International Partnerships Austria

GBWN
GENDER BUDGET WATCHDOG NETWORK

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MONTENEGRO

COMMENTS ON THE 2026 BUDGET PROPOSAL OF MONTENEGRO FROM A GENDER PERSPECTIVE

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1. INTRODUCTION

The comments relate to Montenegro's 2026 budget plan and how it relates to gender-responsive budgeting—which means planning and monitoring public funds so that they recognize and directly respond to the needs of different vulnerable groups (women, men, people of different gender identities, and other marginalized social groups) and work to reduce gender and other inequalities.

MONTENEGRO'S 2026 BUDGET — KEY INFORMATION

In 2026, Montenegro plans a state budget of around €3.77–3.79 billion. This is a smaller amount compared to 2025 and demonstrates a focus on fiscal discipline and controlled spending. The majority of the funds are provided from regular revenues, while the rest is financed through borrowing, donations, and deposits from previous years.
The main objectives of the budget:

- Investments in infrastructure (roads, schools, healthcare, ecology, digital infrastructure) and development projects.

- Maintaining fiscal stability (deficit around 3.2% of GDP, current revenue-expenditure ratio).

- Modernizing public services and governance.

The budget was adopted by the Parliament of Montenegro at the end of December 2025.

2. WHAT IS GENDER RESPONSIBLE/GENDER-SENSITIVE BUDGETING?

Gender Responsive Budgeting (GRB) is an approach to public finance that analyses how public spending affects different gender groups and seeks to:

- ensure that women, men and people of different gender identities have equal access to resources and services,
- incorporate gender analysis into the planning, monitoring and reporting phases of the budget,
- use sex-disaggregated data to identify the effects of policies and programmes on different groups.

In other words, it is not about a separate “women’s” budget, but about a way of making and monitoring the budget taking into account the needs of all gender identities, especially where gender inequalities exist

3. STATUS OF GENDER RESPONSIVE BUDGETING IN MONTENEGRO

Achievements and Developments
- Montenegro has begun to introduce elements of gender-responsive budgeting through manuals, guidelines and obligations to draft gender-sensitive statements in the budget planning process.

- OSCE and other international organizations provide training and assistance to state institutions to strengthen their capacities for this approach.

- The percentage of budget funds designated as gender-sensitive has increased slightly in recent years (9.1% of the total budget for 2025, up to 11.1% in the plan for 2026).

Challenges and Recommendations
Women's Action and other gender budget analysts indicate that implementation is not yet systematic and deep enough:

- most programs do not show clear evidence of how they contribute to reducing gender inequalities,

- in practice they are often run formally without any real gender analysis of objectives or effects.

• The OECD recommends further strengthening of the legal framework, clearer guidelines for units preparing budget requests, and a requirement to monitor results in budget execution reports — to make GRB more effective.

The program budget reform process also included the introduction of gender-responsive budgeting, as an integral part of the program budget and the budget cycle.The goal of implementing gender-responsive budgeting is to enable equality in the disposal of public resources, improve access to goods and services provided by the public sector for all vulnerable and unequal groups, as well as to contribute to equality in decision-making on priorities and directions of development

Gender-responsive budgeting needs to be integrated into the overall process of budget preparation, adoption and execution in order to contribute to the implementation of policies (with a focus on specific population groups) and better definition of budget priorities.

The goal of implementing gender-responsive budgeting is to enable monitoring of the effects that allocated budget funds have on society, taking into account gender, but also other socioeconomic characteristics (ethnicity, disability, level of education, place of residence, urban or rural area, etc.) that place a person or group in a potentially unequal position.
As part of the reforms related to the implementation of the program budget, gender-responsive budgeting in Montenegro is currently prescribed through:

- Instructions for the preparation of the medium-term budget framework,
- Instructions for the preparation of the budget for the next fiscal year,
- Program Budget Manual,
- Manual for the medium-term budget framework,
- Manual for gender-responsive budgeting and
- Guidelines for reporting on the execution of the gender-responsive program budget,

and all documents are available to budget users through the Budget Management System (BMIS).

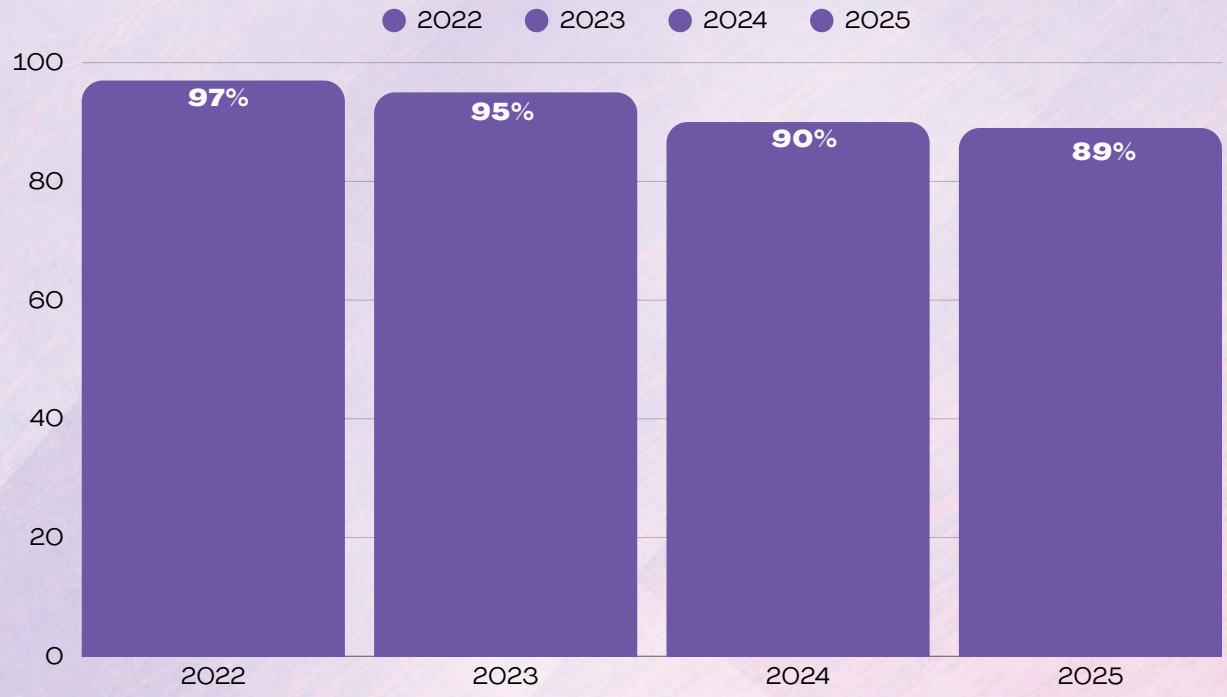
When submitting a budget request, the spending unit, if it implements gender-sensitive activities, submits information on gender objectives and indicators through the Budget Management Information System, with an explanation of how budget programs (sub-programs and/or activities/projects) contribute to reducing gender gaps and improving the position of vulnerable groups in society.

Activities that have an integrated gender dimension during implementation and within which gender is considered important for achieving the set goals, and when it comes to quantifying funds, these funds are determined in total amounts for a specific activity, so within the program classification it is not always possible to define in figures the precise amount of funds that is determined for one segment of activities that deals only with the gender dimension, bearing in mind that it forms an integral part of the overall activity.

However, in the process of reporting on achieved goals, each budget spending unit, which has recognized the gender dimension within its activities, should specifically point out
the effects that have been achieved in this field when reporting on the execution of the program budget in the part of the achieved goals.

In the Draft Law on the Budget of Montenegro for 2026, the total amount of funds for which gender sensitivity is indicated is €424,715,366.70 and the above makes up 26.40% of the total current budget, or 11.21% of the total proposed state budget. So, we are recording an increase in budget funds that are gendered, but the growth is so small and the process of gendering is so slow that at this pace we will need another 44 years to achieve the goal - 100% gendered budget funds. This is also shown in Chart 1.

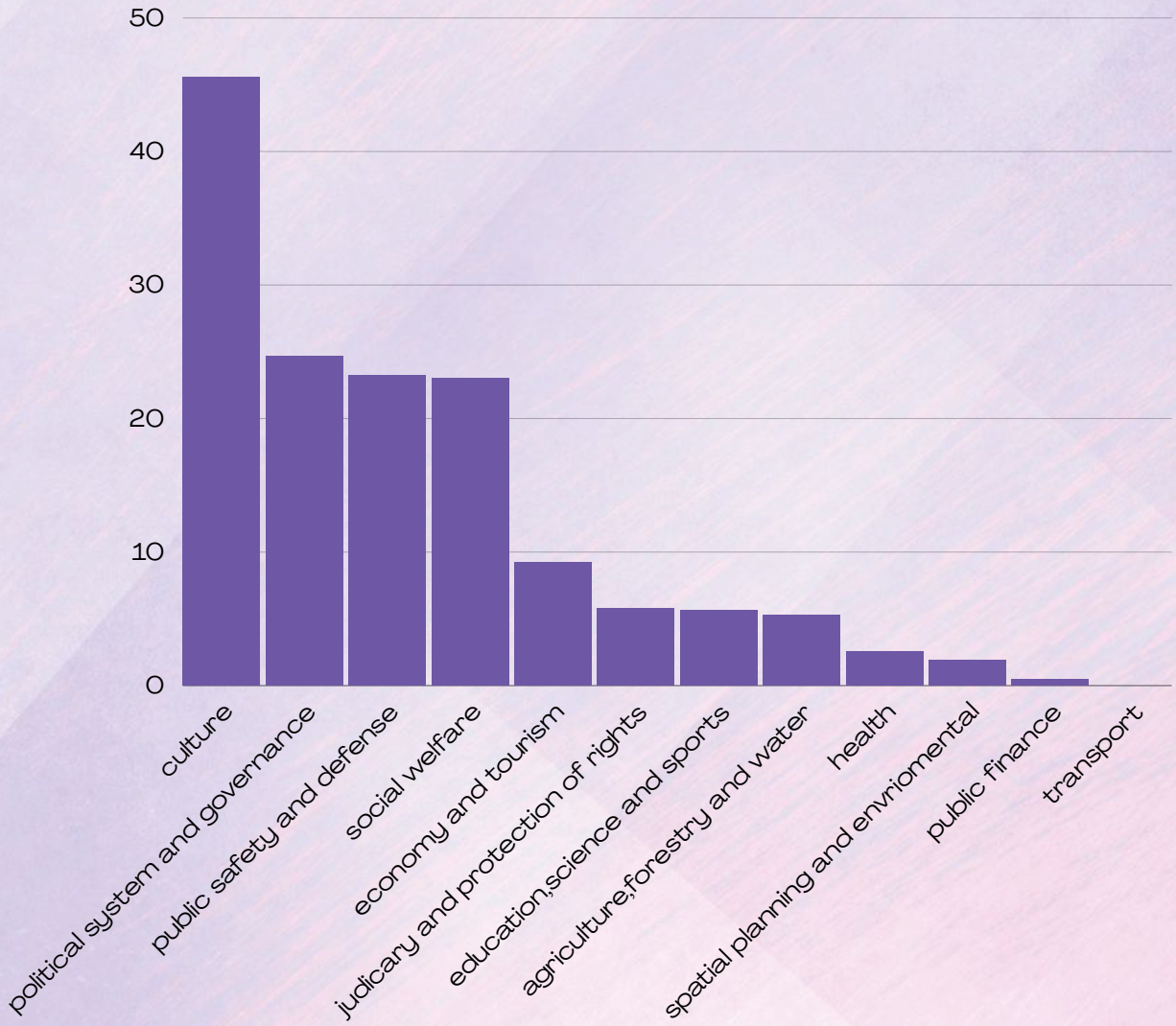
And the lack of political will in the Ministry of Finance to finally introduce a legal obligation for gender-responsive budgeting is also shown by the data from the 2026 budget analysis that only 2.75% of the budget of this spending unit is gendered. Montenegro has been the only country in the wider region that does not have this legal provision for years.



The Gender Equality Committee of the Parliament of Montenegro, in its opinion on the Budget Law Proposal for 2026 (dated 10 December 2025), welcomed the review of budget units that have recognized the gender component in planned activities. The document does not explicitly list specific units for 2026, but emphasizes that the introduced changes have enabled greater visibility of budget lines for gender equality.

Chart 2 provides an overview of spending units (22 in total) and the amounts allocated for budget activities where gender sensitivity is indicated in the implementation and fulfillment of set goals, with an overview of the total expenditures allocated to the aforementioned spending units.

percentage of the gender in the total amount for the program



At the meeting of the Gender Equality Committee on 29 December 2025, the State Audit Institution (SAI) presented the findings of the third audit of the implementation of recommendations from the report on the audit of the performance of gender-responsive budgeting, "Success of the implementation of gender-responsive budgeting in Montenegro".

Key audit findings
-Partial implementation: Four recommendations have been partially implemented.
-Ongoing: One recommendation is in the implementation phase.
-Not implemented: Four recommendations have not been implemented, indicating insufficient progress in terms of key prerequisites for gender-responsive budgeting.

4. METHODOLOGY FOR ASSESSING THE IMPACT OF THE BUDGET ON GENDER EQUALITY

Budget users have previously been trained in the application of the principles of gender-responsive budgeting and gender mainstreaming of fiscal policies, and the necessary instructions, manuals and guidelines have been prepared with instructions on how to introduce gender-responsive budgeting. In parallel and continuously, measures are being taken to improve gender budgeting, through the establishment of a normative framework, the improvement of the information system and the strengthening of human resources responsible for the implementation of gender-responsive budgeting.
Amendments to the Law on Budget and Fiscal Responsibility, which were supposed to contain provisions for gender budgeting in accordance with the best practices of the European Union, have not been implemented in the Law on Budget for 2026, which is the subject of this analysis, although this was stated as a recommendation in the findings of the State Audit Institution and the Ministry of Finance has committed to implementing the recommendation in the last quarter of 2025.

For the upcoming period, in accordance with the plan for introducing GRB, it is planned to develop instructions for categorizing programs as gender-sensitive, develop a consolidated report on the execution of the gender-responsive budget of spending units, develop a technical solution for marking gender-responsive activities in BMIS and ensure compatibility with the SAP system, in order to monitor GRB expenditures, as well as develop a manual for evaluating the performance of programs and projects, including the gender dimension.

SOCIAL PROTECTION:

Only 23.13% of total gender-sensitive budget funds in Montenegro were allocated through social protection activities — although this was one of the largest sectoral shares in the gender-sensitive part of the budget, it is too little considering the importance of this sector, as well as the fact that this share in 2025 was 22.4%, which reinforces the claim that the growth of gender-sensitive budget funds is too slow in Montenegro.

HEALTH:

The data we have do not provide a precise share of gender-sensitive expenditures in the health sector, but general trends show that gender analysis is increasingly being applied in this sector in the context of budgeting. This sector, specifically the Ministry of Health, shows great irresponsibility to the requested data and information on gender-responsive budgeting activities, which is also illustrated by the data that only 2.56% of gender-responsive activities in total activities for 2026.

5. COMMENTS

A) GENERAL COMMENTS
A1) LEGAL FRAMEWORK

Comment 1: It is necessary to initiate amendments to the Law on Budget and Fiscal Responsibility, so that provisions are clearly prescribed that will ensure the introduction of the principle of gender equality in the budget process. This activity should be implemented by the Ministry of Finance.

Explanation: The Ministry of Finance has established an appropriate normative framework that prescribes the methodology and provides instructions for the implementation of all phases of the gender-responsive budgeting process.

The most important thing is missing - that the Law on Budget and Fiscal Responsibility ensures that gender-responsive budgeting is an obligation for spending units at all levels, including at the local level, which is of particular importance because local governments are closest to citizens of both sexes and their needs.
At the same time, it is necessary that the same amendments to the Law on Budget and Fiscal Responsibility also introduce the obligation to report according to program guidelines.

Additionally, the Law on Gender Equality stipulates that state bodies, state administration bodies and local self-government bodies, public institutions, public enterprises and other legal entities exercising public powers, as well as companies, other legal entities and entrepreneurs are obliged, in order to achieve gender equality, to assess and evaluate the impact of these decisions and activities on the position of women and men in all phases of planning, decision-making and implementation, as well as undertaking activities within their jurisdiction. The draft of the new Law on Gender Equality, which is currently in the public debate phase, stipulates the introduction of gender-responsive budgeting as an obligation, but even after the adoption of this law, the Ministry of Finance remains obliged to define the same and detailed obligation within the framework of the Law on Budget.

A2) BUDGET PLANNING PHASE

Comment 2: It is necessary to properly fill out the Gender Responsive Budget Statement during the budget planning phase, so that it contains information on gender-responsive programs and activities. This activity should be implemented by all spending units.

Explanation: All spending units should objectively, completely and meaningfully fill out a gender-responsive budget statement, which will clearly show the spending unit's obligations related to vulnerable groups in society and their impact on both genders. This obligation is defined in the Program Budget Manual, it is only necessary to implement it according to those instructions. From 2022, when only 3.2% of total budget funds were designated as gender-sensitive, through 2023, when that percentage was 4.49, to 2024, when the aforementioned share is 9.59%, it is clear that this process is running too slowly, and it is necessary to increase the number of specific trainings on filling out the gender budget statement for representatives of all spending units.

Comment 3: Provide an open space for citizens to influence the content of the budget plan, according to their needs and interests through the e-platform "Budget tailored to the citizens of Montenegro". This activity should be implemented by the Ministry of Finance.

Explanation: We consider the lack of an open and broad public debate in the process of adopting the 2024 budget plan, as well as the lack of efforts to increase the participation of citizens in creating budget policies in previous years and decades, to be worrying.

Interactive tools, such as the proposed platform "Budget tailored to the citizens of Montenegro", would make it easier to read and understand the budget not only for the population, but also for budget spending units. At the same time, this is an excellent opportunity to present all the advantages of gender-responsive budgeting to spending units and citizens, and provide all other required information and data.
The e-platform should be posted on the website of the Government and the Ministry of Finance, and distributed via electronic media and social networks, which is an effective way for the budget to finally become an example of transparency.

A3) BUDGET REPORTING PHASE

Comment 4: The obligation for spending units to prepare a Report on the implementation of a gender-responsive budget, with a clearly described progress in achieving goals through indicators of the effect of programs and activities. This obligation applies to all spending units.

Explanation: An analysis of part of the reports on the implementation of the program budget of spending units shows that the reports do not contain clear gender indicators, nor a description of their level of implementation, and thus a description of the achievement of planned goals is missing, making it impossible to evaluate the gender-responsive budget in a quality manner. It is only necessary to follow the Guidelines for Reporting on the Implementation of Gender-Responsive Program Budgets, which stipulate that the report must contain these important elements: statistics by gender and an analysis of these statistics, an assessment of the effect of the implemented program on women and men, through the implementation of the activities of the same program, the degree of implementation of the gender-responsive budget in relation to the plan.

B)RECOMMENDATIONS

B1)SPECIFIC RECOMMENDATIONS FOR THE SOCIAL PROTECTION AND HEALTH SECTORS:

Comment 5: Examples of gender-responsive activities in social protection that can be easily recognized through a gender perspective:

- Support programs for socially vulnerable families with an emphasis on women — e.g. support for mothers/families at risk of poverty,

Activities to prevent gender-based violence and support victims and their inclusion in programs of protection, economic empowerment and reintegration. An increase in the planned amounts for these activities is necessary, because statistical data 2 say that the funds so far have not had an impact on reducing the rate of gender-based violence, on the contrary, it is increasing year by year.

Activities to prevent gender-based violence and support victims and their inclusion in programs of protection, economic empowerment and reintegration. An increase in the planned amounts for these activities is necessary, because statistical data 3 say that the funds so far have not had an impact on reducing the rate of gender-based violence, on the contrary, it is increasing year by year.

Such programs are classified in practice as gender-sensitive because they directly contribute to reducing gender inequalities in access to social rights and services.

Comment 6: Disease prevention and early detection programs that are specifically designed to meet the needs of women (e.g. cervical and breast cancer screening) — although these programs are not always formally labeled in budget reports as "gender-sensitive," they are often used as indicators of gender-sensitive health services. Given the statistics of the growth of these diseases on an annual basis, it is necessary to increase the funds planned for these purposes based on sectoral analysis. 4 5

It is necessary to intensify activities to improve access to health services for marginalized groups (e.g. women with disabilities, women from rural areas, the unemployed, Roma women, etc.) — these are examples of gender-transformative goals that the state is trying to integrate, but so far without concrete success.