



**Government of Montenegro
Ministry of European Affairs**

**CONFERENCE "THE GROWTH PLAN: WESTERN BALKANS MEETS EU"
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**Intervention by Mr. Milojko Spajić, Prime Minister of Montenegro on the Growth
Plan Pillars**

Dear ladies and gentlemen, dear colleagues,

Thank you for invitation and gathering here today to discuss the very important topic of Growth plan for Western Balkans, the future of the common regional market and integration with the European Single Market. As whole region progresses in terms of EU accession process, it is crucial at this point to recognize that final objective of EU membership is not just to be formally part of European community, but to achieve deep economic integration, to provide to our citizens very visible economic benefits and empower them economically at least at the level of the EU average.

As Government of Montenegro which has recently took office, we have a clear and most important priority - to make this economic integration a reality, and very soon, in order to improve everyday life of our citizens and become part of the EU. As we plan Montenegro's economic future, it is imperative that we do so with a clear vision and a commitment to regional cooperation. In Montenegro, we recognized that our collective strength lies in unity, and we believe that the same applies for the Western Balkans region as well. By creating a functional and interconnected regional market, we can unlock unprecedented opportunities for trade, investment, and economic development. This for sure involves harmonizing regulations, removing trade barriers, and encouraging the free flow of goods and services across our borders. Together, we can multiply the power of our shared resources and ensure that the economic tide lifts all boats in our region.

Being deeply into EU accession process, Montenegro is firmly committed to aligning itself with European standards and practices. Integration in the European Single Market not only provides access to a vast consumer base, but also serves as a catalyst for economic modernization. By adhering to European standards, we are not only enhancing the quality of our products and services but also signaling to the global community that Montenegro is open for business and ready to compete on an international scale.

I am convinced that new Growth plan for Western Balkan is a key instrument which will help us to reach these objectives and reinforce our commitment to fostering economic growth, regional cooperation, and European integration. Montenegro is fully committed

to implementing this plan, that focuses on sustainable development, innovation, and inclusive economic policies. We understand that a thriving economy requires a conducive business environment, and we are dedicated to creating and maintaining such an environment in our country. This includes streamlining regulations, investing in infrastructure, and fostering a culture of entrepreneurship. And this is exactly what Growth plan is offering, and this is why is important that we reach a common understanding on how to jointly maximize effects of the support that EU is offering.

At this moment, which may be crucial for economic development of the region, it is not important only to plan reforms, but also to implement them and achieve the impact needed on the ground. This is why our Government worked diligently on preparation of draft Reform Agenda for EU Reform and Growth Facility, which is carefully considered and adopted in December last year, and which will still be subject of our joint work with European Commission. With all quite tight deadlines, but with dedication of our administration, I believe that we created a solid base of reform measures, which will allow us to further improve specific policies and shape the final version of the document. Since we treat Reform Agenda as one of the key strategic documents of the country, let me briefly introduce main objectives and intentions of Montenegro contained in the document.

Having in mind current stage and challenges in terms of economic development, **overall objective of Reform Agenda** of Montenegro is to use incentive provided by the EU under Reform and Growth Facility for the Western Balkans to implement key reform measures in areas of strategic importance for acceleration of economic growth and convergence with EU member states. In order to achieve this ambitious objective, we identified and formulated reform measures related to Business environment and private sector development, Digital and energy/green transition and Human capital development. In addition, reforms related to the area of fundamentals, including Rule of Law, are also included and they are of vital importance for implementation of our Reform Agenda.

Reforms in the area of **Business environment and private sector development** are formulated to tackle several structural challenges which affect competitiveness of economy and its sustainability, mostly being related to regulatory environment, informality, difficulties in access to funds for micro, small and medium enterprises and challenges when it comes to monitoring and management of state owns enterprises. Reforms in this area will be dedicated to improving business environment, facilitating access to finance for companies, as well as implementing several measures related to improvements in regulatory environment and strengthening business sector competitiveness.

When it comes to **Digital and energy/green transition**, reforms aim to continue implementing measures deriving from EU Third Energy Package and Clean Energy Package in electricity and gas sectors, as well as to create functional energy market ready to be integrated into EU internal electricity market. Further development of the carbon pricing system in the short term and the appropriate system for trading emissions in the medium and long term, is of vital importance for the decarbonization of the energy sector. In addition, it is necessary to intensify activities to create an environment for reducing the

use of fossil fuels in the transport sector, especially through the improvement of public transport and the promotion of e-mobility. Particular attention will be put on deployment of the fully sustainable and green facility, achieving 100% carbon neutrality through solar panel photovoltaic and wind farms, focused on the medical and research applications.

As probably the most important part of the Reform Agenda, set of key reform measures is developed as incentive to **Human capital development**, mainly through enhancing employability, activation support, reform of social services in parallel with education and skills development and enhancing the innovation ecosystem. Single market of knowledge, research and innovation goes along with the proposed reforms in this policy area. Particular focus will be put on investing in all levels of education, including vocational training and bilingual education. In the area of innovation, the objective is to boost research and innovation among all relevant actors at all levels of the Innovation and Smart Specialization framework, to improve the role and impact of the innovation infrastructure and the Innovation Fund of Montenegro and to foster internationalization.

Additionally, having in mind the need to accelerate not only economic convergence, but also EU accession process, it is important to refer also to the objectives in the area of fundamentals. When it comes to the **Rule of Law**, Montenegro is dedicated to working further diligently on implementation of all necessary activities leading to fulfillment of the remaining interim benchmarks in chapters 23 and 24, especially in the areas of judiciary, fight against corruption and organized crime, freedom of expression and media.

In conclusion, let me repeat how important is to embrace the opportunities that lie ahead and commit ourselves to a shared vision of a better future for Europe. Through collaboration, determination, and a commitment to sustainable growth, we can build a brighter future for our entire region. The pillars of Growth plan – the common regional market, integration with the European Single Market, sustainable development, and innovation – are interconnected and mutually reinforcing. Through a collective commitment to these pillars, we can shape a future for region that is prosperous, sustainable, and integrated into the broader European framework.

Thank you for your attention, and I look forward to be part of our shared efforts toward a brighter economic future for Montenegro, our region and EU.