



Brussels, 30.7.2025
C(2025) 5201 final

COMMISSION IMPLEMENTING DECISION

of 30.7.2025

**approving the first release of funds to Montenegro under the Reform and Growth
Facility for the Western Balkans**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/1449 of the European Parliament and of the Council of 4 May 2024 establishing the Reform and Growth Facility for the Western Balkans¹, and in particular Article 21(3) thereof,

Whereas:

- (1) Regulation (EU) 2024/1449 established the Reform and Growth Facility for the Western Balkans ('the Facility'), which aims to provide Union support to Western Balkans beneficiaries for the period 2024-2027. This support takes the form of non-repayable support and loans for the delivery of reforms promoted by the Union, in particular inclusive and sustainable socio-economic reforms and reforms concerning the fundamentals of the enlargement process, aligned with Union values, as well as investments to implement the Beneficiaries' Reform Agendas. Both the reforms and investments comply with the general principles of Article 4 of Regulation (EU) 2024/1449. The Commission has approved the Reform Agenda of Albania, Kosovo*, Montenegro, North Macedonia and Serbia on 23 October 2024². The Reform Agendas constitute prioritised sets of targeted reforms and investments in each beneficiary and serve as an overarching framework to achieve the objectives of the Facility.
- (2) Pursuant to Article 9(1) of Regulation (EU) 2024/1449, the Commission has concluded a Facility Agreement with Montenegro on 25 February 2025 for the implementation of the Facility setting out the obligations and conditions for the disbursement of the Facility. The Facility Agreement concluded with Montenegro entered into force on 24 March 2025.
- (3) The Facility Agreement is complemented by a loan agreement, as required by Article 9(2) of Regulation (EU) 2024/1449. A Loan Agreement has been concluded with Montenegro on 23 April 2025. The Loan Agreement concluded with Montenegro entered into force on 6 May 2025.
- (4) In accordance with Article 21 of Regulation (EU) 2024/1449, twice per year the Beneficiary is to request a release of funds in respect of fulfilled payment conditions related to the quantitative and qualitative steps as set out in their Reform Agenda. Due to the fact that the Beneficiary was not in a position to report on the fulfilment of payment conditions and to request the release of funds by 15 January 2025, as the Facility and Loan Agreements had not yet entered into force, pursuant to Article 14(5)

¹ OJ L, 2024/1449, 24.5.2024, ELI: <http://data.europa.eu/eli/reg/2024/1449/oj>.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

² Commission Implementing Decision C(2024) 7375 of 23.10.2024.

of the Facility Agreement, the grace period of 24 months provided for in Article 17(2) of the Facility Agreement was automatically triggered. On 6 May 2025, the Beneficiary has reported on the fulfilment of the payment conditions due by 31 December 2024.

- (5) Montenegro has requested the release of funds in respect of payment conditions that were fulfilled during the period since the entry into force of Regulation (EU) 2024/1449 on 25 May 2024 and until 28 February 2025. The present Implementing Decision covers the amount of funds to be made available as financial assistance channeled directly to the Beneficiary and the preliminary validation for the amounts, including the Allocated Percentage as set out in Article 5 of the Loan Agreement, to be disbursed to Montenegro and made available through the Western Balkans Investment Framework (WBIF).
- (6) In accordance with Article 9(3) of Regulation (EU) 2024/1449, disbursement of Union support under the Facility is to take place in accordance with the terms of the Facility Agreement, after its entry into force, and after the entry into force of the Loan Agreement. In addition, disbursements are conditional on the Beneficiary's compliance with the preconditions set out in Article 5 of Regulation (EU) 2024/1449 and with the general payment conditions set out in Article 12 of Regulation (EU) 2024/1449, and on the satisfactory fulfilment of the payment conditions set out in the Reform Agenda.
- (7) Pursuant to Article 21(2) of Regulation (EU) 2024/1449, following its assessment the Commission concluded that Montenegro complies with the preconditions and the general payment conditions.
- (8) Pursuant to Article 21(2) of Regulation (EU) 2024/1449, the Commission assessed the request for release of funds from Montenegro and concluded that it has satisfactorily fulfilled 7 out of 14 of the payment conditions related to the quantitative and qualitative steps as set out in its request and in its Reform Agenda. The Commission assessment is included in the Annex to this Decision.
- (9) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures³ adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.
- (10) In accordance with Article 1 of the Loan Agreement, the loan support is composed of two components: the Allocated Percentage (34.75%), which Montenegro is required to transfer to the European Western Balkans Joint Fund (EWBJF) pursuant to a Contribution Arrangement to be concluded with the Fund Managers, and the remaining part of the loan.
- (11) In accordance with Article 7 of the Loan Agreement, the Beneficiary submitted a payment request for the loan support, including the portion corresponding to the Allocated Percentage. The payment request indicates the gross amount of the loan instalment. In line with Article 6(5) of the Loan Agreement, the Commission establishes the net amount to be released, after clearing the relevant share of the pre-financing. For the purposes of Article 8(4)(f) of the Loan Agreement, it is clarified that the Contribution Arrangement to be concluded by Montenegro with the EWBJF Fund

³ See www.sanctionsmap.eu. Note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In the case of discrepancy, the OJ prevails.

Managers shall reflect the net amount established by the present Implementing Decision, and not the gross amount indicated in the payment request.

- (12) In accordance with Article 6(5) of Regulation (EU) 2024/1449, the entire amount of non-repayable financial support is to be made available under the WBIF through the payment of contributions into the European Western Balkans Joint Fund (EWBJF), which is the joint fund established under the WBIF for receiving donors' contributions, and of which the EIB and the EBRD are the Fund Managers.
- (13) In accordance with Article 12(2) of Regulation (EU) 2024/1449, in respect of the financing implemented through the WBIF, the funds are to be paid into the EWBJF only following receipt of payment requests from the Fund Managers. In that respect, for the non-repayable support, the Commission is to conclude Contribution Arrangements with the Fund Managers after the positive opinion of the WBIF Operational Board on relevant investment project proposals, and only after receiving proof that the Beneficiary has signed its corresponding Contribution Arrangement, pursuant to Article 19(2) of the Facility Agreement. For the portion of the loan support allocated to the WBIF, the Beneficiary is to conclude Contribution Arrangements with the Fund Managers after the positive opinion of the WBIF Operational Board on relevant investment project proposals, and the Commission is to disburse the corresponding loan amount upon receipt of the signed Contribution Arrangement.
- (14) Therefore, the release of funds, in the form of non-repayable financial support and loan support, for Montenegro under the Reform and Growth Facility for the Western Balkans should be approved.
- (15) In accordance with Article 13(3) of the Facility Agreement and Article 6(5) of the Loan Agreement, pre-financing of the non-repayable financial support and the loan support should be cleared by being proportionally deducted against the payment of the instalments. Since EUR 7 704 063.86 of the non-repayable financial support and EUR 19 140 531.33 of the loan support were released for the benefit of Montenegro as pre-financing, an amount of EUR 237 756.57 of the payment should be utilised to clear the non-repayable financial support part of the pre-financing and an amount of EUR 590 699.56 of the payment should be utilised to clear the loan support part of the pre-financing,

HAS DECIDED AS FOLLOWS:

Article 1

Authorisation of the release of the non-repayable support for Montenegro

- (1) The Commission has established a gross amount of EUR 3 158 765.93 for Montenegro, based on the assessment of the payment conditions, corresponding to the non-repayable financial support component of the first request for release of funds under the Reform and Growth Facility for the Western Balkans.
- (2) In accordance with Article 13(3) of the Facility Agreement, an amount of EUR 237 756.57 is to be utilised to clear the non-repayable financial support part of the pre-financing.
- (3) The net amount of EUR 2 921 009.36 shall be released in accordance with the terms of the Facility Agreement.
- (4) The amount set out in paragraph 3 shall be made available to the WBIF, subject to the Montenegro's prior conclusion of the Contribution Arrangement with the EIB

and the EBRD, and the subsequent conclusion of such Contribution Arrangements by the Commission with the same institutions, in their capacity as Fund Managers of the EWBJF. It shall be paid following receipt of payment requests from the Fund Managers.

Article 2

Authorisation of the release of the loan support for Montenegro

- (1) The Commission has established a gross amount of EUR 7 847 865.68, based on the assessment of the payment conditions, corresponding to the loan support component of the first request for release of funds under the Reform and Growth Facility for the Western Balkans.
- (2) In accordance with Article 6(5) of the Loan Agreement, an amount of EUR 590 699.56 is to be utilised to clear the loan support part of the pre-financing.
- (3) The net amount of EUR 7 257 166.11 shall be released in accordance with the terms of the Loan Agreement.
- (4) In accordance with the Loan Agreement, the net amount shall be split into two components: - EUR 2 521 865.22, corresponding to the Allocated Percentage (34.75%), to be made available through the WBIF; and - EUR 4 735 300.88 representing the remaining portion of the loan.
- (5) The Commission shall disburse to Montenegro the amount of EUR 4 735 300.88, corresponding to the remaining portion of the loan referred to in paragraph 4.
- (6) The amount of EUR 2 521 865.22, corresponding to the Allocated Percentage (34.75%) of the loan support, shall be disbursed to Montenegro upon receipt by the Commission of the Contribution Arrangement covering the same amount, concluded into with the EIB and the EBRD, in their capacity as Fund Managers of the EWBJF, and following the disbursement to Montenegro of the loan support share of the pre-financing related to the Allocated Percentage (34.75%).

Done at Brussels, 30.7.2025

For the Commission

Marta KOS

Member of the Commission