



MEETING MINUTES

# SME Policy Index 2022: Western Balkans and Turkey

## Launch Meeting - Montenegro

**Friday, 30 September 2022**

**11:00 – 13:00**

Zoom



**#OECDseeurope**

# SME POLICY INDEX 2022 LAUNCH MEETING – MONTENEGRO

FRIDAY, 30 SEPTEMBER 2022

11:00 – 13:00

VIRTUAL MEETING

## 11:00-11:20 Opening Remarks

**Ms. Anita Richter, Acting Head of South East Europe Division, OECD Global Relations and Cooperation** stressed the importance of the *SME Policy Index 2022: Western Balkans and Turkey* publication for Montenegro, in an economic context marked by challenges caused by the COVID-19 pandemic as well as the full-scale Russian aggression against Ukraine. She highlighted a few achievements made by Montenegro during the assessment period, including progress in supporting entrepreneurial learning, providing business support services for SMEs and supporting SME greening. She also underlined a few recommendations for Montenegro going forward, namely to develop insolvency prevention measures, boost digitalisation in the public and private sectors and further improve access to finance for SMEs. She concluded her opening remarks by expressing thanks to the European Commission (EC), whose financial support was essential in funding the assessment, as well as to the Ministry of Economic Development and Tourism in Montenegro, in particular Ms. Andjela Gajevic, Ms. Sanja Varajic and their colleagues, who co-ordinated the collection of inputs on the side of the Montenegrin Government.

**Ms. Olivera Vukajlović, Head of Directorate for Competitiveness Enhancement, Ministry of Economic Development and Tourism**, underlined how relevant the *SME Policy Index* is for evaluating Montenegro's alignment with the Small Business Act (SBA) for Europe, as a key part of the EU accession process. She noted that the results of the latest *SME Policy Index* are more than encouraging and show that Montenegro is on a good path in the areas of entrepreneurial learning and women's entrepreneurship, public procurement and SME greening. Regarding entrepreneurial learning, Ms. Vukajlović brought up the Partnership for Lifelong Entrepreneurial Learning as an example of good practice. She further provided examples in the areas of women's entrepreneurship (focusing on the development of the policy framework) and public-private dialogue (the Council for Competitiveness and its working groups which play an important role in involving businesses in the policy dialogue). She noted that the Ministry of Economic Development is focusing on boosting competitiveness of SMEs through the Programme for Improving the Competitiveness of the Economy, providing financial and non-financial support for SME development. Ms. Vukajlović also mentioned that the Innovation Fund was established in 2021, and should serve to fund the priorities outlined in Montenegro's Smart Specialisation Strategy. She also emphasised the importance of the green economy and its relationship with the Smart Specialisation Strategy, through aligned priorities such as sustainable agriculture and tourism. In this regard, she highlighted that Montenegro is the first economy in the region to draft a circular economy transition strategy, and that the key challenge for the economy going forward is to ensure the sustainability of economic development while driving forward reforms and improving the business environment (including in areas identified by the *SME Policy Index*). She thanked all of the participants for their presence, and thanked the OECD team for their work.

**Mr. Yngve Engstroem, Head of Cooperation, Delegation of the European Union to Montenegro**, thanked the OECD for hosting the meeting and emphasised the importance of the *SME Policy Index* as a tool for supporting evidence-based policy making in Montenegro and the region. He noted that despite their importance in the Montenegrin economy, SMEs are still underrepresented in international trade and in total value added. Mr. Engstroem added that support to SMEs is key to allowing them to realise and maximise their potential, and that the EU is a key provider of support in this regard. He also stressed the EU's importance in supporting SME recovery from the impacts of the COVID-19 pandemic and the Russian aggression against Ukraine. He announced that the EU would provide additional Instrument for Pre-Accession (IPA) funds for Montenegro, namely to support the implementation of the smart specialisation strategy, to support women's entrepreneurship and improve links

between business and industry. Going forward, Ms. Engstroem underscored that it would be important to tailor policies to the needs of SMEs, and that in this regard the *SME Policy Index* is very useful for identifying priorities.

### **11:20-12:45 Presentation of assessment key findings**

**Ms. Jovana Pavlovic Djukic** and **Ms. Marijana Petrovic**, Project Managers at the OECD South East Europe Division, presented the SME Policy Index 2022 main objectives and key features as well as the SME sector's main characteristics in Montenegro.

Subsequently, **Mr. Matija Lojpur**, **Ms. Clémence Girin** and **Ms. Zofia Polakiewicz**, Policy Analysts at the OECD South East Europe Division, presented the SME Policy Index 2022 main findings and recommendations for further improvement. The session also zoomed in on several areas most relevant for future progress in SME policy making, and provided the related OECD and EU good practices.

**[See PowerPoint presentation attached to the email.]**

### ***Comments from the audience***

**Ms. Ulrike Damyanovic**, Senior Human Capital Development Expert, European Training Foundation, took the floor to make three points regarding the OECD team's presentation. Firstly, regarding entrepreneurial learning and women's entrepreneurship, she noted that the European Training Foundation has been working with Montenegrin authorities for a long time to raise awareness and bring relevant elements into curricula, and that some positive results are beginning to be visible, but that the whole process requires a lot of time. Secondly, regarding skills for SME development, she stated that similar challenges are faced everywhere (skills mismatches, etc.), showing a need for investment and alignment of policies with overarching strategies. She recalled that the President of the European Commission, Ms. Ursula von der Leyen, announced the upcoming year as the "year of skills", highlighting possible opportunities for intensified work in this area. Thirdly, regarding access to finance for SMEs, she underlined that new tools are still needed, and that the skills component is also relevant for access to finance.

### **12:45-13:00 Closing Remarks**

**Ms. Andjela Gajević**, Head of Department for strengthening entrepreneurship and cooperation with the business community, Directorate for improvement of competitiveness, SBA co-ordinator for Montenegro, noted that together with her colleague Ms. Sanja Varajic, they have been active with co-ordinating the input collection for the publication. She expressed special thanks to the OECD team for their support in ensuring that the developments in Montenegro are represented as objectively as possible in the report. Ms. Gajević highlighted that she is satisfied with the progress achieved since the previous assessment, but that these good results have to be retained and further improved in the future, including in areas where Montenegro is lagging behind. She stressed the importance of the good practice examples featured in the publication, and their usefulness as sources of inspiration and guidance for Montenegro's future strategic documents, which should be tailored to all relevant target groups (SMEs, start-ups, women entrepreneurs, etc.). She stated that she concurs with the statements of Ms. Ulrike Damyanovic regarding challenges in SME skills and financial literacy. Ms. Gajević thanked all who contributed to the preparation of the publication and invited her colleagues from the Government of Montenegro to examine its recommendations in detail and focus on supporting their implementation through an inter-sectoral and inter-agency approach.

**Ms. Anita Richter, Acting Head of South East Europe Division, OECD Global Relations and Cooperation,** highlighted that this is only the beginning regarding the analysis and implementation of the *SME Policy Index*'s recommendations, and that the OECD team would be there for any clarifications or questions. She thanked everyone for their work on the project, in particular the Ministry of Economic Development and Tourism and namely Ms. Gajevic and Ms. Varajic, for implementing and driving forward reforms but also in their role as co-ordinators and reliable partners. She also expressed gratitude to the European Commission, European Training Foundation, European Bank for Reconstruction and Development as well as other OECD experts involved in the project, the OECD team for presenting and the interpreters. Ms. Richter also thanked the Ambassador of Italy, Ms. Andreina Marsella, for her presence, and interest in the project. She expressed hope that the *SME Policy Index* will continue to guide Montenegro in its efforts to strengthen the SME sector, as well as the donor community in prioritising development aid and efforts. She also mentioned that the publication could be useful for SMEs, as an overview of available tools and support mechanisms. Noting that this meeting concludes the OECD team's series of launch meetings for the *SME Policy Index*, she stressed that engagement with Montenegro and the region will continue, and invited the partners from Montenegro to raise any potential areas they would like to discuss at the regional level. Mentioning future projects, she noted that the OECD South East Europe team would soon embark on the next cycle of the *Competitiveness Outlook*, a more comprehensive assessment of economic competitiveness, and a new project focusing on circular economy.

**Contacts:**

Ms. Jovana Pavlovic Djukic

Project Manager

Tel: +33145241343

Email: [Jovana.PAVLOVICDJUKIC@oecd.org](mailto:Jovana.PAVLOVICDJUKIC@oecd.org)

Ms. Marijana Petrovic

Project Manager

Tel: +33185556488

Email: [Marijana.PETROVIC@oecd.org](mailto:Marijana.PETROVIC@oecd.org)

