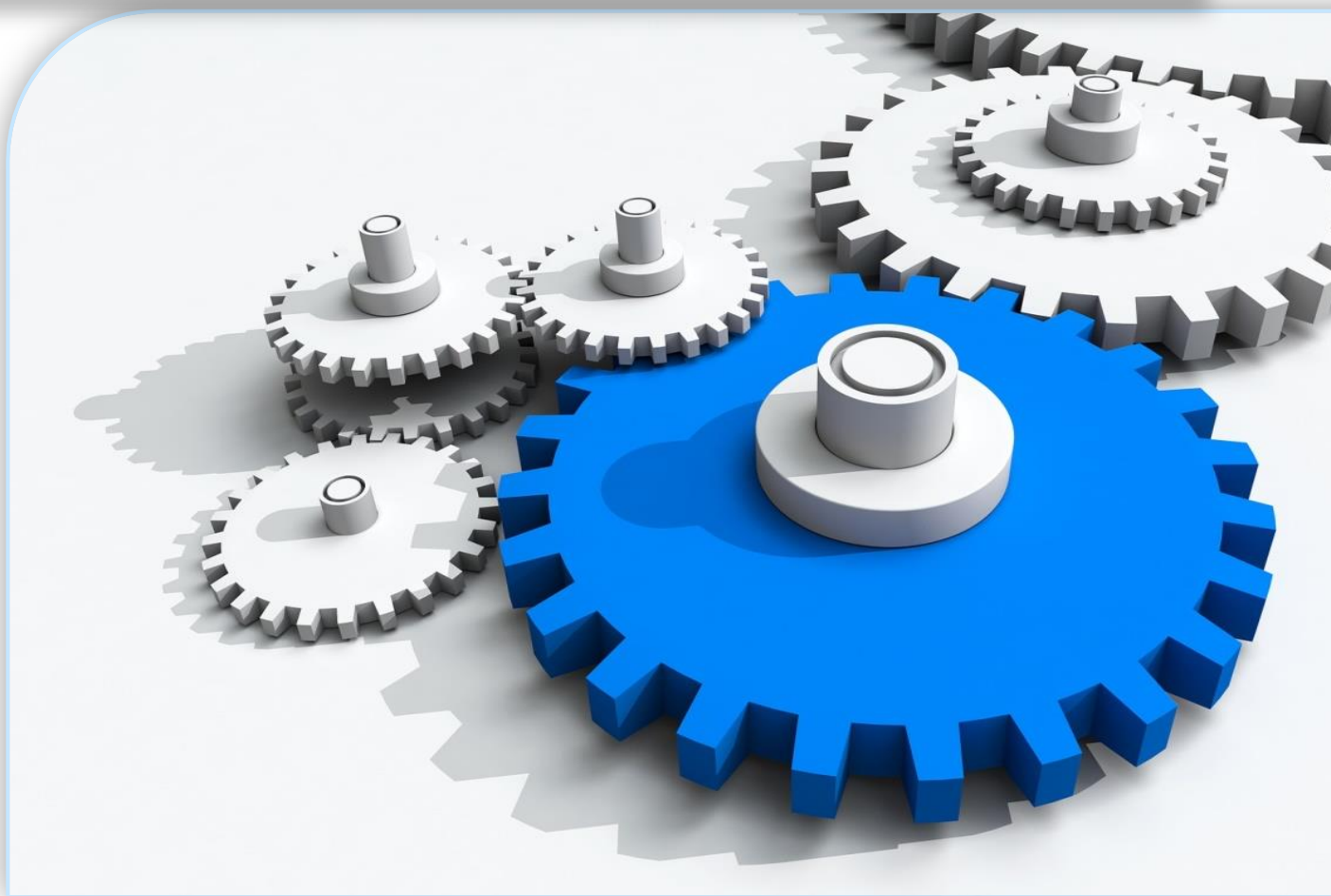


# COMMUNICATION ON ENGAGEMENT (COE) OF MONTENEGRIN EMPLOYERS' FEDERATION (MEF)





## COE OF MONTENEGRIN EMPLOYERS' FEDERATION (MEF)

*Period covered: from January 2016 to December 2017*

### Statement of Continued Support

*15th January 2018*

To our stakeholders:

I am pleased to confirm that Montenegrin Employers' Federation (MEF) 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,

Svetlana Vuksanovic

President of MEF

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## About the Montenegrin Employers Federation (MEF)

**MEF Mission:** *MEF protects the interests of employers improves business climate and promotes entrepreneurship and responsible business practice with an aim of creating strong economy and prosperous Montenegro.*

**MEF Vision:** *“A business environment where all citizens will have the opportunity for permanent and stable employment.”*

**MEF Values:**

- *Independence*
- *Complete transparency of actions*
- *Equal treatment of members*
- *Social responsibility*
- *Ethical, professional and legal business*

*Montenegrin Employers' Federation (MEF) is an independent, non-governmental, non-political and not-for-profit organization based on voluntary membership. MEF was founded in 2002.*

*In 2005 MEF was granted the status of representativeness whereby it became an umbrella employers' organization in Montenegro representing as such an independent voice of business at national and international level. Having signed the National Tripartite Agreement in December 2006, MEF became a social partner – an official representative of employers in relation to Government and trade unions*

*MEF membership comprises entrepreneurs, SMEs, large economic systems, employers' associations at local and sector level as well as NGOs. MEF founded a Business Women Association of Montenegro and helped the foundation of other employers' associations at local and sector level. MEF has signed cooperation agreements with the umbrella employers' organizations from the region and wider as well as international institutions and organizations.*

*MEF is a member of International Organization of Employers (IOE) and Business Europe, it is one of the founders of Adriatic Region Employers Centre (AREC) and it is the first signatory of UN Global Compact in Montenegro. MEF closely cooperates with International Labour Organization (ILO) - it was founded with their support and acts in accordance with their conventions and recommendations.*

*MEF actively contributes to improvement of business climate and elimination of business barriers providing a wide variety of services to its members.*

## Position of MEF

MEF has been a signatory of Global Compact initiative since 2008, and was one of the initiators and organizers (together with the UNDP Office in Montenegro, the National Directorate for SME Development and the Centre for Development of NGOs) of the Launching Conference of the Global Compact in Montenegro in December 2010.

In addition, since 2007, MEF also actively promotes the concept of corporate social responsibility, which is an inseparable part related to the ten principles of the Global Compact.

MEF promotes and encourages the responsibility of enterprises in the area of their impact on society through the establishment of procedures for integrating social, ethical, environmental issues, human rights and consumer protection in its business activities. In this area numerous activities were performed in the previous period. As a membership-based institution and a social partner, MEF has very good relationships both with the private sector and the public and governmental institutions. At the public level, MEF has an opportunity to act as a voice of business in creation of all business related regulations, strategies, action plans that create good business environment, and at the business level it has a mandate and obligation to promote fair business behavior, compliance with laws and best practices in order to enable sustainability of companies at all levels.

MEF has an *Employers' Code of Ethics* (since 2005) which binds all members to respect the principles of the UN Global Compact and the UN Millennium Development Goals.

### The 10 Principles of UN Global Compact



## Description of Actions of MEF

### MEF awards for CSR (2016, 2017)

At gala ceremony organized by MEF, Montenegrin companies received MEF annual awards for Corporate Social Responsibility (CSR). With this act the MEF continued the practice initiated 2014 aimed at public promotion of good practices examples of corporate social responsibility in Montenegro and those companies that have established and implemented such practice. Prizes are awarded in three areas (“Care about Employees”, “Care about the Environment”, “Care about Community”) to companies in three categories (small, medium-sizes and large enterprises). Also, for the most consistent implementation of CSR policies in its business operations (in all 3 categories), the one company is awarded by the MEF's Main Award.

November 2017 - Millennium Hall, Podgorica



October 2016 – Hotel Hilton, Podgorica



### MEF's actions during 2017

**18 February - Training on Entrepreneurship** - Eight-days training for acquisition of knowledge and skills for entrepreneurship intended for unemployed women from Rozaje municipality, interested in starting their own businesses, has realised in the framework of the project *Unleashing the Power of Women Entrepreneurs in Municipality of Rozaje – Empower Project*, implemented by the Municipality of Rozaje in partnership with MEF and Faculty for State and European Studies. The training consists of 4 modules encompassing: characteristics of female entrepreneurship, business plan development, marketing and accounting with MEF being in charge of their implementation. The training is planned to last until the end of March. Every participant that following the training decides to start their own business will be provided with additional mentoring and logistical support by all partners in the project.

**24 April - Support to and promotion of women entrepreneurship** - The capital city of Podgorica, in line with *Action Plan on Achieving Gender Equality in the Capital City for the Period of 2016-2017*, organized a conference titled “Promotion of women rights and history of female movement”. One of participants in the panel on women entrepreneurship was an Advisor for

Women Entrepreneurship at MEF that first had a presentation named “MEF Support – Access to Finance, Knowledge and Entrepreneurship Skills”, and then played a promo video “Women’s Route” that MEF created within IPA funded project *Lakeroutes*. By emphasizing the fact that equality of women and men is inseparable corpus of human rights, it was concluded at the event that commitment to promotion of women rights and gender equality is necessary for democratic prosperity of the society.

**15 June – Presented a survey report on green economy and green jobs** - MEF and International Labor Organisation (ILO) hold a press conference whereby they presented survey findings on green economy and green jobs, a first of its kind that has been realized in Montenegro. The report on green economy and green jobs, financed by ILO, contains findings of the survey realized by E3 Consulting and MEF in three pilot municipalities at the north of the country (Bijelo Polje, Berane, Mojkovac) among private enterprises (98 per cent) and cooperatives (2 per cent), using a questionnaire developed in line with ILO methodology. Mr Mirza Muleskovic, a Head of International Department at MEF said: “*By publishing survey findings, MEF intention was to support policy makers and decision makers in eliminating key business barriers and thereby in further endeavors of building quality business environment that will enable sustainability and development of business, employment growth and overall economic development through green jobs – with special focus on northern Montenegro*”. The report published within ILO project “Policy creation for enabling environment for green jobs and green enterprises” realized as part of broader joint initiative of UN on improving competitiveness and innovation in Montenegro through sustainable policies of economic growth. The objectives of the project and the report were confirmed by the study of UNEP (United Nations’ Environmental Protection Agency) that, based on simulation model, analyzes the impact of green investments.

**28 June - Round table on social entrepreneurship** - WYG International project team in partnership with MEF and Business Women Association of Montenegro, organized at MEF a round table “Social Entrepreneurship in EU Countries”. The event gathered SMEs and representatives of employers’ associations, Capital City of Podgorica, Employment Agency of Montenegro (EAM), Directorate for SME Development and NGOs. Ms. Vanja Hazl, Technical Assistance Leader of the Project, presented new methods of work of the EAM and social work centers as well as good practice examples in the area of social entrepreneurship in EU member states which drew great attention of participants and triggered discussion on the possibilities for establishment of social enterprises in Montenegro that would include engagement of vulnerable groups of people. The project is implement within the framework of Operational Program “Human Resources Development 2012-2013”, financed by IPA, with the main goal to improve social inclusion of persons with disabilities and RE population through better access to labor market and improved employability of vulnerable target groups.

**21 July - Conference on Women Leadership and Management** - In cooperation with Ministry of Labor and Social Welfare, Ministry of Human and Minority Rights and Directorate for SME Development – Ministry of Economy and Business Women Association of Montenegro, MEF and ILO hosted a Conference named “Women in Management in Montenegro – Support to Women’s Leadership and Career Development in Montenegro”, in Podgorica. The event was organized within the project *Women in Management in Montenegro – Support to Women’s Leadership and Career Development in Montenegro* implemented by the MEF and financed by the ILO. This project is a part of a regional project of the ILO “Promoting Inclusive Labor Market Solutions in the Western Balkans”. At the event, MEF representative presented the findings of a survey on women in management in Montenegrin companies that MEF realized from 1st to 26th



of June 2017, among 100 companies. Moreover, she presented numerous activities that MEF will undertake within the project aimed at promotion of women managers and their career development as well as at contributing to future actions of companies directed towards adoption of policies and launching of initiatives that will enable greater participation of women in different and top management structures of companies in Montenegro.

**19 September - MEF Management Board Session on Draft Labour Law** - With regard to a Draft Law on Foreigners and a public debate on a Draft Labor Law, an extended session of MEF Management Board took place, chaired by MEF President. Management Board Session was attended by Minister of Labor and Social Affairs and his associates, General Director of Labour Market and Employment, General Director of Labor and a coordinator of a Working Group on Labor Law. In her introductory speech, MEF president Ms. Vuksanovic pointed out that over the past two years MEF was absolutely committed to creation of quality legal solutions that would meet expectations and interests of both workers and employers. Minister highlighted a constructive cooperation between working group members, the fact that certain challenges and disputable issues were to a great extent resolved by consensus that in this phase of negotiations resulted in quite a compromise in terms of adoption of more or less harmonized and sustainable solutions. MEF Board members concluded that, in addition to progressive and good solutions, a Draft Law contained a certain provisions unsupportive to business sustainability and development that did not tackle informal economy and black market, left room for abuse of sick leave thus jeopardizing a true protection of both employers and employees. News

**20 September - Workshop on work-family reconciliation** - In the scope of the project Changing the Traditional Mindset through Collective Agreements in the Western Balkans – the Role of Social Partners in Enabling Work-Family Reconciliation and Gender Equality, the MEF in cooperation with their national partner – the Union of Free Trade Unions of Montenegro (UFTUM) organized a workshop named *Policies that encourage work-family reconciliation and gender equality and their implementation in practice*. The project is run by Slovenian Association of Employers (ZDS) and beside MEF and UFTUM partners include employers and workers associations from the region (Albania, Serbia, Macedonia and Croatia). The workshop was intended for employers, employees, professional services of trade unions and employers organizations and other interested parties with an aim of improving their knowledge about EU and Slovenian legislation regulating the area of work-family reconciliation, gender equality and social dialogue and collective bargaining in Slovenia and EU as well as of informing the workshop participants about gender equality policies in Montenegro.

**14 October - Training program for women managers** - MEF organized the series of trainings for women managers in private, public and civil society sector, in Podgorica. The trainings were realized in the scope of the project “Women in Management in Montenegro – Support to Leadership and Professional Development of Women in Montenegro” that MEF implements with the ILO support. 25 women managers as well as business women interested for further development of their careers and advance to higher managerial positions had the opportunity to attend a tailor made series of trainings in a very dynamic environment and utilizing trainers’ mentorship support. The aim of a whole training - supporting the ambitions and initiatives of business women by helping them towards their professional accomplishment and advancement and empowering them to show the full potential in their economic, political and social lives.



## **MEF's actions during 2016**



**27 January - Joint Declaration on Denunciation of Discrimination at Work on any Grounds** - A Joint Declaration on the Denunciation of Discrimination at Work on any Grounds was signed on January 27th 2016 by Zorica Kovacevic, Minister of labour and social welfare, on behalf of the Government, Svetlana Vuksanovic, MEF President, Dusko Zarubica,

Secretary General of the Trade Unions Association and Srdja Kekovic, Secretary General of the Union of Free Trade Unions of Montenegro (UFTUM).

**11 March - Conference on Poverty Reduction and Social Exclusion Policies** - MEF representative participated in the II National Conference on Poverty Reduction and Social Exclusion Policies held in Podgorica and organized by NGO SOS Telephone Podgorica and NGO Juventas, in cooperation with NGO Coalition "For Social Changes". The first day of the Conference, MEF representative held a presentation on women in management. She thereby pointed out the activities MEF undertakes in regards with economic empowerment of women, and presented the findings of the survey on women in business and management on Montenegro MEF carried out with the support of the ILO in 2013, interviewing 103 companies, in line with ILO methodology and questionnaire.

**11 March - MEF in National Council for Sustainable Development** - Members of the National Council for Sustainable Development, Climate Changes and Integral Management of Coastal Zone Management were appointed at the Government session held on 10 March 2016, with H.E. the President of Montenegro, Mr Filip Vujanovic, as a Chairman. The Council has 26 members and is comprised of the ministers of sustainable development, economy, labour, agriculture, transport and culture. MEF President, Ms Svetlana Vuksanovic, is one of the appointed members. Members of the Council are also the representatives of the Ministry of Sustainable Development and the Ministry of Finance, the Institute for Hydrometeorology and Seismology, the Public Enterprise for Coastal Zone Management, as well as presidents of the municipalities of Mojkovac, Danilovgrad and Bar.

**20 April - MEF at ILO Hosted Conference** - At the invitation of International Labour Organization (ILO), Suzana Radulovic, MEF Secretary General participated at the Conference on launching the ILO report "Labour Market Transition of Young Women and Men in Montenegro" that took place in Podgorica. The Conference was opened by ILO representative (Youth Employment Programme), Vice-President of the Government of Montenegro for Economic Policy and Financial System, Minister of Labour and Social Welfare and Minister of Education. MEF Secretary General was one of the main participants of the panel discussion. The project will ensure the expertise support by ILO with an aim to speed up quality labour market transition and create favourable conditions for decent work and overall empowerment of youth through a position paper – White Paper on Youth Employment in Montenegro.

**29 July – Presented MEF's Reports on key business barriers in Montenegro** - At media conference, MEF presented the three new strategic documents – MEF reports: (1) *Access to Financial Resources in Montenegro*, (2) *Corruption in Montenegro* and (3) *Mismatch between Education and Labour Market Needs in Montenegro*. Thereby, representatives of media were addressed by MEF President with members of the team of authors that participated in creation of the above listed reports. MEF President, Svetlana Vuksanovic, pointed out that the aim of MEF with these reports was to offer a content that would additionally help the processes that had started in the country and would be of use in preparing the future policies and measures to support economic development, employment and economic growth. “Establishment of a stimulating business environment is a main precondition for proper business functioning, economic activities growth, preservation of current and creation of new jobs, stable and sustainable development in the long run. Real sector economy - the one that creates, employs, fills the state budget and is the driving force of Montenegro's development, asks for special attention and unreserved support by policy and decision makers at all levels of governing”, said Vuksanovic. At the end of the conference, it was explained that the contents of the three new MEF reports were based on previously published MEF strategic document “*5 business killers*” as well as on the results of thematic survey carried out by MEF at the beginning of 2016. With these reports MEF continues the activities it has been realising with the support of International Labour Organisation since 2013 all aimed at creating business environment that will stimulate and encourage the development of sustainable enterprises in Montenegro. A special segment of MEF actions in this direction is the support to elimination of the most important business barriers that MEF identified back in its document *5 business killers*: 1) inadequate regulatory framework, 2) difficult access to financial resources 3) informal economy, 4) corruption and 5) a mismatch between education and labour market needs.

**16 September - Signed MoU with Health & Safety Association of Montenegro** - MEF Secretary General and a President of Health and Safety Association of Montenegro (HSAM) signed a Memorandum of Cooperation between MEF and HSAM. The Memorandum represents a continuation and improvement of cooperation realized to this date and a basis for joint activities of MEF and HSAM in the future aimed at providing support to employees' health and safety at work, promotion and further development of this area and overall elevation of OHS to an activity of public interest. Signatories highlighted that HSAM and MEF would focus on monitoring and development of OHS, as well as on joint activities related to negotiations in health & safety area within the process of Montenegro's accession to EU.

**21 September - Business Advisory Centre for women and young people** -Representatives of Bureau for Economic Development and Support to Business Community of the Capital City Podgorica and Business Women Association of Montenegro (BWAM) as well as MEF held a press conference to announce the start of Business Advisory Centre for women and young people. The Centre represents one of the activities that will be realized in line with the Memorandum of Cooperation signed between Bureau and BWAM, with a purpose to enhance the development of women and youth entrepreneurship in the Capital, though provision of free of charge advices on how to start and develop the business. Consultations at the Business Advisory Centre will be held 4 times a month (every Thursday). Advisory services regarding finances, marketing, leadership and motivation will be free of charge and provided by members of BWAM and MEF representative.

**31 October - Signed Collective agreement for energy sector** - MEF, Trade Union in Energy Sector (SECG) and Independent Trade Union in Energy Sector (NSECG) concluded a Collective Agreement for Energy Sector which is harmonised with General Collective Agreement and Labour Law. At the event held on this occasion in MEF, signatories pointed out that this CA provisions would apply on all employees and employers in Montenegro operating in energy sector, with certain provisions elaborated in more detail in collective agreement at employer, general employer's act and employment contract. The CA sets terms for wages, compensations and other allowances, compensations for increased costs of workers, workers responsibilities, health and safety at work, redundancy payments, the amendments procedure, and mutual relations between parties as well as a series of other issues relevant for all workers and employers in Montenegro operating in the sector of energy. Furthermore, this CA puts special emphasis on the amount of wage compensation in the event of interruption of production process, caused without employee's fault.

**15 November - WIM 2 Final Conference** – MEF organised a final Conference within project *Workers Involvement – Straight to the Challenges (WIM 2)*, led by Slovenian Employers Association (ZDS) and funded by European Union. MEF Secretary General highlighted that the main objectives of the project were raising the awareness and understanding of current position of social partners, employers and other participants in the area of workers involvement in management process within companies. The Conference was also attended by Alessandra Assensa, IOE representative, who said that workers council enables mutual understanding of all parties, their joint discussion about problems, since, sometimes workers do not know what are the problems companies face. On the other hand, employers are not aware of employee's needs. When making decisions agreed by both parties, the company is enabled to better adapt to challenges, said Assensa.

**7 December - Good practice awards for improving skills of employed and youth** - A *National Partnership for Entrepreneurial Learning* awarded good business practice in the area of improving skills of employed and youth. Prizes for companies were awarded in 3 categories (for good business practice in the area of improving the skills of their employees; for improving the entrepreneurial skills of young people; for boosting the technical skills of pupils and students). The awarding ceremony took place at the International Conference on entrepreneurial learning "Promotion of good practice examples in schools and companies" held gathering representatives of institutions, companies, employers' associations, NGO sector and European Training Foundation (specialized agency of European Union that helps education reforms in developing countries).

*National Partnership for Entrepreneurial Learning was formed in accordance with Government Conclusion no. 03-7046 from July 31st 2008 with an aim to promote and enhance entrepreneurial learning and entrepreneurship skills at national level and to monitor the implementation of national Strategy of Lifelong Entrepreneurial Learning in Montenegro. Partnership members are representatives of: the Ministry of Economy (SME Directorate), ministries of education and social welfare, Centre of Vocational Education and Training, Bureau for Educational Services, University of Montenegro, Employment Agency, Montenegrin Employers Federation, Chamber of Economy and Centre for Development of NGO.*