

FAIRS

EFTTEX - European Fishing Tackle Trade Exhibition

Brussels, Belgium,
30.06 - 02.07. 2006

ART BODENSEE - Art fair,

Dornbirner, Austria,
28.07 - 30.07 2006

NATIONAL AGRICULTURAL SHOW - National Agricultural Show,

Herning, Denmark,
29.06 - 01.07 2006

CANNES WATER SYMPOSIUM - Water Resource Symposium

Cannes, France,
27.06 - 29.06 2006

FIERA DELLA CASA, Houseware Show,

Napoli, Italy, 16.06 -
02.07 2006

ITM - International Exhibition of Textile Machinery,

Istanbul, Turkey,
27.06 - 02.07 2006

Program for Stimulating entrepreneurship developing

In order to provide support for private sector, especially in solving problems faced by enterprisers, small and medium sized enterprises in the area of availability of favorable financial means Government of Montenegro has prepared "Program for Stimulating entrepreneurship developing. Program includes joining financial support, through banking sector in cooperation with Employment Agency, Directorate for development of small and medium-sized enterprises and Development Fund. These institutions have prepared joint offer of support to small and medium sized enterprises, enterprisers and personal entities, but each of them will realize their own projects.

In purpose of presenting this credit line, representatives of Directorate for small and medium sized enterprises, Employment Agency and Development Fund have done series of visits in following Montenegro municipalities: Berane, Nikšić, Bar, Virpazar, Pljevlja, Plužine, Šavnik, Kolašin, Bijelo Polje, Žabljak, Rožaje...

The basic purpose of this Program is providing small and medium sized enterprises with credit means, with terms better than commercial, in order to run their business on stable basis, animate growth and development of enterprises, employ new employees and thus contribute to general economic development of Montenegro Industry.

Credit support in roughly 20 mil € is provided by realizing "Program for stimulating enterprising". 11,2 mil € will be provided trough Employment Agency, Directorate for development of small and medium sized enterprises and Development Fund, whilst, with additional support of banking sector this amount will grow to 20 mil.

Directorate for small and medium sized enterprises will support development programs for micro, small and medium sized enterprises that have been in business between one and three years, in order to provide their growth and development. Also, project "Creating cooperativeness" that represents crediting all legal entities with status of micro, small and medium sized enterprise, in order to create commodity producers in primary husbandry production with enterprises from agro industry. Directorate will

provide expert help, which will be, above all, concerned with upgrading business functions.

Terms of credit:

- Credit amount between 20,000 and 100,000
- Duration of repayment period rates 6 years
- Annual interest rate between 3-5%
- Grace period 18 months.

Program is intended for crediting projects regarding:

1. Husbandry;
2. Creating cooperativeness (Commodity producers in primary production);
3. Production;
4. Tourism;
5. Services, except trade;
6. Financing potential export enterprises;

Directorate for development of small and medium-sized enterprises within its activities regarding increasing availability of credit means in period from January 2002. until April 2006. have placed — in total 9,854,000 from which 5,354,000 came directly from Directorate and rest 4,500,000 came from banks. These credit lines have helped create nearly 1000 new jobs (985) through growth and development of over 60 enterprises. Besides, additional financial support has been provided for export oriented enterprises with nearly 400,000.

Criteria for choosing best developing projects:

- Economic and financial indices of project;
- Developing character of project;
- Usage of local resources;
- Number of new employees;
- Credit solvency;

The right to enter open competition have all legal entities with status of micro, small and medium sized enterprise which

- Are in business between one and three years;
- Are located on the Montenegro territory;
- Are punctual in taxes payments;
- Have completely closed financial construction of project made by proposed methodology;
- Have not had losses in last financial year.

Bank makes the final decision about credit delivery.



Cooperation Memo Support for small and medium-sized enterprises



REPUBLIC OF MONTENEGRO
GOVERNMENT OF MONTENEGRO
 Directorate for development of small and medium sized enterprises



Agency for international cooperation of Regions in Italy



Ministry for SME Trade and craft of Region Lazio

ally will be based primarily in exchange of information about small and medium sized enterprises of Montenegro and Italy in sectors, functions, employment and other criteria. Also, it is expected for some activities to be undertaken on forming information center in Italy and Montenegro, which would

Cooperation between Montenegro and regions of Italy has become formal by presenting and signing Cooperation Memo for support which presumes support for small and medium sized enterprises in Montenegro.

Memo has been signed on May 8th 2006. by Mr. Zoran Vukcevic, director of the Directorate for development of small and medium sized enterprises and Mr. Mario Gay, program director of Agency for International support of Regions of Italy.

Memo for cooperation between these two institutions proposes activities with purpose of creating funds for financing mutual projects of MSP sector of Montenegro and Italy, opening representation offices of Regions of Italy in Montenegro, programs of training



Signing was witnessed by President of Podgorica Municipality, Mr. Miomir Mugosa. Many project will be realized exactly in Podgorica, and Municipality of Podgorica will provide all necessary support in order to enable successful implementation of project mentioned in this agreement.

Lazio Region has about 5.5 million population situated on 17.008km². Capital city of Lazio is Rome. Region consists of 5 province: province of Rome, Frosinone, Latin, Viterbo and Rieti.

In Lazio there are 365.000 companies, most of them are in commerce sector, hotels and restaurants (over 135.000); transports, finance, communication and immobility (over 55.000); agriculture (over 54.000); industry and energetic sector. Along Lombardia (adm. center Milano) Emilia-Romagna (adm. center Bologna) and Veneto (adm. center Venezia) Lazio is one of 4 most developed regions of Italy (with contributions of 10.1% Italian national GDP), GDP per capita is over 20.000e.

About 80% economy it's tertiary department (financial services, tourism, hotel management etc.)

and exchange, visits to fairs, organizing business meetings of MSP sectors of Montenegro and Italy.

First region which will start the implementation of Memo will be Region of Lazio, and for that very purpose Mr. Pio Scacciotti, head of political secretariat of Ministry for MSP, trading and craftsmanship of Lazio Region and Mr. Zoran Vukcevic have also signed Agreement of Implementation of Memo.

Foundation of future cooperation between Directorate for small and medium sized enterprises of Montenegro and Regions of It-

gather information about cooperation, execute promotions and also scout for business associates. Importance of signing this Memo is in transferring Italian experiences and practice in organizing, managing in area of development industrial regions, technology parks, incubators, establishments for support to small and medium sized business in local level, opening representatives of Italian Regions both individually and consortiums of Regions, so it would accelerate communication between Montenegro and Italy, organization and support in organizing business meetings between small and medium sized enterprises of Montenegro and Italy in, as it is arranged in mutual agreement, most important sectors, Twinning - exchange of experiences in support for small and medium sized enterprises at institutional level (University, State and local institutions, Business associations, etc), visits and presentations on fairs of small and medium sized enterprises both in Italy and Montenegro.



Directorate for Development of SMEs in cooperation with USAID/MCP organized joint launch of 12 Montenegrin enterprises on 73. International Trade Fair in Novi Sad, which was held on May 13th-20th 2006. Montenegrin enterprises that reached great success on this fair are following: Martex - Cetinje, MI Goranović- Nikšić,

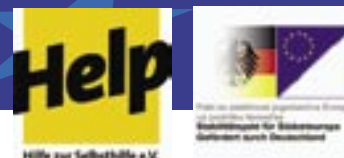
Success of Montenegrin enterprises on International Trade fair in Novi Sad

Mesopromet - Bijelo Polje, Gradina Company-Rožaje, Mljekara Nika- Nikšić, Ital Product-Podgorica, Olioprom -Braća Martinović- Bar, Pirella - Danilovgrad, Crnagoracoop - Danilovgrad, L'ars-Podgorica, Ekoplant-Podgorica and Sira Čevo. In total montenegrin enterprises get 30 gold, 26 silver and 7 bronze medals, what shows the best of their products quality.

Within Serbian newscast, montenegrin enterprises presented themselves on six TV stations, where they presented their products and they work and it was good opportunity for further possible cooperation with enterprises from other countries.



Poverty Reduction through Support to Start-Up Businesses and Socio-Economic Integration of Refugees and IDPs in Montenegro



Based on Memorandum of understanding about implementation of activities on Poverty Reduction through Support to Start-Up Businesses and Socio-Economic Integration of Refugees and IDPs in Montenegro, which Directorate for development of small and medium-sized enterprises signed with HELP organization, and in accordance with positive experience, the project has been continued.



In addition, aiming at supporting the idea of self-employment, Directorate participates also through its network of regional and local business centers.

Projects with clear sustainable idea are supported, either for start-ups or for developing own economic activity.

The grants delivered are only in equipment form or material, in value that does not exceed 1.200 €. The beneficiary is obliged to

repay only 15% of total value of grant, in cash immediately after the equipment/material is delivered; to register its own business, to do 10 hours of social work for local community, and to attend education courses, if necessary.

Directorate will appraise the sustainability of projects, after which the teams consisted of HELP and business center staff will visit the applicants, and directly appraise social and economic sustainability. Also, after the selection is made, the business center staff will be at beneficiaries disposal for direct assistance in registration procedure phase.

Analysis of activities in 2005 are made: 776 applications were received, out of which 317 are visited, and **152 grants were delivered**. The most in Berane -30, Podgorica -27, Rožaje -17, Cetinje -16, Bijelo Polje -15, Nikšić 12, Danilovgrad -10, Herceg-Novi -7, Kolašin -7, Plav -5, Mojkovac -3, Andrijevica -3. extremely small number of applications were in Nikšić, thus, special attention will be paid at this municipality in forthcoming period.

Population selection:

Local population - 46%
Refugees - 10%
IDP (Kosovo) - 44%

The proportion of men and women is interesting - 70:30%. Small share of women beneficiaries, therefore, the advantage should be given to women in future period.

Activity selection:

Agriculture - 47%
Services - 31%
Craft - 22%

In 2005, out of 76 local population beneficiaries, 29 registered their business, while 6 are in on-going procedure. Refugees and IDPs cannot register their business, since they do not have defined status in Montenegro.

Seminars for HELP beneficiaries are realized by business center staff. In the period from 15.02.2005. to 02.02.2006, 7 presentations are made (Berane, Herceg-Novi, Nikšić, Cetinje, Podgorica, Rožaje, and Bijelo Polje).

The topics discussed were:

- Overview of economic situation in Montenegro
- Registration procedure
- Business and marketing plans making
- Financing and accounting issues

The project is planned to last till the end of 2006.

Japanese market – trends and approaches

Aiming at enhancement of economic relation of Montenegro with Japan, with the special attention to our export and presence at this market, it is important to get introduced to general conditions and ways of running business in Japan in March 9th 2006, Directorate for Development of Small and Medium-sized Enterprises, organized a presentation on

Japanese market - trends and approaches

The representative from Japanese Agency for Technical Assistance, Mr. Gaku Funabashi



was point out the following topics:

- Market trend
- Dried fruit and fruit juices
- Wine and honey
- Clothes and footwear
- Wooden furniture
- Wooden door and windows
- Dispenser products
- Fertilizers
- Market approach
- Japanese Government support

This presentation was attended by entrepreneurs from wood processing industry, food industry and management staff in business support organization.

Final Conference of LODE project

Final Conference of LODE project (creation of territorial development, especially in Adriatic region countries) which is realized under the INTERREG III program, is held on March 22nd 2006 in Europortello del Veneto - Unione Camere del Veneto, Venezia-Mestre, Italy.

All project partners took a part on this final conference and they presented their results within the project.

Local Development Office in Podgorica is procured over 40 requests for cooperation from Italian and Montenegrin side. Although the project is official finished, we will continue to collect all requests from enterprises.

III NATIONAL FORUM Entrepreneurial clubs in elementary schools

OECD Conference of professional education for 21st century in 1994 was warned that countries who want to step in new milenium have to provide profesional system of education and trainings, which will be enable to develop new values and comepentecies, such as creativity, team work, flexibility, positive way of thinking.

Using a recommendation and positive experiance of other countries, Directorate for Development of SMEs is realizing a project «Enterperneurial clubs in elementary schools» which is intended for 7th and 8th-grade students and is primarily concerned with their participation in voluntary activities in entrepreneurial staff training.

Our mission is to prepare young people for dynamics in business and success in entrepreneurship. We will strive to offer opportunities and prospects to all young people to learn – through personal experience – how business functions and to learn and comprehend its role in providing



employment and career advancement. Third year of realization of the project “Entrepreneurial Clubs in Elementary Schools” has started in November 2005, when the program was expanded to 5 more elementary schools, totaling **16 elementary**



schools in Montenegro.

- “Vladislav Ribnikar” Bijelo Polje
- “Jugoslavija” Bar
- “Sutjeska“, “Štampar Makarije“ and “Milorad Musa Burzan” Podgorica
- ”Mileva Lajović Latavić and “Braća Labudović” Nikšić
- “Savo Ilić” Kotor
- “Milan Vuković” Herceg Novi
- “Vuk Karadžić” Berane
- “Njegoš” Cetinje
- ”Salko Aljković” Pljevlja
- “Vuko Jovović” Danilovgrad
- “Boško Strugar” Ulcinj
- “Dušan Obradović” Žabljak
- “Mustafa Pećanin” Rožaje

This project is carrying out with support from Ministry of Education and Science, Small Business Development Centre (Slovenia) and a Slovenian enterprise “SUN”. Moreover, succesful realization of this project is contrbuted by directors of all 16 elementary schools, mentors who worked with pupils and regional coordinators.



According to realization of the Project, first time we organized a competition for the best club in the project. Six enterperneurial clubs who had best business plans presented their business ideas on the III National forum which was held in Podgorica on May 12th 2006.

Elementary schools who was elected for the final were:

- “Vladislav Ribnikar” Bijelo Polje
- ”Mileva Lajović Latavić Nikšić
- “Savo Ilić” Kotor
- “Vuk Karadžić” Berane
- “Njegoš” Cetinje
- “Vuko Jovović” Danilovgrad

On the III National Forum commision scored:

- originality of buisness idea
- content of business planc
- estetic configuration of business plan
- contenet of presentation
- dynamism of presentation

Clubs have performed, in a very creative way, 5-minute presentations of their business strategies and the projects they developed during their participation in entrepreneurial clubs. They have demonstrated that they grasped the most significant entrepreneurial lessons.

- ⇒ I place on III National Forum was reached by elementary school «Vladislav Ribnikar « from Bijelo Polje
- ⇒ II place was taken by ”Mileva Lajović Latavić” from Nikšić
- ⇒ III place was taken by “Vuko Jovović” from Danilovgrad
- ⇒ IV place was taken by 3 schools : “Savo Ilić” from Kotor, “Vuk Karadžić” from Berane and “Njegoš” from Cetinje.

Contacts

EICC Montenegro - YU322
Bulevar Revolucije 2
81000 Podgorica, Montenegro
Phone: +381 81 406 318
Fax: +381 81 406 323
Internet: www.euroinfo.cg.yu
Email: euroinfo@euroinfo.cg.yu

Editorial team:
EICC Staff

Photos & design:
EICC Montenegro

Layout & production:
Studio Mouse, Podgorica

The European Agency for Reconstruction (EAR) is responsible for the management of the main EU assistance programmes in Serbia & Montenegro (the Republic of Serbia, Kosovo, and Republic of Montenegro) and FYR of Macedonia. It was established in February 2000 and has its headquarters in Tesseloniki (Greece), and operational centers in Belgrade, Podgorica, Pristina and Skoplje. For further information and contact details: www.ear.eu.int
Contact details in Podgorica: Urb. Parcel 137, Gorica C, Podgorica 81000, Montenegro
Tel. +381 81 406 600 - Fax +381 81 231 742