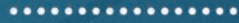




Ministry of
Foreign Affairs



UNITED NATIONS
MONTENEGRO



UN MONTENEGRO PROGRESS REPORT

2019



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2019

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FOREWORD



Dear Reader

We are pleased to present the UN Progress report which captures the UN System`s activities in 2019 within the framework of our joint plan with the Government of Montenegro - the UN Development Assistance Framework (2017 - 2021). The report comes at an important time, as not only do we pass the mid-point in our five-year planning framework, this year also brings a renewed call for a **Decade of Action, with only 10 years to achieve the results all member states signed up to in Agenda 2030.**

This has also been the first year of implementation of reforms to the UN Development System. Reforms have focused on independent and empowered development coordination centered around the UN Resident Coordinators, with the UN Sustainable Development Group (including all agencies, funds and programmes) revamped to give strategic direction and oversight of system-wide activities in support of the 2030 Agenda. Making the UN development system more accountable to Member States and locally to governments they serve is a focus on the UN`s work each year and its plans. It is a backbone for joint work

towards achieving the targets set within each of the 17 Sustainable Development Goals.

A number of tools to support the functioning of a new generation of UN country teams (UNCTs) have been developed, one of which is UN INFO, a planning, monitoring and reporting system to track how the UN system at the country level supports governments to deliver on the Sustainable Development Goals and the 2030 Agenda. This is the first report prepared based on data from this information system.

This report gives us the evidence to show which SDGs our programmes have focused on and draw some conclusions on how the work of the UN fares in supporting Montenegro to address its sustainable development priorities. Our conclusions will feed into the next programming cycle and the new **UN Cooperation Framework**.

Enjoy reading.

Fiona McCluney

UN Resident Coordinator in Montenegro

OVERVIEW OF PROGRESS IN 2019

Contribution to the 2030 Agenda for Sustainable Development

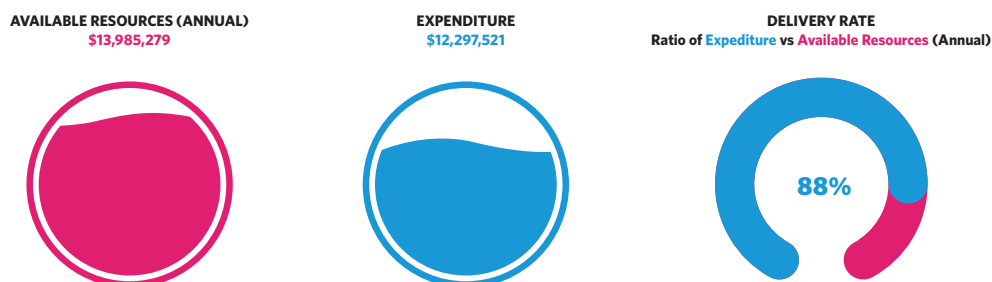
The United Nations System in Montenegro has continuously supported the Government of Montenegro in its path to sustainable development. With the adoption of the National Strategy for Sustainable Development (NSSD) 2030 and a corresponding Action Plan for its implementation, the Government of Montenegro nationalized the UN 2030 agenda for sustainable development, including its Sustainable Development Goals (SDGs) and SDG indicators.

In the third year of implementation of the Integrated UN Programme for Montenegro 2017-2021 (UNDAF), the United Nations delivered **12,297 mil. USD** in Montenegro (see *Figure 1*) which represents 88 percent of the funding available. This budget was delivered through more than 100 agency specific interventions in 2019, within a framework of four results areas, aligned with development priorities of Montenegro:

- Democratic Governance (DG);
- Environmental Sustainability (ES);
- Social Inclusion (SI);
- Economic Governance (EG).

FIGURE 1:

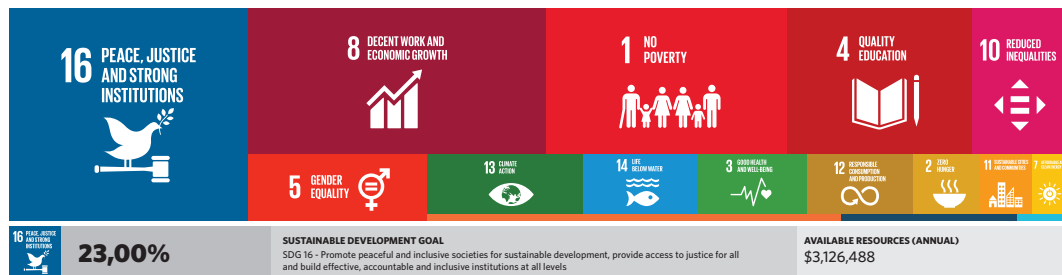
Strong delivery of overall budget in 2019



Being a natural partner to deliver on a bold promise to *leave no one behind*, UN Montenegro assessed and matched all its interventions against the 169 SDG targets. Activities that contribute to the same SDG were grouped to calculate the total amount of funds invested in achieving the targets defined for a particular SDG.

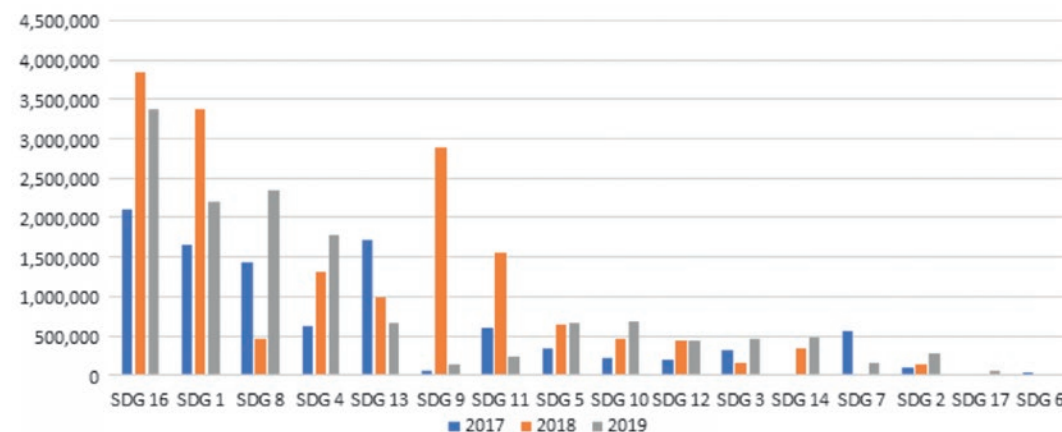
As figure 2 shows, out of the **12,297** mil invested in 2019, 23 % was spent on activities driving progress in achieving **SDG 16** (Peace, justice and strong institutions), work on **SDG 8** (Decent work and economic growth) commanding 17% of resources, **SDG 1** (No poverty) 15 %, and **SDG 4** (Quality education) 13%.

FIGURE2:
UN Programming investment in 2019 concentrated in five SDGs



This trend in 2019, when viewed over the the first three years of UNDAF implementation, is evident in overall expenditure on SDG 16 (Strong Institutions) and SDG 1 (No Poverty) as two SDGs which have received the most UN contributions. Over the last three years there has also been significant investment in programmes to support SDG 8 (Decent Work), SDG 4 (Quality Education) and SDG 13 (Climate Action).

FIGURE3:
UN Programmes consistently focus on Governance and addressing Poverty (USD 2017-2019)



Looking in more detail at **these 5 SDGs** (1, 4, 8, 13 and 16), **it is evident that they are critical for the delivery of the NSSD and some of the priority chapters of the EU Acquis.** A number of notable results have been achieved in those areas:

Firstly, on **SDG 1** - the focus in work on ending poverty is at the core of the 2030 Agenda for Sustainable Development. Eradication of poverty is a key objective in the Government's National Strategy for Sustainable Development (NSSD), under thematic area 2 on social resources. Through the Programme interventions on SDG 1, we have strengthened outcomes on ending poverty specifically to NSSD Strategic Goal 2.5 - *Stimulate employability and social inclusion*, related to improving measures for active policy of employment, enabling of professional trainings, and targeting socially vulnerable groups through efficient measures of social and other policies.

- Social inclusion efforts have been enhanced, including the development of facilities for the provision of social welfare and childcare services, as well as establishing and maintaining robust social welfare information system that provides a wealth of data for evidence-based policy making and monitoring of implementation of social policy.
- Comprehensive assessment of the social protection system in Montenegro was launched in 2019, and the analysis of multidimensional child poverty is underway. These findings will even further strengthen accuracy of targeting and evidence-based interventions in the period to come.

Secondly, education is the fundamental human right and indispensable for the achievement of sustainable development. With the aim to ensure inclusive and equitable quality education in Montenegro, **SDG 4**, the Programme is continuously strengthening national capacities to improve quality and inclusive education and pre-school services with the focus on access to education for the most marginalized children.

- Evidence shows steady increase in the coverage of children with pre-school education from 59% in 2017 to 72.4% in 2019, while pre-school enrolment of Roma children rose by 92% in 2019 compared to previous year.
- Through the UN joint programme, almost 45% of the total adolescent population in Montenegro improved their skills and knowledge, required for the modern labour market and entrepreneurship, thus contributing to the NSSD Strategic Goal 1.3 - *Ensuring inclusive and quality education and promote lifelong learning opportunities for all.*

- The Programme invests significant efforts in the modernization of education practices in Montenegro through increasing the capacity of education system and for real-time monitoring of education system performance. The latter significantly contributed to evidence-based policy making in education sector.

Thirdly, decent work and sustainable economic growth can drive progress and generate the means to implement the Sustainable Development Goals. **SDG 8** initiatives are aligned with three thematic areas of the NSSD: social resources, economic resources, and financing for sustainable development, respectively. Namely,

- The Programme supported Government efforts to enhance competitiveness and encourage business-friendly environment that stimulates cultural artistic creativity and innovative entrepreneurship, toward improving the creative industries sector policy. It also provided support to reconstruct and revive cultural heritage sites to give them more prominent tourist value and economic potential.
- Green economy and increasing economy competitiveness across sectors have also been high on Programme agenda. By setting the basis for improvement of the Investment Development Fund's green financing portfolio (for financing environmental protection, energy efficiency and renewable energy projects), NSSD Strategic Goal 6.2 -Enabling the introduction of a green economy by mobilizing funds for sustainable development financing has been targeted.
- Enhancing capacities of social partners and programmatic support to tripartite working group on Labour Legislation resulted in the final adoption of amendments which are aligned with the EU acquis of Chapter 19.

Fourthly, Montenegro has made a strong commitment to work on overcoming the challenges identified at UN Conference on Sustainable Development (Rio+20, 2012), and the more recent ratification of the Paris Agreement in 2017. The UN proved to be a strong partner to Montenegro in living up to the expectations of environmental preservation and climate change, being at the core of **SDG 13**. This work has directly contributed to the NSSD thematic areas 3 and 4 and to meeting Chapter 27 benchmarks of the EU acquis.

- Supported the development of renewable energy and innovative low-carbon solutions in tourism and transport sector. The GHG inventory for the

two latest years (2016-2017) showed that Montenegro is already quite close to reaching its Nationally Determined Contribution (NDC) of decreasing almost 30% of its GHG emissions, in comparison to the base year (1990).

- Montenegro was the first country in the region to adopt a Law on the Protection against the Adverse Impacts of Climate Change and led the way in transposing the climate change related acquis into national legislation.
- UN-supported innovative tourism-related projects catalyzed more than 13 million USD investments of private and public sector. Capacities for adaptation to climate change have been strengthened, including climate proofing of infrastructure.

Through supporting the establishment of the Eco-fund, the Programme also contributed to NSSD Strategic Goal 6.1.- *Establishing the system for sustainable environmental financing and preservation*.

Finally, strong, competent and independent institutions, **SDG 16**, are the condition without which democratic society based on rule of law cannot be built. This is why capacity building of institutions and providing technical assistance has been a cross-cutting intervention of UN through all four strategic goals of the UNDAF. The programme mostly contributed to the NSSD thematic area 2 and support to meet Chapters 23 and 24 of the EU Acquis, as

- Since 2017, approximately 9 million USD has been invested into public administration reform, digitalization and data exchange among institutions, tailored trainings at all levels, including judiciary, as well as mainstreaming gender in the work of public administration and the Parliament.
- The Programme has been strongly involved in the areas of migration, building and strengthening asylum system, integration of ex-YU refugees, cooperation in criminal and civil matters, protection from violence, abuse, exploitation, and human trafficking.
- It provided substantive support to local authorities to increase transparency, and more efficiently and strategically manage funds allocated for civil society organisations.

This capacity building approach is evident if we look at the **types of UN investment in SDGs programming**. As figure 4 shows, using the standard UN

Development System entity functions, i.e. definitions of support activities (QCPR)¹, more than 50 percent of all the UN activities in Montenegro are in capacity development/technical assistance.

FIGURE 4:
Over half UN programmes in 2019 focussed on Capacity Building and Technical Assistance

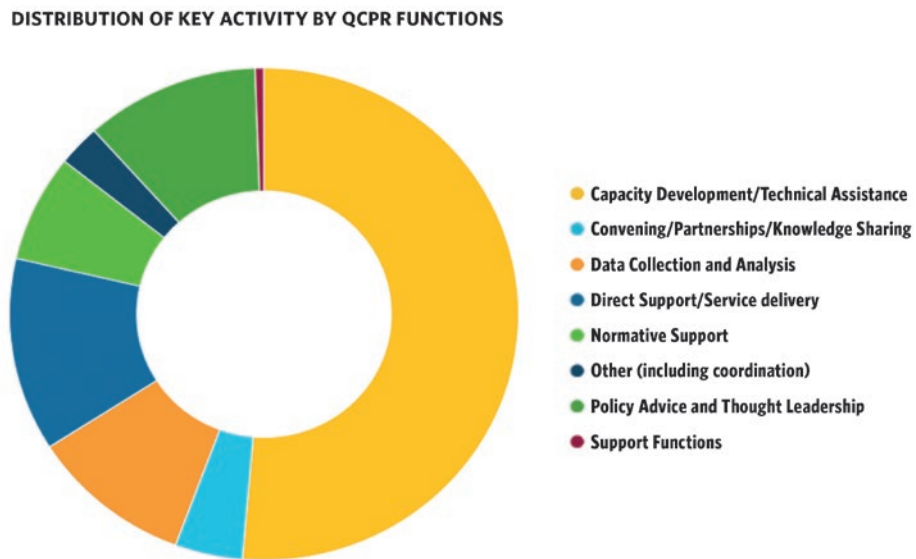
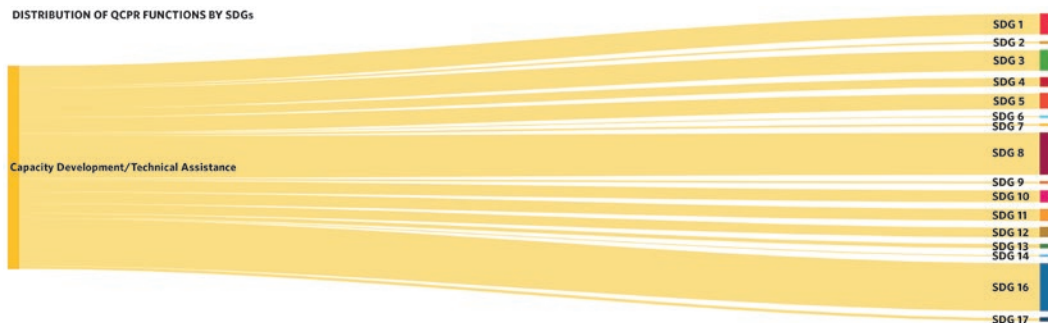


Figure 5 shows that SDG 16 and SDG 8 had the most capacity development activities with 49 and 43 activities, respectively, followed by Addressing Poverty (SDG1) and Health outcomes (SDG3) with 21 capacity development activities each.

FIGURE 5:
Capacity Building and Technical Assistance support across 16 SDGs



1 The QCPR (Quadrennial Comprehensive Policy Review) is the primary policy instrument of the General Assembly to define the way the UN development system operates to support programme countries in their development efforts.

Moving away from the UNDAF framework itself, preparatory and joint strategic advocacy work around Agenda 2030 continued in 2019. To build synergies between implementation of Agenda 2030 and the country's reform trajectory to join the European Union, in 2016 the UN system developed the **Mainstreaming, Acceleration and Policy Support** approach: Unravelling Connections (<https://bit.ly/2QPYfYd>). It concluded that there are chapters where progress in achieving the benchmarks in Chapters of EU Acquis will accelerate achievement of the SDGs (Chapter 27, 19 and 23/24). It identified gaps, in areas of national competence under the accession framework, where UN support for strengthening systems (education, health and social policy) may require focus, as the state's attention is concentrated in meeting chapter accession benchmarks.

In early 2019 the UN identified **eleven concrete actionable interventions** (within the Acceleration Chapters) with the potential to be further developed into projects to be considered for financing through the EU's Instrument for Pre-Accession (IPA). An **SDG Working Group** was established within the UN and tasked to (i) accelerate achievement of SDGs through MAPS process, (ii) assist in identifying financing mechanisms, (iii) contribute to management of data on SDGs, and (iv) support the advocacy of SDGs and National Strategy for Sustainable Development. In 2019 information from the Multiple Indicators Cluster Survey (MICS), the household survey, contributed to the **collection of data on 20 SDG indicators across a number of SDGs**. With support from UN, MONSTAT organized regional thematic workshops with key stakeholders to boost the use of data for policy response.

UN Montenegro was successful in mobilizing SDG financing from the First call of the Joint SDG Fund focused on social protection. This joint programme aims to enhance the capacities of the social protection system to better serve people in need. UN also successfully applied to the **Secretary General's Peacebuilding Fund (PBF)**. As a result, UNDP, UNICEF and UNESCO from Bosnia and Herzegovina, Montenegro and Serbia work together to implement initiative Dialogue for the Future and reach out to close to 15,000 young people, women, decision and opinion makers through various interventions defined through this initiative.



Photo credits: UN Montenegro/Milos Vujovic

Special Rapporteur on Human Trafficking presenting preliminary findings

Leaving no one behind and human rights in the 2030 agenda

The UN system promoted **advocacy on human rights** throughout the year, in particular on the rights of women, children, persons from the LGBTI community and the rights of persons with disabilities.

In November 2019, Montenegro hosted a visit of the **Special Rapporteur on Trafficking in Persons**, especially women and children. She made an end of mission statement on 8 November 2019 and will present the full report to the Human Rights Council in Geneva in June 2020.

The Gender and Human Rights Working Group facilitated the production of a **video to guide victims of gender-based violence** where to seek support, reaching over 220.000 people.



Video tutorial for victims of domestic violence 'Finding a way out'



After its success in 2016, the interactive theatre play “Love and Violence” was renewed and performed in high schools throughout Montenegro in the first semester of 2019. Over 3,000 high-school students watched the play, which was performed in more than 30 high schools throughout the country. The average mark of the play was 4.7 (on a scale of 1-5), which was submitted by the audience via an on-site questionnaire.

Supported by the UNDG’s Human Rights Mainstreaming mechanism for human rights expertise, **an international human rights adviser** was deployed to the country in late September 2019 tasked to (i) support roll out of the human rights tracking database that Montenegro is piloting, (ii) strengthen National Mechanism for Reporting and Follow up, (iii) follow up the recommendations of the human rights treaty bodies and mechanisms and (iv) perform other duties important to monitor implementation and promotion of human rights in the country.

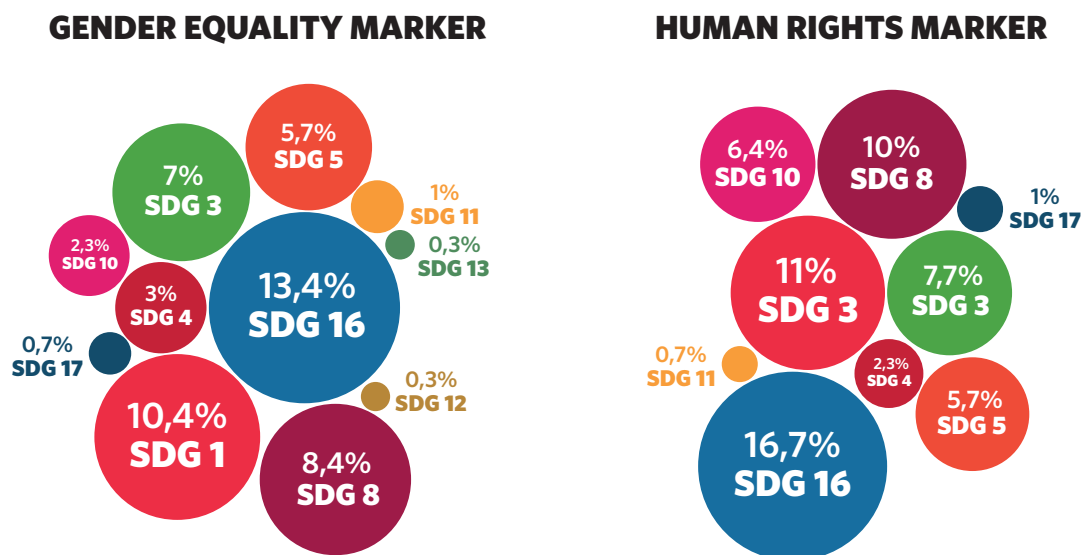
Apart from conducting focused gender and human rights initiatives, the UN also tracks gender and human rights contribution to each programme. In the UN reporting system the Gender marker, on a 0-3 scale, provides a reflection of the degree to which gender equality objectives are integrated into the planning and execution of activity.

Figure 6 shows that activities that fully considered the gender aspects of their activities were most often found in those working on SDG 16 (Strong Institutions), SDG 1 (No Poverty), SDG 8 (Decent Work) and SDG 3 (Good Health). Apart from

SDG 5 (Gender Equality) gender has been mainstreamed in 10 additional SDGs and human rights approach in 9 SDGs.

FIGURE 6:

Gender and human rights concerns mainstreamed in most of the SDGs



Contribution per Investing partners, Results groups and UN agencies

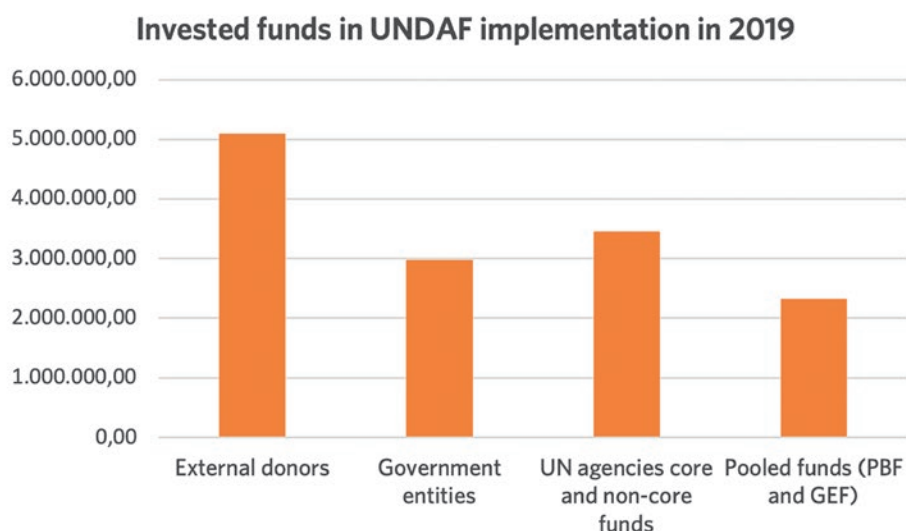
The 2019 UNDAF was funded by external donors, pooled UN funds supported by member states (Peacebuilding Fund and Global Environment Facility), as well as contributions from the Government and from UN Agencies core and non-core funds², often contributed by member states.

The ratio of all four categories was significant, while Government-invested funds and UN core and non-core funds were set at almost of the same level: 22 and 25% respectively (Figure 7). External donors³ contributed with 36 percent to the UN Programme and pooled UN funds supported by member states (17 percent).

2 Total amount of UN contribution does not include institutional budget of agencies or Resident Coordinator’s Office, only the amounts directly related to implementation of four outcomes of UNDAF.
 3 Austrian Development Agency, Adaptation Fund, European Union, Embassy of the UK to Montenegro, GCF, Gov.of Germany, Gov. of Netherlands, Gov. of Norway, IDF, ING, NORAD, Slovak Ministry of Finance, Telenor, USAID, The Bureau of Counterterrorism

FIGURE 7:

Sources of financial support for UN programme in 2019



When it comes to the **Result groups**, Social inclusion group traditionally has the highest annual budget, followed by Democratic Governance, Economic Governance and Environment Sustainability groups, respectively.

An overview is provided in the table below.

TABLE 1:

All four Results Groups delivered significant percentage of available funds

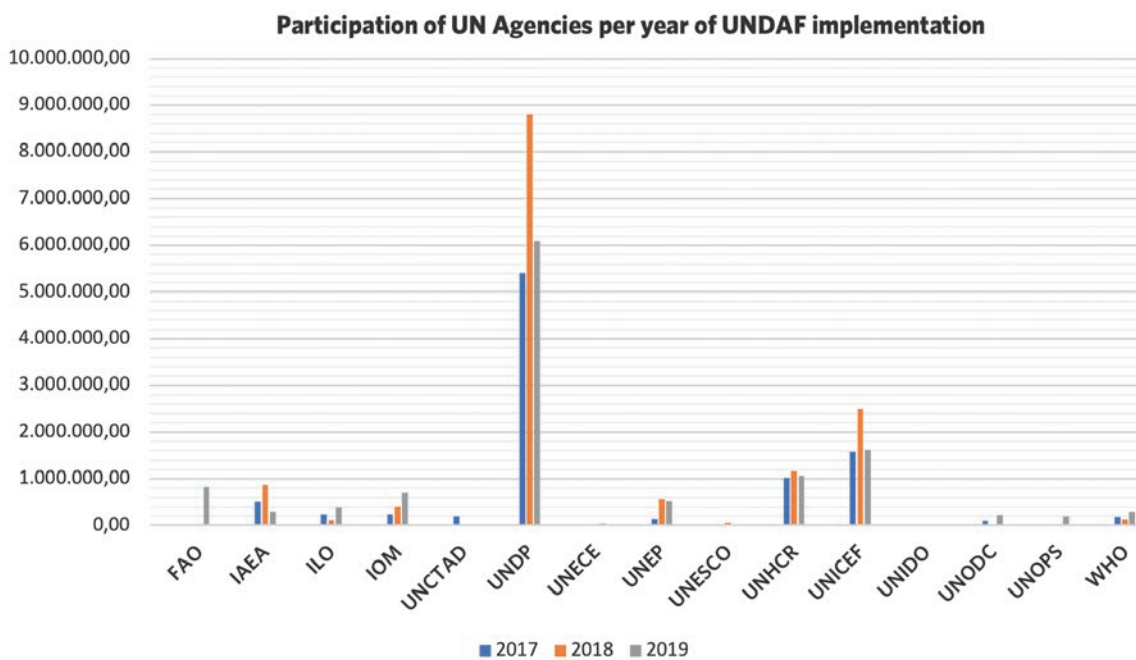
Results group	Total budget (USD)	Available funds (USD)	Budget delivered (USD)	Budget delivered (%)	Deviation from the available budget
Democratic Governance	4,410,717.00	3,899,615.00	3,352,264.00	85.96%	15.00%
Environmental Sustainability	2,207,000.00	1,832,000.00	1,830,900.00	100.00%	0.00%
Social Inclusion	7,456,978.00	5,937,054.00	5,187,032.00	87.37%	13.00%
Economic Governance	2,316,600.00	2,316,610.00	1,927,324.00	83.00%	17.00%
TOTAL	18,498,331.00	15,467,516.00	12,297,520.00	88.00%	12.00%

For comparison sake, even though 2019 delivery was by 7.7% less than that of 2018, **2 results groups had significantly increased their investment compared to 2018**: Democratic Governance for 23% and Environment Sustainability for 31%. Social inclusion remained at almost the same level (1.5% increase). The only Results Group with decreased budget (56% less than in 2018), is Economic Governance, and this is mainly due to the large infrastructure projects in the 2018 budget.

The Figure 8 presents the overall involvement of UN agencies for the previous three years, indicating that 15 of them have had active Programmes in Montenegro in the course of current UNDAF.

FIGURE 8:

5 resident and 10 non-resident agencies contributed to the Programme as of 2017.



In the following Chapter, an overview of results group achievements will be provided, while the detailed list of implemented activities is provided in Annex I.

OVERVIEW OF 2019 RESULTS WITHIN EACH RESULTS GROUP

DEMOCRATIC GOVERNANCE

OUTCOME 1: By 2021, a people-centred accountable, transparent and effective judiciary, Parliament, public administration and independent institutions ensure security, equal access to justice and quality services for all people

Output 1.1: Enhanced citizens' and civil society participation in creation, monitoring and implementation of policies and legislations including through innovative models for citizens engagement and open data use.

Output 1.2: Enhanced capacity of the public administration, law enforcement and independent institutions to ensure security and deliver inclusive, people-centered services

Output 1.3: Improved legislations and policies to meet EU acquis requirements and international obligations of Montenegro, including the SDGs

Output 1.4: Capacity, efficiency and transparency of judiciary improved

Key results achieved by Democratic Governance Results Group

UN Country Team remains committed to supporting the democratic capacities of the country. While the support has covered wide range of areas, main focus was on (i) **judiciary**, (ii) **improving citizens' participation**, (iii) **improving capacities of public administration** and (iv) strengthening **legislative framework and law enforcement**.

Continuous support was provided to the Government in the EU accession process resulting in significant **strengthening of Central government bodies' strategic planning capacities** and **alignment of national legislation with the EU Acquis** in the most demanding areas of:

- ✓ Judiciary and Fundamental Rights;
- ✓ Justice, Freedom and Security;
- ✓ Competition and
- ✓ Environment and Climate Change.

Public administration reform was supported through:

- ✓ enforcing cooperation among state institutions and municipalities to carry out the **Optimization plan** at the local level;
- ✓ boosting country's **digital governance** capacities through system wide interventions, whereby cross-sectoral data exchanges were enabled from 19 institutions and contributing, among others to meeting the EU benchmark for data exchange;
- ✓ Knowledge and capacities for **Gender mainstreaming and institutional responsiveness** towards promotion, protection and enforcement of human rights and equal opportunities were enhanced through delivering of accredited training program for civil servants and certification of 28 trainers for gender mainstreaming with Human Resource Management Authority.



Women's political and economic rights are strengthened and ability for women to participate in policy and governance processes at all levels are improved. Through our advocacy work and in partnership with Women's Political Network, electoral legal framework was improved resulting with integration of amendments

with 40% quota provisions in draft Electoral Law by the Parliamentary Committee on Further Reform of Electoral and Other Legislation. Through improving the Law on financing of political parties and electoral campaigns, Montenegro became one of the few countries in the Europe with financial affirmative measures in legislation for acceleration of women's political participation, resulting with 512,000 Euro to be allocated in 2020. WPN advocacy work created enabling environment for women in politics and in 2019, number of women MPs was increased from 24% to 29,6% in the Parliament.

Public finance management system was strengthened through further alignment of national accounting systems with international standards, including adoption of the Law on Public Sector Accounting and enhancing capacities for better municipal budgeting at local level. In order to contribute to the economic and financial stability and reduce regional disparities among the Montenegrin municipalities, the Law on Local Self-Government Finance was further improved, through adoption of the 5 bylaws which define in more detail the institutes defined by the law and the manner of its implementation.

Moreover, five municipalities were supported in improving the **local policy framework for transparent allocation of funds to CSOs** resulting in supporting 48 grass-root initiatives and engagement of more than 160 CSO representatives and 7000 citizens to actively take part in decision making processes at municipal levels.

Strengthening the **child rights monitoring system** was continued as a budgeted Strategy on Exercising the Rights of the Child (2019-2023) was developed with the participation of 100 children and youth, rooting its objectives in the CRC and recommendations of the CRC Committee (2018). In addition to that, the Ombudsperson's office was supported to strengthen capacities of children, members of the Golden Advisors' network, to do more promotional work among their peers about child right to access justice.

The **Child Equitable Access to Justice** became an integral part of the comprehensive reforms in the justice sector and integral part of the country's rule of law agenda. Under the leadership of the Ministry of Justice, and with UN support, the child equitable access to justice and child-friendly justice concepts were integrated in the major strategic papers concerning justice system reform and child rights in general: Strategy of the reform of Judiciary (2019-2022) and Strategy for Realization of Child Rights (2019-2023). With the support from UN,



Ombudsperson' office and CSOs strengthened knowledge of over 2000 boys and girls from vulnerable background on their rights to access justice.

In October 2019, a Montenegrin delegation participated at the High-Level Segment on Statelessness, in order to mark the mid-point of the #IBELONG Campaign to End Statelessness. **Montenegro delivered four pledges**, committing to strengthen its capacities for the effective implementation of the statelessness determination procedure, secure access to basic rights for stateless persons and further strengthen its birth registration procedure by 2021, as well as to eradicate statelessness by 2023.

Regional cooperation was fostered in the area of **human rights of asylum seekers and refugees** by promoting the cooperation of Ombudsman offices from three countries, Montenegro, Albania and BiH who have, for the first time, cooperated on issues related to the human rights of asylum seekers.

Reception Centre with the capacity of 60 persons was established. Specifically, 17 containers for accommodation, sanitary, medical and logistic support were delivered. In addition, project design for the new Transit Reception Centre was

developed. The Transit Reception Centre will have the capacity to accommodate one hundred twenty (120) persons in regular conditions and two hundred (200) in emergency conditions.

Support was provided for establishment of a **Special Anti-Trafficking and Smuggling Investigation Unit** in Montenegro with the aim of achieving the overall improved rates of identification and investigation for cases of trafficking in human beings and the smuggling of migrants.

Country's capacities were strengthened in **countering illicit drug trafficking and transnational organized crime** and strengthening criminal justice, integrity and legal cooperation. More specifically, capacities were raised in the areas of Financial investigations, Crime Intelligence Analysis, Investigation and prosecution of firearms trafficking, coordinated response to Trafficking in Persons (TIP), risk-based profiling of sea cargo containers and improving information exchange at national, regional and international levels.

Through the regional programme **Dialogue for the Future (DFF)**, UN has enabled a structured dialogue of people from all groups of society to identify major challenges and solutions for the improvement of social cohesion in the country and the region. Citizens identified institutional efficiency and transparency as one of priorities, including digitalization of services, as well as equal access of all people to services and rights and need to advocate for more space for dialogue and communication with institutions and decision makers. The implementation of identified priorities will be supported through grant facility and policy advocacy.

Notable achievements were attained in the domain of **migration management**, more specifically: the basis for establishing API (advanced passenger information) and PNR (passenger name record) in Montenegro were set, which will be followed by developing a country specific project, encompassing procurement of API/PNR software in 2020; interpretation services to Arabic, Farsi, Urdu, Pashtu languages were made available through operationalization of the Western Balkan Regional Remote Interpretation Service (MARRI RRIS) and development of MiTA application (Migration Translation Application), intended for use by first line practitioners and Asylum Offices in the Western Balkans region; culturally sensitive services to migrants were made available through development of a cultural mediation curriculum, which provides for standardized cultural mediation services to migrants across the region.

Key constraints

Lack of political dialogue poses a risk to the consensus for further electoral reform processes. Despite initiation of the work of the Parliamentary Committee on electoral legislative reform, so far, there is **no agreement on the revised electoral framework**.

Though Montenegro invests efforts into bringing about gender-sensitive policies, the overall **participation of women in politics** remains below the minimum defined by the Electoral Law and below expected parity defined by the Gender Equality Law and relevant SDG target.

There is no child rights budgeting and limited financial investments in child rights overall. Lack of reliable data on the status of child rights in the country is an important concern, which has been recognised. There is a great need for improvement of inter-sectoral work and processes and establishment of **child friendly justice** procedures.

The need to **strengthen human and financial resources of public institutions** in certain areas has been recognized, especially in the domain of laws' implementation. Therefore, there is a need to carefully map out the gaps and find appropriate solutions. Moreover, there is room to strengthen capacities for inter-sectoral cooperation and collaboration in several areas inclusive of cooperation between policy makers and academia and research community for public policy making and implementation.

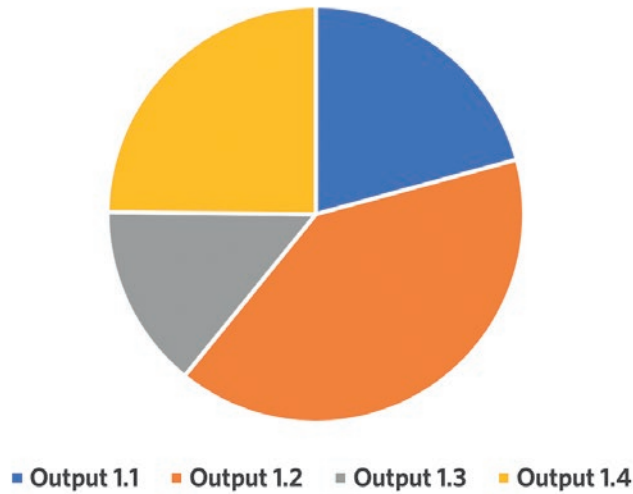
Delivery of 2019 budget per Outputs and SDGs

Democratic Governance Results Group contributed to all four Outputs in 2019. Out of **3.35 mil. USD** invested in Democratic Governance in 2019, the **Output 1.2** (Enhanced capacity of the public administration, law enforcement and independent institutions to ensure security and deliver inclusive, people-centred services) was the predominant one, with **40% of all invested funds**, given its focus on strengthening public administration through the use of ICT, gender mainstreaming, developing migration management and asylum system in the country, strengthening investigative, profiling and forensic capacities of law-enforcement bodies etc. Graph below:

FIGURE 9:

40% of expenditure went to Output 1.2.

Delivery ratio per the Outputs

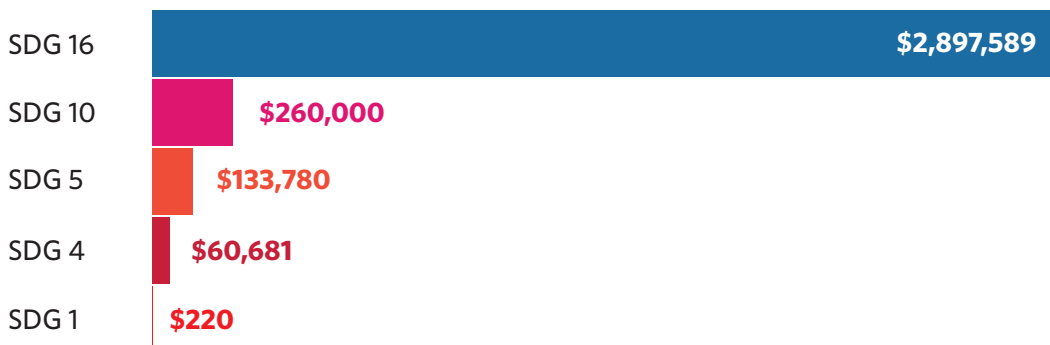


Expectedly, when it comes to DG group contribution to SDGs, greatest expenditure was by far on SDG 16 (Peace, Justice and Strong institutions), followed by SDG 10 (Reduced Inequalities), SDG 5 (Gender Equality) and SDG 4 (Quality Education).

FIGURE 10:

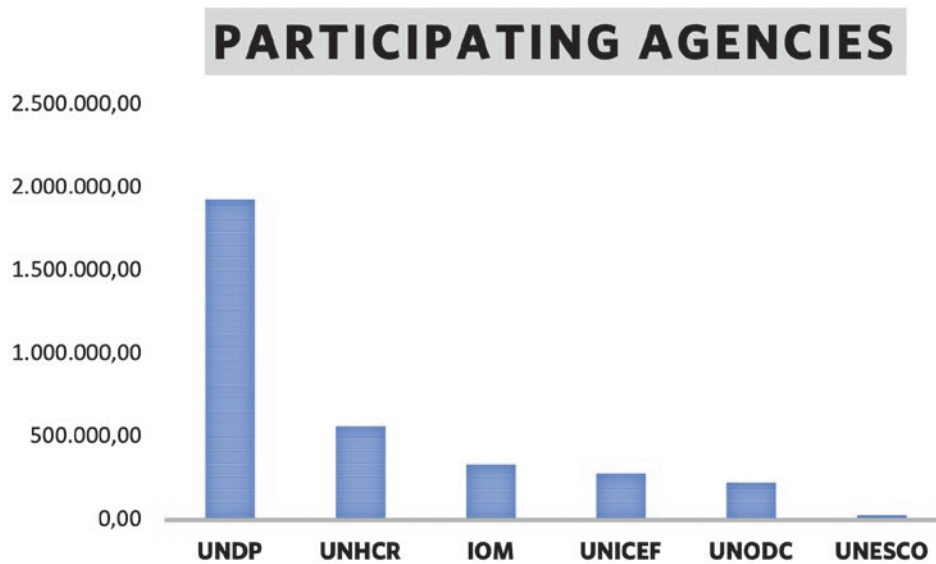
Democratic Governance group contributed to four SDGs

SUSTAINABLE DEVELOPMENT GOAL EXPENDITURE



Four resident and two non-resident agencies participated in the work of Democratic Governance group:

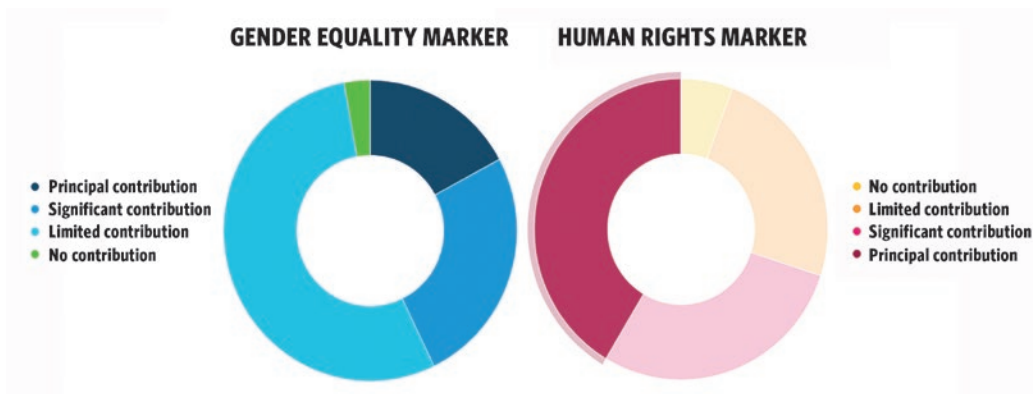
FIGURE 11:
Six agencies participated in the work of DG group



Contribution to gender and human rights

As indicated in the chart below, 30 out of 70 activities in the area of Democratic Governance (43%) have had principal or significant contribution to gender equality, while 49 out of 70 (70%) made a principal or significant contribution to human rights.

FIGURE 12:
Gender and human rights fairly mainstreamed through DG activities



Lessons learnt

Montenegro remains focused on its EU accession process as the key foreign policy goal. Despite the progress achieved in the process of EU integration, there is a continuing need for improvements in the area of legislation, institutional transparency and **capacities to implement** normative and strategic frameworks to successfully deliver against the EU accession requirements. Country's advanced stage in the EU negotiations imposed **more challenging tasks related to strategic planning**, i.e. stricter rules for coherence and coordination of policy planning processes.

Priority to develop service oriented, efficient and trustful **public administration** remains. It is of utmost importance to ensure continuous cooperation and synergy between the Government on one side and citizens and businesses on the other to be responsive to their needs, which will continue to change in line with the trends of digitalization. For the provision of more personalized, effective and efficient services at the local level, the collaboration between state institutions and local self-governments needs to be enhanced especially in the area of access to administrative data from national registers. Be it on national or local level, digitalization is very often seen in narrow terms as development of digital services; depending on the level of ambition, digital tools can change the way that institutions organize themselves and manage their resources.

The **Office of the Protector for Human Rights and Freedoms** (the Ombuds-person's office) remains committed to raising awareness on child rights and strengthening children's access to the individual complaints' mechanisms, though there is still space for improvement. Ombudsperson office was instrumental in upholding the protection of human rights of migrants and asylum seekers. In order to achieve 'A' status and comply fully with the UN General Assembly adopted Paris Principles related to the Status of the Global Alliance of National Human Rights Institutions (GANHRI), the Ombudsperson's office needs further support.

Positive developments in terms of **women's political participation** in the composition of Parliament can be noted as a result of the Women Political Network advocacy for increased women's political participation. The parliamentary capacity to integrate and oversight gender equality needs in legislative framework as well as government work, needs to be further strengthened. There is an absence of gender responsive policy development and gender responsive budgeting at the

local level. Gender pay gap remains issue for public administration as well as for private sector that requires thorough analysis and addressing.

A significant amount of work is still required to strengthen justice systems and **empower children to have equitable access to justice** due to insufficient resources devoted towards addressing the concerns children face in accessing the justice system, limited understanding of children as right-holders, lack of awareness of justice mechanisms and supporting institutions; poor access to information on children's rights; and, perhaps most pronounced, deeply entrenched social and cultural norms, as well as judicial and administrative procedures, which are generally not adapted to children. For some groups of children, like those exposed to poverty, discrimination, children with disabilities, children belonging to minorities, etc. obstacles proved to be even exacerbated.

Even though the **legal framework for CSOs** in Montenegro is improved, additional efforts should be invested to support the relevant Governmental structures for its implementation. Special attention should be directed to funding of NGOs and their participation in decision making at the local level, where limited assistance from both Government side and donor society is available.

ENVIRONMENTAL SUSTAINABILITY

OUTCOME 2: By 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change and disaster risk reduction.

Output 2.1: Climate change and environment targets integrated into national policies, strategies and planning

Output 2.2: Enhance energy efficiency and reduction of CO2 emissions enabled in specific sectors

Output 2.3: Improved management and treatment of chemicals and all wastes throughout their life cycle reduction of waste release to air, water and soil

Output 2.4: Capacities for resilience to disasters increased

Key achieved results of Environmental Sustainability Results Group

Environment Sustainability Results Group continued with its programs in the areas of **climate change**, **natural resources** and **waste management**.

Climate change

Montenegro was the first non-EU country to adopt the **Law on Protection against Adverse Impacts of Climate Change**. Through the support provided to the Ministry of Sustainable Development and tourism, EU directives like Emissions Trading System (ETS) and Monitoring Mechanism Regulation (MMR), as part of EU climate change related acquis were transposed into the legislative system of Montenegro.

The **Second Biennial Update Report** submitted by Montenegro to the UNFCCC Secretariat in April 2019. The Report introduced a conceptual framework for development of national Monitoring, Reporting and Verification system (MRV), and provided GHG emission data for two additional years (2014-2015). Data collection for the GHG inventory for 2016 and 2017 completed.

Within the **Third National Communication process**, series of trainings were organized for primary and secondary school teachers on climate change (some of the topics covered were: impacts of climate change, GHG emissions, adaptation, mitigation etc.). More than 200 teachers from all Montenegrin municipalities participated in the trainings and were able to transfer gathered knowledge and information further to their pupils.

The technical capacity of relevant national stakeholders to integrate climate change projections and **climate proofing measures into infrastructure development**, including green infrastructure and integration of EU best practices in accordance with the measures in the EU Directives was enhanced. The First Draft of the Country Programme has been developed under the **Green Climate Fund Preparedness**. With the support from UN, the full transposition of the EU Directive on Industrial Emissions into MNE legal framework was completed and the **Law on Industrial Emissions** was adopted by the Parliament in March 2019.

Within the Country's **air pollution control on the reduction of national emissions of certain atmospheric pollutants**, a thorough economic analysis of proposed measures, performed in order to assess the country's financial capability for achievement of emission reductions level is completed, which will be further negotiated with EU and Air Convention Secretariat.

MNE has ratified the **Protocol on Water and Health** in response to a stakeholder meeting on Protocol ratification (Podgorica, 6 December 2018) with several sectors and institutions participating. Support was provided in developing the **climate change health policy** in Montenegro.

High level policy dialogue was supported through organization of International conference "**Green Days 2019**" that brought together over 500 participants and 40 outstanding speakers - with top-notch expertise to shape a more sustainable future.

For the first time - **Games of the Small States of Europe** (GSSE) went green: environmental standards applied in organization of the Games of Small States of Europe which gathered more than 2,000 participants and 450 volunteers from all around the world.

The first ever comprehensive **E-mobility Feasibility Study** was developed and followed by deployment of 11 EV charging stations throughout Montenegro. The findings of the study presented to experts, business community, academia on several occasions and during the European Mobility Week which gathered



more than 1,000 participants from 8 municipalities. An online platform <https://ev-kalkulator-cg.org/> enabling citizens to calculate benefits of electric vehicles in terms of costs and CO2 reduction is available.

Natural resources management

Country was supported in improving the coordination and management of the **Tara Man and Biosphere reserve**. The conclusions from 31st session of UNESCO, stated that the MAB Advisory Committee concluded that the site meets the criteria of the Statutory Framework of the World Network of Biosphere Reserves.

In addition, Country was supported in proclamation of **additional protected area in Montenegro**: Park of Nature Komovi for Kolasin Municipality territory, increasing the overall protected area territory under protection by 3.5% in 2019.

Within the initiative on Integrated Marine and Coastal Ecosystems Protection in Coastal Area of Montenegro, Field Survey Campaign has been performed. In terrestrial part of the Project area, Survey resulted in a Comprehensive **Data Sets and GIS mapping of habitats and species** important for conservation. In marine part, Hydrographic Survey in the area of Stari Ulcinj and Katic has been conducted in order to identify basic geomorphologic features of the sea bottom relief and substrate (5 types: sand, gravel, mud, solid / fragmented rocks) including zones of Sea bed meadows (*Posidonia oceanica*) and other marine habitats.



The transboundary cooperation and integrated water resources management in the extended Drin River Basin was further promoted through the finalization of the Thematic Report on Water-Food-Energy-Ecosystems Nexus (**Nexus Thematic Report**).

Waste management

In the field of waste management, support was provided for the Development of new **Law on Waste Management** in which Extended Producers Responsibility concept was introduced. In addition, this draft Law transposes 5 EU Directives. **PCB** (polychlorinated biphenyl) **waste** in the amount of 248 tons, that was stored in a secured storage in the Country is safely removed and exported by a qualified sub-contractor to accredited high-temperature incineration plant (HTI) disposal facility in France where it was finally disposed. The National Plan for the Implementation of the **Stockholm Convention** was also completed.

Key constraints

In addition to the progress achieved in the process of EU integration, there is a continuing need for further improvements in **capacities to implement normative and strategic frameworks** to successfully deliver against the EU accession requirements.

There are significant needs, gaps and obstacles that impede further development of climate-related activities, and the room to **strengthen capacities for inter-sectoral cooperation** and collaboration and mainstream the environmental and climate change concerns into national development strategies.

Further efforts are required in terms of policy adjustment and alignment of financial incentives with the desired policy outcomes.

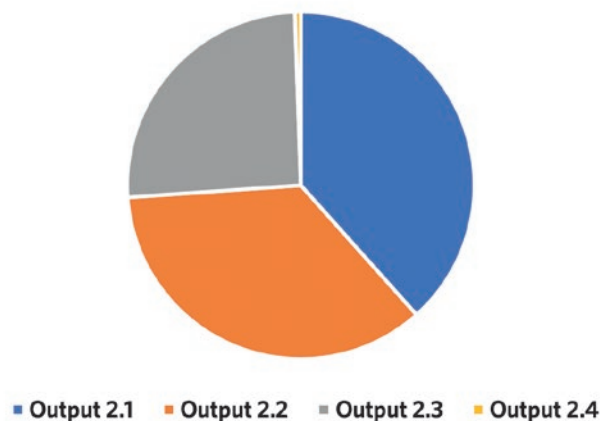
There is **significant funding gap** (EUR 1.42 billion) in meeting the closing benchmarks of Chapter 27. The most demanding sub-sectors are water quality and waste management due to large investments in infrastructure. These two areas, together with nature protection and climate change, are the most challenging ones in the Chapter 27.

Delivery of 2019 budget per Outputs and SDGs

Environment Sustainability group funding of **1.83 mil USD** was almost equally distributed among first three outputs, while the last one, on increasing capacities to resilience to disaster, was tackled by one agency/programme only. This will change, however, in 2020, when a new cross-border programme on flood management will start with implementation.

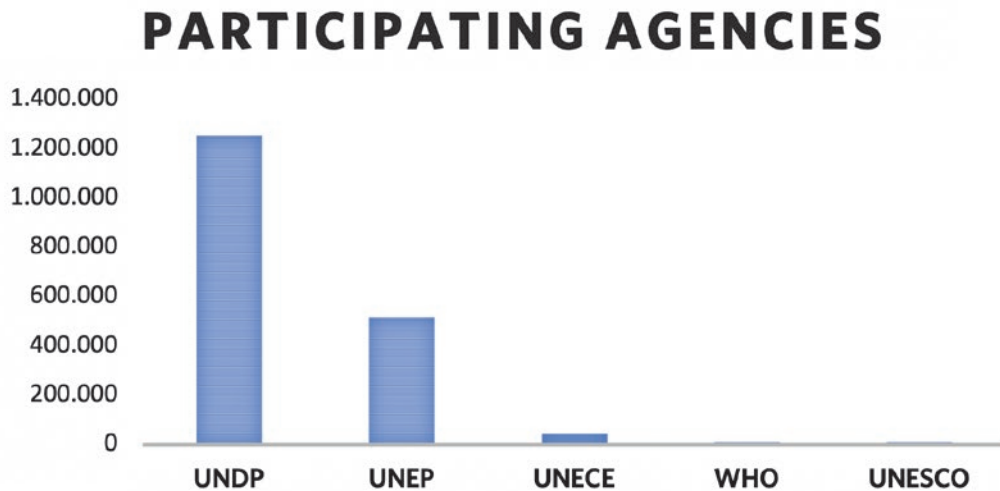
FIGURE 13:
Three dominant outputs in 2019

Delivery ratio per outputs



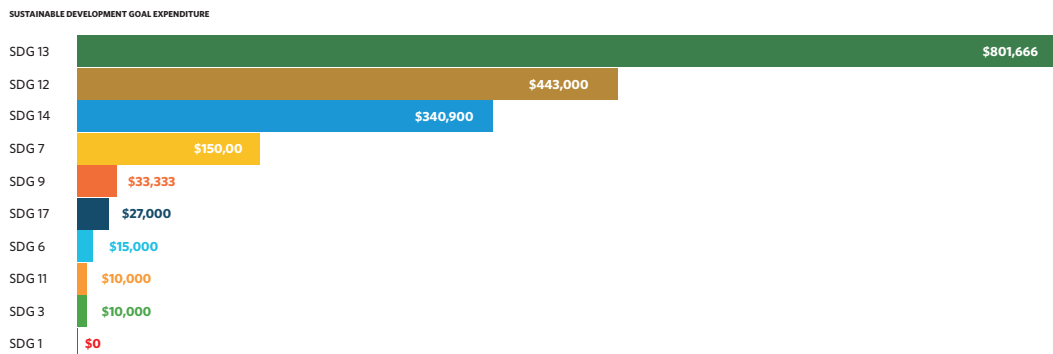
Two resident and three non-resident agencies participated in the work of Environment Sustainability Results group, as shown in Figure 14:

FIGURE 14:
Five participating agencies of ES group



Key SDGs targeted by ES group in 2019, apart from the SD 13 (Climate action), were also SDG 12 (Responsible consumption and production), SDG 14 (life below water), and SDG 7 (Affordable and clean energy).

FIGURE 15:
ES activities spread across nine SDGs

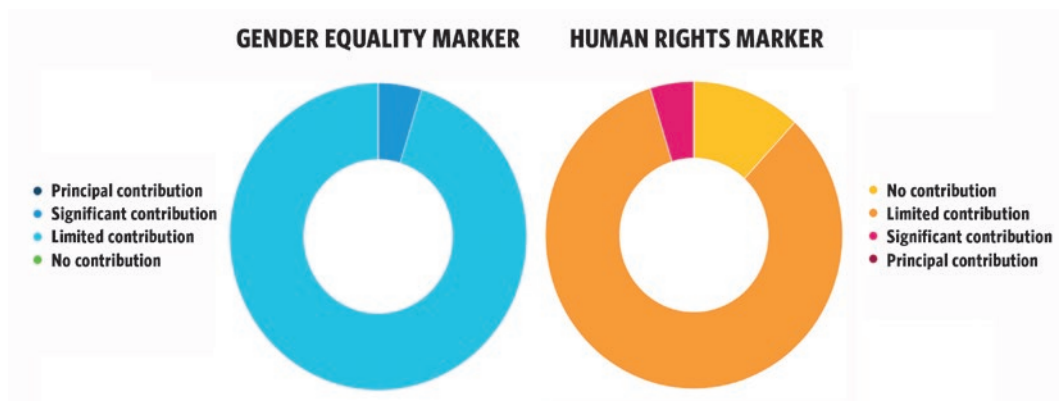


Contribution to gender and human rights

Environment Sustainability has been traditionally seen the least related to gender equality and human rights, which is reflected in the low human rights and gender marker score for this group as well. Namely, out of 42 activities, only 2 have been tagged as having made a significant contribution to gender equality (4.7%), while the other 40 have made a limited contribution. The same 2 activities are also strongly correlated to human rights, while 35 made limited contribution. The figures indicate that there is a significant room for improvement in this regard, especially when it comes to energy efficiency and waste management.

FIGURE 16:

Gender and human rights mainstreaming in ES group to be strengthened



Lessons learnt

Despite the progress in alignment of the country's **legislation** with the EU standards, significant efforts are still needed on **law implementation and enforcement**.

Montenegro adopted the Law on Protection against Adverse Impacts of Climate Change becoming the first non-EU country to do so. Further support to Country is needed to make informed decisions to more ambitious targets in CO₂ reductions, taking in consideration renewed EUs Green Deal commitments by 2030.

Further efforts are required to enhance public awareness regarding Climate Change, to involve the broad range of stakeholders such as the private sector, local authorities and communities. In addition, the population needs to be further motivated to reduce GHG emissions through incentives, and other instruments.

Insight into the way the differences in the social roles and economic status of men and women impact Climate Change and the way Climate Change impacts them differently should be taken into account when determining adaptation and mitigation activities. Existing mechanisms for financing climate activities should include **gender policies**; women should be given equal representation in the decision-making process on CC in order to contribute their professionalism, experience and vision to this process, in particular regarding the management of natural resources.

Newly established institution **Eco Fund** will require further support in building its organizational and financial capacities, with special focus on human resources' capacity building and business processes development and enforcement of the 'polluter pays principle'.

SOCIAL INCLUSION

OUTCOME 3: By 2021, the population has improved access to quality, equitable, inclusive and mutually reinforcing systems of health, education, social protection and decent work

Output 3.1: Enhanced multisector cooperation, social dialogue and the capacity of relevant public institutions to provide effective support and quality, inclusive and innovative services targeting socially excluded groups

Output 3.2: Social welfare and social protection system has an enhanced capacity for an oversight of planning, provision and coordination of social protection interventions and services

Output 3.3: Improved social and institutional responsiveness towards anti-discrimination and gender equality policies for equal opportunities of women and public awareness on violence against women and children

Output 3.4: Innovative solutions introduced for effective participation and empowerment of youth including those affected by poverty, adversity and exclusion

Key achieved results of Social Inclusion Results Group

To enhance social inclusion and ensure access to quality social services an integrated multidisciplinary approach was implemented by UN agencies cutting across the health, education, child protection and social protection sectors with a particular focus on the most vulnerable groups. Ultimately, tackling social exclusion and poverty requires adequate socio-economic conditions and opportunities for participation and income generation. The UN country team therefore seized opportunities for creating synergies for greater impact through close cooperation between UN agencies and partners as part of comprehensive Joint Programme on Social Protection (Activate!). The strong involvement and commitment by public authorities at central and local levels, civil society organizations, private sector and the media ensured the relevance and effectiveness of interventions as well as national ownership and sustainability.

Key achievements in 2019 include:

1) Considerable progress was achieved in **grading and scaling up social and child protection services**, including home assistance to the elderly (benefiting 1200 vulnerable elderly), “Parenting for Lifelong Health” programme (reaching 350 parents since 2018), “Family Outreach Worker” services (supporting 48 families, including 168 children), national SOS helpline (assisting 365 beneficiaries), as well as SOS helpline for children and day care centers for the elderly etc. Furthermore, persons with refugee status or subsidiary protection received 142 different legal services related to the access to their rights while comprehensive set of services was provided to 22 migrants in terms of referrals, interpretation, and assisted voluntary return to their countries of origin. 12 NGOs were supported to address women’s rights concerns in accordance with CEDAW and Istanbul Convention commitments out of which 6 NGOs obtained licenses to provide specialized services for victims of gender-based violence;



Photo credits: UNHCR Montenegro/Milos Vujovic

Distribution of Non-Food Items to the vulnerable asylum seekers residing in the state-provided accommodation, Centre for Asylum Seekers

2) The **infrastructure preconditions for effective provision of services for the vulnerable** have been created by providing 4 durable housing solutions for 381 families of ex-Yugoslavian refugees, and setting up a Day Care Centre for Children and Persons with Disabilities in Golubovci for 30 beneficiaries.

3) Significant results were achieved on **empowerment of groups most frequently exposed to discrimination and exclusion** such as Roma and Egyptian, women, adolescents and young peoples through enhancing their participation in civic and political life, their economic empowerment and their role in promoting social cohesion and resilience. Awareness raising among Roma parents contributed to an increase in pre-school enrolment of Roma children by 92% in comparison to 2018. Social and emotional skills programme was expanded to include over 20,000 students while the Youth Innovation Lab initiatives continued growing and reached more than 45% of the total adolescent population. Regarding the women empowerment, 16 municipalities established permanent budget lines for non-refundable financial support to the local women entrepreneurs.

4) **Capacities of relevant institutions as well as inter-institutional coordination** was strengthened through technical assistance activities such as training of home visitation nurses delivered to 101 professionals, training to 230 social service professionals to oversee the quality of social services serving 38,374 beneficiaries, development and presentation of guidelines for health sector professionals on violence against children at 3 regional events, self-assessment on the implementation of the infection prevention and control conducted in 11 hospitals, capacity development for implementing the new Code of Conduct in cases of gender-based violence for police officers, NGO representatives and social welfare staff, and capacity development of Montenegrin social partners, in particular trade unions on evidence based policy advocacy as well as enhancing Ministry of Interior capacities to support the asylum seekers (94% of the asylum seekers received non-food items such as clothes, footwear, hygienic items, medicines and the vulnerable asylum seekers (34%) were provided with the psycho-social support).

5) Strengthening system capacities for **evidence-based planning and decision making** was continued with the finalization of the Multiple Indicator Cluster Survey (MICS) which provides internationally comparable data on children and women including 20 indicators for monitoring of SDG targets across 10 SDGs. Social Welfare Information System (SWIS) has continued to be expanded and optimized, processing as much as 31 social protection procedures. In 2019, this includes re-

engendering of the Case Management Module, electricity subventions for poor and vulnerable, billing kindergartens fee, revisions, billing and payments processes for social services (children and elderly placement in fostering families and in the residential institutions), maternity leave, social welfare staff trainings, the by-law changes, and many other activities. A national Data Base of cases of violence through interoperability of police and social welfare centers was established and the first Index for Gender Equality to measure progress towards gender equality in MNE based on EU methodology was developed.



Key Constraints

Economic growth is expected to slow over the next few years as a large infrastructure project ends - moderate growth rates are expected for 2020 (2.8 percent) and 2021 (2.7 percent). The outlook remains positive, but external uncertainties present a major risk due to the high level of public debt, which has led to calls for fiscal consolidation, improved governance, accelerated structural reforms and more efficient public spending (World Bank, 2019). Economic inequality has declined (38.5 in 2013 vs. 34.8 in 2018), but despite significant public expenditure on social transfers, some vulnerable groups still live in poverty.

Although the political situation is considered stable, it remains fragmented, polarized and marked by lack of genuine political dialogue posing a risk of lack of consensus for key reform processes. Capacities of public institutions remain weak in terms of human and financial resources which hampers their ability to

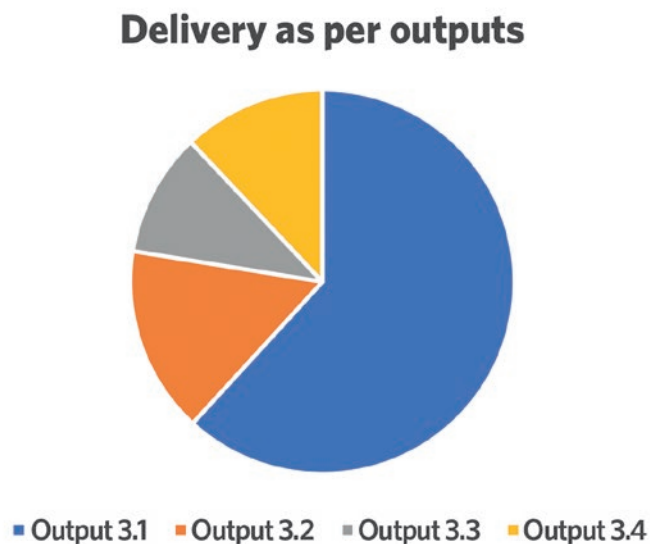
plan, budget, implement and monitor programmes. There is room to strengthen capacities to inter-sectoral cooperation. Similar to other countries in Eastern Europe, Montenegro is facing the challenge of continued population decline due to a combination of emigration and demographic changes thus decreasing the country's human capital which is critical for sustainable development. Internal migration flows are driven mainly by the search for employment and limited access to services – posing new challenges for service coverage.

Delivery of 2019 budget per Outputs and SDGs

The Results Group for Social Inclusion implemented programmes and projects in the total value of **5.187 mil. USD**. The group contributed to all four outputs, but greatest attention, finance-wise, was on the Output 1- Enhanced multisector cooperation, social dialogue and the capacity of relevant public institutions to provide effective support and quality, inclusive and innovative services targeting socially excluded groups.

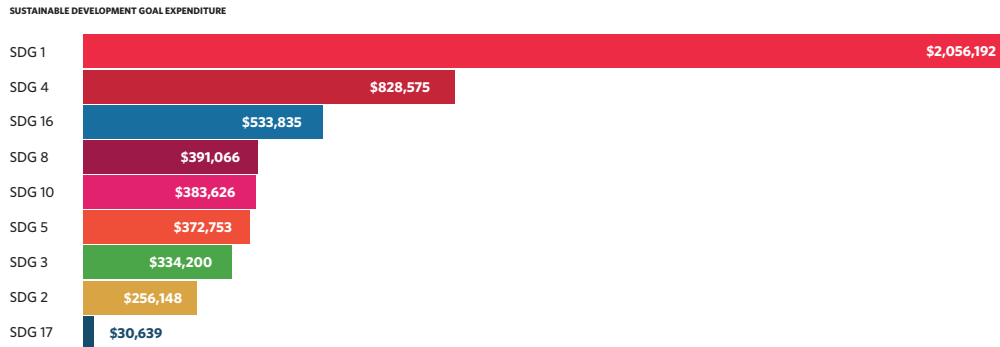
FIGURE 17:

Multisectoral cooperation predominant theme for Social Inclusion



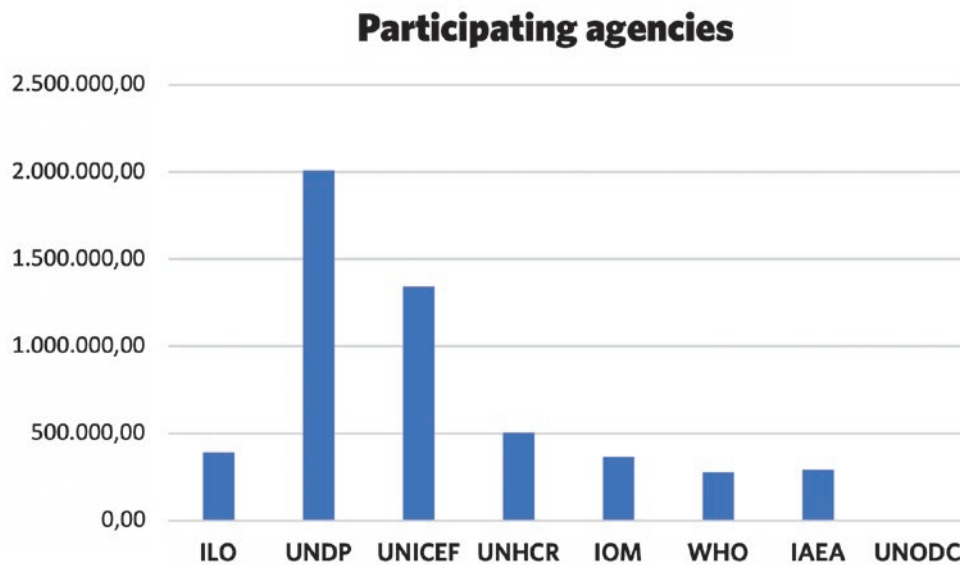
In line with that, SI group invested most in SDG 1 (No poverty), but also SDG 4 (Quality education), 16 (Peace, Justice and Strong Institutions), followed by 8, 10, 5, 3 and 2 (Figure 18).

FIGURE 18:
Social inclusion group contributed to nine SDGs



As outlined in Figure 19, five resident and three non-resident agencies participated in the work of this Results group in 2019.

FIGURE 19:
Social inclusion group gathers most UN agencies

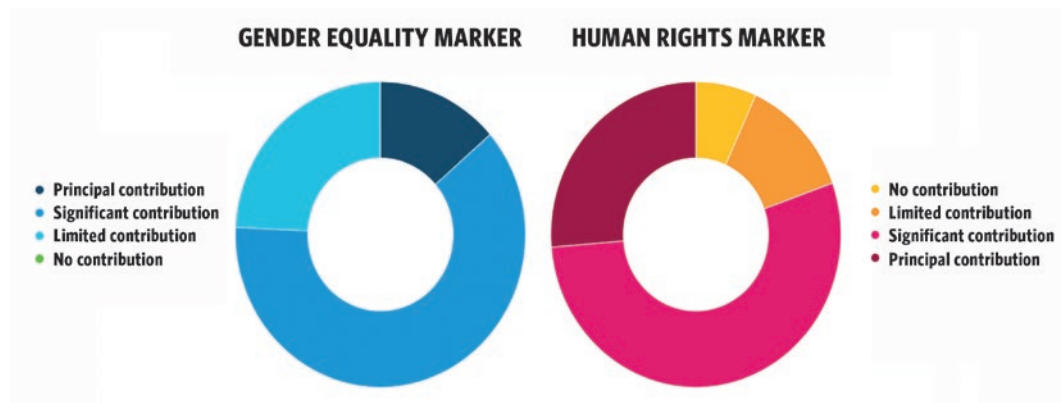


Contribution to Gender and Human Rights

Out of 132 activities, 100 of them (or 75%) have made a principal or significant contribution to gender equality, while 107 (81%) made a significant or principal contribution to human rights. This indicates a considerable level of gender and human rights mainstreaming in the programs of Social Inclusion Results group (Figure 20).

FIGURE 20:

High level of human rights and gender mainstreaming in Social Inclusion group



Lessons learnt

Following progress made towards bringing Montenegro's legal and policy framework in line with international standards, now the focus is on ensuring that laws, strategies and policies are implemented. The UN in Montenegro will continue to build the capacity of policy-makers and professionals to implement and monitor policies aimed at achieving equitable results for all vulnerable groups in Montenegro. To enable policy-makers and professionals to address complex challenges affecting the most vulnerable, UN will continue to promote cross-sectoral collaboration. This requires strengthening a collaborative work culture and political commitment to clarify responsibilities and accountabilities for cross-sectoral collaboration.

UN agencies continued to support the national statistical office and line ministries on improving **survey data collection and administrative data systems**. Quality, disaggregated data was produced that will allow the country to measure progress towards the Agenda 2030. However, data gaps remain with regard to some of the most vulnerable groups (eg persons with disabilities) and **the use of data for evidence-based policy making requires further strengthening**. Building on the wealth of evidence generated on the situation in Montenegro and underlying causes of exclusion, the UN will synthesize data, knowledge and analysis to inform the UN 2022-2026 sustainable development cooperation framework and country programmes.

ECONOMIC GOVERNANCE

OUTCOME 4: By 2021, the people of Montenegro are benefitting from an enabling institutional and regulatory framework for sustainable and inclusive economic growth based on innovation, entrepreneurship and competitiveness.

Output 4.1: National policies foster good business environment and sustainable private sector growth, towards increasing competitiveness of Montenegrin economy

Output 4.2: National institutions have improved capacities to develop, implement and monitor policies and measures that help to generate jobs, and moving from the informal to the formal economy

Key results achieved of Economic Governance Results Group

In 2019, Economic Governance Results Group continued to contribute to realisation of national priorities, such as increase of the employment rate and decent work, economic competitiveness, law carbon economy- green jobs and efficient use of the national resources, as well as enhancement of the business environment for boosting establishment of start-ups.

In the area of **improved access to employment and enhanced social inclusion through improved local infrastructure** in the less developed areas of Montenegro, four call for proposals were published: for Entrepreneurs, micro and small enterprises, for Business support entities, for construction of local Infrastructure and in vocational education, with the total value of almost 1 mill. EUR, and will be distributed during 2020. 500 participants of info sessions (SME representatives, business support entities, municipalities, etc) capacitated to prepare grant proposals. It is expected that more than 30% of grant recipients will be women.

In addition, support was provided to introduce **integrated case management in work of Employment Agency and Social Welfare Centres** on labour activation and employment of vulnerable population, especially social welfare beneficiaries. Applicative software was installed to enable automatic data exchange in both ways, between Employment Agency of Montenegro IS and Social Card – Social Welfare Information System (SWIS) on labour activation and employment of vulnerable population.

In the area of integrated local development and enhancing competitiveness of the economy, further support was provided to six municipalities (Gusinje, Budva, Danilovgrad, Pljevlja, Bar and Mojkovac) in the preparation of strategic development plans (SDPs) (at total of 19 municipalities have received support in development of SDPs, out of which 10 SDPs have been adopted up to now). Under the Cluster Development Programme, nine (9) clusters received support by the Ministry of Economy, available subsidies amounted to 150,000 EUR and consultancy support was provided to all interested applicants. In addition, professional capacities of the Ministry of Economy's employees working on national brand development, municipal strategic planning and provision of technical and financial support to entrepreneurs and micro, small and medium enterprises (MSMEs) were raised through training.

When it comes to **Green businesses**, elaboration of a roadmap for the adoption of policy and incentive options for green businesses in agricultural, tourism and energy sectors is ongoing. In parallel, a strategic development plan to lead Business center Cetinje towards more green development center has been prepared. Mentoring program for SMEs was established in October and, so far, 9 different business benefited from advisory services.

Protection and promotion of natural and cultural heritage was another area of UN involvement in 2019. The establishment of an information system that is capable of recording and supporting document management within the competence of the Directorate for the Protection of Cultural Property was supported. Also, expert support is provided for drafting of amendments to the **Law on the Protection of Cultural Property**, its bylaws and strategies for the Conservation Activity Development and to the Law on the Protection of the Natural and Cultural-Historical Area of Kotor. In addition, **awareness on the significance of cultural heritage** was raised and the need for preservation presented on a web page and social media channels. Expert technical support was provided to the Ministry of Culture. The Ministry also partnered UN, together with the Capital City of Podgorica to kickstart a new project: MICRO 020, in a bid to engage people and communities to revitalize urban pockets, make them green and vibrant areas for socializing and with the aim to support young artist in affirmation of their artistic creativity. This was first time after ten years that one Public call for Competition for realization of a contemporary art installation at the selected location is launched in Montenegro. MICRO 020 project received international recognition at the Balkan Architectural Biennale 2019.

In the area of developing the creative industries sector policy in the country, the Ministry of Culture, with UN support, has prepared and finalised second Call for financial support to young creators, and started activities on development of infrastructure for cultural and creative industries sector, which will enhance sustainable, green and inclusive economic growth based on innovation, entrepreneurship and competitiveness.



The assessment of the capacity of creative industries on the territory of the municipality of Bijelo Polje and its surroundings including the mapping, research and evaluation of the capacities of the creative industries on the territory of Bijelo Polje, Berane, Petnjica and Mojkovac has been conducted. The possibilities for their further development through participatory and collaborative work has been explored and presented to the Government of Montenegro. As a result, the Government adopted the information on establishment of the first creative hub at the north of country, at the location of former military complex in Bijelo Polje.

Significant contribution in 2019 was around Promoting **sustainable agri-food value chains** through linkages with tourism, and supporting sustainable value chain integration in Montenegro's fruit and vegetable sector. This programme resulted in concrete linkages of food producers, especially smallholders with tourism and Hotel, Restaurant and Catering (HORECA) markets, through the promotion of Montenegrin gastronomy and development agritourist activities



in the country's northern region. In addition, national and local capacity was developed in aggregation and management in Montenegro's F&V sector and work with retailers to encourage responsible sourcing.

Key constraints

The overall **institutional framework** related to economic governance and entrepreneurship still needs improvement, as businesses are facing legal system which needs further strengthening, especially in terms of simplification of complex and time-consuming administrative procedures.

When it comes to **agriculture**, legislation requires some improvement, especially in the area of policy and institutional framework governing state land management, which should be aligned with the development goals and strategic objectives of the Government. This is especially important for rural households in national parks that want to register for agritourism (katuns).

Support should be provided to create enabling environment that would help producers to increasingly move into high quality products which allow for easier market entry (lower volumes) and better impact on equality (premium prices). Within this context, identification of green products with high market

value and job creation potential, and possibilities for greening products is needed. These should feed the implementation of support to new and existing businesses. Already there are several budget lines and support to quality schemes in the Agrobudget for both small and medium producers. In this context, any green products roadmap/framework would have to be adapted to smallholders and the constraints they face in added variable costs, control and guarantee.

The **reform of the labour legislation** further advanced, but it is yet to demonstrate results in implementation. In order to do so among others, the institutional capacities (such as labour inspectorates) need to be strengthened. The share of long-term unemployed is high. According to the IMF, it is estimated that informal economy employs an estimated quarter of the labour force, and more than 30 percent of workers are employed on temporary contracts⁴, which is the highest rate in Europe. High employer's taxes and contributions reduce incentives for employment in the formal sector, thus contributing to large share of the informality and at the same time limiting potentials for formalization. Women are particularly vulnerable when it comes to labour participation and income generation.

A skills mismatch and the lack of job creation remain key obstacles to growth and competitiveness. An oversupply of higher education graduates is producing a high level of graduate unemployment. Situation is particularly difficult when it comes to persons who are granted international protection. Language barriers, the lack of education certificates and barriers in the process of diploma recognition are the main obstacles for their employment.

4 According to the NHDR 2016 on informal economy, 22.3 % is the ratio of informal employment and additional 11% are those who are formally registered as employed, but have a part of their salary paid "cash in hand".

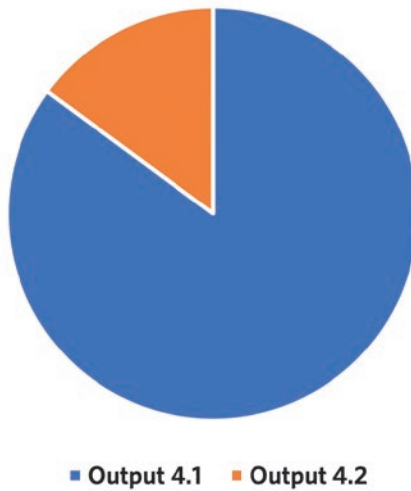
Delivery of 2019 budget per Outputs and SDGs

1.92 mil. USD of Economic Governance Results Group budget was spent on two Outputs. However, funding-wise, **Output 1** referring to **National policies** fostering good business environment and sustainable private sector growth, towards increasing competitiveness of Montenegrin economy, gained most prominence.

FIGURE 21:

National policies to foster business environment in focus of EG group

Delivery as per Outputs

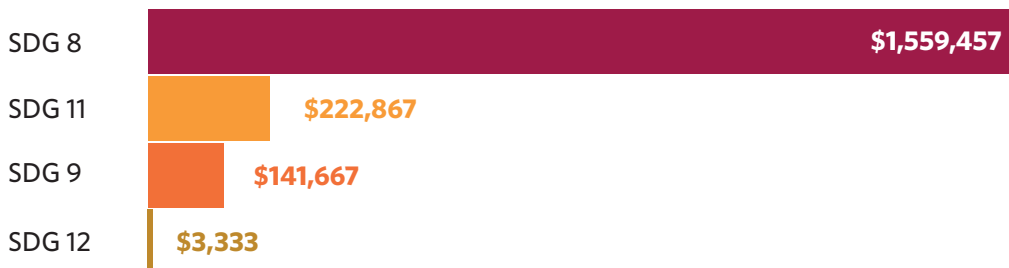


Expectedly, contribution to **SDG 8** (Decent work and Economic Growth) is predominant for this Results group, followed by SDG 11 (sustainable cities and communities), and 9 (industry, innovation and infrastructure).

FIGURE 22:

EG group contribution to three SDGs

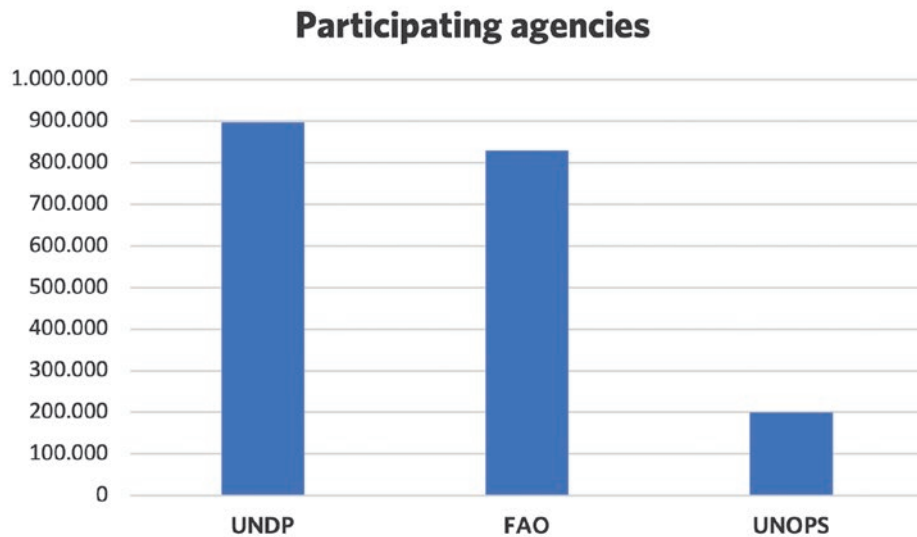
SUSTAINABLE DEVELOPMENT GOAL EXPENDITURE



Programs in this group were run by one resident and two non-resident UN agencies:

FIGURE 23

Three agencies contributed to EG group in 2019

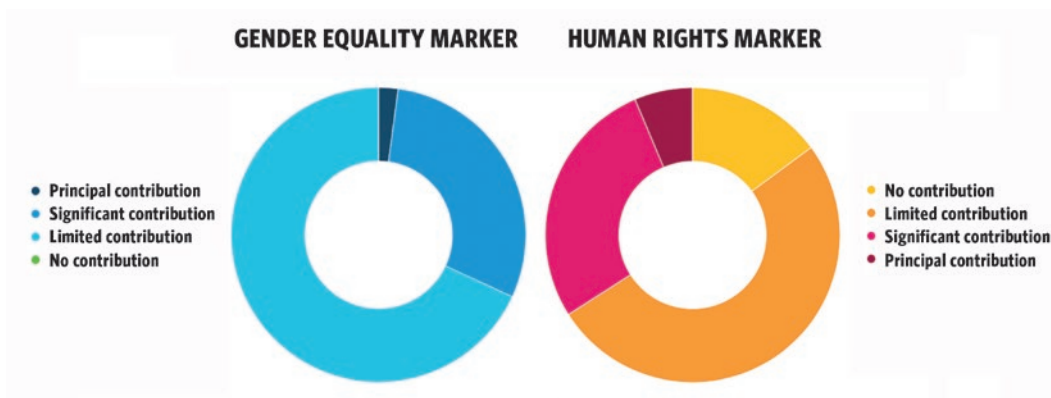


Contribution to Gender and Human Rights

Economic Governance is seen as an area with significant gender and human rights impact. This is only somewhat reflected in the gender and human rights markers in this group. Namely, out of 47 activities, 15 have been tagged as having principal or significant contribution to gender equality (31.9%), while 17 of them contribute to human rights (36%). Stronger mainstreaming is needed in the forthcoming period for this Results group.

FIGURE 24:

Gender and human rights mainstreaming in Economic Governance at a fair level



Lessons learnt

When it comes to SMEs development, more **transparent and inclusive decision making** is needed in the process of business procedures design, as well as more predictable and aligned **regulatory framework at the local level**. This is related to the fact that administrative procedures very often differ from municipality to municipality, while the municipal staff is not trained enough to provide the same level of quality service and provision of information to the business community and potential entrepreneurs. The directorate for investment, SMEs and EU funds which has been formed at the Ministry of Economy is an example of good practice and its capacity should be utilized to overcome those identified barriers.

New **legislation in the area of agriculture** should be developed (with regards to registration of rural households for agritourism) and effectiveness of existing incentive measures and environmental impacts of measures reviewed. Coordination could be improved between Food Safety Directorate, Ministry of Agriculture and Rural Development and the Ministry of Sustainable Development and Tourism, especially regarding registration, analysis, labelling and selling food produced, processed and packaged on the holding. This is especially relevant with fruit and vegetable sector.

In the area of labour and employment, clear measurement mechanisms for **implementation of the Labour Code** should be in place and capacities of institutions strengthened, including for fighting and measuring of informality. Flexible working arrangements and development of social /child care facilities and services that could enable **increased women participation at the labour market** should be supported. It is also worthwhile considering wage tax reductions.

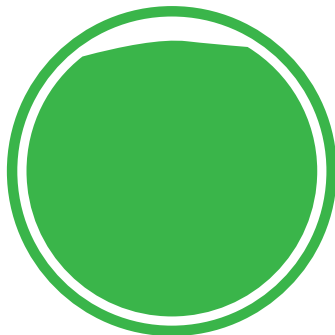
THE WAY FORWARD: 2020⁵

2020 budget plan

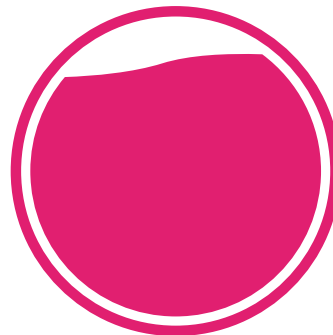
FIGURE 25:

16 percent budget increase on 2019 delivery

TOTAL RESOURCES (ANNUAL)
\$16,462,623



AVAILABLE RESOURCES (ANNUAL)
\$14,620,282



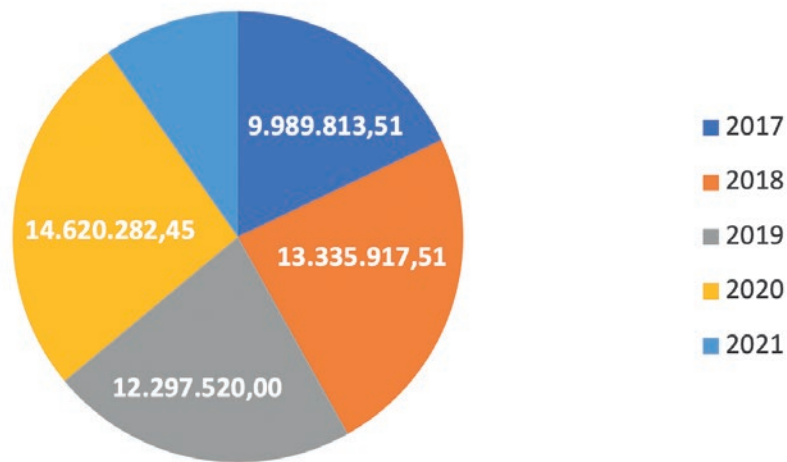
The total budget available for achieving results of 2020 Annual Work Plan amounts to 14.62 mil. USD, which represents **16 % increase on 2019 delivery**. There is currently a **funding gap of 11.1 %**, with high level of certainty that amounts will be fundraised along the course of the year. Considering plans for 2020 alongside 2017, 2018 and 2019 delivery, it can be concluded that the UN Montenegro is well positioned to achieve and even exceed total UNDAF financing promise, as this amount total to 90.23% of the total funds envisaged for UNDAF realization in the period 2017-2021 (**55.68 mil USD**).

⁵ Adoption of the Annual Work Plan for 2020 occurred during the corona virus pandemic, so it should be borne in mind that the change in circumstances will affect its dynamics and realization.

FIGURE 26:

UNDAF planned financial framework on track

UNDAF budgetary framework



Programs to be implemented in 2020 are framed around existing results areas as follows:

In the area of **Democratic Governance**, 4 mil. USD will be allocated for, inter alia, continuation of social cohesion dialogues and granting schemes, enhancing migration management and asylum system, and access to services of stateless persons and refugees, strengthening child rights monitoring system and continued work on public administration and judiciary reform.

2.8 mil. USD will be allocated to the **Environmental Sustainability** results area, for a number of initiatives such as promoting protected areas management, reduce the vulnerability of infrastructure to climate change, revision of Nationally Determined Contribution (NDC), strengthening capacities in transport and energy management, capacity building of environmental authorities, workers dealing with PCB for management of chemicals and chemical waste, support to managing cultural heritage in Montenegro. In addition, the programme on integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans will be initiated in 2020.

The 2020 available budget for the **Social Inclusion** results area is 5.7 mil. USD. The budget will be implemented through a number of activities aimed at

improvement of social and child protection systems and services, as well as enhancement of the Information System of Health and Social Welfare. A novelty in this year will be implementation of new joint UN programme, financed from the SDG fund, called Activate! This programme, which gathers 6 UN agencies aims to enhance Integrated Social Protection and Employment to Accelerate Progress for Young People in Montenegro.

Budgetary plan for **Economic Governance** amounts to 2 mil. USD. The largest portion of funds in this area is allocated to continuation of Improved access to employment and enhanced social inclusion through improved local infrastructure in the less developed areas of Montenegro, support to green business development and enhancement of the competitiveness of the economy in Montenegro, as well as work on safeguarding cultural heritage and boosting creative industries. Technical assistance will also be provided to Investment Development Fund and Employment Agency of Montenegro.

An overview of budgetary framework per results groups is provided in Table 2.

TABLE 2:

Overview of 2020 budget compared to 2019 budget implementation, per Results Group

Results group	Total budget (USD)	Available funds (USD)	To be mobilised	2019 budget delivery (USD)	Change compared to the 2019 delivery
Democratic Governance	4,493,934.25	4,015,934.25	478,000.00	3,352,264.00	16.53%
Environmental Sustainability	2,814,000.00	2,809,000.00	5,000.00	1,830,900.00	34.82%
Social Inclusion	7,016,045.20	5,776,704.20	1,239,341.00	5,187,032.00	10.21%
Economic Governance	2,138,644.00	2,018,644.00	120,000.00	1,927,324.00	4.52%
TOTAL	16,462,623.45	14,620,282.45	1,842,341.00	12,297,520.00	15.89%

As evident from the table, 1.8 mil. USD are to be mobilised, i.e. 11.1% of the total required budget. **Strategic priorities for resource mobilisation** are:

- Strengthening of migration management and asylum system in Montenegro and provision of free legal aid to refugees and asylum seekers;

- Enhanced multi-sectoral cooperation for ensuring access of girls and boys quality pre-school education and care

As a cross-cutting theme, UN will continue to support the country to make progress in line with the **LNOB and Human Rights agenda**. Analytical pieces will be developed to provide a breakdown of relevant information in areas such as demographic policy and leaving no one behind to inform the forthcoming Common Country Analysis. Expert advice will be provided to the Government on strengthening the National Mechanism for Reporting and Follow up to recommendations of the UN and other human rights mechanisms, while also supporting this body to fully make sure of the opportunities of the Montenegro specific human rights tracking database. Implementation of the Gender Scorecard Action Plan will be monitored, while the UN will continue advocating for human rights promotion and gender equality through various forms – small scale campaigns, analytical pieces, programs, commemoration of important events, among other events. A gender capacity assessment within the UN system and enhancing capacities across UN agencies on gender and integrating human rights in programming will be also be in focus.

Contribution to SDGs

SDG 16 continues to be in focus in 2020, with 23.10% of planned resources, followed by SDG 4, SDG 8 and SDG1. 2020 also brings us more investment focus into SDGs 13 and 12 (figure below).

FIGURE 27:

Planned investment in SDGs aligned with the trend



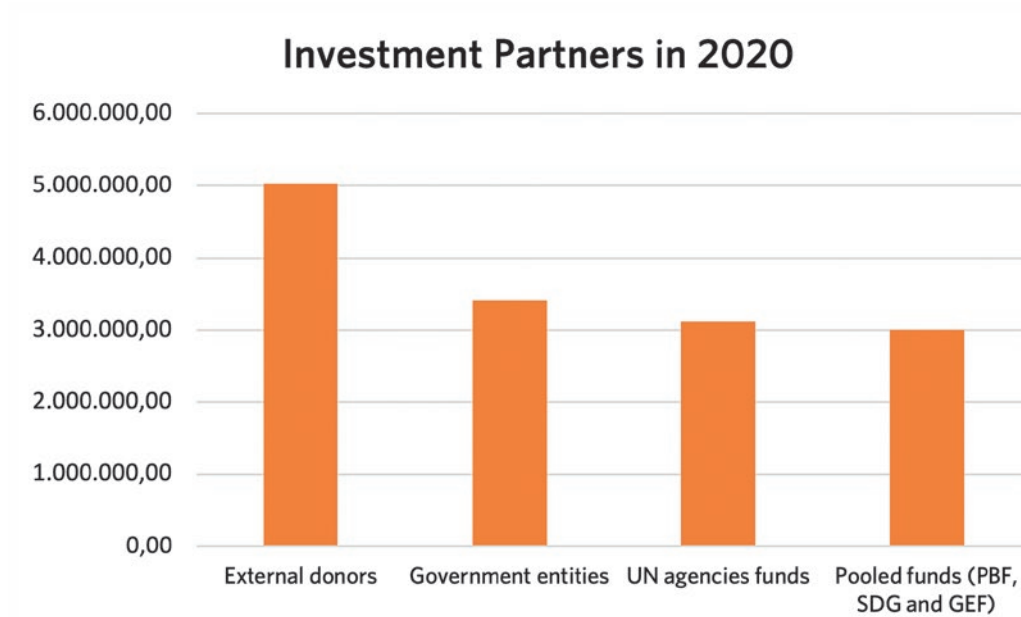
Investing partners and UN agencies' involvement

In 2020, the Annual Work Plan will be implemented by the same 13 United Nations organisations as in 2019: 5 resident organisations (UNDP, UNICEF, UNHCR, WHO and IOM) will carry out activities in the financial value of 12.4 mil. USD of secured funds, while 7 non-resident organisations (ILO, UNEP, UNODC, UNESCO, FAO, UNECE and UNOPS), will implement a budget of 2.1 mil. USD of secured funds, keeping the positive trend from last year.

UNIDO is a non-resident agency which has been also an active member of UNCT in the past year and will continue to seek opportunities for operationalizing their Country Programme 2017-2021, depending on the expressed country needs and priorities.

FIGURE 28:

Investment partners ratio similar to that of 2019



As displayed in figure above, **financing landscape** in 2020 remains similar to that of 2019. Externally fundraised sources make 34%, while Government and UN agencies remain again at almost the same level (23 and 21%, respectively). However, pooled funds are gaining more prominence, with 20% of overall budget sources.

Detailed list of planned activities per results groups in 2020 is provided in Annex II.



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