



EUROPEAN CLUSTER
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Country factsheet

Montenegro

An initiative of the European Union





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01

Introduction and economic policy context



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1. Introduction and economic policy context.



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 2023 report](#). The document highlights 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 Montenegro's Smart Specialisation Strategy, on which the country's cluster policy is primarily based
- 2) an assessment of the state of play of the national cluster policy.

02

National cluster policy, programmes and initiatives



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2. 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 Smart Specialisation Strategy (S3) 2019-2024, 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 2023), which are applied for comparative purposes. This is followed by a complementary descriptive text to provide more insights about the cluster policy in Montenegro.




Table 1 - Overview of cluster policy in Montenegro

Policy type:	Broad policy
Policy name:	Smart Specialisation Strategy (S3) of Montenegro 2019-2024
POLICY OBJECTIVES 	Increasing competitiveness and boosting scale up of SMEs Strengthening cooperation between companies or industry and RTDI actors Fostering R&D activities, technology development and implementation Fostering innovation and strengthening innovation ecosystems Supporting internationalisation activities Enhancing the visibility of clusters Supporting cluster excellence and professionalisation of cluster management Supporting the consolidation of existing cluster organisations Supporting the creation of new cluster organisations Promoting employment and upgrading skills and competences Enhancing territorial cohesion (through RIS3) Strengthening the network of cluster organisations/cross-clustering



Policy type:	Broad policy
Policy name:	Smart Specialisation Strategy (S3) of Montenegro 2019-2024
	<p>By developing its first Smart Specialisation Strategy (S3), Montenegro joined the respective EU initiative. The S3 strategy aims to set development priorities in order to build competitive advantage by developing and connecting own capacities in research and innovation with the needs of the economy, while responding coherently to growing opportunities and market development, which helps to avoid duplication and fragmentation of policies. It increases the competitiveness of the economy by concentrating and linking research and innovation resources to a limited number of determined priority economic areas.</p> <p>The S3 Strategy identifies the main common objectives of policy mix, determined by the interests related to research and innovation activity. These are:</p> <ol style="list-style-type: none"> 1. Improving excellence and relevance in scientific research activities; 2. Strengthening human resources in the field of research and innovation; 3. Enhancing collaboration within the innovation system; 4. Supporting innovative activities in the business sector; 5. Enhancing framework conditions for innovation ecosystem.
POLICY FOCUS 	<p>Cross-sectoral</p> <p>The strategic vision of Montenegro is based on three strategic directions: healthy, sustainable and digitalised.</p> <p>Regarding cluster development, a quantitative analysis was performed and combined with a qualitative analysis, which resulted in the identification of the following priority domains:</p> <ul style="list-style-type: none"> • Vertical priorities: Sustainable agriculture and food value chain, Energy and sustainable environment, and Sustainable and health tourism • Horizontal priority: Information and Communication Technologies (ICT)
	<p>Both drafting and implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p>



Policy type:		Broad policy	
Policy name:		Smart Specialisation Strategy (S3) of Montenegro 2019-2024	
RESPONSIBLE  AUTHORITIES		<p>The Ministry of Science (MoS) has coordinated the process of developing the Smart Specialisation Strategy of Montenegro with the help of the Ministry of Economy (MoE), cooperating intensively with other competent institutions from the public, business, academic and non-governmental sector under a quadruple helix governance model, with systematic assistance provided by the experts of the European Commission.</p>	
BENEFICIARIES 		<p> SMEs Research organisations Academic institutions Large firms NGOs Start-ups Business associations Cluster organisations </p> <p>The policy refers to many different actors surrounding the innovation ecosystem in Montenegro and encourages their collaboration through diverse funding opportunities</p>	
INSTRUMENTS 	Financial	<p> Funding collaboration initiatives Support to R&D projects, SMEs becoming cluster members, etc. Subsidies for cluster infrastructure (e.g. offices, equipment) Innovation: voucher, support to hire PhDs, cooperation with R&I actors </p>	



Policy type:		Broad policy
Policy name:		Smart Specialisation Strategy (S3) of Montenegro 2019-2024
		Financing start-ups
	Technical assistance	Support for hard skill development: knowledge transfer, intellectual property , entrepreneurship, export advice, market intelligence Support for soft skills development: coaching, management training, upskilling/reskilling Support for networking and partnership building (at national and/or international level) Marketing activities: advertising, communication, events, fairs, and so on
	Explanation	The S3 strategy provides funding for a wide array of policy initiatives in order to achieve the respective policy objectives. These include among others collaborative innovation programmes, R&D infrastructures, centres of excellence, communication activities for science promotion, cluster development programmes, development of professional skills, start-up grant support programmes, innovation voucher schemes and science and technology parks.
HISTORY 	Period	Limited period
	Ending year (for policies with limited period)	2024
	Starting year	2019
	Explanation	The S3 strategy covers the period from 2019-2024.
	Overall	€174 million



Policy type:		Broad policy
Policy name:		Smart Specialisation Strategy (S3) of Montenegro 2019-2024
BUDGET 	Annual	Not available
	Source of funding	Of the total planned funds, €116.5 million will be provided from the national budget, while the private sector investments are projected at €21.7 million. Around €33.5 million are expected from the EU funds, with around €2.5million expected from other international organisations and programmes.
POLICY EVALUATION 	Availability	No policy evaluation
	Results	According to the plan, a mid-term evaluation was supposed to be conducted by external evaluators. However, there was no report available at the time the research was conducted (January 2024).
POLICY ALIGNMENT WITH THE EU PRIORITIES 		Green economy Digitalisation

Source: ECCP (2023).



03

State of cluster policy



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3. State of cluster policy

This section presents an overview on the state of play of Montenegro's cluster policy in the form of a qualitative assessment across 4 areas of analysis – policy scope, continuity of cluster policies, evidence of performance, and the range of cluster support instruments. Please refer to the Annex for a detailed overview of the categories and the scoring system. The table below presents an overview of the **state of play of Montenegro's cluster policy** for 2023.

Table 2 - State of play of cluster policy in Montenegro

Montenegro	State of play
POLICY SCOPE	Absence of cluster policy
	Broad policy
	Sectoral policy
	National and/or regional cluster policy
CONTINUITY	No cluster-specific policy available
	Cluster policy established recently
	Cluster policy established between over 2 and 10 years
	Cluster policy established over 10 years ago
EVIDENCE OF PERFORMANCE	No evaluation and / or monitoring available
	Existence of evaluations of past policies
	Existence of monitoring or an ongoing / interim evaluation
	Existence of monitoring and ex-ante or ongoing / interim evaluation
CLUSTER SUPPORT INSTRUMENTS	No instruments for cluster development
	Financial support for cluster development in the broader and / or sectoral policy
	Financial or technical support for cluster development in dedicated cluster policy
	Financial and technical support for cluster development in dedicated cluster policy

Source: ECCP (2023).

The text below provides a **qualitative description** of the state of play of the cluster policy in Montenegro.

Policy scope

While several sector strategies have selected segments related to clusters, Montenegro's S3 strategy 2019-2024 covers the country's innovation ecosystem holistically and identifies priority domains. For these sectors, the policy sets out strategic priorities, visions, focal areas and technologies. It also categorises the important actors in the research and innovation environment, specifically mentioning selected clusters before performing a SWOT analysis.



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.

Today, cluster policy in Montenegro is primarily based on the country’s S3 strategy, which covers the period of 2019 until 2024. The Ministry of Science (MoS) has coordinated the process of developing it with the help of the Ministry of Economy (MoE).

Evidence of performance

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 S3 strategy envisages a mid-term evaluation conducted by external evaluators. However, there was no report available at the time the research was conducted (January 2024).

Cluster support instruments

One of the main common objectives of the S3 strategy is to pay special attention to the development of high-tech clusters by stimulating cooperation between SMEs on innovative projects.

References



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Annex

Table 3 - Analytical framework for the state of cluster policy

Criterion	Description	Categorical variables
Policy scope	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	absence of cluster policy existence of broader policies existence of specific sectoral policies existence of targeted cluster policies
Continuity of cluster policies	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	absence of policies supporting cluster development cluster policy established recently (within the last 2 years) cluster policy established between over 2 and 10 years cluster policy established over 10 years ago
Evidence of performance	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	no evaluation and / or monitoring available existence of evaluations of past policies, e.g. ex-ante existence of monitoring or an ongoing / interim evaluation existence of monitoring and ex-ante or ongoing / interim evaluation
Cluster Support Instruments	assessment whether the policies provide any instruments to support the policy implementation, being these financial and/or technical support	no instruments for cluster development financial support for cluster development in the broader and / or sectoral policy financial or technical support for cluster development in dedicated cluster policy financial and technical support for cluster development in dedicated cluster policy

Source: ECCP (2023).