



Weekly Briefing

**Montenegro external relations briefing:
EU integration process in the function of stability and security in
Montenegro and region
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EU integration process in the function of stability and security in Montenegro and region

Abstract

In order to speed up the process of EU integration and contribute to the implementation of reforms, the European Commission presented the New Growth Plan for the countries of the Western Balkans, which includes financial support of EUR 6 billion for the period 2024-2027. With this Plan, the EU shows its interest in the entire region. Therefore, Montenegro, like other countries in the region, was visited by the President of the European Commission, who spoke to the President of Montenegro about the EU integration process. Considering the security challenges faced by the region, a more proactive approach to EU integration is of great importance for both Montenegro and neighboring countries in order to improve regional cooperation and contribute to the stability of the entire region. In this regard, during November, one of the important discussions was related to the security policy. NATO emphasized the importance of stability in the Western Balkan region. On this occasion, the NATO secretary visited the countries of the Western Balkans and had a meeting with member countries from the region in Skopje, which was also attended by the Prime Minister of Montenegro. At that and at the NATO meeting of foreign ministers held in Brussels, Montenegro showed that in the coming period, as before, it will follow NATO policy and that it will contribute to the fulfillment of the Alliance's goals.

Introduction

During the previous period, the focus of the EU can be seen more on the Western Balkan region than on a specific country in this region. The preservation of peace in the region is important for the stability of the region itself, but also of Europe. Any violation of the security situation in one of the countries would have consequences for the entire region and for Europe. Therefore, for the security situation in Montenegro, not only the situation in the country is important, but also the situation in the entire region. Therefore, during the previous period, various meetings were organized to discuss the EU integration of the countries of the Western Balkans and the security situation in the region.

New Growth Plan for Western Balkan has been adopted

At the beginning of November, the European Commission presented a new Growth Plan for the Western Balkans. The plan consists of various proposals for improving and strengthening the integration process of the countries of the Western Balkans and greater alignment with EU standards and policies. Therefore, the goal of the new Growth Plan is to help the Western Balkan countries achieve greater economic growth and accelerate economic convergence with the EU countries. In that case, the European Commission will allocate EUR 6 billion for projects in the region in the period from 2024 to 2027. The New Growth Plan includes various segments. The first of the four pillars refers to enhancing economic integration with the European Union's single market. This implies that the countries of the Western Balkans comply with the single market rules and follow the Common Regional Market, which was launched in 2020 in order to increase economic integration among these countries (it includes free movement of goods, services, capital and people¹). Therefore, there are certain actions that should be in focus, namely: (i) Free movement of goods, (ii) Free movement of services and workers; (iii) Access to the Single Euro Payments Area (SEPA); (iv) Facilitation of Road transport; (v) Integration and de-carbonisation of Energy markets; (vi) Digital Single Market and (vii) Integration into industrial supply chains².

Relying on the first pillar, the second pillar refers to boosting economic integration within the Western Balkans. This can be achieved through the Common Regional Market. Strengthening regional cooperation contributes to bringing this region closer to the EU single market, so this represents a step before joining the EU and a phase of gradual adaptation to EU standards and requirements. In order to improve the EU integration process of all Western Balkan countries, a third pillar was defined within the New Growth Plan, which refers to accelerating fundamental reforms. This primarily refers to the implementation of the reform process in the fundamentals cluster, as well as improving sustainable economic growth, etc. And the last pillar is related to the financial assistance to support the reforms through a Reform and Growth Facility for the Western Balkans. As stated earlier, support of EUR 6 billion is

¹ European Commission (2020) The Western Balkans Common Regional Market – a catalyst for deeper regional economic integration and a stepping stone towards EU Single Market, available on: https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/policy-highlights/common-regional-market_en

² European Commission (2023) New growth plan for the Western Balkans, available on: https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM_2023_691_New%20Growth%20Plan%20Western%20Balkans.pdf

foreseen, of which EUR 2 billion refers to grants, while EUR 4 billion is concessional loans. Obtaining funds depends on fulfilling specific socio-economic and fundamental reforms by the Western Balkan countries³. In this regard, Montenegro and other Western Balkan countries should prepare a Reform Agenda. The Reform Agenda should be based on the Economic Reform Program which is regularly prepared and an annual Enlargement Package.

By adopting the New Growth Plan, the EU shows that the Western Balkan countries are still in the focus of EU policy and that the EU sees the entire region as part of the EU community. Therefore, the goals in the Plan are aimed at bringing the countries closer to the EU and are aimed at improving the reform process. The use of the Plan by Montenegro and other countries can contribute to the economic growth of the country and the strengthening of the economic situation, thus contributing to the EU integration process.

The Plan relies on the ideas of the Berlin Process, which relate to achieving regional integration and increasing economic cooperation, solving open issues between countries in order to achieve a higher level of cooperation and connectivity in order to create conditions for achieving sustainable growth of the entire region. In this way, the connection of the Plan with the previous processes and mechanisms implemented in order to speed up the EU integration process is established.

The starting points of the Plan also refer to economic convergence, considering that the countries of the Western Balkans are trotting behind the EU countries in achieving economic growth and development. The Plan states that the economic convergence of the countries of the Western Balkans and the EU is not at a satisfactory level, which is one of the limiting factors for EU integration. Therefore, the use of the possibilities of this Plan is of great importance, because by withdrawing funds it is possible to finance important investment projects that will have positive effects on economic growth. Based on EUROSTAT data, in 2022, the GDP per capita of Montenegro represents 50% of the GDP of the EU (EU=100). Compared to other Western Balkan countries, Montenegro has the highest percentage of the EU average that percentage is in Serbia 44%, North Macedonia 42%, Bosnia and Herzegovina 35% and Albania 34%)⁴.

³ ibid.

⁴ Source of data: EUROSTAT (2023) GDP per capita, consumption per capita and price level indices, available on: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=GDP_per_capita,_consumption_per_capita_and_price_level_indices

The key issue in relation to the Plan and the planned financial resources that will be available for the next four years is related to the possibilities and capacities of the Montenegrin administration to use the available funds. To that end, human resources in state administration are important, both in terms of quantity and quality, that is, knowledge and expertise. Therefore, it is of great importance to define quality projects, in order to take advantage of the opportunities for economic growth that the Plan offers. The evaluation of the projects with which Montenegro applied within the framework of the Economic and Investment Plan for the Western Balkans points to the need to improve capacity for the project preparation. Namely, within the fifth investment package within the Economic and Investment Plan from the July 2023, Montenegro did not receive any projects. In total, 14 projects in the amount of EUR 2.1 billion⁵ were financed in the different fields, but the projects proposed by Montenegro were assessed as premature for financing or not eligible for financing⁶. The financing of infrastructure projects can contribute to greater economic growth through the multiplied effects of investments on GDP, by increasing the competitiveness of the Montenegrin economy and increasing the inflow of foreign direct investments in Montenegro and the entire region. Also, the positive effects can be seen through greater utilization of resources, that is, the employment of production factors, which will contribute to approaching the potential output. A significant part of these available funds, which are foreseen with the New Growth Plan, refer to projects financed within the Economic and Investment Plan for Western Balkans.

In order to present the New Growth Plan, the President of the European Commission visited the countries of the Western Balkans, including Montenegro, at the end of October. On that occasion, it was assessed that Montenegro should be fully committed to EU integrations, that is, that it should focus more on fulfilling the tasks arising from the integration process. It was also emphasized that the year of accession cannot be determined earlier and that the year in terms of when Montenegro will join the EU should not be looked at. As soon as the conditions are met, Montenegro can become a member of the EU⁷.

⁵ European Commission (2023) European Commission launched an additional €2.1 billion investment package for the Western Balkans under the Economic and Investment Plan, available on: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3641

⁶ CDM (2023) Pisonero: Crna Gora dostavila nedovoljno zrele projekte, available on: <https://www.cdm.me/politika/pisonero-crna-gora-dostavila-nedovoljno-zrele-projekte/>

⁷ Radio slobodna evropa (2023), Fon der Lajen: Crna Gora da pređe posljednju milju do EU, available on: <https://www.slobodnaevropa.org/a/fon-der-lajen-crna-gora/32662168.html>

NATO Secretary visited the Western Balkans

During November, the NATO secretary visited the Western Balkans. The aim of the visit is to discuss security policy and security challenges in the region. After the meetings with the officials of Bosnia and Herzegovina, Kosovo and Serbia, a meeting of the countries of the region that are members of NATO was held in North Macedonia. The prime minister of Montenegro, as well as the prime ministers of Albania, Slovenia, Croatia and North Macedonia, participated in that meeting.

This is the first meeting of the newly elected Prime Minister of Montenegro with NATO officials. At the meeting, it was assessed that the commitment of the new government to the conduct of NATO policy and the fulfilment of goals is expected, and that Montenegro plays an important role for stability in the Western Balkan region. On the other hand, the Prime Minister of Montenegro emphasized that Montenegro got a Euro-Atlantic government that will be dedicated to fulfilling the goals of the NATO Alliance and Montenegro is a partner in preserving peace and stability. Thus, it can be expected that Montenegro will follow NATO policy in the coming period and that it will continue to be a credible member of NATO and actively participate in the implementation of NATO policy. Montenegro also contributed to peace and stability in the region in the earlier period. It has good relations with all countries and has no open issues with its neighbours⁸.

As it was emphasized earlier in reports and various meetings, the Western Balkan region is important for NATO, the same was emphasized at this meeting. On that occasion, it was assessed that there is concern about the situation in the Western Balkans, given that there is an open issue between Kosovo and Serbia and that there are tensions in Bosnia and Herzegovina, as well as the presence and influence of Russia in the region, which can affect stability in the region. In order to achieve stability in the region, it is necessary to consider and solve these issues. This visit shows that stability in the Western Balkans and this region in general is among the important goals of the Alliance. Out of a total of six Western Balkan countries, three are NATO members.

In addition, Montenegro showed its commitment to the NATO Alliance, its policies and its orientation towards the fulfilment of the set goals by participating in the meeting of the

⁸ Government of Montenegro (2023), Spajić - Stoltenberg: Montenegro has a vital role for stability in the Western Balkans, available on: <https://www.gov.me/clanak/spajic-stoltenberg-crna-gora-ima-vitalnu-ulogu-za-stabilnost-na-zapadnom-balkanu>

ministers of foreign affairs of NATO countries, which was held at the end of November in Brussels. The active involvement of Montenegro is particularly important considering the security challenges that have emerged recently. Montenegro has a fully harmonized security policy with the EU and NATO, so that, as stated and confirmed at this meeting, the continuation of such a policy can be expected. One of the topics of the discussion and this meeting was the security situation in the Western Balkans, so the strategic importance of the Western Balkans for NATO was highlighted at this meeting too, as was also stated at the meeting in Skopje⁹. Although Montenegro is not directly involved in any issue, such as the relations between Serbia and Kosovo and the situation in Bosnia and Herzegovina can affect the destabilization of the entire region, which would have consequences for Montenegro as well. That is why the presence of NATO in the region and the implementation of the accession process of the Western Balkan countries to the EU are important. To that end, six members of NATO and the EU proposed to start accession negotiations discussion with Bosnia and Herzegovina by the end of 2023. The initiation of this process would contribute to the stability of the region and have positive effects on the EU path.

This year, a meeting of the NATO-Ukraine Council at the level of Foreign Ministers was organized for the first time. At this meeting, it was emphasized that NATO still stands by Ukraine and readiness for further support to Ukraine was expressed. It was assessed that a strong and independent Ukraine is of great importance for the stability of the entire Euro-Atlantic area¹⁰.

CEI 2023: Meeting of Ministers of Foreign Affairs held

One of the directions of external relations of Montenegro, which are part of the EU integration, is the maintenance and improvement of regional cooperation. During November, a meeting of ministers of foreign affairs was held in Chisinau in Moldova within the framework of the Central European Initiative (CEI). The meeting brought together the Ministers of Foreign Affairs of member states, among which Montenegro also participated. This initiative has 17

⁹ Government of Montenegro (2023) Brussels: A unique alliance in the defense of the security of the Euro-Atlantic area, available on: <https://www.gov.me/clanak/brisel-alijansa-jedinstvena-u-odbrani-bezbjednosti-euroatlantskog-prostora>

¹⁰ NATO (2023) Statement by the NATO-Ukraine Council at the level of Foreign Ministers, available on: https://www.nato.int/cps/en/natohq/official_texts_220818.htm?selectedLocale=en

Member States in Central, Eastern, and South-Eastern Europe, and was founded with the aim "to promote regional cooperation for EU integration and sustainable development"¹¹.

This year's meeting was about the discussion of EU integration and the contribution of EU integration to "the peace, stability, security, and prosperity in Europe", as well as the role of this initiative in the entire process of integration¹². One of the prerequisites for EU integration is regional cooperation, to which this initiative contributes. Therefore, it is of great importance to encourage discussion on important issues and challenges that the countries of the CEI region are facing. Considering that the members of this initiative are also the countries of the Western Balkans, the contribution is also reflected in the strengthening of cooperation at the level of the Western Balkans region.

At this year's meeting, a "Joint Statement" was adopted, which primarily refers to the issue of EU integration and the promotion of sustainable development of member countries of this Initiative. The countries expressed their joint condemnation of Russian aggression against Ukraine, where they expressed their readiness to continue supporting Ukraine in the fight against Russian aggression and the defence of territorial integrity and sovereignty. Also, the countries pointed out that EU integration is the way to preserve peace and stability in the region. Therefore, support for the EU integration process was confirmed for the countries of the Western Balkans, Moldova and Ukraine, emphasizing that the integration process is based on the results and implemented reforms and in accordance with the fulfilled criteria, without giving a privileged position to any country. In relation to the second priority area related to sustainable development, the member countries of the initiative agreed on the implementation of activities aimed at implementing the SDGs, as well as improving cooperation between CEI member countries, which will have positive effects on the development of the entire region, increasing well-being, quality life and environment¹³.

Similar to other initiatives, the importance of this Initiative is to promote the joint solution of problems and issues imposed by conditions on the international scene. By combining joint forces, positive results can be achieved in the direction of preserving the stability and security of the region, but also strengthening the region in the direction of greater resistance to future

¹¹ Central European Initiative, available on: <https://www.cei.int/presidency>

¹² Central European Initiative (2023) MFA meeting in Chisinau sets course for a more fruitful regional cooperation towards EU integration, available on: <https://www.cei.int/news/9761/cei-mfa-meeting-in-chisinau-sets-course-for-a-more-fruitful-regional-cooperation-towards-eu>

¹³ Central European Initiative (2023) Joint Statement, available on: <https://www.cei.int/sites/default/files/2023-11/CEI%20Joint%20Statement%2022.11.23%20final.pdf>

challenges. It is also of great importance for Montenegro. Therefore, at this year's meeting, Montenegro confirmed the consistency in achieving the goals of this Initiative, emphasizing "commitment to European integration and the affirmation of the sustainable development of the CEI region"¹⁴.

Stability and peacekeeping in the Western Balkans is one of NATO's priorities. This was shown in several events, where it was pointed out that the establishment of unity and good neighborly relations in this region is of great importance. Therefore, the NATO secretary also visited the countries of the Western Balkans, where the security situation was discussed. The events that preceded in the previous period in Kosovo contributed to the growth of tensions between Kosovo and Serbia. Additionally, the situation in Bosnia and Herzegovina may also represent one of the risks in the field of stability and security policy. The potential violation of security and peace in other countries will affect the stability of the entire region. Montenegro, given that it has no open and unresolved issues and even though it has good relations with other neighbouring countries, can represent a significant factor of stability in the region. However, the risk of influence from other sides on the stability of Montenegro also exists. Montenegro got a new government, which can be expected to be consistent and committed to the conduct of NATO policy and the fulfilment of Alliance goals in the coming period. Therefore, a more proactive approach in the EU integration process, which has been missing for the last few years, is one of the important factors for the stability of Montenegro and the region. Additionally, stronger and closer cooperation between the countries of the region can contribute to the stability of the region. In order to push the countries of the Western Balkans in this process, the European Commission presented the Growth Plan, which is aimed at the development of the region and which would contribute to bringing the countries of the Western Balkans closer to the EU member states. It is of great importance for Montenegro to use the available financial support through this Plan, in order to implement key reforms in that direction.

¹⁴ Government of Montenegro (2023) Minister Ivanovic in Chisinau: Regional cooperation driving reforms and development, available on: <https://www.gov.me/clanak/ministar-ivanovic-u-kisinjevu-regionalna-saradnja-pokretac-reformi-i-razvoja>