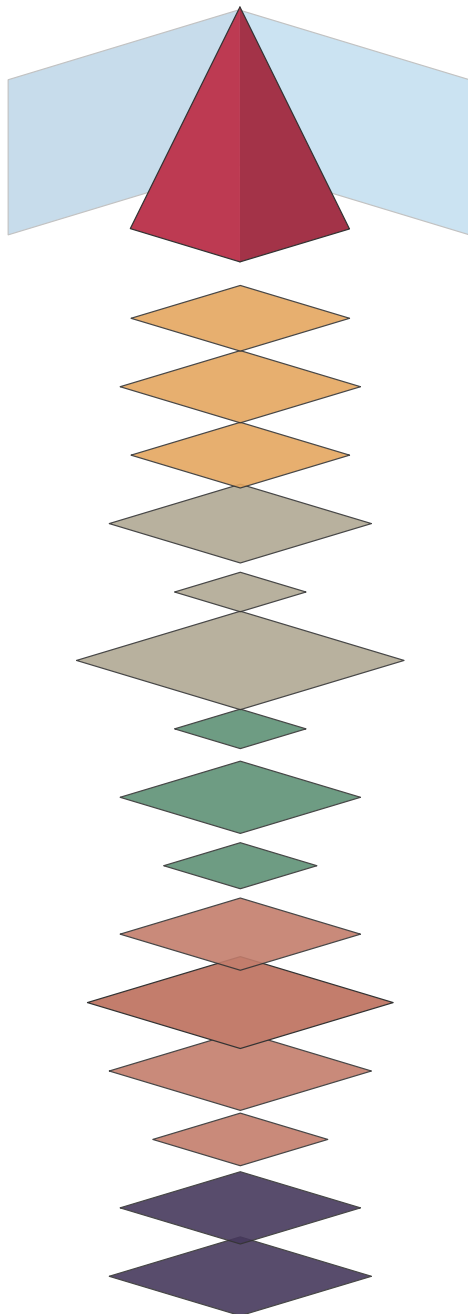


 **MONTENEGRO**



 **5.90**
CRIMINALITY SCORE

54th of 193 countries
5th of 44 European countries
4th of 17 Central & Eastern European countries

 **CRIMINAL MARKETS** **5.20**

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	5.50
EXTORTION & PROTECTION RACKETEERING	5.00
ARMS TRAFFICKING	6.00
TRADE IN COUNTERFEIT GOODS	3.00
ILLICIT TRADE IN EXCISABLE GOODS	7.50
FLORA CRIMES	3.00
FAUNA CRIMES	5.50
NON-RENEWABLE RESOURCE CRIMES	3.50
HEROIN TRADE	5.50
COCAINE TRADE	7.00
CANNABIS TRADE	6.00
SYNTHETIC DRUG TRADE	4.00
CYBER-DEPENDENT CRIMES	5.50
FINANCIAL CRIMES	6.00

 **CRIMINAL ACTORS** **6.60**

MAFIA-STYLE GROUPS	7.50
CRIMINAL NETWORKS	7.00
STATE-EMBEDDED ACTORS	7.00
FOREIGN ACTORS	6.00
PRIVATE SECTOR ACTORS	5.50

 **4.75**
RESILIENCE SCORE



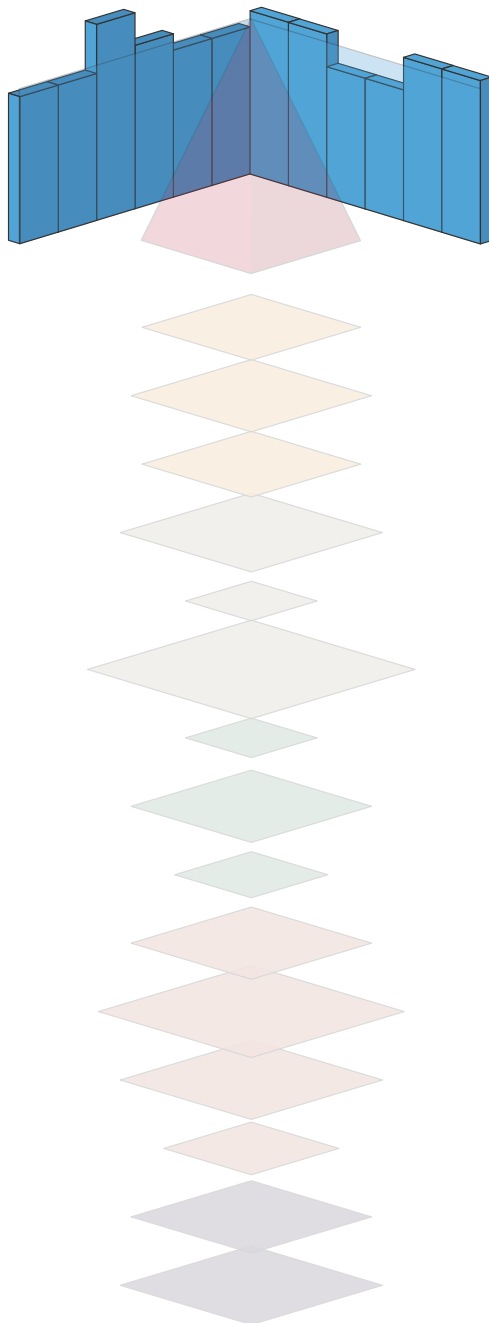
Funding provided by the United States Government.



Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

 **MONTENEGRO**



 **4.75**
RESILIENCE SCORE

102nd of 193 countries
38th of 44 European countries
12th of 17 Central & Eastern European countries

<u>POLITICAL LEADERSHIP AND GOVERNANCE</u>	4.50
<u>GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY</u>	4.50
<u>INTERNATIONAL COOPERATION</u>	6.00
<u>NATIONAL POLICIES AND LAWS</u>	5.00
<u>JUDICIAL SYSTEM AND DETENTION</u>	4.50
<u>LAW ENFORCEMENT</u>	4.50
<u>TERRITORIAL INTEGRITY</u>	5.00
<u>ANTI-MONEY LAUNDERING</u>	5.00
<u>ECONOMIC REGULATORY CAPACITY</u>	4.00
<u>VICTIM AND WITNESS SUPPORT</u>	4.00
<u>PREVENTION</u>	5.00
<u>NON-STATE ACTORS</u>	5.00

 **5.90**
CRIMINALITY SCORE

 <u>CRIMINAL MARKETS</u>	5.20
 <u>CRIMINAL ACTORS</u>	6.60



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Montenegro continues to be a transit country for human trafficking. Traffickers are predominantly members of organized criminal groups that operate in the Western Balkans. Women and girls from Montenegro and neighbouring Balkan countries are most vulnerable to sex trafficking. Trafficking victims are exploited in the hospitality industry, including bars, restaurants, nightclubs and cafes and are sometimes forced to commit online scams/frauds. Children are exploited in forced begging and Romani girls are known to be sold into forced marriages and domestic servitude in the country. The worsening economy due to the high inflation rates in recent years has created a larger group of vulnerable individuals who may be susceptible to human trafficking.

While Montenegro is not part of the main Western Balkans migration route, it serves as a transit country for human smuggling on the route from Turkey and Greece to central Europe. Montenegro also acts as a transit country for irregular migrants from Syria, Pakistan, Morocco, Algeria and Afghanistan. It is also a maritime transit route for human smuggling.

Extortion and protection racketeering in Montenegro are commonly conducted by criminal groups or companies connected to high-level politicians. This criminal activity is prevalent in the construction industry and is imposed on hotels, restaurants and bars in all the major locations in Podgorica, as well as in tourist towns like Budva, Herceg Novi, Tivat and Bar.

TRADE

Montenegro is both a transit and origin country for arms trafficking with many light weapons from the 1990s Yugoslav conflict currently accessible on the black market. Guns, automatic weapons and explosive devices (bombs) are the most trafficked weapons. Arms trafficking is sometimes linked to drug smuggling and both are transported alongside legal goods. Montenegro is the most used route for arms trafficking from Bosnia and Herzegovina to Serbia and Kosovo. However, the number of identified cases of arms trafficking and of international illicit trade in weapons remained low in recent years. Organized crime groups are known to be involved in the illicit arms market, which also perpetuates gun and bomb violence in the country. Furthermore, the defence industry in Montenegro is perceived to be highly corrupt and exerts poor control over

defence procurement risk and financial and operational risk management.

The market for trade in counterfeit goods is limited in Montenegro. It mostly acts as a transit country for counterfeit goods destined for the EU market. In terms of illicit trade in excise goods, cigarette smuggling has long been an issue in Montenegro, which is both a transit and source country. Montenegro's port in Bar is recognized as the European hub for cigarette smuggling, a trade reportedly supported and facilitated by high-ranking officials and political elites. Cigarettes are usually smuggled from legal retail chains to the illegal market in other countries, arriving as imports at the port of Bar, smuggled by companies using false documentation to avoid paying tax, excise or customs duties. Moreover, an increase in the cigarette price in Montenegro has resulted in a growing local demand for illicit cigarettes in the country.

ENVIRONMENT

Illicit logging is a predominant flora crime in the northern part of Montenegro, primarily as a way for villagers to secure their livelihoods. There is limited evidence that criminal networks support this type of logging. However, small criminal groups participate in illicit logging in areas along the border with Albania and Kosovo. This activity has become increasingly lucrative because of the moratorium on logging in Albania. Furthermore, corruption among government officials and institutions is reported to facilitate these criminal activities.

The illicit fauna market in Montenegro is a growing problem. Birds and other endangered species protected by law, such as brown bears, griffon vultures and pelicans, are often targets of such crimes. Opportunistic criminal organizations are also involved in trafficking live reptiles and birds to other European countries. Lake Skadar is known to attract illegal, unreported and unregulated fishing, particularly of carp, though mainly by locals without organized crime links. Nonetheless, Montenegro has achieved moderate success in tackling illicit fishing activities in the past few years.

Even though no pervasive illicit non-renewable market has been identified in the country, fuel smuggling does occur in and out of the country. While Albanian organized crime groups are thought to smuggle illegal fuel from Montenegro in high quantities, fuel is also smuggled into Montenegro from Novi Pazar in Serbia.

DRUGS

Montenegro appears to be mainly a transit country for heroin destined for Serbia, Croatia and Bosnia and Herzegovina. Consumption of the drug in the country remains low. Furthermore, several organized crime groups are involved in the market, bringing with them significant levels of violence. Cocaine trafficking in Montenegro is an ongoing problem as the country is the main entry point for cocaine trafficked from Latin America, through the Balkans into the EU. Small quantities of cocaine remain in Montenegro to satisfy the needs of the growing market. Cocaine trafficking in the country is enabled by corruption within law enforcement, and connections between the authorities and criminal groups. This is exemplified by the lack of efficient investigative follow-up and judicial complicity. As with the heroin trade, high levels of violence are associated with this trade.

Cannabis is the most seized and consumed drug in the country, and consumption rates have increased over the last decade. There has also been a notable increase in the outdoor cultivation of the drug. The country also acts as a transit hub for cannabis smuggled to Serbia, Bosnia and Herzegovina, and Croatia. Montenegrin groups involved in cocaine smuggling have expanded their portfolio of illegal activities to growing and distributing cannabis in Spain and Germany.

The market for and consumption of synthetic drugs in the country is small compared to other drug markets in the country. Most of the synthetic drugs entering the country are assumed to be brought by tourists over the summer, increasing consumption rates during the summer months.

CYBER-DEPENDENT CRIMES

There has been an increase in cybercrime investigations in Montenegro in the past few years, indicating a rise in the rate of this crime. However, this criminal market is not particularly active in the country and there are no known major hacker groups operating in Montenegro or cooperating with international cybercrime and criminal groups. The most common forms of cyber-dependent crimes in the country are ransomware, cyber espionage, distributed denial of service attacks and SQL injections. Montenegro's strategic technological infrastructure, mainly the websites of state institutions, pro-NATO and pro-EU political parties, and the media and civil society organizations, have come under frequent attack.

FINANCIAL CRIMES

The most frequent types of financial crimes in Montenegro are related to privatization, fraud connected to investment and development loans, tax fraud and misappropriation of (coastal) land. Privatization-related financial crimes involve companies owned or connected to high-level politicians who offer very low prices for tender schemes and enjoy preferential treatment. Several high-ranking politicians and public officials are suspected of being involved in these activities. Montenegro also suffers widespread tax evasion. Most irregularities happen in the national territories, as inspectors are not sufficiently trained to conduct efficient controls.

CRIMINAL ACTORS

Mafia-style groups are the dominant type of criminal network in Montenegro. The Skaljari and Kavaci clans are the most prominent actors and are primarily involved in money laundering and cocaine trafficking from Latin America. The two clans used significant amounts of violence, which spills over the border into Serbia and Europe. Crime group leaders or high-positioned members serving sentences in Montenegro often recruit new forces in prisons. The sophistication of loose criminal networks is increasing. The rise of cocaine flows in the port of Bar, and the networks' widespread connections to groups from Latin America, the EU and the Western Balkans shows that organized crime groups originating in Montenegro have established a consolidated criminal network. Criminal networks are predominantly connected to mafia-style groups and cocaine trafficking and have links to corrupt local politicians and law enforcement.

There is considerable political influence in criminal activity, originating from the highest echelons of state. The police are also often involved in the protection of criminal actors and, in some cases, so are members of the secret service. State actors protect criminal actors' assets. The widespread political influence and links to organized criminals creates fear among law enforcement, making them reluctant to act effectively against organized criminals, thereby increasing impunity. Furthermore, corruption ensures that criminal networks within public institutions are protected. The presence of foreign-national and private criminal actors in Montenegro seems to be low compared to other criminal actors. The former mostly participate in the human smuggling market, while the latter focus on financial crimes and money-laundering schemes.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Since the minority government was overthrown by a vote of no confidence in August 2022, the country has been pushed further into deep political instability. The new majority in the Parliament, which was deeply fragmented and polarized, failed to elect a new government, resulting in a deadlock. Despite continued political crises, the interim government made efforts to fight organized crime, especially in tackling cocaine trafficking and cigarette smuggling. However, tensions and mistrust within the ruling coalition and the lack of constructive participation by all political parties in plenary sessions have led to delays and inefficiency in making appointments and improving key legislation. Parliament is also yet to demonstrate in practice its commitment to Montenegro's EU reform agenda or improve its coordination with the government on legislative initiatives. Corruption and cronyism remain widespread in Montenegro, and efforts by authorities to address the problem, including arrests of two high-level judges in April and May 2022, prompted in part by EU accession requirements, have not produced meaningful results. The Agency for Prevention of Corruption is understaffed and needs to improve its record on combatting corruption. There is also a need for a review of the legal framework governing corruption prevention. However, the political instability has completely halted anti-corruption reforms in legislation and practical implementation. The overall organization of the state administration does not ensure effective lines of accountability in many areas. Although Parliament has improved transparency in its work, the ruling majority frequently bypasses public consultation and uses fast-track procedures to pass legislation.

As for international cooperation, the situation in Montenegro has markedly improved in recent years, especially after the country joined NATO and signed bilateral agreements with the US and other Western and neighbouring countries. There is increasing cooperation with international agencies in the fight against drug trafficking, tobacco smuggling, arms trafficking and seizures of assets. Montenegro actively participates in regional and international police cooperation through Europol, INTERPOL and the Southeast European Law Enforcement Centre. Montenegro has bilateral conventions on regional cooperation with all partners with Stabilization and Association Agreements in force. Relations with its Western Balkan neighbours – Albania, Bosnia and Herzegovina, Kosovo and North Macedonia – remain good, and cooperation with Serbia has improved in recent years. Montenegro has also actively maintained good relations with countries along its maritime borders. In addition, Montenegro has expanded its participation in the European Multidisciplinary Platform Against Criminal Threats investigations for weapons and explosives, and the facilitation of illegal migration, cybercrime, synthetic drugs,

cocaine, cannabis, heroin and environmental protection. Montenegro also chairs the Southeast Europe Police Chiefs Association and provides support through its observer status in the European Network of Fugitive Active Search Units. However, the presence of state capture creates certain obstacles to effective international cooperation. Montenegro is in the process of aligning its legislative framework with the EU acquis. However, public consultations organized by the executive lack genuine and systematic inclusion of all relevant stakeholders. Despite the legislative efforts made by the government in recent years, especially in relation to cyber-security, Montenegro's legal framework still has deficiencies and shortcomings, including regulations pertaining to arms trafficking. Moreover, due to the ongoing political crisis and lack of political will, efforts towards amending national policies have slowed recently.

CRIMINAL JUSTICE AND SECURITY

Montenegro's judicial system is mostly ineffective, due to its weak administration, widespread corruption, political interference, and poor implementation of the existing legal framework. The judiciary remains severely understaffed (especially the Constitutional Court), with judges that have little to no experience and a poor record, especially in cases of high-level corruption and organized crime. Montenegro continues to make efforts to improve the efficiency of the judiciary, in particular the development and promotion of alternative dispute settlements. However, these efforts were halted due to the political deadlock in the country. The ongoing deficiencies in the judicial system also include long organized crime trials and the lack of a centralized database to monitor the criminal justice system to collect data for policy-making purposes. Meanwhile, detention conditions have not improved. Prison conditions do not meet international standards for education or health care, and prison guards reportedly abuse inmates regularly and with impunity.

The organization of law enforcement in Montenegro is fragmented. There is a lack of cooperation between the state prosecutor's office and other state actors, especially with the National Security Agency. Law enforcement also suffers from political interference in their operational activities and the prosecution of cases. Montenegrin law enforcement is underfunded and lacks the professionalism and technical abilities required to unravel complex international criminal drug-trafficking networks. Furthermore, because of state capture, law enforcement agencies are unable to maintain the integrity of investigations. The Special Prosecutor's Office for Organized Crime and High-Level Corruption increased its staff numbers in recent years, but its effectiveness is undermined by poor working conditions, weak cooperation with other law enforcement agencies, as

well as corruption and strong political influence. Proactivity and efficiency of investigations have improved, with four police units – one dedicated to combating drug smuggling, another to conduct financial intelligence, one in charge of fighting organized crime, and another for serious crimes. All units are now connected to Europol's Secure Information Exchange Network Application secure communication channel. The efforts made to render law enforcement efficient resulted in an increase in the number of organized crime cases investigated and prosecuted in the country. However, capacity to address tobacco smuggling and money laundering is not yet at the desired level.

Montenegro has a long coastline with several seaports, which facilitates trafficking. The government has demonstrated willingness to tighten border control, particularly in addressing the issue of cigarette smuggling, especially through the port of Bar. However, the situation in Bar continues to deteriorate due to improper inventory keeping at the warehouse and poor record-keeping on customs and tax authorities' databases. Also, the border police lack sufficient human resources and corruption is prevalent. However, a strategic framework is in place that focuses on reorganizing the border police to use resources more efficiently and increase skill training and analytical capacity. Montenegro has good relations with neighbouring countries but still needs to resolve border demarcations with Italy, Albania and Bosnia and Herzegovina. The country's capacity to fight cybercrime is progressively improving, but it is still not robust enough to face global threats in this area. This is mostly due to the lack of an overarching legal framework, competent staff and adequate equipment to deter cyber-attacks.

ECONOMIC AND FINANCIAL ENVIRONMENT

Montenegro meets the minimum requirements of fiscal transparency and has anti-money laundering laws and units in place. However, the application of anti-money laundering laws is weak, due to a lack of political will and corruption. Money laundering is often not prosecuted as a standalone crime, but rather in connection with other criminal offences, which hampers progress in this area. Furthermore, due to the links between government and criminal groups, seized assets are not managed effectively and tend to remain directly under the criminal's name. In June 2021, the Parliament adopted another set of amendments to the Law on the Prevention of Money Laundering and Terrorism Financing, to reflect the financial intelligence unit's new operational independence and autonomy.

Macroeconomic and fiscal stability have been strengthened in recent years, with improved solvency and liquidity in the country. Despite its steady growth, the country's economy continues to be challenged by high public debt and unemployment rates. Weaknesses, including a lack of transparency in the business, banking and economy sector, the rule of law and unfair competition from the informal

economy negatively impact the business environment in Montenegro. The country also experienced a recession arising from COVID-19 measures and the associated lack of tourists, as the Montenegrin economy is built on tourism and foreign investments in the tourism sector. Meanwhile, the government continued their efforts to ameliorate the economic regulatory framework by reducing the tax burden and facilitating business processes.

CIVIL SOCIETY AND SOCIAL PROTECTION

Montenegro recently passed and institutionalized new frameworks for the protection of victims of trafficking. However, an effective witness protection programme to increase its capacity to tackle organized crime is still missing. The government decreased its victim protection efforts in recent years, allocating fewer resources to NGO-run shelters, identifying fewer victims, and reducing efforts to proactively identify victims among asylum-seekers, irregular migrants and seasonal workers. The country also lacks guaranteed access to justice for victims of trafficking, including free legal aid and specialized lawyers. Despite this, the country has improved in providing comprehensive training to officials on victim identification and assistance.

Montenegro has sectoral strategies and action plans on the fight against organized crime, including a focus on human trafficking, money laundering, the prevention of drug abuse and arms trafficking. However, experts who were part of the drafting of these strategies reported difficulties in sharing and obtaining information from government actors. The police in Montenegro are decentralized and act closely with local communities to prevent minor organized criminal activity. The protection of whistleblowers is within the mandate of the Agency for Prevention of Corruption, including requests for physical protection. These requests are typically rejected or not followed up on by the police, due to corruption and political interference. The government recently announced the start of a legal process to prohibit the storage of tobacco products in the port of Bar, to prevent illegal trade in the free trade zone.

Press freedom in Montenegro has improved, due to the decrease in political pressures on the media arising from the recent change in the political landscape. However, the media are still influenced to a large degree by the ruling political parties, and independent media are almost non-existent. This has led to a highly polarized media, often marked by politically biased and unbalanced reporting. The government established a new ad hoc commission for monitoring violence against the media, but it has not yet yielded positive results. Efforts are also required to limit the effects of disinformation, online harassment and hate speech in the country. Meanwhile, the role of civil society is recognized and promoted in Montenegro, but the current legal and institutional framework fails to

strengthen consultation and cooperation mechanisms between state institutions and civil society.

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