

MONTENEGRO

COUNTRY STRATEGY PAPER 2017-2020

2018 UPDATES



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A. COUNTRY CONTEXT

Demography

Montenegro has a relatively young workforce with one in five persons aged between 15 and 24 years. The population (some 620,000 inhabitants) has remained stable, with negligible growth over the past decade.

Economy

The country has a service-oriented economy with this sector contributing to almost a quarter of the GDP (75% in 2015). GDP grew at a rate above 3% in 2015, mainly due a growing contribution of industry (by almost 6% in 2015 and over 4% subsequently). The employment patterns mirror these trends (see below).

Employment

Almost three quarters of Montenegro's workforce is employed in services (73% in 2015) and this proportion has remained stable. This could show some imbalance in job creation, with most of jobs created in this sector, as the contribution of services in GDP was already very high and rather steady. Some evidence shows most jobs in services (i.e. sectors as hotels/restaurants, wholesale and retail trades) have stagnant skill needs, where the variety of tasks will not change significantly over time. On the other hand, skill-intensive jobs provide opportunity to acquire skills continuously and are a feature of healthy labour markets.¹

The employment rate is relatively low (only 51% of those aged 15-64 in 2015) with sizeable gender gaps. One in five persons was unemployed in the past years (the rate was 18% in 2015), no sizeable gender gaps. The rate goes to 38% for youths (relatively higher for men compared to women). More than three in four job seekers were long-term unemployed in 2015.

Employment growth remains modest despite stronger investment activity. In of 2015, the employment rate marginally increased to 51.4% (up from 50.4% in 2014). In 2015, the unemployment rate declined also marginally to 17.8% (female 17.6%, male 18.0%) compared to 18.2% (female 18.4%, male 18%) in 2014. The share of long-term unemployed declined to 76.8% (female 76.9%, male 76.7%) down from 77.5% (female 77.3%, male 77.7%) in 2014².

Skills

Most 15-year-old students in Montenegro do not hold foundation skills (i.e. reading, mathematics and science). Two in five students are low skilled in reading and more than half in science and mathematics (below Level 2 on PISA scale), albeit limited progress (mainly in reading skills) over the latest OECD PISA assessments (see table below).

The Montenegrin workforce is relatively lower skilled, with only a quarter holding a tertiary education qualification. However, the country is catching-up rapidly with the EU2020 target (28% of adults 30-34 attaining tertiary levels of education in 2015, an increase of 2% yearly since 2010, see table below).³

¹ Cedefop (2015), Matching skills and jobs in Europe. Insights from European Skills and Jobs Survey'

² Statistical Office of Montenegro, LFS publications.

³ Educational attainment is frequently used as a proxy measure of the skills associated with a given level of education and available in the population, and to the labour force. Higher levels of educational attainment are associated with several positive individual and social outcomes (see also OECD *Education at a Glance*, 2015)

One potential consequence of these latest developments could explain some patterns in workforce utilisation in Montenegro. Due to a weak employment demand, more tertiary education graduates are most likely taking jobs below their formal qualifications, keeping the unemployment figures at this level comparatively lower with gaps of 10% compared to low-skilled workers (i.e. those graduating at most compulsory education). The gaps between the unemployment rates amongst lower and highly qualified workers are very high (20% in 2015), suggesting serious skills imbalances because of the economic and employment structures (see above).

VET

Two in three upper secondary students participated in vocational programmes in Montenegro (2015). This proportion has remained relatively stable, whereas VET enrolments at this level of education dropped.⁴ However, VET remains very attractive at the upper secondary level of education and represents the first educational choice in Montenegro.

The share of VET students in upper secondary stood at 67.2% (female 61.4%, male 72.6%) in 2015 similar to previous years. Youth face a lengthy transition from school to work, one in three are NEETs⁵, while youth unemployment surged to over 37% in 2015⁶. On average, a young person spends almost two years to find a first job and one quarter of unemployed are first job seekers. Yet there are skill shortages in construction and tourism.

These patterns are also reflected in a relatively lower early leaving rate (only 5% of those aged 18-24 in 2015, one of the lowest rates in Europe), and was rather stable in the past years. As in few other countries recording higher enrolments, VET proved to be a successful option to overcome the early school leaving. School to work transition for young people aged 15-24 not in employment education and training (*NEETs*), remained relatively higher (18% in 2013, EU average was 13%), slightly decreasing compared to 2010. This could suggest potential problems in the employability of VET graduates and the existence of skills imbalances (see above). On the adult participation in training, the figures remains very low (about 2.6% of those aged 25-64), and slightly decreasing in 2014.

Montenegro vis-à-vis the EU2020 targets in education and employment

Considerable progress has been made especially on the *EU2020* target on increasing tertiary attainment. The progress was limited in the field of in reading, maths and science. Adult participation rates have slightly dropped.

EU2020 targets in education and employment		MONTENEGRO		EU		EU2020 targets	
		2010	2014	2010	2015		
Headline targets	Early leavers from education and training (%aged 18-24)	6.6	5.1	13.9	11	< 10	
	Tertiary educational attainment (% aged 30-34)	18.7	28.3	33.8	38.7	≥ 40	
	Employment rate (% aged 20-64)	m	55.6	68.6	70.1	≥ 75	
Other targets	Participation in training (% aged 25-64)	3.2	2.6	9.1	10.7	≥ 15	
	Underachievement (% aged 15)	Reading	49.5	43.3	19.7	17.8	< 15
		Mathematics	58.4	56.6	22.3	22.1	< 15

⁴ Due to a revision in the coverage of educational programmes, data is not comparable with previous years.

⁵ ILO Transition Survey from School to Work 2015.

⁶ Statistical Office of Montenegro, LFS Publication.

	Science	53.6	50.7	17.8	16.6	< 15
	Employment rate of recent graduates (% aged 20-34)	47.9	48	77.4	76.9	≥ 82

Sources: Eurostat - online database; PISA results - OECD, Programme for International Students Assessment

Notes: PISA 2010 data refers to 2009 and 2014 data refers to 2012

Relations with EU

Montenegro achieved formal candidate status for membership of the European Union and opened negotiations for accession in June 2012. The bi-lateral policy dialogue between Montenegro and the European Union is in full swing. In 2014, Montenegro successfully closed the negotiation chapter on education. The negotiations on chapter 19 Employment are ongoing and are for approval of the Council of the European Union.

On 30 January 2016, Montenegro submitted to the European Commission its Economic Reform Programme 2016 - 2018 (Light European Semester). In its assessment 2016, the European Commission considers that Montenegro has partially addressed the recommendation number 5 issued in 2015, namely to actively continue education reform with a view to better aligning education and skills with labour market needs and strengthening cooperation between education and business.

In the 2016 ERP cycle, Montenegro put forward as priority reform measure 17 the development of qualifications based on learning outcomes in accordance with the needs of the labour market. ETF supported the European Commission assessment, and building on the Montenegro priority reform measure, proposed to focus implementation on VET qualifications in priority economic sectors, with systematic involvement of employers and sectoral committees.

On 25 May 2016, the Council of the European Union adopted the 'Draft Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey'. The conclusions highlight the strengthened economy of Montenegro with 2% GDP growth in 2015 compared to 1.8% in 2014 (supported mainly by export of service and constructions), but a lack of dynamism of the private sector and high long term unemployment and low labour market participation of youth and women. In order to address this challenge, Montenegro is invited to implement strategies to align education and skills policies with labour market needs in line with the priorities for VET and employment reforms of their Economic Reform Programme 2016-2018.

Since 2012, Montenegro has participated in the Copenhagen Process for Enhanced European Cooperation in vocational education and training, as well as in the implementation of the Bruges Communiqué and the Riga Conclusions.

Montenegro signed the Riga Declaration on 22 June 2015, which prioritises the five Medium Term Deliverables (MTDs) for VET reforms for the labour market until 2020. Montenegro is participating regularly in the DGVT meetings and has nominated participants for the Education and Training Working Groups 2020 and ACVT. At the end of April 2016, Montenegro was invited to participate in the EQAVET Network (European Quality Assurance Network).

The role of VET and skills remain high on the policy agenda to tackle structural challenges as documented in the Employment and Social Reform Programme (2015-2020). The recently started IPA projects in the area of employment, skills and employability (2012-2013) as well as the Sector Operational Programme for HR (2015-2017) support the implementation of the reform agenda.

B. VET AND SKILLS: OVERVIEW, PROGRESS AND MID-TERM PRIORITIES

Montenegro has been the first country among the Western Balkans countries to implement the foresight exercise (Frame)⁷, as part of preparation for IPA II to have a comprehensive HRD strategic vision 2020. The Skills vision 2020, developed with education and world of work, has informed the EC Country Strategy Paper 2014-2020 in the section Employment, Social Policies and Human Resource Development and VET Development Strategy (2015-2020), the Employment and Social Reform Programme (2015-2020) and National Employment Strategy (2016-2020). The Strategy for Lifelong Entrepreneurial Learning (2014-2019) and the Strategy for Adult Education (2015-2025) also reflect the Skills Vision 2020. Recently a strategy for lifelong career guidance was adopted. These strategies and programmes provide a sound basis to support comprehensive and holistic reforms implementation.

Focus up to 2020 is on the implementation of the various strategies and monitoring of its results. Key actors are the Ministry of Education and Sports, the VET Centre, the Ministry of Economy and the Directorate for SME, the Ministry of Labour and Social Affairs, and the social partners in all areas.

Interinstitutional regular dialogue on complementarity of initiatives remains a challenge and so does the involvement of the private sector.

The Ministry of Education and Sports moves ahead with the implementation of the Vocational Education and Training Strategy (2015-2020) and the Adult Learning Strategy (2015-2025) in cooperation with the VET Centre for high quality and efficient VET, relevant to labour market needs.

Priority is the implementation and monitoring of the Riga conclusions and the five Mid-Term Deliverables, with WBL as first policy option identified through the ETF-Riga-Ex-Ante-Assessment

In relation to **work-based learning**, the law on VET allows for the provision of internships in companies, however many VET schools have difficulties to find partners in the world of work. Monitoring and evaluation of the quality of internships have been identified as another important challenge, as well as training of in-company instructors.

With regard to **quality assurance** of the teaching and learning process, norms and processes have been developed to support internal and external evaluation of schools yet would need to be simplified and exemplified to make effective use of them in internal and external evaluation. School evaluation is not connected to workforce development and school improvement. However, a review of these processes is underway. Adequate mechanisms to engage social partners in VET quality assurance, like a regular needs analysis, remain a challenge.

Montenegro is ahead of many EU countries in referencing. The recently launched IPA Programme “Modernisation of educational programmes and teacher training” (HRD OP 2012-2013), lodged in the Ministry, has an important component on further development of NQF. This is in line with the

⁷ Ministry of Labour in Montenegro was in the lead of the FRAME project (IPA Project with Western Balkans and Turkey managed by the ETF)

Economic Reform Programme (ERP) that calls for Montenegro to develop **qualifications** in sectoral committees for increased relevance of qualifications for employability.

For teacher training, in quantitative terms Montenegro does relatively well with only 20% of **VET teachers** that had no training at all in last 12 months (compared to 10-15% in OECD)⁸. However, 50% of teachers say that the continuous professional development (CPD) offered is not relevant. More specialised capacity to provide VET CPD is required and the mentioned IPA project includes a component on this topic.

With regard to **adult learning**, awareness raising events for adult learning and on the strategy have been carried out as first steps in the process. Some private providers have been accredited to deliver training for adults in particular for the PES.

The Ministry of Economy and its Directorate for SMEs and the Ministry of Education closely work together on the implementation of the strategy for lifelong entrepreneurial learning (2014-2019), the recent Eurydice study “Entrepreneurship Education at School in Europe” and the 2015 Small Business Act (SBA)⁹ assessment show good progress with integrating entrepreneurship key competences into the education system, including VET. The policy commitment is supported by a strong partnership through the national Entrepreneurial Learning Council that is recently submitted for government approval. Further mainstreaming of key competences, evaluate and improve quality and create sustainable change in teacher training remain a challenge.

The Ministry of Labour and Social Affairs has developed a National Strategy for Employment 2016 – 2020, further building up on the priorities and actions identified in the Employment and Social Reform Programmes. The Employment Agency of Montenegro continues implementation of active labour market measures, still funding and outreaching to the most vulnerable ones (youth, socially excluded) remain a big challenges. The recently started IPA project ‘Active Labour Market Measures for Employability’ (2012-2013) lodged at the Ministry of Labour and Social Affairs seeks to address these gaps with a focus on improving cooperation of employment offices, municipalities and other actors at local level to deliver tailor made activation services to jobseekers and exposed social groups. Most active labour market measures implemented are subsidised employment schemes, while provision of (re)training and start-up incentives remained scarce (mainly due to underfunding). This is worrying since most unemployed are low educated or hold mismatched qualification profiles against the demand on the labour market. They also face very long-term unemployment spells and risks of skill deterioration.

Employment sector continued its work on skill needs identification with the annual employers’ survey run by the Employment Agency of Montenegro. This is one of the most important instrument to identify skill needs and guide training and employment service delivery. Results are shared and discussed among employment and education stakeholders. The above-mentioned IPA projects include both a component on skill supply and demand and could carry the developments further through i.e. a tracer study and a focused sectoral skill needs identification that would feed in development of occupational and qualification standards in specific fields.

⁸ ETF review on teacher training 2015.

⁹ SME Policy Index Western Balkans and Turkey 2016 (European Commission, SEECEL, ETF, OECD, EBRD).

C. EU AND OTHER DONORS SUPPORT IN VET AND SKILLS

There is significant EU support in the framework of the IPA instrument. The IPA I “Modernisation of educational programmes and teacher Training” (British Council, 747.000) is lodged at the Ministry of Education with a focus on revision of occupational standards and qualification standards and strengthened professional qualifications of VET teacher, including key competence development. One component of the project looks into career guidance. The IPA I “Active Labour Market Measures for Employability, Ministry of Labour and Social Policies” (BIT management 997.000) at the Ministry of Labour focusses on capacity development of staff of the Ministry and Employment Services on the analysis of existing active labour market measures and the design of new policies and measures.

Apart from the EU, there are other donors, including ILO, UNDP, World Bank and KulturKontakt.

In 2016, ILO has published a survey on “Labour market transitions of young women and men in Montenegro”. UNDP has published its “Human Resources Development Report”. The World Bank continues with its project (2012-2017) “Higher Education and Research for Innovation and Competitiveness (HERIC, USD 15.98 Mio)”. KulturKontakt is piloting with the Ministry of Education and the Chamber of Economy on a portal to facilitate placements in industry.

D. ETF MID-TERM INTERVENTION STRATEGY IN THE COUNTRY

The priority of the ETF's mid-term intervention strategy 2017-2020 at country and a regional level is to strengthen education and business cooperation for employability and competitiveness.

In its interlinked and complementary package of interventions up to 2020, the ETF will focus on involving the private sector, taking advantage of good pilots for mainstream reforms. The ETF will facilitate policy-learning processes, including design, implementation, monitoring and evaluation with local stakeholders and donors, identifying together challenges, next steps and suitable approaches.

The ETF, in its interventions, will complement donors active in the country and look for synergy and reflect the principles of the new EU Skills Agenda (namely, improved visibility of LM outcomes, expanded skills intelligence and career information and enhanced access to skills development opportunities, making VET a first choice).

The ETF intervention strategy is based on the assumption of continuity in

- the priority given to the country in terms of EU external assistance
- the level of political, economic and social stability
- the high level of commitment in the country among key stakeholders from the national and regional authorities and civil society to take forward the reform process in line with the national vision and strategy for human capital reform, in particular in the selected areas of intervention
- engagement and ownership of the country in the Torino Process, according to evidence based, participatory, holistic policy making

Particular assumptions, or conditions for the achievement of impact from ETF interventions, where relevant, are included under the specific objectives below:

Rationale:

Montenegro in its Economic Reform Programme and the Riga Declaration has committed itself in the bi-lateral dialogue with the Commission to address the topic of skills mismatches, and the need for quality education for the labour market. The draft findings of the ETF-Riga-Ex-Ante Impact Assessment, which looks into WBL and policy priorities confirm these priorities, with a focus on further development of data intelligence, in-company training for VET teachers, with clear responsibilities of education and business. Making available its expertise, the ETF will continue to play a role in providing inputs and monitoring the implementation of policies aiming at further development of a modern VET system in Montenegro with close and regular involvement of the private sector.

ETF Package 2020 for Montenegro:

The three complementary interventions below tailored to the needs identified jointly with the Montenegrin Government in the accession process are planned to be jointly implemented by education and business. As required, interventions can be updated/refocussed in cooperation with the Government and the European Commission.

New Skills for Employability

From 2017-2020 the ETF will continue to assist Montenegrin Authorities with the development of work-based learning (WBL) schemes and the provision of continuous professional development (CPD) of VET teachers and trainers in priority sectors. These are two areas, to which local actors have assigned high priority in the VET reform process. They are also among the areas, which the ETF, together with the candidate country in question, will monitor as part of the Riga Mid-term deliverables 2020, in the context of the EU Copenhagen Process for VET. The ETF will complement and reinforce the activities of the ongoing IPA VET project and cooperate closely with other donors, and inform future IPA interventions through its intervention.

Specific objective 1:

To contribute to the ongoing efforts by the Ministry of Education, social partners and VET providers to establish a practice-oriented VET system where learners develop relevant skills and an entrepreneurial mind-set for the labour market.

The assumption for the ETF's work until 2020 is that there is progress in the implementation of actions for the achievement of the Riga MTD

Expected results of the provision of ETF expertise by 2020 include:

- Guidelines, in particular with a view to make VET provision more practice-oriented and strengthen the professional development of VET teachers and trainers, including reference to the entrepreneurship and digital competence framework;
- The quality of students' internships improved through a better quality monitoring and evaluation at education and business levels;
- The role of the National Partnership for entrepreneurial learning strengthened regarding monitoring and evaluation and policy watch reinforced in the area of entrepreneurship key competences, WBL, teacher training and training for SME's.
- The role of chambers, business associations and local businesses strengthened to plan, promote and implement WBL, for example, through the training of staff to coordinate and deliver WBL;
- Examples of education and local business co-operation shared to inform mainstream reforms;
- Dissemination and embedding of good practice through demonstration projects through networks, including the in-company teacher training model, tested through an ETF demonstration project in 2016, ready for roll out by the government;

Skills Intelligence for Responsive Education, Training and Employment Policies

The ETF will continue to assist Montenegro authorities to consistently develop and use methods for skills needs identification and tracking labour market outcomes of the education and training system. The expertise support will also focus on the topic of transition from school to work and improve skills matching. These areas of interventions are prioritised in the Montenegro – EU policy dialogue (e.g. ERP recommendations) and IPA support to the country. They are also among the priority actions considered in the new EU Skills Agenda and EU priorities for youth employment and improved transition to work. The ETF will complement currently running IPA projects which include components of employers' needs identification and measuring outcomes of education, with a view to consolidate the overall approach to skills needs assessment and anticipation and further build up country capacity

(institutions and stakeholders). The intervention in the area of school to work transition will also inform future IPA interventions.

Specific objective 2 :

To contribute to the ongoing efforts by the national authorities and social partners to expand intelligence on skill needs and improve the outcomes of school to work transition support.

The assumptions for the ETF's work until 2020 are that there is progress in the implementation of ERP recommendations in the field of human capital development, and that the public and private stakeholders cooperate among themselves and with the ETF in an open and inclusive environment for a policy dialogue among stakeholders

Expected results of the provision of ETF expertise by 2020 include:

- National counterparts are enabled to regularly use complementary methods of skill assessment and anticipation within specific economic and social context of Montenegro (based on standard instruments for needs assessment and forecast and data management system on skill supply and demand);
- School to work transition support is enhanced through innovative models of cooperation (schools, training and employment service providers, and other relevant actors) and comprehensive monitoring and evaluation procedures, in line with EU practices.

Support to the EU external relation agenda

Specific objective 3

To support EU external assistance and the EU bilateral policy dialogue in Montenegro and to assist Commission services and local actors to maximise the benefits from participation in EU processes, in close cooperation between education and business. The assumption is that through the EU-MN high-level policy dialogue there is progress in education, employment and social inclusion -through sub-committee meeting and EC Progress Reporting.

Upon requests from the European Commission or the EU **Delegation** ETF will provide inputs to different processes regarding EU external assistance and bilateral policy dialogue. The expected results are:

External assistance

- The Ministry of Labour and Social Affairs is supported for the HRD OP 2015-2017 design and follow-up interventions
- Synergies and complementarities of the IPA projects in the Ministry of Education and Labour encouraged and ETF projects' results feed back into the initiatives for mainstream reforms.

Policy dialogue

- The assessment of the Montenegrin Economic Reform Programme (ERP), the EU-Montenegrin high-level policy dialogue on progress in education, employment and social inclusion through sub-committee meeting and EC Progress Reporting are supported

- Participation of Montenegrin actors in European platforms and dialogue processes, including DGVT/ACVT meetings¹⁰, ET2020 working groups, the European Alliance for Apprenticeships (EAfA), and the Western Balkan Platform on Education & Training (PET), the Employment and Social Affairs Platform (ESAP) and in ETF regional initiatives in the areas such as NQF, Quality Assurance.

The ETF will continue its support in the area of policy analysis and system wide progress monitoring through targeted assistance to candidate countries in the context of the RIGA reporting and monitoring, in particular to support the monitoring and analysis of progress towards the achievement of the Mid-term deliverables; and (ii) the institutionalisation of national networks for collecting and processing information related to the monitoring of the system and of the MTDs in particular. The monitoring support is integrated with the Torino Process periodic monitoring. The 2017-2020 period will cover the closure of the 2016 round and the implementation of the 5th round in 2019 in parallel with the RIGA monitoring calendar. The specific modalities for implementation in 2019 will be streamlined to ensure rationalisation of monitoring cycles and avoiding duplication of reporting exercises. In between the two rounds, ETF will continue the policy dialogue with countries on policy analysis and system-wide progress monitoring through periodic regional meetings of the formed networks and involvement in international dialogue.

2017-2020, the ETF will continue to support DG Internal Market, Industry, Entrepreneurship and SMEs (DG Grow) with analysis and reporting on the country's progress on the human capital pillars of the Small Business Act for Europe (SBA).

The next assessment takes place in 2017 and focuses on entrepreneurial learning, women's entrepreneurship and SME skills. The entrepreneurial learning dimension will be assessed in line with the new Entrepreneurship Competence Framework¹¹. Customised support to the country on human capital policy areas will depend on specific requests from the government.

The ETF's SBA assessment work will be accompanied by further identification of good practices in training whose objective is to support countries the implementing of the ETF's SBA policy recommendations.

More specifically, in 2017 a dedicated good practice call for the pre-accession region will focus on training for SMEs who are trading (or have the potential to trade) with the EU Single Market.

¹⁰ meetings of Directors General for Vocational Training and/or the Advisory Committee for Vocational Training with participants from EU members states and candidate countries

¹¹ Joint Research Centre, EntreComp: The Entrepreneurship Competence Framework, JRC Science for Policy Report, European Union, 2016.

E. 2017 ACTION PLAN

Entrepreneurial learning and SME skills

Linked to Strategic Objective 1, and with a particular view to support Montenegro in the implementation of the Riga MTD 4, the ETF will continue to strengthen the capacity of the National Partnership for Entrepreneurial Learning (EL).

Activities will focus on the following pillars:

1. Implementing the national partnership's Action Plan and Monitoring & Evaluation of the national strategy of Entrepreneurial Learning in relation to Small Business Act and Riga Conclusions
2. Watching national and EU policy, to provide advice to policy makers in Montenegro on issues related to Entrepreneurial Learning in the country and support the national partnership to build influence through active links between EL actions and relevant policy at EU and national level
3. Increasing visibility of the national partnership

VET provision and Quality Assurance

Linked to Strategic Objective 2, and with a particular view to support Montenegro in the implementation of the Riga MTDs 1 and 5, the ETF will continue to:

- Strengthen government and private sector capacities to monitor the quality of WBL (MTD1). In particular, the ETF will support the design and implementation of a national web-based information system on WBL. In addition, the ETF will support policy formulation and design for a reformed internship approach in VET.

Activities will focus on:

Provision of internal and external expertise as well as a series of workshops and high-level discussions. With regard to a national web-based information system on WBL, it is essential to reach a common understanding among stakeholders on the information that will be collected, data collection procedures, data analysis and reporting.

- Strengthen cooperation between government and private sector to provide professional development opportunities to vocational teachers (teacher placements) and encourage the embedding of this mode of professional development nationally (MTD5)

Activities will focus on:

- Extension of pilot teacher placement scheme through renewed Demonstration Project to include increased participation, stronger coordination and better recognition of outputs for teachers and students
- National event to review progress, disseminate innovative practice and sustain networks for CPD
- Pathfinding for virtual networking for CPD and sharing good practice and materials

Skills Intelligence for Responsive Education, Training and Employment Policies

Linked to Specific Objective 3, the ETF will strengthen public authorities and other stakeholders' capacity to monitor and analyse skills trends and track the labour market outcomes of graduates.

Activities will focus on:

Provision of internal and external expertise as well as organisation of a capacity-building event with a view to consolidate the overall approach to skills needs assessment, anticipation and matching. This will help country's stakeholders to reach a common understanding and work with compatible methodologies for skills demand and supply analyses. The ETF support (in close coordination with IPA and other donors' interventions) is expected to result in consolidated capacities of the ministries and agencies in charge of education and employment policies, statistics national office as well as of social partners and research side.

Support to EU External Assistance and bilateral policy dialogue

Linked to Specific Objective 4, the ETF will continue its support to assist EC services and local actors to maximise the benefits from participation in the EU process.

Activities will include ETF input to the ERP process, the regular progress report, the bi-lateral policy dialogue and in particular, sub-committee meetings as well as initiatives upon request from EC services.

The ETF will continue its support to the monitoring and implementation of the Riga Mid-term deliverables and contribution to the strengthening and consolidation of the monitoring system in the country.

Activities will include:

- Support to the reporting function for the RIGA reporting cycle and the establishment of a reporting mechanisms within the national own institutional framework. Actions will include the follow up to the ex-ante impact assessment carried out in 2016 for MTD1
- Support to the SBA assessment 2017
- Facilitation and encouragement of input of country stakeholders in regional dialogue, initiatives and platforms

F. 2018 UPDATES

1. Short update on key country developments in the field of VET and skills and on EU and donor cooperation

Montenegro submitted its **Economic Reform Programme 2017-2019** to the European Commission in January, 2017. Authorities have partially implemented targeted policy guidance set out in the conclusions of the Economic and Financial dialogue 2016 (12). The recommendations invite Montenegro to 'carry out a review of active labour market policies and to improve school-work transitions through work-based learning and promoting the appeal of vocational professions.'

It is expected that all negotiation chapters with the EU will be opened by end 2017. In addition, the country is finalising its preparations to operate following the Decentralised Implementation System for the implementation of IPA 2015-2017 and 2018-2020 programmes.

Montenegro has participated on a regular basis in the DGVT meetings and provided a Riga-2017 interim report on progress with VET and a final version of the Torino Process Report 2016.

With regard **to the implementation of the strategy for lifelong entrepreneurial learning (2015-2019)**, the Eurydice study 'Entrepreneurship Education at School in Europe' (13) and the 2015 Small Business Act (14) assessment show good progress with integrating entrepreneurship key competences into the education system, including vocational education.

Montenegro has been actively involved in regional initiatives like **Employment and Social Affairs Platform (ESAP)** and **PET** as well as the European Alliance for Apprenticeship, which all mutually reinforce country reforms.

Latest data show a decrease of interest of students in VET. Therefore the VET law has been revised first half 2017. Following wide public consultation, the revised law has entered into force in September 2017. Its main novelty is the **introduction of the dual system in VET** with first students that have immediately started with school year 2017-2018. In this context a Memorandum of Understanding between the Ministry of Education and the Chamber of Economy has been signed including financing of the students that enter the dual system, (first two years are paid through scholarships by the Ministry of Education and third year by the Chamber of Economy).

There remains the challenge of the ageing teaching population, which might be considered an opportunity to revamp teacher training in a modern teaching environment, responsive to the labour market through the framework of the recently adopted teacher training strategy (2017-2024).

The IPA intervention (2012-2013 – Modernisation of educational programmes and teacher training, implemented by the British Council) concluded in July 2017. The IPA project 'Active Labour Market Measures for Employability' (2012-2013) lodged at the Ministry of Labour and Social Welfare ended in 2017. The results of the IPA interventions are expected to serve as input for reform, informing ETF interventions in particular teacher training and skills forecasting.

Planning for IPA (2015-2017) is underway in the Ministry of Education and Ministry of Labour and Social Welfare. In parallel, the sector planning process (2018-2020) is expected to start in Q3 2017, for which the ETF will be invited for comment.

The Council of Europe is implementing the 'Fostering a Democratic School Culture' project, financed from the EU Horizontal Facility for Western Balkans and Turkey (duration 30 months through to December 2018). The Joint United Nation's Programme on Youth launched a study: 'Recommendations for Public Policy in the Field of Youth Entrepreneurship' in 2017, informing further ETF interventions.

¹² Joint Conclusions of the Economic and Financial Dialogue between the EU and the WB and Turkey. 23 May 2017.

¹³Eurydice Study: Entrepreneurship Education at School in Europe. 2015

¹⁴SME Policy Index Western Balkans and Turkey 2016 (European Commission, SEECEL, ETF, OECD, EBRD).

2. Assessment of the progress towards achievement of ETF mid-term objectives and results with horizon 2020

The overall priority of the ETF's mid-term intervention strategy to strengthen education and business cooperation is as follows:

- Objective 1. With regard to **entrepreneurial learning**, policy monitoring and evaluation, the ETF provided support to Montenegrin partners. Yet the sustainability of the National Partnership and its full ownership with the country, in particular the Ministry of Education and the Ministry of Economy, remains a challenge and will need to be addressed at political level;
- Objective 2. With regard to **work-based learning** (WBL), the ETF Riga-Ex-Ante Assessment on WBL is a good stimulus to further encourage and review WBL developments. In 2017, the focus is on improving the quality of students' internship through better quality monitoring and evaluation at education and business levels. With the support of the ETF, the Education Management Information System in the Ministry of Education is extended, with first data analysis expected in 2018.
- Objective 3. The **Teacher Placement Programme**, led by the Ministry of Education, the Chamber of Economy and the VET Centre, supported by the ETF, has been piloted since 2016, with 100 vocational teachers nationwide in 2017 and regular exchange through the IPA intervention (2012-2013). The recently adopted teacher training strategy (2017-2024) refers to practical experience of teachers in industry as important, allowing for the mainstreaming of the ETF initiative as part of regular continuing professional development (CPD) for VET teachers, conditional the training is accredited as regular part of CPD, dependant on the commitment of the Ministry of Education and VET Centre.

With regard to **expanding intelligence on skills needs**, the ETF has encouraged dialogue and exchange among actors involved in skills needs analysis, including the Ministry of Education, the Ministry of Labour and Social Welfare, the Employment Agency and the Chamber of Economy.

- Objective 4: The ETF has supported the **EU bilateral policy dialogue** on the Innovation, Human Resources, Information Society Social Policy, in relation to the Economic Reform Programme, with regular dialogue with the EU Delegation.

3. 2018 Action plan

Entrepreneurial learning and SME skills

Linked to Objective 1, and with a particular view to support Montenegro in the implementation of the Riga Mid term Deliverable (MTD) 4, the ETF continues to strengthen the capacity of the National Partnership for Entrepreneurial Learning, in particular monitoring and reporting on national policies relevant to the entrepreneurial and enterprise skills agenda (ERP, Riga, SBA, Chapter 19 and 20). The national partnership will continue its advocacy work for youth entrepreneurship following the Western Balkans Summit Trieste conclusions. However, a final decision on support to the partnership depends on the commitment of the Ministry of Education and Ministry of Economy.

The ETF will also support Montenegro with the implementation of the (in all South East Europe and Turkey countries). This comprises a revised SBA assessment questionnaire elaborated in 2017 with dedicated focus group meetings in all countries addressing three areas: lifelong entrepreneurial learning, women's entrepreneurship and SME skills. Conclusions and recommendations will be published in 2019. Intelligence from the assessment drive will be used for wider policy tracking arrangements (e.g. entrepreneurship key competence as part of the Riga monitoring) as well as inputs to the Economic Reform Programmes.

The ETF might liaise with Montenegrin authorities to determine interest to take a leading role at regional level on entrepreneurial learning.

VET provision and Quality Assurance

Linked to this specific strategic objective, and with a particular view to support Montenegro in the implementation of the Riga MTDs 1 and 5, the ETF will continue to strengthen government and private sector capacities to monitor the quality of WBL (MTD1) in particular through the analysis and recommendations in relation to data received through EMIS in 2017. The ETF could support the implementation of the recently started dual education system.

The ETF will continue to foster cooperation between government and private sector for professional development of vocational teachers. This includes the inclusion of Montenegro into the second edition of the ETF teacher survey as tool to monitor progress towards MTD 5 and inform the teacher strategy, support for on-line teacher networks to share practice and resources, and support teacher strategy development and implementation including teacher placements in industry.

Skills Intelligence for Responsive Education, Training and Employment Policies

Linked to this specific strategic objective, the ETF will continue to strengthen public authorities and other stakeholders' capacity to monitor and analyse skills trends and track the labour market outcomes of graduates. This will include participation of country stakeholders in a cross- country event on skills matching. The ETF will also provide advice, guidance to government and the EU Delegation on skills anticipation tools, VET relevance for labour market, employability/activation programmes and labour market monitoring upon request.

The ETF will contribute its expertise with regard to capacity for tripartite social partnership in VET, during the implementation of the EU-funded Employment and Social Affairs Platform (ESAP) in 2017-2019, addressing all SEET countries.

Support to EU External Assistance and bilateral policy dialogue

Upon **request from the European Commission or the EU Delegation** ETF will provide support to

- the IPA programming and project cycle
- the EU –MN bi-lateral policy dialogue:
 - o Inputs to European Commission assessment of the national Economic Reform Programme
 - o Inputs to relevant bilateral sub-committee meetings
 - o Input to European Commission Progress Reporting

The ETF will continue its support in the area of **evidence based policy analysis and system wide progress monitoring**. This will involve targeted assistance to candidate countries in the context of the **RIGA reporting and monitoring**, in particular supporting through expertise input the annual monitoring and reporting exercise, and ensuring communication with candidate countries on RIGA related policy dialogue at EU level. Furthermore, all countries will be invited in early 2018 to kick off preparations for the **5th round of the Torino Process**, with the scope of agreeing on terms of implementation by end of 2018. The preparation phase will involve countries primarily through online consultations and capacity building activities involving appointed national coordinators and key working group members. All countries will be invited to the kick-off meeting in Q4 of 2018 in Turin. Countries aiming at implementing the Torino Process at sub-national level too will be followed by specific activities in 2018 in view of preparing regions and cities for the round of analysis. A **new national data collection exercise** aimed at acquiring more in depth data and mapping in the area of VET and skills will be launched in 2018.

The ETF supports the participation **of Montenegro actors in European platforms and dialogue processes**, including DGVV/ACVT meetings (15), Education and Training 2020 working groups, and the European Alliance for Apprenticeships. Montenegro will also participate in ETF Forum for Quality

¹⁵ meetings of Directors General for Vocational Training and/or the Advisory Committee for Vocational Training with participants from EU members states and candidate countries

Assurance in VET and ETF virtual platforms for work-based learning, continuing professional development of teachers and trainers and digital skills and online learning.

In the field of **qualifications**, the ETF will cooperate with Cedefop in conducting an inventory and analysis of SEET progress in developing and implementing systems for validation of informal learning and will support SEET partner countries' participation in European Qualifications Framework Advisory Group, including advice on referencing processes and reporting.