

Address by Minister of Science of Montenegro, Dr. Sanja Damjanović, made in the Parliament of Montenegro on 29 July 2020

LAW ON INNOVATION ACTIVITIES

Dear speaker of the Parliament, dear MPs,

The dynamic development and constant changes that take place as a result of new technologies, innovations and the needs of new generations globally require a proactive approach in creating a legislative framework that will define and stimulate progress in this area. A modern legislative framework is key to increasing the competitiveness of the Montenegrin economy and following the trends at European and global level, all with a view to avoid lagging behind, as well as to reduce the outflow of highly qualified personnel.

Montenegro's previous experience based on the implementation of various innovation support programmes suggests that Montenegrin market needs new initiatives and a new legislative framework. Our country has an exceptional potential for better development, which is confirmed by the fact that Montenegro was the first country among the candidate countries for the European Union to adopt a Smart Specialisation Strategy. This development document was adopted a year ago, and in December 2019 it was verified by the European Commission. By adopting this Strategy, Montenegro has defined a framework for its future development that will strengthen our traditionally strong industries (energy, agriculture and tourism) through the application of new technologies, innovations and digital transformation, while ICT is expected to become a new strong industry.

Today, we can proudly say that Montenegro is at a turning point in this regard given that measures are being taken intensively at several institutional levels to build a functional national innovation ecosystem. In this regard, the establishment of a new institution – the Innovation Fund – is also envisaged, as an instrument that will provide the funding for development projects and implement state policy measures.

The present Proposal for a Law on Innovation Activities:

- Provides for a national innovation ecosystem harmonised with international standards and the needs of our society;
- Clearly identifies the entities performing innovation activities, the entities providing innovation infrastructure and the entities investing in innovation activities.
- Defines the responsibilities of the Innovation and Smart Specialisation Council, which coordinates the policy implementation in this area.
- Provides for establishment of the Innovation Fund, which will implement programmes for innovation activity development and conduct the monitoring of project implementation. In addition, the Fund will be a key operational body for implementation of the Smart Specialisation Strategy.
- Introduces into our legal system, for the first time, a number of concepts that are used for a long time in other countries, as important elements for functioning and regulation of an innovation ecosystem.

The new legal framework will make a significant contribution to capacity building in terms of attracting EU and other funds, primarily in the area of research and development, as well as in innovative entrepreneurship.

IMPACT AND EFFECTS OF THE LAW

The adoption of this Proposal for a Law is expected to result in:

- Development of an efficient innovation ecosystem aimed at strengthening the competitiveness of the national economy
- Strengthening cooperation of the private and public sector with the scientific research community;
- Better coordination and improvement of national innovation support instruments, which will ultimately contribute to more efficient use of state budget funds and European funds.
- Creating preconditions for wider application of innovations in all segments of society, which is a precondition for achieving the European standard of living.

The law will also bring benefits to innovative economy through increased competitiveness, job creation, investment attraction and revenue increase. Another important aspect of an efficient innovation ecosystem is the creation of new start-ups that play the role of drivers of the digital and overall transformation of the economy from a traditional to a modern, market-oriented and successful economy.