

# Enabling Social Innovation in Montenegro

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Montenegro's social innovation ecosystem.

✓ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation

On 25 December 2025, Montenegro adopted the Strategy for the Development of the Social and Solidarity Economy 2025–2029 with the Action Plan 2026–2027, which also recognized and defined social innovation. The Strategy stipulates that social innovations are new technologies, products, services, organizational models, and ways of working that address social needs, aiming to find solutions to social problems by identifying and providing new services that improve the quality of life of individuals and communities, facilitating processes of labor market integration, new skills, new jobs, new forms of participation, and all other means that contribute to improving the social position of individuals.

Social innovation encompasses new strategies, concepts, ideas, and organizations that meet various social needs and empower civil society – from working conditions and education to local community development and healthcare. The field of Social and Solidarity Economy (SSE) is characterized by incorporating and promoting the concept of social innovation in its practices.

Additionally, Montenegro is, for the first time, preparing a Law on Social Economy, which is planned to be adopted in 2026. <sup>2</sup>

### Government Body for Social Innovation

Currently, Montenegro does not have a dedicated body responsible for social innovation, but this area is addressed by the Ministry of Labour, Employment and Social Dialogue, as well as the Ministry of Education, Science and Innovation. The Law on Social Economy is currently being prepared, which will recognize the Council for Social Economy as a dedicated body. <sup>3</sup>

### Government Strategy for Social Innovation

As previously noted, at the end of 2025, Montenegro adopted the Strategy for the Development of the Social Economy, which also addresses social innovation. However, there is currently no standalone Social Innovation Strategy in Montenegro. <sup>4</sup>

### Policies, Laws & Regulations

Montenegro currently does not have a Law on the Social Economy that would systematically regulate the field of social enterprises. However, active work is underway on the preparation of this Law, and its adoption is expected in 2026. The planned Law on the Social Economy will encompass various forms of legal entities that generate social impact and contribute to addressing community challenges, including non-governmental organizations, cooperatives, and other relevant organizational forms.

Additionally, Montenegro's Public Procurement Law includes provisions that allow for the incorporation of social criteria in public procurement procedures, as well as the use of reserved contracts for entities that employ persons from vulnerable and socially disadvantaged groups. <sup>5</sup>

### Official Statistics



Currently, there is no systematic data collection on social innovation or social enterprises in Montenegro, nor is there an official registry of entities operating in this field. Recognizing the importance of reliable data for the development of the sector, the forthcoming Law on the Social Economy will provide for the establishment of a registry of social economy entities as a specific legal provision. The development and implementation of this registry are planned for 2026, creating a foundation for monitoring, analysis, and the further development of the social economy in Montenegro <sup>5</sup>.

### Government Programs



There are no dedicated government programs for social innovation. Indirect support comes through annual NGO project grants and EU-backed schemes like EaSI microfinance. The Innovation Fund and Tehnopolis incubator also provide startup support, occasionally accessed by social ventures <sup>5</sup>.

## ECOSYSTEM

### Stakeholders



Core actors include ADP-Zid (promoting solidarity economy and acting as EaSI contact), Center for Youth Education (host of Social Impact Award), and Tehnopolis (innovation incubator). There is no national social enterprise network. NGOs and international donors remain the primary drivers of activity <sup>8</sup>.

### Support Initiatives



Support is concentrated in youth-focused and donor-funded programs:

- Social Impact Award (SIA) trains and funds youth-led social ventures.
- Community Impact Accelerator (ADP-Zid) mentors early-stage initiatives.
- EU programs (e.g. RISE) offer regional exchanges and startup support.

Capacity-building is mostly non-formal and limited to urban hubs <sup>6 7 8</sup>.

### Collaboration



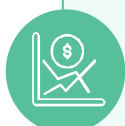
Some multi-stakeholder initiatives exist, including:

- Youth Job Link (CCE, ministries, private sector) promoting social enterprise among youth.
- National conferences on social entrepreneurship hosted by NGOs.
- Regional partnerships through EU social economy networks.

The Social Impact Award remains the only national-level recognition for social innovation <sup>5</sup>.

## FINANCE

### Financing Schemes



Montenegro lacks dedicated social innovation finance mechanisms. Available options include:

- Annual government NGO grants (project-based, small-scale).
- EaSI-backed microloans (€5m) via CKB Bank for underserved entrepreneurs.
- Occasional international donor funding (UNDP, EU, embassies).

No impact investors, venture philanthropy, or blended finance schemes operate domestically <sup>11</sup>.

### Inclusiveness of Financing



Some schemes target vulnerable groups:

- EaSI microloans focused on youth, women, and rural entrepreneurs.
- NGO grants are often earmarked for inclusion-focused services.

Yet, financing gaps persist for early-stage, community-based innovators outside Podgorica. No national subsidy or scaling support exists for social enterprises <sup>12</sup>.

# SOCIETY



## Public Awareness of Social Innovation

Awareness of social innovation is limited. Terminology is unfamiliar to the general public, but visibility is improving via youth programs (e.g. SIA), media features, and NGO outreach. Misunderstandings persist between charity, NGOs, and social enterprise models <sup>5</sup>.



## Research

Academic research is sparse. No universities host dedicated social innovation centers. Notable practitioner research includes a 2024 mapping of the sector by CCE, offering legal and policy recommendations. NGOs and regional projects are the main knowledge producers <sup>5</sup>.



## Education

No formal education programs exist. Social innovation is introduced via:

- Non-formal workshops (e.g. SIA, ADP-Zid).
- Occasional university guest lectures.
- Erasmus+ and ESC exchanges.
- The number of youth exposed to these programs remains small. Brain drain among skilled youth continues to impact sector growth <sup>15</sup>.



## Entrepreneurship

50<sup>th</sup> / 82 countries

### EBusiness Environment

Montenegro ranks 50th in the World Bank's Doing Business index

--<sup>th</sup> / 133 countries

### Innovation Capacity



### Social entrepreneurship prevalence

Early-stage entrepreneurship is relatively high, but social enterprise activity is marginal. No legal recognition or dedicated support limits visibility and scaling. Most social enterprises operate under NGO status <sup>16</sup>.



## Social & Environmental Consciousness



### Solidarity

Solidarity is rooted in informal community ties



### Political participation

Political participation is moderate, with trust in institutions remaining low <sup>17</sup>.



### Volunteering

formal volunteerism and philanthropy remain low.

63<sup>rd</sup> / 180 countries

### Sustainability

Montenegro ranked 63rd in the 2022 Environmental Performance Index. Environmental activism is growing, offering space for eco-social innovation.

Environmental Performance Index 2022