



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Montenegro

An initiative of the European Union





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Introduction



This document presents an overview of the cluster policy in Montenegro. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country can be consulted in the [Montenegro 2020 Report](#) and the [Montenegro factograph](#). These documents highlight the country's recent developments, economic outlook and the state of play of its relations with the EU.

01

National cluster policy, programmes and initiatives



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1. National cluster policy, programmes and initiatives

Policy type:	Broad policy
Policy name:	Industrial policy of Montenegro 2019-2023 Industrial policy
<p>POLICY OBJECTIVES</p> 	<p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Enhancing the visibility of clusters</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Supporting the consolidation of existing cluster organisations</p> <p>Supporting the creation of new cluster organisations</p> <p>Promoting employment and upgrading skills and competences</p> <p>Enhancing territorial cohesion (through RIS3)</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Connect to global supply chains</p> <p>The cluster development policy is the part of the industrial policy of Montenegro (2019-2023). It is the part of Strategic Goal (SG) 4: Improving access to the market and sub-section SG 4.2 “Improvement of the enterprises organisation into clusters and global value chains”. Overall, the national strategy on clusters development acknowledges that organisation through clusters and increasing production activities could help reducing high economic trade deficit. Clusters could also help to enhancing regional cohesion and reducing socioeconomic gaps between regions. The priority activities for cluster development are: (i) the early stage capacity support (i.e. cluster management, promotion of development of new clusters, inclusion into value chains, improve level of organization of enterprises into clusters); (ii) cluster members co-operation (i.e. improving production, development of new products and access to new markets, regional networking); (iii) establishment of vertical clusters; (iv) inclusion in the EU cluster initiative. Furthermore, the cluster development is currently supported by the second Programme for clusters development (2017-2020).</p>
	No specific focus



POLICY FOCUS			The focus is quite broad and includes the increase of export capacities and reducing internal high economic trade deficit.
RESPONSIBLE AUTHORITIES			 <p>Both drafting and implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p> <p>The Ministry of Economy is in charge of drafting, funding, monitoring and publishing the evaluation of Programme for clusters development under the industrial policy. The evaluation of the programme is available for the period (2012-2016) and the current programme is ongoing (2017-2020).</p>
BENEFICIARIES			<p>SMEs</p> <p>Cluster organisations</p> <p>The strategy refers to both SMEs and clusters, but the funding for cluster related activities is available only for clusters (i.e. non-SMEs members directly, according to Programme call for clusters development (2012-2016) (2017-2020).</p>
INSTRUMENTS	Financial		 <p>Funding collaboration initiatives</p> <p>Subsidies to hire personnel</p> <p>Subsidies for cluster infrastructure (e.g. offices, equipment)</p> <p>Financing networking events</p>
	Technical assistance	<p>Support for hard skill development: knowledge transfer, intellectual property , entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>	
	Explanation	The Programme for clusters development (2019-2023) under Industrial policy of Montenegro finances costs for material and non-material investments (i.e. IT equipment and vehicles excluded), operational costs (i.e. personnel, administrative costs), facilitating collaboration, exchange of information between cluster	



		members, enhancing clusters visibility and their products for attracting new members and acquiring product visibility, organising workshops, conferences for enhancing knowledge and competences of cluster members, networking between cluster members, improving product (design packaging), export related activities (i.e. fair, networking with clusters from abroad and study visit).
HISTORY 	Period	Limited period
	Ending year (<i>for policies with limited period</i>)	2023
	Starting year	2019
	Explanation	The Industrial strategy covers period 2019-2023.
BUDGET 	Overall	The Action Plan shows allocated funds for 2019 amounting to EUR 150 000 and 2020 amounting to (i.e. EUR). The cluster policy under SG4 is taking 9% of budget that should be approximately EUR 338,481.
	Annual	EUR 150,000
	Source of funding	The source of funding is the national budget.
POLICY EVALUATION 	Availability	No policy evaluation
	Results	The strategy envisages the implementation report for each year. The first evaluation report (i.e. Report on implementation of the Action Plan for the period 2019-2020 for the year 2019) was not available when the research was conducted.
POLICY ALIGNMENT WITH THE EU PRIORITIES 		Green economy Digitalisation

02

State of play of cluster policy



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2. State of play of cluster policy

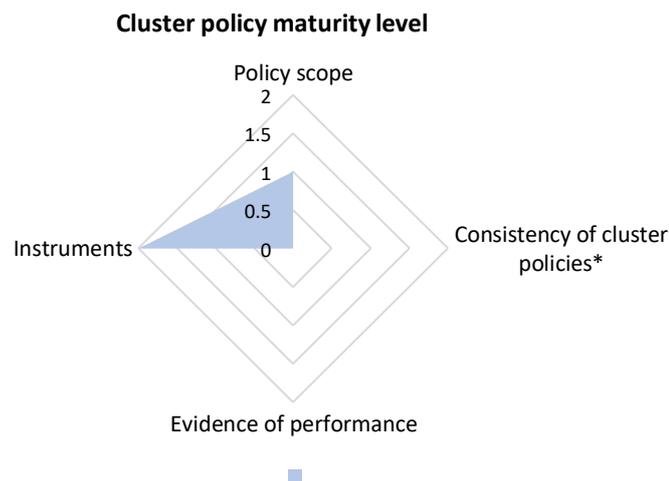
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 1 and which are scored based on their existence:

- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity) = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	Montenegro	Maximum score
Policy scope	1	2
Consistency of cluster policies*	0	2
Evidence of performance	0	1
Instruments	2	2

* This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies



State of play of cluster policy in the country

Policy evaluation (for terminated policies)

Availability of evaluations for terminated policies

In July 2021, the government of Montenegro published a "Report on the implementation of the Action Plan of the Strategy for the Development of Micro, Small and Medium Enterprises in Montenegro 2018-2022, for



	<p>2020"(including also references to the cluster policy). As the part of the current Industrial strategy (2019-2023), the section on the overview of achieved results from the previous mid-term (2016-2018) in relations to cluster support is the following: improved capacities of managing clusters, promotion of development of new clusters and better compliance with the requests of international business standards and adopting EU standards. Two programmes were realised during the past period: (i) Programme for encouraging cluster development in Montenegro (2012-2016) (ii) Programme for enhancing regional and local competitiveness. In 2017, Ministry of Economy published the evaluation of Programme for clusters development for (2012-2016). The overall funding of the programme was EUR 525,000. The results show that the programme contributed to better collaboration between cluster members, internal capacities and marketing. Moreover, clusters increased profit and established better cooperation with partners in the region. Local authorities also improved their capacities for supporting cluster projects. Particular attention was given to strengthening capacities for local business centres where clusters operates.</p>
<p>Policy approach in the country</p>	<p>Policy support for the activities of cluster organisations</p> <p>Cluster approach used directly by national/regional development agencies</p> <p>Specific policies to support cooperation projects</p>
<p>Continuity</p>	<p>Since 2009, Montenegro has a policy that was co-jointly developed by Ministry of Economy of Montenegro and the UN organisations and which supports cluster development in the country. The policy is rather broad, and it is part of industrial and regional development policy. The early development of cluster organisations in Montenegro was supported by "National Strategy for Sustainable Economic Growth through the Development of Business Clusters" in the period between 2012-2016.</p> <p>Cluster policy is currently the part of the Industrial policy (2019-2023) (i.e. Strategic Goal 4.2.: "Improvement of the enterprises organization into clusters and global value chains". The Ministry of Economy of Montenegro is in charge of policy drafting, implementing and monitoring. The new call for Programme for clusters development is currently ongoing (2017-2020).</p>
<p>Consistency</p>	<p>No cluster policy available</p> <p>Cluster creation and development is supported though the broad industrial policy.</p>

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