



THE EU AND MONTENEGRO

#WesternBalkans
#EUEnlargement

October 2024



Montenegro is an **EU candidate country** since 2010.



Growth Plan for the Western Balkans

In 2023, the EU announced a landmark **Growth Plan** to accelerate Western Balkans partners' socio-economic development and EU integration.

The Plan aims to boost **socio-economic convergence** through enhanced economic integration with the **EU's single market**, regional integration within the **Common Regional Market**, accelerating fundamental reforms.

As part of this Growth Plan, Montenegro was invited to prepare a **Reform Agenda** focusing on reforms to **unlock national and regional growth potential** and related to the fundamentals of the enlargement process, including **the rule of law, democracy, the respect of human rights and fundamental freedoms**.

A €6 billion **Reform and Growth Facility** for the Western Balkans will provide key support to the implementation of the Growth Plan. The Commission approved the Reform Agenda of Montenegro in October 2024. **€383.5 million in non-repayable grants and favourable loans** will be available to Montenegro **when** it meets the conditions it has committed to in its own Reform Agenda.



The EU is Montenegro's

✓ largest trade partner

✓ largest investor

✓ largest provider of financial assistance



Ongoing EU support for Montenegro

The EU is the **largest provider of financial assistance to Montenegro**. It offers a variety of programmes and instruments to support Montenegro's development and EU accession process.

Instrument for Pre-Accession (IPA)

Between **2021-2024** the EU has allocated **over €135 million** of financial and technical assistance to Montenegro under IPA III. Assistance is provided in the form of **non-repayable grants**. This includes:

- **€7 million** to help Montenegro advance towards EU accession in key areas of **judiciary reform, fundamental rights and fight against organised crime**.
- **€14 million** budget support to improve citizens' quality of life and economic growth by creating a well-functioning, **digital and accessible public administration**.
- **€30 million Energy Support Package** which supported vulnerable families and SMEs in Montenegro in dealing with rising energy prices.

Economic & Investment Plan (EIP)

The EU's **EIP for the Western Balkans** identifies 10 flagship investments in sustainable transport, clean energy, environment and climate, digital future, human capital and the private sector, to support a green and digital transition and bring the region closer to **the EU's single market**.

For projects in **Montenegro**, since 2020 the EU has mobilised **€1.3 billion in investments thanks to over €394 million in EU grants**. Funds are raised through tools such as the Western Balkans Investment Framework (WBIF). This includes:

- Rehabilitation of **168 km of railway line** along the Bar-Vrbnica Railway Line Section and increasing travel speed up to 120 km/h, as part of the extension of the TEN-T Core Network.
- Construction of a new **wastewater treatment** plant and sludge incineration plant serving a population of 189 300 people and installing 33.6 km of sewer pipes.
- Modernisation of kindergartens, primary, secondary, and vocational schools as well as provision of IT equipment providing **7 720 new places to students**, benefitting around 10 000 children annually.



What we are achieving together



183 km of railway lines rehabilitated



230 km of electricity transmission lines upgraded



Improved water and sanitation services for **400 000 people**



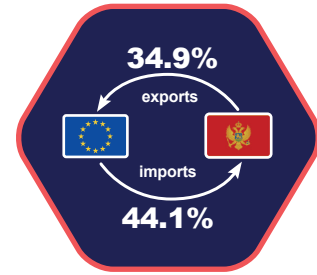
71 900 people with broadband access in rural areas



Close trade & investment links

The **EU is Montenegro's main trading partner**. In 2023, the EU accounted for 47.5% of Montenegro's total trade in goods (34.9% of total exports and 44.1% of total imports). Total EU Foreign Direct Investment reached €223.6 million in 2022*.

Progressive trade liberalisation and mutual duty-free access for most goods has been taking place since 2010 and is currently based on the **EU – Montenegro Stabilisation and Association Agreement (SAA)**.



Foreign & security policy cooperation

Montenegro has continued to fully align on EU's **Common Foreign and Security Policy** positions and declarations.

In addition:

- Montenegro continues to participate in **EU crisis management missions and operations under the Common Security and Defence Policy**, currently in the EU NAVFOR ATALANTA.
- Montenegro contributes to regional cooperation in military medicine through the Balkan Medical Task Force (BMTF).
- The EU provides support to Montenegro in facing hybrid threats, including cyber and foreign information manipulation and interference.



People to people contacts

- Since 2010, Montenegrins benefit from **visa-free travel** to the EU.
- The EU has funded over **4 500 exchanges** between EU and Montenegro citizens in the areas of education, training, youth, and sport under ERASMUS+ (2014-2020).

* Source: DG Trade