

COMMUNICATION ON ENGAGEMENT (COE) OF
INSTITUTE FOR ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT MONTENEGRO

To our stakeholders:

I am pleased to confirm that Institute for Entrepreneurship and Economic Development (IPER) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents. In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Dragana Radevic, Director

Covering the period from January 2014-October 2016

ABOUT US

Institute for Entrepreneurship and Economic Development is an economic think tank established with the aim to provide support in development of entrepreneurship and private sector in Montenegro. It was founded in 1993 at the Faculty of Economics of University of Montenegro under the name Centre for Entrepreneurship and Economic Development (CEED). Since 1998, it has been operating as independent organization. Center for Entrepreneurship and Economic Development was renamed into Institute for Entrepreneurship and Economic Development (IPER) in October 2013.

Within its activities, IPER is carrying out researches at the most important social and economic topics, preparing recommendations from policy development, conducting activities in order to educate entrepreneurs and thus contributing to the improvement of the life quality of Montenegrin citizens.

VISION

Our vision of the Montenegrin society relies on the ideas of the individual freedom and responsibility, free market and limitations of the state. We believe that the developed free market is the best solution for poverty combating.

The best policy for poverty prevention includes the following: creating a favorable business climate, an effective education system, accessible and transparent public administration and well-targeted social and child protection.

MISSION

The mission of IPER is – through programs, projects and advocacy activities – to promote and implement the ideas of free market, entrepreneurship, private property in an open, responsible and democratic society with the rule of law in Montenegro. In achieving its mission, IPER has the cooperation with the business community, international organizations, the media and other social groups, while preserving its independence as an important prerequisite for achieving the positive results.

RESEARCH AREAS

Research areas covered by the Institute for Entrepreneurship and Economic Development (IPER) are as follows:

- Business Environment
- Economic reforms
- Regional Development
- Social policy
- Energy sector

IMPLEMENTED ACTIVITIES

Activities implemented through the implementation of the ten Principles of the UN Global Compact:

Human Right

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human rights abuses.

IPER supports all international conventions relating to human rights. It strives to eliminate discrimination and promote the principles of equality and fairness. In the daily work, we obey the basic principles of human rights:

- Right to freedom and protection of personal identity,
- Right to education,
- Right to employment, paid holidays, protection against unemployment
- Social security,
- Right to full participation in cultural life,
- Freedom from torture and discrimination of any kind,
- Freedom of thought, belief and religion,
- Freedom of expression and opinion.

GLOBAL ADRIA International Half Marathon and 10K race in Montenegro

Members of our team have been actively participated and contributed to first International Global Adria Half Marathon & 10K race, which was held on 6 September 2015 in Kotor. The aim of this project is to gather all sports fans from Montenegro and the region and thus, contribute to the development of sports tourism and prolongation of the tourist season in Montenegro. The event has had a philanthropic character, given that the resources of the entry fee was donated the Secondary Economic-catering school in Bar.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

In accordance with these principles, IPER aims to work together with their employees in creation of a workspace that will further motivate us to provide the best conditions for work and development.

IPER respects employees' rights to dignified and decent work, without discrimination and with equal opportunities for professional development. In particular, it insists on the strengthening of mutual support, tolerance and equality.

Professional training

As a think tank which recognizes the importance of helping young people in their further education, IPER is striving to provide the knowledge and experience to young educated people. The program of volunteer and professional practice is seen as its contribution to solving the problem of youth unemployment in Montenegro.

During the last three years, in cooperation with the Employment Agency of Montenegro, IPER has actively participated in the 'Program of professional training of persons with acquired higher education'. Upon its completion, three out of five young trained persons found employment in our team on definite period of time, while one person has been employed on indefinite period of time. The aim of this program is to facilitate the transition of young people from the education field to the world of business by providing opportunities to acquire additional knowledge, skills and competencies that will respond to the labor market. The program contributes to reducing youth unemployment, as well as to provide guidance to higher education institutions in the creation of enrollment policy.

Cooperation with students

In cooperation with the University of Donja Gorica from Podgorica, IPER has enabled students to gain experience and additional skills that is the best recommendation for permanent employment after graduation.

Enhancing the competitiveness of small and medium enterprises in Montenegro through cluster development

The project is funded by the European Union (EU), co-funded and implemented by the United Nations Industrial Development Organization (UNIDO) in partnership with the United Nations Development Programme (UNDP), for the Ministry of Economy of Montenegro. The implementation period was from May 2014 to March 2016. It included three projects successfully implemented.

The objectives were aimed at fostering collaboration and strengthening linkages among these small-holders and with other supply chain actors (including agents and buyers), as well as between them and their respective support institutions.

In addition, the activities included the following:

1. Revising key data in the diagnostic study of the freshwater fish breeding cluster.
2. Developing a pre-diagnostic study on the metal processing cluster in Nikšić.
3. Participation in additional cluster visits by international and UNIDO experts to the following clusters as needed: goat cheese/dairy producers in the North, honey producers in the North, wood processing cluster in and around Bijelo Polje and the metal processing cluster in and around Nikšić

Social entrepreneurship

Even though the Law on Social Enterprises has not been adopted, IPER, in cooperation with five partners from Serbia, Macedonia, Bosnia and Hercegovina, Croatia and Turkey has started with the implementation of the regional project 'Sustaining civil society impact through social entrepreneurship and innovations in Bosnia and Hercegovina, Serbia, Montenegro, Macedonia and Turkey'. The project will last for three years, until 2019,

and its aim is to help in creation of

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

environment for social entrepreneurship of civil society organizations (CSOs) and to improve their sustainability, financial viability and social impact.

Business Café

IPER bought the licence from company Zaokret llc for organization of Business Café event and has become national host. It is one of the most popular networking events for entrepreneurs and those who want to be, being inspired by stories of successful entrepreneurs. It started in June 2015 and has been organized every second month. For more details, please take a look at: <http://businesscafe.info/>

Environment

Project 'Engaging Civil Society in the Integrated Coastal Zone Management Planning'

The project was implemented from January 2013 to December 2014, for Partnership Fund for Endangered Ecosystems (CEPF).

During the period of 18 months, through the involvement of the public and civil society in

the municipality of Ulcinj, the project aimed to contribute to the development of integrated management plans for coastal areas, encouraging its development through the dissemination of information about the value and vulnerability of coastal areas and promotion of the sustainable development.

Within the project, the following activities were carried out:

- Situation and SWOT analysis of Ulcinj municipality,
- Analysis of sensitive areas and the factors that threaten them (Mapping the key points and factors for environmental protection of the coastal areas in the municipality of Ulcinj.)
- Research on vision and identification of priority areas for the development of coastal areas in the municipality of Ulcinj.

Qualitative research on vision and identification of priority areas for the development of coastal areas in the municipality of Ulcinj was conducted on a sample of 300 adult citizens in the municipality of Ulcinj. The detailed analysis of the data provided insight on the development vision of the municipality and identified priority areas. IPER team was also responsible for the timely involvement of stakeholders in order to adequately express the view of the citizens of Ulcinj on planned actions in terms of integrated coastal zone management.

Action for paper recycling

Recycling is a key component of modern waste management system and it is the third Component 'Reduce, Re-use, Recycle' of waste management hierarchy. Since 2014, IPER has regularly participated in the collection and recycling of office paper in cooperation with a recycling center from

Podgorica. Until now, the collection and sending of paper for recycling is carried out

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

once a month.

Anti-Corruption

In every day work, the business sector should work against corruption at every level, including extortion and bribery. IPER operates according to the rules laid down by law, and the cash flow is transparent because it is made exclusively through bank accounts, which contributes to the prevention of money laundering and abuse of the financial system in criminal purposes or terrorist financing.

In line with this, IPER is raising awareness primarily of its staff as well as of clients on the topic and through mutual cooperation we could jointly fight against corruption and all forms of illegal behavior in society.

Other activities in consistent with our status, mission and research areas:

It is worth to mention that IPER possesses deep experience in publishing sector.

Firstly, it is *Montenegro Business Outlook*, a quarterly publication of pertinent economic indicators presenting a comprehensive view of Montenegro's business environment. This publication is intended to serve international business people seeking investment opportunity in Montenegro.

Secondly, upon successful completion of every project, IPER publishes research paper, policy brief, policy paper or position paper,

depending on the context and the topic concerned.

We are going to list a several papers published so far:

- *Policy analysis*
 - Youth unemployment in the northern region of Montenegro
 - Traditional Agricultural production in Montenegro

- *Policy papers*
 - Youth and Entrepreneurship in Montenegro
 - An authentic agro-tourism model for Montenegro (building upon the traditional agriculture and food production)

- *Policy brief*
 - Water or oil?
 - The Energy Union takes shape
 - What role for Montenegro in the European Energy Union?
 - Clusters as a development instrument for small and medium-sized enterprises in Montenegro
 - New rules for European carbon and energy markets.