



## COUNTRY PROFILE

MAY 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 seeks to support Montenegro in its goal to be democratic, prosperous, and progressing towards Euro-Atlantic integration. The



### Podgorica

resources and program impact through alliances with non-traditional partners and mechanisms.

USAID Serbia and Montenegro Strategy for 2006-2011 profiles the social, political, and economic contexts for USAID's work in Montenegro and defines the strategic objectives of the Mission's activities. The strategy incorporates three key themes in addressing transitional challenges while adopting an innovative approach that integrates key democracy and economic growth components. Designed for flexibility, the program is able to operate in multiple political environments by maximizing

### PROGRAMS

#### REBUILDING A STRONG INVESTMENT CLIMATE

USAID partners with Montenegrin government counterparts, non-governmental organizations, and with other U.S. Government agencies to help deepen structural reforms and improve the legislative process and to provide support on implementation and enforcement of new legislation and to help improve governance, including the balance 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

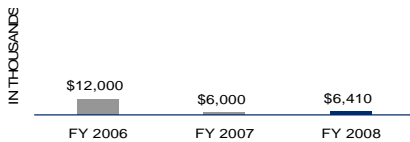
As a newly independent country, consolidating political and economic development throughout the distinct geographic zones (coast, central



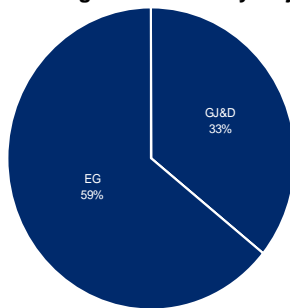
# USAID | MONTENEGRO

## 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.

plain, and mountainous north), remains a priority focus both for the Government of Montenegro as well as for the international donor community. USAID's economic activity program, Stimulating Economic Development of the North (STARS), undertakes economic assistance activities to connect the economy of the northern areas of the country to the stronger and more rapidly developing economies of the central plains and coastal areas. The program will expand economic opportunities in the mountainous areas of northern Montenegro through direct engagement with the private sector, entrepreneurs, and micro-enterprises, with a goal of improving mobilization and management of local resources. This targeted assistance to municipalities and sectors of agriculture and tourism will foster private sector growth. Improved government accountability to constituents and responsiveness to the needs of the private sector, in turn, improves conditions for a market economy. Job creation is a critical ingredient to improving Montenegro's prosperity and stability, and represents a key concern of most citizens. Opportunities to maximize employment will be a strong theme across the program.

### STRENGTHENING DEMOCRACY AND ECONOMIC SECURITY

Economic insecurity in vulnerable areas is particularly prominent in 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 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 Parliament and political parties to improve Parliament's support structure and increase dialogue among citizens and political leaders so that they can represent constituent interests in political processes effectively. 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; a civil society with more confidence and engagement in the political processes through strengthened civil society organization advocacy and watch-dog efforts; and a Parliament with improved lawmaking and oversight capacities so that it is more effective in representing all citizens and is more transparent and accountable.

### CONTACT INFORMATION

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