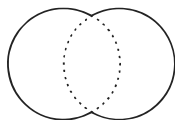


Montenegro

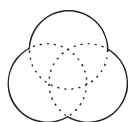
Overview



Transparency:

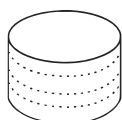
48 /100

(Open Budget Index score)



Public Participation:

13 /100



Budget Oversight:

74 /100

About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

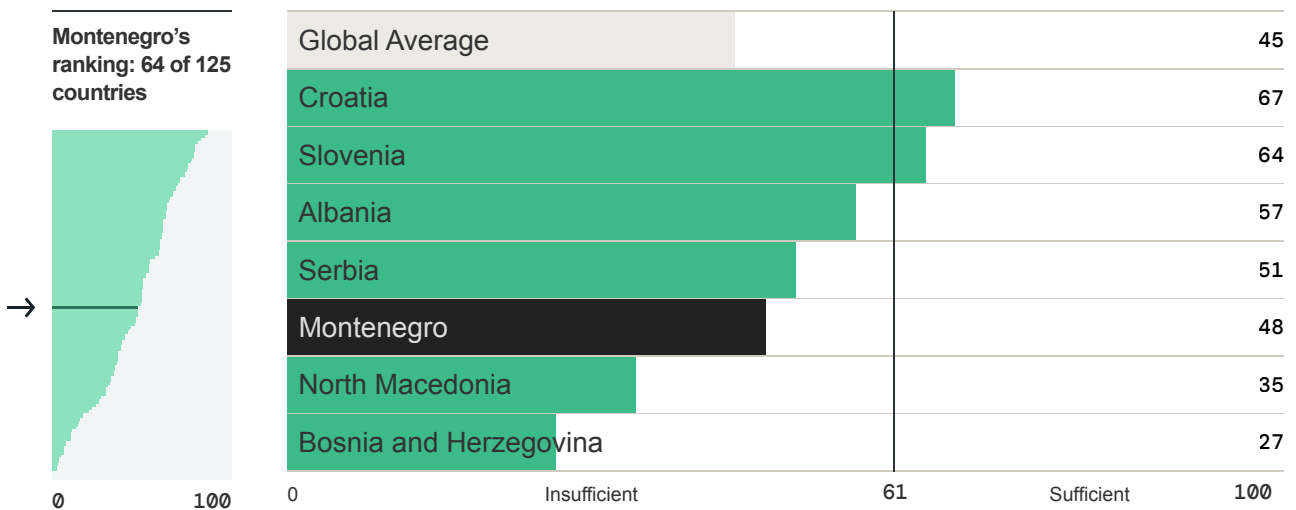
Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

Transparency

This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**




Montenegro has a transparency score of **48** (out of 100).

Transparency in Montenegro compared to others



Public availability of budget documents in Montenegro

KEY

-  Available to the Public
-  Published Late, or Not Published Online, or Produced for Internal Use Only
-  Not Produced

Document	2023
Pre-Budget Statement	
Executive's Budget Proposal	
Enacted Budget	
Citizens Budget	
In-Year Reports	
Mid-Year Review	
Year-End Report	
Audit Report	

How comprehensive is the content of the key budget documents that Montenegro makes available to the public?

KEY	
●	61-100 / 100
●	41-60 / 100
●	1-40 / 100

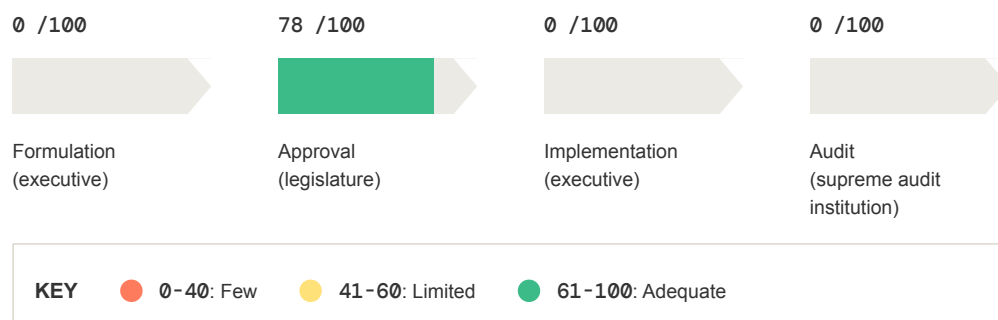
Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2023	78
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2023	43
Enacted Budget	The budget that has been approved by the legislature.	2023	100
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2022	Internal Use
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2022	63
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2022	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2021	60
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2021	71

Recommendations

Montenegro should prioritize the following actions to improve budget transparency:

- Produce and publish the Citizens Budget online by the Ministry of Finance in a timely manner. Additionally, the government should consult civil society and the public to identify what information is most useful and how it should be presented.
- Produce and publish the Mid-Year Review online in a timely manner.
- Include in the Executive's Budget Proposal information on how the proposed budget is linked to government's policy goals; information on tax expenditures; data on expenditure estimates or actual for the years prior to the budget year. Additionally, the executive should release to the public its timetable for formulating the Executive's Budget Proposal.
- Include in the Year-End Report comparisons between borrowing estimates and actual outcomes, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Montenegro's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Montenegro's Parliament has established public hearings related to the approval of the annual budget, but should also prioritize the following actions:

- Initiate the practice of inviting members of the public or civil society organizations to testify during its hearings on the Audit Report.

Montenegro's State Audit Institution should prioritize the following actions to improve public participation in the budget process:

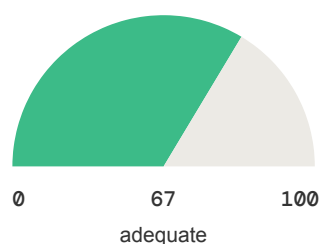
- Further develop and maintain a very recent initiative for the public to assist in developing its audit program and to contribute to relevant audit investigations.

Budget Oversight

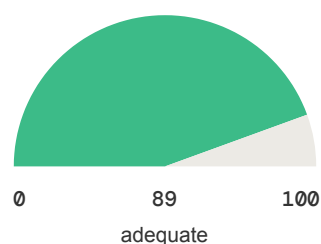
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Montenegro, together, provide adequate oversight during the budget process, with a composite oversight score of **74** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Montenegro's Parliament provides adequate oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To further improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.
- A Parliamentary Committee should examine in-year budget implementation and publish reports with their findings online.
- In practice, ensure the legislature is consulted before the executive reduces spending due to revenue shortfalls.

To strengthen independence and improve audit oversight by the Montenegro State Audit Institution, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

By the time of the cut-off date of the OBS 2023, Montenegro did not have an independent fiscal institution (IFI). A Fiscal Council was formally established in 2023 by an amendment to the organic budget law. However, the counselors weren't appointed and there was no staff hired. IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Marko Sošić
Institut alternativa

info@institut-alternativa.org; www.institut-alternativa.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Montenegro by a representative of the Ministry of Finance and by a representative of the Montenegro State Audit Institution.