



Government
of Montenegro



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www.greendays.me

Conclusions

The final summary, presenting the main outcomes of the Conference “Green Days 2019: Unlocking Green Growth Potentials“, which were at the core of three keynote addresses and six panel sessions, outlines the following:

- ❖ All-inclusive and comprehensive dialogue launched during the two-day conference is to be widely regarded as the point of departure to achieve Montenegro’s vision for green economy and sustainability.
- ❖ The recommendations of the “Green Days Conference” have been aligned with the Sustainable Development Goals. While in Montenegro the Green Economy concept has been primarily driven through investments into energy sector, the Conference has provided ideas for expanding the implementation of the Green Economy concept to other economic sectors, such sectors as tourism, agriculture and urban transportation. UNDP stands ready to assist the Government of Montenegro in this regard.
- ❖ Transition to a Green Economy, which has already been identified by the UN as the key accelerator with multiplier impacts on several Sustainable Development Goals, is to be further encouraged as the concept entailing a development paradigm shift that pursues economic growth with less use of natural resources and less environmental damage.
- ❖ The Agenda 2030 and its 17 Sustainable Development Goals are not to be regarded as a solution in and for themselves, but as the smartest political compass providing a common language that enables the communication about sustainable and inclusive growth across

all boundaries, reflecting the complexity and changing nature of the multiple challenges in Montenegro and the region.

- ❖ In all of the EU Candidate countries there is a strong synergy between the two on-going processes - Agenda 2030 and EU accession - especially within the Chapter 27 (Environment and Climate Change). Achieving the final benchmarks of the Chapter 27 can accelerate the transition towards the Sustainable Development Goals.
- ❖ Broader financing strategies, going beyond public sector, will be required for the Green Economy concept to take the stronger root. These will need to include not only prioritization of public funds allocations and financial incentives to drive the Green Economy, but also attracting private sector investments and raising capital (both domestic and foreign) in support of the Green Economy.
- ❖ Policies and measures to reduce and manage climate change risk levels are determined at multiple scales and involve a broad range of stakeholders, including public and private sector actors.
- ❖ Transformation to sustainable transport requires adequate and accessible infrastructure which plays an important role in particularly achieving higher acceptance of electric mobility in the WB region. Introducing subsidies and incentives for the e-vehicle purchasing is an indispensable instrument in promotion of the e-Mobility concept in less developed countries.
- ❖ Technology and innovations are shaping our future and contributing to economic growth and job creation, therefore well planned and systematically implemented innovation concept at different levels (from education to policy making) is crucial for sustainable development of the society.
- ❖ Improving the resource use and management has to be complemented with increasing equity and fairness between individuals and nations in sharing the use of the resources and its impacts. Respecting the specific local conditions, capabilities and knowledge in shaping the transition in this regard is important.

The main specific thematic conclusions are:

Climate Change

- ❖ Montenegro is fully in line with the EU and UNFCCC policies when it comes to its obligations related to decrease of GHG emissions, as well as proportion of the renewable energy production. It is clearly expressed through the country's Nationally Determined

Contributions (NDCs), aiming at 30% decrease of GHG emissions. This will be achieved by implementation of the new and modern industrial technology, by increasing of the share of renewable energy sources and by general improvement and modernization of the energy efficiency sector.

- ❖ Even though being small GHG emitter globally, Montenegro is predicted to be affected by the climate change. In that regard, adapting to climate change seems equally, if not even more important than its mitigation efforts. Montenegro is taking further steps in this direction with the National Adaptation Plan to be developed in the forthcoming period.
- ❖ Montenegro intends to invest in infrastructural projects, which will contribute to the overall reduction of the GHG emissions in the country. The greatest investments until 2030 are planned in the energy sector. The national strategies in the area of climate change stipulate and provide guidelines that it is possible to simultaneously attain climate and energy goals, while keeping development pace. Thus, Montenegro will in the forthcoming period initiate the process and discussion for revision of its NDCs, taking into consideration importance of adaptation as well as smart green growth which would eventually result in further decrease of the GHG emissions.

e-Mobility

- ❖ Many European cities have been promoting e-mobility. But, to create scale in Europe, a constellation of disconnected initiatives is not enough to drive the needed change. It is obvious that the projected targets regarding e-Mobility at the European level will not be met.
- ❖ The high price of electric vehicles, inadequate infrastructure, i.e. non-existence of adequate number of electric charging stations, as well as the high price of the engaged power (capacity) in Montenegro represent the identified deficiencies in the process of implementation of e-Mobility concept in the country. In the scope of overcoming the mentioned barriers, it is necessary to improve the existing infrastructure through the construction of charging stations, increasing visibility of the concept of e-Mobility, as well as introducing subsidies for the purchase of electric vehicles.
- ❖ One of the lessons learnt from pursuing e-Mobility in other EU countries is the need of an up-front strategy for e-Mobility, which would serve as a guiding framework for all actors involved in the implementation of the concept to allow for the coordinated sequencing of their actions, synergies and pooling of private and public investments towards the common e-Mobility vision.

Fostering Innovation for Green Growth

- ❖ Among many determining factors, the government policy and regulations play the key role in stimulating innovation in the absence of strong market drivers, which is the case in Montenegro and in the Western Balkan region.
- ❖ New Law on Innovation and Smart Specialization Strategy underlines importance of investments in capacities in research and education that are needed to drive the innovation in the country. By increasing innovation capacity in the country, public and private companies can boost competitiveness and reach new markets.
- ❖ In order to reach this objective, a bottom-up approach is recommended to encourage innovation in education and research, stimulating innovation in both the public and the private sector.
- ❖ Six key areas that are in line with SDGs and have the greatest potential to drive innovation across sectors are: Education, Health, Circular Economy, Smart Cities, Food and Land use and Digitalization.

Circular Economy and Waste Management

- ❖ It is important to prevent and minimize waste generation in the first place, while in parallel pursue implementation of environmentally sound waste management procedures and practices. To implement the concept of circular economy comprehensively is costly for any society. Therefore new financial instruments (for example, new taxation policy) are needed for investments in infrastructure and sufficient recycling facilities. Without that, the circular economy objectives set by the EU directive will not be achieved.
- ❖ Circular economy could be achieved only if the local context is well understood and thoroughly analyzed. In waste management, the evidence-based policy which is informing the proposed solutions is essential.
- ❖ It is the responsibility of all stakeholders (public and private sector, individual citizens, communities, local governments) to take necessary actions for change, notably regarding the design, use and consumption of plastics and plastic products as well as food waste. This type of the waste is being generated, more and more in the tourism sector in Montenegro.
- ❖ Montenegro should develop appropriate and novel waste management models across the whole waste value chain (especially, but not exclusively, in the tourism sector),

followed by a tailor-made financing/business model to adequately respond to the size of the country and its economy of scale;

- ❖ Financial incentives should be introduced to lower waste generation in general and drive behavioral change, applying the equity vs. equality principle.

Resource Efficiency and Businesses

- ❖ Costs of the transition to resource efficient practices should not be considered as costs. More and more, they are being considered by the private companies as an investment and opportunity for business development.
- ❖ Montenegro will focus on diversification of renewable energy sources and will follow recommendations of new EU energy package Clean Energy for all. Within this context, the focus over the next period will be on energy sustainability on the level of the households and small enterprises through supporting improvement of energy efficiency measures on one side (diminishing the energy need) and increasing contribution to energy production on the other side (solar, wind installations – producers and consumers at the same time – concept of the Prosumer).
- ❖ Putting in place policies that foster the principles of reduce, reuse, recycle is crucial for improving the resource productivity. In addition, the design and implementation of policies that promote resource efficiency across the lifecycle of products (Extended Producer Responsibility (EPR), Green Public Procurement (GPP), Partnerships involving businesses working along value chains) will create a base for the conservation of natural resources, landfill space and energy.

Green Growth Financing

- ❖ Green growth requires changing a structure of current investment patterns as well as additional investment into sustainable technologies and practices. The public budget cannot finance it alone and the leverage of private capital is critical. Strong rule of law, predictability and law enforcement are key preconditions for attracting the private sector investments. Hence, the role of the public sector is to create stable investment regime and incentives.
- ❖ There is a range of mature and new financing instruments and schemes that are promising to channel more sustainable finance to Montenegro. These include acceleration schemes and outcome payments for nature-based businesses, green bonds, impact and equity investments, crowdfunding, financing by citizens, and others. Recently established Eco-

Fund is a good example of generating domestic revenues but it will need to be complemented by foreign (public and private) funding in order to address the volume of investments required, especially to meet the EU Chapter 27 standards.