



Weekly Briefing

Montenegro social briefing:
Green Development Policy and Action: Montenegro
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Summary

The paper makes a review of the major policies and actions made in the area of green development in Montenegro. For the purpose of examining the objectives and actions set at the national level, we look at the crucial strategic document on the topic – National strategy for sustainable development. One of the six priority areas of the strategy is the introduction of green economy, whose aim is to achieve the highest standards of sustainability, productivity and competitiveness of all economic sectors in the country.

Introduction

On the development path Montenegro places the principles of sustainability at the core of its future objectives. The pivotal document that defines the priority topics and development direction in the country is the National strategy for Sustainable Development¹. By designing this strategy back in 2007, Montenegro set a clear vision for its future. To better understand its commitment to green development here is a citation from The Declaration on the Ecological State of Montenegro, adopted by the Parliament of Montenegro on September 20th, 1991, that states: *“aware of the debt to nature, the source of our health and the inspiration of our freedom and culture, we dedicate ourselves to its protection, in the name of our own survival and future of our descendants.”*

Sustainable development is seen as a necessity in Montenegro

The principles of sustainability (economic, social, environmental) are an integral part all development plans, primarily because the country bases its development on sectors that directly depend on natural resources. The key strategic document in this area is *National Strategy for Sustainable Development* (NSSD). First NSSD was created in 2007, and was followed up by five implementation reports till 2014 when a revision of the original document took place.

¹ Due to a limit in volume of the paper we do not look into sector-specific strategies and implementation reports related to them. However, they represent an integral part of the NSSD till 2030, thus major data has been incorporated.

The new *National Strategy for Sustainable Development of Montenegro until 2030* (NSSD) improves the policy of sustainable development of Montenegro. Priority topics², strategic goals and measures of sustainable development until 2030 represent the Montenegro's response to the challenges and obligations brought by the implementation of the UN Agenda for Sustainable Development until 2030.

The design of NSSD implies the introduction of green economy. Green economy is low-carbon, resource efficient and socially inclusive, and its implementation will foster the achievement of strategic goals in the following priority areas: climate change mitigation, resource efficiency, waste management using practices of circular economy, sustainable management of coastal resources and stimulating the blue economy, sustainable production and consumption and social responsibility, as well as the growth of competitiveness of the Montenegrin economy.

Climate change mitigation implies a set of measures aiming at reduction of GHGs for up to 30% relative to its level from 1990. This is to be achieved through education and awareness rising among the citizens on the topic, besides, economic incentives for businesses using renewable energy sources and promoting rational use of energy. Additionally, better care for forests and advanced measures for their protection and responsible use, as well as introduction of low carbon technologies in plants in accordance with best practices, are planned.

In the area of resource efficiency there are three strategic goals set - improving resource efficiency in key economic sectors, improving waste management and encouraging sustainable valorization and conservation of marine resources. The key sectors for increasing resource efficiency are: energy, construction, agriculture, transport, and the service sector (tourism). There are several sets of measures planned in this area - economic instruments³, regulatory instruments, research and development, human resources development, improvement of

² Six priority topics: Improving the state of human resources and strengthening social inclusion; Support for values, norms and patterns of behavior important for the sustainability of society; Preservation of natural capital; Introduction of green economy; Management for sustainable development; Financing of sustainable development.

³ E.g., environmental taxes, user fees and charges, trade certificates, green finance, green public procurement, incentives, permits and prohibitions that can be traded etc.

information availability and promotion of resource efficiency and evaluation of limited resources.

In the energy sector there is still a high material intensity, although a decline of 23.1% was recorded, resource productivity is one of the lowest (only € 0.07 of GDP per ton of DMC invested is achieved), while metabolic rate (reflecting the consumption of domestic natural materials per capita) in this sector increased by 19.2% (NSSD, 2016).

However, construction is the sector that has by far the largest share in domestic consumption of materials, as well as poor efficiency, which is reflected in an increase in material intensity indicators by as much as 43%, a decrease in resource productivity by 50%, as well as an increase in - DMC consumption per capita by 25.4% (NSSD, 2016). Some of the measures set in this specific sector are stimulating more resource-efficient use of construction materials, reducing the amount of construction waste, constructing buildings with minimal emissions and using construction materials with less impact on the environment (NSSD, 2016).

Agriculture and its importance for the Montenegrin economy places the sustainability of the sector at the top of the strategic priorities. The indicators in this sector call for stronger measures and mechanisms in order to achieve better results. Therefore, the strategy establishes certain standards in this sector, when it comes to resource efficiency: taxes on environmentally harmful activities in the agricultural sector (use of pesticides and mineral fertilizers), greening subsidies⁴, technological change and innovation.

Service sector (tourism) and its interrelations with other sectors will along its greening process encourage the progress in other areas as well. Greening tourism and improving resource efficiency in the sector implies energy consumption, waste generation and biodiversity protection. Besides, the strategy sets the measures in preserving the attractiveness of the destination in the long run with careful planning and construction of new capacities, development of types of tourism that have a favorable impact on the environment and do not endanger natural and landscape values, and efficient tourist facilities. And finally, the green

⁴ E.g., subsidies for organic production, or for farmers to change the way they feed cattle.

innovations, which imply the application of existing, but also the introduction of new standards, that are of great importance for greening tourism.

According to the estimates given in the Waste Management Strategy of Montenegro until 2030, the amount of waste that will be generated in the coming period will still increase, despite the constant tendency to reduce the amount of waste that is generated⁵. It is estimated that the amount of waste that will be generated in the period until 2036 will constantly increase by 2% annually in local self-government units with constant population growth. Apart from the advancement in technology and mechanisms, the strategy sets specific measures for improving the implementation of punitive measures, and strengthening public awareness on the importance and benefits of sustainable waste management.

With the aim to achieve the strategic goal of the NSSD for the period until 2030 – enable sustainable management of coastal resources and encourage the blue economy – the implementation of the following measures is planned: preserve the attractiveness of the coastal area for the development of sustainable tourism, restore and preserve valuable rural area, support sustainable valorization and conservation of marine resources. In addition to the above measures, greening of coastal development implies support measures for green entrepreneurship⁶.

Sustainable production and consumption are to be achieved through the combined implementation of different measures, with assured participation of decision makers and relevant policies, the business sector, science, civil society organizations and consumers. Along the way, a number of green entrepreneurship mechanisms and instruments will be available, to name a few: incubators for green entrepreneurship, and promotion of new green business models; economic and financial instruments - green banking, tax and fee reform.

⁵ The reason for such an assessment lies in the fact that Montenegro has not yet adopted living habits and models of management (linear economy versus circular economy) which in the next, relatively short period of time could lead to a such dynamic changes and a reduction in the amount of waste generated (NSSD, 2016).

⁶ E.g., strengthening local entrepreneurial infrastructure, providing funding programs and improving product quality.

To increase the level of competitiveness of the Montenegrin economy for sustainable development and green jobs the strategy foresees a set of measure to stimulate resource efficiency and investment, strengthen local entrepreneurial infrastructure and business environment, launch and implement incentive financing programs to enable better availability, accessibility and access to finance for entrepreneurs and SMEs, and improve the quality of products and services in the context of establishing space for creating green jobs.

Limited action

However, the action of the state is quite limited due to insufficient resources and many challenges that Montenegrin society faces. In addition, there is a lack of understanding of green development concept among the wider population. However, some international institution, together with Montenegrin government are active in the implementation of projects related to green development. Apart for the strategic framework, an overview of the actions realized in this area revealed a few important projects supported or conducted by international organizations. The International Labor Organization (ILO) provided financial support for the design of the first in-depth analysis of green jobs potential in Montenegro conducted by Regional Environmental Centre REC⁷ – *Developing a More Conducive Environment for Green Jobs and Enterprises in Montenegro*, in 2017. UNDP in Montenegro is conducting a project *Growing green business in Montenegro*, whose aim is to create favorable business climate and conditions for private sector investment in low-carbon and other environmentally-friendly businesses in Montenegro. The project started in 2018, and is expected to finish in December this year.

Montenegrin policymakers are aware of the necessity for green development. Also, some foundations for this exist. Having in mind the variety of natural resources, there is strong potential to adopt economic development to the sustainable green path. However, there are still many challenges recognized by the sustainable development documents, from poverty, income inequality, waste of energetic and other sources, etc. These challenges require more significant action in green development.

⁷ <http://montenegro.rec.org/project-detail-eng.php?id=191>)