

MONTENEGRO

PROGRESS REPORT¹

**on recent developments regarding S&T cooperation in/with the WBC
(1st half 2012 or - November 2011 / Sarajevo till June 2012 / Tirana)**

1 Policy actions

(e.g. essential changes in the political authorities, administrative bodies, agencies, institutions, personnel, development/launch of new national funding programmes, etc.)

2 Legislative initiatives - development of the legal and strategic framework

The Government of Montenegro adopted an Action plan to increase the number of researchers in March 2012.

3 Important events, meetings, training activities, etc.

On 28 December 2011, the annual press conference of the Ministry of Science was held and the annual prizes for scientific achievements for 2011 were awarded.

Delegation of the Ministry of Science, upon the invitation of the Hungarian delegation, attended EUREKA High Level Group meeting, on 26 January 2012, in Sopron, Hungary.

At this meeting, representatives of the Ministry of Science, headed by Deputy Minister, Mr Darko Petrusic, presented Montenegrin application for membership in this Programme, that was accepted by participating states. After Sopron meeting, Montenegrin companies, in cooperation with the representatives of the Ministry, undertook intensive activities in joining already running EUREKA projects. The companies that applied as partners in the projects are: MG Soft Company, one of the leading Montenegrin companies in the field of development and implementation of information systems, in the project ELDORO (Electronic Doctor's Round); and 13 Jul Plantaze Company in the project WINEREST (Sustainable and innovative use of wastes from grape and fruit processing). These Montenegrin companies will be co-financed by the Ministry of Science for the implementation of the mentioned projects. Beside these, several project proposals have been prepared by Montenegrin companies, and will be referred for examination in the near future.

At the EUREKA's Ministerial Conference, due to take place on 22 June, in Budapest, Minister of Science, prof. Sanja Vlahovic, will sign the Memorandum of Understanding on the EUREKA Secretariat.

¹ The progress reports are collected in preparation of the meetings of the Steering Platform on Research for the Western Balkan Countries and will be provided for download from the WBC-INCO.Net homepage (www.wbc-inco.net) about one week before the meeting takes place. Therefore please submit your report to office@wbc-inco.net until June 5, 2012.

On 22 February 2012 Montenegro's Finance Minister Milorad Katnić and Head of the World Bank Office for Montenegro and Bosnia and Herzegovina, Anabel Abreu, signed the loan agreement aimed at the reform of higher education and building science capacities in Montenegro. The loan worth EUR 12 million will be used for funding the project entitled "Higher education and research for innovation and competitiveness". The aim of the project is to improve higher education, science and research in Montenegro through financial reforms, providing quality high education and strengthening research capacities and development. These goals are to be achieved through the establishment of the first centre of excellence in Montenegro, as well as through the implementation of competitive research grants focused on empowering excellent research teams, advancing international cooperation and creating commercial innovations.

From April 2012, Ministry of Science in cooperation with six ministries finance 104 national scientific-research projects of basic, applied and developmental research, which are in line with the Strategy for scientific research activity (2008-2016) and priority areas in research, established by the Ministry of Science, namely: Energy; Identity; Information and Communication Technologies; Competitiveness of the national economy; Medicine and human health; Science and education; New materials, products and services; Sustainable development and Tourism; Agriculture and food; and Transportation. Ministry of Science carried out assessment procedure for each individual project application (in total 198 applications) by at least two experts from abroad. The success rate of accepted projects is 52.50%.

Minister of Science, prof. Sanja Vlahovic participated at the First PAR International Leadership Conference, in the organization of Business Academy Rijeka, Croatia, Iacocca Institute, USA and Lehigh University, USA. Minister of Science, prof. Sanja Vlahovic gave a presentation on the topic: Leadership – factor of success in XXI century.

Minister of Science, prof. Sanja Vlahovic, participated at the Ministerial Conference on Horizon 2020, the next EU Framework Programme for Research and Innovation, on 1 and 2 February 2012. The Conference was dedicated to political discussions between European research ministers and key global and European stakeholders within research and innovation.

Minister of Science, prof. Vlahovic, was one of the keynote speakers of the 13th Bled Forum on Europe – Beyond Smart, Inclusive and Sustainable, in Bled, Slovenia, from March 29 to March 30, 2012. She gave the presentation on: The role of science in WBCs. She stressed the need for building cooperation, networks that create synergies, and expressed the importance of cooperatively building future visions. Innovation, creation of new methods and models of future development, alongside with greater regional cohesion, and creating an understanding of diversity have been exposed during the conference as crucial elements for success.

Directorate for SME Development, through the Enterprise Europe Network has organized Info day for the promotion of CIP (Framework Program for Competitiveness and Innovation), call for financing eco-innovative projects. The aim of this Info day was to provide information to Montenegrin enterprises and educational institutions (universities) about available funds for eco-innovation, as well as the application procedure with practical advices (how to prepare a project, how to search for a partner, how to negotiate, etc.). The call is aimed at SME, but the priority is given to cooperation of science institutions and business sector. The maximum available amount is 1,5 mil €, where 50% is co-financed by EU. Prioritized sectors are: recycling, sustainable building products, food and drink, water and greening businesses.

The Delegation of the Ministry of Science participated at the Conference Excellence Revisited – The Value of Excellence, Danish EU Presidency, that brought together policymakers, stakeholders, researchers, senior university administrators and students to discuss excellence and exchange ideas, on 18-20 April 2012.

4 Development of international cooperation and actions on integration into ERA

At the Joint Committee Meeting between Montenegro and Bosnia and Herzegovina, held in Podgorica on 22 March 2012, 15 bilateral projects have been accepted for financing.

6 joint bilateral Montenegrin-Chinese projects have been positively evaluated (the Call closed on 30 April 2012) and 11 joint bilateral Montenegrin – Austrian projects have been positively evaluated (the Call closed on 06 April 2012).

The Call for financing joint projects with Republic of Macedonia is opened by 01 July 2012.

The aim of the Second meeting between the JRC and the Enlargement Countries in Istanbul 29 - 30 May 2012, was a presentation of specifically defined proposals for cooperation from the stakeholders in the Enlargement Countries. Montenegro had formulated 17 proposals on topics to be covered by the JRC scientific portfolio, mostly from the fields of environment and sustainability and health and consumer protection. During the meeting, the participants had an opportunity to exchange their experiences on dissemination of information on the enlargement and integration actions and on the awareness raising activities for the Enlargement Countries. According to the JRC statistics from May 2012, there have been 14 vacancy applications and 12% out of total number of workshop applications from Montenegro so far, which enabled Montenegro to be at the third place among participating countries within JRC activities.

Based on the grant arrangement agreement, which Crnogorska Komercijalna Bank –CKB signed with European Investment Fund- EIF, in January 2012. within the frame of CIP-EIP Program (Framework Program for Competitiveness and Innovation), Directorate for SME Development and CKB have agreed to realize the Project “CKB Business Challenge – because we believe in innovation”.

The Project is aimed at innovative micro potential and existing enterprises, while goal is to facilitate favourable financial and consultant support to best selected business ideas.

The maximum amount of a loan is 25.000 €, with up to 3 years of repayment time, and up to 4 months of grace period, interest rate is from 6%, depending whether the enterprise is start up or already existing one. No hard collateral or guarantors are required.

Directorate for SME Development has developed the Project „Voucher scheme for innovative SMEs“ with the aim to develop investment culture in innovation for the SME sector towards improving competitiveness, and enhancing innovative potential of SME, as well as stimulating capacity building and greater usage of consultancy services, with the final aim to contribute to mitigate regional disparities.

The financial support is offered for SME innovative activities costs. Voucher schemes for innovative SMEs are based on refunding principles (partial refund of expenses). The principle is that an SME finances 100% of the overall expenses, and only after completing innovative activities, the company applies for the financial support provided by the Project.

Directorate for SME Development started implementing Project „Your idea – your business“, aiming at stimulating innovation and creativity of the young population, entrepreneurs to be. In addition, the Project aims to support youth to exploit their own knowledge and experience to realize their business ideas, and start running their own business. The Project is realized in cooperation with the Investment Development Fund and the Employment Agency of Montenegro.

Selection of the business ideas represents significant step towards establishment of entrepreneurship society in Montenegro, and therefore the transparent selection mechanism has been established, with representative from public, private, SME and NGO sector.

In addition, strengthening human capital and innovation infrastructure capacities is a pre-requisite for effective participation in the European Commission's (EC's) framework programs and for integration into the European Research Area. With this as its backdrop, the Montenegro Higher Education, Research, and Innovation for Competitiveness (HERIC) Project has emerged as an important instrument for promoting large-scale improvements in Montenegro's higher education, research, and innovation sectors.

The Montenegro HERIC Project falls directly within Priority 1 of the Country Partnership Strategy (CPS) - Strengthen institutions and competitiveness in line with EU accession requirements. In this Project, which seeks to harness the potential of Montenegro's human capital through relevant investments in higher education, research, and innovation, as well as in the context of sustainable and expansive economic development, it is imperative that all three areas be recognized as interdependent and interrelated. The Montenegro HERIC project started 23-maj-2012.

5 Statistics - major changes / updates of relevant statistical data

We work closely with MONSTAT (Statistical office of Montenegro) on improving quality of statistics by creating comprehensive questionnaire forms and improving communication with SMEs. Also we are starting with FINNO project. The aim of the FINNO project is to contribute to better productivity and achieve more comparable level of innovativeness between countries in SEE region.

The project will create a communication platform of decision-makers supported by sustainable mechanism for fostering innovation in SEE area, the FINNO Committee, a legal body providing governance with constant and relevant policy recommendations.

The mechanism for fostering innovation in SEE region will be developed in the project by key innovation supporting actors. On the basis of the analysis of innovation performance and existing measures in SEE countries and region, a common methodology for measuring Technology Innovation Assessment Scoreboard (TIAS) will be developed. TIAS Scoreboard rate will be measured in companies as direct users of innovation supporting measures by the pilot application of the on-line Self-Assessment Toll (SAT). On the basis of identified TIAS rate and identification of existing economy and policy gaps, policy recommendations for the FINNO Committee will be prepared, while enhancing capacity of stakeholders.

6 Assessment of the developments and outlook on the next 6 month

We are planning to create business plan for the first Science Technology Park in Montenegro and to start work on first Center of Excellence. Also we are expecting more companies to participate in EUREKA projects.