



*Empowered lives.
Resilient nations.*

22 July 2011

Country programme document for Montenegro (2012-2016)

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I. Situation analysis

1. Towards the end of the first United Nations Development Programme (UNDP) country programme (2008-2011), Montenegro achieved middle-income country status, and became a candidate for European Union accession. The country is undergoing extensive reforms for harmonization with European Union legal and policy frameworks. The development agenda of Montenegro remains unfinished despite tremendous progress since independence in 2006; although progress has been made in establishing institutional, policy and legal frameworks, capacities of the state machinery to implement development strategies, ensure public administration reform and deliver services are still limited. Further, the emergence of a culture of respect for the rule of law and democratic processes is a longer-term challenge. UNDP, together with the United Nations country team in a “Delivering as One” context, has played a key role in contributing to the reform process, and is well positioned to provide tailor-made capacity development support to address issues of sustainable human development while also supporting European Union accession.

2. As a middle-income country, Montenegro continues to face developmental challenges, particularly those of vulnerable groups and regional disparities, which were exacerbated by the global financial crisis, causing a severe economic downturn (about 6 per cent in 2009). The poverty rate increased from 4.9 per cent in 2008 to 6.8 per cent in 2009, jeopardizing gains made towards achievement of the Millennium Development Goals.¹ While the economy is expected to pick up, issues of income poverty and inequality² remain at the centre of the human development agenda. The Roma are the most vulnerable with a poverty rate of 36 per cent; they are followed closely by internally displaced persons, welfare recipients, older people, the unemployed, and people with disabilities. Policy and legal frameworks for gender equality are in place; however, due to pervasive norms and attitudes, women’s participation in political and economic life remains low.³

3. Montenegro, which enshrined the “Eco-State” concept in its Constitution, has adopted legal and policy frameworks of harmonization in line with international environmental norms and standards. Nonetheless, this sector continues to face serious challenges due to limited institutional capacities and to the need to settle on a model of sustainable growth, particularly in the coastal tourism sector. The sector as a whole will require substantive support if it is to tackle the emerging priorities of climate change mitigation and adaptation. Additionally, severe flooding in 2010 drew attention to the lack of a comprehensive, functioning system of disaster risk reduction and response.

4. Civil society remains relatively weak; public policy debate is dominated by a handful of vocal non-governmental organizations, while many others struggle with weak management and organizational capacities, hence failing to attract funding and to be heard in the public arena. There remains a need to enhance the dialogue between the Government and civil society to effectively address the human development agenda.

II. Past cooperation and lessons learned

5. The 2008-2011 country programme focused on providing broad-based support to the development of legal and policy frameworks in three core areas: (a) improving the lives and level of inclusion of the vulnerable members of society; (b) enhancing democratic governance through support to strong, competent institutions; and (c) promoting environmentally friendly growth. Capacity development and gender mainstreaming were employed as strategic approaches throughout.

6. With regard to social inclusion, UNDP has contributed to public policy debate on key social issues and on vulnerable populations. The 2009 National Human Development Report, (which was the first-ever national analysis of social exclusion) has been used extensively by the

¹ Montenegro has achieved the Millennium Development Goals on child mortality, maternal mortality and HIV and other diseases. Work remains to be done in reducing poverty, promoting gender equality, and promoting environmental sustainability. The Millennium Development Goal targets of Montenegro are nationalized.

² The level of inequality in Montenegro increased from 6 in 2004 to 9.8 in 2008 (Decile coefficient).

³ Women’s political representation is currently limited to 11 per cent in Parliament; 1 (of 17) Ministers; and 1 (of 21) Mayors.

Government for policymaking, and for the response to the European Union questionnaire on candidacy. It helped to leverage European Union funding for a large-scale initiative to enhance the social welfare system, in cooperation with UNDP, the United Nations Children's Fund and the Ministry of Social Affairs and Labour. UNDP supported the development of the Law on Gender Equality, with which the entire legal framework will be harmonized. The Law on Protection of Victims of Violence was adopted in 2010, also with UNDP support. As Principle Recipient for the Global Fund to Fight Aids, Tuberculosis and Malaria, UNDP implements 30 per cent to 40 per cent of the national HIV/AIDS strategy, and is building the capacity of national partners. Partially as a result of extensive prevention and outreach activities, HIV prevalence remains below 1 per cent. UNDP has supported over 40 per cent of domicile Roma to acquire the necessary documentation to access health and other services.

7. Regarding democratic governance, the capacity development programme had a notable impact, as highlighted in the 2010 outcome evaluation, through its capacity assessments and policy advice to a number of Ministries and institutions including Foreign Affairs,⁴ European Integration, Justice, Directorate for Anti-Corruption, and the Judicial Training Centre. With regard to the rule of law, UNDP supported the Ministry of Justice in developing the Law on Legal Aid and the infrastructure for its implementation, promoting mediation as an alternative to court proceedings, and capacity strengthening of the judiciary to counter corruption and organized crime. UNDP supported the Ministry of Defence in demilitarization through destruction and storage of over 600 tons of small arms and ammunition.

8. With regard to economy and environment, a 2009 outcome evaluation found that UNDP had a "significant positive impact on guiding the development of Montenegro towards the ecological State/sustainable society". UNDP, with the United Nations Industrial Development Organization, the United Nations Environment Programme, the Food and Agriculture Organization of the United Nations and the United Nations Educational, Scientific and Cultural Organization supported the Ministry of Environment to develop legal and policy frameworks and promote sustainable management of natural resources and protected areas. With UNDP technical support, the Government is beginning to tackle issues of climate change mitigation and adaptation through the first National Communication on Climate Change. UNDP provided advisory services to develop the first Regional Strategy and relevant legislation seeking to reduce inequalities and promote clean growth and a green economy, particularly in the North. UNDP has also managed the subregional programme to remediate 11 environmental "hot spots" of industrial waste. The Global Compact was inaugurated with 21 companies in 2010, encouraging increased corporate social responsibility.

9. Lessons learned derive from formal outcome evaluations and from extensive consultation with partners in the Government, civil society organizations, academia, the private sector United Nations agencies and donors as part of the Delivering as One approach; the following should be borne in mind:

- (a) Capacity development interventions and support to public administration reform have been successful in helping to develop institutional and legal frameworks, and should now increasingly be oriented towards implementation capacities. The programme will focus on meeting the practical implementation needs of institutions;
- (b) In order to address the emerging priorities of climate risk management and disaster risk reduction, it is necessary to focus on capacity development for adaptation and mitigation, including risk assessment, monitoring and reduction of underlying risks, effective early warning systems, and building a culture of safety and resilience;
- (c) The Delivering as One approach, in which UNDP has played an important role, has enhanced the cooperation between the United Nations and the Government, and has had a

⁴ Including support to the organization of the Diplomatic Summer School for Young Diplomats, which grew from a regional into a global forum where young diplomats from around the world have a chance to exchange ideas, and build relationships and as future leaders contribute to building peace and stability.

particular impact in relation to complex or sensitive issues such as Roma, internally displaced persons, and gender-based violence. These positive experiences of joint programming and speaking with “one voice” will be built on, with a view towards increased results and impact;

(d) Efforts to promote gender equality to date have been insufficient, as evidenced by the lack of progress on Millennium Development Goal 3. UNDP must play an increasing role in promoting the implementation of the relevant legal and policy framework, and focusing on actions to achieve that Goal;

(e) While the programmatic teams in the country office have seen individual successes, an increased focus on capturing interdisciplinary programmatic synergies is planned in the coming period, for example in addressing the human development dimensions of climate change;

(f) “East-East” cooperation has been of value over the period, and should increasingly be used to harness the experience of recent European Union members, ideally facilitated through the Bratislava Regional Centre.

III. Proposed programme

10. The country programme document for Montenegro 2012-2016 addresses priorities identified in the National Plan for Integration. The country programme is aligned with the United Nations integrated programme (2012-2016), and was elaborated following a strategic retreat with the Government of Montenegro and consultations with partners from the donor and civil society communities. It is consistent with the UNDP Strategic Plan and reflects findings from the common country assessment, and outcome and project evaluations. The key priorities identified echo those of the European Union accession process and reflect the role of UNDP in a middle-income country, as a provider of quality tailor-made capacity development support and technical assistance to ensure sustainable human development. The programme focuses on public administration and judiciary reform; capacity development of key Ministries and local administrations; and inclusion and protection of vulnerable populations. The country office will support the country in operationalizing the concept of Montenegro as an ecological State, with a focus on climate change, disaster risk reduction, remediation of environmental hot spots, and equitable local development.

11. New programming will engage the Bratislava Regional Centre and UNDP country offices in the region (particularly those with European Union accession experience), as well other United Nations agencies. UNDP has played an important role in contributing to the “Delivering as One” agenda, in partnership with the United Nations country team. UNDP will continue to convene two of the three pillars of United Nations work,⁵ and will play a pivotal role in the promotion of gender equality.

Enhancing social inclusion

12. The UNDP social inclusion team promotes improved service provision, protection of vulnerable people, and increased employment. A key intervention (in partnership with UNICEF) will focus on social welfare reform and decentralization, promoting a gradual transfer of responsibilities of the Ministry of Social Welfare to local service providers, establishing innovative, locally based services (such as support schemes for single parents and employment programmes for people with disabilities) for beneficiaries, paying special attention to vulnerable groups such as Roma, the long-term unemployed, and people with disabilities.

13. The country office will make special efforts to push for the achievement of Millennium Development Goal 3 on gender equality, by promoting political and

⁵ Social inclusion; Democratic governance; Sustainable economic development and environmental protection.

economic empowerment (i.e., direct support for women’s political participation and entrepreneurial activities) and the prevention of gender-based violence. National Human Development Reports on human capital, climate change and regional inequalities will seek to provide socio-economic analysis for policymaking and public debate on key developmental challenges and in monitoring Millennium Development Goal progress.

Fostering democratic governance

14. UNDP will contribute to creating a transparent, efficient and accountable public administration and judicial system. The capacity development programme will facilitate the European integration process by supporting effective coordination and building administrative capacities based on capacity assessments. The local governance programme with its focus on financial management, inter-municipal cooperation and citizens’ participation will work in all 21 municipalities. The rule of law and human rights programme will seek to expand access to justice for the poor and provide advisory support to the formulation and implementation of the Strategy and Action Plan for Reform of the Judiciary 2012-2017.

15. The country office will support the country’s anti-corruption efforts by further strengthening the legislative and institutional framework. This will include continued capacity development for the Directorate for Anti-Corruption, research feeding into policymaking and institutional set-up, including the broader framework system of financing of political parties and election campaigns, and using e-governance approaches for increased participation and transparency. Given the slow progress on women’s political participation, special emphasis will be placed on facilitating gender equality in politics. The MONDEM (Montenegro demilitarization) programme will support the Ministry of Defence in ensuring safe storage and/or destruction of weapons and ammunition in accordance with international standards.

Promoting sustainable development and environmental protection

16. UNDP will support the transition to a low-emissions economy, to strengthen resilience to climate change and disasters, and to achieve balanced regional growth. This will be achieved by developing the capacities of communities, civil society, local authorities and central government, for mitigation, adaptation, technology transfer, in line with the United Nations Framework Convention for Climate Change obligations. UNDP, with UNIDO, UNESCO and UNEP, will support the Ministry of Sustainable Development and Tourism to develop institutional, policy and legal frameworks and a set of quantifiable indicators for monitoring environmental impact. The process of legalizing informal settlements⁶ will be an opportunity to create synergies in the area of sustainable development and climate change; UNDP will support the development of urban plans which incorporate climate change mitigation and adaptation and disaster risk reduction. The country office will further support the Ministries of Finance and Economy to develop incentives for energy efficient practices and technologies, catalysing carbon-related finance, and increased use of renewable energy.

17. The country office will promote local development by catalysing sustainable finance, strengthening the management of protected areas, support to creating green jobs and improving sustainable tourism services in the North. The development of

⁶ The nearly 100,000 illegal constructions in Montenegro pose a developmental challenge for Montenegro, as they often do not meet safety/seismic standards, are not captured within the taxation system, and cannot be used by their owners as collateral for access to credit.

regional eco-trails/via Dinarica⁷ will promote regional cooperation, and incentivize local development through sustainable, culturally sensitive tourism. Environmental threats will be addressed by strengthening the institutional system for disaster risk reduction and remediation of industrial waste.

V. Programme management, monitoring and evaluation

18. National implementation will be carried out with country office support where necessary. UNDP will strive to strengthen national implementation capacities, through such instruments as the Harmonized Approach to Cash Transfers, with a clear capacity development strategy. As such, during the period of the 2012-2016 country programme, UNDP envisages a gradual shift from the direct implementation modality to national execution based on existing work with government institutions to strengthen the capacity to take over project implementation. Other implementation modalities, including fast track, may be used as required.

19. UNDP will partner with United Nations agencies to further enhance its Delivering as One approach and implementation of the integrated United Nations programme.

20. Partnership building and resource mobilization efforts will seek to diversify sources of funding by increasingly emphasizing growth in government cost-sharing, emerging donors, and the private sector, and seek to assist Montenegro to tap into new climate change adaptation and mitigation funding.

21. Monitoring and evaluation of the programme may be hampered by the national data deficit. UNDP will support government institutions to establish baseline project data sets. Special efforts will be made to establish specific and measurable monitoring mechanisms to assess improvements in institutional capacity.

22. External audits and outcome evaluations will be conducted to assess compliance and programme impact. UNDP will promote results-based management throughout.

⁷ Via Dinarica is a regional initiative led by UNDP Montenegro that supports a set of connected trails spanning the countries of the Dinarides or Dinaric Arch, a mountain chain in south-eastern Europe (Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Kosovo, as per United Nations Security Council resolution 1244 (1999), Albania and Montenegro).

Annex. Results and resources framework for Montenegro (2012-2016)

National Priority⁸: Montenegro society is progressively free of social exclusion and enjoys a quality of life that allows all individuals and communities to develop their full potential

Country programme outcome/United Nations integrated programme Goal 1: Montenegro society is progressively free of social exclusion and enjoys a quality of life that allows all individuals and communities to develop their full potential. **Outcome Indicators:** 1.Gini Coefficient (2008: 0.253); 2. Human Development Index rating (2010: 0.769, ranked 49th); 3. Unemployment rate (2010: 19.2% /MONSTAT (Montenegro Statistical Office)); Gender empowerment measure (2010: 0.478) **Related Strategic Plan focus area:** Achieving the Millennium Development Goals and reducing human poverty; Gender equality and women's empowerment

Government contribution	Other partner contribution	UNDP contribution	Indicators, baselines and targets for UNDP contributions	Indicative country programme outputs	Indicative resources (thousands of US dollars)
Department for Gender Equality convenes government, civil society service providers to establish standards for gender-based violence response Government ensures MONSTAT has adequate resources for data collection; works with United Nations agencies to continue to monitor Millennium Development Goals Ministry of Labour and Social Welfare provides in-kind, technical and political support on social welfare reform project	European Union monitors progress towards and provides funding for United Nations project on social welfare reform and women's empowerment. Civil society organizations are advocacy and implementation partners. Gender-oriented NGOs will be sought as partners, and as service providers on gender-based violence. UNICEF (Social Inclusion Pillar convener) implements component social welfare reform project, in close collaboration with UNDP. All United Nations agencies are partners on issues of gender and vulnerable groups	Production of reliable, up-to-date, disaggregated data on vulnerable groups, including capacity development for national partners and production of analytical reports. Central-level policy support to promote adequate legal and policy frameworks on issues such as adoption of code of conduct on gender-based violence, and action plans for decentralization of social services. Capacity development for improved service delivery at the local level, including health services, employment bureaux, and gender-based violence response.	Indicator 1.1: Percentage of reported domestic violence cases prosecuted Baseline: About 10% of reported cases are prosecuted Target: 20% Indicator 1.2: Number of new government policies include disaggregated socio-economic data. Baseline: 1; Target: 3 Indicator 1.3 Increase in number of Roma with ID cards Baseline: 40% have ID cards Target: 50% have ID cards Indicator 1.4: Political representation of women. Baseline: 11% in Parliament; 1 (in 17) Minister; 1 (in 21) Mayor Target: 30% at all levels Indicator 1.5(a) : Percentage of vulnerable people in selected three municipalities benefiting from new social service schemes through Social Innovation Fund mechanism Baseline: 0; Target: 25% Indicator 1.5(b) Percentage decrease in unemployment in North (sex-disaggregated); Baseline: 29.6% Target 10% reduction	1.1: Protection of victims of family violence is enhanced through a strengthened system of response; sustainable measures to combat domestic violence introduced 1.2: Increased availability of disaggregated socio-economic data and analysis through National Human Development Reports and support to National Millennium Development Goals reports 1.3: Support to NGOs and authorities to issue documentation to Roma and displaced persons to increase access to services 1.4: Support to Department of Gender Equality for implementation of National Action Plan on Gender. 1.5: Regional disparities reduced through innovative employment strategies and active labour schemes implemented through a decentralized social welfare system	Regular 755 ⁹ Other resources 7,000

National priority: Fostering a democratic society that fully respects, protects and fulfils human rights through rule of law, government transparency and accountability

Country programme outcome/United Nations integrated programme Goal 2: Fostering a democratic society that fully respects, protects and fulfils human rights through rule of law, government transparency and accountability. **Outcome indicator:** Transparency International Index (2010:3.7); Rate and pace of success in meeting European Union progressive benchmarks (2010: candidacy status; 7 specific benchmarks set); Public Perception on Transparency and Effectiveness of Public Administration (2010 survey baseline) **Related Strategic Plan focus area:**

⁸ National and UN priorities were jointly agreed during the articulation of the Integrated UN programme. There is currently no overarching national development plan.

⁹ Only TRAC 1 resources are reflected. The CO hopes to receive approximately 1.2 million USD in TRAC 2 over the period.

fostering democratic governance					
Government ensures donor coordination, organizing support along the lines of the European Union benchmarks. Ministry Of Foreign Affairs and European Integration is main partner for capacity development programme, ensures communication between all the institutions involved. Ministry of Justice is main partner for the Rule of law and Human Rights Programme and Government Co-Chair of the United Nations democratic governance pillar.	Close collaboration with partners, donors ensures coordinated approach to public administration reform. Political and financial partners are European Union, Organization for Security and Cooperation in Europe, the Governments of Norway and the Netherlands, United Nations agencies. Directorate for Anti-Corruption coordinates all corruption efforts. Legal Aid offices ensure that legal aid is provided according to standards outlined in the Law on Legal Aid. NGOs focusing on anti-corruption and transparency will be partners in UNDP work to strengthen capacities for the prevention of corruption.	UNDP supports European Union accession and Euro-Atlantic Integration through capacity development interventions in the areas of (i) access to justice and the rule of law, (ii) public administration reform, including e-governance, decentralization and local governance; (iii) prevention of corruption, and (iv) demilitarization. Democratic governance pillar for inter-United Nations coordination on democratic governance issues is convened by UNDP.	<p>Indicator 2.1.: Percentage cases accessing legal aid; number cases using mediation Baseline: Data collection on legal aid provision and mediation cases to begin end-2011; Target: 200 cases; 15% by 2016.</p> <p>Indicator 2.2: Improvements in perception of quality of state services, (Survey: "Transparency of the State Administration"); Baseline: Rating 6/10 on quality (2010); Target: Rating 7/10 by 2014.</p> <p>Indicator 2.3: Number of cases of Inter-Municipal Cooperation. Baseline: 0 cases formally registered; Target: 5 cases by 2013.</p> <p>Indicator 2.4: Transparency International rating. Baseline: 3.7 (2010); Target: 4</p> <p>Indicator 2.5: Amount ammunition destroyed. Baseline: Phase 1 completed. (480 tonnes destroyed). Components for Phase 2 currently being negotiated. Target: Phase 2 completed.</p> <p>Indicator 2.6: Number of civil society organizations involved in formal working groups (e.g., National Commission on Anti-Corruption). Baseline: 20; Target: 30</p>	<p>2.1: Implementation of law on legal aid; increased use of mediation and alternative sanctions</p> <p>2.2: Government coordination authority set up for implementation of public administration reform strategy</p> <p>2.3: Improved capacities at the local level for project management, monitoring and evaluation, public finance, and inter-municipal cooperation.</p> <p>2.4: Anti-corruption institutions have improved capacities for qualitative analysis and reporting</p> <p>2.5: Enhanced capacity for Ministry of Defence in managing weapons and ammunitions destruction and storage.</p> <p>2.6: Support to National Council for Cooperation with NGOs</p>	<p>Regular 755</p> <p>Other resources: 9,000</p>
National priority: Balanced and equitable regional economic growth based on sustainable planning and use of natural resources that will provide a high quality of life and long-term economic opportunities for its inhabitants					
Country programme outcome/United Nations integrated programme Goal 3: Balanced and equitable regional economic growth based on sustainable planning and use of natural resources that will provide a high quality of life and long-term economic opportunities for its inhabitants. Outcome indicator: 1. Quality of life: HDI disaggregated by region (2010: North: 6.21 ,7.6; Centre: 6.5)/ NHDR; 2. Unemployment rates disaggregated by region (North: 29.6%, South 10.3%, Centre: 18%)/MONSTAT; greenhouse gas emissions (2003: 5320.17 CO2 eq tonnes) National Communications to UNFCCC. Related Strategic Plan focus area: Energy and environment for sustainable development; Crisis prevention and recovery					
Ministry of Sustainable Development and Tourism: spatial planning, biodiversity protection, environmental risk monitoring and mitigation (industrial waste spots), climate change, and tourism.	European Union is a promoter of disaster risk management and protected areas. World Bank works in industrial hot spot remediation and spatial planning. GTZ (German Technical Cooperation) implements	UNDP contributes technical and policy expertise for development of policy frameworks, institutional capacities and strategic planning that will respond to climate change and developmental challenges and inspire economic diversification as a necessary buffer against climate shocks, safeguard of	<p>Indicator 3.1: Policies incorporating adaptive/ mitigation measures Baseline: 0; Target: 3</p> <p>Indicator 3.2: Number of new policies from newly established monitoring system Baseline: 0; system will be established in 2012. Target: 3 policies/strategies.</p> <p>Indicator 3.3: Number of informal settlements (i.e., villages/communities)</p>	<p>Output 3.1. Climate change adaptation and mitigation measures integrated into sector strategies and urban planning,</p> <p>Output 3.2 Development of quantifiable indicators on environmental impact of growth</p> <p>Output 3.3. Ministry of Sustainable Development and Tourism is capacitated (with inventories and action plan) to implement the Strategy on Formalization</p>	<p>Regular 755</p> <p>Other resources: 11,000</p>

<p>Ministry of Economy: energy efficiency and renewable energy sources as well as the promotion of entrepreneurship with the focus on small and medium enterprises (SMEs). Ministry of Agriculture and Rural Development: rural, regional development. Ministry of Interior and Public Administration : disaster risk management</p>	<p>vocational training, SME development, tourism development. UNDP convenes the United Nations Pillar on Sustainable Economic Development and Environmental Protection, and collaborates closely with United Nations non-resident agencies engaged in this area: UNIDO, UNEP, FAO, UNESCO, and WTO</p>	<p>development gains made to date and a vehicle for a regionally balanced growth. UNDP will contribute to Montenegro transition to low emissions and climate resilient development specifically aimed at reducing regional imbalances through an area-based development approach</p>	<p>legalized Baseline: 0; Target: 3 Indicator 3.4: Percentage of territory under protection Baseline: No management plans with safeguards from climate change shocks and business planning exist; 9.04% of territory currently under protection Target: at least 10% of territory under protection Indicator 3.5 National platform for disaster risk reduction exists Baseline: no national platform for DRR Target: institutional basis for creation/proclamation of the national platform developed Indicator 3.6: # green businesses started Baseline: 12 businesses Target: 36 businesses.</p>	<p>of Informal Settlements Output 3.4: Improved management and financing of: protected areas Output 3.5 Support to establishment of institutional and regulatory framework for disaster risk reduction (including a variety of climate change induced risks) Output 3.6 Established financing and mentoring system for entrepreneurial capacity-building, public-private partnerships for "green" jobs.</p>	
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