

MONTENEGRO

# MDG ACCELERATION FRAMEWORK

*YOUTH EMPLOYMENT ACTION PLAN*



**MDG ACCELERATION FRAMEWORK**  
**Youth Employment Action Plan**

May 2014

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MAY 2014



# TABLE OF CONTENTS

|                                                                                                                      |           |
|----------------------------------------------------------------------------------------------------------------------|-----------|
| <b>ACRONYMS</b> .....                                                                                                | <b>6</b>  |
| <b>SUMMARY</b> .....                                                                                                 | <b>12</b> |
| <b>I. INTRODUCTION</b> .....                                                                                         | <b>16</b> |
| 1.1 PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT<br>GOALS IN MONTENEGRO 2010-2013 (SUMMARY).....                      | 17        |
| 1.2 GLOBAL AND NATIONAL CHALLENGES.....                                                                              | 19        |
| 1.3 MONTENEGRO'S MDG ACCELERATION FRAMEWORK (MAF).....                                                               | 21        |
| 1.4 MAF METHODOLOGY.....                                                                                             | 22        |
| <b>II. PROGRESS AND CHALLENGES IN IMPLEMENTING THE PRIORITY MDG</b> .....                                            | <b>24</b> |
| 2.1 MDG 1: REDUCE RELATIVE POVERTY AND OTHER POVERTY DIMENSIONS.....                                                 | 25        |
| 2.2 YOUTH UNEMPLOYMENT.....                                                                                          | 27        |
| 2.3 SOCIAL AND ECONOMIC CHALLENGES AFFECTING YOUTH<br>EMPLOYMENT IN MONTENEGRO.....                                  | 32        |
| 2.4 DIRECTIONS OF SUSTAINABLE DEVELOPMENT OF MONTENEGRO.....                                                         | 36        |
| <b>III. STRATEGIC FRAMEWORK FOR YOUTH EMPLOYMENT</b> .....                                                           | <b>38</b> |
| 3.1. LEGAL HARMONIZATION WITH THE EU ACQUIS.....                                                                     | 39        |
| 3.2. STRATEGIC INTERVENTIONS IN YOUTH EMPLOYMENT.....                                                                | 42        |
| 3.3. IDENTIFICATION AND PRIORITIZATION OF INTERVENTIONS.....                                                         | 48        |
| <b>IV. IDENTIFICATION AND PRIORITIZATION OF BOTTLENECKS AND SOLUTIONS TO PROMOTE YOUTH EMPLOYMENT</b> .....          | <b>50</b> |
| 4.1 POLICY AND PLANNING.....                                                                                         | 52        |
| 4.2 BUDGET AND FUNDING.....                                                                                          | 53        |
| 4.3 SUPPLY.....                                                                                                      | 54        |
| 4.4 DEMAND.....                                                                                                      | 56        |
| 4.5 CROSS-SECTOR ISSUES.....                                                                                         | 59        |
| 4.6 OVERVIEW OF PRIORITY INTERVENTIONS, BOTTLENECKS, AND SOLUTIONS<br>FOR ACCELERATING THE ACHIEVEMENT OF MDG 1..... | 60        |
| <b>V. ACTION PLAN TO PROMOTE YOUTH EMPLOYMENT IN 2014</b> .....                                                      | <b>66</b> |
| 5.1 LONG-TERM MEASURES TO REDUCE YOUTH UNEMPLOYMENT AND POVERTY.....                                                 | 80        |
| 5.2 CONCLUSION: MAF ACTION PLAN IMPLEMENTATION AND FUNDING.....                                                      | 81        |
| <b>ACKNOWLEDGEMENTS</b> .....                                                                                        | <b>83</b> |

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# ABBREVIATIONS

|                   |                                                      |
|-------------------|------------------------------------------------------|
| <b>ALMPs</b>      | Active labour market policies                        |
| <b>CEM</b>        | Chamber of Economy of Montenegro                     |
| <b>CIPC</b>       | Centres for Information and Professional Counselling |
| <b>EAM</b>        | Employment Agency of Montenegro                      |
| <b>FDI</b>        | Foreign Direct Investment                            |
| <b>IDF</b>        | Investment and Development Fund                      |
| <b>IPA</b>        | Instrument for Pre-Accession Assistance              |
| <b>ILO</b>        | International Labour Organisation                    |
| <b>KAP</b>        | Knowledge, Attitudes and Practices Survey            |
| <b>LFS</b>        | Labour Force Survey                                  |
| <b>MDG</b>        | Millennium Development Goals                         |
| <b>MLSW</b>       | Ministry of Labour and Social Welfare                |
| <b>NPAY</b>       | National Plan of Action for Youth                    |
| <b>MAF</b>        | MDG Acceleration Framework                           |
| <b>MoEd</b>       | Ministry of Education                                |
| <b>NEAP</b>       | National Employment Action Plan                      |
| <b>NGO</b>        | Non-governmental Organization                        |
| <b>PWD</b>        | Persons with disabilities                            |
| <b>VET Centre</b> | Vocational Education and Training Centre             |



# FOREWORD

Dear Reader,

I am pleased to introduce the publication MDG Acceleration Framework, Youth Employment Action Plan.

MDGs are one of strategic priorities of the Government of Montenegro and we worked on their implementation intensively, especially after 2010, when the Government has led the process of nationalising the Goals as well as their targets and indicators in a wide participatory process with stakeholders.

It is my great pleasure to see that most of the MDGs will be implemented by 2015. As a part of our efforts to fully achieve all 2015 targets, within the MAF process opened to us by the UN system, we have prioritised the MDGs so as to ensure that even those goals where our society has been lagging behind are going to be accelerated.

The prioritization of the MDGs was carried out by the Government of Montenegro in a great collaboration with the United Nations as part of the preparatory phase of the MAF project. As a result, within MAF, we decided to focus on Goal 1: reducing relative poverty and other dimensions of poverty, with a special focus on youth unemployment (age 15-24) within Task 4: Reduce unemployment to 9% by 2015.

The Action Plan to Promote Youth Employment in Montenegro, which was adopted by the Government in November 2013, is a final product of government's dialogues with societal groups that included over 70 representatives of relevant organisations and institutions and over 170 young people from all Montenegrin cities through consultative workshops and online consultations.

In addition to identifying common obstacles we are facing in this area, the document represents an added value to the existing government strategies as it offers new solutions to the problem of youth unemployment through its focus on green economy that can at the same time lead to new jobs and contributes to the development of local communities. This project, we strongly believe, will help our efforts to achieve full and productive employment and guarantee decent work for all, as the main route for all groups of society to escape poverty and fulfil their maximum potentials in a sustainable manner.

This documents stresses that in order to achieve sustainable development, it is necessary to “green” the labour market through the improvement of existing jobs, the development of new professions and by improving the skills and knowledge of existing professions especially in eco tourism, energy production, waste management (recycling), rural development and etc. All the analyses we have done indicate that such investments would quickly bring out tangible results by improving the quality of products and services, by increasing the work and labour productivity all resulting in measurable financial improvements.

The young are an important fibre of our society, which has been neglected too often in the past, and which can bring out new creative and economic potential that can accelerate the overall growth and development of our country. I am convinced that the implementation of this Plan will permanently change the position and strengthen the role of young people within our society. We are pleased to introduce this publication and we welcome your continued interest and support into building a sustainable future for the Montenegrin youth.



**Branimir Gvozdenovic**

Minister of Sustainable Development and Tourism

# FOREWORD

Dear Reader,

I am pleased to introduce the publication MDG Acceleration Framework, Youth Employment Action Plan. This report is part of a wider UN effort to support countries to overcome challenges and to achieve off-track MDG targets by 2015.

The country provides meaningful contribution to the global pledge to end poverty, as reflected in MDG Progress Report presented by a high-level Montenegrin delegation at the recent UN General Assembly. The country is on a good track to achieve most MDGs. The most significant challenges in the implementation of the defined goals and targets have been identified in the areas of poverty, gender equality and environmental sustainability.

In light of this and the fact that one of the most important priorities of the country is the reduction of unemployment, the Government of Montenegro decided to focus specifically on Goal 1: reducing relative poverty and other dimensions of poverty, within which a special focus would be placed on youth unemployment (aged 15 to 24 years).

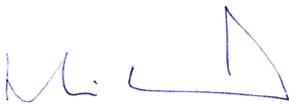
Moreover, the employment is recognized as a top priority for people in Montenegro, especially for young people: 61 percent of youth who provided feedback to post-2015 national consultations identified unemployment as the most important issue.

The end result of the MDG Acceleration Framework process is the 2014 'Action Plan to Promote Youth Employment', adopted by the Government in November 2013. Cross-sectoral and inter-ministerial cooperation in implementing the Action Plan and other relevant strategies and measures should ensure successful integration of youth into the labour market. Implementation of high-impact actions requires commitment and strong partnership among governmental institutions and with key development partners from different sectors of society. We shall work together on its implementation.

The UN Country Team, led by UNDP, UNICEF, UNHCR and WHO, took an active part in rolling out the MAF analysis, which complements the existing, nationally-owned planning processes and frameworks for tackling youth employment issues. I am confident that the recommendations emerging from this report will help enhance educational and employment policies, ensure equal employment opportunities, and improve the conditions and capacities of the young to develop business.

I would like to express my sincere appreciation to our national partners, especially the Ministry of Sustainable Development and Tourism, the Ministry of Labour and Social Welfare and the Directorate for Youth and Sports, within the Ministry of Education, as well as others who have already committed to the implementation of the Action Plan.

We heard the voice of youth during the national consultations on the post-millennium agenda and are now helping build a better and inclusive future for them.



**Rastislav Vrbensky**

UN Resident Coordinator/UNDP Resident Representative  
Republic of Montenegro

# SUMMARY

MAF – focus on youth unemployment: In September 2013, the Government of Montenegro released its ‘Report on Millennium Development Goals (MDG) in Montenegro 2010-2013’. The Report concludes that Montenegro is on the right track to attaining most of the goals by 2015. However, the Report cited the reduction of relative poverty and other poverty dimensions as the key challenges. With a goal of assisting countries in addressing new structural challenges, the UN has developed the Millennium Development Goals Acceleration Framework (MAF), which provides national stakeholders with a systematic approach to identify and recognize bottlenecks to progress in achieving off-track MDGs and to develop high-impact solutions to accelerate progress. Given that reducing unemployment is one of the country’s priorities, the Government of Montenegro, in cooperation with the UN system, decided that the MAF process in Montenegro would focus on MDG 1: Reducing relative poverty and other poverty dimensions, with special focus on youth unemployment (aged 15-24) within Target 4: Reduce unemployment to 9 percent by 2015. The MAF rollout was led by the Ministry of Sustainable Development and Tourism, in partnership with the Ministry of Education (Directorate for Youth and Sports) and the Ministry of Labour and Social Welfare, while expert, technical, and financial support for the project was provided by the United Nations system in Montenegro.

From 2006 onwards, the youth (aged 15–24) unemployment rate ranged from 30 percent to 60 percent. The share of youth in overall unemployment in Montenegro amounted to 20 percent, and the young additionally constitute the only age group whose unemployment rate is two times higher than the national average, and almost three times higher than the adult unemployment rate. Since 2012, the unemployment rate for young men has been considerably higher than that for young women. According to the Labour Force Survey, close to one third of youth (27.2 percent) are inactive. Although there are no official data, it is known that a certain percentage of youth registered as unemployed in actual fact hold informal jobs.

Vulnerable groups in society are particularly affected by unemployment and poverty; such groups are the young, especially young women from rural and remote areas; the recipients of social protection packages; long-term unemployed; youth with disabilities; youth from the refugee or displaced populations; and young Roma and Egyptians.<sup>1</sup>

**MAF in the national context:** Despite the crisis, the Government of Montenegro has undertaken a number of actions, particularly vocational and higher educational reforms, aimed at increasing youth employability. To date, though, there has been neither a unified strategy encompassing issues surrounding youth employment nor any effective mechanisms to monitor the impact of current interventions that various actors have pursued.

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1. The term used for Balkan Egyptians.

Against this backdrop, the aim of introducing MAF in Montenegro was not to replace the existing sectoral policies relevant for youth employment, but to add value to ongoing efforts by strengthening collaboration and inter-sectoral partnership. Therefore, the MAF initiative in Montenegro does not introduce new priorities, but builds on development directions already endorsed by the Government through various existing strategies for human resources management, vocational education, sustainable development, and employment in order to achieve the intended results. The Action Plan is consistent with the priorities and the goals set in the 'National Employment and Human Resources Development Strategy (2012-2015)', as well as other relevant development-oriented government papers and conclusions, including the 'Plan of Actions to Promote Seasonal Employment of Domestic Labour' as well as umbrella development papers such as the 'Development Directions for Montenegro 2013-2016, Montenegro's Rio+20 Platform' and the 'National Sustainable Development Strategy', which is currently being revised. In defining interventions, special care was taken to include sustainable development principles, the greening of the economy, and the implementation of the agenda for decent jobs in Montenegro's development-oriented sectors, i.e., tourism, energy (including renewable energy), agricultural production and the processing industry, and rural development.

Apart from contributing to the operationalization of existing plans, this Action Plan will contribute to the EU integration process, as all interventions are consistent with the European growth agenda and EU member states have recently made efforts to reduce youth unemployment. The national legal and strategic framework relevant for youth policies and youth employment has been aligned with the EU acquis in the course of the screening process for Chapter 26 (Education and Culture) and Chapter 19 (Social Policy and Employment).

**Intervention priorities:** Based on the existing strategic framework relevant for youth employment in Montenegro, which is aligned with the EU policies and standards, four main categories of interventions for youth employment have been identified:

1. Improve employment policy and youth employability
2. Improve educational policies (vocational, higher, secondary, informal)
3. Improve the conditions and capacities of youth to develop business (SMEs and entrepreneurship)
4. Ensure equal employment opportunities for youth from vulnerable and minority groups

The Action Plan is based on a detailed analysis of bottlenecks to the implementation of youth employment interventions. These include bottlenecks in public policies and planning (sectoral strategies and action plans, legal framework and laws, institutional capacities); budget and funding (allocations, efficiency of spending and mobilization of resources); the quality of youth employment services (human resources, infrastructure, equipment and supplies, sectoral management); and demands of youth (self-efficiency, acceptability, and accessibility). The action plan also addresses cross-sectoral issues (engagement and advocacy, coordination and harmonization, accountability and transparency).

The Action Plan implementation will provide a number of outcomes by the end of 2014:

- **Improved systemic support to youth employment policy:**

- Improve mechanisms to formulate, monitor, and measure performance of the youth employment interventions
- Improve cross-sectoral and inter-agency cooperation and coordination for youth employment
- Improve capacities of implementing agencies in youth employment
- Make the environment more conducive to youth entrepreneurship
- Enhance linkages between the education sector and the labour market (vocational education and training, life-long learning, and informal education of youth)
- Improve career orientation in schools and such services provided by the Information and Professional Orientation Centres
- Provide financial support to youth for business start-ups through credit guarantees

- **Improve employer relations to develop an environment conducive to youth employment:**

- Provide incentives for employers to hire youth for seasonal jobs
- Provide incentives for employers to hire youth with disabilities
- Motivate employers to adhere to the Labour Law for equal employment

- **Enhance capacities, knowledge, and skills of youth to ensure their competitiveness at the labour market:**

- Organize training and award grants for youth who seek to establish enterprises
- Implement professional development programmes for youth with secondary school and university degrees
- Promote occupations in demand and deliver effective training accordingly
- Inform youth about current programmes and services to support youth employment and entrepreneurship
- Increase the scope and quality of career orientation programmes
- Secure equal opportunities for training and inclusion of young members of vulnerable groups into the labour market (persons with disabilities, young Roma and Egyptians, youth, particularly young women, from rural and remote areas)

**The MAF Methodology – steps in developing the Action Plan:** The MAF process in Montenegro started by identifying MDG 1 as the MDG for which intended progress has not been made, i.e., in which most of the targets will not have been reached by 2015. Subsequently, a wide consultation process involving competent authorities and other stakeholders was launched through four systemic steps as prescribed by the MAF methodology – the first step involved identification and prioritization of interventions whose synergic effect would make it possible to reduce youth unemployment in the short run. Then, for the interventions selected, an analysis of sector and cross-sector bottlenecks preventing successful implementation of strategic interventions was made. Thirdly, for each individual bottleneck, solutions for acceleration of achieving reduction in relative poverty or increase of general population/youth employment were developed through various activities, ranging from awareness-

raising and providing information to youth and employers, building institutional capacities and inter-agency cooperation, reviewing and supporting the consistent application of positive legislation, improving infrastructure and equipment, to providing better counselling and financial services for youth. Fourthly, the MAF Action Plan on Youth Employment was developed, which identifies key partners and an estimated budget.

**The consultative process** started with 10 interviews and two round-table discussions gathering some 70 representatives of relevant institutions and organizations, followed by consultative workshops for service providers linked with youth employment. Youth took part in drafting the document in three consultative workshops organized in the northern, central and southern regions, respectively. In addition, in a series of focus groups and online questionnaires, 170 youth from all Montenegrin towns expressed their views on the current state of play, root causes of unemployment, as well as positive changes that could boost the youth employment rate and, by extension, reduce poverty rates.

**Action Plan implementation and funding:** The Action Plan primarily includes measures to help reduce youth unemployment rates and poverty in the short term, i.e., by 2015. In addition, this document also includes the planning framework for longer-term solutions, which require substantial financial investments and human resources.

The Government's Youth and Sport Administration will be responsible for coordinating and monitoring the implementation of the Youth Employment Action Plan in cooperation with the Ministry of Labour and Social Welfare (MLSW) and the Ministry of Sustainable Development and Tourism (MSDT).

In order to implement the Action Plan, funds need to be provided from the line budgets of the implementing agencies. The overall financial projection for the AP implementation in 2014 amounts to €897,500, broken down as follows:

- The Ministry of Labour and Social Welfare has already envisaged €20,000 in its 2014 budget for implementing the interventions within its scope of responsibilities
- The VET Centre's 2014 budget appropriates €60,000 for the adoption of 20 new job qualifications for the labour market
- The Investment and Development Fund (IDF) appropriated €50,000 for guarantees for young business start-ups to apply for credits with the IDF
- The Ministry of Economy (MoE) has secured €500,000 through an Instrument for Pre-Accession Assistance (IPA)-supported project for developing business clusters in the northern region
- The contribution of the UN system in Montenegro is €40,000, already secured, while there remains a possibility for further resource mobilization by the UN and other international partners

The funding gap is thus €227,500, provided that the MLSS and VET Centre's budget proposals are approved with their respective allocations of €20,000 and €60,000. Otherwise, the funding gap will be €307,500.

For some actions, especially longer-term ones, the possibility of funding through EU and other international funds (the World Bank, the UN, IFIs, etc.) is also envisaged.



# I. INTRODUCTION

*Photo credits: The United Nations System in Montenegro*

## 1.1 PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS IN MONTENEGRO 2010-2013 (SUMMARY)

Montenegro is on track to achieving some of the Millennium Development Goals, except for MDGs 1, 3, and 7 (poverty reduction, gender equality, and environmental sustainability). Additional efforts will be required to achieve MDG 2 (coverage by education of vulnerable groups) and MDG 6 (rate of mortality caused by chronic non-communicable diseases).

**MDG 1 (Poverty Reduction) will not be achieved by 2015.** Particularly concerning are the increases in poverty and deepening inequalities: poverty rates in rural areas and in the north are almost twice as high as the national average. Almost half of the population in the north of Montenegro is poor, as is most of the rural population. Roma and Egyptians form the most vulnerable population category. They are followed by refugees and displaced persons, recipients of social benefits, retired people, long-term unemployed people, and persons with disabilities. The youth employment rate remains very high (at 34.4 percent in 2013) and many youth are neither in the education system, nor employed, nor even looking for work. Children are much more exposed to poverty than adults. Positive trends have been recorded in the reduction of the overall unemployment rate compared to the middle of last decade and there has been a reduction in the difference between the unemployment rates for men and women. Montenegro started implementing many activities to improve the required knowledge and skills, encouraging development and employment in less developed municipalities and developing female entrepreneurship. Youth

employment and inclusion have been set as priorities, which is in line with the latest measures initiated by the EU. There is significant progress in the policy for data accessibility.

**It is realistic to expect that Montenegro will achieve MDG 2 (Universal Education) by 2015.**

The rate of enrolment in preschool education has increased significantly, as has the rate of children attending primary school. The literacy rate is also near the target. Although the trends are positive, there are inequalities in the rates of children attending preschool and primary school in rural areas and in the north, as well as of Roma and Egyptian children and children with disabilities. Disparities are also strong in the rates of attendance and completion of primary school. MDG 2 is fully incorporated into the relevant strategic documents and led to paying significantly more attention to children with special education needs. Significant progress has been made in inclusive education and the coverage of children is increasing.

**MDG 3 (Gender Equality) will not be achieved,** since Montenegro is lagging behind in all key indicators, particularly in the unemployment rate and in the number of women mayors. A specific characteristic of this goal is that the lag can be explained not by the consequences of the economic crisis, but rather by the lack of capacity to implement legislation, by social values (prejudice and gender role prejudice), as well as the lack of political and civil will. Positive trends have been recorded in the increase in the employment rate for women, and thus, the employment rates for men and women are nearly equal. Numerous training and employment programmes have contributed to this progress, as has the global trend that in periods of crisis women more than men engage in a variety of activities to support livelihoods of their families. Participation of women in elected bodies at the national level has significantly increased

since the last parliamentary elections, but the current situation is still far from the target values, particularly at the local level. According to the opinion of the European Commission, concrete steps to ensure the consistent implementation of non-discrimination and gender equality in practice are necessary. These steps should include the strengthening of supervisory bodies and more efficient response of the law enforcement bodies in case of violations. At the same time, awareness should be raised and support measures strengthened, particularly in employment and the public representation of women.

**MDG 4 (Reduce Child Mortality) was achieved in 2009**, except for immunization coverage, which is also close to the target. Relevant goals defined in international and national policies and strategies have been achieved as well. Adequate monitoring and education of the population contribute to progress towards the achievement of the targets. MDG 4, as well as other health-related goals, are fully incorporated into the national health policy and its programmes and implementation measures. Since 2010, it has been impossible to monitor a number of indicators for the health-related MDGs. When the Second Annual MDG Report was adopted, the issue of not recording causes of death was particularly emphasized and the Government adopted a conclusion on the basis of which the missing data on the causes of death will be collected by the end of 2013 and the issue of availability of data on mortality will be permanently solved in 2014.

**MDG 5 has already been achieved:** Since the middle of last decade, all childbirths in the country have been carried out with the assistance of health personnel and there are almost no deaths related to pregnancy, childbirth, or the post-partum period. The opening of the Guidance Clinic for Female Reproductive Health has helped

to maintain the achieved results and its benefits are already visible. The goals of the WHO/EU health policy 'Health 2020' include improving the capacity for health management at the governmental and societal levels. The promotion of children's health and disease prevention should be intensified and sufficient funds should be allocated to implement prevention programmes while paying due attention to the multi-sectorial action on the social determinants of health and overcoming inequalities in health.

**MDG 6 (Combating HIV/AIDS, Tuberculosis, and Other Diseases) will be partly achieved by 2015.** The progress in the targets related to HIV/AIDS and tuberculosis is in line with the set goals, but the situation in the target relating to reduction of the mortality rate caused by chronic non-communicable diseases is not satisfactory. According to the latest data, the rate of mortality caused by cardiovascular diseases was 25 percent higher than the set target, while, in the case of malignant tumours, it was 40 percent higher than the target. According to WHO and EU recommendations, the future development directions should be defined in such a way that they include new trends in the health sector. When it comes to the burden of diseases, these trends have been significantly changed and, besides chronic non-communicable diseases, mental health and antimicrobial resistance are very high on the list, as well as the financial sustainability of the health system. The social, cultural, environmental, and political determinants of health have been increasingly important.

**It is not realistic to expect that MDG 7 (Ensuring Environmental Sustainability) will be achieved by 2015.** Despite certain weaknesses in the statistics, the values of the indicators for both targets are going in the right direction and some progress is obvious. Further efforts in the reduction of energy inefficiencies are of great

importance not only for environmental sustainability, achievement of the MDGs, and the process of accession to the EU, but also for the competitiveness of the Montenegrin economy. As for the share of energy from renewable sources, Montenegro has already achieved more than the European goal of 20 percent and there is a good chance that it will achieve the national goal of 33 percent by 2020. The key constraints to faster progress are related to insufficient support for plans and programmes for environmental protection, limited implementation of legislation, and inadequate implementation of the mechanisms for the participation of all stakeholders in the development of the country's policies. The pressures for achieving fast economic benefits (that are based on the over-exploitation of natural resources) influence the increased number of activities that are not sustainable.

**Montenegro has been successfully implementing MDG 8 (Global Partnership for Development), the achievement of which is expected by 2015.** In the last couple of years, coordination between donors and representatives of international organizations has improved and the formal mechanism for cooperation and coordination between the Government and the donors has been established. Progress has also been made in the implementation of information and communication technologies. E-education, E-health services, and E-inclusion are being developed with a view to encouraging all elements of society to use modern technologies. As for the public administration, the programme of e-government is being developed with a view to improving the quality of the services that state bodies provide.

## 1.2 GLOBAL AND NATIONAL CHALLENGES

Montenegro is facing numerous challenges at the global and national levels: the extended duration and new impacts of the economic crisis, corruption, and growing inequality in the society; child poverty and youth unemployment; competitiveness of the economy, innovation and changes in technology; climate change; and other challenges that impact the long-term development of the country and the region. The extended duration of the economic crisis retarded the recovery of the Montenegrin economy and constrained the budget for development issues. In the areas of poverty reduction, combating corruption, environment protection, and reforms of the social care, education and health systems, the conditions for implementation of policies are difficult. Climate change could bring significant economic losses for the country, particularly in tourism, agriculture, and energy.<sup>2</sup>

*2. Government of Montenegro, Ministry of Sustainable Development and Tourism, 'Report on Millennium Development Goals in Montenegro 2010-2013'*

**TABLE 1-1:**

**PROGRESS TOWARDS MDG ACHIEVEMENT**

| Goals                                   | Targets by 2015                                                                                                             | Assessments                |       |             |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------|-------|-------------|
|                                         |                                                                                                                             | Will the goal be achieved? | Trend | Support     |
| MDG 1: Eradicate poverty                | Halve the proportion of people living below the poverty line                                                                | Red                        | ↓     | Weak        |
|                                         | Reduce inequality in the distribution of consumption                                                                        |                            | ↓     | Weak        |
|                                         | Reduce regional disparities in development (halve poverty rates in the northern region and in rural areas)                  |                            | ↓     | Weak        |
|                                         | Reduce the unemployment rate to 9%                                                                                          |                            | →     | Substantial |
| MDG2: Universal primary education       | Achieve 40% attendance of girls and boys in preschool education                                                             | Yellow                     | ↑     | Strong      |
|                                         | Achieve 100% attendance of boys and girls in primary education                                                              | Yellow                     | ↑     | Strong      |
|                                         | Reduce the illiteracy rate of people older than 10 years to 1%                                                              | Yellow                     | ↑     | Substantial |
| MDG 3: Gender equality                  | Women’s economic empowerment                                                                                                | Red                        | ↑     | Substantial |
|                                         | Increase women’s participation in elected government bodies at national and local levels                                    |                            | ↑     | Weak        |
| MDG 4: Reduce child mortality           | Reduce indicator value to eight infant deaths per 1,000 live births                                                         | Green                      | ↑     | Strong      |
|                                         | Immunization of all the children younger than one year                                                                      |                            | ↑     | Strong      |
|                                         | Reduce mortality caused by accidents for children aged 0 to 4 years                                                         |                            | →     | Substantial |
| MDG 5: Maternal health                  | Preserve and improve maternal reproductive health                                                                           | Green                      | →     | Substantial |
| MDG 6: Combat diseases                  | Maintain the low HIV/AIDS prevalence rate                                                                                   | Yellow                     | →     | Substantial |
|                                         | Reduce tuberculosis prevalence                                                                                              | Yellow                     | ↑     | Substantial |
|                                         | Reduce the mortality rate for chronic non-communicable diseases in the age group 0–64 years                                 | Red                        | →     | Weak        |
| MDG 7: The environmental sustainability | Integrate principles of sustainable development into country-level policies and reverse the loss of environmental resources | Red                        | ↑/→   | Weak        |
|                                         | Reduce the proportion of people without access to drinking water and sanitation                                             |                            | ↑/→   | Substantial |
| MDG 8: Partnership for development      | Coordination of international donor assistance                                                                              | Yellow                     | ↑     | Substantial |
|                                         | Development and use of information and communication technologies                                                           | Yellow                     | ↑     | Strong      |

Colour code: **green** – goal is achieved; **yellow** – achievement of the goal is possible; **red** – achievement of the goal is not likely; Arrow code: **up** – positive trend; **right** – stagnation; **down** – negative trend

### **Conclusions and recommendations from the 2010-2013 MDG Report:**

To achieve further progress, Montenegro must better address inequalities and social exclusion. It must monitor the implementation of existing policies and ensure implementation of concrete measures for achieving sustainability. It is particularly important to strengthen statistics and inter-sectoral coordination, to improve capacities for the implementation and system of effective and transparent management, and to ensure the quality of services and good solutions to overcome and mitigate consequences of the budget constraints caused by the economic crisis. Finally, it is important to address wider social and political issues beyond the economy alone. This should be carried out by raising awareness and improving knowledge, attitudes, and practice to change the behaviour of individuals, the communities, and society and to ensure sustainable and inclusive growth. The people of Montenegro who were consulted in the process of national consultations on the post-millennium development goals also think that there needs to be more investment in strengthening social capital on the basis of solidarity, family values, tolerance, respect for others, and non-discrimination.

## **1.3 MONTENEGRO'S MDG ACCELERATION FRAMEWORK (MAF)**

The Government of Montenegro fully accepts that the acceleration in achieving the MDG 1 – Target 4 is imperative and hence adopted the MAF methodology and engaged the ministries responsible for MDG and youth and environmental sustainability (Ministry of Sustainable Development and Tourism, Ministry

of Education, and the Ministry of Labour and Social Welfare), with the expert and technical support by the UN system in Montenegro.

The end result of the project is the development of the 'Action Plan to Promote Youth Employment in 2014', which is owned by the Government of Montenegro. This document is based on the interventions identified within the existing strategic framework for youth employment, which are evaluated and prioritized, and assumed to directly and rapidly accelerate the attainment of the MDG 1. In addition to the interventions, according to the MAF methodology, the Action Plan identified the barriers to their implementation, as well as the prioritized solutions for overcoming bottlenecks. The process helps strengthen cooperation and inter-sectoral partnerships, and relies on the latest development directions already adopted by the Government through various strategic documents in the field of human resources management, vocational education, sustainable development and employment, to ensure their full implementation and achievement of intended results. The Action Plan will substantially promote youth employment in priority economic sectors by identifying feasible priority solutions that will have a measurable impact on existing interventions designed to boost youth employment in Montenegro: matching the labour market supply and demand sides, improving higher and vocational education for occupations that are in demand, and addressing regional disparities in development and youth unemployment rates. Apart from operationalizing existing documents, this Action Plan will also contribute to the ongoing EU integration process, given that all interventions are designed with a view toward the European agenda and the most recent efforts invested by the EU member states to reduce youth unemployment.

3. Government of Montenegro, 'Ministry of Sustainable Development and Tourism, Report on Millennium Development Goals in Montenegro 2010-2013'

The Action Plan is aligned with the priorities and objectives defined in the framework of the 'National Strategy for Employment and Human Resources Development (2012-2015)' as well as other relevant development documents and conclusions of the Government, including the 'Plan of Actions to Promote Seasonal Employment of Domestic Labour'. At the strategic level, the Action Plan will be crucially important in placing youth employment as a high priority issue, especially in the framework of the revision of the National Strategy for Sustainable Development of Montenegro, which is currently in progress. The Action Plan is designed to complement national development documents such as the 'Directions of Development of Montenegro in the period 2013-2016'<sup>4</sup> in order to contribute to the successful implementation of interventions for smart and inclusive growth.

In defining interventions, special care was taken to include sustainable development principles, the greening of the economy, and job creation in the priority development-oriented sectors in Montenegro: tourism, energy (including renewable energy), agricultural production and processing industry, and rural development.

The action planning process brought together key development partners from different structures of society that will cooperate with the Government of Montenegro on its implementation, with the aim of boosting youth employment. The coordination of drafting efforts was supported by the MDG inter-ministerial working body,<sup>5</sup> chaired by the Ministry of Sustainable Development and Tourism (MSDT), as the department responsible for the implementation and monitoring of the MDGs on behalf of the Government of Montenegro. Moreover, all

phases of the MAF process, including professional consultations, involved the active participation of UN system representatives, the civil, business and public sectors, as well as representatives from local governments. The MSDT, in cooperation with the Youth and Sport Administration and the Ministry of Labour and Social Welfare (MLSW), was responsible for coordinating the process while the UN system in Montenegro, which is headed by UNDP, UNICEF and UNHCR, supported the project financially and technically. Apart from the short-term interventions supposed to give rapid (tangible) results in the targeted period, the MAF process must ensure the development of a quality basis for implementing selected interventions to increase youth employment and, by extension, to reduce poverty post-2015. This will be possible only if there are strong cross-sector partnership and sharing responsibilities among state authorities, industry, employer associations, and civic organizations as well as youth and individual citizens.

## 1.4 MAF METHODOLOGY

Using a comprehensive methodology endorsed by the United Nations Development Group in 2011, Montenegro started developing the MAF framework, in order to help governments and civil society globally to accelerate the achievement of the Millennium Development Goals by 2015. MAF is a methodological framework that systematically identifies and prioritizes bottlenecks to the achievement of currently stagnant or regressive MDGs; it also identifies and prioritizes solutions to accelerate progress. The MAF framework involves four systemic, interconnected steps:

4. Development directions were prepared following the model of the EU 2020 Strategy. By identifying areas of policy and subordinated policy, under the directions of the development of 'smart growth', 'sustainable growth', and 'inclusive growth', with the proposed investment/development measures, authentic development interests of Montenegro were identified.

5. The preparation and monitoring of the process involved representatives from the following ministries: Labor and Social Welfare; Education; Human and Minority Rights; Health; Sustainable Development and Tourism; Economy; Agriculture and Rural Development; Information Society and Telecommunications; Foreign Affairs and European Integration; and the Statistical Office (Monstat), the Institute for Public Health and the Environmental Protection Agency.

- 1 Identifies and prioritizes interventions specific to the country (with a focus on measures with direct and immediate impact);
- 2 Identifies and prioritizes bottlenecks to implementation of the priority interventions;
- 3 Identifies and prioritizes solutions to remove bottlenecks and accelerate implementation of the interventions;
- 4 Implementation planning and monitoring of the selected solutions.

The MAF methodology is flexible enough and applicable to any MDG at the national or sub-national level; thus, it may shape national or sub-national strategies or guide existing policies towards focused implementation. As is already noted, the application of MAF leads to the development and adoption of a comprehensive acceleration Action Plan for the selected MDGs, aligned with the development processes in the country and inking partners around the common goal at the national and sub-national levels.<sup>6</sup> Based on the MAF methodology, the specific goals of this analysis include:

- o Insight into the current state of play for youth unemployment in Montenegro in the context of accelerating the achievement of MDG 1/ Target 4 – reduce unemployment to 9 percent by 2015, with the focus on addressing youth unemployment (aged 15–24);
- o Provide a set of data relevant for programming, resource mobilization, monitoring, and evaluation in this field in the coming years;
- o Design the acceleration Action Plan for youth employment in 2014 with specific medium-term recommendations;
- o Ensure inclusion of youth and all relevant partners in the survey and design of the AP process.



## II. PROGRESS AND CHALLENGES IN IMPLEMENTING THE PRIORITY MDG

Photo credits: The United Nations System in Montenegro



**TABLE 2-2:**

**INEQUALITIES IN THE POVERTY RATES BY REGION AND BETWEEN URBAN AND RURAL POPULATIONS, 2012**

| Indicators (%)                     | Regions |         |       | Areas |       |
|------------------------------------|---------|---------|-------|-------|-------|
|                                    | North   | Central | South | Urban | Rural |
| Poverty rate                       | 17.5    | 6.3     | 6.4   | 4.4   | 18.4  |
| Proportion of the poor             | 50.4    | 34.4    | 15.2  | 30.8  | 69.2  |
| Proportion of the total population | 26.8    | 51.0    | 22.1  | 65.0  | 35.0  |

Source: Second MDG report

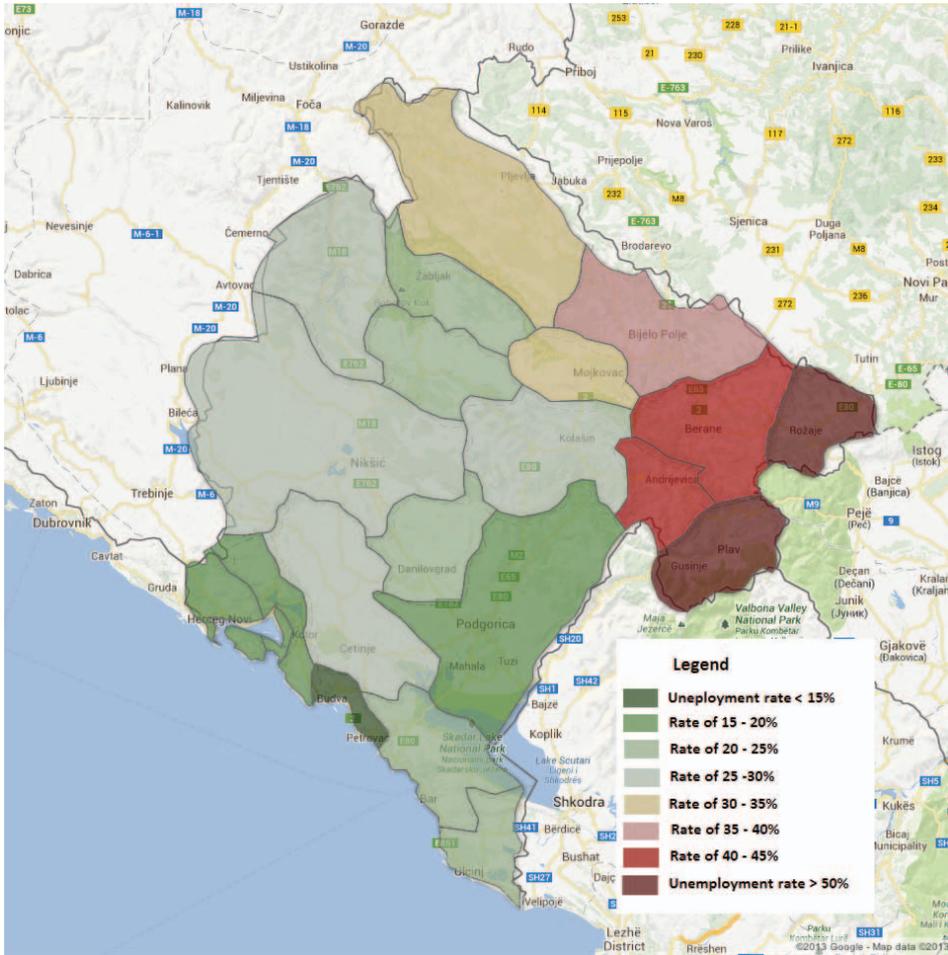
Unemployment. For overall unemployment rates, positive and negative trends are observable (Figure 2-2). The 2004–2008 period is characterized by a substantial (around 10 percentile points) decrease of the rate, or progress towards achieving the goal,<sup>8</sup> while, over the past five years, the rate increased slightly and reached 19.7 percent in 2012. The fact that (2012) close to one in five members of the labour active population in the country was unemployed last year means that it is unrealistic to expect achieving the target of 9 percent by 2015. The difference in employment rates between women and men was substantially reduced over the past decade, so, in 2012, the unemployment rate for women exceeded the unemployment rate for men by only one percentage point. Over the last five years, the long-term unemployment rate has been almost constant and twice higher than planned.

Inequalities. Poverty rates in rural areas and in the northern region are almost twice as high as the national average. Around half of the total population in the north and the majority of the rural population are poor. The Roma and Egyptians are the most disadvantaged population group, followed by refugees and displaced persons, social benefit users, then pensioners, long-term unemployed, and persons with disabilities.<sup>9</sup> The high youth unemployment rate is also pronounced, as well as the large number of youth who are neither in school, nor employed, nor seeking employment. The poverty rate among children is twice as high as that among adults; thus one in 10 children in the country is poor.<sup>10</sup>

8. The analysis further shows that the trend is identical when it comes to youth employment, which is illustrative of the impact of macroeconomic trends on poverty and employment indicators.

9. Government of Montenegro, Ministry of Sustainable Development and Tourism, 'MDG Report in Montenegro 2010-2013'

10. UNICEF, 'The Child Poverty Study in Montenegro', Podgorica, 2012

**FIGURE 2-2:****INEQUALITIES IN UNEMPLOYMENT RATES BY MUNICIPALITY ACCORDING TO THE 2011 CENSUS**

Map source: Google. Data source: Monstat, 2011 census

## 2.2 YOUTH UNEMPLOYMENT

The analyses carried out within the framework of the MAF process showed that a number of global and local problems affected particularly the young generation and such data raised concerns both globally, in the EU, and in Montenegro. The International Labour Organization (ILO) warns that the long-term effects of youth unemployment

will be felt in the coming decades and lead to a generation at constant risk of lacking decent jobs,<sup>11</sup> which will cause distrust in the socio-economic and political system of the state.<sup>12</sup> The latest report on the MDGs in Montenegro clearly identified youth as a vulnerable category. Generally, this issue used to be doubly neglected before - both as a challenge in achieving the ultimate goal of employment and as an area that, with proper management, has a high potential impact on the overall development of society.

According to Monstat's Labour Market and Labour Force Surveys, since the end of 2008, the youth unemployment rate (age category 15-24) ranged from 35 percent to 45 percent, while, in the second quarter of 2012, it reached 45 percent, amounting to 20 percent of the total unemployment rate.<sup>13</sup> Figure 2-1 shows yearly averages in unemployment rates among youth aged 15-24 years and persons aged 25-49 years. It is important to point out that youth are the only age group whose unemployment rate is twice higher than the average (the general unemployment rate in 2012 was 19.7 percent) and almost three times higher than the adult unemployment rate (the unemployment rate for age group 25-64 was 15 percent in the second quarter of 2012).<sup>14</sup>

In the second quarter of 2013, there was a marked decline in the rate of youth unemployment, to 34.4 percent. This was influenced, according to Monstat, by reporting young interns as employed persons and adding seasonal employment of youth in tourism, construction and other service

industries.<sup>15</sup> As shown in Table 2-3, the unemployment rate for young men has often been higher than the unemployment rate for young women (in the second quarter of 2013, the ratio was 38.1 percent versus 29.4 percent).

As for equal job opportunities, the Knowledge, Attitudes, and Practices survey (KAP) survey showed that more than 60 percent of citizens agree that, if an identically qualified man and woman apply for the same job, it is more probable that the man will be hired. Although the general consensus is that it is easier for a man to find a job than a woman, a man's advantage is greatest if he is part of a young couple with small children (Graph 2-1). Almost 90 percent of Montenegrins believe that the man would more easily find a job in such a situation. Somewhat over two thirds of citizens (72 percent) claim the same for a middle-aged couple with grown-up children, and 65 percent of citizens make the same claim if a young married couple without children are involved.

**TABLE 2-3: YOUTH UNEMPLOYMENT RATES, DISAGGREGATED BY GENDER (%), 2007-2012**

| Year                                   | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------------------|------|------|------|------|------|------|
| <b>Youth unemployment rate (15-24)</b> | 38.3 | 30.5 | 35.6 | 45.5 | 37.1 | 40.1 |
| Men (15-24)                            | 32.6 | 32.1 | 35.7 | 44.4 | 35.6 | 42.4 |
| Women (15-24)                          | 45.4 | 28.2 | 35.6 | 47.1 | 39.3 | 39.2 |

Source: Monstat, Labour Force Survey

11. The concept of 'decent jobs' or 'decent work' was introduced by the International Labor Organization and involves improving opportunities for obtaining decent and productive jobs in conditions of freedom, equity, security, and human dignity.

12. 'Global Employment Trends or Youth 2013: A generation at risk', International Labour Office - Geneva: ILO, 2013

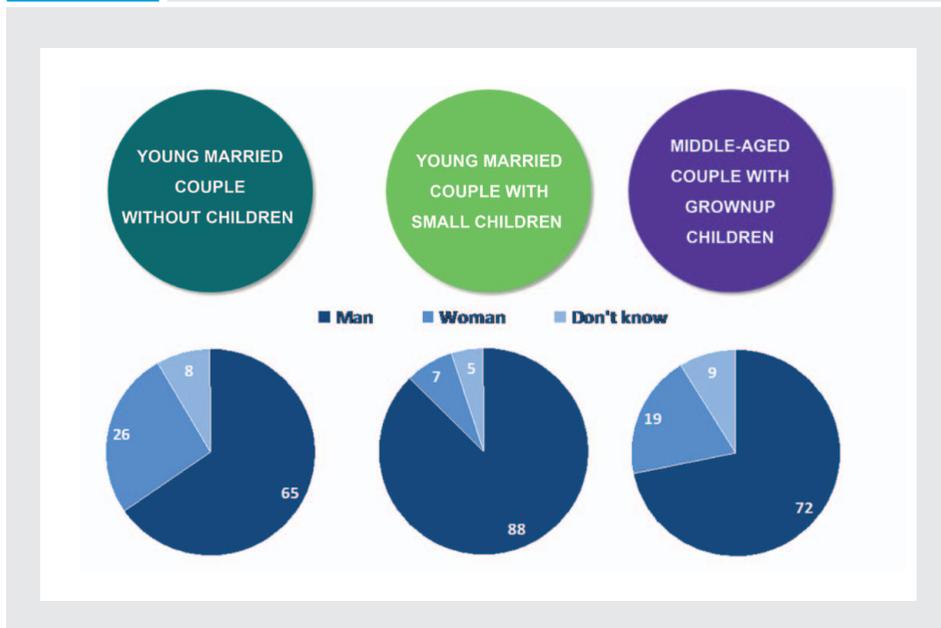
13. Source: Monstat, 'Analysis of Poverty in Montenegro 2006-2011', Monstat, 2013, Labor Force Survey

14. The National Strategy for Employment and Human Resources Development for the period 2012-2015

15. There is a difference here in the methodology used by Monstat and the Employment Office. According to the Labour Force Survey, persons who are included in internship programmes are considered employed. However, under Article (3) of the Law on Internship for University Graduates, "all persons involved in internship programmes are registered by the Employment Office as active job seekers (unemployed)."

**GRAPH 2-1:**

**WHO'S MORE LIKELY TO GET A JOB, A MAN OR A WOMAN? OPINION SURVEY**



The World Bank estimates that there is a large number of youth in South-Eastern Europe and the European Union who, in addition to being unemployed, are neither covered by the education system nor in the process of re-training (NEET).<sup>16</sup>

In Montenegro, the closest to this category is that of 'inactive youth', who, according to the latest statistics, make up nearly one third (27.2 percent) of all youth.

**TABLE 2-4:**

**WORKING AGE POPULATION AGED 15-24 BY ACTIVITY AND BY SEX**

| Sex                 | Active | Employed | Unemployed | Inactive    | Active | Employed |        | Employed |
|---------------------|--------|----------|------------|-------------|--------|----------|--------|----------|
| <i>In thousands</i> |        |          |            | <i>In %</i> |        |          |        |          |
| Total               | 19.5   | 12.8     | 6.7        | 67.3        | 7.7    | 6.2      | 13.8   | 27.2     |
| Men                 | 11.2   | 7.0      | 4.3        | 33.6        | 8.1    | 6.3      | (15.2) | 31.8     |
| Women               | 8.2    | 5.8      | 2.4        | 33.7        | 7.2    | 6.2      | 11.8   | 23.7     |

Source: Labour Force Survey, QII 2013

16. 'Regular Economic Report for the South East Europe Countries SEE6', World Bank, 2013

An analysis of the consultation process leads to the conclusion that youth from other vulnerable groups are additionally disadvantaged when it comes to unemployment and poverty. These youth include young Roma and Egyptians, who are particularly hard-hit, then young refugees or displaced persons, youth from rural and remote areas (especially young women), welfare recipients, long-term unemployed, and youth with disabilities. According to data from the Employment Agency of Montenegro, in 2011, of the total number of registered unemployed persons, young Roma and Egyptians between 15 and 25 years old accounted for 412 persons, or 40.7 percent. Most of the registered unemployed youth neither held a degree nor had any qualifications - 94 percent, then 4.12 percent high school graduates, 0.97 percent persons who completed primary school, and 0.24 percent or one young man with a university degree.<sup>17</sup>

With regard to youth self-employment, the results of KAP surveys<sup>18</sup> indicate that 61 percent of youth would rather have their own business than work for an employer, while only a small

percentage (4 percent) take concrete steps in this direction. The main obstacles cited in this regard include a lack of money and the high risk of starting a business. In addition, the results show that youth are generally not interested in working in the private sector: only 9 percent of them were positive about this, explaining that "job security is their main concern", which is generally linked to working in the public sector. In addition, Monstat data, as shown in Table 2-5, indicate that young women are half as frequently self-employed as men. These trends are associated, *inter alia*, with the Montenegrin tradition according to which it is usually male family members who own property and other relevant resources, which enables them to have a better starting position ('seed money') when starting an independent business.

In addition, there are currently no official data on informal employment of youth that can be contrasted with the data on registered employment; this remains another field for future research.

**TABLE 2-5: THE SHARE OF SELF-EMPLOYED TO TOTAL EMPLOYMENT**

| Year          | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------|------|------|------|------|------|
| Self-employed | 17.6 | 16.3 | 15.3 | 15.5 | 15.8 |
| Men           | 22.0 | 21.3 | 20.2 | 19.5 | 20.3 |
| Women         | 11.6 | 9.6  | 8.8  | 10.4 | 10.1 |

Source: Monstat, Labour Force Survey

17. 'Strategy for Improving the Status of Roma and Egyptians in Montenegro 2012-2016', Ministry for Human and Minority Rights, 2012, Podgorica

18. 'Analysis of strategic, legislative and institutional framework' survey on knowledge, attitude and behavior of the citizens of Montenegro in relation to employment and participation of young people', The United Nations System in Montenegro, 2013

In addition to the high overall youth unemployment rate, negative trends are recorded in the growing number of unemployed university graduates. The Employment Agency of Montenegro reports that at the end of 2006, the unemployed included 2,369 university graduates, representing 6 percent of the total (39,480) number of unemployed persons, while, as of the end of November, 2012, this percentage had grown to 21.02 percent (6,456 university graduates). Indeed, the number of newly registered university graduates has been increasing annually (from 4,228 in 2006 to 7,731 in 2012), especially among those with no work experience (from 1,135 in 2006 to 3,539 in 2012), i.e., those coming from the system of regular education.<sup>19</sup>

These trends are supported by the admissions policy, with an increasing number of secondary school graduates enrolled each year in higher education institutions, leading to an increase in the number of university graduates. Thus, the number of students at the University of Montenegro increased from 2,931 in 2003 (when Montenegro launched the Bologna Process) to 18,253 (in the 2012/2013 academic year).<sup>20</sup>

A significant increase in the supply of university graduates in the labour market that exceeds demand is more pronounced when it comes to employing university graduates with no work experience. Namely, the number of employed university graduates in 2006 (4,079) accounted for 59.0 percent of reported supply (7,894), while, in 2013, the number of employed university graduates (3,991) accounted for only 31.3 percent of reported supply (12,756). Also, in 2006, 74.6 percent of interns with a university degree were employed (1,723:1,286), while in

2013, that percentage decreased to 23.2 percent (5,584:1,291).

Given this, the development of vocational education and training gains importance and must be viewed in the context of labour market conditions and against the overall trends in the economy and in education.

According to the findings of the KAP survey,<sup>21</sup> four out of five secondary school graduates in Montenegro intended to enrol in university after graduation. This should not be surprising, given that there is a firm popular belief in Montenegro that it is easier to find a job if one holds a university degree. Job opportunities and financial aspects of prospective employment are important factors when choosing a field of study, but the interest for a given area is nevertheless a predominant factor in choosing the course of studies – over one half of Montenegrins claim to have been guided by personal interests.

In addition, according to KAP survey, 70 percent of the general population and 80 percent of youth believe that secondary and tertiary educational institutions adequately prepare youth for the labour market. At the same time, just above 50 percent think that youth acquire necessary theoretical knowledge and these institutions and only about one third think that universities provide necessary practical experience. Citizens are aware of the importance of additional knowledge and skills in finding work (cited as important by over 90 percent of respondents) and thus believe that more computer skills, language proficiency, and soft skills training should be introduced.

19. The Ministry of Labour and Social Welfare, 'The Action Plan for Employment and Human Resources Development for 2013'

20. The Central Bank of Montenegro, 'Recommendation to the Government for 2014 Economic Policy'

21. 'Analysis of strategic, legislative and institutional frameworks- survey on knowledge, attitude and behavior of the citizens of Montenegro in relation to employment and participation of young people', The United Nations System in Montenegro, 2013

Although almost half of the people do not show any flexibility in their choice of jobs, saying they would apply only for jobs corresponding to their educational profile and level, a good salary would move them to accept a job for which they were educationally overqualified. This is further confirmed by the finding that over 70 percent of people would rather choose a better-paid job outside their profession than a lower paid job in their profession. Youth aged 15 to 30 years are more often ready for retraining to find a job (70 percent) than older people (60 percent).

Most people (80 percent) also note the mismatch between the number of persons of certain professions and the real need for such professions in Montenegro's economy. The excessive number of people with the same qualifications applying for the same jobs is the greatest challenge for young job seekers. This challenge is followed by no experience, no connections, and no personal contacts.

## 2.3 SOCIAL AND ECONOMIC CHALLENGES AFFECTING YOUTH EMPLOYMENT IN MONTENEGRO

The economic and financial crisis revealed many structural vulnerabilities of the Montenegrin economy, which had been in the shadow of strong economic growth between 2006 and 2008. The period between 2009 and 2011 was characterized by a drop in foreign direct investments (FDI), public finance deficit, and rising unemployment. Domestic industry

remained relatively weak. Global perspective gives no cause for optimism in either the EU or some of the world's largest economies. This fact significantly affects international trade. On the other hand, the good news is that, on the list of global competitiveness in 2013/2014, Montenegro progressed from being ranked 72 to 67 out of 144 countries, making it the highest ranked country in the region.<sup>22</sup> Also, FDI in Montenegro recovered in the second half of 2012, with prospects of further growth in 2013.

The inflow structure is still unfavourable, given that the bulk goes to property purchase, with greenfield and export-oriented investments still very low. The share of investment in services outweighs that in production.<sup>23</sup> Low economic growth over the previous period has seriously destabilized public finance, while the pre-crisis fiscal policy was pro-cyclical, i.e., was suited to cyclical trends and disregarded possible economic downturns. The structural deficit (the public finance deficit, without cyclic component and measurement) is one of the most significant problems of Montenegro's economic policy.<sup>24</sup>

These factors, together with the necessity of continuing with budget consolidation and austerity, caused and continue to cause further reduction in the volume of funds earmarked for active labour market policies (ALMP).<sup>25</sup> Thus, the 2012 national budget appropriated €4,126,000.00 for ALMP, 95 percent of which went to the Employment Agency of Montenegro; this was less than half of the amount as the year before. Budget austerity affects the changes, i.e., substantial reduction in the scope and structure of programmes and interventions compared to the situation of several years before.<sup>26</sup> However, in the field of

22. *The Global Competitiveness Report 2013-2014*; World Economic Forum

23. *The Central Bank of Montenegro, 'Recommendation to the Government for 2014 Economic Policy'*

24. *'Development Directions of Montenegro from 2013 to 2016'*

entrepreneurship and industrial policies, various strategies were created and implementation mechanisms put in place; nevertheless, further efforts are necessary to ensure the development and implementation of these policies.<sup>27</sup>

In an effort to develop as an entrepreneurial society, Montenegro needs to be more intensely engaged in harmonizing the legal and regulatory framework for business, to streamline and reform procedures for launching and operating businesses, to implement provisions consistently, and to provide a predictable business environment.<sup>28</sup>

The Central Bank of Montenegro, in its recommendations to the Government for the economic policy in 2013, cites, among other

things, risks in the labour market and education, which is particularly relevant for the MAF framework. The recommendations highlight the fact that recession is forecast for many EU member states and southeast European countries. Therefore, economic policy should focus on structural reforms to promote growth and development and create stability. The most important economic policy measures should refer to fiscal consolidation, gradual change of the growth patterns, restructuring of the real sector, improved competitiveness of Montenegro's economy, intensifying EU accession talks, continued privatization, adoption of systemic laws consistent with best international practices, continued deregulation, removal of business barriers, etc.

**TABLE 2-6:**

**MAIN CHALLENGES IN EDUCATION IN 2013**

- o **Rigidity of the education system and mismatch** with industry needs;
- o Low or **inadequate level of education and skills;**
- o **Poor implementation** of the adopted educational reforms and lack of an overall approach to educational system design;
- o Application of **outdated knowledge** that does not keep pace with modern developmental needs;
- o **Mismatch** of labour supply and demand;
- o Great emphasis on theoretical teaching in the educational system at large and **lack of specialized knowledge** in specific areas of economic activity;
- o Unsuitable **teaching** methods (flaw in training of teachers and trainers);
- o Absence or very **low level of applied research** and development at all education levels and in institutions;
- o **Budgetary constraints** for funding education as well as R&D from public and private sources, due to the crisis;

25. *The Central Bank of Montenegro*

26. *Employment Agency of Montenegro, 2012 Employment Action Plan*

27. *Report of the European Commission on the progress of Montenegro in 2012*

28. *Comments of the Union of Employers <http://nasme.me/project/biznis-barijere/>*

The most recent National Human Development Report (NHDR)<sup>29</sup> points out that education and training are the key elements of the country's human capital and that the creation of a well-educated labour force is crucial for Montenegro's long-term prosperity and for human development in general. It is a proven fact that effective investment, institutional, and policy support to human capital development are the key components of sustained economic growth and increased productivity, and that the difference between developed and less developed economies is, to a lesser degree, the result of natural assets and resources available and, to a greater degree, the result of strategic investment in human resources development. Knowledge is the key to individuals' competitiveness, employment, and continuous development.

The NHDR also raises the issue whether youth are ready to respond to the rapidly developing demands brought about by global and local changes in the labour market. Academic or professional qualifications today almost go without saying, but, in addition, one needs to hold other competences (knowledge, skills, and attitudes) that add value to business.<sup>30</sup> The NHDR further emphasizes that it is not enough to upgrade, adapt, and extend the skills portfolio of individuals to create and fill the jobs of tomorrow. It is equally important to empower everybody to step up and become more ambitious about his or her future. It is not enough to encourage more school graduates to enrol in colleges and universities because higher education will facilitate their entry into higher-earning occupations; it is also important to prepare them to be innovative, future-oriented, and flexible for work.

According to the data of the Employment Agency of Montenegro, which is responsible for most active labour market policies, some of the major challenges are:

- o **Slower economic growth affecting the reduced new job generation capacity:** One of the key obstacles for successful employment of youth is the lack of available jobs as well as the lack of an analysis of the root causes of such a situation (apart from the economic and financial crisis).

- o **Structural mismatch of labour supply and demand,** taking three forms:

- There is a demand for labour involving certain profiles, but the education system does not produce a sufficient number of such staff, primarily due to students' disinterest in such qualifications (cabinetmaker, carpenter, baker, butcher, waiter, chef, chambermaid, architect, civil engineer, etc.).
- There is a demand for, and sufficient supply of, labour involving certain profiles, but vacancies are slow to fill.
- There is a supply of labour involving certain profiles, but there is not enough demand for these profiles (electrical technician, economic technician, technician in tourism, general secondary school graduates, etc.). The differences between supply and demand differ by regions.

**Differences in employment and unemployment rates by regions.** In Montenegro, there are great differences in development between regions and municipalities (Figure 2-2). Poverty

29. National Human Development Report 2013. 'People are the Real Wealth of the Country. How rich is Montenegro?' UNDP, 2013  
 30. According to the European Parliament, the key competences are: 1) Communication in the mother tongue, 2) Communication in foreign languages, 3) Mathematical competence and basic competences in science and technology, 4. Digital competence, 5) Learning to learn, 6) Social and civic competences, 7) Sense of initiative and entrepreneurship, 8) Cultural awareness and expressions.

rates in rural areas and in the northern region are almost twice as high as the national average.<sup>31</sup> The category of the poor includes about half of the total population of the northern region and almost 70 percent of the rural population. Similarly, the unemployment rate in the north is two thirds higher than the total rate in the country in 2011.<sup>32</sup>

o **Difficult-to-employ/vulnerable groups.**

Among the difficult-to-employ, the most vulnerable are persons with disabilities, the unemployed with developmental difficulties, the Roma, IDPs and refugees, people seeking job for over three years, women, and school drop-outs.

o **Low regional mobility.** The sectors and industries that have vacancies are facing the adverse factors affecting regional mobility of labour (inadequate housing, shift work, and seasonal jobs).

o **Low investment in further training and professional development.** Practice shows that there is insufficient investment in training and professional development in Montenegro. This applies equally to investment by employers and individual investments.

o **Informal employment/grey economy jobs.** Nationwide, between 20 percent and 25 percent of labour has grey economy jobs. Informal employment is present where the demand exceeds the supply, i.e., in coastal municipalities and in Podgorica. After active labour market measures have concluded, no one follows up on beneficiaries' progress and supports them until they grow stronger in the market. Thus, following successful training (e.g., hairdressers, waiters) beneficiaries often start up their own businesses, but in the grey economy; partially as a result of this, there are

no valid data on programme performance/employment.

o **Labour market seasonality.** In Montenegro's development strategy, the major role is accorded to tourism, construction industry, commerce, and agriculture, which involve highly seasonal employment. This substantially affects the overall labour market.

- During the summer season, there is great labour demand, i.e., a very pronounced supply of seasonal jobs.
- In low season, the supply of seasonal jobs is lower, resulting in pronounced seasonal unemployment, i.e., underused labour.
- There are huge differences in labour demand as disaggregated by sex: tourism, the hospitality industry and commerce employ more female labour, which is less mobile, and the construction industry and agriculture employ more male labour.<sup>33</sup>

o **Demographic challenges.** The age structure of the population shows an increasing share of the elderly. Due to population aging, there will be diminishing public funds for youth (e.g., in education) and there will be increasing appropriations for the elderly due to increased demand for their treatment and placement. On the other hand, the aging population may impede potential growth, since an aging society could have a lower productivity. The lower number of newborns will, in time, reduce the size of the labour force and cause aging within active age groups.<sup>34</sup> During this transition, Montenegro has lost a substantial share of particularly highly educated youth, which has led to a 'brain drain' For the time being, there are no official statistics on this, but a survey of the scientific diaspora is planned for the following year.

31. 'Montenegro's VET Development Strategy 2010-2014'

32. 'MDG Report 2010-2013'

33. 'Montenegro's VET Development Strategy 2010-2014'

34. 'Development Directions for Montenegro 2013-2016'

## 2.4. DIRECTIONS OF SUSTAINABLE DEVELOPMENT OF MONTENEGRO

Based on the EU Agenda 2020, the Government of Montenegro developed a document entitled 'Directions of Development of Montenegro from 2013 to 2016' as a national development plan that includes, *inter alia*, youth employment measures. Considering the key branches of the economy to generate new jobs, this document defines four priority development sectors: tourism, energy (including renewable energy), agricultural production and processing, and rural development. The priority development sectors supported through public investments/measures proposed in the Development Plan create synergies within the entire economic system in Montenegro and generate new jobs.

Green economy is one of main underpinning concepts of the document. The Development Plan builds on Montenegro's Rio +20 Platform, according to which the greening of the economy has a great potential to generate jobs. As stated in the document, creating 'green' jobs in Montenegrin conditions is considered to be an important means to achieve several related socio-economic objectives, including economic growth, reduction of regional disparities, and poverty reduction. The development of green economy, which may lead to new employment and contribute to the development of local communities, depends on the involvement of the private sector.

There are significant opportunities for the development of green entrepreneurship in

several sectors: energy, waste management (recycling), organic food production, ecotourism, eco-products, and other activities. New employment opportunities (including green jobs) are extensive in agriculture (including forestry) and rural development sectors. To best use this potential, it is necessary to 'green' the labour market by improving existing jobs, developing new professions, and improving skills and knowledge in existing professions. Such investments would presumably quickly produce visible results by improving the quality of products and services and increasing productivity and other quantifiable financial indicators at the company level and within specific market segments.<sup>35</sup>

It is of great importance to improve cooperation between youth employment and youth policy in terms of supporting youth to develop new skills and knowledge to perform 'green jobs', whereby their competitiveness and readiness to enter the labour market would be increased. This would contribute to the specialization of young professionals for occupations that are not only scarce, but also essential for achieving sustainable development.

The revised 'National Strategy of Sustainable Development of Montenegro' will be a key strategic document for long-term sustainable development and youth employment is one of the priority issues that it addresses. This document links individual MDGs and deals in particular with harmonizing interventions to reduce poverty and to promote environmental sustainability (MDG 1 and MDG 7).

35. Government of Montenegro, *Montenegro ecological state +20, Rio +20, 2012*





# III. STRATEGIC FRAMEWORK FOR YOUTH EMPLOYMENT

*Photo credits: The United Nations System in Montenegro*

The analysis of different levels of various countries' progress toward achieving the MDGs indicates that national policies and effective interventions are instrumental in accelerating MDG achievement by 2015. Accordingly, this section gives an overview of the development and strategic framework relevant for acceleration of achieving MDG 1 in Montenegro.

### 3.1. LEGAL HARMONIZATION WITH THE EU ACQUIS

The national legal and policy framework, relevant to the field of youth policy and youth employment, was aligned with the EU Acquis during the screening process for Chapter 26 (Education and Culture) and Chapter 19 (Social Policy and Employment). During the alignment process, it was noted that Montenegro had reached a satisfactory level of harmonization with the acquis: "Montenegro's youth policy is already to a large degree harmonised with the common goals set at the EU level in line with the European Commission's 'White Paper on a New Impetus for European Youth' (2001)."<sup>36</sup>

Harmonization of the strategic, legal, and institutional frameworks in youth policy is provided by a strategy for youth, 'National Plan of Action for Youth' (NPAY, 2006-2011), as well as through the development of a legal framework, improvement of implementation structures, and institutional capacity-building. Citing youth employment as one of nine priority areas, the NPAY envisaged the following strategic goals for addressing the issues of youth in this area: match labour supply and demand; provide support to inventive programmes aligned with strategic

economic development orientations; and secure equal conditions for the work and employment of youth.<sup>37</sup> Unfortunately, after five years of implementation of the national youth strategy, the process has neither been evaluated nor have the conditions for the creation of a new strategic framework for youth policy in Montenegro been created yet. However, in 2012–2013, the Ministry of Education and the Directorate for Youth and Sports started drafting the legal framework for the drafting and implementing of youth policy (Youth Law), whose implementation is expected to improve future activities in this field.

Apart from the national youth policy framework, the Youth and Sport Administration, together with locally based NGOs (Proaktiv, Forum MNE) and international donors (IOM, OSCE, SIDA), supported the development of Local Plans of Actions for Youth (LPAY) as local-level cross-sector youth policies, including youth employment. Such local actions plans have already been developed in Kotor, Budva, Tivat, Nikšić, Kolašin, Bijelo Polje, and Pljevlja. The capital, Podgorica, is currently drafting such a plan. Local governments have also started setting up municipal youth offices, coordinating and guiding the process of local youth policy planning. For the time being, such offices are operational in Mojkovac, Kolašin, Bijelo Polje, and Nikšić, while such functions are performed by their respective offices for drug abuse prevention in Cetinje, Tivat, Kotor.

While harmonizing the strategic framework for employment with the European acquis, the Government of Montenegro developed a number of strategic documents, of which the following are especially significant for the MAF framework: the 'National Strategy for Employment and Human Resources Development' (2012-2015); the 'Strategy for Lifelong Entrepreneurial Learning' (2008

36. European Commission, COM (2004) 694 final

37. Analysis of strategic, legislative and institutional framework. Survey on knowledge, attitude and behavior of the citizens of Montenegro in relation to employment and participation of young people; The United Nations System in Montenegro, 2013

- 2013); the 'National Strategy for Lifelong Career Orientation' (2011 -2015); the 'Strategy for Development of Vocational Education' (2010-2014); the 'Strategy for Development of Vocational Education in the North of Montenegro' (2011 - 2014); the 'Strategy for Development of Volunteerism in Montenegro' (2010 - 2014); the 'Strategy for Human Resources Development in the Tourism Sector in Montenegro' (2007); the 'Strategy to Improve the Position of RAE Population in Montenegro' (2008 - 2012); the 'Strategy for Integration of Persons with Disabilities in Montenegro' (2008 - 2016); and the 'Strategy for Development of Small and Medium-Sized Enterprises' (2011-2015), which is not directly concerned with youth, but highlights the prerequisites for creating the environment and opportunities for their (self-)employment.

These strategies specifically emphasize the development of lifelong professional development and training as well as better connectivity between education and entrepreneurship, noting, inter alia, the importance of improving on-the-job training; involving graduates more and finding employment immediately after the completion of formal education; improving innovation, regional development, and entrepreneurship; providing expertise as part of a quality strategy; responding more quickly and more flexibly to changes in the labour market and their better prediction; creating different forms of training for adults; strengthening cohesion between programmes for adult education and labour segments; and improving and fostering professional development in the course of a career.

In addition, harmonization of the Montenegrin legal framework with the European *acquis* is also reflected in the creation of the following laws that, inter alia, address regulation of youth employment:

- o The Law on Employment and Exercise of Rights under Unemployment Insurance ('Official Gazette of Montenegro, 14/2010 and 45/2012) specifies the degree to which unemployment insurance is defined in active policy and measures for implementation through information on employment opportunities, employment mediation, and career orientation; funding for trainees' wages; support for self-employment; subsidies for self-employment, education, and training; vocational training for less employable persons; and public work, scholarships, and other measures aimed at increasing employment and reducing unemployment
- o The Law on Professional Rehabilitation and Employment of Persons with Disabilities ('Official Gazette' 49/08 ) addresses this group separately
- o The Law on the National Qualifications Framework ('Official Gazette' 80/210), and the Law on National Professional Qualifications ('Official Gazette' 80/2008) were also adopted
- o Vocational education is governed by the Law on Vocational Training and the Law on Adult Education ('Official Gazette' 20/2011)
- o The newly adopted Law on Internship for University Graduates ('Official Gazette' 38/12) creates a legal basis for providing practical training to young graduates

Notwithstanding numerous challenges, the youth policy framework, including with regard to employment, is being developed in Montenegro in accordance with the EU standards for youth policy, which, among other things, refer to the following goals:

- o Planned and earmarked investment in youth in a coherent and mutually reinforcing manner, wherever possible, focusing more on opportunities and less on problem-solving

- o Involvement of youth in strategic formulation of youth policies and consideration of their opinions about functional efficiency of policy implementation
- o Create learning conditions, opportunities, and experiences that enable youth to broaden their knowledge and to develop their own potential in order to participate fully in the labour market and in civil society
- o Establish data-gathering systems to show the effectiveness of youth policies and discover the level of “policy gaps”<sup>38</sup> in efficient service provision to youth from specific social groups, areas, and circumstances
- o Demonstrate commitment to the reduction of the above gaps where their existence has been indubitably proven<sup>39</sup>

The legal and strategy framework for youth policy in Montenegro is aligned with the EU Youth Strategy (2010-2018), which defines employment and entrepreneurship as two of its priorities – Field of Action 2 while noting that youth’s transition from education to employment has become significantly longer and complex. The objective of this field of action is to “ensure support to integration of young people into the labour market as employees or entrepreneurs. It is necessary to facilitate and encourage transition from the education and training or from unemployment and inactivity

to employment. The opportunities for the young people to harmonise their professional and private lives need to be improved. The Lisbon post-2010 Strategy notes the necessity to ensure opportunities for young people and continue working in accordance with the general goals of the European Youth Pact.”<sup>40</sup>

Finally, the 2020 EU strategy proposes seven key initiatives that should contribute to development and employment, with the main aim of the Youth on the Move flagship initiative being “to unleash the potential of youth to achieve smart, sustainable and inclusive growth in the European Union”.<sup>41</sup> This initiative promotes the use of strategic goals in youth education and employment as well as entrepreneurship through young expert mobility schemes; recognizing informal and formal education; and drafting new youth policies to encourage the employment of people who have not had internships or other opportunities to gain work experience. The new EU youth employment package, the European Youth Guarantee, is the continuation of the Youth on the Move initiative established through the Initiative to create opportunities for youth, promoting the proactive role of youth in society.<sup>42</sup> Among other things, it promotes guarantee schemes for youth, ensuring that all youth who need another three to six months to complete their studies will receive a job, internship, or volunteer position or will undergo additional training and gain experience.<sup>43</sup>

38. *The assumption is that youth policy would meet the needs of youth and that youth will be fully equipped to deal with the challenges of maturity. This is a utopian assumption. Each policy has certain shortfalls as regards meeting these needs. According to Williamson (2008), “It is shortfalls like these in the effectiveness of policy which are referred to as ‘policy gaps.’”*

39. Denstad, F. Y. ‘Youth policy manual: how to develop a national youth strategy’, Council of Europe, September 2009  
40. ‘EU Youth Strategy 2010-2018’

41. EK, 2010

42. *Measures envisaged by the EU guarantee for young are described in Annex I, Table 1.*

43. EK, 2010

## 3.2. STRATEGIC INTERVENTIONS IN YOUTH EMPLOYMENT

The strategy papers of particular relevance for MAF in Montenegro are presented below. Some directly address the employment-related problems and needs of youth, while others indirectly address the same issues. The strategies are described through the presentation of their goals, priorities, and competencies.

### NATIONAL EMPLOYMENT AND HUMAN RESOURCES STRATEGY

The National Employment and HR Strategy 2012-2015 gives the strategic framework for employment policy and labour market reforms

in Montenegro. The strategy was developed within Montenegro's EU agenda and is based on the assumption that investment in human resources is necessary for economic recovery and a return to growth patterns. It relies on the priorities from the EU's 2020 strategic framework focusing on smart, sustainable, and inclusive growth as well as on response to EU Guidelines (7-10), i.e., the employment policy guidelines from October 2010. Taking national employment policy priorities into account, the Strategy aims at providing a long-term framework for specific, ambitious measures for the future, to be implemented through annual action plans responding to the problems, challenges, and advantages of Montenegro's labour market.

TABLE 3-1:

NATIONAL EMPLOYMENT AND HR STRATEGY 2012-2015

| Goal                                                                                                                                                                                                        | Priorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible entities                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <p><b>Create an environment more conducive to job generation, coupled with investment in human capital with a view toward increasing employment and enhancing Montenegro's economic competitiveness</b></p> | <p><b>Increase employment and reduce the unemployment rate:</b><br/>Foster job generation through strengthening the business environment and management of the labour market<br/>Increase efficiency of active labour policies, focusing on integration of long-term unemployed and unemployed youth in the labour market<br/>Increase self-employment<br/>Foster entrepreneurship, particularly in underdeveloped parts of Montenegro</p> <p><b>Improve knowledge, skills, and competencies with a view toward improving employment chances and increasing competitiveness through formal and informal education and training:</b><br/>Promote adult access and participation in lifelong learning<br/>Improve quality of education at all levels and match education to labour market demands</p> <p><b>Promote social inclusion and poverty reduction:</b><br/>Improve social benefits and social services with a view toward better targeting and covering vulnerable groups<br/>Employment integration of people with disabilities<br/>Employment integration of the RAE population, refugees and IDPs. All 2013 AP measures are presented in Matrix 1</p> | <p>Ministry of Labour and Social Welfare</p> <p>Employment Agency of Montenegro</p> |

The implementation mechanisms for the actions envisaged by the Strategy should be reflected in operational documents such as the Operational IPA for Human Resources Development and the annual Work Programme of the National Employment Agency.<sup>44</sup> The Strategy also introduces performance indicators, which, among other things, envisage that, over a period of four years and as measured by the Labour Force Survey (MONSTAT), the overall employment rate among 15- to 65-year-olds should increase to 60 percent; the employment rate among 15- to 65-year-old women should increase to 50 percent; the unemployment rate among 15- to 65-year-old men should decrease to 15 percent; the youth unemployment rate (i.e., 14- to 24-year olds) should decrease to 28 percent; and registered unemployment rate according to the Employment Agency of Montenegro registers should decrease to 8 percent. These projections are particularly important for the design of the 2014 MAF Action Plan to Promote Youth Employment.

The Strategy also defines Montenegro's labour market policy, its priorities, and its tasks. Among other things, it states that, although there is coordination among ministries, definition, and sharing of responsibilities, the monitoring and evaluation of labour market management must nevertheless improve. The Government policy papers lead to the conclusion that tourism will continue to be the leading economic sector and that the agriculture, transport, trade, and construction sectors will also grow. Therefore, these industries will be the primary focus for human resources development in the coming

10 years to ensure an adequate supply of people with the relevant knowledge, skills, and competencies and thus diminish the need to import labour. In addition, the need to shift from the previous growth model, which was based on external impulses, to the new growth model relying on 'domestic' initiatives, such as innovation, productivity and knowledge accumulation, is emphasized.<sup>45</sup>

**The Active Labour Market Policies (ALMP)** is a set of measures and programmes to match labour supply and demand sides, directly aimed at reducing unemployment. When unemployment is on the increase, measures are adapted to labour market relations. The most pronounced changes in the labour market are reflected in structural unemployment. Such measures and programmes affect the demand side – most often through measures aimed at employers – and the supply side, with measures primarily intended for the unemployed. This directly affects the labour market through various measures, including: active demographic policy; migration policy and channelling capital to human resources development (HRD); changes in education systems, with a focus on continuous and informal education; increasing employment opportunities for marginalized groups; developing employment institutions, professional information and career guidance centres; encouraging employers to match labour supply and demand (e.g., subsidies for new recruitment, retraining, and further training of current staff, particularly the less employable); and various (flexible) forms of employment and a reduction of working hours.<sup>46</sup>

44. MLSW (2008), 'National Employment and HR Strategy 2012-2015', Podgorica.

45. ETF Report – April 2010

46. *Ibid.*

## OPERATIONAL HUMAN RESOURCES DEVELOPMENT PLAN

As regards human resources development (HRD) in Montenegro, the strategic framework focuses

on reducing the gap between existing skills in the labour market and the new labour market demands. This is aligned with the EU 2020 strategy.

| TABLE 3-2: OPERATIONAL HRD PLAN                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Goal                                                                                                                                                                                                    | Priorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Responsible entities     |
| <b>Promote sustainable HR development through modernization and development of education, training and research in Montenegro, in line with EU policies and standards, focusing on youth employment</b> | <p><b>Efficient and inclusive active labour market policies:</b> Increase effectiveness of active labour market measures with a view toward improving access to employment and keeping jobs</p> <p><b>Education and research:</b> Better link the education and research system with the economy</p> <p><b>Social inclusion:</b> Improve labour market access for the most disadvantaged persons by increasing employability</p> <p><b>Technical support.</b> EC 2010</p> | Government of Montenegro |

The aims of the Higher Education Development and Financing Strategy (2011-2020) are: 1) ensure and improve higher education quality; 2) link higher education with the labour market and foster the entrepreneurial and innovative character of education; 3) ensure that the share of the population aged 30 to 34 years who hold a university degree is at least 40 percent by 2020; 4) introduce a lifelong learning model based on best international practices; 5) develop a research-oriented higher education; and 6) internationalize higher education. In the Scientific Research Strategy 2008-2016, the aim concerning HRD refers to improved staffing potential for the development of science and technology, primarily through the development of young staff and inclusion in the European Research Area (ERA). Aiming at this goal, the Government in March 2011 adopted the Action Plan to Increase Researcher Mobility 2011-2012, with the following objectives: 1) strengthen the basis for outward mobility; 2) improve inward mobility; and 3) strengthen cross-sector mobility.<sup>47</sup>

## MONTENEGRO'S VOCATIONAL EDUCATION TRAINING (VET) DEVELOPMENT STRATEGY (2010-2014)

The Strategy envisiions, among other things, many specific objectives, such as:

- Enabling a faster response of the education system to labour market demands, developing qualifications based on learning outcomes in all areas of work, and enabling accessible education and training and progression through the system to all;
- Ensuring good vocational education, based on education quality indicators;
- Helping all students during their education to develop professional and key competencies needed for life and work;
- Providing conditions for lifelong learning and mobility of individuals, making the recognition of non-formal and informal education possible, and linking formal education and informal learning;

47. Government of Montenegro: Operational HRD Plan, 2012-2013

- Enabling the personal, social, and professional development of each individual, encouraging fairness, social cohesion, and active citizenship;
- Enabling comparability of qualifications acquired in Montenegro with qualifications in other countries.

Moreover, the Strategy for VET Development in the North (2011-2014) was designed to create vocational education directed at acquiring the practical knowledge, skills, and abilities to match labour market demands and to readily respond to and encourage the youth “The basic concept

underpinning the development strategy is the creation of a dominant services cluster, composed of tourism, forestry, services, transport and communication, provided there are natural resources in place.” The mission is to set up such a VET system in the north of Montenegro that, in cooperation with local governments and social partners, would generate competent and professional staff capable of readily responding to market needs and that would support municipal development based on natural resources and economic assets.

**TABLE 3-3:**

**MONTENEGRO’S VET DEVELOPMENT STRATEGY (2010-2014)**

| Goal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Priorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Responsible entities                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Set the VET development directions and specific objectives:</b><br/> <b>Enable faster response of the educational system to labour market demands, develop qualifications based on learning outcomes in all areas of work, and enable accessibility to education, training and progress for all</b><br/> <b>Ensure good VET based on education quality indicators</b><br/> <b>During education, assist students to develop professional and key competencies</b><br/> <b>Ensure conditions for lifelong learning and mobility, enable the recognition of non-formal and informal learning, and link formal education and informal learning</b><br/> <b>Enable personal, social, and professional development of each individual</b><br/> <b>Make the qualifications acquired in Montenegro comparable with the qualifications acquired in other countries</b></p> | <p><b>Strengthen institutional and legal framework</b><br/> <b>Reinforce social partnerships</b><br/> <b>Decentralization</b></p> <p><b>Link VET and labour market</b> through further development of national qualification framework, sectoral commissions, occupational standards and educational programmes, as well as the recognition of non-formal and informal learning</p> <p><b>Accessibility of education</b><br/> <b>VET quality</b><br/> <b>Teachers and school administration</b><br/> <b>VET funding</b><br/> <b>International cooperation</b></p> | <p>Ministry of Education<br/> Ministry of Labour and Social Welfare<br/> VET Centre<br/> Examination Centre<br/> VET Council</p> |

**NATIONAL CAREER ORIENTATION STRATEGY (2011-2015)**

The new concept of career orientation is also being developed to enrich human resources

in Montenegro. It is based on the belief that individuals who can realistically assess their competencies can also understand labour market and education opportunities, make decisions, and move toward their implementation.

**TABLE 3-4: NATIONAL CAREER ORIENTATION STRATEGY (2011-2015)**

| Goal                                                                                                                                                                                                                                                                            | Priorities                                                                                                                                                                                                                                                                                                                                                                    | Responsible entities                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identify priorities, measures, and activities to provide young and adult with good career orientation services and to assist them to develop their careers throughout their lives matching their abilities, interests, personal characteristics, and labour market needs</b> | Raise awareness of the need for lifelong learning and career development<br>Improve the legal and institutional framework<br>Strengthen career orientation in Montenegro's educational system<br>Enhance career orientation services for the unemployed and the employed<br>Assure quality in career orientation<br>Coordinate policies and guide career orientation services | Ministry of Education<br>Ministry of Labour and Social Welfare<br>Employment Agency of Montenegro<br>Bureau for Education<br>Universities<br>Schools |

The concept of **lifelong learning** is applied to a large degree in the OECD countries. Although formal education is the central process of lifelong learning, much learning takes place outside schools and universities through involvement of parents, employers, business partners, and volunteer organizations. The Strategy should assist human capital development in Montenegro, thus substantially contributing to creating a competitive and vibrant economy that is able to achieve sustainable economic development with more decent jobs and better social cohesion. Montenegro is the first

western Balkan country to have introduced entrepreneurship as a mandatory or elective course in primary and secondary schools, aiming to develop awareness among students who are preparing to assume responsibility for their own lives and to learn about the business world and how it operates. Entrepreneurial skills are acquired in education programmes for economy, law, and administration through 'training Firms'.

**LIFELONG ENTREPRENEURIAL LEARNING STRATEGY (2008-2013)**

**TABLE 3-5: STRATEGY FOR LIFELONG ENTREPRENEURIAL LEARNING (2008-2013)**

| Goal                                                                                                                                                                                                                                   | Priorities                                                                                                                                                                                                                                                                          | Responsible entities                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The general goal of the lifelong entrepreneurial learning strategy is the development of entrepreneurial spirit through speedy progress in systemically and effectively promoting an entrepreneurial way of thinking in society</b> | Raise awareness about the importance of entrepreneurial learning for the overall social and economic development<br>Improve entrepreneurial learning in formal education<br>Improve entrepreneurial learning in informal education<br>Monitor and evaluate entrepreneurial learning | Ministry of Labour and Social Welfare<br>Employment Agency of Montenegro<br>VET Centre<br>Investment and Development Fund<br>SME Development Agency |

**Social entrepreneurship** has a strong potential to generate employment and self-employment, especially among the vulnerable groups; the importance of involving these groups in entrepreneurship extends beyond economics and includes the social dimension. In Montenegro, social entrepreneurship is limited to ad hoc initiatives. The reasons for this are many, but include a lack of proper legislation and infrastructure (institutions and organizations) and a lack of systemic support to development. Nevertheless, the development of social entrepreneurship will depend largely on building capacities at different levels to contribute to more intensive productivity.<sup>48</sup>

Apart from the measures and activities foreseen for health, social protection, and education, the Strategy envisions special measures to foster professional rehabilitation and more participation in training programmes and other labour market measures, as well as the provision of psychosocial assistance in close cooperation with local Employment Offices and Centres for Social Work.

**STRATEGY FOR INTEGRATION OF PERSONS WITH DISABILITIES (2008-2016)**

**TABLE 3-6:**

**STRATEGY FOR INTEGRATION OF PERSONS WITH DISABILITIES (2008-2016)**

| Goal                                                                                                                                   | Priorities                                                                                                                                                                                                                                                                                                     | Responsible entities                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Improve the status of persons with disabilities in Montenegro and their involvement in all areas of society on an equal footing</b> | <b>Professional rehabilitation and employment:</b><br>Create the legal framework for employment of persons with disabilities that enable them to adapt to the labour market through education, training, and professional development, as well as adaptation of the labour market to persons with disabilities | Ministry of Labour and Social Welfare<br>Ministry of Human and Minority Rights<br>Ministry of Education,<br>Ministry of Science,<br>Employment Agency of Montenegro |

Moreover, the Action Plan for Implementing the European Partnership envisages as one of its medium-term priorities the integration of youth, women and vulnerable groups in the labour market and the modernization of social policies. It reflects Montenegro's commitment to the

implementation of a legal and policy framework based on non-discrimination in line with European and international standards (including prohibition of discrimination on grounds of sex, race, ethnic background, belief, disability, age, or sexual orientation).

48. 'Strategy for Lifelong Entrepreneurial Learning 2008-2013', p. 27

**STRATEGY TO IMPROVE THE STATUS OF ROMA AND EGYPTIANS IN MONTENEGRO 2012-2016**

**TABLE 3-7:**

**STRATEGY TO IMPROVE THE STATUS OF ROMA AND EGYPTIANS 2012-2016**

| Goal                                                                                                                                                                                                                                                                                        | Priorities                                                        | Responsible entities                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------|
| <b>Create conditions for the application and exercise of fundamental human and minority rights for Roma and Egyptians, individually and collectively, to substantially improve the quality of the social, cultural, economic, and overall status of this population group in Montenegro</b> | Legal status<br>Education<br>Employment and labour-related rights | Ministry of Human and Minority Rights |

Apart from these strategy papers that deal directly with the issue of youth employment (including vulnerable groups), the strategies dealing with these issues **indirectly**, such as the **Strategy for Development of Volunteerism in Montenegro 2010-2014**, the **SME Development Strategy (2011-2015)**, or **Montenegro’s Tourism Development Strategy by 2020**, are also relevant for MAF. In this context, the employability of youth will presumably be improved through the **promotion of volunteerism** and voluntary work as a socio-economic resource for acquiring knowledge and skills and through the improvement of the legal framework for setting up volunteer services, particularly community-based ones. In addition, **support for business start-ups**, primarily in the form of strengthening institutional infrastructure to support business start-ups among youth and to improve the quality and accessibility of financial and non-financial support for youth, is particularly important for creating job and self-employment opportunities for youth. Finally, the availability of qualified and competent human resources for tourism as the priority industry should be achieved by developing sector-specific qualification services and institutions and by directing the general education and VET system reform to match the needs

of the tourism industry. Apart from seasonal job opportunities for youth, this industry also offers a chance to generate income through various types of services in areas with high poverty rates. Specific HRD measures may give a sustained contribution to the eradication of poverty.

### 3.3. IDENTIFICATION AND PRIORITIZATION OF INTERVENTIONS

The MAF process is focused primarily on the interventions from strategic directions described in the chapter 3.2 that are most effective in the short run, but also identifies the ones presumed to bring results over a longer period of time to ensure sustained progress in the attainment of the prioritized MDG. Due to the absence of impact evaluation for youth employment strategies and measures in Montenegro and of the related quantitative indicators, the process of intervention identification relied on the existing strategic framework. During the desk research stage, many interventions from the total of 10 strategy papers relevant for youth employment were identified. Intervention prioritization was done during the

stakeholder consultation process, following which the prioritized youth employment interventions were categorized into four main areas:

**1. Improve employment policy and the employability of youth:**

- 1.1. Improve cross-sectoral and interagency co-operation of the relevant state authorities, academy, private sector, and local government in youth employment;
- 1.2. Improve monitoring of sectoral strategies relevant for youth employment (active labour market policies);
- 1.3. Improve links between employers and youth with the goal of increasing employability and competitiveness in the labour market;
- 1.4. Develop local career guidance and employment services and better information on existing career orientation services for youth;
- 1.5. Improve volunteerism and mobility of youth.

**2. Improve educational policy (vocational school, higher education, high school, informal education) and relevant measures for youth employment:**

- 2.1. Improve the work of VET providers to develop skills in youth to match labour market demands and sustainable development principles;
- 2.2. Develop entrepreneurial skills and entrepreneurial thinking through primary, secondary, and tertiary education;
- 2.3. Develop lifelong learning programmes, particularly at the regional and municipal levels.

**3. Improve the conditions and capacities of youth to develop businesses (small and medium-sized enterprises and entrepreneurship development):**

- 3.1. Improve the provision of business counselling services for youth for business start-ups;

- 3.2. Improve the types and accessibility of financial services (favourable business start-up loans).

**4. Provide equal employment opportunities for youth from vulnerable and minority groups:**

- 4.1. Interventions to boost employment of youth from rural and remote areas:
  - 4.1.1. Foster the inclusion of youth from rural areas in programmes to boost employment.
- 4.2. Interventions to boost employment of young with disabilities:
  - 4.2.1. Ensure conditions for free access, movement, stay, and work to and in public buildings for persons with reduced mobility and persons with disabilities;
  - 4.2.2. Improve the implementation of relevant legislation for employment of persons with disabilities.
- 4.3. Interventions to empower young Roma and Egyptians:
  - 4.3.1. Increase employability of young Roma and Egyptians;
  - 4.3.2. Increase involvement of young Roma and Egyptians in active labour market policies.

The main challenge for prioritization was the non-unified manner and different levels of specification of interventions as defined in different papers. Because employment issues are cross-sectoral, future strategic planning efforts should be improved and standardized to facilitate comparative surveys and analyses.

PROBLEM

Nezaposlenost mladih

Kategorija

Samoeфикаsnost

prihvаtljivost

dostupnost

UZROCI

SEZONSKI POSAO (niska osiguranje primanja)

ADMINISTRATIVNE PREPREKE

NEODOSTUPNOST  
- KURSEVA, SEMINARA ZBOG KOTIZACIJA ILI PLAĆANJA (LITIH...)  
- PRAKSA!

RAD OD VEINKA, BEZ FIRSNE PЛАTE  
RAD ZA KOJI NIJESAM KVALIFIKOVAN

# IV. IDENTIFICATION AND PRIORITIZATION OF BOTTLENECKS AND SOLUTIONS TO PROMOTE YOUTH EMPLOYMENT

The process of analysing bottlenecks and mapping solutions within the MAF process involved a desk analysis of available data and evidence and qualitative research (focus group discussions, online consultations, and in-person interviews with key stakeholders). The MAF process in Montenegro had a special value in that it promoted active participation by involving many interested parties, including youth. Thus, the situation analysis included, inter alia, conducting 10 interviews and organizing four focus groups in the northern, central, and southern parts of the country.

The consultation process also included about 70 representatives of relevant organizations and institutions – service providers in youth employment. Youth themselves were involved in the preparation of the document through the three aforementioned consultative workshops, as well as through online consultations. A total of 170 youth from all Montenegrin cities expressed their views on the current situation and the causes of unemployment, but also on the positive changes that should increase the youth employment rate and thereby reduce the poverty rate.

**TABLE 4-1: TYPES OF BARRIERS IN THE MAF FRAMEWORK**

| Public Policy and Planning        | Budget and Financing      | Supply                                 | Demand        | Cross-sector Issues             |
|-----------------------------------|---------------------------|----------------------------------------|---------------|---------------------------------|
| Sectoral strategies, action plans | Allocation of resources   | Human resources                        | Self-efficacy | Engagement and advocacy         |
| Legal framework and laws          | Consumption efficiency    | Infrastructure, equipment and supplies | Acceptability | Coordination and harmonization  |
| Institutional capacities          | Mobilization of resources | Sector management                      | Availability  | Accountability and transparency |

In accordance with the MAF framework, in relation to the prioritized measures, there was an analysis of the two categories of barriers (sectoral and cross-sectoral) to successful implementation of planned strategic interventions. The Action Plan is thus based on a detailed analysis of bottlenecks in policy and planning (sector-specific strategies and action plans; legal framework and laws; institutional capacities); budget and funding (resource allocation; consumption efficiency and mobilization of resources); supply of youth employment-related services (human resources;

infrastructure, equipment and supplies; sector management); and the demand by youth (self-efficiency; acceptability and accessibility). In addition, the Action Plan gives an overview of cross-sector barriers (engagement and advocacy; coordination and harmonization; responsibility and transparency).

As already noted, participants in focus groups with relevant institutions and organizations identified bottlenecks and solutions, as did youth from all the regions in the country who participated in online surveys.<sup>49</sup>

49. A total of 121 youth filled out the questionnaire: 74 women and 45 men (two respondents failed to state their gender). The respondents were from 17 different towns: 15 from Montenegro and one each from Serbia and Bosnia and Herzegovina.

## 4.1 POLICY AND PLANNING

The following bottlenecks in policy and planning have been identified:

1. Employment policies and employability of youth:
  - 1.1 Underdeveloped monitoring and evaluation tools to assess the impact of sector-specific strategies and interventions related to youth employment;
  - 1.2 Ill-harmonized employment policy and admissions policy (underdeveloped tools for systemic planning of human resources);
  - 1.3 Inadequate information available to youth about occupations in demand;
  - 1.4 Low number of youth involved in seasonal jobs;
  - 1.5 Poor implementation of existing legislation regarding volunteerism.
2. Educational policies (vocational, higher, secondary, informal) and youth employment measures:
  - 2.1 Mismatch of VET programmes and the labour market;
  - 2.2 Weak capacities for carrying out and measuring performance of practical training;
  - 2.3 Underdeveloped conditions and human resources in educational institutions and firms to promote entrepreneurship among youth;
  - 2.4 Underdeveloped system of qualifications and modules to encourage lifelong learning.
3. Employment for people with disabilities:
  - 3.1 Poor implementation of laws concerning, inter alia, the quotas for employment of people with disabilities.

These bottlenecks and their corresponding solutions have been summarized and linked to the relevant interventions and sub-interventions in Table 4-2.

The National Plan of Action for Youth (NPAY), as the umbrella youth policy document, has expired. There was no measurement of impact on annual action plans for the implementation of NPAY and thus it is difficult to assess its success. Generally speaking, the implementation of youth employment-related policies is slow due to poor coordination between law-makers and implementers. The opinions regarding labour legislation are divided: employers think that, with its request for open-ended employment contracts, it is too rigid, whereas youth feel that the law inadequately protects them. The analysis conducted during the pilot project to introduce dual education showed a lack of incentives for companies that accept students for this type of training. There are administrative barriers to the integral and proper use of existing incentives: usually, overdue payments to the state prevent the implementation of support measures and beneficiaries fail to report their realistic revenues upon application. Complicating this is the fact that ownership is often unclear, with probate proceedings still pending and ownership titles not transferred to youth who are seeking support. Business barriers almost paralyse any initiative to launch a business, especially in the capital.

In early 2014, the Youth Law, which is to govern the issues relevant for youth policy, will be adopted. Capacities for implementing youth policy need to be strengthened and communication between policy-makers and implementers improved. It is particularly important to step up efforts to have a systemic response to the grey economy. Employers who take students through the dual education system should be given incentives (lower tax rates for expendables, equipment, and plants,

since these are used as teaching aids). It is necessary to abolish business barriers for young business start-ups and offer additional support over the first couple of years (e.g., offer business premises under favourable terms). New forms of work – particularly work from home, part-time and occasional jobs – need to be regulated in accordance with the developing concept of a flexible work schedule appropriate to the needs of Montenegrin society and youth. Admission and education policies need to match market needs to enable earlier entry of youth into the labour market.

The solutions presented in the Action Plan (Tables 4-2 and 5-1) are prioritized, high-impact solutions that can be realistically implemented in 2014 through budgetary allocations and grants/loans in the following areas: a) improving inter-sectoral coordination and planning among various agencies responsible for youth employment promotion at the national and local levels; b) establishing a unified system of data collection and monitoring to measure the results and impact of public support; c) promoting modernized human resources management policies in line with EU standards; d) ensuring that existing laws and measures for increasing employability of youth with disabilities, Roma, and Egyptians are fully implemented with the vigorous participation of target populations; and e) establishing mechanisms to encourage practical training and lifelong learning among rural and other youth.

## 4.2 BUDGET AND FUNDING

The following bottlenecks have been identified in budget and financing and are closely linked to the policy and planning challenges described above:

1. Employment strategies and employability of youth:
  - 1.1 Underdeveloped monitoring and evaluation tools and financing options to assess the impact of sector-specific strategies and interventions related to youth employment;
  - 1.2 Lack of capacities and finances (for technical, human, and office space needs) for career orientation services (school-based pedagogical and psychological services, Youth Offices, local government) and CIPS.
2. Improving the conditions and capacity of youth to start a business (small and medium-sized enterprises and entrepreneurship development):
  - 2.1 Inadequate number of local-level programmes to foster businesses (incubators, business centres);
  - 2.2 Lack of financial services for business start-ups, inability of youth to secure collaterals.

The country's weak economy substantially reduced the state budget's capacity to fund all active labour market policies. The capacities of institutions to raise additional funds for the interventions are inadequate. Industry resources for investing in research and development remain unused. In some cases, funding remains unused due to the passivity of prospective beneficiaries (i.e., they are not ready for joint ventures, their ideas are not sufficiently innovative, or they lack knowledge for developing good project proposals).

Building the economy and the funds collected through efforts to tackle grey economy (tax collection) will increase the budget and the funds available for youth employment measures. The activities of the newly established Fund for Occupations in Demand need to be stepped up by launching an ongoing scholarship

competition. It is clear that more funds need to be appropriated for active labour market policies (training, retraining, adult education, support for employers, subsidies, credit lines for youth, etc.), never losing sight of the alternative sources of funding (e.g., Instrument for Pre-Accession Assistance (IPA) and other EU agencies, but also national and local funds). In this regard, competent officers need to be trained in drafting project proposals and fundraising and, given the time needed for this knowledge to be acquired and applied, the engagement of professionals should also be planned.

The solutions presented for budget and financing have been prioritized according to impact evaluation (see Table 4-2 and Table 5-1, the MAF Action Plan) and address the following: a) creating and effectively using funds to promote employment among youth with disabilities and Roma and Egyptian youth; 2) establishing special mechanisms to provide collateral-free loans for youth starting up businesses; and 3) providing financing to scale up employment orientation and practical training services in rural areas. In addition to these short-term solutions, longer-term initiatives, such as seeking out financing to promote green jobs in tourism, agriculture, manufacturing, and service sectors, need to be launched. This would require rethinking of industrial and service policies in the country and may take at least three to five years to come to fruition.

### 4.3 SUPPLY

The following bottlenecks have been identified in the quality and efficiency of educational and employment promotion services oriented towards youth:

1. Employment strategies and employability of youth:

- 1.1 Insufficient capacity (technical, human, and physical) of services dealing with a career orientation (pedagogical and psychological services in schools, the Office for Youth, Local Administration) and the Centre for Information and Professional Counselling;
- 1.2 Insufficient capacity in existing business centres to support young entrepreneurs.

2. Educational policies:

- 2.1 Underdeveloped conditions and human resources in educational institutions and enterprises to promote entrepreneurship among youth;
- 2.2 Underdeveloped system of qualifications and modules that encourage life-long learning;
- 2.3 Inadequate number of licensed organizers of education based on lifelong learning;

3. Entrepreneurship development:

- 3.1 A high percentage of own contribution (lack of own funds in start-up companies, minimum own contribution 50 percent, inability to provide collateral).

4. Equal employment opportunities for vulnerable and minority groups:

- 4.1 Low level of inclusion (isolation) and poverty of youth in rural and remote areas (particularly in the north); public buildings are not fully adapted to requirements concerning conditions and methods for modifying buildings so that persons with reduced mobility can enter, exit, and move within them.

As listed above, the greatest obstacles at the supply side (i.e., among providers of services related to youth employment) involve the manner and efficiency of service provision and management of the sector. Services are centralized and inaccessible to a large share of

youth from remote and rural areas. Coordination and cooperation among institutions dealing with youth are weak internally and with respect to other business sectors. Local governments do not get adequately involved in resolving youth unemployment issues. Poor financial standing affects the quality of services and the ability for systematic, long-term planning, resulting in no or only transient effects on specific employment in most cases. The education system is slow to adapt to market changes, so youth leaving formal education are not ready for prospective employment. Additional aggravating factors are the lack of practical training, the absence of coordinators and mentors to monitor the acquisition of practical knowledge and skills, and inadequate information about occupations in demand as a consequence of a weak university admissions policy.

To tackle supply-side problems, the most efficient model would create better, proper, and intensive communication and coordination among the institutions dealing with youth, improve the flow of information among sectors, and analyse the effectiveness of the measures. In order to be efficient and timely, youth support services need to be decentralized in cooperation with local governments and tailored to the needs of youth. Therefore, there needs to be: a) an assessment of all VET secondary schools; b) the promotion of in-demand occupations directly among students; c) an immediate programme for students completing VET schools in 2014; d) a business 'shop room' for providing information about what a young person needs to launch his or her own business; and e) the design of integral services for youth (e.g., a training programme backed by credit support and professional counselling when implementing ideas).

Many participants in the consultations expressed their belief that human resources are one of the largest obstacles when insufficient and one of

the most important potential solutions when sufficient. The assessment was that human resources are underdeveloped in state and educational institutions and in businesses. This results in poorly motivated staff and shortcomings in pedagogy and andragogy training for future teachers and trainers, who are then unable to teach and to counter the inactivity and apathy of youth, who, in turn, are unwilling to study and work and do not accept most jobs offered. In this regard, service providers are often unwilling to use methods of modern service provision that meet the needs of youth (internet, social networks). Due to budgetary constraints, it is difficult to fund mentors for youth who, although involved in various support programmes, do not receive the knowledge that they expect. The solution to this problem consists in understanding that the responsible work of public servants is the cornerstone of progress. HRD activities need to be launched at all levels; training needs to show the importance of investing in staff; pedagogical training needs to be organized so that experts from different fields will be able to transfer specialty knowledge to their students; mentors need to be provided and school curricula need to be adapted to introduce more practical training and soft skills development; there needs to be organized training for young leaders in local communities, with a focus on underdeveloped municipalities.

Substantial long-term investments are needed for infrastructure and equipment. Poor traffic infrastructure, poor line communication between cities, and high transportation prices make it difficult for youth to travel. Infrastructure, equipment, and aids for youth with disabilities are missing and most services are inaccessible to this group. The status of equipment varies from one case to another. In many secondary VET schools, the equipment is good, but money is missing to launch activities. Other schools lack equipment for practical training and research or, if they do

have equipment, it is obsolete. Generally, there are no places for youth to have social activities. To address this, the development of traffic and other infrastructure should continue, including the acquisition of up-to-date laboratory equipment, and the opening of more youth centres.

The solutions presented in the area of supply have been prioritized according to an evaluation of their impact (see Tables 4-2 and 5-1, the MAF Action Plan) and, as detailed above, address the following: a) the development of modernized and tailored employment counselling services at the local level, especially in underserved areas; b) the development of vocational education and higher education providers oriented toward fostering entrepreneurial skills and lifelong learning, especially for vocations that are likely to be in demand; c) the development of specialized financial and business counselling services targeting young entrepreneurs (especially in green jobs, such as eco-tourism, waste management, landscaping, etc.); d) the development of enabling conditions such as infrastructure in those areas populated by vulnerable groups; and e) the intensification of business development and counselling services for youth with disabilities and Roma and Egyptian women and youth.

## 4.4 DEMAND

Self-efficacy, acceptability, accessibility and affordability of services are the main areas of concern for identifying demand-side bottlenecks. Youth, during focus group discussions, described a variety of these issues specific to their localities, social standing, and needs.

The prioritized demand-side bottlenecks are:

1. Employment strategies and employability of youth:

- 1.1 Insufficient availability of information for youth about in-demand occupations;
- 1.2 Insufficient awareness among youth about existing services and services for career orientation and employment, and lack of involvement among youth in tackling unemployment;
- 1.3 Insufficient number of youth involved in seasonal occupations;
- 1.4 Insufficient participation of youth in EU mobility programmes.

### 2. Educational policies:

- 2.1 Lack of awareness and interest among youth and their parents about professional occupations, particularly those that rely on the principles of sustainable development;
- 2.2 Lack of awareness and information among youth and parents about the importance of lifelong learning.

### 3. Entrepreneurship development:

- 3.1 Lack of information about existing programmes for developing entrepreneurship and entrepreneurial thinking and prejudices about entrepreneurship among youth and parents;
- 3.2 Lack of awareness among youth about existing infrastructure to support business and about forms of registration and performance of an economic activity.

### 4. Equal employment opportunities for vulnerable and minority groups:

- 4.1 Lack of involvement of young Roma and Egyptians in active employment policy measures;
- 4.2 Lack of awareness among employers about the benefits of employing members of the Roma and Egyptian populations.

Youth proved to be most critical of 'self-efficacy' – their knowledge, skills, behaviour, and practices for employment. As main obstacles to realize their potential and find fulfilling jobs, youth cite a lack of information about available opportunities, job-search services, and required knowledge, skills, and work experience (foreign language proficiency, computer skills, performance of certain tasks for which they have not received formal education, etc.). Youth make decision regarding their education and future professions based on personal preferences or their parents' wishes, not based on market demand, something that they have little information about, in any event. They also lack information about all possible jobs within a certain profession where their knowledge and skills could be applied. Youth are generally not interested in crafts and other traditional businesses; indeed, they are even ashamed of performing jobs that require fewer skills than they have. The main obstacle, particularly in the north and other underdeveloped areas, is the absence of vacancies, which calls for retraining or leaving one's town and results in a lack of motivation and apathy among youth. Young Roma and Egyptians face additional obstacles, such as not being able to speak the Montenegrin language and not having the qualifications and basic preconditions for decent life and work.

Youth do not receive enough practical training during their regular schooling and later have neither work experience nor any opportunity to gain it, which makes them less competitive in the market. Most youth, particularly those who are disadvantaged from the northern and southern municipalities, are unable to pay for their tuition and professional education. Youth are concerned with the employers' failure to recognize informal education (e.g., the experience and knowledge gained through volunteer work cannot be certified). They are also concerned about the inaccessibility of available jobs that, in their opinion, are filled non-transparently.

Youth see the solution to their problems in better communication between ministries and relevant institutions and companies in an effort to arrange practical training; they also believe that the education system should match labour market demand and that informal education should be recognized. They believe that work habits and activism should be developed, as should the practice of merit-based recruitment, i.e., not recruitment based on nepotism and personal connections. To that end, labour inspection should step up its efforts to foster fair recruitment. Youth want more information about occupations in demand and other labour market trends and about education programmes and active labour market policies so that they can maximize and further develop their potential. The concepts of lifelong learning, informal education, and key competencies should be promoted. The state should guarantee internship. Youth believe that they should be encouraged to choose crafts and be offered the necessary logistical support to launch their own businesses.

Although the question was indicative of self-assessment, the solutions do not adequately reflect the call for engagement of youth in taking initiative; rather, the selected solutions call for action mostly from other actors.

When it comes to the acceptability of specific solutions to increase employability or jobs offered, youth are mostly offered seasonal jobs where they cite the following as unacceptable working conditions: low salary, long hours, no or poor board and lodging, no travel expenses when working in neighbouring towns, among other factors. For some youth, especially young women, it is unacceptable to take jobs that would require leaving their homes. The reasons are diverse: salary is usually too low and may cover only for bare necessities in the place of work; educational workers find it unacceptable to work only part-time, since it is not profitable enough; some youth do not wish or are not able to leave

their homes because of family obligations. Youth find it unacceptable to take jobs that do not fit their educational profiles, especially if those jobs require fewer qualifications or entail physical strain. Sometimes, working hours are also an obstacle, as when those hours clash with the scheduling of school or university courses. Unpaid work and unregistered labour are also unacceptable. As regards the services that increase youth employability, the timing of training is unacceptable to youth and the most frequent obstacle to further development of knowledge and skills is the lack of money.

Youth in the north of Montenegro wish to be given an opportunity to stay in, work in, and contribute to the development of their communities. Youth expect the state to adhere to laws (e.g., workers should be registered and properly insured, issues of unfair competition and nepotism should be addressed). Moreover, youth wish to have priority in employment as citizens of Montenegro. It is recommended that employers should show flexibility by offering part-time jobs for students and other flexible work arrangements. Local governments should offer transport and food during work, e.g., through vouchers from municipalities or companies, and launch campaigns on fair conditions targeting employers and youth.

Youth recognize numerous obstacles related to the issue of the inaccessibility of services and programmes to increase employability and employment, particularly with respect to youth with disabilities. They face physical barriers to educational institutions and prospective jobs and suffer from a lack of proper equipment, aids, and literature adapted for blind persons and youth unable to read independently. They are additionally exposed to stereotypes and discrimination by employers, but also to the inability to use funds provided for the employment of persons with disabilities. Youth outside of the capital enjoy far fewer opportunities for training

and employment, since these programmes are mostly concentrated in the capital city. Informal education programmes and student services to deal with youth employment are also lacking. Youth in all communities complain of having no access to practical training nor to any opportunity to prove themselves to employers. Some believe that jobs are accessible, but 'require a lot of sacrifice and connections'. Youth do not have access to funds for launching a business. The eligibility criteria for seed capital and guarantees are prominent bottlenecks, as are other business barriers such as red tape that prevent them from realizing their plans.

Youth from the northern region believe that the improvement of the overall economic situation and the business environment will generate new jobs and be the best driver to improve their current situation. Removing business barriers will help launch businesses in agriculture, tourism, and the construction industry. Self-employment should be further encouraged by establishing the Venture Fund for Youth so that youth will not fall into even riskier debt and poverty. There should also be a mechanism to cover the cost of training youth (transportation, admission fee, research) and to establish better cooperation with businesses so that as many youth as possible can gain practical work experience. Setting up professional orientation offices in every municipality and improving the webpage providing information to youth would help decentralization and facilitate the mobility of youth. Persons with disabilities should be provided with proper access and aids, and minorities should be assisted in resolving their legal status, thereby helping them to gain access to all services, to become educated, and to find employment on an equal footing with others.

The demand-side bottlenecks and their solutions are summarized in Tables 4-1 and 5-1, MAF Action Plan. The highlighted solutions are:

- a) Implement the 'Youth Guarantees' package, based on EU models and 'EU youth mobility' outreach services and public works (these solutions also address the supply side);
  - b) Conduct targeted and modern information campaigns on available employment support services for youth, especially in underserved areas;
  - c) Develop open information exchange mechanisms and discussion platforms to involve youth in employment solutions;
  - d) Develop flexible employment schemes, such as traineeships for high-school and university graduates, as well as part-time work/practical training;
  - e) Strengthen entrepreneurship clusters in underserved localities, especially in the northern region, through schemes such as the 'Network of Young Farmers in the North' and the 'Network of Young Entrepreneurs';
  - f) Work with employers to promote employment opportunities for youth with disabilities and Roma and Egyptians through existing subsidy incentives and grant schemes.
- 2. Educational policies:
    - 2.1 Mismatch of VET programmes and the labour market;
    - 2.2 Lack of licenced educational service providers focusing on lifelong learning.
  - 3. Equal employment opportunities for vulnerable and minority groups:
    - 3.1 Lack of information and interest among employers to use benefits stemming from employing youth with disabilities (subsidies);
    - 3.2 Employers ill-informed about benefits when employing young Roma and Egyptians.

The lack of institutional networking and the absence of connections between science and business and between institutions and businesses for the involvement of youth are singled out as the main cross-cutting bottlenecks. The lack of transparency and of accessibility to information offered by competent authorities, the lack of interest among employers, and the reluctance to assume responsibility for youth employment for a vulnerable group, are also recognized as barriers by stakeholders.

Overcoming these obstacles will be possible through a cross-sectoral approach. Joint public awareness campaigns targeting youth and their parents and focused on entrepreneurship, in-demand occupations, and lively job searching need to be organized. The ongoing campaign to inform employers of subsidies related to youth employment and the advantages of recruiting and investing in domestic labour should also continue.

The support measures of all stakeholders should be linked so that youth can use them for advancement and employment. The capacities of the Youth and Sport Administration need to be strengthened, since it will most comprehensively deal with future services for youth. Finally, standards for criteria and quality and monitoring

## 4.5 CROSS-SECTORIAL ISSUES

The key issues for the successful planning of interventions at all levels are related to the engagement, good coordination, and cooperation among different agencies and to the responsible and transparent actions of all partners.

The following cross-cutting priority bottlenecks have been identified:

- 1. Employment strategies and employability of youth:
  - 1.1 Underdeveloped shared vision and inter-agency and cross-sectoral cooperation;
  - 1.2 Ill-harmonized employment policy and admission policy.

tools need to be introduced to assess the success of interventions, based on monitoring specific cases and the sustained results of the programmes launched.

The summary of cross-cutting bottlenecks and solutions are presented in the Tables 4-2 and 5-1. The proposed solutions address the above cross-cutting bottlenecks and are as follows:

- a) Establish platforms for shared planning, coordination, and cooperation;
- b) Improve tools for harmonizing employment and admission policies ensuring sustainable,

efficient, and effective human resources management;

- c) Improve linkages between VET and the labour market through further development of the Montenegrin National Qualifications Framework's recognition of non-formal and informal learning;
- d) Introduce integrated information for youth about the conditions and opportunities for business at the local level;
- e) Ensure that employers are better informed about the benefits of and incentives for employing youth with disabilities and Roma/Egyptian women and youth, and promote the robust implementation of existing subsidies.

## 4.6 OVERVIEW OF PRIORITY INTERVENTIONS, BOTTLENECKS, AND SOLUTIONS FOR ACCELERATING THE ACHIEVEMENT OF MDG 1

**TABLE 4-2:**

### OVERVIEW OF PRIORITIZED MAF INTERVENTIONS BOTTLENECKS – SOLUTIONS

MDG 1: Reduce relative poverty and other poverty dimensions  
Target 4: Reduce youth unemployment to 9% by 2015

| Prioritized interventions                                                                                                                                                       | Prioritized bottlenecks                                                                                                                         | Type of bottleneck                                                 | Prioritized solutions                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Improve employment policy and youth employability</b>                                                                                                                     |                                                                                                                                                 |                                                                    |                                                                                                                                                                                                                                                         |
| <b>1.1. Improve cross-sectoral and interagency cooperation of the relevant state authorities, academic community, private sector, and local governments in youth employment</b> | Underdeveloped shared vision, interagency and cross-sectoral cooperation, as well as poor coordination among youth employment stakeholders      | <b>Cross-sectoral:</b><br>Coordination and consistency             | Establish platforms for shared planning, coordination, and cooperation of all relevant youth employment stakeholders                                                                                                                                    |
| <b>1.2. Improve monitoring of sectoral strategies relevant for youth employment (particularly active labour market policies)</b>                                                | Underdeveloped monitoring and evaluation tools to assess the impact of sector-specific strategies and interventions related to youth employment | <b>Sectoral:</b><br>Policy and planning – Institutional capacities | Establish effective and innovative monitoring and evaluation mechanisms to assess, in real time, the impact of sector-specific strategies and interventions related to youth employment, particularly quality control and active labour market measures |
| <b>1.3. Enhance links between employers and youth with a view toward increasing their employability and competitiveness in the labour market</b>                                | Low level of youth employability (lack of knowledge, skills, practical experience, and proactive attitudes)                                     | <b>Sectoral:</b><br>Demand – Self-efficacy                         | Increase youth employability by providing conditions for gaining practical experience, knowledge, and skills through schemes such as 'Youth Guarantees' and traineeships for high school and university graduates                                       |

| Prioritized interventions                                                                                                                        | Prioritized bottlenecks                                                                                                                                                                 | Type of bottleneck                                                                                                                                                                           | Prioritized solutions                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Improve employment policy and youth employability</b>                                                                                      |                                                                                                                                                                                         |                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                            |
| <b>1.3. Enhance links between employers and youth with a view toward increasing their employability and competitiveness in the labour market</b> | Inadequate coordination of employment and admissions policies (underdeveloped tools for systemic human resources planning)                                                              | <b>Sectoral:</b><br>Policy and planning – sector-specific strategies and action plans;<br><b>Cross-sectoral:</b><br>Coordination and harmonization                                           | Improve tools (for example, through the Employer Survey) for harmonizing employment and admissions policies ensuring sustainable, efficient, and effective human resources management.                                                                                                                                                     |
|                                                                                                                                                  | Inadequate information available to youth about occupations in demand<br><br>Low number of youth involved in seasonal jobs                                                              | <b>Sectoral:</b><br>Policy and planning – Institutional capacities;<br>Demand – Accessibility                                                                                                | Improve information and exchange tools/platforms and advocate for occupations in demand among youth (ex.: information campaign, promotion of the Fund for occupations in demand)                                                                                                                                                           |
|                                                                                                                                                  |                                                                                                                                                                                         | <b>Sectoral:</b><br>Policy and planning – Institutional capacities;<br>Demand – Accessibility                                                                                                | Increase opportunities for seasonal jobs through implementation of Employment Subsidy Programme for youth; Monitor the implementation of national labour-related rights in employing youth; Improve decentralized cooperation between local governments, employment agencies, and private sector                                           |
| <b>1.4. Develop local career guidance and employment services and better information for youth about existing career orientation services.</b>   | Low awareness among youth about existing services for career orientation and employment and inadequate involvement of youth in addressing unemployment                                  | <b>Sectoral:</b><br>Demand – self-efficacy<br><br><b>Cross-sectoral:</b><br>Engagement and advocacy                                                                                          | Improve knowledge among youth about existing services for career orientation and employment through information exchange and discussion platforms at local levels (physical and web-based)                                                                                                                                                 |
|                                                                                                                                                  | Lack of capacities (technical, human, and office space) for career orientation services (school-based pedagogical and psychological services, Youth Offices, local government) and CIPS | <b>Sectoral:</b><br>Supply – Infrastructure, equipment and supplies; human resources                                                                                                         | Improve capacities by promoting innovative counselling methods at the Open Centres for Information and Professional Counselling in select cities/towns; Professionalize existing services through the provision of integrated information packages (loans, skills development, training, and non-formal education mechanisms and networks) |
| <b>1.5. Improve volunteerism and mobility of youth</b>                                                                                           | Poor implementation of existing legislation regarding volunteerism                                                                                                                      | <b>Sectoral:</b><br>Policy and planning – Legal framework and laws<br><br><b>Sectoral:</b><br>Demand – self-efficacy/accessibility.<br><br><b>Cross-sectoral:</b><br>Engagement and advocacy | Improve legal framework for development of volunteerism, and development of local volunteer services by liaising with local governments agencies, NGOs, and private sector                                                                                                                                                                 |
|                                                                                                                                                  | Low participation of youth in EU mobility schemes                                                                                                                                       |                                                                                                                                                                                              | Promote youth empowerment through EU mobility schemes and targeted information platforms on existing labour exchange programmes                                                                                                                                                                                                            |

| Prioritized interventions                                                                                                                      | Prioritized bottlenecks                                                                                                                                    | Type of bottleneck                                                                                                                                                                    | Prioritized solutions                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2. Educational policies (vocational, higher, secondary, informal) and youth employment measures</b>                                         |                                                                                                                                                            |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                   |
| <b>2.1. Improve the work of VET providers to develop skills in youth to match labour market demands and sustainable development principles</b> | Mismatch of VET programmes and the labour market                                                                                                           | <b>Sectoral:</b><br>Policy and planning – sector-specific strategies and action planning;<br>Supply – Sectoral management<br><b>Cross-sectoral:</b><br>Coordination and harmonization | Better linkages between VET and labour market through further development of National Qualifications Framework, sectoral commissions, occupational standards, and educational programmes, as well as recognition of non-formal and informal learning                                              |
|                                                                                                                                                | Lack of practical skills training in secondary schools                                                                                                     | <b>Sectoral:</b><br>Policy and planning – sector-specific strategies and action planning;<br>Supply – Sectoral management                                                             | Improve capacities and conditions for integrating practical/vocational education schemes                                                                                                                                                                                                          |
|                                                                                                                                                | Weak capacities for carrying out and measuring performance of practical training                                                                           | <b>Sectoral:</b><br>Policy and planning – Institutional capacities;<br>Supply – human resources                                                                                       | Improve performance of monitoring tools for practical training (by appointing training coordinators at high schools, improving incentives for employers to engage in dual forms of education, etc.)                                                                                               |
|                                                                                                                                                | Little information and interest among youth and their parents in vocational training, particularly that which relies on sustainable development principles | <b>Sectoral:</b><br>Demand – self-efficacy                                                                                                                                            | Better inform youth and their parents about the importance and value of vocational training for 'green' jobs: sustainable waste management, natural resources management, renewable energy and energy efficiency measures, eco-systems management, 'bio' agricultural products                    |
| <b>2.2. Develop entrepreneurial skills and entrepreneurial thinking through primary, secondary, and tertiary education</b>                     | Lack of information about existing programmes to develop entrepreneurial skills;                                                                           | <b>Sectoral:</b><br>Demand – self-efficacy                                                                                                                                            | Improve information about the importance of entrepreneurial learning among youth and parents in the context of key competencies for lifelong learning (by organizing trade fairs at local community centres and secondary schools and opening entrepreneurship centres in underserved localities) |
|                                                                                                                                                | Biased attitude against entrepreneurship among youth and parents                                                                                           | Cross-sectoral – Engagement and advocacy                                                                                                                                              |                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                | Underdeveloped conditions and human resources in educational institutions and firms to promote entrepreneurship among youth                                | <b>Sectoral:</b><br>Policy and planning – Institutional capacities;<br>Supply – human resources                                                                                       | Improved conditions and human resources in educational institutions and firms (virtual enterprises, open centres in rural areas, revision of curricula and involvement of businesses and NGOs in practical trainings for high school students)                                                    |

| Prioritized interventions                                                                                                                                                                                                                        | Prioritized bottlenecks                                                                                                                                                                                         | Type of bottleneck                                                                                                                                            | Prioritized solutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2. Educational policies (vocational, higher, secondary, informal) and youth employment measures</b>                                                                                                                                           |                                                                                                                                                                                                                 |                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>2.3. Develop lifelong learning programmes, particularly at the regional and municipal levels</b>                                                                                                                                              | Lack of awareness and information among youth and parents about the importance of lifelong learning                                                                                                             | <b>Sectoral:</b><br>Demand – self-efficacy                                                                                                                    | Improve awareness and information among youth and parents about the importance of lifelong learning                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                  | Underdeveloped system of qualifications and modules encouraging life-long learning.                                                                                                                             | <b>Sectoral:</b><br>Policy and planning – sector-specific strategies and action planning                                                                      | Improve a system of qualifications and modules encouraging lifelong learning, for example, through Adult Education Fairs                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                  | Lack of licenced educational service providers focusing on lifelong learning                                                                                                                                    | <b>Sectoral:</b><br>Policy and planning – Institutional capacities;<br>Supply – Sector management<br><b>Cross-sectoral:</b><br>Coordination and harmonization | Improve the licencing processes for institutions and organizations that provide lifelong learning opportunities                                                                                                                                                                                                                                                                                                                                                                       |
| <b>3. Enhance conditions and capacities of youth to start up business (SME and entrepreneurship development)</b>                                                                                                                                 |                                                                                                                                                                                                                 |                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>3.1. Improve provision of business counselling services to youth for business start-ups (particularly regarding energy efficiency, efficient waste management, access to international best practices, grants for innovation firms, etc.)</b> | Insufficiently comprehensive and inappropriately tailored system to support youth when launching own business                                                                                                   | <b>Sectoral :</b><br>Policy and planning – Institutional capacities;<br>Supply – human resources                                                              | Introduce tailored instructions and counselling services for youth on conditions and opportunities for business at local levels (especially for young business start-ups)                                                                                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                                                  | Lack of awareness among youth about existing business support infrastructure and existing and innovative forms of registration/performing business activity                                                     | <b>Sectoral:</b><br>Demand – self-efficacy<br><br><b>Cross-sectoral –</b><br>Engagement and advocacy                                                          | Examine opportunities for innovative and green businesses in line with the new self-employment opportunities for youth (ecotourism, rural tourism, ICT, web design, online sale)                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                  | Underdeveloped capacities of youth to launch and do business (lack of innovative thinking about entrepreneurship, lack of specific knowledge and skills and awareness of importance of sustainable development) | <b>Sectoral:</b><br>Demand – self-efficacy                                                                                                                    | Create an environment conducive to gaining theoretical and practical skills among youth for launching their own businesses based on successful initiatives such as Chance for Young Managers<br><br>Encourage innovative thinking youth when launching and upgrading business, including the use of ICT in improving innovativeness of youth<br><br>Raise awareness about sustainable development, greening the economy, and corporate social responsibility among the youth and SMEs |

| Prioritized interventions                                                                                                                                                                                                                        | Prioritized bottlenecks                                                                                                                                                                            | Type of bottleneck                                                                                                                    | Prioritized solutions                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3. Enhance conditions and capacities of youth to start up business (SME and entrepreneurship development)</b>                                                                                                                                 |                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                                                                                                                                  |
| <b>3.1. Improve provision of business counselling services to youth for business start-ups (particularly regarding energy efficiency, efficient waste management, access to international best practices, grants for innovation firms, etc.)</b> | Inadequate number of local-level programmes to foster businesses (incubators, business centres)                                                                                                    | <b>Sectoral:</b><br>Policy and planning – Intuitional capacities;<br>Supply: Human resources; Infrastructure, equipment, and supplies | Assess and integrate best practices in the development of incubator and business centres at the local level                                                                                                                                      |
|                                                                                                                                                                                                                                                  | Lack of capacities of existing business centres to support young entrepreneurs                                                                                                                     | <b>Sectoral:</b><br>Policy and planning – Intuitional capacities;<br>Supply: Human resources; Infrastructure, equipment and supplies. | Build capacities and increase visibility of local business centres and their cooperation with local governments, industry, and education service providers with a view toward creating conditions for business start-ups for youth               |
| <b>3.2. Improve the types and accessibility of financial services (favourable business start-up loans)</b>                                                                                                                                       | Administrative barriers to starting businesses: lack of own funds for business start-ups, inability to provide collateral, requirement to contribute at least 50% of resources to start a business | <b>Sectoral:</b><br>Policy and planning – sector-specific strategies and action planning; Legal framework and laws                    | Strengthen institutional and legal support for youth launching business (remove barriers) and create tools to support youth in provision of the financial share by accessing low-interest loans                                                  |
| <b>4. Provide equal employment opportunities for vulnerable and minority groups</b>                                                                                                                                                              |                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                                                                                                                                  |
| <b>4.1. Interventions to boost employment of youth from rural and remote areas</b>                                                                                                                                                               |                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                                                                                                                                  |
| <b>4.1.1 Foster the inclusion of youth from rural areas in programmes to boost employment</b>                                                                                                                                                    | Low level of inclusion (isolation) and poverty of youth in rural and remote areas (particularly in the north)                                                                                      | <b>Sectoral:</b><br>Supply - accessibility                                                                                            | Create additional incentives for rural youth in education and employment programmes (for example, by supporting the Network of Young Farmers in the north and covering transportation and other fees to be included in youth employment schemes) |
| <b>4.2. Interventions to boost employment of young with disabilities</b>                                                                                                                                                                         |                                                                                                                                                                                                    |                                                                                                                                       |                                                                                                                                                                                                                                                  |
| <b>4.2.1. Ensure conditions for free access to, movement within, stay in, and work at public buildings for persons with reduced mobility and persons with disabilities</b>                                                                       | Public buildings are not fully adapted as envisaged by the Rulebook on the Terms and the Manner for Building Adaptation for Access and Movement of Persons with Reduced Mobility                   | <b>Sectoral:</b><br>Demand - accessibility                                                                                            | Better monitoring of the implementation of the building access law<br><br>Set responsibilities for the observance of the legal obligation regarding architectural barriers in existing buildings                                                 |
|                                                                                                                                                                                                                                                  | Employers' lack of information about and interest in using benefits for employing youth with disabilities (subsidies)                                                                              | <b>Cross-sectoral:</b><br>Engagement and advocacy                                                                                     | The campaign to increase the awareness of employers about subsidies and other grant schemes for employment of youth and reduction of prejudice toward persons with disabilities in employment                                                    |

| Prioritized interventions                                                                       | Prioritized bottlenecks                                                                                   | Type of bottleneck                                                                                                      | Prioritized solutions                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>4.2. Interventions to boost employment of young with disabilities</b>                        |                                                                                                           |                                                                                                                         |                                                                                                                                                                                           |
| <b>4.2.2. Improved legislation relevant for employment of persons with disabilities</b>         | Poor implementation of laws concerning, inter alia, the quotas for employment of people with disabilities | <b>Sectoral:</b><br>Policy and planning – Legal framework and laws                                                      | Improve the environment for implementing the Law on Professional Rehabilitation of People with Disabilities                                                                               |
| <b>4.3. Interventions to empower young Roma and Egyptians</b>                                   |                                                                                                           |                                                                                                                         |                                                                                                                                                                                           |
| <b>4.3.1. Increase employability of young Roma and Egyptians</b>                                | Almost 95% of young Roma and Egyptians have no occupation or qualifications                               | <b>Sectoral:</b><br>Demand – Self-efficacy                                                                              | Organize integrated training and support services to develop practical skills among Roma and Egyptian youth and women                                                                     |
| <b>4.3.2 Increase involvement of young Roma and Egyptians in active labour market policies.</b> | Low involvement of young Roma and Egyptians in active labour market policies                              | <b>Sectoral:</b><br>Demand – self-efficacy;<br><br>Policy and planning – sector-specific strategies and action planning | Increase involvement and employment of young Roma and Egyptian, particularly through active labour market policies, based on examples of good practices (such as public works programmes) |
|                                                                                                 | Employers ill-informed about benefits when employing young Roma and Egyptians                             | <b>Cross-sectoral:</b><br>Engagement and advocacy                                                                       | Better inform employers about subsidies and grants available when employing young Roma and Egyptians                                                                                      |



# V. ACTION PLAN TO PROMOTE YOUTH EMPLOYMENT IN 2014

*Photo credits: The United Nations System in Montenegro*

The MAF Action Plan presented below in Table 5.1 includes priority measures (quick wins) that would presumably contribute to reducing youth unemployment rates and poverty in the short term (i.e., by 2015). In addition, some long-term measures are also listed separately; these relate to the planning and implementation of activities over a longer period of time, even though some of the initiatives may be launched in 2014.

In accordance with the Action Plan layout proposed by the MAF Framework, it was necessary in Montenegro to introduce certain changes due to the necessity to adapt to the existing institutional framework and procedures; thus, the category of 'solutions' was replaced by specific activities that could be budgeted. In addition, the drafting of the Monitoring and Evaluation Plan was integrated with the report finalization phase due to time constraints for project implementation. Thus, the indicators for certain proposed activities are cited within the Action Plan.

**TABLE 5-1:**

**ACTION PLAN TO IMPROVE YOUTH EMPLOYABILITY IN 2014**

**MDG 1: Reduction of Relative Poverty and Other Poverty Dimensions  
Target 4: Reduce Unemployment to 9% by 2015**

| Prioritized Measures                                                                                                                                                                      | Prioritized Bottlenecks                                                                                                                 | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                        | Responsible agencies and Partners                                                                                                                                                                                                       | Budget 2014 | Budget 2015, 2016 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| <b>1. Improving the policy of youth employment and employability</b>                                                                                                                      |                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                         |             |                   |
| <b>1.1. Improve intersectoral and interdepartmental cooperation of relevant government agencies, academic community, private sector, and local governments regarding youth employment</b> | Underdeveloped shared vision, lack of interdepartmental and intersectoral cooperation and coordination among actors in youth employment | Establish a cross-sectoral working group to monitor the implementation of the Action Plan for Youth Employment<br><br>Indicators:<br>Number of WG meetings<br>Number of AP Progress Reports with recommendations for improvements                                                                                                     | Responsible agencies:<br>Directorate for Youth and Sports<br>Ministry of Labour and Social Welfare, Ministry of Education<br>Ministry of Sustainable Development and Tourism                                                            | €0          | N/A               |
|                                                                                                                                                                                           |                                                                                                                                         | Organize an annual conference on youth employment involving a wide range of stakeholders-private sector and entrepreneurs, youth, local and national governments, and NGOS<br><br>Indicators:<br>Number and structure of participants<br>Number of actions taken as per the conclusions and recommendations adopted at the conference | Responsible agencies:<br>Ministry of Labour and Social Welfare, Ministry of Education, Directorate for Youth and Sports, Ministry of Sustainable Development and Tourism, the UN System<br><br>Partners:<br>Employer Associations, NGOs | €5,000      | €10,000           |

| Prioritized Measures                                                                                                                                             | Prioritized Bottlenecks                                                                                                                                                        | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                        | Responsible agencies and Partners                                                                                                                                        | Budget 2014                                                                                        | Budget 2015, 2016                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>1. Improving the policy of youth employment and employability</b>                                                                                             |                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                          |                                                                                                    |                                                  |
| <b>1.2. Improve the process of monitoring the implementation of sectoral strategies relevant to youth employment (especially measures for active employment)</b> | Underdeveloped mechanisms to monitor and assess the impacts of sectoral strategies and measures relevant to youth employment, and especially of measures for active employment | Develop an innovative methodology for monitoring and evaluating the impact of active measures relating to employment, including training of personnel monitoring their implementation<br><br>Indicators:<br>New methodology developed<br>Number of representatives of institutions trained to use the new methodology<br>Degree of implementation of the new methodology –number of innovated reports | Responsible agencies:<br>Employment Office of Montenegro                                                                                                                 | €5,000                                                                                             | Regular Activity                                 |
| <b>1.3. Improve the linkages between employers and youth in order to increase their employability and competitiveness in the labour market</b>                   | Low level of youth employability (lack of knowledge, skills, practical experience, and proactive attitudes)                                                                    | Prepare a package of 'Youth Guarantees' (modelled on the EU programme).<br><br>Indicators:<br>Implementation plan for the 'Youth Guarantees' package developed                                                                                                                                                                                                                                        | Responsible agencies:<br>Ministry of Labour and Social Welfare                                                                                                           | €0                                                                                                 | N/A                                              |
|                                                                                                                                                                  |                                                                                                                                                                                | Continue the training programme for persons with higher education<br><br>Indicators:<br>Number of youth included in the professional development programme                                                                                                                                                                                                                                            | Responsible agencies:<br>Ministry of Education<br><br>Partners:<br>Employment Office of Montenegro                                                                       | Funds already planned through regular activities<br>Regular Activity Funds already planned through | N/A                                              |
|                                                                                                                                                                  |                                                                                                                                                                                | Start the programme for post-secondary vocational training.<br><br>Indicators:<br>Analysis of the Professional Training for Secondary School Graduates model done<br>New Law on Professional Training for Secondary School Graduates<br>Rulebook on public call, the procedure and criteria for professional training amended<br>Minimum of 1,000 youth included in the programme                     | Responsible agencies:<br>Ministry of Education, Ministry of Labour and Social Welfare<br>Partners:<br>Employment Office of Montenegro                                    | regular activities                                                                                 | €1,500,000                                       |
|                                                                                                                                                                  |                                                                                                                                                                                | Implement the programme of professional (career) orientation in elementary schools<br>Indicators:<br>Number of schools organizing career orientation promotion programmes                                                                                                                                                                                                                             | Responsible agencies:<br>Ministry of Education<br>Partners:<br>Elementary schools, Employment Office of Montenegro, Centres for Information and Professional Counselling | Funds already planned through regular activities                                                   | Funds already planned through regular activities |

| Prioritized Measures                                                                                                                           | Prioritized Bottlenecks                                                                                                    | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Responsible agencies and Partners                                                                                                                                                                                                                                                               | Budget 2014                                                                                                                                                                                                      | Budget 2015, 2016                                |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| <b>1. Improving the policy of youth employment and employability</b>                                                                           |                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                  |                                                  |
| <b>1.3. Improve the linkages between employers and youth in order to increase their employability and competitiveness in the labour market</b> | Inadequate coordination of employment and admissions policies (underdeveloped mechanisms for systematic planning of staff) | Improve the methodology of Employer Survey<br><br>Indicators:<br>Innovative methodology for employer surveys drafted                                                                                                                                                                                                                                                                                                                                                                                                    | Responsible agencies:<br>Employment Office of Montenegro<br><br>Partners:<br>Employer Associations                                                                                                                                                                                              | € 3, 000                                                                                                                                                                                                         |                                                  |
|                                                                                                                                                |                                                                                                                            | Conduct the Employer Survey<br><br>Indicators:<br>2014/2015 employment data provided                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                 | Funds already planned through regular activities                                                                                                                                                                 |                                                  |
|                                                                                                                                                |                                                                                                                            | Insufficient availability of information about and of opportunities to engage in occupations in demand for youth                                                                                                                                                                                                                                                                                                                                                                                                        | Prepare an annual analysis of occupations in demand for higher education<br><br>Indicators:<br>The list of higher education professions in scarce supply prepared and published                                                                                                                 | Responsible agencies:<br>Ministry of Education, Employment Office of Montenegro<br><br>Partners:<br>Ministry of Labour and Social Welfare, Directorate for Youth and Sports, Universities, Employer Associations | Regular Activity                                 |
|                                                                                                                                                |                                                                                                                            | Prepare an annual analysis of occupations in demand for secondary education<br><br>Indicators:<br>The list of secondary school professions in scarce supply prepared and published                                                                                                                                                                                                                                                                                                                                      | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training                                                                                                                                                                                                                  | Funds already planned through regular activities                                                                                                                                                                 | Funds already planned through regular activities |
|                                                                                                                                                |                                                                                                                            | Campaign to promote jobs in short supply, including the promotion of the National Fund for occupations in demand and promotion of good practices of youth who are successful in occupations in demand<br><br>Indicators:<br>Montenegrin public informed about the occupations in demand<br>Amount of funds raised for first scholarships from the Fund for occupations in scarce supply<br>Number of beneficiaries for retraining<br>Number of students registered for educational programmes for occupations in demand | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training, Employment Office of Montenegro<br><br>Partners:<br>Ministry of Sustainable Development and Tourism, Centre for Vocational Training, Chamber of Commerce of Montenegro, Association of Employers, the UN System | €10,000                                                                                                                                                                                                          | €20,000                                          |
|                                                                                                                                                |                                                                                                                            | Insufficient number of youth involved in seasonal occupations                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Continue the Employment Subsidy Programme for youth up to the age of 25 in seasonal jobs<br><br>Indicators:<br>Number of employer subsidies awarded for seasonal employment of youth in 2014                                                                                                    | Responsible agencies:<br>Employment Office of Montenegro                                                                                                                                                         | Funds already planned through regular activities |

| Prioritized Measures                                                                                                                                                         | Prioritized Bottlenecks                                                                                                                                                                                                                                       | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                               | Responsible agencies and Partners                                                                                                                                                                                                                                                                                  | Budget 2014                                    | Budget 2015, 2016 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------|
| <b>1. Improving the policy of youth employment and employability</b>                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                    |                                                |                   |
| <b>1.4. The development of local services for career counselling and employment, and improvement of awareness among youth about existing services for career orientation</b> | Insufficient awareness among youth about existing services and services for career orientation and employment, and lack of involvement of youth in tackling unemployment                                                                                      | Information campaign on existing services and programmes to support youth employment and self-employment, including opportunities to gain practical work and volunteer experience<br><br>Indicators:<br>Number of young participants and campaign beneficiaries                                                                                                                                                                                              | Responsible agencies:<br>The UN system, Ministry of Education, Directorate for Youth and Sports, Ministry of Labour and Social Welfare, Employment Office of Montenegro, Centre for Information and Career Counselling<br><br>Partners:<br>Local governments, Local Offices for Youth, local Youth Councils, NGOs. | €20,000<br><br>(Contribution by the UN system) |                   |
|                                                                                                                                                                              |                                                                                                                                                                                                                                                               | Develop a website to involve youth in solving the unemployment problem, and fund the best solutions<br><br>Indicators:<br>Number of young discussants<br>Number of proposed solutions<br>Number of financed solutions                                                                                                                                                                                                                                        | Responsible agencies:<br>The UN system<br><br>Partners:<br>Ministry of Labour and Social Welfare, Employment Office of Montenegro, Centre for Information and Career Counselling, Directorate for Youth and Sports.                                                                                                | €20,000<br><br>(Contribution by the UN system) | N/A               |
|                                                                                                                                                                              | Insufficient capacity (technical, human and physical) of services dealing with career orientation (pedagogical and psychological services in schools, the Office for Youth, Local Administration) and the Centre for Information and Professional Counselling | Open Centres for Information and Professional Counselling of youth in underserved cities and towns<br><br>Indicators:<br>Put in place the conditions for operation of Centres for Information and Professional Counselling                                                                                                                                                                                                                                   | Responsible agencies:<br>Employment Office                                                                                                                                                                                                                                                                         | €10,000                                        | €50,000           |
|                                                                                                                                                                              |                                                                                                                                                                                                                                                               | Develop a plan to improve the professional orientation services<br>Improve awareness about all services involved in career counselling, including information and counselling about starting a business and existing loan services for youth and about other programmes for acquiring skills and increasing employability (programmes of non-formal education, national and international mobility)<br><br>Indicators:<br>Service improvement plan developed | Responsible agencies:<br>Employment Office of Montenegro, Centres for Information and Professional Counselling<br><br>Partners:<br>Directorate for Small and Medium Enterprises, Investment and Development Fund, Directorate for Youth and Sports, NGOs, the UN system                                            | €5,000                                         | N/A               |

| Prioritized Measures                                                                                                                                                         | Prioritized Bottlenecks                                                                                                                                                                                                                                       | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                            | Responsible agencies and Partners                                                                                                                                                                                                                                                                 | Budget 2014 | Budget 2015, 2016 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| <b>1. Improving the policy of youth employment and employability</b>                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                   |             |                   |
| <b>1.4. The development of local services for career counselling and employment, and improvement of awareness among youth about existing services for career orientation</b> | Insufficient capacity (technical, human and physical) of services dealing with career orientation (pedagogical and psychological services in schools, the Office for Youth, Local Administration) and the Centre for Information and Professional Counselling | Organize staff training in the Centre for Information and Professional Counselling, schools - pedagogical psychological services, as well as for teachers and staff in youth offices about modern methods of information and counselling for youth<br><br>Indicators:<br>Number of CIPS centre staff who successfully completed training<br>Number and type of information offered to young beneficiaries | Holders :<br>Employment Office of Montenegro, Centres for Information and Professional Counselling<br><br>Partners:<br>Directorate for Youth and Sports, Ministry of Education, Directorate for Small and Medium Enterprises                                                                      | €20,000     | N/A               |
|                                                                                                                                                                              |                                                                                                                                                                                                                                                               | Design a single website for all Centres for Information and Professional Counselling<br>Indicators:<br>Number of hits in the first year<br>Number of hits by municipality                                                                                                                                                                                                                                 | Responsible agencies:<br>Employment Office of Montenegro, Centre for Information and Career Counselling, Partners:<br>Ministry of Education, Directorate for Youth and Sports                                                                                                                     | €3,500      | N/A               |
| <b>1.5. Improve volunteerism and youth mobility</b>                                                                                                                          | Inadequate enforcement of existing legislation regarding volunteerism                                                                                                                                                                                         | Evaluate implementation of the National Strategy on Development of Volunteerism and amendments to the Law on Voluntary Work<br><br>Indicators:<br>Progress Report Voluntarism Development Strategy drafted<br>Amendments to the Law on Voluntary Work drafted                                                                                                                                             | Responsible agencies:<br>Ministry of Labour and Social Welfare<br><br>Partners:<br>Directorate for Youth and Sports, NVO                                                                                                                                                                          | €5,000      | N/A               |
|                                                                                                                                                                              |                                                                                                                                                                                                                                                               | Prepare and publish a brochure on youth mobility and distribute nationwide, particularly in underserved areas.<br><br>Indicators:<br>Number of brochure downloads<br>Number of print brochure copies distributed to youth                                                                                                                                                                                 | Responsible agencies:<br>Directorate for Youth and Sports, the UN system, Ministry of Education, Office for International Cooperation of the University of Montenegro<br><br>Partners:<br>Centre for Information and Career Counselling, Employment Office of Montenegro, NGOs, local governments | €5,000      | N/A               |

| Prioritized Measures                                                                                                                                                                                           | Prioritized Bottlenecks                                                                                                                                              | Prioritized solution activities and Indicators                                                                                                                                                                                                                                               | Responsible agencies and Partners                                                                                        | Budget 2014                                                                          | Budget 2015, 2016 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------|
| <b>2. Educational policy (professional, higher, secondary, informal), and measures for youth employment</b>                                                                                                    |                                                                                                                                                                      |                                                                                                                                                                                                                                                                                              |                                                                                                                          |                                                                                      |                   |
| <b>2.1. Improve the performance of institutions for professional education in order to develop the skills of youth that are in line with labour market needs and the principles of sustainable development</b> | Insufficient harmonization of programmes offered by vocational education with the labour market                                                                      | Adopt 20 new qualifications for the labour market, including in green economy and promoting the principles of sustainable development<br><br>Indicators:<br>New qualifications included in the NQF                                                                                           | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training                                           | €60,000<br>(Included in the draft 2014 budget of the Centre for Vocational Training) | N/A               |
|                                                                                                                                                                                                                | Insufficient presence of practical training in secondary schools<br><br>Insufficient capacity for implementing and monitoring the performance of practical education | Appoint coordinators of practical training in secondary schools and trainers for practical training with employers<br><br>Indicators:<br>Number of practical training coordinators in schools<br>Number practical training instructors among employers                                       | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training<br><br>Partners:<br>Employer Associations | €6,000                                                                               | €12,000           |
|                                                                                                                                                                                                                |                                                                                                                                                                      | Improve the methodology and implement the monitoring and evaluation of student achievement<br><br>Indicators:<br>Positively assessed reports on the work of practical training coordinators                                                                                                  | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training<br><br>Partners:<br>Employer Associations | Funds already planned through regular activities                                     | N/A               |
|                                                                                                                                                                                                                |                                                                                                                                                                      | Specify the criteria (material, personnel, and technical requirements) for employers who want to be engaged in the dual form of education (practical training)<br><br>Indicators:<br>Employer needs inventory prepared and the list of criteria for taking part in dual education programmes | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training<br><br>Partners:<br>Employer Associations | Funds already planned through regular activities                                     | N/A               |
|                                                                                                                                                                                                                |                                                                                                                                                                      |                                                                                                                                                                                                                                                                                              |                                                                                                                          |                                                                                      |                   |

| Prioritized Measures                                                                                                                                                                                           | Prioritized Bottlenecks                                                                                                                                                  | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Responsible agencies and Partners                                                                                                                                                        | Budget 2014 | Budget 2015, 2016 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| <b>2. Educational policy (professional, higher, secondary, informal), and measures for youth employment</b>                                                                                                    |                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                          |             |                   |
| <b>2.1. Improve the performance of institutions for professional education in order to develop the skills of youth that are in line with labour market needs and the principles of sustainable development</b> | Lack of awareness and interest among youth and their parents about professional occupations, particularly those that rely on the principles of sustainable development   | <p>The campaign for the promotion of professional occupations, particularly skills based on sustainable development/green businesses in secondary schools and colleges (e.g., skills for sustainable waste management, including recycling, natural resource management, development of renewable energy, energy efficiency, sustainable/green building, and production of 'bio' agricultural products and organic food)</p> <p>Indicators:<br/>Increased level of information among youth and parents about vocational occupations and skills<br/>Number of students enrolled in VET schools</p> | <p>Responsible agencies:<br/>Centre for Vocational Training</p> <p>Partners:<br/>Chamber of Commerce of Montenegro, Ministry of Labour and Social Welfare, NGOs</p>                      | €20,000     | N/A               |
| <b>2.2. Develop the skills of entrepreneurship and entrepreneurial thinking through primary, secondary, and higher education</b>                                                                               | Lack of information about existing programmes for developing entrepreneurship and entrepreneurial thinking and prejudices about entrepreneurship among youth and parents | <p>Conduct a campaign to promote the importance of entrepreneurial learning for overall socio-economic development of the country and understanding of entrepreneurship in the context of key competences for lifelong learning</p> <p>Organize a trade fair about entrepreneurship attended by all key stakeholders (youth, parents, NGOs, educators, businessmen, etc)</p> <p>Indicators:<br/>Number of visitors at the entrepreneurship fair<br/>Number of schools included in the fair<br/>Level of industry involvement in organising the fair</p>                                           | <p>Responsible agencies:<br/>Centre for Vocational Training, Ministry of Education, Directorate for Small and Medium Enterprises</p> <p>Partners:<br/>Association of Employers, NGOs</p> | €10,000     | N/A               |
|                                                                                                                                                                                                                | Underdeveloped conditions and human resources in educational institutions and enterprises to promote entrepreneurship among youth                                        | <p>Open Entrepreneurial Centres (regional and local) and establish virtual enterprises (e-businesses) at all levels of education</p> <p>Indicators:<br/>Number of newly established entrepreneur centres<br/>Number of virtual companies (e-businesses) for the youth</p>                                                                                                                                                                                                                                                                                                                         | Responsible agencies:<br>Ministry of Education, Centre for Vocational Training                                                                                                           | €35,000     | €70,000           |

| Prioritized Measures                                                                                                             | Prioritized Bottlenecks                                                                                                                                                                                                                                                                 | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                               | Responsible agencies and Partners                                                                                                      | Budget 2014                                      | Budget 2015, 2016 |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------|
| <b>2. Educational policy (professional, higher, secondary, informal), and measures for youth employment</b>                      |                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                        |                                                  |                   |
| <b>2.2. Develop the skills of entrepreneurship and entrepreneurial thinking through primary, secondary, and higher education</b> | Underdeveloped conditions and human resources in educational institutions and enterprises to promote entrepreneurship among youth                                                                                                                                                       | Curricular and cross-curricular introduction of entrepreneurial skills<br>Indicators:<br>Revised curricula                                                                                                                                                                                                                                                                   | Responsible agencies:<br>Ministry of Education,<br>Centre for Vocational Training                                                      | Funds already planned through regular activities | N/A               |
|                                                                                                                                  |                                                                                                                                                                                                                                                                                         | Training for teachers and businessmen involved in the education system on the skills for promoting entrepreneurship among youth<br>Indicators:<br>Number of attendees of training to promote youth entrepreneurship                                                                                                                                                          | Responsible agencies:<br>Ministry of Education,<br>Centre for Vocational Training<br><br>Partners:<br>Employer Associations            | Funds already planned through regular activities | N/A               |
|                                                                                                                                  |                                                                                                                                                                                                                                                                                         | Encourage employers to organize practical training at work - accept students to complete part of the practical training in the working environment in all educational profiles at all levels of education<br>Indicators:<br>Number of employers included in the practical training programme<br>Number of students included in the practical training programme by employers | Responsible agencies:<br>Ministry of Education,<br>Centre for Vocational Training<br><br>Partners:<br>Employer Associations            | Funds already planned through regular activities | N/A               |
| <b>2.3. Develop lifelong learning programmes, especially at the regional and municipal levels</b>                                | Lack of awareness and information among youth and parents about the importance of lifelong learning<br><br>Underdeveloped system of qualifications and modules that encourage lifelong learning<br><br>Inadequate number of licensed organizers of education based on lifelong learning | The campaign to improve the awareness and information among youth and their parents about the importance of lifelong learning<br><br>Organize the Adult Education Fair<br>Indicators:<br>Number of youth and parents covered by the lifelong learning campaign<br>Number of Adult Education Fair visitors                                                                    | Responsible agencies:<br>Ministry of Education,<br>Centre for Vocational Training<br><br>Partners:<br>NGOs, UMS, Employer Associations | €10,000                                          | N/A               |
|                                                                                                                                  |                                                                                                                                                                                                                                                                                         | Implement activities to improve the system of qualifications and develop modules that encourage lifelong learning<br>Indicators:<br>Number and outcome of the activities undertaken                                                                                                                                                                                          | Responsible agencies:<br>Ministry of Education,<br>Centre for Vocational Training                                                      | Funds already planned through regular activities | N/A               |

| Prioritized Measures                                                                                                                                                                                                                       | Prioritized Bottlenecks                                                                                                                                                                                                                                                                                            | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Responsible agencies and Partners                                                                                                                                                                                                                                                                                                                                                                                  | Budget 2014                                      | Budget 2015, 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------|
| <b>2. Educational policy (professional, higher, secondary, informal), and measures for youth employment</b>                                                                                                                                |                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                  |                   |
| <b>2.3. Develop lifelong learning programmes, especially at the regional and municipal levels</b>                                                                                                                                          | <p>Lack of awareness and information among youth and parents about the importance of lifelong learning</p> <p>Underdeveloped system of qualifications and modules that encourage lifelong learning</p> <p>Inadequate number of licensed organizers of education based on lifelong learning</p>                     | <p>Encourage licensing of educational institutions and organizations based on lifelong learning</p> <p>Indicators:<br/>Number of licenced institutions and organizations</p>                                                                                                                                                                                                                                                                                                                    | <p>Responsible agencies:<br/>Ministry of Education, Centre for Vocational Training</p>                                                                                                                                                                                                                                                                                                                             | Funds already planned through regular activities | N/A               |
| <b>3. Improving the conditions and capacity of youth to start a business (small and medium-sized enterprises and entrepreneurship development)</b>                                                                                         |                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                  |                   |
| <b>3.1. Improve the provision of business advisory services for youth to start a business (especially on the subject of energy efficiency, waste management, access to international knowledge, grants for innovative companies, etc.)</b> | <p>Insufficiently comprehensive and inappropriately tailored system of information and services to support youth in self-starting a business</p> <p>Lack of awareness among youth about the existing infrastructure to support business and existing forms of registration/performance of an economic activity</p> | <p>Develop instructions for young beginners in business (all information compiled and presented in a manner that youth can easily understand and distributed through the websites of relevant institutions, Centre for Information and Professional Counselling, and NGOs)</p> <p>Indicators:<br/>Relevant information compiled and presented in an easily understandable manner and disseminated via the websites of relevant institutions, CIPS and NGOs<br/>Number of brochure downloads</p> | <p>Responsible agencies:<br/>Directorate for Small and Medium Enterprises</p> <p>Partners:<br/>Employment Office of Montenegro, Ministry of Labour and Social Welfare, Employer Associations, NGOs, the UN system, Centre for Information and Professional Counseling, MSDT, Network for Social Responsibility, local governments, local business incubators, local business centres, educational institutions</p> | €10,000                                          | N/A               |

| Prioritized Measures                                                                                                                                                                                                                       | Prioritized Bottlenecks                                                                                                                                                                                             | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Responsible agencies and Partners                                                                                                                                                                                                                                                                                                                                                                                              | Budget 2014                                               | Budget 2015, 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------|
| <b>3. Improving the conditions and capacity of youth to start a business (small and medium-sized enterprises and entrepreneurship development)</b>                                                                                         |                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                           |                   |
| <b>3.1. Improve the provision of business advisory services for youth to start a business (especially on the subject of energy efficiency, waste management, access to international knowledge, grants for innovative companies, etc.)</b> | Underdeveloped capacities of youth to start and run a business (lack of innovative thinking about entrepreneurship, lack of specific knowledge, skills, and awareness of the importance of sustainable development) | <p>Develop a cycle of training for youth who want engage in business (modelled on the project Chance for Young Managers-with 95% success in employment)</p> <ul style="list-style-type: none"> <li>Develop a training programme and implementation plan</li> <li>Conduct training in 2014: recruit a trainer and implement one pilot programme for 20 youth in the north</li> <li>Award grants for training participants who want to start their own business</li> </ul> <p>Indicators:<br/>Number of young persons from the north of Montenegro who took part in the training<br/>Number of grants and amounts awarded for business start-ups to interested trainees in accordance with the eligibility criteria</p> | <p>Responsible agencies:<br/>Directorate for Small and Medium Enterprises, Employment Office of Montenegro</p> <p>Partners:<br/>Ministry of Labour and Social Welfare, Employer Associations, NGOs, the UN system, Centre for Information and Career Counselling, Ministry of Sustainable Development and Tourism, Network for Social Responsibility, local governments, local business incubators, local business centres</p> | €50,000                                                   | €150,000          |
|                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     | <p>Strengthen clusters with good development potential and the possibility of job creation in the northern region</p> <p>Indicators:<br/>Number of programme beneficiaries<br/>Number of young recruits</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Responsible agencies:<br/>Ministry of Economy</p>                                                                                                                                                                                                                                                                                                                                                                           | €500,000<br>(funds already provided from the IPA project) |                   |
|                                                                                                                                                                                                                                            | Insufficient number of programmes to encourage business at the local level (incubators, business centres)                                                                                                           | <p>Assess the capacity and performance of local business centres and incubators and develop a plan for improving their activities</p> <p>Train employees in select incubators and business centres to provide services and advice to youth interested in starting a business</p>                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Responsible agencies:<br/>Ministry of Economy, Directorate for Small and Medium Enterprises</p> <p>Partners:<br/>Local governments, local business incubators, local business centres</p>                                                                                                                                                                                                                                   | €10,000                                                   | N/A               |

| Prioritized Measures                                                                                                                                                                                                                       | Prioritized Bottlenecks                                                                                                                                                                            | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible agencies and Partners                                                                                                                                                                                                                                                                               | Budget 2014 | Budget 2015, 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| <b>3. Improving the conditions and capacity of youth to start a business (small and medium-sized enterprises and entrepreneurship development)</b>                                                                                         |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                 |             |                   |
| <b>3.1. Improve the provision of business advisory services for youth to start a business (especially on the subject of energy efficiency, waste management, access to international knowledge, grants for innovative companies, etc.)</b> | Lack of capacity in existing business centres to support young entrepreneurs                                                                                                                       | <p>Training for employees of local governments on the importance of incubators and business support centres for young beginners in business</p> <p>Indicators:<br/>Capacity assessment of local business centres and incubators carried out<br/>Number of business centre and incubator representatives who have successfully completed training<br/>Number of municipalities where training was delivered<br/>Number of initiatives for business incubators and centres following the training</p> | <p>Responsible agencies:<br/>Ministry of Economy, Directorate for Small and Medium Enterprises</p> <p>Partners:<br/>Local governments, local business incubators, local business centres</p>                                                                                                                    | €50,000     | €150,000          |
| <b>3.2. Improving the types and availability of financial services (soft loans for start-ups)</b>                                                                                                                                          | Administrative barriers to starting a business: lack of own funds for business start-ups, inability to provide collateral, requirement to contribute at least 50% of resources to start a business | <p>Analysis of current administrative barriers in business start-ups by youth and the mapping of possible solutions (based on regional specifics)</p> <p>Indicators:<br/>Barriers and possibilities for their removal identified in order to boost youth employment</p>                                                                                                                                                                                                                             | <p>Responsible agencies:<br/>Ministry of Economy, Investment and Development Fund, Directorate for Small and Medium Enterprises</p> <p>Partners:<br/>Employment Office of Montenegro, Ministry of Agriculture and Rural Development, Ministry of Sustainable Development and Tourism, Employer Associations</p> | €5,000      |                   |
|                                                                                                                                                                                                                                            |                                                                                                                                                                                                    | <p>Implement guarantee schemes for young beginners in business when applying for loans with Investment and Development Fund</p> <p>Indicators:<br/>Number of guarantee beneficiaries</p>                                                                                                                                                                                                                                                                                                            | <p>Responsible agencies:<br/>Investment and Development Fund</p>                                                                                                                                                                                                                                                | €50,000     | €100,000          |

| Prioritized Measures                                                                                                                                                           | Prioritized Bottlenecks                                                                                                                                                                                | Prioritized solution activities and Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Responsible agencies and Partners                                                                                                                                                                                                                              | Budget 2014                                      | Budget 2015, 2016                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>4. Provide equal employment opportunities for vulnerable and minority groups</b>                                                                                            |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |                                                  |                                                  |
| <b>4.1. Measures to promote employment of youth from rural and isolated communities</b>                                                                                        |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |                                                  |                                                  |
| <b>4.1.1 Encourage the involvement of youth from rural communities in programmes to increase employability.</b>                                                                | The low level of involvement (isolation) and the poverty of youth in rural and remote areas (especially in the north).                                                                                 | <p>Develop a plan to support the Network of Young Farmers in the North (e.g. organic food production, additional skills, foreign languages / use of information and communication technologies, etc.);</p> <p>Develop a plan of support to ensure the sustainability of the project Network of Young Entrepreneurs.</p> <p>Indicators:<br/>Support plan for young farmers developed<br/>Development plan for young entrepreneur network developed</p>                                                                                                                                                                                                               | <p>Responsible agencies:<br/>Ministry of Agriculture and Rural Development, Centre for Information and Career Counselling, Employment Office of Montenegro</p> <p>Partners:<br/>Local business Centres, regional development agencies, The UN System, NGOs</p> | €20,000                                          | €50,000                                          |
| <b>4.2. Measures to promote employment of young people with disabilities (PWD)</b>                                                                                             |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                |                                                  |                                                  |
| <b>4.2.1. Provide the conditions for unobstructed access, movement, residence and work for persons with reduced mobility and persons with disabilities in public buildings</b> | Public buildings are not fully adapted to the requirements under the national rulebook on detailed conditions and method to adjust buildings for access and movement of persons with reduced mobility. | <p>Monitor the implementation of legislation / application of standards to provide accessibility</p> <p>Indicators:<br/>Number of public buildings accessible to people with reduced mobility</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Responsible agencies:<br/>Ministry of Sustainable Development and Tourism</p> <p>Partners:<br/>NGOs dealing with persons with reduced mobility and persons with disabilities</p>                                                                            | Funds already planned through regular activities | N/A                                              |
|                                                                                                                                                                                | Lack of interest of employers in using the benefits of hiring youth with disabilities (subsidies).                                                                                                     | <p>The campaign to increase the awareness of employers on subsidies for employment of youth with disabilities, and the reduction of prejudice toward persons with disabilities in employment.</p> <p>Indicators:<br/>Increased number of employers willing to employ persons with disabilities and use subsidies<br/>Total number of persons with disabilities thus employed</p> <p>Employment of young persons with disabilities through awarding subsidies in accordance with the Law on Professional Rehabilitation and Employment of Persons with Disabilities</p> <p>Indicators:<br/>Number of youth with disabilities employed through subsidy programmes</p> | <p>Responsible agencies:<br/>Employment Office of Montenegro</p> <p>Partners:<br/>Employer Associations, Associations of persons with disabilities</p>                                                                                                         | Funds already planned through regular activities | Funds already planned through regular activities |

| Prioritized Measures                                                                                   | Prioritized Bottlenecks                                                                                               | Prioritized solution activities and Indicators                                                                                                                                                                                                                               | Responsible agencies and Partners                                                                                    | Budget 2014                                      | Budget 2015, 2016                                |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>4. Provide equal employment opportunities for vulnerable and minority groups</b>                    |                                                                                                                       |                                                                                                                                                                                                                                                                              |                                                                                                                      |                                                  |                                                  |
| <b>4.2. Measures to promote employment of young people with disabilities (PWD)</b>                     |                                                                                                                       |                                                                                                                                                                                                                                                                              |                                                                                                                      |                                                  |                                                  |
| <b>4.2.2. Improve enforcement of legislation relevant to the employment of youth with disabilities</b> | Poor implementation of legislations that, inter alia, relates to the quota in employment of persons with disabilities | Finalize and implement the Rulebook on the grant schemes for the employment of PWD within the Fund for Professional Rehabilitation of PWD<br><br>Indicators:<br>Call for proposals for employment projects for persons with disabilities<br>Number of such projects approved | Responsible agencies:<br>Ministry of Labour and Social Welfare,<br>Employment Office of Montenegro                   | Funds already planned through regular activities | N/A                                              |
| <b>4.3. Measures to empower young Roma and Egyptians (RE)</b>                                          |                                                                                                                       |                                                                                                                                                                                                                                                                              |                                                                                                                      |                                                  |                                                  |
| <b>4.3.1. Increase the employability of young RE</b>                                                   | Almost 95% of young RE have no occupation and qualifications                                                          | Organize training programmes for acquiring first/basic qualifications for an occupation for the RE youth and women who have no qualifications<br><br>Indicators:<br>Number of participants<br>Number of employed RE after acquiring first qualifications                     | Responsible agencies:<br>Employment Office of Montenegro                                                             | Funds already planned through regular activities | N/A                                              |
| <b>4.3.2 Increase the level of involvement of young RE in active employment policy measures</b>        | Lack of involvement of young RE in active employment policy measures                                                  | Involve young RE in public works programmes<br><br>Indicators:<br>Number of young RE involved in public works                                                                                                                                                                | Responsible agencies:<br>Employment Office of Montenegro                                                             | Funds already planned through regular activities | N/A                                              |
|                                                                                                        | Lack of awareness among employers about the benefits of employing young members of the RE population                  | The campaign to increase awareness among employers about subsidies for employing young RE and to reduce prejudice about their employment<br><br>Indicators:<br>Number of beneficiaries of employment subsidies for young RE                                                  | Responsible agencies:<br>Employment Office of Montenegro<br><br>Partners:<br>NGOs, Network for Social Responsibility | Funds already planned through regular activities | Funds already planned through regular activities |

## 5.1 LONG-TERM MEASURES TO REDUCE YOUTH UNEMPLOYMENT AND POVERTY

Apart from the short-term measures, the MAF process also identified the long-term measures that should be addressed when preparing future youth employment action plans. They are related to the following objectives within the previously mentioned categories:

### 1. Improving the policy of youth employment and employability:

- **Create mechanisms for coordinated monitoring** of impacts of sectoral strategies and measures in youth employment;
- Develop and improve the implementation of **human resources management policies in strategically important sectors that have the greatest potential to create new jobs and green the economy** (sustainable tourism and agriculture, construction industry, waste management, energy, etc.);
- Promote and strengthen the role of qualitative and quantitative **research** in predicting labour market needs (through partnerships with national and local academia and statistical offices);
- **Improve conditions** for inter-municipal mobility of youth;
- **Analyse indicators for monitoring youth employment** and their harmonization with EU standards;
- Strengthen **inspection** in seasonal employment (with special focus on youth);
- Establish **volunteer services** and issue **volunteer booklets in accordance with the amended version** of the Law on Voluntary Work (amendments to the Law planned for 2014).

### 2. Improving educational policies (vocational, higher, high school, informal education) and corresponding measures for youth employment:

- In cooperation with the private sector, **establish advanced research programmes** (doctoral studies, etc) to solve the structural barriers faced by the main sectors of the economy (sustainable agriculture, sustainable tourism, energy, etc.);
- Establish a cross-sectoral working group to set **standards for programmes for non-formal youth education implemented by NGOs;**
- **Introduce mandatory licensing of professional practice for higher education institutions** in tourism and hospitality (including the 'greening' of the tourism and service industries);
- Launch a **promotional campaign on the importance of non-formal education**, develop programmes based on informal learning methods (especially programmes to develop 'soft skills'), and explore opportunities to enhance their funding;
- Create a programme to **reduce the number of dropouts** (youth leaving education), especially for vulnerable groups;
- Design a **plan for the development of qualifications and modules that will encourage lifelong learning;**
- Institute sectoral **licensing of training organizers.**

### 3. Improving the conditions and capacity of youth to develop businesses (small and medium-sized enterprises and entrepreneurship development):

- **Investigate the possibilities for new forms of conducting business activity in accordance with new opportunities for self-employment of youth** (social entrepreneurship, ecotourism, rural tourism, ICT services, web design, online sales);

- **Create the conditions for establishing the 'One Stop Shop'** system for information and registration of business entities;
- Create conditions for **active participation of employers** in the implementation of practical education, including the licensing of employers who can educate students in practice.

#### **4. Providing equal employment opportunities for youth from vulnerable and minority groups:**

- **Implement activities to reduce prejudice and discrimination** against vulnerable categories of the population (young women, persons with disabilities, minority groups) among employers when hiring;
- Improve the development of **social entrepreneurship**, particularly for **young persons with disabilities**;
- **Remove architectural barriers** and promote wheelchair accessibility;
- Continue implementation of **staff training programmes** in government bodies at the national and local levels in terms of removing barriers (both physical and administrative) to facilitate communication with persons with disabilities;
- **Analysis of accessibility** in public buildings and those in general use and prioritization for the removal of architectural barriers to public buildings;
- **Promotion of fair employment and respect of labour rights** (promoting the right to decent work and income).

## **5.2. CONCLUSION: MAF ACTION PLAN IMPLEMENTATION AND FUNDING**

The MAF process envisions that the Youth and Sport Administration in the Government of Montenegro will be the main agency responsible for **coordinating and monitoring the implementation of the Youth Employment Action Plan** in cooperation with the Ministry of Labour and Social Welfare and the Ministry of Sustainable Development and Tourism.

To **implement** the MAF Action Plan, the relevant sectoral ministries responsible for implementing the measures that the Action Plan identified, need to allocate funds in their budgets. The total financial projection for the Action Plan for 2014 amounts to €897,500. Of this, the Ministry of Labour and Social Welfare has already earmarked €20,000 in its 2014 budget for the implementation of activities under its jurisdiction; the Centre for Vocational Training has allocated €60,000 in its 2014 budget for the activity of 'Adopting 20 new qualifications for the labour market'; the Investment and Development Fund has allocated €50,000 in its budget for the measure 'Guarantees for young beginners in business when applying for loans with the Investment and Development Fund of Montenegro (IRF)'; the Ministry of Economy, through the IPA project, has provided €500,000 for cluster development activity in the north. The contribution of the United Nations system in Montenegro amounts to €40,000, which has already been provided, while the possibility of mobilizing additional resources from the UN and other international partners remains open.

The remaining funding gap will thus be reduced to €227,500 if the Ministry of Labour and Social Welfare and the Centre for Vocational Training, within their budget proposals, grant the requested funds of €20,000 and €60,000, respectively. Otherwise, the funding gap will be €307,500. For part of the activities, especially in the framework of long-term measures, there is the possibility of funding from the EU and other international sources (World Bank, UN, international financial institutions, etc.).

In conclusion, the MAF process in Montenegro has already contributed to the greater visibility of the issue of youth employment and to the creation of synergies among all relevant authorities and stakeholders in the attempt to overcome the identified obstacles. To that end, it will be of paramount importance to ensure the continuous implementation and monitoring of the Action Plan during the future.

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