



# USAID | MONTENEGRO

FROM THE AMERICAN PEOPLE

## COUNTRY PROFILE

FEBRUARY 2009



*A paper compression factory in the municipality of Herceg Novi. The American people, through USAID, financially supported the procurement of over 280 specially marked recycling collection bins for separate disposal of paper, glass and plastic, strategically distributed throughout the city of Herceg Novi through USAID's Community Revitalization through Democratic Action (CRDA) program.*

### MONTENEGRO SNAPSHOT

Date of Independence:  
June 3, 2006  
Capital: Podgorica  
Population: 678,177  
GDP per capita: \$10,600 (2008)

**For more information,  
see [www.usaid.gov](http://www.usaid.gov)  
Keyword: Montenegro**

### OVERVIEW

USAID programs seek to support Montenegro in its goal to be democratic, prosperous, and progressing towards Euro-Atlantic integration. The USAID Serbia and Montenegro Strategy for 2006-2011 profiles the social, political,



### Podgorica

### PROGRAMS

#### REBUILDING A STRONG INVESTMENT CLIMATE

Since 1998, Montenegro has made significant progress in creating a legal and policy framework for economic growth, but important gaps remain to ensure sustainability of the reform process. USAID partners with Montenegrin government counterparts, non-governmental organizations and with other U.S. Government departments to help deepen structural reforms and improve the legislative process; to provide support on implementation and enforcement of new legislation and to help improve governance, including the balance of and exercise of authority of key institutions and their responsiveness to the public. Public education and awareness is an integral part of almost all areas of engagement to promote understanding and support for reforms. This work at the national level is expected to result in heightened investor confidence in the rules and behavior of the key institutions affecting economic growth and investments in Montenegro. A more cohesive, accountable, and responsive government should also lead to more domestic confidence and stronger support for continued advancement of democratic governance and economic reform. Finally, USAID's programs strive to address both Montenegro's necessary transition to an open market and the need to establish effective democratic processes that permeate each branch of government.

#### FUELING LOCAL ECONOMIC GROWTH

Municipalities in Montenegro need to spur local economic development, but are grappling with numerous constraints. The current Montenegrin government has passed new legislation which will improve the environment

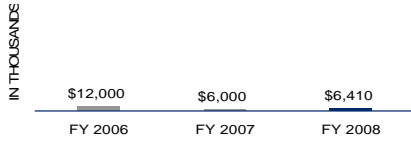


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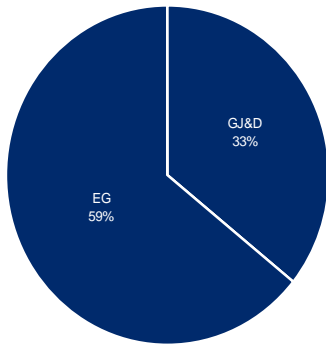
# MONTENEGRO

## COUNTRY PROFILE CONTINUED

### USAID ASSISTANCE TO MONTENEGRO



FY 2008 Budget Allocation by Objective



Governing Justly & Democratically: \$2,125,000  
Economic Growth: \$3,785,000

Based on FY 2008 Assistance for Eastern Europe and the Baltic States funding.

for business development, investment, and economic growth, but implementation of the new laws has been slow. In addition, municipalities are struggling with local economic development problems without the resources to address them. USAID programs support the local dynamic for private sector growth by helping improve the local environment that will enable businesses to grow and prosper; and strengthening the capacity of businesses to enter and participate in the market. The expected results would be an increase in the number of new businesses and jobs, as well as increased market share for Montenegrin companies in domestic, regional and international markets.

### STRENGTHENING DEMOCRACY AND ECONOMIC SECURITY

The violent break-up of Yugoslavia and the NATO intervention over Kosovo led to widespread decline in living standards, leading to systemic weaknesses, particularly economically linked, that inhibit stability throughout the Republic of Montenegro. Economic insecurity in vulnerable areas is particularly focused on Northern Montenegro, but pockets of poverty also exist in rural areas elsewhere in the Republic. Left unaddressed, current conditions could undermine the potential for a functioning market democracy and increase the potential risk to continued stability that Montenegro has enjoyed to date. Activities throughout the Republic will work to strengthen civil society advocacy, enhance the capacity of the media to transmit crucial information to citizens, and also to strengthen the ability of democratic parties to represent constituent interests in political processes. Expected results would include increased employment opportunities and job generation, particularly in the agriculture and tourism sectors through strengthened partnerships and performance of producer and business associations and municipalities and through targeted economic infrastructure investments; and a civil society with more confidence and engagement in the political processes through strengthened Civil Society Organization advocacy.

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On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need around the world since the Marshall Plan.