

AD 28/24

LIMITE

CONF-ME 14

ACCESSION DOCUMENT

Subject: EUROPEAN UNION COMMON POSITION
– Chapter 20: Enterprise and industrial policy

EUROPEAN UNION COMMON POSITION

Negotiating Chapter 20: Enterprise and industrial policy

This position of the European Union is based on its general position for the Accession Conference with Montenegro (AD 23/12 CONF-ME 2), and is subject to the negotiating principles endorsed by the Accession Conference (AD 20/13 CONF- ME 16), in particular:

- any view expressed by either party on a chapter of the negotiations will in no way prejudice the position, which may be taken on other chapters;
- agreements - even partial agreements - reached during the course of the negotiations on chapters to be examined successively may not be considered as final until an overall agreement has been established;

The position of the European Union is also based on the requirements set out in points 24, 28, 41 and 44 of the Negotiating Framework.

The EU encourages Montenegro to continue the process of alignment with the EU *acquis*, noting that additional *acquis* may enter into force before accession, to ensure its effective implementation and enforcement, and to develop already before accession policies and instruments as close as possible to those of the EU.

The EU notes that Montenegro, in its position AD 7/13 (CONF-ME 5) and its addendum AD 7/13 ADD 1 (CONF-ME 5) accepts the *acquis* under chapter 20 as in force on 12 December 2024, and that Montenegro declares that it will be ready to implement it by the date of its accession to the European Union.

Enterprise and industrial policy principles

The EU notes that Montenegro has adopted and implemented, or is in the process of implementing, several strategies that support enterprise and industrial policy.

The EU notes that Montenegro has adopted three Industrial Policy Strategies - for years 2016-2020 (IP 2020), 2019-2023 (IP 2023) and, in August 2024, for 2024-2028 (IP 2028). The EU further observes that the final evaluation of IP 2023, carried by an external evaluator, demonstrated clear results of its implementation.

The EU notes that the IP 2028 is drafted in line with the principles set out in the EU industrial policy and in line with guidelines outlined in Commission communications COM(2010) 614, COM(2012) 582, COM(2017) 479 and COM(2020) 102, as updated by COM(2021) 350. The EU notes that the IP 2028 was adopted by the government in collaboration with the Investment Development Fund of Montenegro, Statistical Office, Chamber of Commerce, Montenegrin Employers Federation, and following a public consultation with a wide range of stakeholders. The EU further acknowledges that the IP 2028 integrates pertinent principles and objectives of Montenegro's Smart Specialisation Strategy.

The EU takes note of the information provided by Montenegro, which indicates that the monitoring and evaluation of the IP 2028 consists of a monitoring mechanism with biannual/annual actions plans, and an evaluation in the final year of implementation. The EU encourages Montenegro to develop multiannual action plans and to keep providing regular implementation reports to the Commission. The EU further invites Montenegro to explicitly include policies and actions aimed to reduce strategic dependencies, particularly in critical areas, to strengthen the comprehensiveness of the IP 2028.

The EU notes Montenegro's commitment to improve its enterprise policy framework and enhance business environment, including by adopting consecutive strategies for the development of small and medium-sized enterprises (SMEs), improving the quality of public services designed for SMEs and in the area of business licensing and access to finance. The EU further observes that Montenegro is aligned with the EU's definition of SMEs, included in the Commission Recommendation C(2003) 361.

The EU notes that Montenegro has also followed EU policies aimed at developing women entrepreneurship and lifelong entrepreneurial education and adopted strategies and action plans in these areas.

The EU notes Montenegro's efforts to further improve business environment and enterprise policies by adopting the programme for the suppression of informal economy for 2024-2026 and initiating comprehensive reforms in the sector of state-owned enterprises. The EU encourages Montenegro to follow up with the timely implementation of these important reforms, notably in the framework of the recently agreed Reform Agenda of Montenegro, accompanying the Growth Plan for the Western Balkans.

The EU expects Montenegro to fully implement the Industrial Policy Strategy mentioned above, and invites Montenegro to keep it regularly informed of the developments and steps undertaken as regards the enterprise and industrial policy principles.

Enterprise and industrial policy instruments

The EU notes that Montenegro has a track record of several years of participation in the EU programmes supporting entrepreneurship, competitiveness and innovation. Montenegro participated in the Entrepreneurship and Innovation Programme of the Competitiveness and Innovation Framework Programme 2007-2013 and in the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises 2014 – 2020 (COSME).

The EU welcomes the participation of Montenegro in the EU Single Market Programme (SMP) focusing on three of its pillars (improving the internal market, SMEs, consumers). In this context, the EU observes that participation in the Enterprise Europe Network under the SMP is particularly relevant for the SMEs development in Montenegro. The EU invites Montenegro to continue developing transnational partnerships in industrial ecosystems and cluster networks.

The EU acknowledges that Montenegro has developed a set of national instruments and established implementation agencies to provide financial support and services to businesses. The EU notes that the Investment Development Fund of Montenegro (IDFM) serves as a mechanism for facilitating access to financing for the SME sector, in collaboration with the European Investment Bank and the Council of Europe Development Bank. The EU further observes that the IDFM is to be transformed into the Development Bank of Montenegro and provide, among other functions, export insurance for the country's economic operators. The EU also notes that the establishment of the State-backed Credit Guarantee Fund, which would further enhance access to funding for enterprises, including start-ups and women entrepreneurs, is in progress, and encourages Montenegro to finalise this action.

The EU notes that Montenegro has just adopted the Law on deadlines for settlement of financial obligations, aligned with Directive 2011/07/EU on combating late payment in commercial transactions. The EU invites Montenegro to provide periodic information to the European Commission on its implementation.

The EU encourages Montenegro to continue ensuring alignment with, and effective implementation of, the *acquis* by the national authorities and relevant bodies, until the date of accession and invites Montenegro to keep the EU regularly informed on the developments regarding enterprise and industrial policy instruments.

Sectoral policies

As tourism is a salient sector of Montenegro's economy, generating close to 30% of GDP, the EU notes that a Tourism Development Strategy 2022-2025 exists, and that it relates to the country's Smart Specialisation Strategy, where sustainable tourism and health tourism are among the chosen specialisation sectors. The EU observes, in this context, that diversification of the tourism offer, application of new technologies and digitisation in tourism businesses, as well as commitment to sustainable, green tourism development, are the guiding principles for the sector in the coming years.

The EU encourages Montenegro to continue working on strategic policies in various sectors and to integrate current EU policy principles in these strategies.

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In view of the above considerations, the EU notes that, at this stage, this chapter does not require further negotiations.

Monitoring of progress in the alignment with and implementation of the *acquis* will continue throughout the negotiations. The EU underlines that it will devote particular attention to monitoring all specific issues mentioned above, including with a view to ensuring Montenegro's administrative capacity and its capacity to complete the alignment in all areas under this chapter. Particular consideration needs to be given to the links between the present chapter and other negotiation chapters. A final assessment of the conformity of Montenegro's legislation with the *acquis* and of its implementation capacity can only be made at a later stage of the negotiations. In addition to all the information the EU may require for the negotiations in this chapter, and which is to be provided to the Conference, the EU invites Montenegro to provide regularly detailed written information to the Stabilisation and Association Council on progress in the implementation of the *acquis*.

In view of all the above considerations, the EU will, if necessary, return to this chapter at an appropriate moment.

The EU notes that Montenegro, in its position AD 7/13 (CONF-ME 5) and its addendum AD 7/13 ADD 1 (CONF-ME 5) accepts the *acquis* under chapter 20 as in force on 12 December 2024, and that Montenegro declares that it will be ready to implement it by the date of its accession to the European Union. The EU furthermore notes that Montenegro declares that it will continue the alignment process with the *acquis* and that it will be ready to implement it by the date of its accession to the European Union.

Furthermore, the EU recalls that there may be new *acquis* between 12 December 2024 and the conclusion of the negotiations.
