



EUROPEAN CLUSTER  
COLLABORATION PLATFORM

# Country factsheet

Montenegro

An initiative of the European Union





## Contents

Introduction .....	3
1. National cluster policy, programmes and initiatives.....	5
2. State of play of cluster policy .....	10
Bibliography.....	14
Annex.....	15



## Introduction



This document presents an overview of the cluster policy in Montenegro. Given the importance to contextualise the analysis of cluster policies (and related), a comprehensive outlook of the country can be consulted in the [Montenegro Report 2021](#) 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.

The COVID-19 pandemic has caused an unprecedented economic shock to Montenegro and the global economy. In response, Montenegro launched the [Economic Recovery Platform 2022-26](#) as a framework to coordinate economic recovery and development efforts. It does not mention cluster development as an explicit goal and in general adopts a very broad perspective.

The ongoing Russian military aggression against Ukraine and the ensuing international market disruptions reaffirm the importance of cluster development in order to strengthen Montenegro's economic resilience.

At the same time, the [Common Regional Market \(CRM\) 2021-2024 Action Plan](#) for the West Balkans Six countries will promote Montenegro's international economic integration and emphasize the advantages of a structured cluster development strategy to back Montenegro's businesses' integration into regional and global value chains.

In the following, a succinct overview of the cluster policy in Montenegro will be provided. The structure of this factsheet encompasses:

- 1) an overview of the general business development policy in Montenegro,
- 2) an assessment of the state of play of the national cluster policy.

# 01

## National cluster policy, programmes and initiatives



EUROPEAN CLUSTER  
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



# 1. National cluster policy, programmes and initiatives

In this section we provide an overview of the existing Montenegrin cluster policies on a national level.

The breakdown is presented in the form of a table, with the first column showcasing information on the aspects which constitute the policy (beginning with 'Policy Objectives', following with 'Policy Focus', etc.). The second column represents the case of Montenegro's Industrial Policy 2019-2023, as this policy comprises the promotion of cluster development.

Within the table the text presented in bold (black) depicts standardised categories across country factsheets (56 in total for 2022), which are applied for comparative purposes. This is followed by a complementary descriptive text to provide more insights about the cluster policy in Montenegro.

Policy type:	Broad policy
Policy name:	Industrial Policy of Montenegro 2019-2023
<p><b>POLICY OBJECTIVES</b></p> 	<p><b>Increasing competitiveness and boosting scale up of SMEs</b></p> <p><b>Supporting internationalisation activities</b></p> <p><b>Enhancing the visibility of clusters</b></p> <p><b>Supporting cluster excellence and professionalisation of cluster management</b></p> <p><b>Supporting the consolidation of existing cluster organisations</b></p> <p><b>Supporting the creation of new cluster organisations</b></p> <p><b>Promoting employment and upgrading skills and competences</b></p> <p><b>Enhancing territorial cohesion (through RIS3)</b></p> <p><b>Strengthening the network of cluster organisations/cross-clustering</b></p> <p><b>Connect to global supply chains</b></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 organization into clusters</p>



Policy type:	Broad policy
Policy name:	Industrial Policy of Montenegro 2019-2023
	<p>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 socio-economic 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.</p> <p>The Industrial Policy is aligned with the concurrent Smart Specialisation Strategy (S3) of Montenegro (2019-2024). Until recently, cluster development was supported by the second Programme for clusters development (2017-2020).</p>
<p><b>POLICY FOCUS</b></p> 	<p><b>No specific focus</b></p> <p>The policy supports cluster development across a range of different sectors (i.e. tourism, agriculture/food industry, metal and wood processing). The overall objective is to increase domestic business' competitiveness in both foreign and domestic markets in order to reduce the high trade deficit.</p>
<p><b>RESPONSIBLE AUTHORITIES</b></p> 	<p><b>Both drafting and implementation</b></p> <p><b>Provides funding</b></p> <p><b>Oversees the implementation</b></p> <p>The Ministry of Economy is in charge of drafting, funding, monitoring and publishing the implementation and evaluation reports for the Industrial Policy.</p>
	<p><b>SMEs</b></p> <p><b>Cluster organisations</b></p>



Policy type:		Broad policy
Policy name:		Industrial Policy of Montenegro 2019-2023
<b>BENEFICIARIES</b> 		<p>The policy refers to both SMEs and clusters, but the funding for cluster-related activities is available only for cluster organisations, i.e. not for their SME members directly, according to the programme calls for clusters development (2012-2016, 2017-2020). The rationale is to increasingly organise SMEs into clusters in order to commonly develop their ability to integrate into global value chains.</p>
<b>INSTRUMENTS</b> 	Financial	<p><b>Funding collaboration initiatives</b></p> <p><b>Support to R&amp;D projects, SMEs becoming cluster members, etc.</b></p> <p><b>Application to labelling schemes and similar initiatives</b></p> <p><b>Subsidies for cluster infrastructure (e.g. offices, equipment)</b></p> <p><b>Financing networking events</b></p>
	Technical assistance	<p><b>Support for hard skill development: knowledge transfer, intellectual property , entrepreneurship, export advice, market intelligence</b></p> <p><b>Support for soft skills development: coaching, management training, upskilling/reskilling</b></p> <p><b>Support for networking and partnership building (at national and/or international level)</b></p> <p><b>Marketing activities: advertising, communication, events, fairs, and so on</b></p>
	Explanation	<p>The Industrial Policy of Montenegro provides funding for material and non-material investments (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).</p>
	Period	<b>Limited period</b>



Policy type:		Broad policy
Policy name:		Industrial Policy of Montenegro 2019-2023
<b>HISTORY</b> 	<b>Ending year</b> (for policies with limited period)	2023
	<b>Starting year</b>	2019
	<b>Explanation</b>	The Industrial Policy covers the period of 2019-2023.
<b>BUDGET</b> 	<b>Overall</b>	The Action Plan shows allocated financial resources for 2019 and 2020 for subgoal 4.2 amounting to EUR 150,000 each. Further funding for preparing and conducting grant schemes for cluster support is provided by IPA funds under 2.1.4 amounting to EUR 45,000 in 2020.
	<b>Annual</b>	EUR 150,000
	<b>Source of funding</b>	The source of funding is the national budget, supplemented by IPA funding.
<b>POLICY EVALUATION</b> 	<b>Availability</b>	<b>No policy evaluation</b>
	<b>Results</b>	The policy envisages an implementation report for each year with a final evaluation after the completion of the policy in 2023. There was no report available at the time the research was conducted (Sep 2022).  The evaluation of the programme for cluster development is available for the 2012-2016 but not yet for the 2017-2020 period.
<b>POLICY ALIGNMENT WITH THE EU PRIORITIES</b> 		<b>Green economy</b> <b>Digitalisation</b>

02

## State of play of cluster policy



EUROPEAN CLUSTER  
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



## 2. State of play of cluster policy

This section presents an overview of the state of play of Montenegro's cluster policy in the form of a quantitative and qualitative assessment. The data below illustrates how the country ranks in terms of **maturity of cluster policy at the national level**. The maturity assessment is based on a combination of factors presented in Chapter 1, which receive a score based on the existence or absence of a given element in the cluster policy.

**Note:** the maturity assessment does not reflect the performance of a country, but only the degree of development of their national cluster policy at the moment of data collection (Q3 2022). The assessment illustrates how the country scores for each of the four criteria (policy scope, continuity of cluster policies, evidence of performance, cluster support instruments) compared to the maximum score that they can reach. Please refer to the Annex for a detailed overview of the categories and the scoring system.

The table below presents an overview of the **maturity assessment for Montenegro** for 2022. The total score of Montenegro is 1,5 points out of 8.

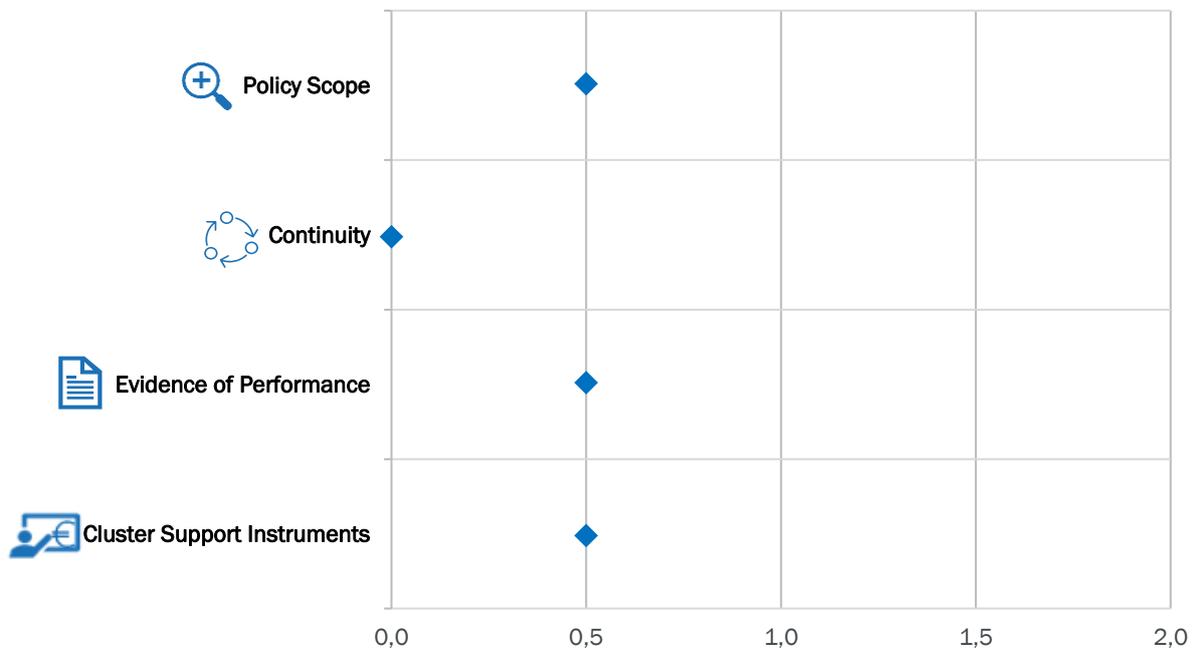
Montenegro	MATURITY ASSESSMENT	Max score	Actual score
<b>POLICY SCOPE</b>	Absence of cluster policy	0	
	Broad policy	0,5	<b>0,5</b>
	Sectoral policy	1	
	National and/or regional cluster policy	2	
<b>CONTINUITY</b>	No cluster-specific policy available	0	<b>0</b>
	Cluster policy established recently	0,5	
	Cluster policy established between over 2 and 10 years	1	
	Cluster policy established over 10 years ago	2	
<b>EVIDENCE OF PERFORMANCE</b>	No evaluation and / or monitoring available	0	
	Existence of evaluations of past policies	0,5	<b>0,5</b>
	Existence of monitoring or an ongoing / interim evaluation	1	
	Existence of monitoring and ex-ante or ongoing / interim evaluation	2	
<b>CLUSTER SUPPORT INSTRUMENTS</b>	No instruments for cluster development	0	
	Financial support for cluster development in the broader and / or sectoral policy	0,5	<b>0,5</b>
	Financial or technical support for cluster development in dedicated cluster policy	1	
	Financial and technical support for cluster development in dedicated cluster policy	2	
<b>TOTAL (8)</b>			<b>1,5</b>

Source: ECCP (2022)



Drawing from the table above that showcases the scored points in Montenegro's cluster policy, the Figure below portrays the **degree of maturity** across four categories related to the national level cluster policy.

**Figure 1: Maturity of cluster policy - Montenegro**



Source: ECCP (2022)

The text below provides a **qualitative description** of the state of play of the cluster policy in Montenegro, which is complementary to the maturity assessment presented above.

### **Policy scope**

Cluster development is a dedicated part of the broader Industrial Policy (2019-2023) where it is promoted under subgoal 4.2.

### **Continuity**

Since 2009, Montenegro has a policy that was co-jointly developed by the Ministry of Economy of Montenegro and the UN organisations to support 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.

Cluster policy is currently 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 Economic Development of Montenegro is in charge of policy drafting, implementing and monitoring. The latest call for the Programme for clusters development was for the 2017-2020 period.



### **Evidence of performance**

As part of the current Industrial Policy (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, the 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 operate.

The current Industrial Policy envisages yearly implementation reports and a final evaluation report. At the time of research (Sep 2022), no reports had been available yet.

### **Cluster support instruments**

The cluster development programme under the Industrial Policy offers both financial and technical support to develop and promote clusters among SMEs and support their internationalisation.

# Bibliography



EUROPEAN CLUSTER  
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



## Bibliography

Ministry of Economy (2017). "Information about state grant support and implemented activities for cluster development policy in Montenegro (2012-2016)". <http://www.gov.me/ResourceManager/FileDownload.aspx?rId=267856&rType=2&alphabet=cyr> (accessed Sep 23, 2022).

Ministry of Economy (2017). "Programme for cluster development in Montenegro for the period 2017-2020". <https://javnepolitike.me/wp-content/uploads/2021/10/Program-podsticanja-razvoja-klastera-u-Crn.pdf> (accessed Sep 23, 2022).

Ministry of Economy (2019). "Action Plan for Implementation of Industrial Policy of Montenegro 2019 – 2023 for the 2019 – 2020". <https://www.gov.me/en/documents/a2185ae5-020d-4b2d-a053-41798342a717> (accessed Sep 22, 2022).

Ministry of Economy (2019). "Industrial Policy of Montenegro 2019 – 2023". <https://wapi.gov.me/download/af22514f-712a-4fb8-8ab5-acfa8e083c4c?version=1.0> (accessed Sep 22, 2022).

Ministry of Science (2019). "Smart Specialisation Strategy of Montenegro 2019-2024". <https://senat.me/en/smart-specialisation-strategy-of-montenegro-2019-2024/> (accessed Sep 22, 2022).

Ministry of Economic Development (2021). "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 2020". <https://www.gov.me/en/documents/91ed95fb-2ff6-4822-8e86-d11b9df0b210> (accessed Sep 23, 2022).

Ministry of Economic Development (2022). "Economic Recovery Platform 2022-2026". <https://www.gov.me/cyr/clanak/javna-rasprava-nacrt-platforme-ekonomskog-oporavka-2022-2026-godine> (accessed Sep 23, 2022).



## Annex

Criterion of maturity assessment	Description	Scoring (points between 0 and 2)
<b>Policy scope</b>	assessment whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies, e.g. foreign trade policies, labour and social policies or specific sectoral policies, e.g. industrial policy tourism policies, agriculture policies	<p><b>absence of cluster policy = 0</b></p> <p><b>existence of broader policies = 0,5</b></p> <p><b>existence of specific sectoral policies = 1</b></p> <p><b>existence of targeted cluster policies = 2</b></p>
<b>Continuity of cluster policies</b>	assessment of the duration and experience of the country in carrying out cluster policies. This criterion assesses only existence of targeted cluster policies and not broader policies or sectoral policies	<p><b>absence of policies supporting cluster development = 0</b></p> <p><b>cluster policy established recently (within the last 2 years) = 0,5</b></p> <p><b>cluster policy established between over 2 and 10 years = 1</b></p> <p><b>cluster policy established over 10 years ago = 2</b></p>
<b>Evidence of performance</b>	assessment whether there are evaluations of past and ongoing policies and a monitoring system in place. The existence of monitoring and evaluation mechanisms determines the degree of policy development in the country	<p><b>no evaluation and / or monitoring available = 0</b></p> <p><b>existence of evaluations of past policies, e.g. ex-ante = 0,5</b></p> <p><b>existence of monitoring or an ongoing / interim evaluation =1</b></p> <p><b>existence of monitoring and ex-ante or ongoing / interim evaluation =2</b></p>
<b>Cluster Support Instruments</b>	assessment whether the policies provide any instruments to support the policy implementation, being these financial and/or technical support	<p><b>no instruments for cluster development =0</b></p> <p><b>financial support for cluster development in the broader and / or sectoral policy = 0,5</b></p> <p><b>financial or technical support for cluster development in dedicated cluster policy = 1</b></p> <p><b>financial and technical support for cluster development in dedicated cluster policy = 2</b></p>

Source: ECCP (2022)