

Growing **Green** Businesses in Montenegro





Dear friends of green future,

We cherish the time and efforts you dedicated these past two years to promoting circular economy, green jobs and sustainable development in Montenegro. Our commitment and devotion to a more sustainable future all across the world is well known and recognized. However, it is in places such as Montenegro that our dedication takes a whole new shape. It is the capacities of nature and people that make this task particularly exciting.

With this project we have seen businesses, both small and big, willing and determined to change and become green, and incorporate circular practices from the very beginning thus creating green jobs and a more sustainable future for us all.

We are witnessing a worldwide shift in perspective that in turn affects lowering the carbon footprint and improving how we treat our Planet in our work and everyday life. Our Project has set important milestones with this regard in Montenegro – both in terms of legislation, as well as operationally and with regards to raising awareness. This is important for Montenegro as an EU candidate country, a member of the UN, but most of all as an ecological country by its Constitution and a country aspiring to develop sustainably. Finally, nine months into the COVID-19 pandemics

have reminded us that natural environments support and depend upon us, and need our protection.

Therefore, we are happy to share with you a sense of pride in the results all partners and stakeholders of this Project have jointly achieved in making sure that our future is, indeed, a green one.

If we act together by taking assertive measures against climate change and pursuing low carbon development – we can build a carbon-neutral world by 2050.

Green Jobs Project Team

December 2020

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The mission of Green Jobs Project is to put low carbon and green businesses, renewable energy, e-mobility and energy efficiency acceleration at the forefront of public discussion. We do this by supporting individuals, communities and organizations to recognize that these practices offer much more than a reliable and clean electricity, pollution reduction, and climate mitigation; they also provide potential to transform society by redistributing jobs, wealth, health, and political power more equitably. Finally, and importantly, with improved capacities of our partners (institutions such as Investment and Development Fund, Eco Fund, Eco Business Center Cetinje) their users get to benefit from improved financial and technical support in these fields.

Green Jobs project team

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With this project, we are paving the path towards a greener future in Montenegro and the region. It is an exciting task, as well as one filled with responsibilities and numerous challenges. As an institution, Eco Fund - in cooperation with UNDP - is dedicated toward ensuring that this process is perceived rightly both among our stakeholders, as well as partners and end-users of our services.

Eco Fund

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Being the first Eco Business Center in Montenegro is an honor and a privilege. We are grateful to our partner, UNDP and the Green Jobs Project team, for ensuring that although being new at this, we lack no knowledge and support in establishing our services. Our mission is to make circular economy a way of living not only in the Old Royal Capital of Cetinje, but also in Montenegro in general.

Eco Business Center Cetinje

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About the project

Green Jobs Project is a unique project of its kind in Montenegro, which commenced in 2018 with a clear mission - to contribute toward making Montenegro a carbon-neutral country. Project's goal is to make sure that people of Montenegro benefit from sustainable management of natural resources, combating climate change and disaster risk reduction.

Green Jobs Project is a combination of two pillars that, when developed together, proved to be very effective: developing favourable **policy** frameworks for green jobs and ensuring access to **financial** instruments for green

businesses. When put jointly at use, they complement each other and give businesses all mechanisms needed to make themselves environmentally, and, in fact, future-friendly. Thus, policy-wise, we have developed a study and a roadmap for policy and incentive options for green businesses, focusing primarily on three main sectors in Montenegro i.e. agriculture, tourism and energy. Also, we have helped develop Eco Fund's regulatory provisions and advisory services to diversify its funding base. Finance-wise, we have developed financial frameworks within the Investment and Development Fund (IDF) that ensure credit support

for those who wish to transform their existing businesses into green ones, or establish a green business from the very beginning. Financing mechanisms (performance-based payment scheme) were designed as a part of our project - such mechanisms did not exist at the IDF or in Montenegro in general before.

Additionally, in terms of administrative support, our Project offers another means of direct support for green businesses (to be), that is the **mentoring programme**. This programme includes the support provided to the mentees by five very skilled mentors in four different areas:

- Legislation, accounting and administrative framework;
- Strategic and financial planning, management and networking in business;
- Product development, promotion, marketing and networking;
- Innovations and new technologies.

The knowledge in these particular areas proved to be very helpful for starters in business, as they cover every aspect of successful business doing.

Through this project activity, we had the honour to work closely with businesses of all sorts -

both established and new - in helping them make smart business moves and investments in low-carbon and green business doing. The project team and the mentors inspired, motivated and supported them in developing a responsible business strategy and creating green jobs. We have seen that Montenegro has great potential for low-emission economic growth. This was also the premise when we helped the establishment of the green business incubator Eco Business Center in Cetinje.

FUN FACTS

As a part of the cooperation and activities of the Green Jobs Project and Eco Business Center Cetinje in 2020 we encouraged startups and established companies to understand and engage in the green way of doing business and its implications on their corporate and long-term strategies. For a small entrepreneurial environment such as the one in Montenegro, these are impactful result. Here they are:

NUMBER OF CLIENTS	TYPE OF SERVICE PROVIDED			
TOTAL	Business registration help	Development and assistance in the development of business plans and feasibility studies	Mentoring	Advisory and other services
247	17 ¹	17 ²	112 ³	101

1 Business registration refers to LLC: 12; entrepreneur: 4 and agricultural producer: 1.
2 Development of business plans primarily refers to the credit line of the Investment and Development Fund - 3 business plans (a total of € 600,000 was requested and all three loans were approved), then, 12 business plans with the Employment Service of Montenegro for grants for self-employment (total € 90,000 was requested), 2 business plans for the Public Call for submission of project proposals for women's entrepreneurship
3 Support for Women's Entrepreneurship: 56; others: 54; JICA mentoring: 2.

Project milestones timeline

2018

Project beginning

2018 - July 2019

Feasibility study on the concept of 'prosumers' in Montenegro

In 2019 UNDP conducted a feasibility study that suggested options on how the concept of 'prosumers' (consumers that are producing energy from renewable sources) could be taken forward in the context of Montenegro. The framework for implementation of this concept was amended in two key laws (on energy and on building and spatial planning) approved in 2020 creating preconditions for countrywide solar installations development.

End of 2018 – continuously until end of project

Establishment of Eco Business Center in Cetinje

The project supported Centre's development of the strategic plan and capacities that will reflect ambition to have a regional role and impact and its evolution towards online mentoring and support and green development support.

June 2019

Green Days 2019

Event was intended to inspire businesses and governments to invest and build a greener future and amplify the importance of integrating economic and environmental policies in a way that opens the opportunities for new sources of economic growth, and the project team actively participated in organisation of International Conference Green Days both in 2019 and 2020.

June 2019

Cooperation agreement signed between UNDP and the Municipality of Bar

Based on the MoU, the Green Jobs Project provided mentoring support to the interested businesses applying for 2019 call for grants as part of Entrepreneurship Support Program in Bar.

July 2019 – March 2021

Development of the photovoltaic power plants

With financial support provided by the Slovak Government this Project supports preparation of conceptual designs as well as number of full main designs for photovoltaic installations in an effort to further promote solar-based renewable energy development in Montenegro. The emerging technical designs resulted in 11 technical solutions which, if built, would result in 1,5 MWp of production, providing opportunity for 1,5 million Euros investment and would result in avoided CO2 emissions of 1205.4 tones/year.

November 2019 - ongoing

Establishment of the Roster of experts that would support the evolution towards online mentoring and support and green development support

A comprehensive program of business incubation services to be offered to the supported entrepreneurs was launched.

Throughout 2019

Improvement of energy measures in the public lighting and transport sector

The project team, in synergy with GEF funded and UNDP implemented project Towards carbon neutral tourism and funds from the Slovak Government supported preparation of the full set of documentation regarding the reconstruction of public lightening in Podgorica, Danilovgrad, Budva, Kolasin and Cetinje and contributed to preparation of Development of the E-Mobility Feasibility Study for Montenegro and ICT solution for the Road Sector in MNE, coordinated by the Ministry of Transport and Maritime Affairs;

Throughout 2019 & 2020

Main Design for Water Supply System Improvement in Montenegro Mentoring Programme Needs Assessment and Programme

In synergy with GEF funded and UNDP implemented project Towards carbon neutral tourism and funds from the Slovak Government supported preparation of the detailed ToRs for 21 municipalities were developed and submitted to the Association of Water Supply Public Companies. Relaying on this work, in 2020 Eco Fund published € 100.000 worth call for grants.

Throughout 2019 & 2020

Mentoring program in cooperation with Eco Business Center Cetinje

Starting from November 2019 up to date the continuous call for applicants was advertised and continuously promoted offering advice that benefited more than 200 users up to date in areas of accounting and administrative framework, strategic and financial planning, management and networking in business, product development, promotion, marketing and networking and innovations and new technologies.

Throughout 2019 & 2020

Establishment and support of Eco Fund

The agreement will serve as a framework for future cooperation focusing on creation of capacity building program for employees in the Eco Fund, Investment and Development fund, Chamber of Economy of Montenegro, SMEs and line ministries.

June 2020

Cooperation agreement signed between UNDP and Eco Fund

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Throughout 2020

Study "Identification of Green Added Value Products and Feasibility Assessment of Related Value Chains"

Following preparation and approval of the concept note for the UNDP Resource Efficient Development Engagement Facility the study "Identification of Green Added Value Products and Feasibility Assessment of Related Value Chains" was prepared. The study identified concrete green products with high market value and job creation potential, possibilities for greening products for these products and implement the identified solutions

April 2020

Study and roadmap for policy and incentive options for green businesses and complementary performance-based payment mechanism for priority economic sectors (agriculture, tourism and energy)

Within this context, the "Study on policies and incentives for green business in Montenegro with a focus on agriculture, energy and tourism, with a roadmap for future climate action in these areas" was developed with the goal to help the Government to design or reform economic instruments related to environmentally harmful projects in order to provide incentives for both reducing pollution and introducing greener products.

At the end the Study proposes Roadmap for policies and incentives for green business in the agricultural, tourism and energy sectors in Montenegro relying on best international practices.

June 2020

Green Days Online Talks 2020

The project and the project team actively participated to organisation of international conference green days 2020: rethinking development, with topics ranging from circular advantage: the economic and , business rationale to future driven innovations and planning recovery for the long term

April 2020

Coronathon

Amid the COVID-19 pandemic, this Hackathon offered the opportunity to come up with good ideas and joint solutions that will help Montenegro adapt, react and recover quickly.

November 2020

Climathon

The first ecological hackathon in Montenegro with provided mentoring support for 10 finalists of the competition and continued mentoring support in 2021.

Throughout 2020 until March 2021

Multi-stakeholder consensus on the fundamental transformation of the Town of Pljevlja towards a healthy, resilient and prosperous city

Mapping and providing a better understanding of the needs of citizens and business community by co-designing systems and support mechanisms.



Some project stats:

- ➔ Entrepreneurs supported through the Green Business Incubator: 50 existing and potential, including at least 20% women.
- ➔ Advice offered to more than 120 users up to this day.
- ➔ Three training workshops aimed at the development of green business skills delivered.
- ➔ 100 stakeholders from public institutions, industry experts and academia reached.
- ➔ 300 entrepreneurs attained.
- ➔ Improved legislative framework for installation of photovoltaic systems.
- ➔ Developed 11 designs of photovoltaic systems with estimated investment of 1,5 mil USD, 1,5 MWp production and estimated 1205.4 ton/year avoided CO2 emissions.

Additional activities of the project include drafting a paper on the *Identification of Green Added Value Products and Feasibility Assessment of Related Value Chains*, which identified concrete green products with high market value and job creation potential, possibilities for greening products and implementing the identified solutions. Besides that, we supported the efforts under the Global Environment Fund (GEF) financed project Towards Carbon Neutral Tourism in Montenegro in preparation of the Development of the E-Mobility Feasibility Study for Montenegro. Finally, we had the opportunity to shape up the guidelines on Integration of Small-Scale Renewable Installations. This work focused on identifying existing legal and financial frameworks for installation of Small-Scale Solar Installations and identifying existing and potential gaps.



Establishing Eco Business Center in Cetinje, and raising awareness of its services and activities

One significant milestone of the Green Jobs Project and one that ensures additionally the sustainability of our approach is establishing a green incubator Eco Business Center in the Old Royal Capital of Cetinje. This is a unique hub with great potential. In addition to providing support in the early beginnings of entrepreneurship, the EBC focuses on a topic that, without a doubt, represents the future of economic development of the entire European society. This is exactly what makes it unique, both in the country and in the region, and provides an opportunity to ensure its relevance and sustainability. There is no other incubator that focuses on green businesses in the wider region of the Western Balkans.

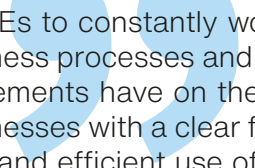
Eco Business Center Cetinje emerged in 2018 where former prominent shoe factory “Kosuta” once was. Kosuta resembles the best and brightest days of Cetinje community’s past and the green incubator shall be the bright future for all of Cetinje.

The Center offers educational programmes, workshops, excellent networking possibilities with state and regional stakeholders, as well as the mentorship programme for beginners in green business, or for those wishing to switch to a greener way.

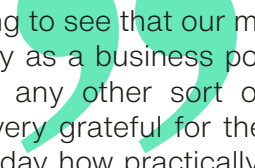
In terms of spacial capacities, the Center offers numerous closed offices – big and small – and possibilities to work in an open space, as well as conference rooms – for free under certain circumstances or favourable conditions and prices.

Our mentors' testimonials

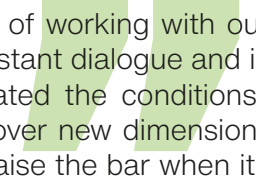
Our mentors work on a daily basis to ensure an increase in the number of green businesses in Montenegro and thus its carbon-neutral future. Here is how they describe their experiences participating in the programme, their mentees and, in general, being a part of this important process.




Helping MSMEs to constantly work on improving their business processes and the effect that these improvements have on the financial side of these businesses with a clear focus on green development and efficient use of all resources, is one of the greatest contributions to both individual companies themselves and the Montenegrin society, as a whole.



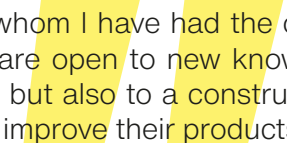
It is gratifying to see that our mentees perceive sustainability as a business potential, not as a financial or any other sort of burden. I am personally very grateful for the opportunity to learn every day how practically every business idea has the opportunity and segment which can easily turn green(er).




The highlight of working with our mentees has been the constant dialogue and idea generation that has created the conditions for several of them to discover new dimensions of their businesses and raise the bar when it comes to their performance.



The mentoring programme, to improve, the business knowledge and skills of our mentees, is a “high-end” approach primarily because it is multidisciplinary and involves diverse matters, all of them being equally important for business development. Instead of focusing on one, the mentoring programme is a 360° approach, which is why it has been so successful



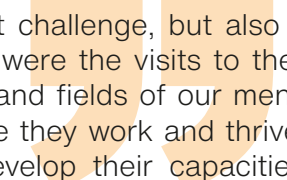
Users with whom I have had the opportunity to collaborate are open to new knowledge, ideas, suggestions but also to a constructive dialogue that aims to improve their products and services.



Often users reach out to us without a clear picture of how their businesses could be turned green. Painting this picture together, slowly and over time, has been one of the greatest satisfactions of this programme.



I believe that this project can benefit Montenegrin society as a whole, especially with regards to learning how a greener future benefits individuals and companies daily. Exactly this is one of the goals of the mentoring programme, and it is this that makes our mentoring a sustainable activity.



The greatest challenge, but also the greatest satisfaction, were the visits to the workshops, households and fields of our mentees. Seeing places where they work and thrive, and possibilities to develop their capacities, has been very inspiring for us as well. We have managed to maintain personal contact despite all boundaries posed by the COVID-19 pandemic.

Success stories

towards a carbon-free Montenegro

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“The support we have been receiving through the UNDP mentoring program is useful and very welcome for all those first-starters in business. One gets a complete support package divided into several segments, all of them with clear business development focus on greening process. In the beginning, one chooses what is most important to his or her business, and in which part of business doing and development one does not manage the best or needs the most help with. Mentors from different fields provide us with high quality advice, recommendations, contacts and comments. One saves quite a bit of time of potential wandering and pulling wrong moves at the beginning. We learned a lot from our mentors regarding our daily work!”

- Cegerica

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“Being part of the mentoring program within the project “Growing green business in Montenegro” was a great opportunity to gain the necessary knowledge and skills to improve the start-up platform “Wineroom – one click away from the winery!”. The basic idea was to recognize the mechanisms of greening businesses, and through a consulting and mentoring process we created a clear plan and strategy on how to network wineries that produce wines in a completely green and non-invasive process, but also encourage other wineries to switch to this type of production. The mentoring work was very intensive, proactive and, above all, concrete, which greatly contributed to winning the first prize in the Start Up Activator program - organized by the M:tel digital factory.”

- Wine room

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“Mentorship programme within this project helped us develop our product focused on a niche market of low carbon tourism. The mentors are supporting us in designing and initiating the first “Low Carbon Footprint” sightseeing tours that fully fulfill our vision of decreasing a footprint in our offer and services. This support made us understand better the environmental aspect of our business, it introduced us to necessary partners we shall be networking with, and encouraged us to develop a suitable marketing strategy for our business. As a result, we managed to establish regional cooperation with nine travel agencies under brand umbrella “Following the Footsteps of Marshal Tito” with the idea to develop the offer of World War II heritage sites destinations in Serbia, BiH and Montenegro and a focus on low impact visits.”

- Tourism agency Montenegro memories

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“After operating on the market of boat trips on Skadar Lake for twenty years, mentoring within the Green Jobs Project has helped us to become more committed to a sustainable way of doing business. We believe that with the development of new technologies it is time that we all focus on the comprehensive protection of Skadar Lake. Consequently, our future efforts will be on changing internal combustion engines in our boats with electric ones and in this manner reduction of the carbon footprint of our operations. We are sure that the results of this mentoring program will satisfy one of our main motives, and that is the most efficient promotion of sustainable business and tourism in the Skadar Lake National Park.”

- Lotours



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