second grade 129.15 euros and for the third grade 172.20 euros. Funds for fees for the first and second year of education are provided by the Ministry of Education, Science and Innovation. A certain number of allowances for first grade students is provided by the Chamber of Commerce of Montenegro.

In February 2025, the Ministry of Education, Science and Innovation secured €44,725.59 for stipends: for 238 first-year students and 217 second-year students. Additionally, the Chamber of Commerce provided stipends for 23 first-year students.

It is also important to highlight the Vocational Training Program for persons with completed higher education. The Law on Vocational Training of Persons with Completed Higher Education (*"Official Gazette of Montenegro"*, nos. 38/2012, 86/2022, and 88/2024) stipulates that a person who has obtained higher education but lacks work experience at that education level shall undergo vocational training in accordance with this law.

Vocational training represents a continuous, programmatic, and systematic activity aimed at acquiring knowledge, skills, and competencies necessary for independent performance of tasks and work duties. This type of training is conducted without establishing an employment relationship, based on a training program for a specific area of activity adopted in accordance with special laws.

Furthermore, the law prescribes that the right to vocational training is granted to a person with completed higher education who has no work experience at that education level and is registered with the

Employment Agency of Montenegro. Vocational training of beneficiaries lasts nine months and is recognized as one year of work experience, as well as a prerequisite for taking the appropriate professional exam for a person with completed higher education. If the beneficiary did not complete all nine months with one employer, they are entitled to continue training with another employer under the same program. During the training, the beneficiary is entitled to a monthly net stipend of €600. Funds for stipend payment are provided from the budget of Montenegro. Specifically, in 2024, the thirteenth cycle of the Vocational Training Program for persons with higher education was implemented, during which 15,671 job vacancies were announced, of which 11,227 were in the private sector and 4,444 in the public sector. A total of 2,385 university graduates applied for this cycle, of which 2,284 were given the opportunity to undergo training with the desired employer starting from January 2025. It should be noted that the only criterion for matching candidates with employers was the average grade.

When it comes to young civil servants and employees, the Human Resources Administration has created a specific training program implemented in cycles, aimed at professional training and development of officials and employees who have just started their employment. The program is comprehensive and designed to familiarize and prepare newly hired officials and employees with the necessary knowledge and skills essential for the smooth execution of everyday tasks.

Article 18 – The right to engage in a gainful occupation in the territory of other Parties

With a view to ensuring the effective exercise of the right to engage in a gainful occupation in the territory of any other Party, the Parties undertake:

1 to apply existing regulations in a spirit of liberality;

2 to simplify existing formalities and to reduce or abolish chancery dues and other charges payable by foreign workers or their employers;

3 to liberalise, individually or collectively, regulations governing the employment of foreign workers; and recognise:

4 the right of their nationals to leave the country to engage in a gainful occupation in the territories of the other Parties.

The Law on Foreigners ("Official Gazette of Montenegro", No. 12/2018) regulates the conditions for entry, exit, movement, stay, and work of foreigners in Montenegro. This law, together with the by-laws adopted for its implementation, is fully aligned with relevant EU directives. In order to further align with the legislation of the European Union and to transpose Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, and Directive 2018/957/EU of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, the procedure for adopting the Law on Amendments to the Law on Foreigners has been initiated.

Additionally, through amendments to the Law on Foreigners, it is necessary to fully transpose Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification – 32003L0086, particularly regarding the termination of temporary residence permits. Likewise, through amendments to the Law on

Foreigners, it is necessary to fully transpose Council Directive 2003/109/EC of 25 December 2003 concerning the status of third-country nationals who are long-term residents – 32003L0109, especially regarding the termination of permanent residence permits due to absence from Montenegro, and in the part related to the definition of the permit form and the note to be stated on the permit: “Long-term resident in the EU” – which should apply only to permanent residence permits issued in accordance with paragraph 1 of Article 86 of the Law on Foreigners (foreigners who have had five years of temporary residence), as well as full transposition of Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States.

Also, one of the intentions of these amendments is to simplify the procedures for issuance/extension of temporary residence and work permits.

The most important novelty in the Draft Law on Amendments to the Law on Foreigners is that provisions have been defined allowing foreigners to submit applications for permits (temporary residence permits and temporary residence and work permits) electronically, via the information system managed by the Ministry of the Interior. Also, provisions have been defined that allow foreigners to extend temporary residence/work permits even if their travel document has expired.

The Law on Administrative Fees ("Official Gazette of Montenegro", No. 18/2019) regulates the payment of administrative fees for documents and actions before state administration authorities, local government authorities, legal entities exercising public authority, and diplomatic and consular missions of Montenegro abroad.

According to the said law, a foreigner is required to submit proof of payment of administrative fees for procedures conducted by the Ministry of the Interior, in euros, as follows:

For a request in the amount of 2.00 (tariff number 1);

For the issuance of a temporary residence permit in the amount of 40.00 (tariff number 13);

For the extension of the temporary residence permit in the amount of 20.00 (tariff number 13);

For issuing a permanent residence permit in the amount of 60.00 (tariff number 13);

For issuing a permit for temporary residence and work in the amount of 60.00 (tariff number 13);

For the extension of the permit for temporary residence and work in the amount of 30.00 (tariff number 13);

For the issuance of a certificate of registration of work of a foreigner for up to 30 days in the amount of 20.00 (tariff number 13);

For the issuance of a certificate of registration of work of a foreigner for up to 60 days in the amount of 40.00 (tariff number 13);

For the issuance of a certificate of registration of work of a foreigner for up to 90 days in the amount of 60.00 (tariff number 13);

It should be noted that the fee for issuing or extending a temporary residence permit is not paid by foreign nationals residing in Montenegro for the purpose of education and training, and by nationals of countries with which Montenegro has concluded an agreement on waiver of temporary residence permit fees.

Also, Article 17 of the Rulebook on Forms, Detailed Conditions, and the Manner of Issuance of Temporary Residence and Temporary Residence and Work Permits prescribes the cost of preparing the permit form, which amounts to €5.00 for both types of permits.

The Law on Employment Mediation and Rights During Unemployment ("Official Gazette of Montenegro", Nos. 024/19 and 029/25) regulates employment-related activities, the rights and obligations of unemployed persons, job preparation and mediation, active labour market policies, the procedure for exercising unemployment rights, employment records, and other matters of importance for increasing employment and preventing long-term unemployment in Montenegro.

Under this law, an unemployed person also includes a foreigner who, in accordance with a special law, has:

- a permanent residence permit;
- a temporary residence permit for a stateless person;
- a temporary residence permit for family reunification with a Montenegrin citizen or a foreigner holding a permanent residence permit;
- a temporary residence permit for humanitarian reasons;
- recognized refugee status or granted subsidiary protection;
- granted asylum, subsidiary or temporary protection, or who has applied for international protection, upon the expiry of nine months from the date of application.

The Employment Agency of Montenegro monitors and analyses data on unemployed foreigners registered in the records of unemployed persons, as well as on employed foreigners in Montenegro, based on data obtained from competent authorities.

Additionally, the Labour Law of Montenegro clearly defines the rights and obligations of employees arising from employment, as well as the manner and procedure for their realization, with application of legal provisions, collective agreements, and employment contracts.

This law applies to employees working in the territory of Montenegro for domestic or foreign legal or natural persons, including those assigned to work abroad by an employer based in Montenegro, unless otherwise provided by a special law. The law also applies to employees in state authorities, state administration bodies, local self-government units and public services, as well as to **foreign citizens and stateless persons** working for an employer in Montenegro, unless otherwise regulated by law. In addition, the law applies to natural persons engaged in economic activity for profit who do not perform that activity on behalf of others. The provisions of this law related to the prohibition of discrimination apply to all employees in the above-mentioned categories and cannot be otherwise regulated by a special law.

Article 19 – The right of migrant workers and their families to protection and assistance

With a view to ensuring the effective exercise of the right of migrant workers and their families to protection and assistance in the territory of any other Party, the Parties undertake:

1 to maintain or to satisfy themselves that there are maintained adequate and free services to assist such workers, particularly in obtaining accurate information, and to take all appropriate steps, so far as

national laws and regulations permit, against misleading propaganda relating to emigration and immigration;;

2 to adopt appropriate measures within their own jurisdiction to facilitate the departure, journey and reception of such workers and their families, and to provide, within their own jurisdiction, appropriate services for health, medical attention and good hygienic conditions during the journey;

3 to promote co-operation, as appropriate, between social services, public and private, in emigration and immigration countries;

4 to secure for such workers lawfully within their territories, insofar as such matters are regulated by law or regulations or are subject to the control of administrative authorities, treatment not less favourable than that of their own nationals in respect of the following matters:

a remuneration and other employment and working conditions;

b membership of trade unions and enjoyment of the benefits of collective bargaining;

c accommodation;

5 to secure for such workers lawfully within their territories treatment not less favourable than that of their own nationals with regard to employment taxes, dues or contributions payable in respect of employed persons;

6 to facilitate as far as possible the reunion of the family of a foreign worker permitted to establish himself in the territory;

7 to secure for such workers lawfully within their territories treatment not less favourable than that of their own nationals in respect of legal proceedings relating to matters referred to in this article;

8 to secure that such workers lawfully residing within their territories are not expelled unless they endanger national security or offend against public interest or morality;

9 to permit, within legal limits, the transfer of such parts of the earnings and savings of such workers as they may desire;

10 to extend the protection and assistance provided for in this article to self-employed migrants insofar as such measures apply;

The Labour Law of Montenegro clearly defines the rights and obligations of employees arising from employment, as well as the method and procedure for their exercise, whereby the provisions of the law, collective agreement, and employment contract apply.

This law applies to employees working in the territory of Montenegro with domestic or foreign legal or natural persons, including those sent to work abroad by an employer based in Montenegro, unless otherwise provided by a special law. The law also applies to employees in state authorities, state administration bodies, local self-government units, and public services, as well as to foreign nationals and stateless persons who work for an employer in the territory of Montenegro, unless regulated otherwise by law.

Additionally, the law applies to natural persons engaged in economic activity for profit, not performing that activity on behalf of another. The provisions of this law concerning the prohibition of discrimination apply to all employees from the aforementioned categories and cannot be otherwise regulated by a special law.

Over the past ten years, legal frameworks in the field of migration have developed intensively. The area of migration, especially issues of immigration and the employment of foreigners, was mostly left to national legislation. Today, numerous migration-related issues are regulated by European Union law, from family reunification, the rights and status of third-country nationals with permanent residence, the regulation of stay for researchers, students, pupils, and volunteers, to the immigration of highly qualified labour, issuance of a single permit for residence and work, work of seasonal workers, and sanctions for employers who employ foreigners illegally residing in EU member states. In this context, relatively frequent amendments to the legal framework on the stay and employment of foreigners in Montenegro are mainly the result of the need to transpose the European legal acquis into Montenegrin legislation.

The Law on Foreigners ("Official Gazette of Montenegro", No. 12/2018) entered into force on March 3, 2018. This law regulates the conditions for entry, exit, movement, stay, and work of foreigners in Montenegro. It is fully aligned, along with its implementing by-laws, with the following EU directives:

- Council Directive 2003/109/EC of 25 December 2003 concerning the status of third-country nationals who are long-term residents – 32003L0109;
- Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification – 32003L0086;
- Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States – 32004L0038;
- Directive 2008/115/EC of the European Parliament and of the Council of 16 December 2008 on common standards and procedures in Member States for returning illegally staying third-country nationals – 32008L0115;
- Council Directive 2009/52/EC of 25 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals – 32009L0052;
- Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment – 32009L0050;
- Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State – 32011L0098;
- Directive 2014/36/EU of the European Parliament and of the Council of 26 February 2014 on the conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers – 32014L0036.

With the adoption of this law, clear, transparent, and fair rules were established in the policy of returning persons who are illegally residing in Montenegro, which are part of a well-managed migration policy. Persons illegally residing in Montenegro will have their fundamental rights and dignity respected during return procedures. Voluntary departure is preferred over forced return. Foreigners who are detained will be treated in accordance with international and domestic law. The most important novelty in the new

Law on Foreigners concerns the entry, exit, movement, stay, and employment of nationals of EU member states and their family members. These provisions will apply from the date of Montenegro's accession to the European Union, and the key point is that these persons will be granted equal rights with Montenegrin nationals. In order to employ highly qualified third-country nationals, procedures for obtaining temporary residence and work permits have been prescribed. By facilitating the regulation of residence and work for highly qualified workers and their families, our country will become more attractive, thereby maintaining its competitiveness and economic growth. These norms will apply from the date of Montenegro's accession to the European Union.

The Parliament of Montenegro also adopted the Law on Amendments to the Law on Foreigners ("Official Gazette of Montenegro", No. 03/19). The primary reason for the adoption of this law was the need to simplify the procedures for issuing temporary residence and work permits for employment and seasonal employment. The key novelty in this law, concerning foreigner employment, is that the annual number of temporary residence and work permits (the annual quota) is determined by sectors, and not by occupations, in which foreigners may be employed. In addition to this, the deadlines for resolving submitted applications have been shortened from 20 to 15 days; foreigners are allowed to work as executive directors for multiple employers; foreign entrepreneurs and executive directors in companies where they are the sole or majority owners (over 51%) may be granted work permits even if over 67 years of age; and when submitting a request for a temporary residence and work permit, the foreigner/employer is not required to provide an excerpt from the employer's systematization act.

Also, Montenegro signed the Council of Europe Convention on preventing and combating violence against women and domestic violence - the Istanbul Convention. The Istanbul Convention is the most far-reaching international agreement to combat violence against women and domestic violence. In this sense, this law harmonized the normative framework, in the field of migration, with the Istanbul Convention, specifically with the aim of enabling these persons to resolve their residence status in Montenegro..

Further amendments to the Law on Foreigners ("Official Gazette of Montenegro", No. 86/22) introduced the regulation of stay for persons who are employed or perform work electronically for a foreign business or their own company not registered in Montenegro – the so-called digital nomad residence.

The Government of Montenegro, at the session held on 23 September 2021, adopted the Strategy on Migration and Reintegration of Returnees in Montenegro for the period 2021–2025, along with an Action Plan for 2021 and 2022. Within this plan, drafting amendments to the Law on Foreigners was defined as one of the activities. Accordingly, a Decision by the Minister of the Interior established an Interdepartmental Working Group on 8 November 2021 to draft the amendments, which was later modified due to personnel changes in the public administration (decision amended on 21 July 2022). In addition to the Ministry of Interior, the group includes representatives from: Ministry of Economic Development and Tourism, Ministry of Labour and Social Welfare, Ministry of Foreign Affairs, Police Directorate, Employment Agency of Montenegro, Revenue and Customs Administration, Directorate for Inspection Affairs, Chamber of Commerce of Montenegro, Union of Employers of Montenegro, Red Cross of Montenegro, UNHCR – Montenegro, IOM, NGO Juventas.

One of the main reasons for adopting this Law is the transposition of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework

of the provision of services, and Directive 2018/957/EU of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services.

Also, one of the reasons is the harmonization of the Law on Foreigners with the Law on Life Partnership of Same-Sex Persons ("Official Gazette of Montenegro", No. 67/2020).

In addition, through amendments to the Law on Foreigners, it is necessary to fully transpose Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification – 32003L0086, in the part concerning the termination of temporary residence permits. Likewise, the Law on Foreigners must fully transpose Council Directive 2003/109/EC of 25 December 2003 concerning the status of third-country nationals who are long-term residents – 32003L0109, particularly regarding the termination of permanent residence permits due to absence from Montenegro, as well as in the part concerning the definition of the permit form, specifically the note to be stated on the form: "Long-term resident in the EU" – this should apply only to permanent residence permits issued under paragraph 1 of Article 86 of the Law on Foreigners (foreigners who had five years of temporary residence), as well as full transposition of Directive 2004/38/EC on the right of Union citizens and their family members to move and reside freely within the territory of the Member States.

Naturally, the intention of this law is also to eliminate certain shortcomings that have arisen in practice during the application of the current law, as well as to simplify the procedures for issuing/extending temporary residence and work permits.

In addition to the above-mentioned reasons, the amendments to the Law were also approached due to the need for further elaboration of the procedure for determining the status of stateless persons, based on the recommendations of the United Nations High Commissioner for Refugees (UNHCR) and the European Commission's TAIEX mission from 2021, which recommended further elaboration of this procedure in order to eliminate procedural shortcomings identified since the start of implementation in 2018 and to clearly define the rights and obligations of persons who have initiated the procedure for determining statelessness or to whom stateless status has been granted.

In previous work, a Draft Law was prepared and submitted for public consultation, which began on 1 June and lasted for 40 days, until 10 July 2023. A report from the public consultation was prepared and published.

After that, a Proposal Law was drafted and submitted to SZZ for opinion, which, on 29 September 2023, sent the Ministry of Interior a notification indicating what should be corrected in the Law. All interventions were implemented, and the Proposal Law was, in late December 2024 (under the new Regulation on the organization and functioning of state administration), resubmitted to all government departments for opinion.

Certainly, the most important key novelty in the Proposal Law on Amendments to the Law on Foreigners, compared to the Draft Law that went through public consultation, is the definition of provisions that allow foreigners to submit requests for permits (temporary residence permits and temporary residence and work permits) electronically, through the information system managed by the Ministry of the Interior.

Also, provisions are defined to allow foreigners to extend temporary residence/work permits even if their travel document has expired.

Furthermore, the Proposal Law “recognizes,” i.e., enables, certain benefits for regulating temporary residence for the employment of foreigners in the IT sector in Montenegro, for the employment of foreigners in the healthcare sector, and for the employment of foreigners under employment contracts for household work in Montenegro.

The Proposal Law was submitted to the European Commission for opinion on 3 March 2025. After completing consultations with the EC, the Proposal (depending on comments) will be sent to competent ministries and SZZ for interdepartmental harmonization, and finally, with obtained opinions, it will be proposed to one of the government commissions and, once approved by the Commission, submitted for Government session adoption.

The determination of the annual number of temporary residence and work permits for foreigners is conducted based on Article 76 of the Law on Foreigners, which prescribes that the Government of Montenegro, in line with migration policy and the labour market situation, adopts by 30 November each year a decision on the annual quota of permits for the following year. This quota determines the sectors in which foreigners may be employed and specifically separates permits for employment and seasonal work.

The annual quota, pursuant to Article 77 of the Law on Foreigners, is determined upon the proposal of the state administration body responsible for labour, with prior opinions obtained from the Employment Agency of Montenegro, competent bodies for specific sectors, and the Social Council.

The criteria and procedure for determining the quota are prescribed by the Regulation on the criteria and procedure for determining the annual number of temporary residence and work permits for foreigners, with the key criteria being: the ratio of supply and demand on the labour market, the possibility of engaging domestic labour, foreigner employment in the previous period, utilization of the quota in the previous year, employer needs for employment in the upcoming year.

For the 2024 decision, a quota of 28,988 permits was established, of which 5,000 permits were reserved for additional allocation based on labour market needs, at the request of the Employment Agency. According to data from the Ministry of Interior, during 2024, a total of 38,019 temporary residence and work permits were issued (24,748 within the quota and 13,271 outside the quota), which is 2.37% less than the previous year. Of the permits issued within the quota, 91.15% were for employment, and 8.85% for seasonal work.

The Ministry of Labour, Employment and Social Dialogue, considering the prescribed criteria, data on issued permits, labour market analysis, and employer proposals, prepared the draft annual quota of permits for 2025.

Rights in the field of social and child protection, as prescribed in Article 5 of the Law on Social and Child Protection ("Official Gazette of Montenegro", Nos. 27/2013, ... 33/2025), may be exercised by Montenegrin citizens residing in the territory of the state. These rights and services are also available to foreigners with approved temporary or permanent residence in Montenegro, as well as asylum seekers and persons under subsidiary protection, in accordance with applicable laws. Exceptionally, persons not falling into these categories but who find themselves in special circumstances and social risk are entitled to one-time financial assistance and temporary accommodation services.

The right to social housing, as defined in Article 3 of the Law on Social Housing ("Official Gazette of Montenegro", Nos. 35/2013 and 84/2024), is exercised by natural persons who do not have adequate housing or whose housing does not meet minimum standards and who, due to income, cannot secure adequate accommodation. This right can be exercised by Montenegrin citizens with permanent residence, provided they meet the legally prescribed criteria. Also, the right to social housing may be exercised by foreign nationals or stateless persons whose status is regulated by law or international instruments. This provision aims to ensure social security and housing stability for the most vulnerable population categories, contributing to reducing social inequalities and improving quality of life.

According to Article 12 of the Law on Health Care of Montenegro ("Official Gazette of Montenegro", No. 3/2016, 39/2016, 2/2017, 44/2018, 24/2019 - second law, 24/2019 - second law, 82/2020, 8/2021, 3/2023, 48/2024, 77/2024 and 84/2024 - another law.), a foreigner has the **right to health care** in accordance with the provisions of that law and international agreements that Montenegro respects. Health institutions and health workers have the obligation to provide emergency medical assistance to every foreigner without delay, thus ensuring the protection of life and health, regardless of citizenship. The costs of emergency medical assistance or other types of health care are borne by the foreigner himself, in accordance with the valid price list of the health care facility, unless international agreements provide otherwise.

The General Law on Education and Training ("Official Gazette of the Republic of Montenegro", no. 64/2002, 31/2005, 49/2007, 4/2008 - second law, 21/2009 - second law, 45/2010, 40/2011 - second law, 45/2011, 36/2013) prescribes the organization and conditions for carrying out educational and educational work in the areas of preschool education and education, elementary education and education, secondary general education, professional education, education and education of persons with special needs and adult education. Article 9 of this law clearly defines the equality of all Montenegrin citizens in exercising their right to education, regardless of nationality, race, gender, language, religion, social origin, disability or other personal characteristics. Foreign citizens with temporary residence or permanent residence in Montenegro have the same **rights to education** as Montenegrin citizens, in accordance with a special law.

The regulatory framework under the jurisdiction of the CBCG does not set any restrictions on the **transfer of migrants' funds**, specifically there are no restrictions regarding the transfer of earnings and savings of foreign workers in Montenegro to their home countries.

The Central Bank of Montenegro is 14.04.2025. officially submitted a request to the European Payments Council for joining the payment schemes of the Single Payment Area in Euros - SEPA.

This move is one of the **key operational and technical steps** in the process of transitioning to SEPA payment systems and enabling faster, cheaper and safer international payments from Montenegro starting on **October 6, 2025**, the day that the European Payments Council (EPC), as the umbrella body of SEPA, predicted as the Operational Readiness Day.

Submitting the application at the very beginning of the deadline set by the EPC for this process confirms the strategic approach of the Central Bank of Montenegro and the readiness of the system for joining SEPA payment schemes, as well as a high level of technical and regulatory preparedness, as well as effective coordination with domestic banks and European institutions.

In the coming months, the CBCG will continue intensive activities, coordination and management of the process with the aim of fully preparing the banking system for October 6, 2025, so that from that day on, international transactions from and to Montenegro will be executed in accordance with EPC and SEPA rules.

On November 21, 2024, Montenegro became a member of the SEPA geographical area. It thus acquired the right for the Montenegrin banking system, led by the Central Bank, to start the process of joining the SEPA payment schemes, which includes technical and regulatory preparation and the formal application procedure according to the EPC. Today's CBCG application refers to exactly that step - connection to specific SEPA schemes, which is a necessary prerequisite for enabling international payments in the SEPA format.

Accession to the SEPA system represents a significant step towards strengthening the financial integration of Montenegro with the European Union, contributes to a more competitive, secure and efficient payment transaction, and further strengthens the trust of citizens, investors and partners in the stability and modernization of the Montenegrin financial sector.

Article 21 – The right to information and consultation

With a view to ensuring the effective exercise of the right of workers to be informed and consulted within the undertaking, the Parties undertake to adopt or encourage measures enabling workers or their representatives, in accordance with national legislation and practice:

a to be informed regularly or at the appropriate time and in a comprehensible way about the economic and financial situation of the undertaking employing them, on the understanding that the disclosure of certain information which could be prejudicial to the undertaking may be refused or subject to confidentiality; and

b to be consulted in good time on proposed decisions which could substantially affect the interests of workers, particularly on those decisions which could have an important impact on the employment situation in the undertaking.

The employer is legally obliged, in accordance with Article 192 of the Labour Law, to regularly inform the trade union or employee representatives about all important matters that affect the position of workers and the operation of the company. This includes informing about development plans and their impact on employees, planned changes in wage policy, business results, as well as detailed data about employees, their employment status, working hours, and qualification structure. The employer must provide information on the total calculated gross and paid net wages, including contributions for mandatory social insurance, and on the amount of the average wage with the employer. They are also obliged to inform about overtime work, recorded workplace injuries, and measures for improving working conditions, as well as about other matters relevant to the material and social position of employees. In addition, the employer informs the union about the general acts of the employer, occupational health and safety measures, the introduction of new technology and organizational changes, work schedule, night and overtime work, the adoption of measures under relevant legal provisions, and about the time and method of salary payment. The employer is obliged to provide the trade union with the necessary documents and notify them about company body meetings at least eight days in advance. This grants the union the right to attend and actively participate in discussions on matters of importance to employees. Trade union

representatives, i.e. employees or their representatives, have the right to participate in discussions before the employer's competent bodies when matters concerning the material and social position of employees are discussed, thereby ensuring transparency, dialogue, and the protection of employee rights in the work environment.

The employer is obliged, in accordance with Article 193 of the Labour Law, to request and carefully consider the opinions and proposals of the trade union before making decisions that have a significant impact on the professional and economic interests of employees, such as collective redundancy or job classification. In such situations, the employer must, in a timely manner, and no later than five days before the relevant meeting, inform the trade union representatives at the appropriate level, to enable their presence and active participation in the consideration of submitted opinions and proposals, as well as in the adoption of important decisions. The trade union, for its part, has the right, if it considers that the rights of its members are threatened, to initiate legal proceedings for their protection, thereby further ensuring fairness and legality in the relationship between employees and the employer.

Article 209 of the Labour Law prescribes that a legal entity shall be fined between €1,000 and €10,000 for a misdemeanour if: it does not inform the trade union or employee representatives once a year about the matters prescribed in Article 192, paragraph 1 of this law; it does not notify or submit documents to the trade union for attendance at employer body meetings where trade union initiatives and proposals are discussed, within eight days (Article 192, paragraph 3); and if it does not request and consider the opinion and proposals of the trade union in accordance with Article 193 of this law.

Article 22 – The right to take part in the determination and improvement of the working conditions and working environment

With a view to ensuring the effective exercise of the right of workers to take part in the determination and improvement of the working conditions and working environment in the undertaking, the Parties undertake to adopt or encourage measures enabling workers or their representatives, in accordance with national legislation and practice, to contribute:

a to the determination and the improvement of the working conditions, work organisation and working environment;

b to the protection of health and safety within the undertaking;;

c to the organisation of social and socio-cultural services and facilities within the undertaking;

d to the supervision of the observance of regulations on these matters.

According to Article 191 of the Labour Law, the employer is obliged to provide the trade union with conditions for the efficient performance of trade union activities, thereby encouraging social dialogue and the protection of employees' rights. This implies providing space for work and holding meetings within the employer's business premises, as well as technical and administrative support necessary for the daily functioning of the trade union. This support may include the use of telephones, fax machines, internet, notice boards, computers, and photocopiers, if the employer has such resources. In addition, the employer may provide other means and working conditions for the trade union in accordance with the collective agreement. The manner of exercising these rights is regulated in more detail by the collective agreement with the employer.

The employer is legally obliged, in accordance with Article 192 of the Labour Law, to regularly inform the trade union or employee representatives about all important issues that affect the position of workers and the business operations of the company. This includes informing about development plans and their impact on employees, planned changes in wage policies, business results, as well as detailed data on employees, their employment status, working hours, and qualification structure. The employer must provide information on the total calculated gross and paid net wages, including contributions for mandatory social insurance, and on the amount of the average wage at the employer. Furthermore, the employer is obliged to inform about overtime work, recorded workplace injuries, and measures to improve working conditions, as well as other matters important for the material and social position of employees. In addition, the employer informs the trade union about general acts of the employer, occupational health and safety measures, the introduction of new technology and organizational changes, working time schedules, night and overtime work, adoption of measures under relevant legal provisions, and about the time and manner of salary payment. The employer is obliged to submit the necessary documents to the trade union and notify them about the holding of company body meetings at least eight days before they are held, whereby the trade union has the right to attend and actively participate in discussions on issues of importance to employees. Trade union representatives, i.e., employees or their representatives, have the right to participate in discussions before the employer's competent bodies when matters concerning the material and social position of employees are considered, thereby ensuring The employer is obliged, in accordance with Article 193 of the Labour Law, to request and carefully consider the opinions and proposals of the trade union before making decisions that have a significant impact on the professional and economic interests of employees, such as collective redundancies or job classification. In such situations, the employer must timely inform the trade union representatives at the appropriate level, at the latest five days before the relevant meeting, to allow them to attend and actively participate in the consideration of submitted opinions and proposals, as well as in the adoption of important decisions. The trade union, for its part, has the right to initiate court proceedings to protect the rights of its members if it believes those rights are threatened, thereby further ensuring fairness and legality in relations between employees and the employer.

The Law on Occupational Safety and Health prescribes that the employer is obliged, during the planning and introduction of new technologies, to consult employees or their representatives for occupational safety and health regarding the choice of work equipment, working conditions, working environment, and their consequences for occupational safety and health.

The same law also prescribes **Informing employees and their participation in matters related to occupational safety and health (Article 23).**

The employer is obliged to inform the employee or the employee representative in writing regarding:

- risks to occupational safety and health, prevention, protection and health measures, and activities in relation to each type of workplace and/or job;
- the method of organizing and providing first aid, fire protection, evacuation procedures in case of serious and immediate dangers, and about the persons responsible for implementing these measures.

The employer is obliged to appropriately inform the employer whose employees are engaged to work for them, on any basis, about the matters referred to in paragraph 1 of this article, as well as the persons responsible for their implementation.

The employer is obliged to inform the employee representative about the rights and obligations related to occupational safety and health and thus enable access to:

- risk assessment, prevention, and occupational health and safety measures, including those risks faced by groups of employees exposed to specific risks;
- decisions on occupational health and safety measures to be taken, and, if necessary, about personal protective equipment used;
- records and reports of workplace injuries that resulted in employee absence longer than three working days;
- reports on injuries at work of their employees;
- data arising from measures and actions of inspection and other authorities responsible for occupational safety and health.

The employee representative is a person designated by employees to represent them in matters related to occupational safety and health, as well as **cooperation and consultation with employees, employee representatives, and the trade union**

The employer, employee, employee representative, and trade union are obliged to cooperate and consult in the process of determining their rights, obligations, and responsibilities related to occupational safety and health in accordance with this law, especially in connection with:

- any measure that may significantly affect occupational safety and health;
- appointing an expert for occupational safety and health (hereinafter: expert), designating persons for implementing first aid, fire protection and evacuation measures, and activities related to occupational safety and health;
- data on risk assessments and occupational safety and health measures, including those risks faced by groups of employees exposed to specific risks;
- decisions on occupational safety and health measures to be taken, and, if necessary, on the personal protective equipment used;
- records and reports on workplace injuries that resulted in employee absence longer than three working days;
- reports on workplace injuries of their employees;
- measures and actions by inspection and other authorities responsible for occupational safety and health;
- engaging a legal entity or entrepreneur to perform professional tasks;
- planning and organizing employee training and competence checks.

The employer is obliged to allow the employee representative and the trade union to submit their remarks regarding occupational safety and health to the competent inspector during inspection supervision.

Article 25 – The right of workers to the protection of their claims in the event of the insolvency of their employer

With a view to ensuring the effective exercise of the right of workers to the protection of their claims in the event of the insolvency of their employer, the Parties undertake to provide that workers' claims arising

from contracts of employment or employment relationships be guaranteed by a guarantee institution or by any other effective form of protection.

According to Article 111 of the Labour Law, the right to payment of outstanding claims from an employer against whom bankruptcy proceedings have been initiated belongs to an employee who was in an employment relationship with the employer on the day the bankruptcy procedure was opened, as well as to an employee whose employment ended within the six months prior to the opening of the bankruptcy procedure, and whose claims were established in accordance with the law regulating bankruptcy proceedings.

Furthermore, this Article provides that the rights from the previous paragraph are exercised in accordance with the Labour Law, if they have not been paid in accordance with the law regulating bankruptcy proceedings.

Also, if the rights from paragraph one of this Article have been partially paid in accordance with the law regulating bankruptcy proceedings, the employee is entitled to the difference up to the level of rights determined under the Labour Law.

The employee is entitled to the payment of:

1) salary and salary compensation for the period of absence from work due to temporary incapacity for work under the regulations on health insurance, which the employer was obliged to pay in accordance with this law for each unpaid month, as well as the right to payment of contributions for mandatory pension and disability insurance for those claims under the regulations on mandatory pension and disability insurance, for a period of six months before the opening of bankruptcy (these claims are paid by the Labour Fund, regardless of the completion of the bankruptcy procedure);

2) compensation for unused annual leave due to the employer's fault, for the calendar year in which bankruptcy proceedings were initiated, if the employee had this right before the initiation of the bankruptcy procedure;

3) severance pay due to retirement;

4) compensation for damages based on a court decision due to a workplace injury or occupational disease.

Salary and salary compensation are paid in the amount of the minimum wage, i.e., compensation for unused annual leave.

Severance pay due to retirement is paid in the amount of two minimum wages in Montenegro.

For an employee of an employer against whom bankruptcy proceedings have been initiated and whose claims have been established in accordance with the law regulating bankruptcy proceedings, contributions for pension and disability insurance for the years of service missing for pension eligibility, for which the employer failed to pay contributions, shall be paid by the Labour Fund, regardless of the completion of the bankruptcy procedure.

This right can be exercised by a person who, by the time of submitting a request to the Labour Fund, has met one of the legal requirements for exercising the right to a pension.

Exceptionally, for a person who has met one of the legal requirements before submitting the request, the Labour Fund is obliged to pay contributions, regardless of the completion of the bankruptcy procedure.

The Labour Fund is obliged to pay contributions for supplementary pension and disability insurance, including contributions for a family pension, to an employee of an employer against whom bankruptcy proceedings have been initiated and whose claims have been established in accordance with the law regulating bankruptcy proceedings, as well as to an employee who was employed by that employer. The Labour Fund of Montenegro, established by the Government of Montenegro ("Official Gazette of Montenegro", No. 80/2020), has the status of a legal entity and represents a state fund with a clearly defined scope of work. Its primary function is to ensure the payment of unpaid claims of employees with employers in bankruptcy proceedings, if such claims have not been fully or partially settled. The Fund conducts the procedure and makes decisions on the exercise of employees' rights to the payment of these claims in accordance with the Labour Law and other relevant regulations, while providing professional assistance to employees in the exercise of their rights. The management of the Fund's resources, intended for these purposes, is organized through annual work programs, including goals, activities, and performance indicators, and the Fund submits an annual report to the Government on its work, financial situation, and measures taken to improve the situation. In addition to its core functions, the Fund performs other tasks prescribed by law and its statute. The Fund's work is public, and it is managed by a Management Board appointed and dismissed by the Government of Montenegro. The Management Board has nine members, including representatives of the Government, trade unions, employers' associations, and employees of the Fund, with a mandate of four years. The Fund is financed from various sources, including employer contributions, the budget of Montenegro, European Union funds, donations, and other sources in accordance with the law.

Article 26 – The right to dignity at work

With a view to ensuring the effective exercise of the right of all workers to protection of their dignity at work, the Parties undertake, in consultation with employers' and workers' organisations:

2 to promote awareness, information and prevention of recurrent reprehensible or distinctly negative and offensive actions directed against individual workers in the workplace or in relation to work and to take all appropriate measures to protect workers from such conduct.

Mobbing, as defined by the *Law on the Prohibition of Harassment at Work* ("Official Gazette of Montenegro", Nos. 30/2012, 54/2016, and 84/2024 – second law), implies any active or passive behaviour at work or in connection with work that is repeated and aimed at or results in a violation of the dignity, reputation, personal and professional integrity of the employee. Such behaviour may cause fear, create a hostile, humiliating or offensive working environment, worsen working conditions, or lead the employee to isolation or to voluntarily terminate the employment contract. Mobbing also includes inciting or encouraging others to engage in such behaviour. The perpetrator of mobbing may be the employer as a natural person, the responsible person in a legal entity, an employee or group of employees, as well as a third party with whom the employee or employer comes into contact during work.

The Law on the Prohibition of Mobbing applies to all employers and employees, in accordance with labour regulations, but also to persons engaged outside an employment relationship, such as interns, pupils and students in practice, volunteers, persons performing certain tasks during a prison sentence or educational measure, as well as all others who participate in work for the employer on any basis. The law also applies

to cases of harassment and sexual harassment. The employer, within the meaning of this law, includes state authorities, state administration bodies, bodies and services of local self-government, public institutions, business entities, as well as domestic or foreign legal and natural persons.

The law expressly prohibits all forms of mobbing, as well as abuse of the right to protection against mobbing, clearly indicating that dignity and integrity of employees at work are under special protection. Supervision over the implementation of the Law on Mobbing is carried out by the Labour Inspectorate.

Montenegro ratified ILO Convention No. 190 on Violence and Harassment at Work on 27 February 2026. Also, within the Decent Work Programme (2024–2027) concluded between the Government of Montenegro, the Union of Employers of Montenegro, the Union of Free Trade Unions of Montenegro, and the Confederation of Trade Unions of Montenegro, one of the priorities is defined as: “Improved working conditions for all workers in Montenegro.” One of the outcomes of this priority is: “New mechanisms exist for combating violence and harassment in the world of work and for promoting gender equality in the workplace.” The goal of these measures is for the International Labour Organization (ILO) to assist tripartite constituents in conducting gender-neutral job evaluations and to provide practical training for labour inspection, judiciary, and all other public institutions responsible for gender equality, and to launch campaigns to address gender stereotypes and horizontal segregation, and to distribute information on the content and application of the law, which will enable constituents and labour inspectors to be trained and equipped to monitor and combat cases of violence and harassment in the world of work, leading to a reduction in workplace violence and harassment and increased integration of women in workplaces free from violence and harassment.

Article 27 – The right of workers with family responsibilities to equal opportunities and equal treatment

With a view to ensuring the exercise of the right to equality of opportunity and treatment for men and women workers with family responsibilities and between such workers and other workers, the Parties undertake:

1. to take appropriate measures:

b to take account of their needs in terms of conditions of employment and social security;

c to develop or promote services, public or private, in particular child daycare services and other childcare arrangements;

According to the Labour Law, the employer may not refuse to conclude an employment contract with a woman because of pregnancy, nor may they offer her a modification of the employment contract under less favourable conditions due to pregnancy, childbirth, or breastfeeding. The employer may not condition the establishment of employment or the conclusion of an employment contract on proof of pregnancy, unless the job involves a significant risk to the health of the woman and the child, as determined by the competent health authority. The employer may not request any information about pregnancy nor may they instruct another person to request such information, unless the employee herself is claiming a right provided by law or another regulation.

A pregnant employee has the right to one day off per month for prenatal examinations, unless otherwise provided by a special regulation, and is entitled to salary compensation as if she were at work.

The employer may not terminate the employment contract of a pregnant employee or an employee during the period of maternity and parental leave.

The employment of a pregnant employee may be terminated due to a serious breach of work duties or in the following cases: when the employee reaches the age of 66 and has at least 15 years of insurance service, if it is established by law that the employee has lost work capacity – on the day of delivery of the final decision determining the loss of work capacity, if, by law or final decision of a court or other authority, the employee is prohibited from performing certain tasks and cannot be reassigned, if absent from work for more than six months due to serving a prison sentence, if a security, educational, or protective measure longer than six months is imposed and the employee must be absent from work – from the date the measure begins to apply, due to bankruptcy or liquidation, in cases aiming at the liquidation of the assets of the business entity, and in all other cases of termination of the employer's operations, and in case of the death of the employee.

The employer may not terminate the employment contract with a parent, adoptive parent, or foster parent due to the use of parental, adoptive, or foster leave; the right to part-time work due to caring for a child with developmental difficulties; nor with a single parent with a child under seven years of age or a child with developmental difficulties, provided they fulfil their obligations in accordance with the law, collective agreement, and employment contract.

During absence from work due to childcare, temporary incapacity for work related to pregnancy maintenance, and use of maternity, parental, adoptive, or foster leave, the employer may not declare the employee as redundant.

An employee whose fixed-term contract expires during pregnancy, temporary incapacity for work due to pregnancy maintenance, or maternity/parental leave, shall have their contract extended until the end of the use of that leave.

Based on a finding and recommendation by the competent medical doctor, a pregnant employee or one breastfeeding, who works in a position that may endanger her life or health, or the life and health of the child or unborn child, must be offered a temporary reassignment to another suitable position, retaining all employment rights previously held.

If the employer is unable to reassign the employee and the work could endanger her or the child's health, the employee has the right to leave from work, with salary compensation under the collective agreement, which cannot be lower than the amount she would earn at her regular workplace.

Night work is prohibited for pregnant employees, those who have recently given birth, and breastfeeding employees. A pregnant woman or a woman with a child under three years of age cannot work overtime or at night. A woman with a child older than two years may work at night only with her written consent. One of the parents, adoptive parents, guardians, or foster parents of a child with developmental difficulties or a single parent with a child under seven years of age may work overtime or at night only based on written consent.

A woman employee has the right to mandatory maternity leave of 98 days. Of that period, 28 days are used before the expected delivery date, and the remaining 70 days after the birth. The expected date of delivery is determined by the competent specialist doctor.

Exceptionally, in the case of the birth of two or more children, both parents may simultaneously use maternity leave for 70 days from the birth of the children.

The law also provides that the child's father may use leave from the day of the child's birth if the mother has died during childbirth, is seriously ill, has abandoned the child, been deprived of parental rights, or is serving a prison sentence.

If the child is born before the expected delivery date, the maternity leave is extended by the number of days the child was born prematurely. A child born before 37 full weeks of pregnancy is considered premature.

Parental leave is the right of each parent to be absent from work to care for and nurture the child. This leave may be used after the end of maternity leave, for a total duration of up to 365 days from the date of the child's birth.

Both parents are entitled to parental leave in equal parts. Exceptionally, parental leave started by one parent may be transferred to the other parent after 30 days of use, whereby the parent who transfers the right loses the right to further use.

If one parent is unemployed, the employed parent may use the entire parental leave.

If one parent dies or is prevented from using the right for justified reasons, that parent's portion of leave is transferred to the other parent. Justified reasons include: deprivation of parental rights or legal capacity, being declared missing, court-ordered or restricted contact with the child, serious illness of the parent, military service abroad (with written waiver), or serving a prison sentence. These provisions also apply to adoptive leave.

A woman who returns to work after maternity leave has the right to a two-hour daily breastfeeding break until the child turns one year old. This break can be taken at once or split into two one-hour intervals and counts as working time.

During maternity, parental, adoptive, and foster leave, the employee retains all employment rights held prior to the start of leave, including the right to improved working conditions. They are also entitled to salary compensation not lower than that granted for temporary incapacity for work due to pregnancy maintenance.

The employer must, after the end of the leave, provide the employee with a return to the same or equivalent position with at least the same salary. Considering the employee's needs and work process, the employer may allow a change in working hours or schedule.

In the event of stillbirth or the death of a child before the end of maternity/parental leave, the woman is entitled to extend her leave by at least 45 days, and longer based on the recommendation of a licensed specialist for recovery. During this time, she is entitled to all rights related to maternity/parental leave.

After the end of parental leave, the employed parent has the right to work half-time until the child turns three, if the child requires increased care. This right also applies to adoptive parents, guardians, or foster carers.

A parent, adoptive parent, guardian, or foster parent of a child with developmental difficulties or severe disabilities also has the right to work half-time. Working hours in these cases are considered full-time for all employment-related rights.

An employee intending to use the right to part-time work must submit a written request to the employer. During this time, the employee is entitled to salary compensation. The right cannot be used if the child with developmental difficulties or the person with a severe disability is placed in an institution for social and child protection.

One of the adoptive or foster parents of a child under eight years of age has the right to one year of continuous leave with salary compensation.

One parent has the right to be absent from work until the child turns three. If the use of this right is interrupted before the deadline, it cannot be used further. During this leave, the employee is entitled to health and pension-disability insurance, while other rights and obligations are suspended. Funds for these purposes are paid from the appropriate funds.

The Government of Montenegro, in order to create labour market and work-life balance policies for parents and caregivers, aims to achieve gender equality that will result in greater female participation in the labour market and a more equal distribution of responsibilities between men and women.

Given that Montenegro is a traditionally structured society with unequal division of household and childcare duties, limiting women's access to the labour market and hindering their career advancement and professional development, the Ministry of Labour and Social Welfare seeks to ensure a better work-life balance through amendments to labour legislation.

The Proposal for the Law on Amendments to the Labour Law of Montenegro will transpose Directive (EU) 2019/1158 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. The goal of these amendments is to create a work environment that respects the needs of employees in their private lives, promoting balance between professional obligations and private responsibilities—key to maintaining health, satisfaction, and motivation of workers.

The Work-Life Balance Directive sets minimum requirements for paternity leave, parental leave, carers' leave, and flexible working arrangements for workers who are parents or carers. Aligning the work and private life of such workers with the Directive contributes to gender equality in labour market opportunities, equal treatment at work, and greater involvement of women in the labour market.

Specifically, to encourage more equal distribution of childcare responsibilities between women and men, and to foster early emotional bonding between children and fathers, the amendments will prescribe 10 working days of leave for fathers due to the birth of a child.

Also, based on the fact that most fathers do not use their right to parental leave and that in 2023 only 331 fathers used that right, amendments to the Labor Law will prescribe a minimum period of parental leave of two months that cannot be transferred from one parent to another. The aim of this measure is to encourage fathers to use parental leave for a minimum duration of two months because the same cannot be transferred to the mother. On the other hand, this measure facilitates the reintegration of mothers into the labor market after maternity and parental leave.

Additionally, to encourage parents and carers to remain in the labour market, they will be given the right to request flexible working hours, reduced working hours, or work from home, tailored to their needs.

In Montenegro, 18 service providers offer **day care for children and youth with developmental difficulties** in 16 municipalities (17 public institutions including the day care at the JU Children's Home "Mladost" in Bijela and Resource Center "Dr Peruta Ivanović" in Kotor).

The purpose of this service is to support the development of children's abilities and to enable parents to work while their children are in day care—something that would not be possible without such services. Funding for day care services for children and youth with developmental difficulties is fully provided by the state and local governments.

Funds for day care services in an institution for children and youth with developmental disabilities are fully provided by the state and local self-government. The Ministry of Social Welfare, Family Care and Demography participates in the financing of this service by providing funds in accordance with the price determined by the decision on the participation of the state in the co-financing of day care service costs, and local self-government units provide salaries and other costs, except for day care at the "Mladost" Children's Home, where all costs are covered by the Ministry of Social Welfare, Family Care and Demography.

Every year, electronic enrollment of children **for public and private preschool institutions** is implemented in May for the following school year. This applies to children who are enrolled in the institution for the first time or children who were dismissed from kindergarten during the previous school year. Children who attended preschool programs in the previous year only sign a contract with the Kindergarten Administration. Electronic enrollment in preschool institutions is done through the portal www.upisi.edu.me, which makes the enrollment procedure much easier for parents and guardians. The Ministry of Education, Science and Innovation continues to work on raising awareness of the importance of preschool education and to pursue the goal of including children in preschool education as much as possible by organizing campaigns for the enrollment of children, especially children of vulnerable categories. Also, the Ministry is actively working to solve the problem of overbooking of kindergartens, especially in Podgorica and on the coast, as well as to create better conditions in the institutions through the upcoming purchase of new furniture.

In Montenegro, we have 24 public preschool institutions and 35 private preschool institutions. The number of educational units within public preschool institutions is constantly increasing, during the past year nine new educational units were opened. As a rule, interactive services are organized at institutions that gravitate to remote rural areas. Interactive service through home visits to families and children, or in organized points in remote rural areas, gives instructions to parents, promotes and implements programs and activities related to child development. We have interactive services within thirteen public preschool institutions, and they make up a network of 28 points.

There are also numerous advantages for paying the costs of accommodation and food in preschool institutions. Kindergarten is free of charge for children whose parents are beneficiaries of financial support for the family and children from the most vulnerable population groups, children without parental care, children from the most vulnerable population groups. The costs of accommodation and food, i.e. the accommodation of a child of a single parent, are paid by the single parent in the amount of 50% of the cost of accommodation and food.

In the following period until 2027, in order to develop support systems that enable greater involvement of women in the labor market, especially those who, due to caring for children and the elderly, as well as persons with disabilities, are not actively working, the Growth Plan plans to build new educational units and provide 1,800 new places for children in preschool institutions. Along with the construction of new educational units, it is planned to hire 300 qualified child care personnel. In 2024/2025 enrollment, the number of students at the Department of Preschool Education at the Faculty of Philosophy in Nikšić has been increased.

The Education Reform Strategy 2025-2035, which was sent to the General Secretariat of the Government for its opinion, is designed to help Montenegro meet the criteria for EU accession and solve the key challenges identified in the Progress Report of Montenegro from 2023. The emphasis is on the construction of new preschool institutions, the provision of qualified personnel, and the availability of quality programs.

Article 29 – The right to information and consultation in collective redundancy procedures

With a view to ensuring the effective exercise of the right of workers to be informed and consulted in situations of collective redundancies, the Parties undertake to ensure that employers shall inform and consult workers' representatives, in good time prior to such collective redundancies, on ways and means of avoiding collective redundancies or limiting their occurrence and mitigating their consequences, for example by recourse to accompanying social measures aimed, in particular, at aid for the redeployment or retraining of the workers concerned.

The European Social Charter requires that workers be ensured the right to timely information and consultation in the event of collective redundancy, to consider all possibilities for avoiding or mitigating the consequences of such decisions. The Montenegrin Labour Law regulates this procedure and the obligations of the employer in detail, ensuring that every step is transparent and that workers have the opportunity to actively participate in decisions that directly affect their status.

When an employer plans to carry out collective redundancy of at least 20 employees over a period of 90 days, they are obliged to begin consultations with the trade union or, if no union is organized, with the employees or their representatives. These consultations must be initiated before making a final decision on the termination of the need for work, with the goal of reaching an agreement on ways to eliminate or reduce the need for redundancies.

The employer is obliged to provide the trade union, or the employees or their representatives, with written information about the planned collective redundancy. This notice must specify the reasons for the termination of the need for work, the total number of employees with the employer, as well as the criteria by which it will be determined which employees may be affected by the redundancy. It must also include the number and details of employees whose jobs may be affected, including their positions and job descriptions. The notice must include the criteria for calculating the amount of severance pay, as well as the measures the employer is taking to support the affected employees. These measures include the possibility of reassignment to other jobs with the same employer, transfer to another employer with the employee's consent, vocational training, retraining or further training for another position, and other measures determined by the collective agreement or employment contract.

During the consultation, the employer is obliged to consider all proposals aimed at preventing termination of employment or mitigating its consequences. The employer must provide a written explanation for each proposal received. The consultations may not last less than 30 days, ensuring sufficient time for consideration of all options and for active participation of all interested parties.

The criteria for determining employees whose jobs may become redundant must not conflict with legal provisions prohibiting discrimination against employees. This ensures that the process is carried out fairly and without violating employee rights.

The employer is obliged to inform the Employment Agency in writing about the conducted consultations, submitting all relevant information from the procedure, including the duration of consultations, the results of the consultation, and, if submitted, the trade union's written statement. A copy of this notice must also be submitted to the trade union.

The trade union, or the employees or their representatives, have the right to submit comments and proposals to the Employment Agency and the employer regarding the provided information, thereby further ensuring transparency and the right to protect employee interests.

Article 30 – The right to protection against poverty and social exclusion

With a view to ensuring the effective exercise of the right to protection against poverty and social exclusion, the Parties undertake:

a to take measures within the framework of an overall and co-ordinated approach to promote the effective access of persons who live or risk living in a situation of social exclusion or poverty, as well as their families, to, in particular, employment, housing, training, education, culture and social and medical assistance;

b to review these measures with a view to their adaptation if necessary.

In 2021, with the aim of strengthening the living standard of citizens, the Law on Amendments to the Labour Law ("Official Gazette of Montenegro", No. 59/21) was adopted, stipulating that the minimum wage in net amount may not be lower than €250, effective from 1 October 2021.

The Law on Amendments to the Labour Law ("Official Gazette of Montenegro", No. 145/21) increased the minimum wage to €450, which applied from 1 January 2022.

The applicable Labour Law, in Article 101, regulates in detail the right of employees to a minimum wage for standard work performance and full-time work, or work time equated to full-time employment. The minimum net wage may not be lower than €600 for employees in positions up to qualification level V, or €800 for employees with qualification level VI and above. The amount of the minimum wage is determined by the Government of Montenegro upon the proposal of the Social Council, based on the general wage level in the country, cost of living and its changes, and economic factors such as the demands of economic development, productivity levels, and the need for high employment. The new amendments abolished health insurance contributions at the employer's expense, which created conditions for increased general employment due to reduced burden, i.e., tax load on wages for employers. For comparison, the average net wage in April was €1,009.

The primary activity of the Employment Agency of Montenegro is **mediation in employment** between unemployed persons and employers who have expressed a need for specific labour, in accordance with *the Law on Employment Mediation and Rights During Unemployment ("Official Gazette of Montenegro", Nos. 24/2019 and 29/2025)*. Since individuals in the Agency's register do not have the same level of employability (determined during the profiling process), different measures and services are used to address unemployment. Article 8 of the Law defines particularly vulnerable groups of unemployed persons as “persons who, due to various circumstances, are at risk of social exclusion (socio-demographic characteristics, insufficient or inadequate education, health reasons, etc.), which places them at a disadvantage on the labour market.” These groups face significant barriers in entering or returning to the labour market and in earning adequate income in the formal labour market to ensure decent living. Low qualifications, inadequate skills, and limited or no work experience significantly contribute to the vulnerability of these groups. Additionally, their success in the labour market is often hindered or prevented by prejudice and discrimination based on gender, age, ability, ethnic and social origin, etc.

The Employment Agency continuously provides services and implements measures within its jurisdiction with the aim of providing support to persons in a disadvantageous position on the labor market. Thus, in the programs of the active employment policy in 2024, the participation of unemployed persons of the female sex was 60.48%, followed by long-term unemployed persons 46.88% and young people 27.45%. In addition to these unemployed persons, the participants of the program are persons with disabilities (3.08%), beneficiaries of material security (4.13%), members of the RE population (1.78%) and other unemployed persons exposed to risk on the labor market. Unemployed persons from the municipalities of the Northern region, economically the least developed in Montenegro, according to their participation in total unemployment, participate in active employment policy measures with 66.64%.

In addition to the above, the Employment Agency, through cooperation with social welfare centers, provides support to unemployed persons who use social protection, in order to overcome the state of dependence on social benefits and enter the labor market. The cooperation between the Employment Service and the centers for social work is defined by the Law on Child and Social Protection and the Rulebook on the form of the individual activation plan and the way of implementing social inclusion measures for beneficiaries of material security who are able to work. Agreement on cooperation between the Employment Agency of Montenegro and centers for social work concluded in 2017. The goal of the Agreement is to promote an inter-institutional approach in working with groups that are in a disadvantageous position on the labor market, given that the employment and social inclusion sectors deal with the same target groups and aim to improve their position in society. It strives to improve the position of vulnerable groups of unemployed persons in their activation through the offer of integrated services from both systems. In 2024, the cooperation of the Employment Agency and social work centers on the activation of material security beneficiaries, who are active job seekers, took place within the regular activities of the Agency, through the provision of information, counseling and motivational services for inclusion in active employment policy programs and/or employment mediation. Of the total number of persons included in the measures of the active employment policy in 2024, 4.13% were beneficiaries of material security (51 persons), namely in education and training programs for 25 persons; training program for work at the employer for 10 persons; training program for independent work for 3 persons; incentive program for self-employment of 5 persons and direct opening of jobs - public work for 8 persons. Professional rehabilitation measures cover 3% of beneficiaries of material security, in relation to the total number of persons involved. The employment mediation service, during 2024, took place

continuously in accordance with the expressed needs of employers and resulted in the employment of 308 able-bodied beneficiaries of material security, of which 183 are women.

Basic rights to material benefits from **social and child protection** are exercised in accordance with the Law on Social and Child Protection and its by-laws.

The system includes 14 types of material benefits, of which only material support and child allowance for children of support recipients are targeted at the poor, while conditions for other material rights are based on health or other factors, not on income or property.

The basic material benefits in social protection are: material security; personal disability allowance; care and assistance allowance; health care; funeral expenses; one-time financial assistance; compensation to the parent or guardian of the beneficiary of the right to personal disability allowance. In addition, the Law on Privileges for the Travel of Persons with Disabilities prescribes compensation for a person with a disability and his companion based on this right.

Material support, as a basic benefit, is provided to a family or individual who is unable to work or can only work under conditions defined by the law. Compensations are adjusted semi-annually according to cost of living and average wages, under Articles 38 and 58 of the Law.

Personal disability benefit is granted to a person with severe disability.

Care and assistance allowance is provided to a person who, due to physical, mental, intellectual, or sensory impairment or changes in health, requires assistance to meet basic needs.

One-time financial aid is granted to individuals or families who, due to special circumstances affecting their housing, material, or health condition, find themselves in a state of social need.

Health protection is granted to recipients of material support, personal disability benefit, care and assistance allowance, and placement services if not exercised under other grounds.

Funeral costs are covered in the case of death of recipients of material support, personal disability benefit, and care and assistance allowance.

Compensation to the parent or guardian of the beneficiary of the right to personal disability allowance is provided to one of the parents, that is, the guardian of the beneficiary of the right to personal disability allowance has the right to compensation, for each beneficiary individually. One of the parents, i.e. the guardian who has at least one beneficiary of the right to personal disability allowance and one or more beneficiaries of the right to care and assistance allowance, for each beneficiary individually, has the right.

Basic material allowances in child care are: compensation for a newborn child; allowance for children; food costs in preschool institutions; assistance for upbringing and education of children and young people with special educational needs; reimbursement of salary compensation and salary compensation for maternity or parental leave; compensation based on the birth of a child; reimbursement of wages and wages for half-time work.

Compensation for a newborn child can be obtained by one of the parents, an adoptive parent, a guardian or a foster parent in the form of a one-time compensation for a newborn child until the child reaches one year of age.

A child allowance can be obtained by a child up to the age of 18, a beneficiary of the right to material security, a beneficiary of a personal disability allowance, a beneficiary of a care and assistance allowance, a child without parental care, whose parent, adoptive parent, guardian, foster parent, i.e. a person entrusted with the care, upbringing and education of a child, as well as a beneficiary of material security who is established an employment relationship based on an agreement on actively overcoming the social situation.

Food costs in preschool institutions are borne by children in accordance with the law regulating preschool education and education, as well as the Act on Social Security.

Assistance for the upbringing and education of children with special educational needs is available to children and young people who have exercised their right to upbringing and education, in accordance with a special law.

Reimbursement of wages for maternity or parental leave is made by the employer based on the payment of wages to the employee for maternity or parental leave.

Reimbursement of wages for half-time work to the employer is realized by the employer, the employer has the right to refund funds based on the payment of wages to the employee for half-time work, in the amount of 50% of the employee's wages.

Compensation based on the birth of a child can be received monthly by one of the parents who is registered with the Employment Office and a student, until the child reaches one year of age.

In accordance with the Law on travel privileges for persons with disabilities, persons with disabilities have the right to travel privileges in road and rail traffic on the territory of Montenegro. Beneficiaries of personal disability benefits, beneficiaries of care and assistance allowance and children and young people who have exercised the right to assistance for the upbringing and education of children and young people with special educational needs, in accordance with the regulation in the field of social and child protection, and the beneficiary of care and assistance of another person, who have exercised this right in accordance with the regulation in the field of pension and disability insurance, have the right to a travel privilege.

Social and child protection services are classified into four groups: support for community life (daycare, home help, supported housing, drop-in center, personal assistance, interpretation and translation into sign language and other support services for community life); counseling-therapeutic and social-educational services (counseling, therapy, mediation, SOS telephone and other services aimed at overcoming crisis situations and improving family relations); accommodation (family accommodation–foster care, family accommodation, in an institution, in a shelter–shelter and in other types of accommodation; urgent interventions.

In the following period, it is necessary to strengthen cooperation with the employment sector and other sectors in the activation of able-bodied users of the MoD. Two-thirds of MO beneficiaries are assessed as capable of working, but remain long-term unemployed because there is a lack of support in solving their obstacles to employment (caring for children and other dependent family members, solving health problems, etc.), as well as social activation through social inclusion programs. In the following period, it is necessary to consider stimulating activation and employment through a gradual reduction of the amount of MO and other rights at the time of inclusion in the measures of APZ and other programs and acceptance of short-term seasonal jobs. Special attention should be paid to young people from MO families so that

they do not get trapped in a multi-generational poverty trap, that is, if young people get a job, the whole family does not lose their right to MO.

EU social policy is based on the principles of active inclusion, which concretely means that every citizen has the right to:

- material compensation that enables him to live with dignity in all stages of life;
- an inclusive labor market that will enable him to find easier employment, avoid poverty traps and motivate him to work;
- access to quality services - including social protection services that help active inclusion in society and return to the world of work.

Article 31 – The right to housing

With a view to ensuring the effective exercise of the right to housing, the Parties undertake to take measures designed:

- 1 to promote access to housing of an adequate standard;*
- 2 to prevent and reduce homelessness with a view to its gradual elimination;*
- 3 to make the price of housing accessible to those without adequate resources.*

According to the Law on Social and Child Protection, a homeless person is defined as someone who does not have a registered residence address, resides in public or other places not intended for housing, and does not have the means to meet housing needs.

In Montenegro, there is a licensed shelter for homeless persons in Risan. Additionally, NGO Juventas is licensed to provide a drop-in center service for homeless persons.

In the shelter, reception of users is provided 24 hours a day, seven days a week. The shelter service provider ensures the following for users: accommodation, meals, maintenance of personal hygiene, a safe environment, user empowerment, and other services according to individual needs.

In the drop-in center, the service is provided five working days a week, from 8 AM to 4 PM and from 5 PM to 9 PM. The drop-in center service provider ensures users: one meal per day, hygiene products, mediation in the provision of clothing and footwear, mediation in securing community-based support services and advisory-therapeutic and socio-educational services, and hygiene maintenance of the premises.

In addition to the right to accommodation in a shelter and drop-in center services, adult and elderly persons who are homeless may exercise the right to material benefits and social and child protection services in accordance with the Law on Social and Child Protection.

LEGISLATIVE AND STRATEGIC FRAMEWORK

Law on Social Housing

The Law on Social Housing entered into force on 30 July 2013. It established the legal framework for providing adequate housing standards for all households which, due to income, face difficulties in

accessing decent housing on the market, to secure accommodation in appropriate social and urban environments.

The Law on Social Housing defines social housing as housing of an adequate standard provided to individuals or households who, for social, economic, or other reasons, are unable to solve their housing needs.

The concept of the law is based on defining the basic institutions of social housing, establishing competencies, specifying the individuals entitled to resolve housing issues in accordance with the law, defining funding sources, and offering the broadest range of options for developing social housing, i.e., establishing a legal framework to allow a wide range of participants to be included in the social housing system to meet the housing needs of individuals and households who cannot secure housing on their own.

Social housing particularly includes: addressing housing needs of vulnerable and poor social groups; encouraging development of underdeveloped areas through housing offers and improving housing conditions for professionals and other holders of development programs in underdeveloped areas; reducing poor housing conditions in urban settlements; increasing the supply of housing units with lower rents compared to market rates.

According to the provisions of the Law, the Government is obliged to draft and adopt a Social Housing Program every three years, while local self-government units are to adopt local social housing programs for a period of one year.

Providing adequate housing is one of the key components of living standards and quality of life and is also an important driver of economic and social development. Improving housing standards and accessibility is one of Montenegro's social development priorities.

National Housing Strategy 2011–2020

In 2011, the National Housing Strategy for the period 2011–2020 was adopted. The Strategy defined the vision and mission of the housing sector, which is to ensure decent housing as a key component of living standards and quality of life and a fundamental goal of housing policy, while also serving as a driver of economic and social development.

The strategy identified priority strategic goals: increasing the availability of housing for households that cannot meet their housing needs on the market; supporting the development of the rental sector, both public and private, while creating the conditions for complete legal certainty in this sector and improving the management and maintenance system of the housing fund. One of the key ways to increase the availability and accessibility of adequate apartments in practice can be achieved by building the so-called social apartments for purchase or lease, by renovating apartments, improving quality and legalizing informal settlements, then by subsidizing housing costs and other indirect measures.

According to the Final Report on its implementation, about 70% of the strategic goals from the Action Plan 2015-2020 were realized with the aforementioned strategy. The reasons for not achieving certain goals are mainly the lack of institutional capacity and, of course, the lack of financial resources. Although a lot of success has been achieved in the implementation of the goals from this document, many challenges

still remain, primarily how to enable affordable housing, renovation and energy efficiency measures in the existing housing stock, as well as the legalization of informal settlements.

As the period for which the National Housing Strategy 2011-2020 was adopted expired. In 2015, the drafting of a new strategic document in the area of housing - Housing Policy of Montenegro for the period until 2034 - was started, which will define the vision and mission of the housing sector and the way to ensure adequate housing for all. Bearing in mind Montenegro's determination to join European integration. The draft of the housing policy needs to create the conditions for the application of norms and standards of the European Union in the area of housing support, which conditions the introduction and application of the concept of non-market housing.

On December 3, 2024, the Ministry of Spatial Planning, Urbanism and State Property put the Draft Strategy of the Housing Policy of Montenegro until 2034, with the Action Plan for the period 2025-2026, on public discussion. The public hearing lasted 21 days.

As part of the public discussion procedure, a round table was organized on December 10, 2024, in the premises of the Ministry of Spatial Planning, Urbanism and State Property. Also, the Draft Strategy of the Housing Policy of Montenegro until 2034 was presented at the meeting of the Board of the Association of Construction and Building Materials Industry of the Chamber of Commerce of Montenegro, which was held on December 17, 2024. The report on the public hearing was prepared and published.

In parallel with the public discussion, the text of the Draft was submitted for opinion and suggestions to all relevant institutions: the General Secretariat of the Government of Montenegro, all local self-government units, the Ministry of Labour, Employment and Social Dialogue, the Ministry of Social Welfare, Family Care and Demography, the Ministry of Human and Minority Rights, the Ministry of Finance and the Union of Municipalities of Montenegro.

The new document proposed the formation of the National Housing Fund through the drafting of the Law on Housing Support, which would replace the Law on Social Housing, i.e. which would improve the old legal provisions and prescribe the formation of a new institution at the state level, the National Housing Fund, which would build, maintain and lease apartments at affordable prices. Also, this law will define the way of long-term and sustainable financing of the activities of the National Housing Fund. We believe that the formation of such a strategically important institution would lead to better management, maintenance and disposal of the housing stock, and therefore more affordable housing for all citizens. The law will also prescribe public-private partnership models, incentives for interested investors to build rental apartments with certain concessions and state support, all with the aim of creating a sufficient rental fund.

In the meantime, in order to harmonize the document with the policies of EU countries, as well as other countries that develop successful models of support in housing, the Housing Directorate of this ministry managed to provide technical support from UNECE experts, that is, the UN Housing and Land Management Committee. In this direction, a meeting was organized with UNECE experts on the occasion of giving recommendations on the working text of the Housing Policy of Montenegro. The meeting was held online at the beginning of June 2022 and was attended by representatives of this ministry and representatives of the Podgorica Municipality Secretariat. At the meeting, precisely because of the lack of a new population census, it was also agreed that by the end of 2022, the development of the Profile of Montenegro in the area of housing will begin, which will provide a detailed analysis of the situation in the

area of housing and recommendations for development in this area. However, recommendations aimed at harmonizing the document with practices in the EU by UNECE were received only in October 2022.

On the other hand, the relations between Montenegro and the Development Bank of the Council of Europe (CEB) in the area of housing represent an example of good and strengthened cooperation that was established for the first time during the implementation of the first phase of the Project to solve the housing needs of citizens under favorable conditions - Project 1000+, which was started in 2010, and the holder of which is the Ministry responsible for the area of housing. The successful cooperation was continuously continued later through the next three phases of the Project, which were realized with the credit support of CEB. Relying on the result of the achieved partnership in this area, the key to success lies in good communication, efficiency and strengthened cooperation, CEB expressed its willingness to finance the development of the Profile of Montenegro through a grant, as an important document for the further economic development of Montenegro.

Tripartite negotiations regarding technical and expert support began in 2023, and the financing model was agreed upon in the same year. In order to harmonize positions and undertake specific activities related to legal and other aspects of activity, meetings were held in the previous period in which representatives of the Ministry of Spatial Planning, Urbanism and State Property and representatives of CEB took an active part. In March 2024, CEB authorities approved a grant in the total amount of up to €248,826.00 (two hundred and forty-eight thousand eight hundred and twenty-six euros), in order to provide funds for Technical Assistance to Montenegro in the preparation of the Country Profile.

this year, 2025, as a result of previous efforts and cooperation with CEB and UNECE, two contracts were signed: the Grant Agreement with CEB and the Contribution Agreement with UNECE.

Social housing projects implemented in the previous period

In the previous period, a number of projects were implemented at the level of the state and local self-governments, which aimed to solve the housing issue of the citizens of Montenegro. First of all, it is a project to solve housing issues of citizens on more favorable terms - Project 1000+ (in cooperation with CEB), then a project to solve housing issues of socially vulnerable categories of citizens in the north of Montenegro, Regional housing project for displaced and internally displaced persons (also with the support of CEB), projects of housing cooperatives: "Montenegro Fund for Solidarity Housing Construction" doo Podgorica, Housing cooperatives of educators of Montenegro "Solidarno", Housing cooperative of healthcare workers of Montenegro "Zdravstvo"; Housing cooperatives of the Trade Union Organization of UIKS and the Housing Cooperative of Employees of the Army of Montenegro "Defence", projects implemented by administrative bodies and other institutions, projects of trade union organizations at the level of state institutions (the Union of the Police Administration and later the Union of Security Institutions and projects of the Union of Associations of Pensioners of Montenegro in cooperation with the Government of Montenegro.

Table 1: Number of households that solved the housing issue through the mentioned projects in the period from 1996-2023.

Project 1000+	1.552
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Project to solve housing issues of socially vulnerable categories of citizens in the north of Montenegro	31
Regional housing project for displaced and internally displaced persons	541
Montenegrin Fund for Solidarity Housing Construction	2.089
Housing cooperative of educators of Montenegro "Solidarno"	581
Housing cooperative of healthcare workers of Montenegro "Zdravstvo"	322
Housing cooperative of employees in the army of Montenegro „Odbrana“	39
Projects implemented by administrative bodies and other institutions	295
Trade Union of the Police Directorate and later the Trade Union of Security Institutions	549
Union of Associations of Pensioners of Montenegro	562
TOTAL	6.561

The project to solve the housing needs of citizens on favorable terms - Project 1000+ IV phase

The project to solve the housing needs of citizens on favorable terms - Project 1000+ is a social housing project for citizens with medium and lower incomes who cannot solve their housing needs on the market, which has been continuously implemented since 2010.

The fourth phase of the Project, which was implemented in the period 2020-2022. year, represented the continuation of the activities that were carried out during the I, II and III phases, which were realized in 2010-2012. year, 2015-

2017, i.e. 2018-2020. year, when, through cooperation with CEB, credit funds in the amount of 25, 10, and 20 million euros were provided, in phases. Bearing in mind the success of the mentioned project, the Government of Montenegro continued cooperation with CEB in order to secure an additional credit line, which enabled the financing of the new phase of the Project. The Government of Montenegro thereby provided an interest subsidy for commercial mortgage loans to provide citizens with a fixed interest rate of 2.99% during the entire loan repayment period.

Through this project, the Government tried to achieve the following goals:

- increasing access to housing for households that meet the conditions through the program of granting long-term mortgage loans with significant social effects;
- incentive to the construction and banking sector with the aim of increasing economic activity on the real estate market, with special emphasis on encouraging the construction of residential buildings in accordance with environmental protection criteria and ecological building standards; and
- creation of a "bank" claimant group on the housing market.

In the IV phase of the Project, 10 million euros were secured through a credit arrangement with CEB, and the total value of the project was 20 million euros. The total amount of realized funds for the fourth phase was approximately EUR 19,072,635.50 and included CEB's share of 50%, commercial banks and citizens of 50%. Long-term loans were granted with a fixed interest rate of up to 2.99% per annum, for a period of up to 20 years. The participation of citizens - beneficiaries of the Project was not mandatory, but if they ensured their own participation in the loan agreement, the participation of the commercial bank was reduced by the amount of the beneficiary's participation. Users are offered to buy apartments whose highest purchase price m2 of net usable area is 1100 €/m2.

Out of a total of 506 allocated vouchers, 366 or 72.3% were realized. The highest rate of implementation was recorded in the target group of priorities, namely 76.4%, and the rate of implementation for young married couples is 63.6%. Also, out of a total of 366 loan holders who solved the housing issue, 231 are women and 135 are men.

Table 2: Rate of realization of vouchers by target groups

	Number of vouchers awarded	Realized vouchers	Realization rate
Priorities	191	146	76.4%
Public sector	127	92	72.4%
Young married couples	88	56	63.6%
The others	100	72	72.0%
Total realization rate	506	366	72.3%

The mentioned project was successfully implemented through four phases in cooperation and through a credit arrangement with the Council of Europe Development Bank (CEB), in the total amount of approximately €69 million. In total, through all four phases, 1,552 households, i.e., 3,937 citizens – household members – have resolved their housing needs.

In addition to the specific allocation of apartments, the state, through the Regional Housing Programme for Displaced and Internally Displaced Persons (RHP), also constructed a Home for the Elderly in Pljevlja, and reconstructed existing military facilities – the “Trebjesa” military complex – for the purpose of building a home for elderly and adult persons with disabilities in the Municipality of Nikšić.

Furthermore, the Housing Cooperative of Education Workers “Solidarno”, by 2022, allocated more than €165,000 in non-refundable assistance to its members, and allocated a significant amount, approximately €4.5 million, through favourable loans for individual housing solutions and apartment renovation, with an annual interest rate of 1% and a repayment period ranging from 3 to 30 years.

The Housing Cooperative of Healthcare Workers of Montenegro “Zdravstvo”, by the end of 2021, approved loan funds to cooperative members in the total amount of €1,008,000, for a total of 99 members, aimed at improving the conditions of their current housing situation.

The “Odbrana” Housing Cooperative invested all funds allocated and transferred by the Government via the Ministry of Defence since its establishment in 2017 until 2020 into the construction of a residential building in Danilovgrad, thereby resolving the housing needs of 39 employees. The apartments were purchased under favourable conditions – €550 per m².

The Housing Cooperative of the UIKS Trade Union was allocated cadastral plots in Bijelo Polje and Danilovgrad, owned by the state, for the construction of collective residential buildings. The Government of Montenegro has so far paid €600,000 for their construction.

The Police Directorate Trade Union, in 2015, participated in solving the housing needs of officers in Bijelo Polje by covering 20% of the apartment price (approx. €450,000). Additionally, the same officers received assistance through the Project for Resolving the Housing Needs of Socially Vulnerable Citizens in Northern Montenegro, implemented by the former Ministry of Sustainable Development and Tourism, through an additional participation amounting to €271,050 in order to reduce the apartment price per square meter. Moreover, the Police Directorate Trade Union, aiming to support all employees when buying apartments, provided contributions ranging from 15% to 30% of the total purchase price. Over €2,900,000 was allocated for this purpose. Employees who already owned family housing received loans from the union for adapting their property to improve living conditions.

Solving the housing needs of pensioners is largely implemented through the activities of the Union of Pensioners’ Associations of Montenegro, in cooperation with local governments, the Pension and Disability Insurance Fund (PIO), and the Government of Montenegro. Financial resources are provided through monthly contributions of association members and donations. Local self-governments mostly support through providing land for construction and covering communal infrastructure fees. There is no precise data on municipal participation in building housing for pensioners. From 2012 to 2022, apartments for pensioners were built and inhabited in the municipalities of Bijelo Polje, Cetinje, Nikšić, Podgorica, and Žabljak. The state’s total contribution through the PIO Fund from 2012 until now amounts to €5,635,221.38 for 630 apartments (562 constructed, 84 under construction).

Also, many state institutions – such as the Maritime Safety and Port Management Administration, Human Resources Administration, Customs Administration, Institute for Public Health of Montenegro, and Health Insurance Fund – resolved employee housing through housing loans and subsidies.

In implementing housing needs through apartment construction under the above-mentioned projects, local governments played a significant role, providing land free of charge and often exempting developers from communal fees. Local governments’ participation through land and fee exemption represents about 30% of the construction cost per square meter. Under the Law on Social Housing ("Official Gazette of Montenegro", No. 035/13), local governments are also responsible for addressing the housing needs of socially vulnerable groups.

Local governments resolve housing issues for vulnerable groups through rental at below-market rates or rent-free, based on procedures conducted in accordance with Article 8 of the Social Housing Law, via public calls and defined criteria.

Each local government plans this within its local social housing program, which must define: the individuals or groups for whom housing needs are to be resolved, the scope and conditions for allocating funds to companies, individuals, and housing cooperatives, repayment terms, and criteria for determining rent levels for housing units.

Based on data provided by local governments, there are 2,325 social housing units in Montenegro. This number is not final, as not all local governments maintain housing unit databases.

Table 3: Number of social housing units by municipality

MUNICIPALITY	NUMBER OF APARTMENTS
Andrijevica	61
Berane	385
Bijelo Polje	68
Budva	59
Cetinje	181
Danilovgrad	12
Gusinje	62
Herceg Novi	74
Kolašin	96
Kotor	78
Mojkovac	46
Nikšić	448
Petnjica	12
Plav	0
Plužine	16
Pljevlja	107
Podgorica	205
Rožaje	40
Šavnik	23

Tivat	33
Tuzi	0
Ulcinj	40
Žabljak	4
TOTAL	2325

Local governments, within their competencies, also handle social welfare in housing for vulnerable citizens. The Secretariat for Social Welfare of the Capital City provides several types of support:

- Reimbursement of part of the rental cost (subsidy for tenants), under the Decision on Social and Child Protection Rights;
- Allocation of apartments to socially vulnerable persons for rent, under the Decision on Housing Allocation for Socially Vulnerable Persons;
- Assistance for the homeless – based on findings and opinions of the social work center.

Also, "Montenegro fund for solidary housing construction" DOO Podgorica as a three-member company with limited liability whose founders and owners are: the Government of Montenegro with a share of 46.51%, the Union of Trade Unions of Montenegro, with the same share of 46.51% and the Syndicate of Pivare "Trebjesa" AD Nikšić with a share of 6.98%, is the founder of solidary housing construction in Montenegro, because the construction project has been realized through this company since its establishment. of solidarity apartments in cooperation with investors and local self-governments, within which CFSS/doo has so far built a total of 2089 solidarity apartments on the territory of all of Montenegro.

The project of building solidarity apartments was initiated through this society, primarily due to the extremely unfavorable effects of the overall housing reform in Montenegro, with the aim of ensuring the resolution of housing issues for categories of the population that are not realistically able to provide the funds to buy apartments on the market with cash, nor to be beneficiaries of loans at high interest rates, and with the aim of solving the housing issue of a large number of employees, to provide the young population with opportunities to plan families in the future, to reduce rent costs and family budget expenses, and to opens up the possibility of retaining staff in the Northern region of Montenegro, to influence the reduction of the selling price of apartments on the market, and with the aim of achieving the possibility of ensuring that end users, instead of paying rent, pay off their apartment under more favorable conditions than the market conditions, the implementation of the project of building solidarity apartments was started.

Please note that CFSS/DOO builds apartments in the entire territory of Montenegro and they are intended for all employees in the territory of Montenegro, not only for specific target groups of employees.

The average price per m² of residential space in the entire territory of Montenegro in the buildings built by CFSS/DOO so far was around €644/m².

From its foundation until today, CFSS/DOO has built a **total of 2089 apartments** on the territory of Montenegro.

Structure of built apartments by region of Montenegro:

- 797 apartments in the southern region 38%
- 810 apartments in the central region 39%
- 482 apartments in the northern region 23%

CFSSI DOO is not financed from the budget, but the realization of the construction of residential buildings from the Project for the construction of solidarity apartments is provided through the great support of the municipalities from the territory of Montenegro that took part in the Project for the construction of solidarity apartments, in such a way that in order to build residential buildings to solve the housing issues of employees from the territory of that municipality, under favorable conditions, the Fund is allocated the land necessary for the construction of residential buildings, free of charge and with exemption from the fee for communal equipment of construction land.

The municipality on behalf of the land it allocates to the Fund free of charge and with exemption from utilities does not receive apartments in exchange, but only receives the right to distribute a certain percentage of apartments under the same conditions regarding payments that apply to all investors from the territory of the municipality where the facility is being built. The participation of municipalities is from 25 to 30%.

In addition to this type of financing, the Fund also finances construction through the payment of funds from investors through Agreements on investment and pooling of funds in the Fund for the purpose of building apartments under more favorable conditions than the market. Namely, employers-investors of funds pay monthly funds into the giro account of the Fund, and the funds in question are included in the final selling price of a square meter of built residential space.

The Fund provides the rest of the funds for construction from loans from foreign financial institutions as well as domestic commercial banks.

"Montenegro Fund for Solidarity Housing Construction" LLC Podgorica has built a **total of 250 apartments** in the last 5 years: in Podgorica, for the needs of the Court, it built two buildings with 155 apartments, a residential building in Žabljak with 30 apartments, and two residential buildings in Ulcinj with a total of 65 apartments.