

ADDENDUM No.1
to FINANCING AGREEMENT

**2015-2017 Multi-annual action programme for Montenegro on Employment, Education,
and Social policies – CRIS no. 2015/037-895**

As originally concluded on 12 July 2018

The European Commission, hereinafter referred to as “**the Commission**”, acting on behalf of the European Union, hereinafter referred to as “**the Union**”,

of the one part, and

the Government of Montenegro acting on behalf of Montenegro, hereinafter referred to as “**the IPA II beneficiary**”, represented by the European Integration Office,

of the other part,

have agreed as follows:

The above-mentioned Financing Agreement, hereinafter referred to as “**the Financing Agreement**” is modified as follows:

Article 1

1. The **Annex I:** Multi-Annual Action Programme to the Financing Agreement is replaced by the revised Annex I attached to this Addendum.

2. The **Annex IA:** Sector Operational Programme to the Financing Agreement is replaced by the revised Annex IA attached to this Addendum.

Article 2

All other terms and conditions of the Financing Agreement remain unchanged.

This addendum shall enter into force on the date on which it is signed by the last party.

Done in two originals, one being handed to the Commission and one to the IPA II beneficiary.

Done at Podgorica

Done at Brussels

FOR THE IPA II BENEFICIARY

FOR THE COMMISSION



Mr Aleksandar Drljević
Chief Negotiator and
National IPA Coordinator
Government of Montenegro
European Integration Office

Date: 28/8/2020



Ms Genoveva Ruiz Calavera
Director, D - Western Balkans
European Commission
Directorate-General for Neighbourhood
and Enlargement Negotiations

Date: 31/7/2020

ANNEX 1

2015-2017 Multi-annual action programme for Montenegro on Employment, Education and Social policies

1 IDENTIFICATION

Beneficiary	<i>Montenegro</i>
CRIS decision number	2015/037-895
CRIS/ABAC Commitment references	2015/037-895
Total cost	<p>2015 EUR 5,882,352.93</p> <p>2016 EUR 5,823,529.42</p> <p>2017 EUR 6,294,117.65</p>
EU Contribution	<p>2015 EUR 5,000,000 on 22.02 01 02</p> <p>2016 EUR 4,950,000 on 22.02 01 02</p>
Budget lines	<p>2017 EUR 5,350,000 on 22.02 01 02</p> <p>Estimations for 2016 and 2017 subject to availability of funds after vote of annual budget.</p>
Management Mode/ Entrusted entities	<p>Indirect management by the entities listed below:</p> <p>For indirect management with Montenegro the Operating Structure responsible for the execution of the actions, are:</p> <p>National Instrument for Pre-Accession Assistance (IPA) Coordinator - NIPAC Office responsible for the Operational Programme</p> <p>Directorate for Management Structure within the Ministry of Finance as authority established for indirect management in Montenegro.</p> <p>Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and</p> <p>Directorate for Public Works, as the Implementing Agency 2 for infrastructure projects under the SOP</p>

	<p>Programme Implementation Unit - PIU in the Ministry of Labour and Social Welfare, as the body responsible for the Actions 1, 3 and 4,</p> <p>PIU in the Ministry of Education, as the body responsible for the Action 2 (except for the activity 2.4),</p> <p>PIU in the Ministry of Science, as the body responsible for the Activity 2.4 within Action 2,</p> <p>PIU in the Ministry for Human and Minority Rights, as the body responsible for the Activity 3.3 within Action 3</p>
Timetable for spending allocation of each budgetary commitment	<p>Budgetary commitment 2015 must be spent by 31/12/2020</p> <p>Budgetary commitment 2016 must be spent by 31/12/2021</p> <p>Budgetary commitment 2017 must be spent by 31/12/2022</p>
Programming Unit	<i>DG NEAR unit D1</i>
Implementing Unit/ EU Delegation	<i>EU Delegation to Podgorica</i>

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific sectors under this programme:

Education, employment and social policy are three areas that contain the key elements necessary to achieve sustainable, smart and inclusive growth in Montenegro. These areas are significantly interconnected and interventions, especially reforms, in these fields need to be implemented in parallel and will have a deep impact not only on the Montenegrin labour market, but also on the achievements in overall economy, in line with the Economic Reform Programme (ERP) and the Employment and Social Policy Reform Programme (ESRP).

This Sectoral Operational Programme will contribute to implementation of the Employment and Social Policy Reform Programme (ESRP) which has been adopted by the Government on 26 June 2015. It will support participation in the labour market and improved opportunities for vulnerable groups in society through the implementation of social inclusion policies and will address the mismatch between the skills demanded in the labour market and those offered by the education and training system. Thus the Sectoral Operational Programme will contribute to the increase in the employment rate of the Montenegrin population aged 15–64 from 47.4 % (2013) to 53% -56% (2020)¹.

The most significant problem of the labour market in Montenegro is a low employment rate. In terms of the employment rate for the population aged 15 to 64 years, Montenegro is lagging behind the EU average by approximate 17 percentage points, i.e. the EU rate approximately amounts 65%, while it is approximately 48% in Montenegro.

One of the challenges that characterize the labour market in Montenegro is the uneven development of its three geographic regions: Northern, Central and Coastal. This is primarily due to the fact that the available development resources were implemented inadequately in the past few decades, which resulted in movement of the population within these regions and in significant regional difference of employment and unemployment.

Within the period between the last two censuses, the Northern region of Montenegro was characterized by a decline in population by 7.2%, while the Central and Coastal region recorded population growth (5.9% and 3.7%). These changes were caused by a natural movement of population, as well as by a distinct migration flows directed from north to central and coastal parts of the country, which are mainly determined by economic considerations. In addition to this movement, the changes in the population structures were recorded, primarily age structure, which may be an important factor of influence on the further economic development of the regions.

It is important to emphasise that persons with disabilities are also a category of persons facing barriers in employment and are considered as one of the most important challenges in the field of employment and integration of this group into society, including integration in educational activities, especially when it comes to the removal of architectural barriers (in educational, but also in other public facilities). However, it is important to point out that, although the focus on

¹ In the Indicative Strategy paper the target for 2020 for the employment rate is 52-53%.

improving the position of persons with disabilities and RE population is within the SOP, the members of the vulnerable groups are included in this SOP as well.

According to the Labour Force Survey for 2013, only 14.8% of those employed in Montenegro gave the status of self-employed. Moreover, gender inequality characterizes the potential for entrepreneurship in Montenegro. Male population is characterized by a significantly higher level of self-employment, i.e. own business is performed by 19.2% of employed men, while this form of employment is characterised by only 9.3% of women. Development of entrepreneurship as a key competence should be carried out at all levels of education and training (curriculum, teacher training and assessment) including a framework for entrepreneurial learning outcomes with the special emphasis on the “green” key competences.

Number of young people registered as unemployed, especially young people with obtained higher education, is growing rapidly. According to the Statistical Office of Montenegro - MONSTAT statistics, the activity rate and the rate of employment of young people aged 15 to 24 years, remained at approximately the same level in 2013 as compared to 2012 (23.2%: 24.5% and 13.5%), while unemployment rate decreased from 43.7% to 41.6%.

An important challenge for Montenegro is addressing the significant mismatch between the output of the education system and the market demand for labour. This results in low participation levels in the labour market and a high official unemployment rate, in particular among women and disadvantaged groups.

The social and child protection system in Montenegro is still highly centralised, although decentralisation is defined as one of the main directions in a number of strategic documents. Available funds are currently stable, but not sufficient to maintain the quality of the existing services and development of new ones.

The existing network of institutions and the development of services in local communities in Montenegro does not allow users in the social and child protection system to use these services in the immediate environment: living rooms and clubs for the elderly, shelters, safe houses for victims of abuse, supported housing for adults with disabilities and children and young people without parental care, care for children with disabilities, and others.

- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

Under IPA I component IV the Human Resources Development Operational Programme (HRD OP 2012-2013) set out the basis for Montenegro receiving EU assistance in human resources development, with employment and employability as the cross cutting issue for all priorities. Currently under implementation, the programme aims to promote sustainable human resources development by modernising and developing the educational, training and research systems in Montenegro, in accordance with EU policies and standards, with particular focus on youth employability.

The support from the EU and other international donors in two aspects: making up for the lacking funds and introducing European practice and experience in the process of the mentioned sectors reform.



Until 2006, the EU assistance was within the CARDS programme, and later through IPA - Instrument for Pre-Accession Assistance, which mainly referred to development of administrative capacities in three areas, also covered by this Operational Programme.

Considering the above mentioned, it is also important to point out the most significant projects implemented in the field of employment, education and social inclusion, which have largely contributed to a higher level of harmonisation with the EU practice:

In the context of improving the institutional framework and employment policy, large contribution was made by CARDS project 2006-2008 “Labour Market Reform and Workforce Development I”. The project was implemented from 2006 throughout 2008. The approach which was defined through this project represents the inter-sectoral definition of employment policy, competitiveness and social cohesion, where economic and social employment policies support each other.

The “Labour Market Reform and Workforce Development II” project implemented under the I Component IPA 2008 represented continuous support in line with the previous project. This project was implemented within the framework of IPA 2008 Programme. The basic purpose of this project was to provide support in improving administrative capacities, labour market and education institutions, contributing to development of active labour market measures particularly through partnerships at the local level, as well as developing and establishing frameworks for providing services of life-long career guidance and counselling.

The project “National Qualifications Framework and Quality Assurance in Higher Education”, implemented under I Component IPA 2007, provided a base for establishing Montenegrin Qualifications Framework (MQF) and raising the level of higher education quality through creation of the National Strategy for Development and Financing of Higher Education.

The “Sharing Practice for the Purpose of Better Management of Employment Policy in Cross-Border Region” project, implemented under II Component IPA 2010, is a project that provided the Employment Agency of Montenegro with closer and continuous cooperation with the Employment Agency of the Republic of Srpska, and also other Offices from the region. This project provided many key conclusions and recommendations for improving operation of all employment offices, as well as joint investment into opportunities to reduce unemployment in the region.

“Better Possibilities for Employment of Young People” is a project aiming to develop the awareness among young people to opt for the professions which meet the labour market demands.

The “SLID” - Social and Labour Integration of the Disabled is an IPD Adriatic Project aiming to contribute to higher quality of life for over 250.000 persons with disabilities living in the Adriatic area including Croatia, Italy, B&H, Montenegro and Albania, through development of effective, innovative and integrated crossborder cooperation and interventions for their social and labour integration.

Additionally, the educational system and vocational educational training (VET), as its integral part, were improved through various projects implemented in the previous period in Montenegro and funded by international financial institutions and international donors (GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit)/GIZ (Deutsche Gesellschaft für

Internationale Zusammenarbeit), KulturKontakt, Lux Development, British Council, projects supported by European Training Foundation, VET 2, IPA 2007, IPA 2008).

The Lux Development Project provided support, among other things, in designing school development programmes in six schools in the north-east of Montenegro, piloting the MEIS information system in all schools, renovating school buildings, developing resources of employees of the VET Centre.

The GTZ/GIZ provided support in designing the Handbook for Trainers and vocational guidance model in five phases “Five Steps to Making a Decision on School and Occupation”, while the activities in integrating vocational guidance in education were continued within the IPA 2008 Project. The school teams for career/vocational guidance were established and trained in eight schools. Additionally, GIZ/GTZ enabled designing education programmes and equipping schools for their implementation.

The British Council provided support for the National Survey of the Labour Market in the Tourism and Hospitality Sector. The modernised Internal Evaluation Handbook was designed in cooperation with the ETF.

The IPA 2007 Project provided support in implementation of the Strategy for Establishing National Qualifications Framework, enabled designing of the Law on National Qualifications Framework, as well as the review of solutions prescribed by the Law (establishment and work of the Sectoral Commissions in the field of construction and tourism).

Through the HERIC project – Higher education and research for innovation and competitiveness, which will be financed by the World Bank loan in the period 2012-2017, the crucial reforms in the higher education will be implemented, especially in the field of financing, quality system improvement, students standard improvement, establishment of the national qualifications framework, as well as improvement of the higher education data system. In addition, it will lead to collection of comprehensive information on effects of introducing the principle of Bologna declaration in our educational system, the data on employability of graduates in their qualifications system which will also encompass the data on knowledge and skills shortages after completed studies and which are necessary for successful integration in the labour market. The Project will also encompass the measures for promoting the internationalization of higher education & research.

Montenegro has started to develop larger technological-innovation infrastructure. In 2011 two feasibility studies were developed, for a centre of excellence and for a science-technological park.

The Ministry of Science and the Directorate for the Development of SMEs participate in an international FP7 (Seventh Framework Programme) project, called 'WBC-INCO.NET', in which the most efficient policies for stimulating innovation in the Western Balkan region will be identified.

Besides the abovementioned projects, in order to implement the pre-accession obligations of Montenegro in the optimum manner, it is important to mention the assistance provided by other international organisations working in Montenegro, such as: IOM (International Organization for Migration), ILO (International Labour Organization), UNICEF (United Nations Children's Fund), UNDP (United Nations Development Programme), etc.



List of Actions foreseen under the selected Sectors:

INDIRECT MANAGEMENT WITH THE IPA II beneficiary	
Action 1 - Improving the Labour Market and Increasing Employability	EUR 7,400,000
Action 2 - Enhancing the Education System	EUR 3,700,000
Action 3 - Improving Social Inclusion	EUR 3,500,000
Action 4 - Technical assistance	EUR 700,000
TOTAL	EUR 15,300,000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	<i>Improving the Labour Market and Increasing Employability</i>	<i>7,400,000 EUR</i>
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(1) Description of the Action, objective, expected results and key performance indicators

This Action focuses on addressing the challenges related to high unemployment of youth (especially university graduates), regional disparities in employment rates, increasing the competitiveness of labour force via trainings for deficit occupations, fostering entrepreneurship, improving local partnerships for employment, and ensuring better access to labour market for socially vulnerable groups.

The objective of this action is to improve conditions for the creation of new jobs for unemployed and inactive persons, by increasing their employability, having in mind regional needs and disparities, as well as equal opportunities, and to promote local employment initiatives.

This action will contribute to the Employment and Social Reform Programme 2015-2020 - ESRP: Objective 1.1 *Increase in the overall activity rate and employment rate objective* by securing the increase of employability of Montenegrin work force in order to contribute to the increase of the employment rate for the population of 15 to 64 years to the levels 53%-56% by 2020.

It is expected from this Action that:

- Entrepreneurship will be fostered with the aim of long-term provision of new job creation and the support will be provided to employers for new employment in the less developed municipalities in Montenegro (activity 1.1.1 and activity 1.1.3);
- The unemployed persons will be trained in order to increase their key competences and skills, and consequently, their competitiveness on the labour market and for deficit

occupations and social inclusion will be supported and the employability of socially vulnerable groups will be increased (activity 1.1.2);

- Local employment initiatives will be promoted by ensuring inclusion of all relevant local labour market stakeholders (activity 1.2).

The following activities will be implemented:

Activity 1.1 Implementation of active labour market policy measures

1.1.1. Support to self-employment

1.1.2. Training activities:

1.1.2.1. Sustainable skills development for deficit occupations;

1.1.2.2. Increasing access to the labour market, increasing employment and providing support in acquiring entrepreneurial knowledge and skills through training programmes for Roma population.

1.1.3. Support to employment in the less developed municipalities in Montenegro.

Activity 1.2 Development of local employment initiatives

Progress will be measured according to a number of key indicators, including:

- Level of employability of unemployed by their inclusion in active labour market measures;
- The share of self-employment in total employment;
- Percentage of unemployed persons benefited from skills development in deficit occupations;
- Number of unemployed persons in the less developed regions reduced through self-employment;
- Number of local Human Resource Development Strategies prepared at municipality level;
- Percentage of the active population covered by the local partnerships.

(2) Assumptions and conditions

Government will continue implementation of other active labour market measures, in line with the strategies in force. The new Strategy for Employment and Human Resources Development 2016-2020 should be developed based on the Employment and Social Reform Programme 2015-2020.

National co-financing of 1.3 million euro will be provided to achieve the above mentioned results.

(3) Short description of the tasks entrusted to the entity



This action will be managed under indirect management with beneficiary country. Operating Structure for this Sectoral Operational Programme shall be composed of the following bodies:

- NIPAC Office responsible for the Operational Programme
- Directorate for Management Structure within the Ministry of Finance as authority established for indirect management in Montenegro.
- Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and
- PIU in the Ministry of Labour and Social Welfare, as the body responsible for the Actions 1, 3 and 4.

The entrusted entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

Action 2	<i>Enhancing the Education System</i>	<i>3,700,000 EUR</i>
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(1) Description of the Action, objectives, expected results

The aim of this Action is improving human resources through formal education at all levels, with the focus on basic levels of education, higher education, research and development, including marginalised groups.

It is expected from this Action that:

- The quality of education at all levels will be increased through support and development of initial teacher education programmes;
- Educational programmes will be modernised based on learning outcomes student-centred learning and address skills needed for further learning and a changing labour market
- Activities directed to the improvement of quality and introduction of practical teaching in vocational and higher education will be implemented;
- 8 Key competences will be taught including basic and transversal skills with the focus on improving learning and PISA results;
- The access to education and professional training for marginalized groups will be improved;
- The cooperation between academic and scientific community with industry and businesses will be improved in creation of new jobs, knowledge transfer, through achieving positive effects on both, academic and economic sector.

The following activities will be implemented:

Activity 2.1 Improvement the quality of work and teaching in educational institutions, including the quality assurance system, development of professional competences of teachers,



both in the Initial Teachers Education and Continuous Professional Development with the special emphasis on the key competences;

Activity 2.2 Development and implementation of the educational programmes in line with the NQF, with the focus on student-centred learning, basic and transversal skills;

Activity 2.3 Development and adjustment of the educational programmes, and provision of material resources for the implementation of programmes for the SEN - Special Education Needs children, persons with disabilities and members of marginalised groups, especially members of RE population and development and implementation of an action plan for removing architectural barriers in institutions at all levels of education

Activity 2.4 Support to the employment of scientists in academic and/or business sector

Progress will be measured according to a number of key indicators, including:

- Improvement of PISA - Programme for International Student Assessment results for all three areas (mathematics, reading and science);
- Percentage of educational programmes with the developed/improved segment of practical teaching;
- The percentage of children with Special Educational Needs, persons with disabilities and members of RE population participating in educational programmes;
- Percentage of start-ups and spin-off companies involved in R&D activities, established by PhDs

(2) Assumptions and conditions

The implementation of the Action requires an effective coordination mechanism being put in place between operating structures.

National co-financing of 0.65 million euro will be provided to achieve the above mentioned results.

(3) Short description of the tasks entrusted to the entity

This action will be managed under indirect management with beneficiary country. Operating Structure for this Sectoral Operational Programme shall be composed of the following bodies:

- NIPAC Office responsible for the Operational Programme
- Directorate for Management Structure within the Ministry of Finance as authority established for indirect management in Montenegro.
- Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and
- Directorate for Public Works, as the Implementing Agency 2 for infrastructure projects under the SOP
- PIU in the Ministry of Education, as the body responsible for the Action 2 (except for the activity 2.4),

- PIU in the Ministry of Science, as the body responsible for the Activity 2.4 within Action 2.

The entrusted entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

Action 3	<i>Improving Social Inclusion and Social and Child Protection System</i>	<i>3,500,000 EUR</i>
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(1) Description of the Action, objectives, expected results

The aim of this action is to improve social inclusion and social and child protection through the implementation of the reform of social and child protection system, improving the quality of social services, with an emphasis on services at the local level, as well as inclusion of members of marginalized groups into the community, with a focus on RE population.

It is expected from this Action that:

- Administrative capacities are improved for the implementation of further reforms of social and child protection;
- Social and child protection services are further developed at local level;
- Member of RE population are integrated into the community, especially in terms of greater participation in public life, a higher level of education in relation to marriage, domestic violence, forced marriage and other specific features of the RE population.

The following activities will be implemented:

Activity 3.1 – Improvement of the administrative capacities for implementation of further reforms of social and child protection

Activity 3.2 - Development and promotion of social and child protection services at the local level

Activity 3.3 - Inclusion of marginalised groups in the community, with special emphasis on RE population

Progress will be measured according to a number of key indicators, including:

- Percentage of professional workers in the Social Work Centres licensed to perform professional tasks;
- Number of initiatives promoting the sustainable participation of marginalized groups, particularly RE population in social inclusion actions addressed to them.

(2) Assumptions and conditions

The implementation of the Action requires an effective coordination mechanism being put in place between operating structures.

National co-financing of 0.62 million euro will be provided to achieve the above mentioned results.

(3) Short description of the tasks entrusted to the entity

This action will be managed under indirect management with beneficiary country. Operating Structure for this Sectoral Operational Programme shall be composed of the following bodies:

- NIPAC Office responsible for the Operational Programme
- Directorate for Management Structure within the Ministry of Finance as authority established for indirect management in Montenegro.
- Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and
- PIU in the Ministry of Labour and Social Welfare, as the body responsible for the Actions 1, 3 and 4,
- PIU in the Ministry for Human and Minority Rights, as the body responsible for the Activity 3.3 within Action 3.

The entrusted entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

Action 4	<i>Technical Assistance</i>	<i>700,000 EUR</i>
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(1) Description of the Action, objectives, expected results

The aim of the Technical Assistance (TA) is to support management and implementation of the Sectoral Operational Programme - SOP by providing assistance to the Operating structure.

Specific objectives of this Action are:

- To increase capacities of all employees within Operating structure to manage and implement the SOP;
- To secure implementation of information, publicity and visibility measures;
- To evaluate and monitor the SOP;
- To support the development of the project pipeline;
- To support potential and actual beneficiaries.
- To support the harmonisation of the acquis in all sectors of relevance to the SOP.



Technical Assistance support is specified under two distinct activities:

Activity 4.1 Support to management and implementation of SOP

Activity 4.2 Support to potential beneficiaries/actual beneficiaries.

Progress will be measured according to a number of key indicators, including:

- Percentage of employees in the bodies involved in the management and implementation of the SOP benefiting from the capacity building operations of this SOP;
- Number of communication/information and publicity activities of the SOP;
- Number of potential and awarded grantees participating in activities related to preparation and implementation of projects under this SOP.

(2) Assumptions and conditions

National co-financing of 0.12 million euro will be provided to achieve the above mentioned results.

(3) Short description of the tasks entrusted to the entity

This action will be managed under indirect management with beneficiary country. Operating Structure for this Sectoral Operational Programme shall be composed of the following bodies:

- NIPAC Office responsible for the Operational Programme
- Directorate for Management Structure within the Ministry of Finance as authority established for indirect management in Montenegro.
- Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and
- PIU in the Ministry of Labour and Social Welfare, as the body responsible for the Actions 1, 3 and 4.

The entrusted entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.



3 BUDGET

MULTI-ANNUAL INDICATIVE BUDGET TABLE FOR 2015-2017 MULTI-ANNUAL ACTION PROGRAMME FOR MONTENEGRO ON EMPLOYMENT, EDUCATION AND SOCIAL POLICIES

	2015			2016			2017				
	where applicable EU Contribution	where applicable IPA II beneficiary Co- financing	Total expenditure	where applicable EU Contribution	where applicable IPA II beneficiary Co- financing	Total expenditure	where applicable EU Contribution	where applicable IPA II beneficiary Co- financing	Total expenditure		
Objective 2 Competitiveness and Growth IPA/2015/37895	Action 1 Improving the Labour Market and Increasing Employability	2,300,000.00	405,882.35	2,705,882.35	1,600,000.00	282,352.94	1,882,352.94	3,500,000.00	617,647.06	4,117,647.06	7,400,000.00
	Action 2 Enhancing the Education System	1,200,000.00	211,764.70	1,411,764.70	950,000.00	167,647.06	1,117,647.06	1,550,000.00	273,529.41	1,823,529.41	3,700,000.00
	Action 3 Improving Social Inclusion and Social and Child Protection System	1,200,000.00	211,764.70	1,411,764.70	2,000,000.00	352,941.18	2,352,941.18	300,000.00	52,941.18	352,941.18	3,500,000.00
	Action 4 Technical Assistance	300,000.00	52,941.18	352,941.18	400,000.00	70,588.24	470,588.24	0.00	0.00	0.00	700,000.00
	TOTALS	5,000,000.00	882,352.93	5,882,352.93	4,950,000.00	873,529.42	5,823,529.42	5,350,000.00	944,117.65	6,294,117.65	15,300,000.00

For the purposes of the HR development programme add another column for indicative co-financing by the grant beneficiaries if applicable.

4 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

INDIRECT MANAGEMENT:

This programme shall be implemented through indirect management by Montenegro in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

This programme shall be implemented by indirect management with entrusted entities other than the IPA II beneficiary in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

5 PERFORMANCE MONITORING ARRANGEMENTS

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Country Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by DG NEAR and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

ANNEX IA

2015-2017 Sectoral operational programme for Montenegro on Employment, Education and Social policies

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1. Sectoral Analysis

1.1. National Policies and the Socio-Economic Context

Education (including efforts to increase research capacity) Employment and Social Policy are three areas that contain the key elements necessary to achieve sustainable, smart and inclusive growth in Montenegro. These areas are significantly interconnected and interventions, especially reforms, in these fields need to be implemented in parallel and will have a deep impact not only on the Montenegrin labour market, but also on the achievements in overall economy, in line with the provisions of the Economic Reform Programme (ERP) and the Employment and Social Policy Reform Programme (ESRP).

It is particularly important to re-establish positive trends from the pre-crisis period¹, within this sector. There is a strong need to continue with the reform processes in the area of employment and labour market, as well as in the fields of education and research, professional development and training, social and child protection and social inclusion. It is clear that only significant progress in these areas can provide qualified and adaptable labour force that will contribute to the overall economic growth.²

Despite the slight recovery of the labour market in the last two years, significant challenges remain as regards labour market. One of the main problems of the labour market in Montenegro is low employment rate among the population aged 15–64, while the country lags behind the European Union average for about 17% (while the rate in the EU is around 65%, in Montenegro, it is about 48%). Regarding the EU 2020 target on the employment rate (age 20-64), Montenegro lags behind all EU Member States with 50.5% in 2013. It is important to highlight the difference between women and men regarding the employment rate (in 2014 employment rate for man was 55% and 45% for women) which is a result of the fact that it is still difficult for women to reconcile family and professional life, as well as the fact that women are mainly taking care of dependent family members (especially children, elderly and ill family members).

Amongst all unfavourable labour market characteristics in Montenegro, it is important to highlight long-term unemployment, and prominent character of seasonal employment. According to the Employment Agency of Montenegro (EAM) data, the share of long-term unemployed persons in the total number of unemployed ranged from nearly 58% in 2011 to 55.7% in 2013. Share of women in 2011 was 44.6% in the total number of long-term unemployed, 44.4% in 2012, and 46.3% in 2013. Seasonal character of employment is a result of changes in economic structure during the transition process and high reliance on seasonal economic activities, such as tourism and construction.

¹According to the MONSTAT data (Labour Force Survey-LFS), the unemployment rate in 2008 amounted to 16.7%, growing to 19.5% in 2013 and decreasing to 18% in 2014. Poverty rate grew from 4.9% in 2008 to 8.6% in 2013.

² Indicative Strategy Paper for Montenegro (2014-2020) adopted on 18 August 2014.

In this area, Montenegro is facing a significant deficit in certain occupations, especially in the above-mentioned sectors (construction, tourism and hospitality), and this is particularly visible during the most intense performance of these economic activities. The situation is further aggravated by the fact that the neighbouring countries are facing high unemployment (approximately about 1 million unemployed persons in Albania, Bosnia and Herzegovina, Kosovo³, the former Yugoslav Republic of Macedonia, and Serbia), which inevitably increases the pressure of a relatively abundant external supply of the labour force in the Montenegrin labour market. As a consequence, the scope, structure and dynamics of employers' needs are usually met with a cheaper labour force from the region. To present it in figures, in 2013, 10,542 domestic workers have been employed in seasonal jobs, mostly in the tourism and hospitality industry, trade and agriculture, while in 2012 the employment of local labour force was 9,537 and 8,492 in 2011. At the same time, the Employment Agency of Montenegro has issued 23,061 work and employment permits to foreigners in 2014, 22,492 in 2013, 20,712 in 2012 and 19,469 in 2011.

Regional disparities significantly influence the deepening of unfavourable trends between the northern region and other regions of the country⁴ when it comes to employment, as well as when it comes to the level of quality of education and particular challenges in social inclusion. The northern region of Montenegro was, in the period between the two last censuses (in 2003 and 2011), characterized by a decrease in population by 7.2%, while in the central and coastal region the growth by 5.9% and 3.7% was recorded. The northern region is also characterised by the reduction of the working age ratio by 4.7%, while the central and coastal regions have recorded a growth by 8.4% and 14%, respectively. In addition, the long-term unemployment rate was 36.3% in 2013 in the northern region, 11.5% in the central region and 5.5% in the coastal region.

It is important to emphasize that persons with disabilities are also a category of persons facing barriers in employment and are considered as one of the most important challenges in the field of employment and integration of this group into society, including integration in educational activities, especially when it comes to the removal of architectural barriers (in educational, but also in other public facilities).

In the end of 2014, there were 1,942 persons with disabilities registered at the Employment Agency of Montenegro, out of which 1,364 were workers with disabilities. In addition, by the end of 2014, 71 employers were entitled to a subsidy for salaries for 89 unemployed persons with disabilities (out of whom 43 were women). The challenge of high unemployment of the Roma and Egyptian (RE) population should be also stressed here. There are approximately 1,000 persons registered at the Employment Agency of Montenegro who identify themselves as members of the RE population, while the share of RE women is about 40%. In the total

³ This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

⁴ The division of the country into three geographical regions: northern, central and coastal, has been established with the Spatial Plan of Montenegro up to 2020, Regional Development Strategy 2010-2014 and Law on Regional Development.

number of unemployed, RE population amounts to 3-4%, while more than 90% of the registered members of this population are persons without any professional qualifications.

However, it is important to point out that, although the focus on improving the position of persons with disabilities and RE population is within the actions related to the social inclusion subsector of this Sectoral Operational Programme (SOP), the members of the vulnerable groups will be included in other actions and activities as well (within employment and education subsectors).

According to the Labour Force Survey (LFS) for 2014, only 16.8% of employed persons were self-employed. There is a prominent gender gap in self-employment where one in three self-employed persons is woman. Overall entrepreneurship development in Montenegro is hampered by a limited access to the support from financial institutions and commercial banks, as well as to the institutions dealing with entrepreneurial education (especially for adult learning). These obstacles are mostly visible in a limited access to productive, financial and scientific resources. Women access those resources to an even lesser extent than men, mostly because women are owners of only 9% of properties in Montenegro, and ownership is one of the main prerequisites when it comes to access to the financial resources. Despite activities performed regarding introduction of entrepreneurship as a subject in formal education, further efforts are required. Development of entrepreneurship as a key competence should be carried out at all levels of education and training (curriculum, teacher training and assessment) including a framework for entrepreneurial learning outcomes with the special emphasis on the “green” key competences. Although the Ministry of Education has a key role in the development of entrepreneurial learning, the real progress is only possible with support from all relevant stakeholders at national and local level.

According to the LFS from 2014, it is visible that out of the entire employed population, 28.4% obtain higher education, while 47.6% of the employed population has secondary education (general and vocational education and training). One of the biggest labour market challenges in Montenegro is youth unemployment. The share of youth in the total number of the unemployed at the end of 2014 amounted to 20.87%, which is 0.4% more when compared to the same period in 2013 (20.49%). As regards the population aged 15-30, the share amounted to 39.7% in 2014 and 39.8% in 2013 (derived data). The share of women in the population of unemployed youth (15-24) amounted to 49.26% in 2014 and 50.28% in 2013.⁵ It is also visible that the high increase in the number of unemployed university graduates over the past few years resulted from a significant increase in the number of high school students enrolling at higher education institutions (almost 80%). This is also confirmed by the decrease in the number of high school students registered as the unemployed and increase in the number of the unemployed university graduates. The share of unemployed university graduates at the end of 2014 amounted to 31.38% in the total number of unemployed (while in 2013 it was 31.7%). The share of women in the total number of unemployed university graduates in 2014 amounted to 58.9%, while in 2013 it was 59.6%. Current position of the unemployed university graduates is a result of long-

⁵ Work Report of the Employment Agency of Montenegro for 2013 and the Work Report of the Employment Agency of Montenegro for 2014

lasting transition processes that resulted in a disruption of the traditional focus on vocational education, accompanied with almost 20 years of expansion of higher educational institutions (public and private) including strong traditional belief that the university diploma will provide faster and better access to jobs. As Montenegrin economy lacks new and quality jobs on one side and systematic intervention in enrolment policy on the other side, it is faced with an increasing number of unemployed university graduates.

In addition, one of the biggest obstacles to unemployed university students in the labour market is the lack of work experience that employers most often seek as a prerequisite for employment, while young people were not able to acquire it during education, since the cooperation between the key stakeholders, education institutions, ministries, the Employment Agency of Montenegro, employers and other relevant institutions is at a low level, and the system of internship is underdeveloped.

As already mentioned, the existing cooperation between labour market and educational institutions is more of a formal nature. Also, there is no system of forecasting future labour market needs and demands that would be supported by a high quality educational programmes and that would, in the end, result in better connection of labour market and education.

The principles of non-discrimination and equality before the law are essential preconditions for enjoying all human and minority rights, but are not sufficient for the full exercise of de facto equality. There is an evident increase in the inclusion of children with special educational needs, as well as children of RE population in the educational system. It is visible from the official data that in Montenegro in 2009, there were 245 children with special educational needs enrolled at all educational levels and in 2013 the number increased to 1,375. As for the RE population, in 2002 there were 626 RE pupils and students and in 2012 the number increased to 1,853. Within higher education, there were only 74 students with disabilities in 2014.

In 2013, the participation of Montenegrin citizens aged 25–64 in lifelong learning programmes amounted to 3.10%, which clearly indicates the need for further work on strengthening lifelong learning, in terms of both promotion and practical application, with a view to increasing the participation of adults in lifelong learning programmes.

In support of lifelong learning, the vocational education programmes should be modularized to a higher extent, which would enable dropouts from the system at all levels to obtain a certain level of qualification, provided that they have successfully completed the courses prescribed by the programme (so-called second chance programmes).

Regarding the key education EU 2020 targets, Montenegro has registered positive trends in reducing early school leaving (only 5.7% in 2013). Still, quite poor performance of 15 year- old (PISA results 2012) shows that more has to be done on delivering quality education. The percentage of Montenegrin pupils with low achievements in reading, math and science exceeded the worst EU results (practically, half of Montenegrin pupils have poor performance in math and science).

The provision of quality of education and its continuous monitoring is the primary objective at all levels of education from the pre-school education to tertiary education or adult education. Employers in Montenegro see the lack of practical knowledge and insufficiently developed

system of practical training as a main flaw of the higher education system. This is evident in the lack of qualified labour market supply at the level of vocational education in the areas of construction, agriculture, tourism and hospitality industry, particularly with regard to third-degree vocational education occupations. For years, the Government and institutions within the educational system have attempted to attract young people to enroll at these educational profiles by promoting vocational education, pointing to increased demand and a shortage of these occupations in the labour market.

The Ministry of Education, with the assistance of the project “Strengthening Vocational Training in the North-East of Montenegro”, implemented a two-year campaign „STRUČNO JE KLJUČNO“(Vocational is Crucial) which lasted until 2012. The main actors of the campaign were the pupils of secondary vocational schools. The target group included pupils of the eighth and ninth grade of primary schools and their parents. The campaign “Stručno je ključno” was designed to raise awareness on the opportunities of vocational education in agriculture and tourism, in the northeast Montenegro, and it has reached the expectations. The results of the evaluation of the campaign show that the whole campaign had positive effect on 43% of primary school pupils who were interested in vocational education. On the other hand, 36% of the surveyed secondary school pupils and pupils of the secondary vocational schools and mixed-type schools stated that they were inspired by the campaign while deciding on the enrolment.

As already mentioned, Montenegro does not have a satisfactory level of population with completed tertiary education.⁶ In the area of higher education (HE)⁷, efforts are being made with a view to defining the learning outcomes for study programmes, harmonising the National Qualifications Framework (NQF) with the European Qualifications Framework (EQF) and establishing the new funding model for HE. There is a need to adapt study programmes and teaching methods to the labour market needs and to develop internship and apprenticeship, as well as to actively involve employers as mentors to young people during and after schooling.

As regards the research and development, the priority activity of Montenegro in this field which is in line with the Montenegro’s Programme of Accession to the EU 2015-2018 refers to the positioning of the Montenegrin research community within the European Research Area (ERA) and further involvement in the international science programmes. Bearing in mind that Montenegro has met all the criteria of the European Commission, the Chapter 25 “Science and Research” was opened and provisionally closed on 18 December 2012 at the Intergovernmental Conference in Brussels.

In addition, in the Montenegro Development Directions (2015-2018), as one of the most important strategic documents for Montenegro, four priority development sectors are identified: Tourism, Energy, Agriculture and Rural Development and Manufacturing Industry. In the

⁶According to MONSTAT's data for 2011, 24% of population aged 30-34 has university education. The highest level of education is among age group 25-29 with 28% of population with university education

⁷According to MONSTAT's data, out of total unemployed persons in Montenegro, the percentage of population with university education was 21.26% in 2012 and 29% in 2013. According to the EUROSTAT data, this percentage in EU28 was 5.9% in 2013. In both EU28 and Montenegro, this percentage is increasing in the last few years

framework of the basic directions of development (smart, sustainable and inclusive growth) and policy areas, the key measures, projects and way of their funding have been identified, whereas science is one of the priorities of Smart Growth.

Montenegro implements significant activities with regard to connecting science and economy (establishing technology parks, centres of excellence, investment in research, large research grants).

In addition, the South East Europe 2020 Strategy: Dimension E “Research and Development and Innovation” aims at improving the scientific excellence and productivity by investing in the human capital for research, better using available infrastructure, support to incentives in research, improving “the Bologna Process” and further integration in the European Research Area.

Within the project “Higher Education and Research for Innovation and Competitiveness” (HERIC), the Ministry of Science and the Ministry of Education are implementing the National Excellence Scholarship Programme. The purpose of the National Excellence Scholarship Programme is to build research capacities by awarding scholarships for Masters, PhD and postdoctoral studies at recognised higher education institutions abroad. For this scholarship programme, Montenegro allocated EUR 1.2 million. Having this in mind, there is a need to support the employment in academic and economy sector for postgraduates (master, PhD and post doctors) who completed their studies at prestigious international universities.

Social and child protection and social inclusion are important fields in the socio-economic development of Montenegro. The Law on Social and Child Protection (Official Gazette of Montenegro no. 27/13) prescribes that the rights deriving from social and child welfare are basic financial benefits and social and child protection services.

Activities of social and child protection are performed by public institutions and social work centres (11 centres covering all municipalities in Montenegro), facilities for children and young people, institutions for adults and elderly persons and institutions for rest and recreation. In addition, according to the Law, some services can be provided by an organisation, an entrepreneur, a company and a natural person.

According to the data for 2013 of the Ministry of Finance, when it comes to non-contributory expenditure (family allowance, child allowance, personal disability allowance, allowance for care and assistance), they make up 14.35% of total expenditure (pensions and administration costs) and 2.05% of the GDP.

According to the data of the Ministry of Labour and Social Welfare (MLSW), in April 2015, the right to financial support was exercised by 11,983 families with 38,593 members, the right to personal disability allowance was exercised by 1,988 beneficiaries, the care and support allowance was exercised by 10,325 beneficiaries. Service of family placement and family placement in the form of foster care was exercised by 415 beneficiaries. Benefit for a new-born child was exercised by 535 beneficiaries, the right to child allowance was exercised by 9,120 families with 18,099 children, the maternity leave pay was exercised by 4,049 beneficiaries and the relaxation and recreation of children was exercised by 3,100 beneficiaries per year.

The number of children aged 0-3 in the Children's Home "Mladost" in Bijela has decreased by 86% from the end of 2010 (28 children) until July 2014 (4 children). However, this number has slightly increased, and there were 8 children in June 2015. The number of children above the age of three has decreased by 27% between the end of 2010 (126 children) and July 2014 (92 children). However, the number remains the same almost a year later, due to the insufficiently developed preventive services of placement as an alternative to institutional care.

Analysis of poverty in Montenegro, published by the Statistical Office of Montenegro – MONSTAT, indicates that the absolute poverty line for Montenegro in 2013 was EUR 186.45 per adult equivalent, which is 4€ more than in 2012. In 2013, 8.6% of the population had equivalent consumption below the absolute poverty line of 2.7% compared to 2012 (11.3% poverty rate). The characteristic of Montenegro in this regard is that the incidence of poverty is significantly higher in the northern region, the poor typically live in large households, poverty is significantly associated with the status at the labour market and the status of poverty affects education levels (citizens with a lower level of education are poorer).

The social and child protection system in Montenegro is still highly centralised, although decentralisation is defined as one of the main directions in a number of strategic documents. Available funds are currently stable, but not sufficient to maintain the quality of the existing services and development of new ones.

Regarding the day care centres, there are nine day care centres operating in Montenegro (in Bijelo Polje, Nikšić, Plav, Herceg Novi, Cetinje, Ulcinj, Mojkovac, Pljevlja and Berane). The Day Care Centre for children with disabilities in Podgorica is in the final phase of preparation and it is expected to be open in the second half of 2015. The first small group community for children with disabilities without parental care in Bijelo Polje was built and equipped.

The existing network of institutions and the development of services in local communities in Montenegro does not allow users in the social and child protection system to use these services in the immediate environment: living rooms and clubs for the elderly, shelters, safe houses for victims of abuse, supported housing for adults with disabilities and children and young people without parental care, care for children with disabilities, and others.

Thus, insufficiently developed system of services at the local level is a significant challenge, which implies the need for improvement and development of this system.

In terms of social exclusion, RE population is a very vulnerable group of population in Montenegro, with an unemployment rate of more than double the general unemployment rate.

This challenge should be addressed in the context of already completed projects and projects that will be implemented. This is primarily related to the housing programme (carried out in the framework of Sarajevo process), two projects related to social inclusion (Camp Konik) and a specific grant scheme under the IPA Component IV Operational Programme Human Resources Development 2012-2013 which implementation is underway.

STRENGTHS	WEAKNESSES
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<ul style="list-style-type: none"> • Relevant experience in the preparation and implementation of national and sectoral strategic documents in the field of employment, social inclusion and education • Developed institutional framework to implement new policies and activities in the fields of this SOP including intensive inter-ministerial cooperation • Results and lessons learned from previous projects and programmes, as well as existing institutional memory under IPA Component IV • Established system of licencing of educational programmes and quality assurance at all educational levels • Established national qualification framework in line with - EQF • Developed quality system of active labour market policy measures including high institutional capacity of public employment service • Increased financial investments in science and established new instruments which will particularly promote excellence in science and innovations in the economy sector • Intensive reform of the social and child protection system including establishment of institutional framework (established social card, reform of social work centres, established directorate for development of social services within relevant Ministry and Fund for social and protection of children, social inspection) • Started process of deinstitutionalisation (at the local level particularly) • Developed social dialogue at the state level 	<ul style="list-style-type: none"> • The structural mismatch between education and the labour market • Lack of funds for active labour market policy measures and insufficient orientation towards the target groups (long-term unemployed, youth, women, persons with disabilities, RE) • Underdeveloped system of self-employment and entrepreneurship • Insufficient focus of the education system on developing key competences necessary for employability • Lack of constructive partnership (social partners, civil society) for investment in training and increasing the employability of the unemployed and inactive, as well as the adaptability of the employed especially at the local level • Insufficient number of researchers in relation to the total population and the EU average • Insufficient number of researchers in the economy sector • Underdeveloped network of social services for vulnerable groups • Insufficient level of social inclusion of RE population • Fragmentation of the sub-sector policies along with incompletely defined action plans in terms of indicators, proponents of activities and sources of funding
OPPORTUNITIES	THREATS

<ul style="list-style-type: none"> • Increasing employability through a larger amount of funding intended for active employment measures • Scale up initiatives aiming at supporting local employment development • Alignment of the education system at all levels with the National Qualifications Framework, with respect to labour market needs and the specific needs of marginalised groups • Promoting better connection between Research and Development - R&D community and business for increased competitiveness of the national economy • Multi-sectoral and multi-annual approach in the process of programming and strategic planning, contributing to a more efficient implementation of public policies • Establishment of an efficient system of planning, monitoring and evaluation, reporting and audit of the social policy system • Development of appropriate registries, including electronic registries • Developing a system to encourage self-employment and entrepreneurship support system, including systems of favourable financial instruments and promotion of female entrepreneurship 	<ul style="list-style-type: none"> • External economic shocks due to global economic crisis, macro-economic developments and influences to the Montenegro labour market • Slow implementation of reform processes closely related to constraints of state budget and lack of financial resources • Insufficient awareness of the general public and potential users about the possibilities to use EU-financed projects • Insufficient administrative capacity of institutions in the light of trainings and participation in capacity building activities • Insufficient capabilities at the national and local level for applying and implementing projects
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2. Scope for a Sector Approach

2.1. National sector policy(ies) / Strategy(ies)

During the last decade, Montenegro's economic and social development was characterized by a strong shift from transition phase to a modern European society. This process was always accompanied by a preparation and implementation of various strategies and planning documents. The last five years represent intensive cooperation with various EU institutions as Montenegro has a clear objective to align its policies with the EU policies and principles on its accession path.

In this respect, it is important to note Montenegro's aspirations and activities to harmonize its strategic, national and sectoral documents with the objectives set out in the EU 2020 Strategy and the South East Europe 2020 Strategy. It is also essential to emphasize the compatibility of important sectoral strategic documents with the Joint conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey (ECOFIN May 2014), the Montenegro Progress Report (October 2014) and in particular with the Indicative Strategic Paper for Montenegro (2014-2020).

The most important national strategic documents for this Sectoral Operational Programme are the Montenegro Economic Reform Programme 2015–2017 and the Employment and Social Reform Programme 2015-2020, which are based on the Montenegro Development Directions 2013-2016. In all of these documents, inclusive growth is seen as an impetus for increasing employment and reducing unemployment, increasing the activity of the working age population, improving the quality of education, reducing the number of poor people and people at risk of poverty.

The Montenegro Economic Reform Programme 2015-2017, adopted in January 2015, is a strategic document that provides an overview of the framework of medium-term macroeconomic and fiscal policies and structural reforms that have a direct macro-fiscal impact, as well as an overview of structural reform measures that are sectoral in nature, which aim to improve the competitiveness of Montenegro and consequently strengthen growth, primarily in areas identified by Montenegro in the Montenegro Development Directions 2013-2016: tourism, energy, agriculture and industry. As identified in the ERP, qualified and flexible labour force is a key element that features the business environment prone to development of national and foreign business entities. Large disproportion between outputs of the educational system, i.e. the labour market supply and profile in demand on that market represents a considerable challenge for Montenegro. Results of such disproportion continue to be high unemployment rate, which is to a large extent structural in nature and particularly high among youth. Demand for labour force was further reduced due to negative effects of the crises on the economic growth in recent years.

In particular, ERP sets out goals related to the labour market, which are compatible with the Joint conclusions of the ECOFIN from May 2014:

- 1) Education reform that reduces the skills gap and the mismatch between labour demand and supply;

- 2) Strengthening active labour market policies; and
- 3) Increase the flexibility of the labour market.

To achieve these goals, measures related to the development of qualifications which correspond to the labour market needs; increase of labour force share in lifelong learning and adult education; improvement of young people qualifications; increase in funds for financing the active employment policies and improving the design and implementation of active measures through the strengthening of the method for monitoring and evaluation of existing measures of active labour market policies, will be implemented continuously.

The Employment and Social Reform Programme 2015-2020 represents the crucial document for the period 2015-2020 representing the result of a large consensus of all stakeholders, in line with the partnership principles, underlying main challenges within the labour market and employment, education, social inclusion and social and child protection, defining processes, targets and goals to be achieved within reforms in all of those fields and with a clear list of indicators and financial resources needed for a process. The Montenegrin Government adopted the ESRP at its session held on 25 June 2015, and thus expressed a strong commitment to its implementation and fulfilment of ambitious goals that would eventually improve the labour market by ensuring across-sectoral approach in implementation of all policies that have impact on the improvement of economic and social situation in Montenegro.

This Sectoral Operational Programme, through the activities envisaged under the actions responds to apart of a wide range of challenges given in the ESRP, such as: high unemployment of youth - especially university graduates, regional disparities in unemployment, the need for greater employability of the labour force, insufficient support to entrepreneurship, education system insufficiently aligned with the needs of the labour market, unequal opportunities in access to education for marginalised groups and still underdeveloped system of services at the local level. The ESRP also forms the basis for development of the Strategy for Employment and Human Resources Development 2016-2020.⁸

The National Strategy for Employment and Human Resources Development 2012–2015 provides a strategic framework for employment policy. Measures and activities for the implementation are defined through annual action plans, within established priorities and objectives of the Strategy relating to:

- Stimulating job creation through enhancing business environment and labour market management; striking the right balance between labour market flexibility, productivity and security; increasing the efficiency of active employment policy measures with a special emphasis on the integration of long-term unemployed, unemployed youth and unemployed women on the labour market; increasing self-employment, stimulating entrepreneurship, particularly in the underdeveloped areas of Montenegro;

⁸ The drafting of the new National Strategy for Employment and Human Resources Development for the period 2016–2020 is underway. The document is expected to be adopted by the end of 2015. In addition to the existing priorities, the Strategy will include a new one: the efficient functioning of the labour market.

- Promoting adults' access to and participation in lifelong learning, raising awareness of the importance of lifelong learning; increasing the quality of education at all levels and adjusting the education system to the labour market needs; improving knowledge, skills and competences with a view to increasing employment opportunities, and increasing competitiveness through formal education and non-formal learning and training.
- Improving the system of social benefits and social services to better target and cover vulnerable groups; integration of disabled persons in the labour market; integration of RE population, refugees and displaced persons in the labour market; promoting social inclusion and reducing poverty.

The National Strategy for Employment and Human Resources Development is based on the overall cross-sectoral definition of employment policy with its three priorities (employment, education, research and development and social inclusion) that provide for a significant level of harmonisation with the Europe 2020 Strategy and the European employment guidelines. Considering that this National Strategy for Employment covers the period by 2015, the Action Plan envisages the development of a new strategy covering the period 2016-2020 by the end of 2015. Despite the well-set priorities and goals, as well as envisaged measures, the key indicators of the labour market show that the labour market is still affected by consequences of the economic and financial crisis and that the following challenges remain: long-term unemployment, youth unemployment, discrepancy between available and required skilled labour force and regional disparities at the levels of employment and unemployment.

The activity rate for the population aged 15-64, slightly increased in 2014 compared with 2013, and amounts to 61.6%. The employment rate has increased by 3 percentage points reaching the 50.4% in 2014 in comparison to 2013, while the unemployment rate faced a reduction of 1.4 percentage points amounting to 18.2.⁹ The encouraging fact is that the unemployment rate of women reduced for 0.5 percentage points reaching 18.4% in 2014, when compared to 2013. The unemployment rate of young people (15-24) was 35.8% in 2014 and was lower for 5.8 percentage points than in 2013.

In spite of the fact that annual action plans that are in line with the National Strategy for Employment and Human Resources Development include certain measures and activities, the lack of budgetary funds for a wider range of measures, as well as for individual measures is the main issue. The funds for active labour market measures have been drastically decreased from EUR 12 million in 2008 to EUR 2.78 million in 2014. Having in mind the slight economic recovery during 2013 and 2014, which is expected to be continued in 2015, the budget for 2015 has not envisaged further reduction in the amount of funds for active labour market measures, but they are slightly increased compared to 2014 meaning that allocated funds for this purpose amounted to EUR 2.85 million. Regarding the passive measures, i.e. unemployment benefits, the amount of funds remained at last year's level, in the amount to EUR 12 million.

⁹MONSTAT data-LFS in 2013 and 2014.



Through the Operational Programme Human Resources Development 2012–2013, under Priority 1 – Effective and Inclusive Active Employment Policy Measures, EUR 1.3 million were allocated (through the grant scheme) for the implementation of active labour market policy measures with a particular emphasis on trainings, which is still insufficient for the implementation of a full range of active employment measures.

Combating undeclared work is one of the priorities of the Montenegrin Government, and there is a significant lack of research and analyses in this area. According to the 2007 survey conducted by the Institute for Strategic Studies and Prognoses (ISSP), 22.6% of employees either worked in an unregistered company or worked undeclared in a registered company. The results of other unofficial surveys on this issue are along the same lines. Undeclared work is most frequent in trade, construction, tourism and hospitality, craft and industrial facilities of small and medium enterprises (SMEs), companies engaged in securing property and persons, i.e. in those jobs that are seasonal in nature.

Young people, regardless of their qualifications and a diploma they possess are among those that are most susceptible to undeclared work, as well as the unskilled workers, older unemployed persons who lost their jobs in the transition process, and even retirees. The main causes of prominent undeclared work include the inflexibility of the labour market, high unemployment rate, low profit margins, high tax burden on employers, as well as the overall culture of informal business developed during the last decades.

With regard to national legislation in this area and the EU *acquis*, it is necessary to further harmonize labour legislation in order to ensure the correct application of the *acquis*, especially in the segment of strengthening administrative capacities.

In the area of health and safety at work, the Law on Health and Safety at Work was adopted on 25 July 2014. The Law stipulates that by-laws for its implementation shall be adopted within two years after the Law enters into force. The new Strategy for Improving the Health of Employees and Safety at Work for 2015–2020 is planned for the second half of 2015. The Division for Safety at Work has been established in the Ministry of Labour and Social Welfare in March 2013, within the Directorate for Work.

However, the Progress Report for Montenegro for 2014 states that the capacities of the Administration for Inspection Affairs, including labour inspection, are still weak, and that it is necessary to put additional efforts to ensure adequate capacities. Strengthening the capacities of labour inspectors will ensure a more effective fight against undeclared work and combating all forms of illegal work.

In the area of social dialogue, the General Collective Agreement entered into force in March 2014. Through the adoption of amendments to the Law on Social Council, the Secretariat of the Council was established and provided with a budget for technical and administrative functioning. However, it is estimated that the bipartite social dialogue, particularly in the private sector and at the corporate level, remains weak, while the capacities of social partners need further strengthening. The improvement and development of social partnership at the local level is very important.

A comprehensive reform of the education system in Montenegro, which is continuously carried out for a number of years, helped significantly to improve the situation in terms of establishing a legal framework, establishing new institutions and improving the content and learning outcomes. The provisional closure of negotiating Chapter 26 “Education and Culture” and Chapter 25 “Science and Research” confirmed the good general level of Montenegro's state of preparedness in these areas.

A significant number of strategies¹⁰ cover the area of education - from the strategies for each educational level¹¹ to those which cover more horizontal issues. The Strategy of Inclusive Education (2014-2018) has as its guiding principle improvement of quality and access to education for all children and youth with special educational needs. Lifelong learning is being covered by the Strategy for Adult Education (2005-2015), the Strategy for Lifelong Entrepreneurship Learning (2008-2013), the Strategy for National Lifelong Career Guidance (2011-2015). In this regard, among the objectives of the Strategy for Development and Financing of Higher Education (2011–2020), the establishment of lifelong learning models based on good international practice is provided, while the Strategy for Scientific-Research Activity (2012-2016), envisages as one of its three key objectives, strengthening the science and research community where one of the sub-objectives is to increase the number of young researchers and to strengthen their capacities. This objective will be implemented through the creation of lifelong learning strategy, the establishment of centres for lifelong learning in universities with the support of the state (Ministry of Education, Council for Higher Education, Employment Agency and the Council for Qualifications).

The University of Montenegro has created the Strategy of Lifelong Learning 2012-2014 within the TEMPUS project “Development of Lifelong Learning at the University of Montenegro” and it is expected that it will be updated for the next planning period. As a result of this project, the modules “Preventive Physiotherapy” (at the Faculty of Applied Physiotherapy, Igalo) and “Animator and Events Organiser in Tourism” (Faculty for Tourism and Hotel Management, Kotor) are being implemented. The new Law on Higher Education from October 2014 for the first time stipulates that an institution can implement special programmes of specialisation in the area of HE for the needs of lifelong learning with the aim of gaining professional qualification or a part of professional qualification.

The Primary Education Development Strategy (2011-2017) among its goals has the following: to increase the level of children covered by education, to enhance conditions and services for all children; to improve professional knowledge and competences of teachers and continuously promote role of the teachers in the development of the society of the future; to ensure permanent monitoring and improvement of the quality of upbringing and educational processes in schools; to improve pupils’ achievements according to key competences based on the applicable and practical knowledge.

¹⁰ Part 1.3 - The current priorities and initiatives of major actors in the ETF's FRAME: Skills 2020 Montenegro could be used as a reference

¹¹ Strategy for Early and Preschool Education (2011-2015), Primary Education Development Strategy (2011-2017), Vocational Education Development Strategy (2015-2020), Strategy for Development of General Secondary Education (2015-2015), Strategy for Development and Financing Higher Education (2011-2020)



The Strategy for Development of Vocational Education in Montenegro (2015-2020) is elaborated with the aim of accomplishing the vision of the VET in Montenegro by 2020 as follows: VET aligned with the needs of the labour market, enabling lifelong learning and the mobility, personal and professional development both to the young and the old, with the strengthened role of teachers, established Quality Assurance system, in which qualifications are based on the competences and learning outcomes, involved in the regional initiatives and EU lifelong learning programmes. In this view, this document defined the following several key priorities: implementation of lifelong learning and mobility; improvement of the quality of the vocational education and enhancement of its efficiency and relevance; creation of the equal opportunities for acquiring qualifications in vocational education for its social inclusion and cohesion.

The objectives of the Strategy for Development and Financing Higher Education (2011-2020) are the following: 1) provision and promotion of the quality of higher education; 2) linking higher education and the labour market and raising entrepreneurial and innovative character of education; 3) participation of the population with higher education aged 30-34 should be at least 40% in 2020; 4) establishing the model of lifelong learning based on best international practice; 5) research-oriented higher education; 6) internationalisation of higher education. Despite all the efforts Montenegro does not have a satisfactory level of population with completed tertiary education. In the area of higher education, efforts are being made in order to define the learning outcomes for study programmes, harmonizing the NQF with the EQF and establishment of the new funding model for HE. There is need to adapt study programmes and teaching methods to the needs of the labour market and to develop internship and apprenticeship, as well as to actively involve employers as mentors for young people during and after schooling.

The Strategy of Adult Education (2005-2015) defines the following priority objectives: obtaining at least elementary education and first occupation for all citizens; training for employment of adults who did not complete education for the first occupation or for professional rehabilitation; retraining, additional training, training and supplementary training of unemployed persons and persons employed in enterprises and other forms of organisation; providing education and acquiring knowledge and skills commensurate with the personal capacities and age of individuals.

The Strategy of Inclusive Education (2014-2018) has for its guiding principle the quality and accessible education for all children and young people with special educational needs according to their interests, abilities and needs. Strategy goals are: 1) harmonisation of normative acts with national and international documents; 2) system support for the professional development of human resources; 3) providing horizontal and vertical connections between educational institutions combining regular and special curricula; 4) organising a network of professional support; 5) ensuring quality and monitoring work in the educational system and 6) strengthening positive attitudes relating to the philosophy of inclusive education.

Despite activities on introduction of entrepreneurship as a subject in formal education, further efforts are required. Development of entrepreneurship as key competence should be done at all levels of education and training (curriculum, teacher training and assessment) including a framework for entrepreneurial learning outcomes with the special emphasis on a “green” key

competence. The Ministry of Education has a key role in the development of entrepreneurship learning, but the real progress is only possible with support from all relevant stakeholders at national and local levels.

In the area of research and innovation, the Montenegro 2014 Progress Report states that Montenegro has taken significant steps in this field. The total success rate of Montenegro's participation in the Seventh EU Research Framework Programme (FP7) is at the level of 23.9% when compared with the EU average of 21.6%. Montenegro also continued to participate successfully in COST and EUREKA actions, while the Ministry of Science successfully contributed to the European Science Days in September 2013 and organised several actions to promote science and research in particular among young people. Montenegro is participating in the new EU research and innovation framework programme "Horizon 2020" (2014-2020) and the Ministry of Science has nominated National Contact Point structure and Programme Committee Members for all Horizon 2020 areas.

As regards Montenegro's integration into the European Research Area, Montenegro has observer status in the ERA Committee and in all other EU bodies in charge of EU policies related to research and innovation. Level of investments into research and innovation is at 0.38% of its GDP in 2013 which is rather low in comparison with the EU average (2.07%). It is also still below Montenegro's own target of reaching 1.4% by 2016. In real terms, the level of investment by the public sector, under impulse of the Ministry of Science, has over the last two years increased. The problem relates to the lack of investment by private sector and the need to improve the statistics. It is also to be noted that in coming four years (see table hereunder 2.4 on budgetary perspective), no increase in the national budget is foreseen.

In December 2012, the Strategy on Scientific Research Activities 2012-2016 was notably amended, introducing new instruments and bringing national research funding more in line with the EU research priorities. Several measures have been taken to strengthen human capital building and encourage mobility of researchers. The Centre of Excellence (CoE) in bioinformatics (BIO-ICT) was established in July 2014 at the University of Montenegro. The CoE, together with the scheduled activities on the establishment of the first Scientific-Technological Park in Montenegro in Nikšić will facilitate reaching the aim of 1.4% GDP for research and innovation system and further increase the national budget level. Also, the large collaborative research grants, Scholarship for Excellence (for PhD and Postdoctoral), as well as licensing new Scientific Research institutions (at the moment there are 57) will contribute achieving this aim of investment.

Concerning the Innovation Union, the Ministry of Science published a Call for Co-financing Scientific Research Activity for 2014 in July 2014, as well as for 2015 in March 2015, while at the Regional Level, Montenegro has signed the Regional Strategy on Research and Innovation for Western Balkan Countries in October 2013 in Zagreb.

The goal of social and child protection in Montenegro is to improve the quality of life and to empower individuals and families for independent and productive lives. With the aim of creating equal conditions for inclusion in all spheres of life and work of groups at risk of poverty and social exclusion, the Government of Montenegro has adopted many strategic documents, which envisage the measures and activities for improvement of their position: Strategy for

Development of Social and Child Protection System in Montenegro 2013-2017, Strategy for Improvement of Position of Roma and Egyptian 2012-2016, National Plan of Action for Children 2013-2017, Strategy for the Development of Foster Care in Montenegro 2012-2016, Strategy for Protection Against Family Violence 2011-2015, Strategy for Social Protection of the Elderly 2013-2017, Strategy for Integration of Persons with Disabilities in Montenegro 2008-2016.

Action plans for implementation of these strategies (concrete measures/activities for implementation, deadlines and responsibilities) have been prepared for all relevant strategies. Evaluation of implementation progress is done on the basis of a report on the implementation of action plans which is prepared annually on the basis of the indicators included in the action plans, and adopted by the Government.

The Strategy for the Development of Social and Child Protection System 2013-2017 is a key strategy in the field of social and child protection and aims to improve the quality of life and empower individuals and families to conduct a productive life. In line with this Strategy, the social and child protection will be developed through the following strategic directions: 1) defining the developmental policy of social and child protection associated with other systems and activities in society and harmonised with international regulations and standards, aimed at preventing social problems; 2) decentralisation of social and child protection system; 3) participation of citizens and beneficiaries in deciding on ways and means to meet their needs; 4) more efficient financial benefits in social and child protection; 5) provision of quality services in social and child protection.

However, the Strategy recognizes that the number of users covered by various types of social services is still inadequate when compared to the needs, while social and child protection services network is not sufficiently developed, which is primarily related to services that encourage beneficiaries to stay in a family environment, and that the capacities of institutions and NGOs are still insufficiently developed to provide quality social and child protection services.

Respectively, there is a clear need for further investments in the development of social and child protection services, in order to ensure that all stakeholders in the system are able to respond to the requirements and objectives set by the new legislative and policy framework.

The Strategy for Social Protection of the Elderly 2013-2017 was adopted with the aim of developing an integrated social and child protection system of the elderly in order to preserve and improve the quality of life in their natural environment and prepare them for leading a productive life in the community and preventing dependence on social services, with effective use of existing resources and development of new, high quality and diverse social services.

When it comes to child protection, the most important document in this field is the National Action Plan for Children 2013-2017, which mission is to ensure the integrity and coherence of public policies on children and to implement coordinated actions and measures in all areas concerning children. In this area, the adoption of the Strategy for Development of Foster Care 2012-2016, which aims to create a sustainable, efficient and affordable-for-all system of protection for children without parental care, is also of great importance.

The Strategy for Integration of Persons with Disabilities 2008-2016 is a document that brings together all areas related to the improvement of position of persons with disabilities in society: health care, social and child protection, pension and disability insurance, education, professional/vocational training and employment, accessibility, culture, sports and recreation, as well as the area related to the position of organisations of persons with disabilities in civil society. The Strategy envisages measures and activities to be undertaken for the period of its duration, in order to ensure that the position of persons with disabilities in Montenegro is in line with standards prescribed by the UN Convention on the Rights of Persons with Disabilities.

When it comes to RE population, the key strategic document is the Strategy for improvement the position of Roma and Egyptians in Montenegro 2012-2016, which relies on the EU Framework for National Roma Integration Strategies up to 2020, taking into account the four goals of integration. The overall strategy is also set at the local level, where RE population exercise their rights on a daily basis, through the development of local action plans for the integration of RE population. During 2014, seven Montenegrin municipalities have adopted four-year or five-year local Action plans for the integration of Roma and Egyptians: Nikšić, Herceg Novi, Tivat, Kotor, Ulcinj, Berane, Bijelo Polje, while the same is expected to be adopted soon in Podgorica, Bar, Budva, Cetinje, Rožaje, Pljevlja.

Unfortunately, due to the lack of financial resources, the implementation of the above-mentioned planning documents does not undergo as planned.

In achieving the objectives of these strategic documents and goals of social and child protection, special protection is attributed to the following: a child (without parents, whose parents are unable to take care of the child, with disabilities and special needs, in conflict with the law, a victim of abuse, neglected, a victim of domestic violence and exploitation, a user of alcohol, drugs and other intoxicants, a victim of human trafficking, found outside the residence without supervision of parents, adoptive parents or guardians), adults and elderly persons with disabilities; a homeless, a pregnant women without family support and adequate conditions of life, a single parent, and any other person that, due to special circumstances and social risk, requires an appropriate form of social and child protection.

Also, according to the Law on Social and Child Protection, public institutions that provide the accommodation for children, youth, adults and older people will be transformed in order to develop support services for independent living, counseling and treatment, and social and educational services, in accordance with the transformation plans which are to be adopted by the Ministry of Labour and Social Welfare. The transformation plan of the Public institution for the accommodation of adults with intellectual disabilities "Komanski most" was adopted in December 2013, while the draft transformation plan for the Public institution for the accommodation of children without parental care "Mladost" in Bijela, has been adopted. These plans focus on the prevention of further reception of beneficiaries and gradual deinstitutionalization of current beneficiaries, through the development of skills for independent living and provision of adequate alternative services in families and in the community. Implementation of the services on the local level as defined in the Law on Social and Child Protection will be conducted in accordance with the standards contained in the relevant by-laws.

In the area of anti-discrimination, the Montenegro Progress Report 2014 stated that administrative capacities of the Council for protection against discrimination (established on 12 March 2012) are strengthened, but there is still a lack of transparency and openness in its work. In the area of equal opportunities, a certain strengthening of financial and human resources has been noted aiming to improve the functioning of gender equality mechanisms, particularly in rural areas. However, the representation of women in the labour market is still at an insufficient level and further efforts in this field will be supported through this SOP.

In line with the above-mentioned strategies, the SOP focuses on activities aiming at addressing the challenges identified in the ERP and ESRP, as well as in the ECOFIN recommendations, with the view to implementing the structural reforms identified in the education, employment and social inclusion sectors. Particular attention is paid to the efficiency of the medium and long-term strategies in place.

2.2. Institutional setting, leadership and capacity

The Ministry of Labour and Social Welfare is responsible for all the activities related to the preparation and implementation of strategic documents in the field of employment and social policy. It is also responsible for the management and implementation of the existing Operational Programme for Human Resources Development within IPA Component IV and the leading Body of the Operating Structure.

The Ministry of Labour and Social Welfare manages the process of drafting this SOP. Several institutions will participate in a coordinated manner in the implementation of this Programme and the implementation of the envisaged reforms of policies and measures, cooperating with relevant stakeholders from civil society and international institutions/organisations, primarily the EC.

For the purpose of accomplishing the above-mentioned Operational Programme Human Resources Development within IPA Component IV and in accordance with the relevant IPA Regulation, the Operating Structure was established and consists of the appropriate authorities within relevant ministries responsible for the Operational Programme and individual priorities and measures. Accordingly, in the Ministry of Labour and Social Welfare, the Department for Programming and Implementation of EU funds was established, which acts as a Body responsible for the Operational Programme (BROP) and a Body responsible for priority/measure (BRPM) in the areas of employment, labour market and technical assistance, while Division for Protection of Risk Groups in the Directorate for Social Welfare and Child Protection in this Ministry has a role of the Body responsible for priority/measure (BRPM) in the field of social inclusion. Within the Ministry of Labour and Social Welfare, Head of the Operating Structure (HOS) was nominated, who is an Assistant Minister. In addition, the Bodies responsible for priority/measure (BRPMs) in the field of education and science were established in the Ministry of Education and the Ministry of Science. Within the specified Operating Structure, the Directorate for Financing and Contracting of the EU assistance funds (CFCU) in the Ministry of Finance has the role of an Implementing Body for all priorities and measures within the Operational Programme and it is responsible for the sound financial management



within the Operational Programme and particularly for procurement, contracting and accounting. For all the Operating Structure bodies, Manuals of Procedures were developed in which functions are described, including responsibilities and procedures for management, implementation, monitoring, evaluation and operation control, measures and priorities within the OP. In order to address administrative and technical deficiencies in the area of introduction of decentralized management system of IPA funds, the Government of Montenegro adopted at its session on 27 June 2013, the conclusions that mandated all ministries involved in the IPA Components I - IV to conclude long-term employment contracts with the staff engaged in IPA activities and in accordance with real needs to provide additional employments in accordance with recommendations and findings of the European Commission audit mission. In accordance with the above-mentioned, in all the bodies of Operating Structure the employments were conducted on a long-term basis and additional personnel were employed.

As regards the process of management and implementation of the SOP 2015-2017, it will involve the following organisational units of the Ministry of Labour and Social Welfare: the Directorate for Labour Market and Employment, the Labour Directorate and the Directorate of Social Welfare and Child Protection, as well as the Directorate for European Integration, Programming and Implementation of EU funds.

It is mostly important to highlight that particular directorates within MLSW are also responsible for management and implementation of national policies and programs related to the labour market and labour law, social welfare and social inclusion in general, pension reform and all other aspects of employment.

Regarding the administrative capacities, the Employment Agency of Montenegro (EAM), which implements active employment measures in Montenegro, has seven regional bureaus and 14 offices for employment, apart from the central service and has a total of 318 employees. The Centres for Informing and Vocational Counselling (in eight Montenegrin towns and covering 73% of Montenegrin citizens) areas functioning within the Employment Agency of Montenegro.

When it comes to the institutional framework in the field of social inclusion, in addition to the Ministry of Labour and Social Welfare, as the line competent authority in this area, the centres for social work are of special importance, and they exist in all municipalities in Montenegro, as well as two homes for the elderly, one institution for children without parental care and one institution for accommodation of adults with intellectual disabilities. In addition, in 2014, the Agency for Social and Child Protection was established.

The Ministry of Education is responsible for planning, implementing and revising education policies at all levels. Support to the Ministry is provided by a range of advisory bodies and executive institutions. For the purpose of decision-making on professional issues and for expert assistance in decision-making and preparation of regulations in the field of education, the Government has established the National Council for Education, the Council for Qualifications and the Council for Higher Education.

The Ministry of Science is responsible for science and research, while the Council for science and research activity is responsible for tasks related to the improvement of science and research

activity. Its members are appointed by the Government. The Ministry for Human and Minority Rights, that is generally dealing with human rights, minority rights, antidiscrimination and gender equality, will be responsible for implementation of activities under the Action 3 relating to RE population.

The Directorate for Financing and Contracting of the EU assistance (CFCU) of the Ministry of Finance and the Public Works Directorate are responsible, as a contracting body, for the implementation of tender procedures, contracting procedures and the execution of payments under this SOP.

Currently, there are adequate administrative capacities within the institutions that will work on the implementation of the SOP. However, there is room for continuous improvement.

2.3. Sector and donor coordination

At the Government level, several mechanisms were established for the overall coordination of the employment education and social inclusion sector, out of which the key one is the Government Commission for economic policy and financial system which elaborates all the relevant legal and strategic documents. In addition, the working groups are formed for drafting all legal and strategic documents with all relevant stakeholders from government and public administration, as well as social partners and NGOs.

In terms of IPA II coordination of the entire process of programming, management and implementation, it is the responsibility of the National IPA Coordinator () and NIPAC Office within the Ministry of Foreign Affairs and European Integration.

The Ministry of Labour and Social Welfare is the institution responsible for managing the process of preparation and implementation of this Sectoral Operational Programme. In the process of preparation of the SOP, the Ministry of Labour and Social Welfare has a role of the coordinating body responsible for the consultative process.

The Working Group for drafting the Sectoral Operational Programme for the Sector of Education, Employment and Social Policy within the Instrument for Pre-Accession Assistance – IPA II (2014–2020) is composed of representatives of state and public institutions, social partners and civil society (Annex 1 – List of Working Group members).

In addition to the Ministry of Labour and Social Welfare, Ministry of Education, Ministry of Science and the Ministry of Finance are the key stakeholders of the activities defined in the SOP. The process of implementation of SOP will also involve: the Ministry for Human and Minority Rights, Employment Agency of Montenegro, the Centre for Vocational Education and Public Works Directorate.

Donor coordination in Montenegro is done centrally in the Ministry of Foreign Affairs and European Integration, at the Directorate General for Economic Diplomacy and Cultural Cooperation. Capitalizing on the experience of the database for donor coordination already prepared under the Office of the Prime Minister, a new established Directorate General for Economic Diplomacy and Cultural Cooperation will continue the process by using the centrally collected information and disseminating it to the Lead Institution in charge of the sector.

The Directorate General for Coordination of EU Assistance Programmes within the same Ministry coordinates all activities related to the Instrument for Pre-Accession Assistance (IPA) in Montenegro. Key activities of the Directorate General for Coordination of EU Assistance Programmes are related to the process of planning and monitoring the use of pre-accession assistance, providing support to the National IPA Coordinator.

Also, the Directorate General for Coordination of EU Assistance Programmes is responsible for monitoring the activities of the units for the implementation of IPA actions in the line ministries.

In relation to monitoring of IPA I (component IV) and IPA II implementation, the Sectoral Monitoring Committee for Operational Programme Human Resource Development – IPA IV, was established in 2013, which generally meets twice a year and it is envisaged for the same Committee (with minor changes in its composition) to be responsible for monitoring the implementation of this SOP.

2.4. Med-term budgetary perspectives

In accordance with the Law on Budget and Fiscal Responsibility, adopted in 2014, the process of determining the state budget is based on economic or fiscal policy, defined in the Fiscal Strategy and Guidelines for Macroeconomic and Fiscal Policy. As a strategic instrument in this area, the Fiscal Strategy is proposed by the Government, at the beginning of the mandate and for a period of its duration (4 years), and submitted to the Parliament for approval. This document defines the strategic objectives of fiscal policy, which represent the basis for planning annual and medium-term fiscal objectives.

Planning fiscal policy requires compliance with certain criteria, relating to: the realization of primary budget cash surplus, the level of current expenditures and transfers that should be lower than current revenues and grants, debt policy that should be aimed at ensuring fiscal sustainability.

At the same time, in the planning and execution of the budget, the focus should be directed toward keeping the level of the budget deficit below 3% of GDP and public debt below 60% of GDP.

In line with the Fiscal Strategy and defined medium-term objectives, the Government annually adopts the Guidelines for Macroeconomic and Fiscal Policy, which relate to a period of 3 years and contain: medium-term strategic objectives of economic and fiscal policy, the basic macroeconomic and fiscal indicators and forecasts, the upper limit of consumption, gross salaries and other personal earnings, expenses for pension and disability insurance and other costs of social and child protection. At this point, the Guidelines represent a strategic document, establishing the main fiscal objectives. Also, this document provides a basis for planning the budget at the annual level.

The upper limit of consumption (consumption limit) determines the maximum amount of budget expenditures, which is mandatory for the Law on Budget for the first year and indicative for the second and third fiscal year. The upper limit of consumption is calculated as the sum of

consumption for the current budget, state funds budget, capital budget and the budget reserve. The increase in the upper limit of consumption for the current budget and state funds budget must be smaller than the planned rate of real GDP growth, and may not exceed nominal GDP growth in the case of the capital budget and the budget reserve.

In terms of mid-term budget perspective, the following table illustrates the indicative budget of the main institutions in charge of the implementation of sectoral policies relevant to this SOP¹²:

		2015 (mil €)	2016 (mil €)	2017(mil €)	2018 (mil €)
1	Ministry of Labour and Social Welfare	70,60	70,15	69,93	69,44
2.	Ministry of Education	159,55	161,79	161,27	160,15
3.	Ministry of Science	2,68	2,68	2,67	2,65
4	Ministry for Human and Minority Rights	2,44	2,43	2,42	2,40
5.	Employment Agency of Montenegro	20,88	20,14	20,08	19,94

2.5. Performance assessment framework

The Law on Budget and Fiscal Responsibility is the base for planning and monitoring spending of all public funds in Montenegro, according to which each institution at state and/or local level that are beneficiaries of the State budget have to plan, spend and report on the progress. According to the principle of sound financial management all the institutions of the State budget are responsible for continuous improvement of their financial capacities and responsibilities. The overall performance management monitoring is conducted by the Ministry of Finance.

In terms of monitoring the management and implementation of the EU funds, under the IPA Component IV and IPA II structure, accession countries are required to establish a monitoring and evaluation mechanism similar to Structural Instruments. The implementation of this SOP will be monitored through the annual reporting on the implementation of the SOP and at the level of the Monitoring committee.

The overall goal of all policies and interventions in the fields of Employment, Education and Social inclusion is to support the increase in the employment rate of the population aged 15–64 from 47.4% (2013) to 53%-56% (2020) and all the activities within the SOP will contribute to the achievement of this national goal.

¹² Ministry of Finance: Macroeconomic guidelines for Montenegro 2015-2018.

Note: The observed budgetary reductions are not limited to sectors of relevance to social policies, but they make part of general budgetary reductions due to consequences of global economic crisis.

The sector of Education, Employment and Social policy relies on the Montenegro Economic Reform Programme 2015–2017 and the Employment and Social Reform Programme 2015–2020 as well-conceived documents based on a thorough analysis behind and a relevant SWOT and represents a coherent overall strategic framework. The specific needs are well covered by the high density of subsector strategies. For all the strategies Action plans (APs) are developed and monitoring mechanisms are based on its implementation. Quality horizontal monitoring is done on the Government sessions¹³ where discussion took place on the regular information on the implementation of the strategies and discussion and adoption of the (semi)annual reports on the APs implementation. The data and analysis are being used to update Government policies, properly allocate resources, and to adjust the planned activities in accordance with the newly created circumstances. In regard to the implementation of the inter-sectoral strategies, monitoring is usually performed by the National Commission for implementation of the strategy and Secretariat of the National Commission who is in charge to collect, compile and develop reports of respective authorities and their integration in the annual report. In regard to the sector of Education, Employment and Social policy, the MLSW and its related sub-sector institutions in the education, science and social protection field have been cumulating significant experience on monitoring procedures including reporting based on the projects implemented under IPA I.

In order to monitor the implementation of indicators of this SOP, in addition to regular annual reports, external independent evaluation will be conducted in 2017 to outline the progress for each activity of the SOP. The ex-ante evaluation for the draft SOP will be carried out as well in order to improve the quality of programming, implementation, monitoring and evaluation and financial management. These will be conducted by independent evaluator/s in line with the international evaluation standards as well as good practice developed under the Cohesion policy.

2.6. Public finance management

The Ministry of Finance is responsible for planning and executing the budget, accounting, and public debt management. Within the Ministry of Finance, the Directorate for Budget prepares and controls the execution of the budget (including the approval of public procurement plans), while the Directorate for State Treasury is responsible for the payments and accounting systems, as well as public debt management. Other key institutions in the Montenegrin framework of the public finance management are the State Audit Institution, Administration for the Fight against Corruption, Public Procurement Administration and the State Commission for Control of Public Procurement Procedures.

The public finance management in Montenegro is largely decentralized, with centralized policy making and establishment of standards and decentralized execution. Data on revenue collection are available to the Treasury, which keeps the single account from which all payments are made on behalf of budget entities.

¹³ All discussion materials and adopted APs are available on the web site of the Government: http://www.gov.me/sjednice_vlade



2.7. Macro-economic framework

After an increase in GDP by 3.3% in 2013, according to preliminary data of MONSTAT, a GDP growth of 1.5% was achieved in 2014. The estimates suggest that growth could be 3.5%, in 2015, 3.8% in 2016 and 4.0% in 2017.

The indicators of the real sector activities show that industrial production recorded a drop of 11.4% in 2014 when compared to 2013. Turnover in wholesale and retail trade increased by 2.5%, arrivals of tourists and their overnight stays grew by 1.7 and 1.5% respectively, the value of construction works performed increased by 1.9%, and most types of transport increased in relation to the comparative period (road, railway service). Notwithstanding the fact that the tourism sector (arrivals and overnights) had a little bit more modest increase (1.7% and 1.4%) in 2014, it is important to note that this sector, together with the service sector, much more successfully coped with the economic and financial crisis than manufacturing, construction and agriculture.

In 2014, the annual rate of inflation, measured by the consumer price index, had negative values, ranging from -0.4% in January to -0.3% in December, while the average inflation rate in the period January-December was -0.7%. According to the projections of macroeconomic indicators for the period 2015-2018, (National program of economic reforms which the Government of Montenegro adopted in December 2014), annual inflation will range from 1% at the end of 2015, 1.5% in 2016 to 2% at the end of 2017 and 2018.

Key monetary indicators had different dynamic at the end of 2014. Total loans and other receivables decreased by 1.9% annually, of which the economic loans decreased by 3.4% but loans given to physical entities increased by 1.4%.

The current account deficit increased by 6.9% compared to 2013 (15.2% GDP). Net inflows of foreign direct investment covered 68.1% of current account deficit. The foreign trade deficit decreased by 1.1% and amounted to 40.4% of GDP, as a result of the drop in export of 8.4% and a growth of import by 0.5%.

FDI as percent of GDP were 10.4% in 2014, relating to 9.9% in 2013, and Montenegro has still retained a high position in the competition of six South-East European countries in attracting FDI. According to data of the Ministry of Finance, at the end of 2014 the national debt amounted to 56.7% of GDP. Certainly, there will be increase in 2015 due to new indebtedness for construction of Bar-Boljare highway, which amounted to EUR 206 million €, according to the budget proposal for 2015.

In 2014, the public finance policy was focused on the consolidation of public finances, sustainability of public debt and reducing public sector deficit.

In 2014, the preliminary public revenues amounted to 45.3% of GDP; compared to 2013. Revenue growth was a result of the implementation of measures to combat the grey economy, the economic recovery in 2014 (though weak), as well as of the introduction of higher tax rates. The austerity measures implemented in 2013, which relate to the freezing of pensions growth and reducing of costs in the public sector, contributed to this result.

In 2014, the public consumption amounted to 48.2% of GDP, increased by 11.9% as a result of increased expenses for interests, bigger capital expenditures, paid guaranties and increased arrears.

In the period of 2015–2018, the fiscal policy of Montenegro is aimed at reducing current consumption and increasing investment in infrastructure, tourism and energy, in order for the public debt to, with the establishment of a declining trend, be financed from economic growth. The main driver of growth is final demand, with strong growth of investment in gross fixed capital, a slight increase in household consumption and stagnation of government spending (current consumption). In the next medium term, strong growth is expected in investment in the sectors of energy and tourism, as well as the implementation of large infrastructural projects (primarily construction of a highway section), which will contribute to balancing the budget, i.e. to the overall fiscal and macroeconomic stability.

The achieved level of GDP of Montenegro (preliminary) in 2014 was 3.425 million euros, with the achieved real growth rate of 1.5%. This reduction in growth rate was caused by the postponement of the biggest investment relating to the construction of a highway section, which was, along with other announced investments, a key precondition for the previous growth scenario.

According to estimates by the Ministry of Finance, the growth rate of GDP for 2015 should reach 3.5%.

2.8. Overall assessment

In the previous chapters we identified a number of challenges Montenegro is facing in the sectors of employment, education and social inclusion. As stated in Sector Planning Document (SPD) it is necessary to regain positive trends from the pre-crisis period in this sector¹⁴. It is an overall assessment that there is a satisfactory strategic framework in all mentioned areas. The revision/preparation of new strategies to be implemented by 2020 has already started for those sub-sectoral strategies that are in the expiring phase. Regarding the legislative framework, we can state that Montenegro has undertaken an intensive period of legislative reform, which in most areas has resulted in new legal acts, and the adoption of by-laws. The remaining challenge is implementation of the new legal provisions, which is closely linked to the issue of insufficient financial resources, most often at all levels. In this context, Montenegro combines the ability to use EU and/or other funds with the national funds necessary for the implementation / continuation of reforms and we can view this as a gradual approach.

Within this SOP, specific attention will be given to increasing employability, creation of new jobs, promotion of self-employment, especially of women, while taking into account the social aspects, particularly of marginalised groups and promotion of partnership with employers. Attention will be also given to the inclusion of all stakeholders in the local labour market in the process of preparation and implementation of local strategic documents and actions.

¹⁴ According to the MONSTAT data (Labour Force Survey), the overall unemployment rate increased from 16.8% in 2008 to 19.5% in 2013 (19.6% for the population aged 15-64), while the poverty rate increased from 4.9% in 2008 to 8.63% in 2013



In the segment of education, attention will be paid to aligning the education system with the actual needs of the labour market, providing quality of education at all levels from the perspective of institutions and the perspective of teachers, as well as creating incentives to ensure that the universities and research centres produce scientific excellence and cooperate with industry. In the area of social inclusion, the greatest emphasis will be placed on providing and developing social services, as well as child protection services, taking into account regional specificities and requirements, as well as the inclusion of marginalised groups in the community, with special emphasis on RE population.

3. Objective(s) of the IPA sector support

The transition processes have radically changed the structure of Montenegrin economy - from manufacturing to services, which caused high unemployment of a structural character. The newly established economic structure has not been able to establish the volume of demand that would absorb the supply increased by the job losses in the manufacturing sector.

Such circumstances, in the most general terms, caused the challenges such as low level of economic activity, low employment, long-term unemployment, regional differences in levels of employment, the seasonal nature of employment and, therefore, the insufficient employment of local labour force.

Monitoring of labour market trends during the economic crisis has shown that the challenge of youth unemployment was much more pronounced, especially of the university graduates. Also due to necessary budgetary restrictions in the time of crisis, the scope of supporting the entrepreneurship and self-employment has been narrowed.

All the afore-mentioned suggests that, despite the reform efforts, planned measures and activities addressing the key challenges, Montenegro will not be able to achieve the objective of the EU Member States, which implies an employment rate of 75% for the population aged 20-64, but it is quite certain that it will make a significant step forward in terms of increasing the employment and activity rate in relation to the level that has been expressed in the recent years.

The overall goal of this SOP is to provide a developed and cohesive society through the provision of better conditions for raising the level of employability of the population, improving the quality of formal and non-formal education and lifelong learning, with social inclusion of disadvantaged people and reducing the risk of poverty.

The main objective of this Sectoral OP is to support achievement of the main goal identified within joint EU and Montenegro strategic documents and to contribute to the increase in the employment rate of the Montenegrin population aged 15-64 from 47.4 % (2013) to 53% -56% (2020).

Indicator	2013 (baseline)	2017 (milestone)	2020 (target)	Final target	Source of information
Employment rate of the Montenegrin population aged 15-64	47.4%	53%	56%	56%	MONSTAT

This objective will be achieved through the implementation of activities contained, not only in this SOP, but also in other strategic documents. It is important to mention that the achievement of this objective will also be supported by: increasing the level of employability of unemployed by their inclusion in active labour market measures from 22.34% in 2013 to 30% in 2020, improving PISA results by 13% in 2018 and by developing at least 15 new social and child protection services in accordance with standards and securing licensing for providing new services for at least 40% of professional workers in the social work centres in 2018.

Indicator	2013 (baseline)	2017 (milestone)	2020 (target)	Final target	Source of information
Level of employability of unemployed by their inclusion in active labour market measures	22.34%	28%%	30%	30%	EAM data

The specific objectives of individual actions are:

1. to improve conditions for the creation of new jobs for unemployed and inactive persons, by increasing their employability, having in mind regional needs and disparities, as well as equal opportunities, and to promote local employment initiatives;
2. to improve human resources through formal, non-formal and informal education at all levels, with the focus on vocational education, research and development, including marginalised groups;
3. to improve social inclusion and social and child protection through the implementation of the reform of social and child protection system, improving the quality of social services, with an emphasis on services at the local level, as well as inclusion of members of marginalised groups into the community, with a focus on RE population.

4. Operational features of the programme

4.1. Geographic and thematic concentration

The activities identified by this SOP will be implemented throughout the whole territory of Montenegro, with the respect to specificities of individual regions, such as, for example, support to increased employment or support development of entrepreneurship in the northern part of Montenegro.

The policy of regional development is to achieve balanced socio-economic development of Montenegro, in accordance with the principles of sustainable development, by creating conditions for increasing the competitiveness of all parts of the country and to realize their development potential.

Regional development policy is based on the units of local self-government as the most important development entities factors whose task is to identify the needs and define projects that will maximize the level of the efficiency of local population and enable an increase in the living standards. However, the coordinated activity between local and national authorities is of great importance, in order for the needs of the local level to be adequately identified among the priorities at the national level.

In order for available EU funds committed for regional development to be used in the best possible way, in parallel with the implementation of regional development policy, the activities of the Government of Montenegro will be focused on:

- Undertaking activities to increase further the economic and legal attractiveness of Montenegro as a system;
- Launching the large projects that are a precondition to faster overall development;
- Construction of social infrastructure, and creating the conditions for social development, including the adequate access.

In implementing these activities, Montenegro will rely on its own financial resources, cooperation with the private sector through public-private partnerships, on attracting new and retaining existing investors (foreign and domestic), possible new favourable credit indebtedness in international development institutions and the EU funds which will be available during the process of integration.

When particular specificities are to be taken into account with regard to this SOP, the relevant documentation (calls for proposals, evaluation grids and other relevant documentation) will contain selection criteria and selection modalities in line with the objectives of regional approach, and projects from those areas should receive additional scores during the evaluation process.



4.2. Interaction of the programme with other IPA II programmes in other sectors

The SOP and all programmes in the fields of Democracy and Governance, Rule of Law and Fundamental Rights, Transport, Energy, Environment, Competitiveness and Innovation and Rural Development serve the common purpose identified in the Indicative Strategy Paper -ISP which is to support Montenegro on its path to EU accession by translating the political priorities into key areas where financial assistance is most needed and useful to meet the accession criteria.

Ensuring complementarity and avoiding overlaps of interventions between the different sectoral programmes under IPA II are essential in ensuring coherence and efficiency to maximize the benefits of the IPA assistance.

This SOP is improving the supply-side policies for the labour force not only by supporting employment and education actions, but also by supporting a social and child protection system in the Montenegrin society that can create better impact.

Complementarity at the action and activity level will be enhanced through close cooperation and coordination between the operating structures –both at the formal and informal level. The operating structures will be seeking common implementation modalities in the common synergy areas, in parallel with the additional activities and ensuring coherence in terms of timing.

When preparing the SOP, consideration was given to the ongoing projects, the implementation of the Operational Programme for IPA Component IV, the actions under the national IPA 2014 programme and the information given in the sectoral planning documents.

Particular attention will be paid to monitoring the implementation of the action “Support to Anti-Discrimination and Gender Equality Policies” under IPA 2014 programme, especially in the light of activities of this SOP in the part concerning employment and position of the RE population. The activities under this SOP, referring to RE population, shall be conducted in the municipalities of Ulcinj, Bar, Budva, Tivat, Kotor, Cetinje, Bijelo Polje, Pljevlja and Rožaje, in order to avoid overlapping with those to be implemented within the Action Document-AD for Roma and other vulnerable groups under the IPA II in Podgorica, Nikšić and Berane.

Under the AD for Roma, in the area of education, pre-primary and primary education in Podgorica, Niksic and Berane will be covered, while this SOP will focus on secondary and higher education in Podgorica, Nikšić, Berane, as well as pre-primary and primary education in other towns of Montenegro. In the area of employment, the beneficiaries will be trained for the occupations that are most in demand and that offer greatest opportunities for employment in Podgorica, Nikšić and Berane (according to RE local action plans and local economic development priorities). As well as AD for IPA 2015, this SOP will work on increasing the employability skills, but will cover other towns in Montenegro. In the area of social inclusion, the funds will be used to finance individual projects in those municipalities that will contribute to the objectives laid down by the Local Action Plans for integration of RE population, according to predetermined criteria and priorities. Areas that will be of particular importance as



participation in public life, education on marriage, domestic violence, forced marriages, child begging, etc.

Also, the implementation of IPARD Like and the finalisation of drafting IPARD programme will be of importance when finalizing this SOP, because of the possibilities offered by IPARD in terms of employment in rural areas. The objective of the IPARD strategy is to establish a framework and the path for agriculture and rural areas development in the context of the overall priorities of Montenegro to pursue a policy of joining the EU during the period 2015-2020. Rich natural and cultural heritage of Montenegro is a significant potential for tourism development in rural areas. Rural tourism and increased production of quality products will be initiators in creating economic activity and creating new jobs in rural areas. Based on these assumptions, the vision of development of Montenegrin agriculture and rural areas by 2020, includes the following:

- The agricultural sector is on the right path to become competitive in the production of quality products, providing a stable source of income for farmers. Agro-producing sector is the driving force for job creation in rural areas which are based on knowledge, the use of best practices, innovation and preservation of natural resources;
- Sustainable rural areas that provide economic activity, employment opportunities, social inclusion and good quality of life of the rural population.

To achieve this vision, the objectives of the Strategy for the development of agriculture and rural areas for the period 2015-2020 are as follows:

- Improving living standards in rural areas;
- Improving basic services (road infrastructure, water supply and electricity, health, social and cultural facilities, etc.);
- Diversification of economic activities and opportunities provided by economic and social cohesion between urban and rural areas;
- Creating opportunities for employment and long-term sources of income for a significant part of the population and contributing to the fight against poverty and depopulation;
- Integration of tourism and agriculture development and utilization of a wide range of local products through the promotion of national cuisine;
- Preservation of tradition and cultural heritage of the villages.

In preparing the Sectoral Operational Programme for the Transport, Environment, Competitiveness and Innovation sector (preparation of document will start in 2015), the compatibility with this SOP will be also taken into account.

The overall and specific objectives, as well as the actions of the SOP on Regional Development¹⁵ are taking ground on the Indicative Strategy Paper for Montenegro 2014-2020 (ISP) which provide for:

¹⁵ More details on priorities and objectives will be provided in the final version of this SOP, once more advanced programming of these sectors becomes available.

- Alignment with the EU *acquis* under Chapter 27 for Environment and Climate Action,
- Alignment with the transport *acquis* and internal mobility in the country
- Actions aiming at improving the business environment, to support the development of SMEs in Montenegro and their capacity to access the EU internal market, as well as to support the comprehensive industrial competitiveness strategy currently under development by Montenegro and to ensure the necessary administrative capacity needed to ensure the appropriate implementation and follow-up of this strategy.

The SOP will take into consideration the actions specifying the above strategic approach and will work in coordination with the Ministry of Transport, the Ministry of Economy and the Ministry of Sustainable Development and Tourism, as appropriate.

Moreover, the SOP takes into consideration the provisions of the ISP with regard to the reform of the public administration and will coordinate its actions of relevance to this objective with the actions falling under the scope of Sectoral Planning Document for Democracy and Governance Sector.

4.3. Complementarity of IPA assistance in the sector with other donors

When it comes to the issue of complementarity and coordination with other sectors and donors, it is important to emphasize that the United Nations Development Programme (UNDP) provides administrative and technical assistance in the areas covered by the SOP, especially in the area of social inclusion where UNDP provided support during the process of reform of the social and child protection. Also, assistance is provided through other specialized UN offices such as the United Nations Fund for Children (UNICEF) in the area of child protection. The Council of Europe Development Bank (CEB) provides support in the areas of education, health and social housing, while German Development Bank (KfW) provides assistance in the field of higher education and the World Bank through HERIC loan-project supports the reform of higher education, development of human resources through internationalization initiatives and the establishment of a competitive environment for research (the establishment of Center of Excellence and awarding grants for capacity building of research institutions in order to become future centers of excellence).

4.4. Equal opportunities and gender mainstreaming

Gender equality and ensuring equal opportunities present a horizontal principle at the programme level of the SOP, but will also be taken into account when planning individual activities, and during the implementation of tendering procedures and implementation of individual projects. All data necessary for monitoring the SOP will be classified by gender.

According to the MONSTAT publication “Women and men in Montenegro”, female activity rate is 52.8%, while activity rate for men is 65.1%. The publication also reports that, at the same time, average earnings of women are at the level of 86.1% of average earnings of men. The position of women in the economy is further reflected in the fact that the share of female businesses owners in Montenegro is only 9.6%, according to MONSTAT.

As the data on employment rate show that only 45% of women are employed and as elaborated in the chapter 1.1., a particular attention in this SOP will be given to the inclusion of unemployed women into the active labour market measures, including promotion of self-employment and women entrepreneurship. In the area of social inclusion, attention will be given to inclusion of marginalised women into the community activities, and in the area of education, the emphasis will be on promotion of inclusion of female and male students with special educational needs, female and male members of marginalised groups, especially members of RE population in educational/study programmes.

4.5. Climate Actions and Sustainable Development (if Relevant)

In the context of this thematic section, as a special activity within the first action of the SOP, the aspect of green economy will be taken into consideration when organizing training for deficit occupations, which will contribute, through the human resources development, to easier employment in jobs in the field of environmental protection and sustainable development.

4.6. Programme strategy - Actions and Activities

As defined in the strategies described in section 2.1, there are three major areas that need to be supported in order to address the needs identified in this sector. These areas are the three actions to be implemented through this Sectoral Operational Programme:

- Improving the Labour Market and Increasing Employability;
- Enhancing the Education System;
- Improving Social Inclusion and Social and Child Protection System

Through the Action “Improving the Labour Market and Increasing Employability”, a special emphasis will be put on:

- activities aiming at raising the low employment rate and reducing the inactivity of labour force, reducing youth unemployment, reducing regional disparities in unemployment, promoting employment of local labour force and encouraging entrepreneurship;
- promotion of local employment initiatives in order to ensure taking into account of the regional and local disparities of the labour markets along with other local possibilities and opportunities.

Action “Enhancing the Education System” aims at:

- aligning the educational system with the labour market needs, ensuring better access to education for marginalised groups, promoting the lifelong learning programmes to increase the participation of citizen;
- improving the quality of education at all levels (improving the quality of implementation of practical education and training in educational programmes and



raising interest in those occupations at the level of vocational education for which there is a need in the labour market);

- further improvement of tertiary education and employment of PhDs in Montenegro.

Action “Improving Social Inclusion” will ensure:

- implementation of activities aimed at further development of social and child protection services at the local level;
- encouraging inclusion of vulnerable groups in the society.

It is important to point out that the issue of social inclusion of Roma and Egyptian (RE) population will be covered through activities within all three actions foreseen in the SOP, based on the experience gained in the implementation of the project “Identifying Sustainable Solutions for Internally Displaced Persons, Residents of Konik Camp (Phase I and II)”, supported through national programmes of IPA 2011 and 2013.

In addition to the above three actions, there is a Technical Assistance action which will support the Operating Structure (OS) for the management and the implementation of the Sectoral Operational Programme and the potential beneficiaries in the preparation of project proposals.

4.6.1. Action 1 – Improving the Labour Market and Increasing Employability

Aim:

The aim of this action is to improve conditions for the creation of new jobs for unemployed and inactive persons, by increasing their employability, having in mind regional needs and disparities, as well as equal opportunities, and to promote local employment initiatives.

Specific objectives:

- To foster new entrepreneurship with the aim of long-term provision of new job creation and to provide support to employers for new employment in the less developed municipalities in Montenegro.
- To train the unemployed in order to increase their key competences and skills, and consequently, their competitiveness on the labour market, as well as to train the unemployed for deficit occupations and to support social inclusion and increase of employability of socially vulnerable groups;
- To promote local employment initiatives by ensuring inclusion of all relevant local labour market stakeholders.

EU legislation and policies:

In terms of the legislative framework, the labour market and employment areas governed by a set of laws covering the following: labour law, social dialogue, protection of workers in the case of unemployment, companies, peaceful settlement of labour disputes, health and safety at work,

employment and unemployment insurance, professional rehabilitation and employment of persons with disabilities, and recruitment and employment of foreign nationals in Montenegro.

Taken as a whole, legislative framework has been significantly restructured to achieve better harmonisation with the EU standards. Further harmonisation process will be implemented in accordance with the course of negotiations related to Chapter 19 (Social Policy and Employment) and the Action Plan for this chapter, adopted by the Government in March 2015. It is also worth mentioning that the Employment Agency is actively involved in meeting the requirements from Negotiation Chapter 2 (Free Movement of Labour) and Chapter 19, so that Montenegrin labour market can adequately respond to the EU integration challenges. In addition to the fact that the EAM has its representatives in the negotiation teams for these two chapters, the activities in this SOP have been defined to address some of these challenges. In line with the negotiation position for Chapter 19, the focus will be on reducing unemployment rate, increasing activity and employment rates, adult education, reduction of regional disparities and combating informal employment.

In the strategic part, a new National Strategy for Employment and Human Resource Development for 2016-2020, as well as the annual action plans for its implementation, will be adopted in the Q4 2015. The strategic framework includes also the Economic and Social Reform Programme for Montenegro for 2015-2020 (ESRP). As for the legislative framework, the Law on Employment and Exercising of Unemployment-based Insurance Rights will be amended in the future period. The adoption of the amended Law is planned for Q3 2018.

Rationale:

This Action focuses on the Montenegrin labour market through two fields of intervention: support to implementation of active labour market measures (ALMP) and promotion of local employment initiatives.

As already explained in chapter 1.1., one of the major challenges that characterize the labour market in Montenegro is uneven development of its three geographic regions: northern, central and coastal. This is primarily due to the fact that available development resources of the regions were used in an inadequate and uneven manner in the past few decades, which, for a range of years, has been resulting in an outflow of population from northern region, and also resulted in a significant regional dimension in employment and unemployment indicators. Migratory movements and outflow of the labour force from the northern region towards central and coastal region also resulted in a decline in economic activity of the northern region in the last two decades, as well as in strong depopulation of rural areas.

Furthermore, along with strong seasonal nature of employment, the prominent specificity of Montenegro is the employment of foreigners (mostly in tourism, agriculture and construction).

Another significant challenge is the high youth unemployment. The share of youth in the total number of the unemployed at the end of 2014 amounted to 20.87%, while in 2013 this percentage was 20.45%. The share of young people under the age of 30 in the total registered unemployment in 2013 exceeded one-third.

At the end of 2006, there were 2369 university graduates at the registry of the Employment Agency, which represented 4.7% of the total number of the unemployed (38480), while at the end of 2012, the percentage amounted to 21.62% (6752), only to grow to 29% (10014) at the end of 2013. The high increase in the number of unemployed university graduates over the past few years is the result of a significant increase in the number of high school students who enrolled at higher education institutions. Within next few years there will be around 10000 students in the final year of undergraduate studies, specialist and masters studies.

All this resulted in a high rate of youth unemployment, which, although decreased by 5.8 percentage points compared to 2013, but still remained high at 35.8% in 2014 (LFS).

Although the activities aimed at improving the strategic and legislative framework for the development of entrepreneurship and small and medium enterprises are continuously being implemented, insufficient financial resources, informal economy and lack of entrepreneurial skills remained as challenges to be addressed in the future.

According to the data available for 2014, 16.8% of persons in employment have the status of self-employed, while women make for only one third among them.

In the area of social dialogue, the General Collective Agreement entered into force in March 2014. Through the adoption of amendments to the Law on Social Council, the Secretariat of the Council was allocated and provided a budget for technical and administrative functioning. However, it is estimated that the bipartite social dialogue, particularly in the private sector and at the corporate level, remains weak, while the capacities of social partners need further strengthening. The improvement and development of social partnership at the local level is very important.

Having all this in mind, this Action focuses on addressing the challenges related to high unemployment of youth (especially university graduates), regional disparities in employment rates, increasing the competitiveness of labour force via trainings for deficit occupations, fostering entrepreneurship, improving local partnerships for employment, and ensuring better access to labour market for socially vulnerable groups.

Description:

Within the first activity, a special attention will be paid to those groups that are identified as most disadvantaged at the Montenegrin labour market, especially the long-term unemployed, young people (particular university graduates), women and members of marginalised groups (RE population and persons with disability). It will be done through the implementation of active labour market policy measures and by involving more people in the measures, with a special emphasis on the above-mentioned groups.

In addition, support will be provided to the northern region of Montenegro, but also to the less developed municipalities from other regions, as well as to strengthening the initiatives related to local partnerships for employment and promotion of social dialogue at the local level.

The first activity, taken as a whole, shall provide its contribution to achieving the Objective 1.1. set out in the ESRP: Increase in the overall activity rate and employment rate, where it is

expected that the Action will contribute to the ESRP objective by securing the increase of employability of Montenegrin work force in order to contribute to the increase of the employment rate for the population of 15 to 64 years to the levels 53%-56% by 2020. Additionally, each activity set out under Active Labour Market Measures will provide specific contribution to particular objectives defined in the ESRP.

4.6.1.1. Activity 1.1. Active Labour Market Measures

Specific objectives:

Specific objectives of this activity are:

- To create new jobs through self-employment;
- To provide training for the unemployed, including socially vulnerable groups;
- To support employment in the less developed municipalities in Montenegro.

Rationale:

The most significant challenge in the labour market in Montenegro is low employment rate. Regarding the employment rate ratio between women and men, it is visible that there is a gender gap (45% of women employment rate). The share of youth in the total number of the unemployed at the end of 2014 amounted to 20.87% and the share of young people under 30 years of age exceeded one-third of the total registered unemployment.

The high increase in the number of unemployed university graduates over the past few years is the result of a significant increase in the number of high school students who enrolled at higher education institutions. Within next few years there will be around 10 000 students in the final year of undergraduate, specialist and masters studies. As stated above, all this resulted in a high rate of youth unemployment, which, remained at the level 35.8% in 2014 (LFS).

Fiscal constraints, caused by the economic crisis, largely determined the amount of funds for active employment measures in Montenegro. Thus, in 2012, only 3.57 million euro was allocated, while in 2013 the allocated sum amounted to 2.77 million euro. In 2014, 2.85 million euro was allocated for this purpose. The listed funds are several times reduced in comparison to the pre-crisis period, when the average annual allocation for active employment measures amounted up to 12.5 million euro. The available funds were used mainly for supporting youth employment, public works, training and re-training. These measures have covered only 22.34% of the total number of unemployed people.

The Screening Report for Montenegro for Chapter 19 states that it is necessary to take decisive action to increase activity and employment rates, to eliminate the mismatch between needs and available skills, as well as to strengthen the capacities of the Employment Agency of Montenegro for efficient and timely implementation of active labour market policy measures. In addition, further work is needed on eliminating discrepancies in development and employment between the northern and other regions of the country. Sufficient attention should be also paid to adult education and training. The network of local employment branch offices

should be adequately equipped and expand the scope of their services in order to timely implement the principles of the European Employment Strategy. It is also necessary to strengthen cooperation of the Employment Agency of Montenegro, especially at the level of local branch offices, with educational institutions.

Legal basis for the functioning of the Employment Agency of Montenegro (EAM) is represented in the laws and regulations defining the areas of labour market, employment, and education and training of adults. The following laws and regulations are crucial in this regard: Labour Law, Law on Employment and Exercising of Unemployment Insurance-based Rights, Rulebook on the Conditions, Manner, Criteria and Scope of Implementing Active Employment Policy Measures, Law on Foreigners, Law on Professional Rehabilitation and Employment of Persons with Disability as well as various laws in the area of education and training.

In line with the Law on Employment and Exercising of Unemployment Insurance-based Rights, the EAM is defined as being in charge of employment-related activities and the main institution with the goal of addressing and resolving unemployment issues and main challenges on the labour market. It is important to mention that the EAM is the most important institution that is implementing a full provision and implementation of a comprehensive set of active employment measures. The employment-related activities, defined in the Law, include the implementation of active employment policy, as well as the implementation of other activities focused towards increasing employment, i.e. reducing unemployment. The Employment Agency is actively involved in meeting the requirements from Negotiation Chapter 2 (Free Movement of Labour) and Chapter 19 (Social Policy and Employment).

The Law defines active employment policy as a set of plans, programmes and measures oriented towards increasing employment, i.e. reducing unemployment. Active employment policy is defined in the National Strategy for Employment and Human Resources Development, establishing strategic priorities and goals of employment policy for the period of at least four years. The National Strategy for Employment and HRD 2012-2015 and the present National Action Plan for Employment, as the main tools of active employment policy, as well as the EAM Programme for 2015, are currently under implementation.

Description and eligible indicative intervention:

This activity involves the following: support to implementation of improved and tailor-made active labour market policy measures with the emphasis on the training of the unemployed, including marginalised groups; support to activities related to self-employment and fostering of employment in the less developed municipalities in Montenegro.

As prescribed in the Law on Employment and Exercising of Unemployment Insurance-based Rights, and more closely described in the Rulebook on the Conditions, Manner, Criteria and Scope of Implementing Active Employment Policy Measures, active employment measures are the following: 1) provision of information on the possibilities and conditions of employment; 2) brokerage in employment; 3) professional orientation and career guidance; 4) training for individual work; 5) support to self-employment; 6) employment subsidies; 7) education and training of adults; 8) professional rehabilitation of hard-to-place persons; 9) public work; 10)

provision of scholarships; 10a) training for the work at employer's; 11) other measures directed towards increasing employment, i.e. reducing unemployment.

The Law prescribes that the monitoring and evaluation of the effects of active employment measures implementation is carried out by the Ministry of Labour and Social Welfare, on the basis of statistical indicators and methodologies harmonized with the international and European standards.

In line with the above, it is significant to re-emphasize that the activities defined by the Sector Operational Programme (2015-2017) are the activities for which the EAM has a valid legal foundation and a solid experience basis.

In order to implement the activities defined in the SOP, the EAM provides information on the possibilities and conditions of training, retraining and employment to target users, carries out various stages of selection of target users and implements professional orientation and career guidance activities. Target groups of all the active policy measures, are the unemployed persons that the EAM registers in line with the law, and employers. Activities to be implemented under this action may be:

- **Support to self-employment**

The aim of this activity is to foster new entrepreneurship and enhance the economic structure, to enable creation and development of successful, economically efficient and prosperous small and medium-sized enterprises, with the ultimate long-term effect of new jobs creation. This activity is mainly focused towards reduction of unemployment of youth, particularly university graduates, long-term unemployed and women.

This activity may be implemented via provision of financial support and assistance to the unemployed aged up to 35 years, from the unemployment register, for the purpose of establishing a business entity and entering into employment within this business entity.

Through this activity the support will be provided to potential entrepreneurs through provision of information and counseling. The provision of a whole set of support measures to potential entrepreneurs will be organised with the aim of raising awareness on entrepreneurship, developing entrepreneurial spirit and delivering training to gain entrepreneurial skills. The first-level support will include counselling on how to set up business, legal aspects of registering business, marketing and promotion, and other business-related aspects. This activity will contribute to the promotion of entrepreneurship development, as set out in the ESRP Objective 1.4. and, more specifically, Measure 1.4.1. Support to the entrepreneurial initiatives in the sector of micro, small and medium-sized enterprises.

After the Call for Proposals has been launched, business ideas will be selected on the basis of the following criteria: business idea sustainability; multiplied employment; support to development of strategic economic activities; fostering of female participation in self-employment; and fostering of youth self-employment, with the focus on university graduates. Within this activity, the aim of selected business ideas implementation will be achieved via



financial support that the users will receive as part of this activity of the SOP for starting and operating their own business.

Having in mind the specific target group for this activity, where particular emphasis is set upon youth (particularly university graduates), this activity shall contribute to the reduction of youth unemployment (especially university graduates) as set out in ESRP Objective 1.6., and more specifically, Measure 1.6.1. (Facilitate the Transition of Young People from the Education System to the Labour Market).

- **Training activities**

The activities Sustainable skills development for deficit occupations and Increasing access to the labour market, increasing employment and providing support in acquiring entrepreneurial knowledge and skills through training programmes for RE population are based upon the active employment measure *Education and Training*. Active employment measures are organised and delivered to the end-users on the labour market in line with the Law on Employment and Exercising of Unemployment-based Rights and the related Rulebook on the conditions, manner, criteria and scope of implementing active employment policy measures.

The implementation of training activities is a contribution to the meeting of objectives defined in the National Strategy for Adult Education and Training, particularly with regard to increasing the competence of employed with the aim of achieving an accelerated economic growth and to improving knowledge, skills and competences of adults for employability, labour market mobility and competitiveness.

In line with the Law on Employment and Exercising of Unemployment-based Rights, education and training measure includes the activities that are used to provide the unemployed persons with the possibility to use education and training programmes to upgrade their knowledge within same occupation and education level, to acquire professional qualification, to be re-trained and to acquire key skills, with the aim of improving their competitiveness on the labour market, i.e. ensuring their direct employment. The target groups of these programmes are long-term unemployed persons with inadequate knowledge and skills, persons with occupations not demanded on the labour market, persons without occupation, RE population, unemployment benefit users and users of other social care benefits, and other persons from the EAM register who are interested in participation in the programmes. The implementation of education and training programmes includes the execution of preparatory activities and selection of candidates among the unemployed, the selection of education providers (education and training programmes' providers), monitoring and reporting of the programme implementation, programme funding or co-funding, evaluation of programme outcomes and other activities significant for an efficient implementation of education and training programmes. The above activities are carried out in the manner established by the *Rulebook on the conditions, manner, criteria and scope of implementing active employment policy measures*. In line with that, the public call will be launched for the selection of education and training provider(s), with precisely defined deadlines, criteria and other conditions for their selection.

○ Sustainable skills development for deficit occupations

The aim of this activity is to train labour force for deficit occupations, and the priority will be given to construction, tourism, energy, agriculture and rural development sectors, in line with the National Development Plan.

The labour market surveys (e.g. Employers Survey, carried out annually by the EAM) may serve as a solid information basis to define the economic activities with expressed demand for deficit occupations on the labour market. The findings of this survey will serve as the basis for selection of specific occupations for the training courses to tackle the needs expressed by employers. Additionally, the EAM annually prepares the analysis of occupations in secondary VET and higher education, and submits it to the Ministry of Education, and such analysis serves as a tool for defining enrolment policy.

In line with the EU 2020 Strategy and the sustainable growth concept one of the aims of this activity is to include the “green economy” aspect into the delivery of training and education courses for occupations in the above sectors. Well-developed knowledge and skills will assist sustainable restructuring of all sectors mentioned above in order to obtain a more productive ecological sustainability and exploitation of resources.

The measures planned under this activity will enable the unemployed to acquire new applicable skills and become more competitive on the labour market. Additionally, this activity will contribute to strengthening the capacities of education providers and labour market organisations in order to reduce the gaps between available skills and market demand. In addition to unemployed with university and secondary education, this activity will also support the upgrading of skills for unemployed persons with low (primary or less) education attainment levels and unskilled persons.

In line with the implementation procedure of the active employment measure *Education and Training*, this activity will be implemented in cooperation with employers and education providers, with the aim of training the unemployed persons for deficit occupations.

The utilization of adequate investments into active employment policy measures in priority development sectors will also ensure a more efficient achievement of a smart, sustainable and inclusive growth as key national priorities. When a list of development projects is taken into consideration, as well as the situation related to the labour supply on the labour market, it is clear that an increased scope and improved implementation of active employment policy measures is necessary, in line with the priority occupations to be encompassed in the following development projects: 1) Tourist resort in Kumbor – Herceg Novi; 2) Porto Montenegro – Tivat; 3) Luštica Bay – Tivat; 4) Royal Montenegro Golf & Country Club – Tivat; 5) Qatari Diar – Tivat; 6) Golf court Brdo Spas – Budva; 7) Tourist resort Maljevik – Bar; 8) Motorway Bar – Boljari; 9) Section II TPP Pljevlja, and 10) HVDC submarine cable Montenegro – Italy.

The training of labour force for employment in these jobs will significantly influence the reduction of long-term unemployment. It is also worth mentioning that the training and engagement of domestic labour force for large development projects will have a positive impact of engagement of domestic labour force, especially on economic sectors with seasonal character. This activity will contribute to the achievement of the ESRP indicator referring at



increasing employment of domestic labour force, primarily for seasonal jobs for at least 30% by 2020, as set out in ESRP, Objective 1.3. and, more specifically, Measure 1.3.1. (Valorisation of Seasonal Work Opportunities in Montenegro). Within this activity the unemployed persons will acquire practical and modern knowledge that will improve their competitiveness and employability, thus positively influencing their future employment prospects. In this manner this activity will contribute to increased participation of the citizens in life-long learning programmes, as set out in ESRP, Objective 2.3. and, more specifically, Measure 2.3.2. Enrichment of the Educational Offer With diverse Programmes (with aim to make the education and learning available to a greater number of citizens).

In line with the implementation procedure of the active employment measure Education and Training this activity will be implemented in cooperation with employers and education providers, with the aim of training the unemployed persons for deficit occupations in the mentioned areas.

- **Increasing access to the labour market, increasing employment and providing support in acquiring entrepreneurial knowledge and skills through training programmes for RE population**

The main aim of this activity is to provide training for acquisition of professional qualifications for members of RE population, from the unemployment register, in line with the labour market demand.

Since the Government Action Plan “Decade of Roma Inclusion 2005-2015”, in addition to education, health care and housing, also recognised employment as a priority area, the EAM has also been included in the elaboration of this Plan. With the aim of improving the position of RE population, their better inclusion into society, reduction of discrimination and poverty, the EAM invested efforts in improving employability and employment of RE population, including the development of their potential and provision of qualifications for better paid jobs, which at the same time represents the core of this activity. Having in mind that the key labour market institutions have been actively involved in the preparation and implementation of the EU funded projects *Konik Camp I and II*, this activity is considered necessary as a continuation of efforts related to the provision of social inclusion and employment of RE population.

This activity encompasses the training for acquisition of skills and competences related to production, service and craft activities. The training for RE population may be categorized into the three following types of activities, relying upon the provisions described in the text above (Training activities), with the introduction of certain specific features in line with the RE population needs. In addition to improving the inclusion and employability of RE population, this activity will also contribute to achieving the Objective 2.2. set out in the ESRP: Equal opportunities in access to education of marginalised groups.

The first type of activities is the needs analysis and the collection of relevant data and information where the following will be used: unemployed persons register, statistical data derived from the EAM statistics, surveying of RE population members related to: professional



interests, available skills and knowledge, relation towards employment and employment institutions; registers of other institutions in Montenegro. This will further rely upon the surveys carried out by the EAM related to the demand for labour force with specific qualifications and skills, as well as upon the data on qualifications and skills of RE population and their attitudes towards employment.

The second type of activities represents preparation for training of target users, consisting in the following: invitation of candidates, interviews, workshops and establishment of training course groups.

The third type of activities represents the training in line with the procedure explained above.

- **Support to employment in the less developed municipalities in Montenegro**

The aim of this activity is the creation of new jobs at existing and new employers' in the northern region, but also in the less developed municipalities in other regions of Montenegro, via provision of financial support for employment of labour force from the unemployment register in the targeted municipalities¹⁶. . This activity includes the provision of possibility to the unemployed persons from the less developed municipalities in Montenegro to be trained for the work at employers' in their municipalities of residence. Through this activity they will acquire knowledge, skills and competences necessary for employment at these employers.

Having in mind uneven economic development levels of Montenegrin regions, this activity will assist the reduction of regional disparities in the levels of employment and unemployment, as set out in the ESRP, Objective 1.2. and, more specifically, Measure 1.2.1. (The Reduction of Regional Disparities).

Employment and unemployment, as significant indicators of socio-economic development in Montenegro, have a particular regional dimension, i.e. they point out to a considerable gap in development levels between the northern part, from one hand, and southern and central part, from the other. Other business-related indicators in Montenegro also call for particular investment into development of the Montenegrin municipalities that are lagging behind.

In order to contribute to the implementation of development directions and reduction of regional disparities, this activity will lead to the creation of new jobs, an increase in the number of employed persons and the development of human resources as well as to the improvement of their capacities as a precondition for sustainable growth. At the same time, we will use financial support for creation of new jobs to contribute to the strengthening of competitive position of current entrepreneurs, to the improvement of business environment, resulting in an accelerated growth of targeted municipalities.

The training on the workplace will be organised by the employers, independently or in cooperation with education providers. Through this activity the financial support will be

¹⁶ The targeted municipalities will be those defined as „less developed“ in line with the Rulebook on defining the list of the development levels of local self-government in force at the date of publishing the Call for Proposals.



provided to employers, so that they can adequately train and employ unemployed persons, in line with their specific needs.

The call for proposals will be launched for the eligible potential applicants which will be defined in the text of the Call which includes municipalities, employers' associations and other relevant stakeholders.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Clearly defined and described target groups and their needs in terms of the objectives of the SOP;
- Linkage between intervention and increase in employment of women, young and marginalised persons;
- Promoting and supporting "green economy" concept;
- Promoting and supporting entrepreneurship with an emphasis on self-employment (taking into account gender balance);
- Promotion of social innovation;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Labour and Social Welfare
- Employment Agency of Montenegro (at central level and regional/local offices)
- Employers
- Licensed training providers
- Non-governmental organisations/associations
- Municipalities
- Chamber of Commerce
- Social partners
- Other relevant actors

Target groups:

Unemployed persons registered at the EAM unemployment register, especially the long-term unemployed, young people (with emphasis on university graduates), women, employers, persons with low education levels, unemployed persons from the less developed municipalities in Montenegro, members of socially vulnerable groups at risk of social exclusion, especially RE population.

Indicators:

Output indicators



- At least 700 persons trained for deficit occupations
- At least 25% of persons who attended training for deficit occupations become employed;
- At least 30% of RE population registered as unemployed received training;
- At least 500 new jobs created in the less developed municipalities of Montenegro.

Result indicators

- The share of self-employment in total employment increased to the level of 17%;
- At least 2.5% of registered unemployed persons (in 2014 were 47,500 registered unemployed persons) benefited from skills development training in deficit occupations;
- The number of registered unemployed persons in the less developed municipalities reduced by at least 1.9% through self-employment (in 2014 were 20,684 registered unemployed persons).

4.6.1.2. Activity 1.2. Local Employment Initiatives

Specific objective:

The aim of developing local partnerships for employment is:

- to link all relevant stakeholders in a local community, who can contribute to a better matching of local needs and to the reduction of local disparities related to employment and unemployment;
- to develop an institutional framework for partnership-based development of human resources at the local level;
- to strengthen capacities of local stakeholders for development and implementation of local labour market policy.

Rationale:

In terms of strengthening activities related to employment, labour market and development of local initiatives for employment with the aim of reducing regional disparities, networking and empowering of local labour market stakeholders, it is important to point out that within the project “Labour Market Reform and Workforce Development” under IPA 2008, local employment partnerships were established in 4 municipalities in the northern Montenegro (Pljevlja, Bijelo Polje, Mojkovac and Berane). Within these local partnerships, the local employment strategies and action plans have been adopted and 16 local projects were implemented, with 438 persons trained on the basis of educational programmes accredited at the national level for acquiring educational titles in cooperation with 15 education providers certified at the national level. This best practice example regarding the inclusion of all labour market stakeholders (local employment office, educational institutions, social partners, civil society, entrepreneurs, regional development agencies) will be taken into consideration.

It is the aim of this activity to additionally strengthen the role of local employment partnerships to increase their visibility on the local labour markets, in the part of defining local labour market needs, including collecting data on indicators, better networking among educational institutions at the local level and improvement of inter-sector cooperation.

Description and eligible indicative interventions:

Within this activity, local employment partnerships will be established in 11 municipalities (in addition to local employment partnerships **already established** in 4 municipalities) and they will develop the Human Resource Development Strategies (Employment Strategies) that will supplement development goals with additional measures and priorities. The strategies will be developed on the basis of the relevant labour market analyses and information collected from various sources (labour market surveys, national statistical office data and other relevant sources). They will include the goals in line with the real needs of local labour market, the creation of new jobs, increase of employability, reduction of inequality. The partnerships, strategies, action plans and strengthening of capacities to be developed through this activity, will be harmonized with the local and national goals and EU goals in the labour market area, but also with the national priorities related to the regional development.

Within the local employment strategies, a set of projects within sectors employment, social inclusion and education, as well as social partnership, will be developed in order to ensure the implementation of those projects at the local level with the support of EU funds, especially taking into account their sustainability and ownership at the local level.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Involvement of all relevant stakeholders in the establishment of local partnerships for employment;
- Incorporation of national strategic goals and principles into local employment strategies;
- Preparation of sufficient number of quality project proposals that would support the increase of employment at the local level;
- Promoting multi-sector approach at the local level;
- Innovative nature of suggested interventions;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Labour and Social Welfare;
- Employment Agency of Montenegro (regional and local employment offices);
- local governments;
- social partners;
- civil sector;

- employers;
- educational institutions;
- social work centres;
- regional development agencies;
- other relevant actors.

Target Groups:

Regional and local employment offices of EAM, local governments, social partners, civil sector, employers, public or private educational institutions, centres for social work and regional development agencies.

Indicators:

Output indicator

- Established local partnerships in at least 11 municipalities.

Result indicator

- At least 11 local Human Resource Development Strategies prepared on municipality level;
- The active population covered by the local partnerships reaches 60% by 2023.

4.6.1.3. Overview Table

<i>Action</i>	Improving the Labour Market and Increasing Employability
<i>Specific objective</i>	<p>The specific objectives of this action are:</p> <ul style="list-style-type: none"> • To foster new entrepreneurship with the aim of long-term provision of new job creation and to create conditions for new job creation especially in the less developed municipalities in Montenegro; • To train the unemployed in order to increase their key competences and skills, and, consequently, their competitiveness on the labour market, as well as to train the unemployed for deficit occupations and to support social inclusion and increase of employability of marginalised groups; • To promote local employment initiatives by ensuring inclusion of all relevant local labour market stakeholders.
<i>Results of the action</i>	Improved employability of unemployed persons through an increase in the number of people involved in measures of active labour market policy measures and target actions, and establishing systems for the

	involvement of key stakeholders at the local level of the labour market in the decision making process at the local level.
<i>Activities</i>	<p><i>Activity 1.1</i> Implementation of active labour market policy measures</p> <p>1.1.1. Support to self-employment</p> <p>1.1.2. Training activities:</p> <ul style="list-style-type: none"> • 1.1.2.1. Sustainable skills development for deficit occupations; • 1.1.2.2. Increasing access to the labour market, increasing employment and providing support in acquiring entrepreneurial knowledge and skills through training programmes for RE population. <p>1.1.3. Support to employment in the less developed municipalities in Montenegro.</p> <p><i>Activity 1.2.</i> Development of local employment initiatives.</p>
<i>Indicative list of main projects</i>	N/A
<i>Methods of implementation</i>	The activities under this action may be carried out through technical assistance (service contracts) (Activity 1.2) and grant schemes and/or direct grant (Activity 1.1)

<p><i>Performance indicators</i></p>	<p><i>Activity 1.1.</i></p> <p><u><i>Output indicators</i></u></p> <ul style="list-style-type: none"> • At least 700 persons trained for deficit occupations • At least 25% of persons who attended training for deficit occupations become employed; • At least 30% of RE population registered as unemployed received training; • At least 500 new jobs created in less developed municipalities northern region of Montenegro through self-employment. <p><u><i>Result indicators</i></u></p> <ul style="list-style-type: none"> • The share of self-employment in total employment increased to the level of 17%; • At least 2.5% of registered unemployed persons (in 2014 were 47.500 registered unemployed persons) benefited from skills development in deficit occupations; • The number of registered unemployed persons in the northern region reduced by at least 2.3% through self-employment (in 2014 were 16 369 registered unemployed persons). <p><i>Activity 1.2.</i></p> <p><u><i>Output indicator</i></u></p> <ul style="list-style-type: none"> • Established local partnerships in at least 11 municipalities. <p><u><i>Result indicator</i></u></p> <ul style="list-style-type: none"> • At least 11 local Human Resource Development Strategies prepared on municipality level; • The active population covered by the local partnerships reaches 60% by 2023.
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4.6.2. Action 2 – Enhancing the Education System

Aim

The aim of this Action is improving human resources through formal education at all levels, with the focus on basic levels of education, higher education, research and development, including marginalised groups.

Specific objective

Action “Enhancing the Education System” aims at:

- Increasing the quality of educational provision at all levels;
- Improving capacity of teachers at all levels of education
- Promotion of 8 key competences including basic and transversal skills
- Modularization of educational programmes based on learning outcomes and key competences with the focus on the development of work-based learning which will

contribute to the development of lifelong learning and address skills mismatch in the labour market

- Implementation of activities directed to the improvement of quality and introduction of practical teaching in vocational and higher education;
- Promotion of 8 key competences including basic and transversal skills with the focus on the development of work-based learning;
- Improvement of access to education and professional training for marginalised groups;
- Improvement of cooperation between academic and scientific community with industry and businesses in achieving positive effects on both, academic and economic sector.

EU legislation:

In line with its strategic orientation, Montenegro underwent numerous reforms in the last decade in the area of education and training policy and adopted strategies and laws for various levels of education. Montenegro 2014 Progress Report states that a good level of legal alignment in this area has been reached, as confirmed by temporary closure of negotiation chapters 26 “Education and Culture” and 25 “Science and Research”. The most important legislation in this field is: the Law on Primary Education, the Law on Vocational Education, and the Law on High Schools. Also, the General Law on Education, the Law on National Professional Qualifications, the Law on National Qualification Framework and the Law on Upbringing and Education of the Children with Special Educational Needs. The new Law on Higher Education was adopted in October 2014, while the field of science is defined by the Law on Scientific – Research Activity (Official Gazette of Montenegro, 80/10). However, little progress has been made in implementing strategies and policies.

Rationale:

Structural mismatch of supply and demand remains as a long-term challenge of the Montenegrin labour market. One of the labour market reform objectives is to align the education system with the labour market needs, in order to overcome gap between the supply and demand and knowledge and skills. According to recent studies, the skills most in demand by employers and poorly delivered by the education system are those of communication, analytical ability, foreign languages, team work and the like.

Achievement and continuous monitoring of the quality of education is a primary goal at all levels of education from pre-school education and schooling to higher education. External evaluations of all educational institutions and programs may be carried out regularly, but lack the rigour and application of EU quality assurance standards. Developing a culture of quality assurance must be accompanied by further education and training of all employees in educational activities, in order to be able to follow and apply European standards in quality assurance with the establishment of good mechanisms of management, administration, information systems and education statistics. It is necessary to work on the quality of initial and continuous teacher education.

One of the strategic objectives in the education policy is development of vocational education and career orientation, in order to develop professional competences for easier labour market entry and successful career development, which is carried out through the development of standard occupations, standard qualifications and modular education programmes (for primary, secondary and higher vocational education) and special programmes, which are taking into account the labour market needs and not based on easier access to university. Sector-level commissions help establish the need for all types of qualifications, are composed of representatives of employers and their associations, trade unions, institutions engaged in development of education, competent ministries, universities.

As to providing access to education to the category of persons belonging to vulnerable groups, and, thus, their easier introduction into the labour market, it is necessary to make (mainstream) educational programmes (including facilities and materials) accessible to people with disabilities, in line with the objective of inclusive education enshrined in the UN Convention on the Rights of Persons with Disabilities. As discussed in recent sub-committee, Montenegro still needs to remove physical barriers as well to implement strategy for vulnerable groups of people and students with special needs.

The Progress Report for 2014 states that it is necessary to make additional efforts in the area of research, development and innovation in order to foster competitiveness of domestic business organisations. This starts with increasing research activities in higher education, especially the third cycle, and with improving cooperation with business and society at large.

Description:

Activities under this action will ensure the improvement of the quality of the work and teaching in educational institutions, including the quality assurance system, development of professional competences of teachers, both in the Initial Teachers Education (ITE) and Continuous Professional Development (CPD), with the special emphasis on the key competences in line with all national educational strategic documents and priorities.

Further development and implementation of the educational programmes based on learning outcomes within this SOP, will be in line with the NQF, with the focus on programmes aligned with the needs of the labour market and the implementation of projects that will show the best connection between educational and labour market challenges. Quality of practical teaching needs will be improved, with the promotion of the work-based learning, in the real work environment. Through basic level of compulsory education, students should gain key competences, which are the basis for future and lifelong learning.

Activities under this Action might also support development and adjustment of the curricula, and provision of material resources for the implementation of curricula for the Special

Education Needs children¹⁷ (SEN) children, persons with disabilities and members of marginalised groups, especially members of RE population, as previously elaborated.

In order to ensure inclusion of children, pupils and students with disability into the educational system, this activity will support development and implementation of an action plan for removing architectural barriers in institutions at all levels of education following the principle of reasonable adaptation.

As stated in all strategic documents on research, development and innovations, this activity will support employment of researchers in academic and business sector.

4.6.2.1. Activity 2.1. Improvement of the quality of education

Aim:

The overall aim of this activity is to improve quality of education at all levels through improved performance of teachers.

Rationale:

Assurance and continuous monitoring of quality is the primary goal at all levels of education from pre-school education to higher education, and this requires a developed quality assurance system. Although almost all educational institutions are involved in the current system of quality assurance, credible standards and evaluation mechanisms are still lacking. In particular, it is necessary to develop human resources, further develop quality assurance mechanisms and to work on harmonisation with the European standards in this field.

One of the key factors for improving the quality of education at all levels is improving the capacity and training of teachers; both at the initial (university) education stage and via continuous professional development (in-service training) organisation. The role of teachers in improving the quality of education is fundamental. The quality of their knowledge and competences is of the utmost importance for high pupils' achievements and, thus, one of the key drivers of the company. Rapid economic and social changes, as well as the differentiated needs of students, call for continuous professional development and modernization of initial teacher education. Future teachers must be better equipped with methods, strategies and forms

¹⁷The term “*children with special educational needs*” is used up to the tertiary education level and it refers to the students with disabilities (physical, mental, sensory and combined) and developmental difficulties (behaviour, learning, severe chronic and long-term illnesses, difficulties due to emotional, social, linguistic, and cultural deprivation).



of work for their specific area of expertise, and especially with psychological knowledge about development and learning of children. Mastering foreign languages and ICT, at standard levels, is a prerequisite for quality work at the school. Programmes of the Initial Teacher Education especially in the STEM¹⁸ disciplines do not offer enough opportunities for future teachers to gain necessary teaching knowledge and skills, not just by the lack of qualitatively and quantitatively satisfying practical learning but there is also need for the pedagogical and methodological improvement of these programmes. The objective of the CPD is to develop teacher training programs in order to assist teachers to understand new, more complex goals of teaching and learning and to master the basic methods of modern teaching and learning. The challenge in this area is insufficient funds for the organisation and implementation of necessary training.

Model of licensing and re-licensing of teachers, tutors, assistants and managers of educational institutions, which was adopted by the Government in March 2014, is the basis for establishing a system that would ensure the development and advancement of the profession, which will contribute to improving the quality of the educational process as a whole. Also, it is necessary to continue with further improvement of the teaching processes at primary, general secondary and vocational education, in order to enable all pupils to develop key and professional competencies.

Key competencies and skills are a part of the curricula, but the quality of implementation remains low. Therefore, it is extremely important to focus on developing broader skills that will support flexibility and transferability of competencies, and ensure better employability of the graduates. Key competences should be introduced at all levels of education and training, and they should include a framework for entrepreneurial learning outcomes with a particular focus on the key "green" competencies. The Ministry of Education has a leading role in the development of entrepreneurship learning, but real progress is only possible with the support of all relevant stakeholders at national and local level.

According to the Montenegrin PISA results, which are significantly below European average, the primary education and secondary education provision needs to improve. With regard to the reform of these segments of education, there is a clear need to reduce curricula, creating space for the acquisition of functional skills, analytical skills, ICT skills, language and creative skills, and encouraging research and innovative approach to acquiring knowledge. Based on the previous analyses, the Ministry of Education has found it necessary to reduce curricula up to 25% in terms of their contents. Poor PISA results show that much needs to be done to improve pupils' performances in reading, mathematics and science¹⁹. The Action Plan for Improvement

¹⁸ Abbreviation for Science, Technology, Engineering, and Mathematics

¹⁹Montenegrin PISA results available at:

<http://www.iccg.co.me/1/images/dok/medjunarodno/PISA%202012%20prezentacija%20CG%20rezultata%203%2012%202013.pdf>

The PISA results are available at: <http://www.oecd.org/pisa/keyfindings/pisa-2012-results-overview.pdf>



of PISA Achievement recommends implementation of active learning methods, implementation of learning outcomes and their assessment, as well as support to teachers (through the teachers web-based networks, provision of the resource for the examples of good practices, etc.).

Description and eligible indicative interventions:

This activity will improve the quality of work and teaching in educational institutions, including the quality assurance system, development of professional competences of teachers, both in the initial teachers' education and continuous professional development with the special emphasis on the key competences.

Through this activity it is also planned to improve the evaluation method of students' achievements and students' assessment, to further develop teaching materials and improve teaching in natural sciences.

The Activity covers primary education, secondary (incl. VET) and higher education. It will be implemented by the Ministry of Education, and may include the following indicative interventions in order of priority:

- Training of teachers in key competences and soft skills;
- Improvement of the study programmes of the Initial Teacher Education;
- Revision of the existing educational programmes, especially at the level of primary education, for a broader inclusion of soft skills, functional knowledge and key competences;
- Improvement of the methodology of assessment and evaluation of students' knowledge;
- Improvement of science teaching including revision and improvement of teaching materials and extracurricular activities.
- Development of the mechanisms of management, administration, information systems and statistics;
- Training of teachers and other staff employed in education in the application of quality assurance standards; Work on the harmonisation/implementation of the European QA standards for various levels of education;

This activity will contribute to the fulfilment of the ESRP's objective 2.4. Improving the Quality of Education at All Levels: Measure 2.4.1. *Increase in Coverage of Teaching Staff Involved in Quality Assurance at All Level and Measure 2.4.3. Improvement of the quality of primary education.*

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities to achieve the objectives and indicators of the SOP;

- Introduction of key competences at all levels of education and training;
- Involvement of sufficient percentage of teachers into QA, and key competences and skills trainings;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Education
- Educational institutions at all levels
- Other relevant actors

Target groups:

Educational institutions at all levels of the education system, teachers, students, management and administration staff in education

Indicators:

- PISA results for all three areas (mathematics, reading and science) improved by at least 20% in the 2021 round;
- Implementation of quality assurance measures (monitoring and evaluations – inspections) in 50% of schools and educational institutions.
- All study programmes of Initial Teacher Education improved to include techniques for student-centred teaching and learning outcomes; teaching of 8 key competences; and to increase practical training periods with better support for student teachers.

4.6.2.2. Activity 2.2. Development of educational programmes in line with NQF

Specific objective:

The aim of this activity is to develop and implement educational programmes based on learning-outcomes and student-centred learning, modularizes and credit valued that are in line with NQF and have focus on developing the 8 key competences in students..

Rationale:

The National Qualifications Framework, harmonized with EQF, is an instrument that regulates the entire system of qualifications in Montenegro in accordance with a set of criteria for certain levels of the achieved learning outcomes. Based on learning outcomes, the Qualifications Framework aims to encourage lifelong learning, connect education and labour market through greater involvement of employers and other partners, harmonize and establish coordination of activities within the sub-system of qualifications. Sectoral commissions and the Council for Qualification have adopted since the beginning of their work: 17 occupational standards, 51 initiative for development of professional qualification - 49 in vocational education and 2

initiatives in higher education, 33 initiatives for development of qualification of level of education - 12 in vocational education (levels II-V) and 21 initiative in higher education (levels VI-VIII) and 27 qualification standards - 22 standards of professional qualifications and 5 standards of qualification of educational level.

Description and eligible indicative interventions:

This activity will support development and implementation of the educational programmes in line with the National Qualifications Framework, based on learning-outcomes and student-centred learning, modularizes and credit valued that are in line with NQF and have focus on developing the 8 key competences in students.

One of the biggest challenges of the Montenegrin education system is the issue of practical teaching. The main objective of practical teaching is to train pupils and students for independent and safe performance of duties and tasks within a specific occupation. Through practical teaching, pupils and students get acquainted with the procedures and acquire practical knowledge and skills, which implies linking theoretical knowledge with practical work, acquiring skills and work experience. To meet this challenge it is necessary to continue to work on establishing and better equipping laboratories and workshops, especially in vocational and higher education, while it is very important to continue working on improving the participation of employers in providing practical training in a real working environment. It is also necessary to work on improving the capacity of employers who participate in the implementation of practical training and vocational education in their companies in order to improve the quality of this kind of teaching. Work based learning will improve acquisition of some key competences, entrepreneurship above all, but also team work and social expression.

Therefore this activity will support improvement of the programmes in VET and higher education regarding practical education and training, both by purchasing equipment necessary for practical teaching and by training in real working environment through cooperation with the employers.

This Activity will cover VET and higher education and special focus will be put on programmes which educate for occupations in demand, in the areas of agriculture, electronics, energetic, tourism, catering, food processing, transportation, personal services and construction. Activities could also cover promotional activities for enrolment in the educational programmes for occupations in demand.

Eligible indicative interventions may include:

- Development of new modularized educational programmes in line with the NQF and needs of the labour market;
- Implementation of modularized educational programmes;
- Training of teachers in the execution of the modularized programmes;

- Introduction and implementation of practical training part in the educational programmes;
- Establishment of cooperation between educational institutions and employers for the execution of the practical training;
- Purchase of equipment necessary for practical training;
- Promotion of education programmes for occupations in demand and lifelong learning for students and employers.

This activity will contribute to the fulfillment of the ESRP's: objective 2.1. *Greater Harmonisation of the Education System with the Labour Market Needs of the ESRP*, Measure 2.1.1. *Development of Qualifications Based on Learning Outcomes Appropriate to the Labour Market Needs, in Accordance with the Principles of the National Qualifications Framework* and Measure 2.1.3. *Promotion of Education and Training for Occupations in Shortage in the Labour Market*, as well as objective 2.5. *Establishment of a System of Practical Teaching in Educational or Study Programmes*, Measure 2.5.1. *Promoting and Encouraging the Involvement of Employers in Creating and Implementing the Educational or Study Programmes*, Measure 2.5.2. *Increase in the Number of Employers Who Are Involved in Practical Education*, Measure 2.5.3. *Improving the Quality of Implementation of Practical Education in Educational Institution*.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Development of curricula at all educational levels in line with labour market needs;
- Promotion of practical teaching and cooperation with employers;
- Sustainability of proposed interventions.

Beneficiaries:

- Educational institutions at all levels,
- VET centre,
- Employers,
- Other relevant actors

Target groups:

Educational institutions and education organizers, teachers, pupils, students and employers.

Indicators:

- At least 45 new/updated educational programmes developed in accordance with the NQF, focusing on student-centred learning and developing 8 key competences

- The number of educational institutions implementing modernised programmes is increased by at least 35 units.
- Number of educational programmes with the developed/improved segment of practical teaching increased with at least 80%.

4.6.2.3. Activity 2.3. Inclusion of marginalised groups into educational system

Specific objectives:

The specific objectives of this activity is development and adjustment of the educational programmes, and provision of material resources for the implementation of programmes for the SEN children, persons with disabilities and members of marginalised groups, especially members of RE population as well as development and implementation of an action plan for removing architectural barriers in all institutions at all levels of education.

Rationale:

The principles of non-discrimination and equality before the law are the basic prerequisites for the enjoyment of all human and minority rights, but not sufficient for providing the factual equality of minorities with the majority.

There is an evident increase in the involvement of children with special educational needs in the education system but still at the insufficient level. The introduction of inclusive education is provided by the laws in the field of education. This implies that there is a need for continuous work on the establishment of support services, building accessible environment and transportation, adapting educational or study programmes, the existence of textbooks in appropriate formats. According to the Law on Higher Education (Official Gazette of Montenegro 44/14), the principle of affirmative action is implemented in enrolment of persons with disabilities to a study programme. The Law also stipulates that an institution may be established and carry out activities if, inter alia, it has provided the conditions and unimpeded access for persons with disabilities. It is also provided that students with disabilities are exempted from paying tuition fees, as well as that students with disabilities have the right to take the exam in the way adapted to their educational needs in accordance with the Articles of Association of the institution.

Transition of SEN pupils from elementary education to secondary education requires strong connection between these two levels of education. This can be achieved through the full implementation of “individual transition plans” (ITP) for all SEN pupils. ITPs are carried out in two phases: at the end of elementary school and at the end of secondary education. It is

necessary to develop new qualifications²⁰ based on the standards of different level of secondary or vocational education. The pupil is trained within the Individual Plans: adaptation, reduction in practical teaching, standards and assessment are operationalized. The pupil attains a receipt on a completed part of the program (issued by school), i.e. a certificate of professional qualification (issued by the Ministry of Labour and Social Welfare).

Schools are not sufficiently accessible for students with disabilities. For example, for the students with visual disabilities buildings are not adapted (tactile, Braille etc). Based on the needs assessment, by using the principle of reasonable adaptation, work on accessibility must be performed: overcoming the architectural barriers, adaptation of the toilets, works improving the mobility of persons with visual disabilities, provision of specialized equipment, aids, alternative and modern technologies, with focus on ICT.

According to the Law on Higher Education (Official Gazette of Montenegro 44/14), the principle of affirmative action is implemented in enrolment of persons with disabilities to a study programme. The Law also stipulates that an institution may be established and carry out activities if, inter alia, it has provided the conditions and unimpeded access for persons with disabilities. It is also provided that students with disabilities are exempted from paying tuition fees, as well as that students with disabilities have the right to take the exam in the way adapted to their educational needs in accordance with the Articles of Association of the institution.

About 80 students with disabilities attend institutions of higher education (school year 2014/2015), which cannot be taken as a good indication of involvement of this group in bachelor degree system. There are a number of reasons for such situation, first of all architectural barriers and lack of adaptation of teaching (books and practicum), and testing students with disabilities, their needs, and the lack of adequate support services that further complicate their study conditions. However, it is important to point out that equal opportunities policy recognizes the right of all persons with disabilities to education.

Strategy for Improving the Position of Roma and Egyptians in Montenegro 2012 – 2016 indicated that the percentage of children of Roma and Egyptian population preschool education is 13.81%, which is twice less than the percentage of children at the state level. In 2014 the number of RE children enrolled in preschool education was 119 in the preparatory preschool institutions and about 80 RE children in half-day programs. As for the 2014/2015 school year, primary education is attended by 1,883 RE children and that number has been tripled in comparison to the 2001/2002 school year, when it stood at 536 RE children. In 2013, secondary education was attended by 81 RE students, while the university education included 15 RE students. The high school students of the RE populations are provided the free textbooks and scholarships. The Ministry recommends that schools allow Roma and Egyptians interested in such education a free irregular attending of classes, and, according to the principle of affirmative action, we advocate for their enrolment in vocational schools.

²⁰ By finishing a certain number of modules a child can acquire: 1) qualification of an assistant (second degree); 3) with a few modules of qualifications of a craftsman (third degree); 4) and with few more modules for the qualification of a technician (fourth degree).



The project „Provision of Scholarships and Mentoring Support for RE students and secondary school pupils in Montenegro" has been introduced as well. Through the scholarships contest, 69 scholarships were provided to the RE students. The mentoring team has been formed, with the task to monitor the success of students, conduct tutorials classes and communicate with parents. In cooperation with higher education institutions, with the application of the same measures, the young from RE population have been supported in order to achieve their academic ambitions, so 15 students of RE population are the beneficiaries of scholarships.

The efforts on the enhancement of inclusion of disadvantaged children into educational system have been designed and often implemented as a part of coordinated and cohesive efforts for the better inclusion of the disadvantaged people into society. Cooperation with the Ministry of Labor and Social Welfare is being performed through established mechanisms of cooperation²¹, while on the state level Council for Persons with Disabilities has been established comprising the representatives of the responsible ministries, NGOs and other stakeholders, and with the mandate to improve the position of persons with disabilities.

Description and eligible indicative interventions:

The envisaged activities will be those targeting the further development and adjustment of the educational programmes, and provision of material resources for the implementation of programmes for the SEN children, persons with disabilities and members of marginalised groups, especially members of RE population. The activity covers all levels of education and it will be implemented by the Ministry of Education. It may include the following indicative interventions:

- Adjustment of the educational programmes with the aim of gradual acquisition of qualification according to the individual capabilities of the disadvantaged students;
- Identification and purchase of teaching materials and technologies in accordance with the students' individual needs (specialized equipment, alternative and modern ICT technologies)
- Training of teachers for work with the disadvantaged students and implementation of educational programmes for disadvantaged students;
- Further development of the system for identification of disadvantaged students' individual needs and abilities for their transition to the next level of education, preparation of the disadvantaged students for future employment and provision of skills for independent life (ITP system);

²¹The Working group for the monitoring of the Strategy for Integration of Persons with Disabilities in Montenegro 2008-2016, chaired by the Ministry of Labour and Social Welfare, includes a representative of the Ministry of Education, for monitoring the education-related segment of the Strategy. The cooperation is also performed through the commissions for educational orientation of children with special educational needs that function on the local level and include representatives of the centres for social work, schools, etc.



- Promoting family-school cooperation;
- Enhancement of the mechanism for prevention of early school leaving, provision of teaching support/assistance, monitoring of the students' accomplishment in primary and secondary education

The second group of interventions in this activity will support development and implementation of an action plan for removing architectural barriers in educational institutions at all levels of education. The indicative eligible interventions, to be implemented by the Ministry of Education, are:

- Preparation of an action plan for the removal of the architectural barriers based on the principle of reasonable adaptation;
- Implementation of the action plan (installation of ramps, elevators (if estimated), adaptation of toilets and other needed premises))

This activity will contribute to the fulfillment of the objective 2.2 of the ESRP, in relation to equal opportunities in the access to education for marginalised groups, Measure 2.2.1. *Development and Implementation of the Action Plan for Removing Architectural Barriers in all Educational Institutions at all Levels of Education* and Measure 2.2.2. *Development, Adaptation of Educational/Study Programmes and Provision of Material Resources for the Implementation of Programmes for the Persons With Special Educational Needs*.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Adjusting and applying of educational programmes in line with a need of marginalized pupils/students;
- Promoting inclusion of SEN children, persons with disabilities and members of marginalised groups, especially Roma, into the educational system;
- Removing architectural barriers in the educational institutions at all levels in order to ensure equal opportunities for all children and students;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Education.
- Educational institutions at all levels
- Other relevant institutions/organisations dealing with SEN children, persons with disabilities and members of marginalised groups, especially members of RE population.

Target groups:

Educational institutions at all levels of the education system, marginalised groups with an emphasis on SEN children, persons with disabilities and members of RE population.

Indicators:

- Number of schools in which mechanism for detecting and case management for prevention of early school leaving is introduced is increased with at least 11 units
- Number of educational programmes modularized for the SEN children/persons with disabilities is increased with at least 13 units
- The percentage of SEN children, persons with disabilities and members of RE population participating in educational programmes²² compared to the general population reached to at least 10% by the end of the implementation of the present SOP
- The percentage of architectural barriers removed in the educational institutions under the present SOP is increased for at least 2.3%.

4.6.2.4. Activity 2.4. Support to the employment of scientists in academic and/or business sector

Specific objective:

The aim of this activity is to promote connection between research and development community and business, by establishing mechanisms promoting the employment of researchers.

Rationale:

The Strategy for Scientific-Research Activities 2012-2016 of Montenegro defines the measures focused on strengthening the human resources and promoting mobility of researchers in line with the EU actions. The harmonisation of the national policy in the field of research with the European policy indicates further increase in investments in the research, development and scientific infrastructure, promotion of the quality of scientific-research activities by establishing the first Centre of Excellence in Montenegro, as well as cooperation of the scientific-research community with the economy, primarily by establishing the science and technology parks in Montenegro. Further efforts are required to encourage scientific-research work with the special attention given to connecting science and education in order to develop human resources and connecting science and economy which will contribute to a faster economic development of Montenegro. Further efforts are also required for increasing the investments in research, development and scientific infrastructure at the national level, more competitiveness in orientation to fields (multidisciplinary research) in line with the Horizon 2020. It is also necessary to make careers of researchers and scientists more attractive to young people and to create better conditions for the most successful scientists, especially in the economic sector.

In this regard, the Ministry of Science and the Ministry of Education under the project “Higher Education and Research for Innovation and Competitiveness-HERIC” are implementing the

²² compared to the general population

National Excellence Scholarship Programme. The purpose of the National Excellence Scholarship Programme is to build research capacities by awarding scholarships for Masters, PhD and postdoctoral studies at recognised higher education institutions abroad. Montenegro allocated a significant amount of funds for this scholarship programme.

Researchers are given the opportunity to gain international professional experience and access to scientific infrastructure, as well as the opportunity for interdisciplinary aspects of research programmes. The added value of the scholarships is that they will ensure the return of scholars in order to implement the knowledge and skills into the national system of education and research.

Through the Operational Programme for Human Resources Development 2012–2013, under Priority 2 – Improving the knowledge, skills and competences, 2.3 million euro were allocated for employability and competitiveness, of which 1.15 million euro for the field of education – support to the improvement of services for the development of qualifications in vocational education and training and 1.15 million euro for the field of higher education and research – support to the improvement of innovative capacities of higher education, research and economy.

Description and eligible indicative interventions:

The purpose of the support of the employment of researchers (PhDs and post-doc) in academic and business sector is to offer a wide range of specific information and support to their employment. It is dedicated to PhDs and science post-docs planning to develop their careers in Montenegro, as well as to researchers willing to do research in Montenegro.

The purpose of the “Support to the employment of researchers in academic and/or business sector” scheme is to build research and innovative capacities of national economy by employment of PhD and postdoc in academic and business sector. The scheme will be open to researchers from Montenegro Montenegrin diaspora and international researchers.

The facilitation of engagement of researchers in Montenegrin scientific and research institutions and companies will allow knowledge and technology transfer, prevent brain drain, and improve brain circulation, what will result in great benefit for researchers and for Montenegro as a whole.

The objectives of the "Support of the employment of scientists in academic and economic" scheme are as follows:

- Strengthening national capacities for research, innovation and competitiveness;
- Transfer and application of knowledge acquired through academic development and career development of researchers; and
- Strengthen economic sector of Montenegro through investment in human resources.

Establishment of such mechanism will provide both scientists and companies with opportunity to give life to innovative ideas and more importantly to benefit from their commercialization.



It is expected that this activity will support high-tech industry sector that is often recognised as a driver for innovation. Generally, there is recognised role of PhD and postdoc students in terms of sustaining and developing the innovative and entrepreneurial ecosystem of our country. Therefore through this scheme we expect to see creation of hi-tech start-ups and spin-off companies that will contribute to economic development of Montenegro. This activity will contribute to the promotion of entrepreneurship development, as set out in the ESRP Objective 1.4. and, more specifically, Measure 1.4.1. Support to the entrepreneurial initiatives in the sector of micro, small and medium-sized enterprises.

Eligible interventions under this Activity may be:

- Strengthening institutional and human resources capacities in academic and research organisations and business sector;
- Activities to improve employability of PhDs;
- Support to creation of hi-tech start-up and spin-off companies;
- Facilitating know-how transfer between enterprises, employers and employees;
- Promoting university-business cooperation and public-private partnership especially to increase R&D capacity;
- Facilitating transitions between academic and industry sectors;
- Promoting innovative and sustainable forms of work organisation and use of new technologies.

Also the eligible interventions in this field will contribute to successful participation of Montenegrin scientific institutions and companies in Horizon 2020 and other EU funding programmes and better integrate Montenegro into ERA.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Promotion of employment of PhDs/researchers, as well as Diaspora;
- Promotion of relevance of research and development and interconnection with employers;
- Contribution to successful participation of Montenegrin scientific institutions and companies in EU programmes;
- Innovative nature of suggested interventions;
- Compliance with industrial policy of Montenegro;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Science

Target groups:

- PhDs/researchers, employers, tertiary educational institutions.

Indicators:

- Increase by 5% in overall number of PhDs employed in academic and research organisations and business sector involved in R&D activities;
- Increase to 10% in overall number of employers who are benefiting from R&D collaboration with academic and research organisations.
- Increase to 15% of start-ups and spin-off companies involved in R&D activities, established by PhDs.

Note: So far, there is around 10 start-ups and spin-off companies established by PhDs.

4.6.2.5. Overview Table

Action	Enhancing the Education System
Specific objective	<p>The specific objectives of this action are:</p> <ul style="list-style-type: none"> • Increasing the quality of educational provision at all levels; • Improving capacity of teachers at all levels of education • Promotion of 8 key competences including basic and transversal skills <p>Modularization of educational programmes based on learning outcomes with the focus on the development of work-based learning;</p> <ul style="list-style-type: none"> • Implementation of the activities directed to the introduction of practical teaching in vocational and higher education; • Promotion of 8 key competences including basic and transversal skills with the focus on the development of work-based learning; • Improvement of access to education and professional training for groups; • Improvement of cooperation between scientific community and businesses to achieving positive effects on both, academic and economic sector.
Results of the action	<p>Improved quality of education at all levels through improved performance of teachers, modernization and development of curricula that are aligned with key competences, increased number of persons involved in research and development and improved access to education and training for marginalised groups, improved PISA scores.</p>



<i>Activities</i>	<p><i>Activity 2.1.</i> Improvement the quality of work and teaching in educational institutions, including the quality assurance system, development of professional competences of teachers, both in the Initial Teachers Education and Continuous Professional Development with the special emphasis on the key competences;</p> <p><i>Activity 2.2.</i> Development and implementation of the educational programmes in line with the NQF, with the focus on programmes aligned with the skills needed by an ever-changing the labour market;</p> <p><i>Activity 2.3.</i> Development and adjustment of the educational programmes, and provision of material resources for the implementation of programmes for the SEN children, persons with disabilities and members of marginalised groups, especially members of RE population and development and implementation of an action plan for removing architectural barriers in institutions at all levels of education</p> <p><i>Activity 2.4.</i> Support to the employment of scientists in academic and/or business sector</p>
<i>Indicative list of main projects</i>	N/A
<i>Methods of implementation</i>	The activities under this action will be carried out through service contracts, grant schemes, supply and works contract.
<i>Performance indicators</i>	<p><u>Output indicators</u></p> <ul style="list-style-type: none"> • All study programmes of Initial Teacher Education improved to include techniques for student-centred teaching and learning outcomes; teaching of 8 key competences; and to increase practical training periods with better support for student teachers. • At least 45 new/updated educational programmes developed in accordance with the NQF, focusing on student-centred learning and developing 8 key competences • The number of institutions implementing modernised programmes is increased with by at least 35 units. • Number of educational programmes modularized/adjusted for the SEN children/persons with disabilities is increased with at least 13 units • Number of schools in which mechanism for detecting and case management for prevention of early school leaving is introduced is increased with at least 11 units • The percentage of architectural barriers removed in the educational institutions under the present SOP is increased for at least 2.3%.

	<ul style="list-style-type: none"> • Number of PhDs employed in academic and research organisations and business sector involved in R&D activities increased by 5 %; • Number of employers who are benefiting from R&D collaboration with academic and research organisations increased to 10% <p><u>Result indicators</u></p> <ul style="list-style-type: none"> • PISA results for all three areas (mathematics, reading and science) improved by at least 20% in the 2021 round; • Implementation of quality assurance measures (monitoring and evaluations - inspections) in 50% of schools and educational institutions. • Percentage of educational programmes with the developed/improved segment of practical teaching increased by 80%. • The percentage of SEN children, persons with disabilities and members of RE population participating in educational programmes increased to at least 10% by the end of the implementation of the present SOP • Number of start-ups and spin-off companies involved in R&D activities, established by PhDs, increased to 15 %.
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4.6.3. Action 3 –Improving Social Inclusion and Social and Child Protection System

Aim

The aim of this action is to improve social inclusion and social and child protection through the implementation of the reform of social and child protection system, improving the quality of social services, with an emphasis on services at the local level, as well as inclusion of members of marginalised groups into the community, with a focus on RE population.

Specific objective

Action “Improving Social Inclusion and Social and Child Protection System “aims at:

- Improvement of administrative capacities for the implementation of further reforms of social and child protection ;
- Development and provision of social and child protection services at local level;
- Inclusion of RE population into the community, especially in terms of greater participation in public life, a higher level of education in relation to marriage, domestic violence, forced marriage and other specific features of the RE population.

EU legislation

In accordance with the Negotiation position for Chapter 19, in the following period significant efforts are needed to ensure social inclusion for all vulnerable groups and socially and economically disadvantaged groups, such as Roma and Egyptians, persons with disabilities, as well as the young and the elderly. Access to reforms of social benefits is required, which will largely be strategic, in order to provide more effective assistance to the population who need it most. Currently the adoption of the new Law on Prohibition of Discrimination of Persons with Disabilities is in progress, because of the need for harmonisation of certain definitions and terminology used in the present regulations, and the introduction of provisions that would achieve stronger accountability of the perpetrators of discriminatory actions before the judicial authorities. The adoption of this Law in the Parliament is expected in the last quarter of 2015.

Rationale:

Comprehensive reform of the social and child protection system started in 2011, with the implementation of the IPA 2010 project "Reform of the system of social and child protection: the promotion of social inclusion". The legal framework (the Law on Social and Child Protection, "Off. Gazette of Montenegro", no. 27/13) is in compliance with relevant international standards while numerous by-laws have been adopted.

However, in addition to this there is a need for further successful implementation of social and child protection system reform, which requires further improvement of administrative capacities.

The second challenge is the fact that the existing network of institutions and degree of development of services in local communities in Montenegro do not allow the beneficiaries of the social and child protection services to use such services in the immediate surroundings. This is primarily related to services that encourage users to stay in familiar surroundings and their preparation for independent living: day-care centres for children with disabilities, living rooms and clubs for the old persons; as well as shelters and reception centres, shelters for victims of abuse and trafficking, facilities for the temporary accommodation of the old, supported housing for adults with disabilities, and children and youth without parental care after the termination of accommodation. A great progress has been achieved with regard to day-care centres for children with disabilities, which are organised into eight municipalities.

Important strategic documents at the national level were adopted, but the implementation of the legislative, institutional and policy framework is a great challenge and requires a systematic and coordinated efforts at all levels. Comprehensive reform of the social work centers was initiated, a series of activities aimed at strengthening the institutional framework and professional capacity in all fields was implemented, and intersectoral cooperation strengthened in the provision of family support and prevention of institutionalization, the transformation of institutions of social and child protection began, campaigns aimed at raising awareness of citizens on equal rights and inclusion were conducted, and procedures and criteria for financial and technical support to service provision to the local community were developed and piloted in nine Montenegrin municipalities. The project provided support for 23 social services, which are used by nearly 2,000 persons (the elderly, persons with disabilities, victims of violence,

single parents, dependents on psychoactive substances), foster care service was developed (number of families has increased by 440%, with 5 families at the end of 2010 and 27 families in July 2014), 10 day care centers for children with disabilities were opened and the first small group community in Bijelo Polje was established.

When it comes to the development of social and child protection services at the local level, the adoption of the Law on Social and Child Protection in 2013 introduced the concept of social and child protection services, as the right in social and child protection (services include: assessment and planning, support to community life; advisory-therapeutic and socio-educational services; accommodation; urgent intervention and other services) and the possibility of including in the sphere of provision of services as many different stakeholders (the service provider may be institution, organisation, entrepreneur, company and individual).

Members of marginalised groups, especially RE population, still have a low level of participation in public life and face numerous obstacles in terms of lack of knowledge and experience, prejudices, difficulties in adapting etc. Due to that, it is necessary to address this challenge within this Action.

Description:

Within this Action, three activities are planned to be implemented. Firstly, implementation of a set of activities aiming to improve the administrative capacities for further reforms of the social and child protection system (with particular emphasis on recently established or modernized institutions).

Second set of activities will target providers of social and child protection services at the local level in the process of deinstitutionalization of social and child protection services.

Third set of activities will be activities aiming at the integration of members of marginalised groups (especially RE population) in society/community activities.

4.6.3.1. Activity 3.1.Further reforms of social and child protection

Specific objective:

Specific objective of this activity is to improve the administrative capacities for implementation of further reforms of social and child protection in the Ministry of Labour and Social Welfare, Agency for Social and Child Protection, the Social Inspection, Centres for Social Work and local government bodies.

Rationale:

In 2014, the Agency for Social and Child Protection was founded, which started its operations in 2015 as an autonomous body which will perform tasks related to: counseling, research and professional activities in the field of social and child protection; monitoring the quality of professional work and social and child protection services in institutions; providing expert



supervisory support to improve professional work and social and child protection services; carrying out of licensing professionals and issuing licenses; research of social phenomena and problems, activities and effects of social and child protection, analysis and reports and proposing measures for improvement in the area of social and child protection; developing a system of quality in social and child protection, coordinating the development of service standards and proposing improvement of existing and introduction of new standards; participation in the development, implementation, monitoring and evaluation of the effects of strategies, action plans, laws and regulations relating to the development of social and child protection; organisation of professional workers and professional associates; informing professional and general public about the pursuance of social and child protection, pointing to the problems and needs of users, especially users from vulnerable social groups; as well as other activities within its competence.

For the purpose of development and financing of social and child protection services, the Division for development of social services has been established in the Ministry of Labour and Social Welfare. This Division will develop and finance: 1) social services and child protection for which there is a need in the municipality; 2) innovative social and child protection services of particular importance for the country. The establishment of this Division will make a significant contribution to the financial sustainability of social and child protection services. The Division will conduct regular mapping of existing social and child protection services in coordination with local governments and identify the need to develop new services of social and child protection. Within the programming of the national budget, the Division shall make funding plan each year, for the regular functioning of social and child protection services, in accordance with the priorities defined by national and local strategic documents.

Also, the Law on Social and Child Protection for the first time introduces Social Inspection in Montenegro, which task is inspection of the work of service providers. It will start its operations in the third quarter of 2015 within the Directorate for Inspection.

In the previous period, special emphasis was placed on training of employees in social and child protection, in order to increase their competence and knowledge to work in this field. Trainings for professionals working in social work centers, institutions of social and child welfare and day care centers for children with disabilities were organised on family counseling, foster care, guardianship, case management on work with certain categories of particularly vulnerable groups (autism, LGBT, etc.) as well as trainings to strengthen the capacity of local governments and entities that are engaged in the provision of social services. It is planned to continue with the training continuously.

Also, the project "Social Card - Social Welfare Information System", which was implemented by the Government of Montenegro, in cooperation with the office of UNDP, as the Phase I of the development of an Integrated Social Welfare Information System (IISWS), in the period 2012-2014, was aimed at creating a social welfare information system which should support the majority of business processes in the social work centers, as well as connect the information systems of relevant institutions for the purpose of automatic exchange of information, i.e., to provide the basis for improved efficiency and effectiveness of social spending and raising the level and quality of services.



This system enabled the creation of a single “social card” of citizens and families covered by social and child protection programs. SWIS provides for the exchange of information, not only among the social work centres and the Ministry, but also through interoperability with nine institutions in the system that SWIS has an automatic exchange of data with, which define the financial status of an individual or family, as well as other data necessary for the exercise of the right to financial benefits (Pension and Disability Fund, Health Insurance Fund, Employment Office of Montenegro, Real Property Management, Tax Administration, Ministry of Interior - Central Population Register and Register of Motor Vehicles, the Ministry of Education and Veterinary Authority).

After successfully conducted implementation of Phase I, it was decided to build Phase II: Integrated Social Welfare Information System (from 2015 to 2017). In the second phase of this project the information system for all institutions of social and child protection will be built, under the authority of the Ministry of Labour and Social Welfare. Institutions will be connected to the information systems of social work centres, with the purpose of automated follow-up of beneficiaries. The aim is not only to technically enable the electronic exchange of data among institutions, but to improve the overall reform of the social welfare system, enabling more efficient and effective administration of payments and the provision of social and child protection services, and over time this system will be to support the entire work process and social policy creation.

Description and eligible indicative interventions:

Activities to be implemented will target the improvement of the administrative capacities for implementation of further reforms of social and child protection in the newly established bodies: Division for development of social services, the Social Inspection and the Agency for Social and Child Protection.

In addition, the strengthening of preventive work of the social work centres and their cooperation with the relevant sectors and establishing of services for prevention of institutionalization will ensure the sustainability of deinstitutionalization process, i.e. reduction of number of beneficiaries in social and child protection institutions, as well as the development of services at the local level (such as day care centres, small group communities, supported housing).

There is also a need for further strengthening of administrative capacities of the bodies at the local level for the continuous identification of beneficiaries' needs, establishment of monitoring and evaluation mechanisms of local plans for improvement of social inclusion, informing the beneficiaries, as well as service providers in order to be in line with the standards defined in the legislative framework in this field.

The planned interventions under these activities will be implemented by the Ministry of Labour and Social Welfare and may include, but not be limited to:

- Expert assistance and training of the Ministry of Labour and Social Welfare - Directorate for Social Welfare and Child Protection in leading, planning, budgeting, and implementing social policies based on data/evidence;
- Expert assistance and training of professionals of the Ministry of Labour and Social Welfare - Division for the development of social services for planning, development and monitoring of social and child protection services;
- Expert assistance and training of personnel in the Institute for Social and Child Protection in: a) providing expert support and supervision to institutions and professionals, b) the process of development of training programmes for professionals and associates in the social and child protection system, c) implementation of training programmes and development of a registry on accredited training programmes;
- Expert assistance and training of professionals in Centres for Social Work in implementing quality social interventions in line with beneficiary needs, in individual planning and implementing case management methodology;
- Expert assistance and training of professionals in the Social Inspection for quality control of social and child protection services;
- Expert assistance and training to local self-governments in implementing and monitoring the implementation of local social inclusion plans (institutional coordination, continued identification of needs, establishing a mechanism for monitoring and evaluation and for informing beneficiaries, etc.);
- Exchange of best practice and experience with countries from the EU and the region (study visits, professional exchange, engagement of EU and regional experts, on the job training).

This activity will contribute to the fulfilment of the objective 3.1 of the ESRP, Measure 3.1.2 related to the development of service supporting life in the community and Measure 3.1.3 related to the introduction of a system of quality in the area of social and child protection, and more specifically to the target linked to the development of standardized services.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Clearly defined and described target groups and their needs in terms of the objectives of the SOP;
- Innovative nature of suggested interventions;
- Sustainability of proposed interventions.

Beneficiaries:

- Ministry of Labour and Social Welfare;

- Agency for Social and Child Protection;
- Social Inspection;
- Centers for Social Work;
- Local government authorities;
- Service providers;
- Other relevant actors

Target groups:

Employees of state and local authorities responsible for social and child protection.

Indicators:

- A minimum of 40% of professional workers in the Social Work Centres licensed to perform professional tasks.

4.6.3.2. Activity 3.2. Development and promotion of social and child protection services at the local level

Specific objective:

Specific objective of this activity is to develop and improve social and child protection services, in order to enhance social inclusion.

Rationale:

The local self-governments are taking over a significant role in the development of social and child protection system. Their role is particularly important in development of the new services, such as: day care centers for children with disabilities; facilities for rest and recreation for children; and facilities for re-socialization of the psychoactive substances users. Also, the local self-governments have an important role in the programmes implemented by nongovernmental organisations by providing the financial resources for the programs of NGOs or providing a space for different activities performance. The development of new - comprehensive services at the local level requires a provision of additional funding sources.

The services provided within the community are underdeveloped, which is in the closest connection with the lack of financial resources, particularly in less developed regions that have the greatest needs. The process of development of social and child protection services is long and complex and a transition period until the establishment of a system based on community-based services will require significant financial resources. Current assets are stable, but not enough to maintain the quality of existing services and development of new services.

Within the IPA 2010 project “Social and Child Protection System Reform: Enhancing Social Inclusion”, local plans for development of social inclusion were prepared in 15 municipalities. Within the IPA 2014 project „Continuation of Social and Child Protection System Reform“, which is currently under implementation, it is planned that all local self-governments



(remaining 8 municipalities) adopt plans of social inclusion by the end of 2015. The plans of social inclusion give a clear picture on the local population's needs for different types of social services and represent a good basis for further activities on establishing social services.

In order to ensure equal access to the social and child protection services for all the citizens, it is necessary to continue with the process of planning at the local level and provide support in implementation of adopted strategic documents and local plans of social inclusion through developing priority services defined in these documents, as well as support in the strategic planning process at the national level. The development of standardized services encompasses the following, in line with the provision of the Law on social and child protection: 1) space for implementation of a service; 2) adequate equipment; 3) professional staff with work license and 4) programme for service provision, in line with the conditions and standards defined by the by-laws for provision and use of social and child protection services. By creating all the mentioned conditions, the sustainability of services after completion of individual projects will be ensured. The parameters which will be taken into account in the process of development of programmes and social services for marginalised groups are also the above mentioned standards that each service should meet: structural and functional, as well as compliance with key principles of EU standards in the field of social services and mechanisms of social inclusion: 1) compliance of services to the needs of beneficiaries; 2) decentralisation of services; 3) diversity of service providers; 4) effectiveness and efficiency of services; 5) transparency of work and reliability of services; 6) quality of services (mechanisms of recognition of good practices and adaptability).

By enabling the participation of all authorities and stakeholders at the local level, the pluralism in service provision will be promoted, the number of services will be enhanced and the community-based services will be ensured. In this way, the support will also be provided in implementing the transformation plans for the Children's home "Mladost" in Bijela and the Institute "Komanski most" through reducing the number of beneficiaries in these institutions and increasing the number of beneficiaries who use the services in their local communities, as well as developing support services for life in the community, counselling-therapy and social-educational services.

Description and eligible indicative interventions:

This activity will support the development and implementation of social and child protection services at the local level. The priorities will be defined in line with the adopted local plans of social inclusion which define the local population needs for certain services in the community in order to ensure that citizens in all municipalities have access to at least one standardized service in their local communities.

The main objective of the adoption of local plans of social inclusion is that the proposed measures enable the effective delivery of services to citizens and ensure that they are available to everyone. Planning at the local level and the establishment of social and child protection services in the community thus responds to the needs of vulnerable groups, and contributes to their greater social inclusion and improving their quality of life.



The preparation of the local plans of social inclusion entails collection of data on the situation related to social services and conduction of a situational analysis, in order to define priority target groups and social and child protection services for which there is a need in a certain municipality. All local plans of social inclusion contain:

- Key elements of national strategies that recognize the need for development of social and child protection services in the area of social inclusion of marginalised groups;
- Identification and involvement of social actors who are providers of social services, or have the potential of being service providers, as well as those social actors who can support the development and sustainability of social and child protection services at the national and local level;
- Basic examination of organisational capacity, initiated social services and programs that have the potential to grow into social services in the local community;
- The existing cooperation and partnership in the local community;
- Recommendations of social actors in relation to the development of services, beneficiary groups and other stakeholders;
- Definition of priority social and child protection services and potential beneficiaries;
- Concrete measures, activities and competent institutions for the development and provision of social and child protection services.

The interventions will thus aim to ensure implementation of activities envisaged in the local plans of social inclusion and will serve as a basis for implementation of these local plans. The implementation of this activity will, therefore, increase the number of social and child protection services needed at the local level, as well as the number of beneficiaries covered by these services.

The eligible interventions within this activity is the development and provision of social and child protection services, such as:

- Support services for life in the community (daily stay, help in the house, supported housing, daily centre, personal assistance, interpretation and translation into sign language and other support services in the community which aim at support the beneficiary to stay in the family or local community, or to prepare the beneficiary for independent living);
- Counselling-therapy and social-educational services (counselling, therapy, mediation, SOS telephone and other services with the objective of overcoming situations of crisis and improving family relations);
- Accommodation (accommodation as family placement - fostering, family placement, accommodation in a daily centre – refuge and other types of accommodation).

In this way, the process of deinstitutionalization will be continued and it will contribute to retaining beneficiaries in their own families or in the immediate surroundings, as well as to prepare the beneficiary for independent living. The potential beneficiaries will be service



providers in line with the Law on social and child protection (institutions, organisations, entrepreneurs, company, and natural person).

This activity will contribute to the fulfillment of the objective 3.1 of the ESRP, Measure 3.1.2 related to the development of service supporting life in the community and more specifically to the objective of implementing the local social inclusion action plans at the level of self-government.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Clearly defined and described target groups and their needs in terms of the objectives of the SOP;
- Quality of the project proposal;
- Ability of the applicant to carry out the activities;
- Innovative nature of suggested interventions;
- Sustainability of proposed interventions;
- Issued license to professional workers to work at service providers;
- Compatibility of project proposals for development of social and child protection services with priorities defined in local plans of social inclusion.

Beneficiaries:

- State and local government authorities,
- Civil society organisations,
- Other social service providers.

Target groups:

Marginalised groups in society (children, elderly, persons with disabilities, members of LGBT population, violence victims) and other groups at risk of social exclusion, state and local authorities responsible for social and child protection in Montenegro, service providers.

Indicators:

- At least 15 newly developed standardized and licensed social and child protection services in the community (baseline value 0);

Result indicator:

- At least 50% of the municipalities in Montenegro covered by social and child protection services aligned with standards and accessible to socially vulnerable persons by the end of the implementation of this SOP.

4.6.3.3. Activity 3.3. Inclusion of marginalised groups in the community

Specific objective:

Specific objective of this activity is to include marginalised groups in the community, especially RE population, in terms of greater participation in public life, a higher level of education in relation to marriage, domestic violence, forced marriage and other specific features of the RE population.

Rationale:

Montenegro has recognised problems of the Roma and Egyptian minority community. Through adequate strategies and laws harmonized with the European standards, Montenegro has created good strategic and legislative framework for implementation of documents and activities which should concretely solve the problems and increase social and economic integration of RE community in the Montenegrin society. This primarily relates to the Strategy for improving the Position of Roma and Egyptians in Montenegro 2012-2016.

Through the Operational Programme Human Resources Development 2012-2013, 1.3 million euro is allocated within the Priority 3: Enhancing Social Inclusion for supporting better access to the labour market for persons with disabilities and RE population.

Description and eligible indicative interventions:

Eligible interventions under this activity related to the improvement of position of RE population will be complementary to those interventions that will be implemented through action "Promotion and protection of the rights of RE population and other vulnerable groups in Montenegro", which will be financed from the IPA II for 2015, with the total amount of 1 million euro. Within this action interventions are aiming at improving the access of RE population and marginalised groups to employment, education, health and social inclusion in Podgorica, Nikšić and Berane municipalities. These three municipalities were chosen because the largest number of members of RE population in Montenegro resides there, and they are also the target municipalities for the Regional Housing Programme, and it is expected that the impact of Actions in these areas will have multiplied and sustainable impact.

Since 7 municipalities in Montenegro have adopted local action plans for the integration of Roma and Egyptians in these municipalities, it is planned to adopt them in the remaining 6 municipalities. Interventions under this SOP will support municipalities which have adopted local Action plans. Areas that will be of particular importance are participation in public life, education on marriage, unacceptability and combating of domestic violence, forced marriages and child begging. This activity will be implemented by the Ministry for Human and Minority Rights.

In accordance to the above, the eligible intervention may include, but not be limited to:

- Tailored campaigns and trainings for parents, children, RE activists and civil servants on family violence in RE population;

- Tailored campaigns and trainings for parents, children, RE activists and civil servants on forced early marriages;
- Promotion of culture, language and customs of RE population;
- Preventing and reducing the phenomenon of street children;
- Supporting RE CSOs in implementing activities in this field.

This activity will contribute to the fulfillment of the objective 3.1 of the ESRP, Measure 3.1.1 related to increasing availability of information and awareness rising towards marginalised groups.

Selection criteria:

- Compliance and contribution of the proposed activities to achieving the objectives laid down in the relevant EU and national strategic documents;
- Relevance and importance of the activities with a view to achieving the objectives and indicators of the SOP;
- Clearly defined and described target groups and their needs in terms of the objectives of the SOP;
- Quality of the project proposal;
- Ability of the applicant to carry out the activities;
- Innovative nature of suggested interventions;
- Sustainability of proposed interventions;
- Issued license to professional workers to work at service providers;
- Compatibility of project proposals with Local action plans measures for integration of RE population.

Beneficiaries:

- Local government authorities;
- Civil society organisations;
- Other relevant actors.

Target groups:

Members of RE population, members of other marginalised groups.

Indicators:

- 400 members of marginalised groups, with particular emphasis on members of RE population that participated in activities related to involvement in the community
- Increased with 30% of the number of initiatives promoting the sustainable participation of marginalised groups, particularly RE population in social inclusion actions addressed to them.

4.6.3.4. Overview table

<i>Action</i>	Improving Social Inclusion and Social and Child Protection System
<i>Specific objective</i>	<p>The specific objectives of this action are:</p> <ul style="list-style-type: none"> • Improvement of administrative capacities for the implementation of further reforms of social and child protection; • Development and provision of social and child protection services at local level; • Inclusion of RE population into the community, especially in terms of greater participation in public life, a higher level of education in relation to marriage, domestic violence, forced marriage and other specific features of the RE population.
<i>Results of the action</i>	Improved system of social and child protection in Montenegro, with special emphasis on the local level and the inclusion of marginalised groups in the community in order to decrease the number of people at risk of social exclusion.
<i>Activities</i>	<p><i>Activity 3.1</i> – Improvement of the administrative capacities for implementation of further reforms of social and child protection</p> <p><i>Activity 3.2</i> - Development and promotion of social and child protection services at the local level</p> <p><i>Activity 3.3</i> - Inclusion of marginalised groups in the community, with special emphasis on RE population</p>
<i>Indicative list of main projects</i>	N/A
<i>Method of implementation</i>	The activities under this action might be carried out through service contract, grant schemes, supply and work contract.
<i>Performance indicators</i>	<p><u>Output indicators</u></p> <ul style="list-style-type: none"> • 15 developed social and child protection services in accordance with standards • A minimum of 400 members of marginalised groups, with particular emphasis on members of RE population that participated in activities related to involvement in the community <p><u>Result indicators</u></p>

	<ul style="list-style-type: none"> • A minimum of 40% of professional workers in the Social Work Centres licensed to perform professional tasks; • At least 50% of the municipalities in Montenegro covered by social and child protection services aligned with standards and accessible to socially vulnerable persons by the end of the implementation of this SOP • Increased with 30% of the number of initiatives promoting the sustainable participation of marginalised groups, particularly RE population in social inclusion actions addressed to them.
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4.6.4. Action 4 – Technical Assistance

Aim

The aim of the Action Technical Assistance (TA) is to support management and implementation of the Sectoral Operational Programme by providing assistance to the Operating structure.

EU legislation

This Action is in line with Regulation (EU) No 231/2014 of the European parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II).

Specific objectives

Specific objective of this Action are:

- To increase capacities of all employees within Operating Structure to manage and implement the SOP;
- To secure implementation of information, publicity and visibility measures;
- To evaluate and monitor the SOP;
- To support the development of the project pipeline;
- To support potential and actual beneficiaries.
- Supporting the harmonisation of the *acquis* in all sectors of relevance to the SOP.

Rationale

Most of the Operating Structure bodies acquired the experience in the implementation of technical assistance through the implementation of IPA Component IV – Human Resources Development. However, greater financial resources and the need to involve more employees in bodies involved in the system of management and implementation of the Sectoral Operational Programme for the period of 2015–2017, many of whom have limited experience in the implementation of EU pre-accession funds, are a clear indication that capacity building will be the main topic of the technical assistance priority axis.

In addition, the implementation of the SOP requires specific resources and capacity for the performance of monitoring and evaluation of the programme. It also requires continuous support to potential and actual beneficiaries. When necessary and appropriate, the support is also required for the approximation and harmonisation with the *acquis* as part of the EU integration process.

Description

Technical assistance will be directed at shortcomings and deficiencies that must be overcome both at national and at regional / local level, with the aim of ensuring a sufficient trained number of staff and administrative / technical expertise. Funds from the technical assistance will be focused on co-financing the process of improving administrative capacities and effective management in the implementation of the SOP, as well as the process of approximation with the EU *acquis*, the specification of the programming through the preparation of project pipelines and support to potential beneficiaries, etc. in all sectors of relevance to this SOP. Technical Assistance support is specified under two distinct activities:

Activity 4.1 Support to management and implementation of SOP

Activity 4.2 Support to potential beneficiaries/actual beneficiaries.

The above activities are directed towards Operating Structure and may include:

Activity 4.1 Support to management and implementation of SOP

- Implementation of training of employees;
- Capacity building for implementation and providing expert support in the planning processes and implementation of actions and activities;
- Supporting NIPAC office in organizing the Sectoral Monitoring Committee;
- Supporting monitoring and reporting of the SOP;
- Supporting evaluation of the SOP;
- Supporting the harmonisation of the *acquis* in the areas relevant to SOP;
- Purchase of equipment and furniture in the bodies of the Operating Structure and renting of appropriate office premises (Directorate for European integration, programming and implementation of EU Funds at MLSW);
- Other eligible costs related to the management and implementation of the Operating Structure.

Activity 4.2 Support to potential beneficiaries/actual beneficiaries

- Implementing communication, information and publicity activities of the SOP;
- Support to project preparation and project pipelines.



During the implementation of this SOP, one of the priorities will be the preparation and support of potential and/or actual beneficiaries in terms of activities related to the preparation and implementation of projects. In this respect, it is necessary to take into account that the number of potential applicants within the period of the SOP 2015–2017, will be significantly higher than the one in the previous programming period, which is why extra efforts must be made to ensure a high level of preparedness for the proper use of opportunities and investments within the IPA II.

A special group of activities will be focused on increasing the information activities including information / promotion of funding opportunities at all levels (general public, specific groups of institutions and target groups, potential users) and organisation of professional events, conferences and seminars.

Delivery

Activities under TA will be implemented through service/supply contracts and through a direct grant to the Operating Structure.

Indicators

- At least 80% of employees in the bodies involved in the management and implementation of the SOP benefiting from the capacity building operations of this SOP;
- A minimum of 9 of communication/information and publicity activities of the SOP;
- A minimum of 100 potential and awarded grantees participating in activities related to preparation and implementation of projects under this SOP.

4.6.4.1. Overview Table

Action	Technical Assistance
Specific objective	<p>Specific objective of this Action are:</p> <ul style="list-style-type: none"> • To increase capacities of all employees within Operating Structure to manage and implement the SOP; • To secure implementation of information, publicity and visibility measures; • To evaluate and monitor the SOP; • To support the development of project pipeline; • To support potential and actual beneficiaries; • Supporting the harmonisation of the <i>acquis</i> in all sectors of relevance to the SOP.
Results of the action	Strengthened administrative capacities and ensured support to potential and/or actual users in the preparation and implementation of projects.

<i>Activities</i>	Activity 4.1 Support to management and implementation of SOP Activity 4.2 Support to potential beneficiaries/actual beneficiaries
<i>Indicative list of main projects</i>	N/A
<i>Methods of implementation</i>	Activities under TA will be implemented through service/supply contracts .
<i>Performance indicators</i>	<ul style="list-style-type: none"> • At least 80% of employees in the bodies involved in the management and implementation of the SOP benefiting from the capacity building operations of this SOP; • A minimum of 9 of communication/information and publicity activities of the SOP; • A minimum of 100 potential and awarded grantees participating in activities related to preparation and implementation of projects under this SOP.

5. Financial table by action and year, including co-financing rates if applicable

5.1. Financial tables by action and year

Financial Table SOP (2015 – 2017)

TOTAL 2014- 2016	Total Cost (million €)	Total Public Eligible Cost (million €)	EU IPA	CC National Public	Private (indic ative)	IPA co- finan cing rate	For informatio n IFI/TIP
Action-1	8,705,882.35	8,705,882.35	7,400,000.00	1,305,882.35		85%	
Action-2	4,352,941.17	4,352,941.17	3,700,000.00	652,941.17		85%	
Action-3	4,117,647.06	4,117,647.06	3,500,000.00	617,647.06		85%	
Action-4	823,529.42	823,529.41	700,000.00	123,529.42		85%	
TOTAL	18,000,000.00	18,000,000.00	15,300,000.00	2,700,000.00		85%	

Financial Table SOP (2015)

TOTAL	Total Cost (million €)	Total Public Eligible Cost	EU IPA	CC	Private	For information
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		(million €)		National Public	(indicative)	IPA co-financing rate	IFI/TIP
Action-1	2,705,882.35	2,705,882.35	2,300,000.00	405,882.35		85%	
Action-2	1,411,764.70	1,411,764.70	1,200,000.00	211,764.70		85%	
Action-3	1,411,764.70	1,411,764.70	1,200,000.00	211,764.70		85%	
Action-4	352,941.18	352,941.18	300,000.00	52,941.18		85%	
TOTAL	5,882,352.00	5,882,352.00	5,000,000.00	882,352.00		85%	

Financial Table SOP (2016)

TOTAL	Total Cost (million €)	Total Public Eligible Cost (million €)	EU IPA	CC National Public	Private (indicative)	IPA co-financing rate	For information IFI/TIP
Action-1	1,882,352.94	1,882,352.94	1,600,000.00	282,352.94		85%	
Action-2	1,117,647.06	1,117,647.06	950,000.00	167,647.06		85%	
Action-3	2,352,941.18	2,352,941.18	2,000,000.00	352,941.18		85%	
Action-4	470,588.24	470,588.24	400,000.00	70,588.24		85%	
TOTAL	5,823,529.41	5,823,529.41	4,950,000.00	873,529.42		85%	

Financial Table SOP (2017)

TOTAL	Total Cost (million €)	Total Public Eligible Cost (million €)	EU IPA	CC National Public	Private (indicative)	IPA co-financing rate	For information IFI/TIP
Action-1	4,117,647.06	4,117,647.06	3,500,000.00	617,647.06		85%	
Action-2	1,823,529.41	1,823,529.41	1,550,000.00	273,529.41		85%	
Action-3	352,941.18	352,941.18	300,000.00	52,941.18		85%	
Action-4						85%	
TOTAL	6,294,117.65	6,294,117.65	5,350,00.00	944,117.65		85%	

6. Overview of the consultation process

The Government has established the working group for development of the SOP for the sector of education, employment and social policies. The working groups is consisted of 27 representatives of the following institutions: Ministry of Labour and Social Welfare (11), Ministry of Education (2), Ministry of Science (2), Ministry of Human and Minority Rights (1), Ministry of Finance (4), Employment Agency of Montenegro (1), Union Free Trade Unions of Montenegro (1), Confederation of Trade Unions (1), Center for Vocational Education (1),

Association of Youth with Disabilities (1), Chamber of Commerce of Montenegro (1), Directorate for Youth and Sports (1). It is important to emphasize that most of members of this working group were also members of the working group that prepared the Employment and Social Reform Programme (ESRP) and Sectoral Planning Document, although the SOP Working Group encompasses new members, including representatives of NGO sector. The Working Group has had regular meetings and consultations during the process of development of the SOP. In addition, there was one (1) two-day workshop of the Working Group, organised on 2 and 3 April 2015, which served as a consultation platform between the key stakeholders, prior to the submission of the first draft SOP to the EC.

Broader consultations were organised after the first draft was prepared. The Ministry of Labour and Social Welfare invited interested parties (through its website) to provide written comments on the SOP. It was followed with the public consultation event organised on 2 June 2015. The consultations were attended by about 45 persons, including representatives of NGOs and international donors. Public consultations were opened by Chief Negotiator for Montenegro's Accession to EU and National IPA coordinator and the head of the working group. The SOP was presented by members of the working group and number of comments and suggestions for further improvement of the SOP has been received by the participants. In addition, the opportunity for provision of the written comments was extended for additional week after the public consultations. The Ministry of Labour and Social Welfare addressed all the received comments, including comments of the EC and comments received through the public consultation process at a workshop organised on 3 and 4 June 2015.

The working group held a series of consultation sessions, including a two-day consultations on the content of the actions planned under the SOP, on 3 and 4 July 2015, in view of submission of the second draft SOP to the EC. On 7 July 2015, the second draft was sent to the EC.

On 27 July 2015, the EC has sent comments on the second draft of SOP and the WG members had consultations and meetings in the period 28-31 July, including a workshop on 29 July in order to address the comments and send back the improved version to the EC by 3 August 2015. It will further organize at least one round of consultations prior to the SOP finalisation, in order to ensure that consultations process reached all the relevant stakeholders and target groups.

7. Implementation arrangements²³

7.1. Description of relevant structures and authorities for the management and control of the programme

Bodies and authorities

²³The content of this chapter is indicative and subject to the approval of the relevant Decree on organisation of the indirect management for implementation of Union financial assistance under Instrument for pre-accession assistance



According to the Framework Agreement between Montenegro and the European Commission on the arrangements for implementation of Union financial assistance to Montenegro under the Instrument for pre-accession assistance (IPA II) for the programming period 2014-2020 and in the framework of indirect management referred to Decree on organisation of the indirect management for implementation of Union financial assistance under Instrument for pre-accession assistance²⁴ the following authorities and structures shall be established:

- 1) National IPA Coordinator - NIPAC (Ministry of Foreign Affairs and European Integration)
- 2) National Authorizing Officer - NAO (Ministry of Finance)
- 3) National Fund – NF (Ministry of Finance)
- 4) Audit Authority²⁵
- 5) Operating Structure²⁶ - OS (Ministry of Labour and Social Welfare, Ministry of Education, Ministry of Science, Ministry for Human and Minority Rights and Ministry of Finance-CFCU and Directorate for Management Structure)

The NIPAC shall be responsible for overall process of strategic planning, coordination of programming, monitoring of implementation, evaluation and reporting of IPA II assistance. The NIPAC office is to support the NIPAC in performance of the assigned functions and responsibilities.

The NAO shall be responsible for financial management of assistance programmes under IPA II and effective functioning of the internal control systems.

The National Fund shall support the NAO in fulfilling his/her tasks related to management of IPA II accounts and financial operations.

The Audit Authority is functionally independent from all actors in the management and control system of EU funds in Montenegro Audit Authority is solely responsible for audit of EU funds (Instrument for Pre-Accession Assistance, structural funds after the accession of Montenegro to the European Union and other EU funds). The task of Audit Authority is to examine and confirm the effectiveness and stability of functioning of management and control system of EU funds.

²⁴Decree is in the final phase of adoption.

²⁵ The Audit Authority is established by the Law on Audit of EU Funds 2012 (“Official Gazette of Montenegro”, no 14/2012)

²⁶ The institutions forming the Operating Structure are to be confirmed.



The Government of the Montenegro will adopt its own legal act, which will designate specific bodies and shall form an Operating structure that will implement and manage assistance under the SOP.

Indicatively, the Operating Structure for this Sectoral Operational Programme shall be composed of the following bodies:

- NIPAC Office responsible for the Operational Programme
- Ministry of Finance, Directorate for Management Structure
- Ministry of Finance, Directorate for Financing and Contracting of the EU Assistance Funds (CFCU), as the Implementing Agency 1, and
- Directorate for Public Works, as the Implementing Agency 2 for infrastructure projects under the SOP
- PIU in the Ministry of Labour and Social Welfare, as the body responsible for the Actions 1, 3 and 4,
- PIU in the Ministry of Education, as the body responsible for the Action 2 (except for the activity 2.4),
- PIU in the Ministry of Science, as the body responsible for the Activity 2.4 within Action 2,
- PIU in the Ministry for Human and Minority Rights, as the body responsible for the Activity 3.3 within Action 3.

Each PIU will be managed by the SPOs, while the function of the **Lead SPO (Senior Programming Officer)** will be performed by the high representative of the Ministry of Labour and Social Welfare (Director of the Directorate for European Integration, Programming and Implementation of EU Funds at the Ministry of Labour and Social Welfare).

The CFCU and the Directorate for Public Works (as the Implementing Agencies 1 and 2) shall be responsible for the implementation of contracts under indirect management (tendering, contracting and payments) and for ensuring the legality and regularity of the expenditure incurred in the implementation. More concretely, Implementing Agencies will review draft documents at action level from the contracting and financing point of view, plan funds (both EU and national co-financing) for financing of the IPA II actions in Annual Budget Law, arranging for tendering (verifying Terms of References or Technical Specifications with draft tender dossiers or guidelines for applicants (in case of grants), finalising the tender dossiers and arranging the tendering and contract award procedures) and act as the Contracting Authority, carry out administrative and on-the-spot verifications to ensure that the expenditure declared has actually been incurred in accordance with applicable rules, the goods, services and works have been delivered in accordance with approved actions, and the invoices/payment claims issued by the recipients are correct, make payments to, and recovery from, the recipients of IPA II assistance, and other activities in accordance with the Framework Agreement and Decree on organisation of the indirect management for implementation of Union financial assistance under Instrument for pre-accession assistance (IPA II).



PIUs in the Ministry of Labour and Social Welfare, Ministry of Education, Ministry of Science and Ministry for Human and Minority Rights will support the SPOs in monitoring of SOP actions and Implementing Agencies in technical implementation of the actions at contract level. More concretely, PIU will contribute to procurement and grant award procedures by preparing draft tender documents and nominating members to the evaluation committee, ensure technical implementation at action level of non-contractual aspects of the actions and fulfilment of preconditions, deliver all the necessary information to the Implementing Agency on the technical progress of action implementation at contract level, monitor technical implementation at action level, report regularly to the NIPAC on technical progress of action implementation and propose amendments to the documents to the NIPAC and other activities other activities in accordance with the Framework Agreement and Decree on organisation of the indirect management for implementation of Union financial assistance under Instrument for pre-accession assistance (IPA II).

Monitoring arrangements

b. Sectoral monitoring committee

NIPAC will establish a Sectoral Monitoring Committee no later than six months after the entry into force of the first Financing agreement related to the SOP, according to what is stated in Art. 20 of the Decree on organisation of the indirect management for implementation of Union financial assistance under Instrument for pre-accession assistance and Art. 19 of the Commission Implementing Regulation on the specific rules for implementing the IPA II Regulation.

The Sectoral Monitoring Committee will be co-chaired by NIPAC or high ranking official representative of the Government, and a representative of the Commission. Its member will include:

- The National IPA Coordinator or his/her representative;
- A representative of the Commission;
- Representatives of each body of the operating structure for the programme;
- Representatives from the state and local government authorities, civil society and socio-economic partners, regional or national organisations with an interest in and contribution to make to the effective implementation of the programme. These are: Employment Agency of Montenegro, Institute for Social and Child Protection, Social inspection, Red Cross of Montenegro, representatives of local municipalities, social partners, civil society organisations, educational institutions, regional development agencies;
- The National Authorising Officer;
- A representative of the National Fund.

Sectoral monitoring committee shall review the effectiveness, efficiency, quality, coherence, coordination and compliance of the implementation of the actions in the SOP and their consistency with the relevant national and, whenever relevant, regional sector strategies. It shall measure progress in relation to achieving the objectives of the actions and their expected



outputs, results and impact by means of indicators related to a baseline situation, as well as progress with regard to financial execution.

Supported by the reports provided by the Operating structure, the Sectoral Monitoring Committee shall in particular perform the functions prescribed in the Art. 53 and 54 of the Framework Agreement.

Operational conclusions, including any recommendations, will be drawn at the end of the Sectoral Monitoring Committee meetings. These conclusions shall be subject to adequate follow-up and a review in the following committee meetings and shall be the basis for reporting to the IPA monitoring committee on progress made.

The Sectoral Monitoring Committee shall adopt its rules of procedure at the first meeting.

The sectoral monitoring committee shall meet at least twice a year. Ad hoc meetings may also be convened.

Montenegro shall apply transparent, non-discriminatory and effective review procedures concerning the actual implementation of the tasks entrusted including regular, systematic and properly planned ex-post monitoring reviews to assess the relevance, efficiency, effectiveness, impact and sustainability of the IPA II assistance.

Other monitoring platforms may be set up where appropriate. Their activities and outcomes shall be reported to the IPA II monitoring committee.

Evaluation arrangements

NIPAC is responsible for ensuring that adequate evaluations of the operational programme are carried out. The evaluations will be carried out by experts or bodies, internal or external, functionally independent from the management and control system. Evaluation activities will be undertaken at least once during the implementation of the SOP while within the time of the preparation of the SOP an ex-ante evaluation was performed.

8. Communication and visibility

Communication and visibility will be given high importance during the implementation of the SOP.

The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the SOP.

All necessary measures will be taken to publicise the fact that the actions of the SOP have received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (DG NEAR) will have to be followed.



Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions. Visibility actions should also promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Delegation fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.



List of Annexes:

- Annex 1 – List of Working Group members
- Annex 2 – Table of Indicators



ANNEX I: List of Working group members for the Sectoral Operational Programme (2015-2017) for the Education, Employment and Social Policies Sector

Ministry of Labour and Social Welfare:

- Ljiljana Simović, Director General, the Directorate for European Integration, Programming and Implementation of EU Funds;
- Vladimir Radovanić, Advisor to the Minister;
- Biljana Krstajić, Senior Advisor II, Division for Programming and Implementation of EU Funds;
- Katja Vukotić, Senior Advisor III, Division for Programming and Implementation of EU Funds;
- Sladjana Pešić, Senior Advisor III, Directorate for Social and Child Protection;
- Ranka Pavićević, Head of the Division for Labour Market and Employment;
- Boban Gledović, Senior Advisor III, Division for Labour Market and Employment;
- Danijela Šuković, Head of the Division for Safety at Work;
- Igor Vučinić, Head of the Division for the Protection of Risk Groups;
- Darka Džabasan, Head of the Division for Pension and Disability Insurance and soldiers and invalid protection

Ministry of Education:

- Marko Vukašinović, Head of the Department for International Cooperation and European Integration
- Tamara Tovjanin, Senior Advisor I
- Zora Bogićević, Senior Advisor I
- Tamara Milić, Senior Advisor I

Ministry of Science:

- Smilja Kažić-Vujačić, Head for the Division for International Programmes and European Integration,
- Milena Milonjić, Senior Advisor III

Ministry of Human and Minority Rights:

- Mirela Ramčilović, Senior Advisor III



Ministry of Finance:

- Marija Radenović, Director General, Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) ;
- Antonio Krcalović, Head of the Department for European Integration;
- Bojana Kaluderovic, Head of Division for quality assurance in CFCU;
- Katarina Živković, Head of Division for contracting in CFCU

Employment Agency of Montenegro:

- David Perčobić, Deputy Director of the Employment Agency of Montenegro for the EU and FMS projects development sector

Union of Free Trade Unions of Montenegro:

- Ivana Mihajlović, Legal Advisor

Montenegrin Employers Federation:

- Ana Maraš, Head of Sector for work with members, education and logistics

Confederation of Trade Unions:

- Stanica Dragaš, Head of Sector for economic issues

Center for Vocational Education:

- Dušan Bošković, Head of the Department for Occupations and Curricula

Chamber of Commerce of Montenegro:

- Mladen Perazić, Head of Sector for education

Directorate for Youth and Sports:

- Krsto Vukadinović, Advisor for Youth policy

Association of Youth with Disabilities:

- Velibor Bošković, Programme Manager



Annex II:

Table: Overview of the indicators for the Sectoral Operational Programme 2015-2017 for the education, employment and social policies sector

Note:

The values presented in the “baseline” column are achieved irrespective of the SOPEES operations and should be taken as such.
The values presented in the “milestone” and “final target” column are to be achieved within the SOPEES operations.

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Action 1: Improving the Labour Market and Increasing Employability				
OUTPUT INDICATORS				
Number of persons trained for deficit occupations	353	300	700	EAM data
Percentage of persons in employment upon completion of training for deficit occupations	20%	20%	25%	EAM data
Percentage of RE population registered as unemployed who received training	14% ¹	15%	30%	EAM data (number of RE population who received training related to number of new RE unemployed for specific period)

¹ Percentage of RE population registered as unemployed who received training within active labour market measures

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Number of new jobs created in less developed municipalities of Montenegro	n/a ²	250	500	EAM data
Established local partnerships in at least 11 municipalities.	4	11	11	Final report of the IPA I project <i>Labour market reform and workforce development project</i> ----- IPA II (project-based data) final report of the project “Establishment of local partnerships for employment”
RESULT INDICATORS				
Share of self-employment in total employment	19.2%	19.3 %	19.5%	LFS (MONSTAT)
Percentage of unemployed benefiting from skills development in deficit occupations	0.7%	1.3%	2.5%	EAM data

² Not available

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Percentage of registered unemployed persons in less developed municipalities of Montenegro	24.138(number of registered unemployed in less developed municipalities)	1,6%(% of decrease in the number of registered unemployed in less developed municipalities)	1,9%	EAM data Annual Work Report of EAM
Number of local Human Resource Development Strategies prepared on municipality level	4	11	11	Final report of the IPA I project <i>Labour market reform and workforce development project</i> IPA II (project-based data) final report of the project “Establishment of local partnerships for employment”
Percentage of active population covered by the local partnerships	17% ³	n/a ⁴	60%	Population census

³ Active population by municipalities is available only from 2011 (Population Census, MONSTAT).

⁴ The next census should be in 2021 when the data will be gathered and information published during 2021-2023

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
				MONSTAT (next Census should be in 2021)
Action 2: Enhancing the Education System				
OUTPUT INDICATORS				
Percentage of study programmes of Initial Teacher Education improved to include techniques for student-centred teaching and learning outcomes; teaching of 8 key competences; and to increase practical training periods with better support for student teachers	50%	70%	100%	University of Montenegro /Ministry of Education
Number of new/updated educational programmes developed in accordance with the NQF, focusing on student-centred learning and developing 8 key competences	10	10	10	Ministry of Education/VET Centre
Number of educational institutions implementing modernised programmes	17	20	20	Ministry of Education

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Number of educational programmes ⁵ adjusted for the SEN children/persons with disabilities	5 ⁶	6	6	Ministry of Education
Number of schools in which mechanism for detecting and case management for prevention of early school leaving is introduced	6	6	11	Ministry of Education/Bureau for Educational Services
Percentage of architectural barriers removed in the educational institutions	30%	1%	2,3% ⁷	Ministry of Education
Number of PhDs employed in academic and research organizations and business sector, involved in R&D	849 ⁸	3% ⁹ (874)	5% ¹⁰ (891)	Ministry of Science, MONSTAT, Ministry of Education, and universities

⁵ SEN children acquire vocational qualification or gradual qualification of the level of education, according to their abilities

⁶ In addition to these 5 programmes adopted in 2016, 5 programmes have been adopted in 2017 as well.

⁷ 6 educational institutions will have architectural barriers removed under SOPEES

⁸ Communication, statistics on research and experimental development R&D 2015, Ministry of Science

⁹ 3% increase under the activities implemented within the SOPEES when compared to the 2016 baseline

¹⁰ 5% increase under the activities implemented within the SOPEES when compared to the 2016 baseline

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Percentage of employers who are benefiting from R&D collaboration with academic and research organizations	2 %	5%	10%	Ministry of Science Ministry of Economy universities
RESULT INDICATORS				
Percentage of the improvement of PISA results ¹¹	4.2% ¹²	n/a ¹³	11% ¹⁴	OECD
Implementation of quality assurance measures (monitoring and evaluations - inspections) in 50% of schools and educational institutions	0%	25%	50%	Ministry of Education
Percentage of educational programmes with the developed segment of practical teaching	60%	70%*	80%*	Ministry of Education

¹² Improvement in 2015 compared to 2009.

¹³ PISA testing will be in 2021

¹⁴ PISA testing 2021 target - results will be published in December 2022

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
The percentage of SEN children, persons with disabilities and members of RE population participating in education programmes ^{15*}	4%	10%	10%	Ministry of Education
The percentage of start-ups and spin-off companies involved in R&D activities, established by PhDs	4%	10%	15%	Ministry of Science Ministry of Economy and Universities
Action 3: Improving Social Inclusion and Social and Child Protection System				
OUTPUT INDICATORS				
Number of developed social and child protection services operating in accordance with standards	0 ¹⁶	15	15*	MLSW

¹⁵ The percentage of SEN, persons with disabilities and RE in the general students population

¹⁶ The process of licensing the social and child protection services did not start in 2016

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
Number of members of marginalized groups, with particular emphasis on members of RE population that participated in activities related to involvement in the community	396 ¹⁷	250	400	Ministry of Human and Minority Rights
RESULT INDICATORS				
Percentage of professional workers in the Social Work Centers licensed to perform professional tasks	0 ¹⁸	15%	40%	MLSW
Percentage of municipalities in Montenegro covered by social and child protection services aligned with standards and accessible to	0 ¹⁹	15%	50%	MLSW

¹⁷ Source of data: The 2016 Report on implementation of the Strategy for improving the position of RE population in Montenegro 2012-2016. The number encompasses the number of RE population members who were involved in various employment programmes, education programmes and trainings.

¹⁸ The process of licensing the social and child protection services did not start in 2016

¹⁹ Ibid

Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
socially vulnerable persons by the end of the implementation of this SOP.				
Increased number of initiatives promoting the sustainable participation of marginalized groups, particularly RE population in social inclusion actions addressed to them.	0 ²⁰	20%	30%	Ministry of Human and Minority Rights
Action 4: Technical Assistance				
INDICATORS				
Percentage of employees in the bodies involved in the management and implementation of the SOP benefiting from the capacity building operations of this SOP	0	60%	80%	MLSW
Number of communication/information and publicity activities within the SOP	0	5	9	MLSW (Annual Report on Implementation)
Number of potential and awarded	0	60	100	MLSW

²⁰ To be defined in the initial phase of the project



Indicator	2016 (baseline)	2020 (milestone)	2023 final target	Source of information
grantees participating in activities related to preparation and implementation of projects under this SOP				

NOTE The (*) Refers to ESRP as the reference source of indicators.

