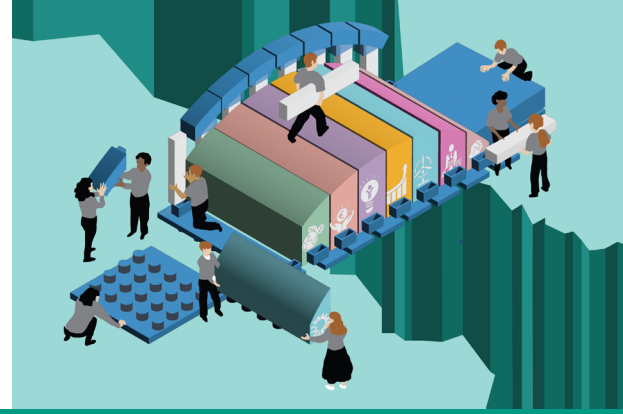


SME POLICY INDEX

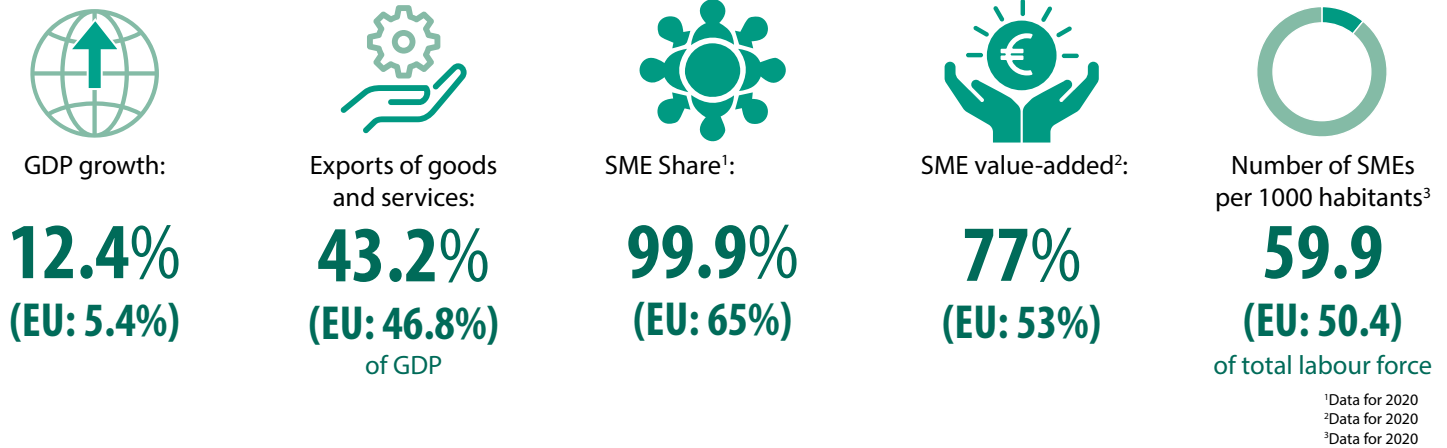
Western Balkans and Turkey 2022

Montenegro

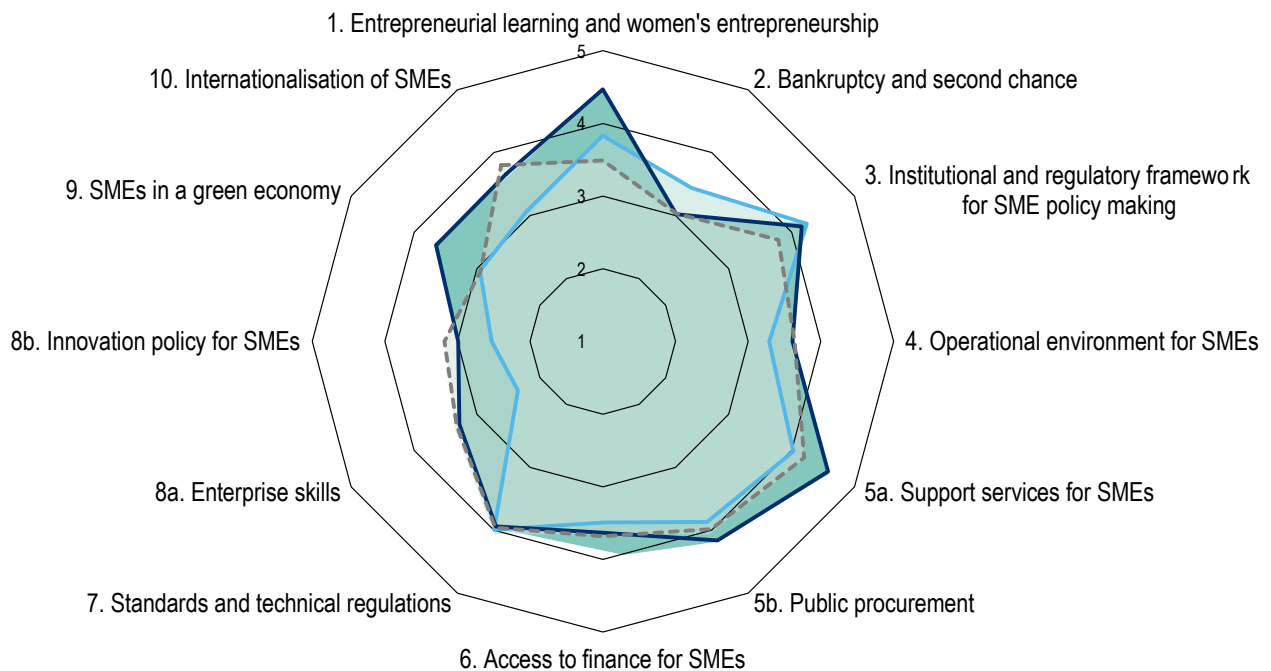


Since 2019, Montenegro has improved its performance in 9 of the 12 policy areas scored in the assessment, reflecting the importance of SMEs in the government's policy agenda. Ensuring that implementation has impact is crucial in achieving governments' objectives, while monitoring and evaluation of all policy measures are essential for tracking efficiency and effectiveness.

Key facts (2021)



Montenegro's SME Policy Index performance (2019 and 2022)



— 2019 Dimension score — 2022 Dimension score - - - 2022 WBT Dimension average score

Main achievements

- ❖ **Strong emphasis has been placed on developing and implementing entrepreneurial learning** at the system level, improving the availability of entrepreneurial learning across all levels of lifelong learning in Montenegro.
- ❖ **The implementation of the Strategy for the Development of Micro, Small and Medium-Sized Enterprises (2018-2022) has advanced well**, despite the COVID-19 pandemic.
- ❖ **The provision of business support services has progressed considerably**, increasing the number and scope of support programmes for SMEs.
- ❖ **Access to finance has been facilitated by Montenegrin authorities' strong fiscal response**, in order to soften the economic impact of the COVID-19 pandemic. Access to credit has remained relatively stable amid a robust legal and regulatory framework, now fully aligned with Basel III requirements, and ongoing consolidation of the banking sector.
- ❖ **A stronger focus has been placed on implementing policies to improve enterprise skills** and providing trainings for start-ups.
- ❖ **SMEs' greening efforts have been further supported.** Montenegro's strategic framework has increasingly included environmental policies targeting SMEs, and their implementation has been mostly done at a good pace.
- ❖ **The strategic framework for export promotion and SME integration into global value chains has been strengthened**, with a special emphasis on cluster formation and development.

The way forward

- ❖ **Develop insolvency prevention policy measures, including a fully fledged early warning system**, as SMEs tend to underestimate the importance of maintaining a sound financial status and avoiding risky decisions.
- ❖ **Build the public administration's capacity to understand businesses' needs when designing digital services.** The government should adopt a proactive approach to redesigning services around the needs of businesses to further improve the operational environment for SMEs.
- ❖ **Improve monitoring and evaluation of digital services for businesses, including company registration.** The government should look to make regular and obligatory monitoring of satisfaction a key objective of the overall development plans for the e-Uprava and e-Firma portals, where services are concentrated.
- ❖ **Develop a comprehensive financial literacy strategy**, which should address both measures for entrepreneurs and the broader public, including students, and should suggest a clear implementation mechanism and body responsible for its execution.
- ❖ **Introduce measures to stimulate collaboration between research institutions and the private sector** to boost investments into research and development and build the foundation for a knowledge economy.

SME Policy Index: Western Balkans and Turkey 2022

This sixth edition of the SME Policy Index: Western Balkans and Turkey 2022 – Assessing the Implementation of the Small Business Act for Europe assesses SME-related policy reforms in Western Balkans and Turkey across 12 policy dimensions. It is designed to help policy makers develop and implement policies to support SMEs and entrepreneurs in their recovery from the pandemic and to boost their competitiveness based on good practices in OECD and EU member states. Economy-specific profiles complement the regional assessment and provide each economy with an in-depth analysis of the implementation status of the ten Small Business Act for Europe principles and monitors progress made since 2019.

