



UNITED NATIONS
MONTENEGRO
.....

United Nations Sustainable Development Cooperation Framework

Montenegro 2023-2027



 SUSTAINABLE DEVELOPMENT GOALS

**United Nations Sustainable Development
Cooperation Framework**



Declaration of Commitment

The United Nations System in Montenegro is committed to working together with the Government of Montenegro and with the people of Montenegro, to make a lasting contribution to national human rights and development priorities and to improve the living conditions of all the people living in the country, especially the most vulnerable. Building on the results of our past cooperation, the Government of Montenegro and the UN System will pursue the acceleration of 2030 agenda, achievement of national development priorities, as well as commitments of the Government of Montenegro in line with UN international human rights obligations and the EU accession process.

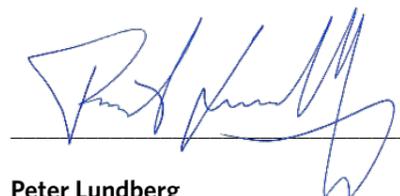
United Nations Sustainable Development Cooperation Framework is a medium-term strategic planning document that articulates the collective vision and response of the UN System to national development priorities and activities to be implemented in partnership with the Government of Montenegro and in close cooperation with international and national partners and civil society until 2027.

The planned results focus on three strategic areas that respond to Montenegro's development and human rights priorities and make use of the United Nations' comparative advantages. These were identified through an intensive consultation process with the national authorities in Montenegro, with other implementing partners and people living in the country:

- Inclusive economic development and environmental sustainability
- Human capital development, reducing vulnerability, social inclusion
- Social cohesion, people-centered governance, rule of law and human rights

In signing hereafter, the Government of Montenegro and the UN System endorse this UN Sustainable Development Cooperation Framework and underscore their joint commitments toward the achievement of its results.

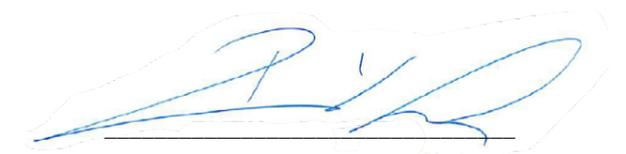
United Nations System



Peter Lundberg

United Nations Resident Coordinator
Co-chair of the Joint Country Steering Committee

Government of Montenegro



Ranko Krivokapić

Minister of Foreign Affairs
Co-chair of the Joint Country Steering Committee

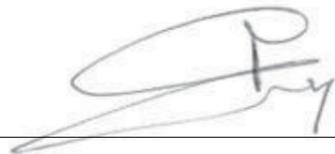
Signatures

In witness thereof, the undersigned*, being duly authorized, have signed this United Nations Sustainable Development Cooperation Framework for the period 2023 -2027 on 20 July 2022 in Podgorica, underscoring their joint commitment to its priorities and cooperation results.



Nabil Ghangi
FAO

Deputy Regional Representative,
Regional Office for Europe and Central Asia, de
facto Head of FAO Montenegro



Philippe Remy
IFAD

Country Director for the Near East, North Africa,
Europe and Central Asia Division



Octavian Bivol
UNDRR

Chief Regional Office for Europe



Dmitry Mariyasin
UNECE

Deputy Executive Secretary



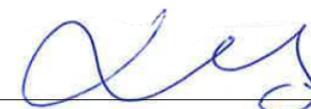
Ana Luiza Thompson-Flores
UNESCO

Director of Regional Bureau
for Science and Culture in Europe



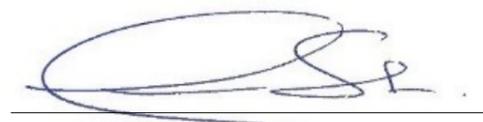
Bruno Pozzi
UNEP

Director, Regional Office for Europe



Jean-Yves Bouchardy
UNHCR

Representative



Juan Santander
UNICEF

Representative



Markus Pilgrim
ILO

Director, DWT/CO-Budapest



Donatella Bradić
IOM

IOM Head of Office a.i.



Jaroslav Ponder
ITU

Head of the Office for Europe



Jose Maria Aranaz
OHCHR

Chief of Americas, Europe and Central Asia Branch



Jacek Cukrowski
UNIDO

Chief, Regional Coordination Division
for Europe and Central Asia



Danilo Rizzi
UNODC

Regional Representative
Regional Office for South-Eastern Europe



Alia El-Yassir
UN Women

Regional Director, Europe & Central Asia
Regional Office



Daniela Gašparíková
UNDP

Resident Representative



Michela Telatin
UNOPS

Representative for Serbia, North Macedonia
and Montenegro



Mina Brajović
WHO

WHO Head of Office

* UN system agencies in alphabetical order

Table of Contents

DECLARATION OF COMMITMENT	5
SIGNATURES	6
LIST OF ACRONYMS AND ABBREVIATIONS	12
EXECUTIVE SUMMARY	15
CHAPTER 1: COUNTRY PROGRESS TOWARDS THE 2030 AGENDA	17
1.1 Country context	17
1.2 Impact of the COVID-19 pandemic and regional and global developments.....	17
1.3 Groups left furthest behind	17
1.4 International Human Rights Commitments.....	18
1.5 Gaps and challenges	19
1.6 Opportunities	19
CHAPTER 2: UN DEVELOPMENT SYSTEM SUPPORT TO THE 2030 AGENDA	23
2.1. From CCA to UNSDCF Priorities	23
2.2 Theory of Change for the UNSDCF Priorities	23
2.3 Cross-cutting strategies in the UNSDCF	30
2.4 UNSDCF Strategic Priorities	32
2.5 UNSDCF Outcomes and Partnerships.....	35
2.6 Cross-border and regional cooperation.....	59
2.7 Sustainability	60
2.8 UNCT Configuration	61
CHAPTER 3: UNSDCF IMPLEMENTATION PLAN	63
3.1 Governance	63
3.1.1 Overall coordination.....	63
3.1.2 Joint Steering Committee	63
3.2 UNSDCF Management Structure.....	64
3.2.1 UN Country Team (UNCT).....	64
3.2.2 Results Groups	64
3.2.3 UN Thematic and Programme Support Groups.....	65
3.3 Resourcing the UNSDCF	68
3.4. Derivation of UN entity country programming instruments from the UNSDCF.....	68
3.5. Joint Work Plans.....	69

3.6 Business Operations Strategy	69
3.7 Cash Transfer Modalities	69
CHAPTER 4: MONITORING AND EVALUATION	73
4.1 CCA update	73
4.2 Monitoring implementation of the Joint Work Plans.....	73
4.3 Monitoring Development Risks and Opportunities.....	74
4.4 Annual Performance Review and Country Results Reporting	74
4.5 Evaluation plan.....	74
Annex 1: The Cooperation Framework Legal Annex.....	75
Annex 2: UNSDCF Results Framework	78

List of acronyms and abbreviations

BOS –Business Operations Strategy

CCA – Common Country Analysis

CEDAW – Convention on Elimination of all Forms of Discrimination Against women

CF – Cooperation Framework

EU – European Union

EU SILC – European Union Statistics on Income and Living Conditions

FAO – Food and Agricultural Organisation

GCF –Green Climate Fund

GEF –Global Environment Fund

HACT – Harmonized approach to cash transfers

HDR – Human Development Report

ICT –Information and communication technologies

IFAD – International Fund for Agricultural Development

IFI – International Financial Institutions

ILO – International Labour Organisation

IOM – International Organisation for Migration

ITU – International Telecommunication Unit

JCT – Joint Communication Team

JSC – Joint Steering Committee

JWP – Joint Work Plan

LGBTI – Lesbian, gay, bisexual, transgender and intersex persons

LTA – Long-term agreement

MAF – Management and accountability framework

MEL –Monitoring, evaluation and learning

MICS – Multiple Indicator Cluster Survey

MONSTAT – Statistical Office of Montenegro

NGO – Non-governmental organisation

NSSD –National Strategy of Sustainable Development

OECD – Organisation for Economic Cooperation and Development

OHCHR – Office of the High Commissioner for Human Rights

OMT –Operations Management Team

RCO – Resident Coordinator’s office

SAI– Supreme Audit Institutions

SBAA – Standard Basic Assistance Agreement

SDG – Sustainable Development Goals

UN WOMEN –UN entity for Gender Equality and the Empowerment of Women

UNCT – United Nations Country Team

UNDAF – United Nations Development Assistance Framework

UNDG – United Nations Development Group

UNDP – United Nations Development Programme

UNDRR – United Nations Office for Disaster Risk Reduction

UNECE – United Nations Economic Commission for Europe

UNEP – United Nations Environment Programme

UNESCO – United Nations Educational, Scientific and Cultural Organization

UNHCR – The UN Refugee Agency

UNICEF – United Nations Children’s Fund

UNIDO – United Nations Industrial Development Organisation

UNODC – United Nations Office for Drugs and Crime

UNOPS – United Nations Office for Project Services

UNSDCF – United Nations Sustainable Development Cooperation Framework

UPR – Universal Periodic Review

WASH – Water, Sanitation and Hygiene

WHO – World Health Organisation



Executive summary

The UN Sustainable Development Cooperation Framework (UNSDCF) has been developed through the internally developed Common Country Analysis (CCA)¹ and consultations with stakeholders, civil society representatives, development partners, member states and specific consultations with women and youth. Rounds of technical consultations were held with the Government following a bottom-up approach and culminated at the Strategic Prioritisation Retreat where the strategic priorities of the UNSDCF were endorsed. Technical level consultations to validate the identified priorities and outcomes were held with the government in September 2021. This was followed by the high-level Strategic Prioritisation Workshop in December 2021 with the top leadership that endorsed the UNSDCF priorities.

The Mainstreaming, Acceleration and Policy Support (MAPS) exercise, implemented in 2018 (Unravelling Connections: 2030 Agenda and EU Accession), mapped synergies between the 2030 Agenda and the EU accession process. It has shown that by achieving all EU accession benchmarks, the country will realise almost 65 percent of SDG targets. In meeting the requirements of the acquis, Montenegro will be closer to achieving the SDGs. As such, the UNSDCF is aligned with the EU accession, as the one of the three main foreign policy goals and one of the main national priorities. The potential to harness these synergies lies in three chapters, which would have the greatest impact; 27 on the environment and climate change, 23 on judiciary and fundamental rights, and 19 on social policy and employment. If the requirements in chapter 27 are achieved, around 25 percent of SDG targets will be addressed.

Responding to national priorities, the UNSDCF 2023-2027 was developed as a joint commitment by the United Nations Country Team (UNCT) to accelerate progress towards the 2030 agenda and EU accession. The strategic contributions have been developed to be flexible and responsive to the Government's national development priorities and COVID-19 recovery strategies. This will be done through integrated multi-agency strategies in pursuit of UNSDCF outcomes to promote inclusive green growth and protection of natural resources, increase social inclusion, and further strengthen trusted, accountable and gender responsive institutions. This has led to three strategic priorities:

1. Inclusive Economic Development and Environmental Sustainability
2. Human capital development, reducing vulnerability, and social inclusion
3. Social cohesion, people-centred governance, rule of law and human rights

The theory of change articulates that whilst Montenegro has made substantial progress towards the SDGs, some gaps and challenges remain, synonymous with those of an upper-middle income country. These predominantly relate to the cross-cutting issue of governance and institutions, needed to effectively manage the economy, environment, social sectors and to strengthen the realization of the human rights. These gaps and challenges cause underlying vulnerabilities and the exclusion of vulnerable groups, which hinders Montenegro's overall development. If governance and institutional challenges can be addressed, it will support Montenegro's EU accession process as well as the 2030 agenda, with a prosperous, green economy, and a society and systems that are inclusive of all groups. To do so the UN's support will take a Leave No One Behind (LNOB) approach, which puts gender mainstreaming and poverty reduction at the heart of all its interventions.

¹ The CCA is an integrated, forward-looking, and evidence-based analysis of the country context for sustainable development.



CHAPTER 1

Country progress towards the 2030 Agenda

1.1 Country context

Montenegro is an upper middle-income country, member of NATO, and an EU candidate country. It has an estimated population of 622,182.² Like many countries in the sub-region and wider Europe, Montenegro is approaching the end of its demographic transition, manifested in an ageing population and a declining fertility rate. Montenegro is classified as a very high human development country in the 2020 Human Development Report with a Human Development Index value of 0.829 and ranked 48th out of 189 countries. The Gender Equality Index was 55 in 2019, below the EU average of 67.4.³ As part of its EU accession process Montenegro has opened all chapters and provisionally closed three. The EU is an important trading partner and source of tourism, the dominant growth engine. The EU supports Montenegro through the Instrument for the Pre-accession Assistance and Western Balkan Investment Framework.

1.2 Impact of the COVID-19 pandemic and regional and global developments

Montenegro experienced one of the highest incidence rates of COVID-19; by February 2022, it had the sixth highest number of cases per capita, globally. GDP contracted by 15.3 percent in 2020, before rebounding by 12.4 percent in 2021. The pandemic exposed and exacerbated the structural vulnerabilities of its small, open, and tourism-dependent economy, continuing a pattern of boom-and-bust cycles. COVID-19 had social impacts on vulnerable groups (see below for list of vulnerable groups) through heightened stigma, discrimination and exclusion and placed an unprecedented burden on the health, education, and social and child protection systems. COVID-19 and the impact of measures taken to contain the spread are likely to have contributed to the emergence of new groups of vulnerable people,

whose household income largely depends on the informal economy and who are not covered by social and child protection. Women and youth have disproportionately felt the impacts of the pandemic, partly due to higher involvement in the care economy, social isolation, and an increase in gender-based violence (GBV).

Regional and global developments have exacerbated the recovery from the COVID-19 crisis. They have shortened supply chains and increased the cost of living. This has been manifested in accelerated inflation, driven by higher global commodity prices as Montenegro's economy is highly dependent on imports, especially food and fuel. Year on year inflation hit 11.2 percent in April 2022, the highest it has been since the Global Financial Crisis in 2008. Inflation has a disproportionately higher impact on lower-income and vulnerable groups. Montenegro is not dependent on external sources of electricity or heating. Approximately 40 percent of electricity is generated at a domestic coal-fired power plant.

1.3 Groups left furthest behind

Montenegro guarantees and protects rights and freedoms that are inviolable and are realized based on the Constitution and ratified international agreements. All are equal before the law, regardless of any particularity or personal characteristic. In addition, Montenegro has accepted the introduction of special measures aimed at creating conditions for achieving equality and protection of persons who are in an unequal position on any grounds. However, there are still challenges in the implementation of regulations due to which some segments of the population are faced with being excluded and with multiple and overlapping deprivation. UNCT commissioned a background paper on Social Inclusion and Leave No One Behind, which identifies the following ten population groups that are most vulnerable,

² Monstat

³ <https://montenegro.un.org/en/124464-un-common-country-analysis-montenegro-2021>

face multiple and intersecting deprivations and disadvantages, and intergenerational cycles of exclusion:

- Roma and Egyptian community in general and Roma and Egyptian women and girls;
- Persons with disabilities;
- Children, victims of violence and exploitation, without parental care, living in poverty and street children;
- Older persons, especially with deteriorated health, disabilities and / or in need of long-term care;
- Refugees from former Yugoslavia, foreigners seeking international protection and persons granted international protection and stateless persons/ persons at risk of statelessness;
- Informal workers, workers with temporary contracts and seasonal workers;
- Women experiencing domestic violence;
- Victims of trafficking;
- Lesbian, gay, bisexual, transgender, intersex (LGBTI) persons;
- Homeless persons.

Their exclusion is driven by various factors including discrimination, negative social norms, and attitudes. Exclusion often takes the form of prejudices, gaps in the awareness of their rights and capacity of duty bearers to implement their obligations, limited intersectoral cooperation to address their challenges, limited resources and accountability, and implementation of the rule of law. These exclusions can limit vulnerable groups' access to essential public services, such as health and education. In addition, they have been affected by an economic model, which was not always fully inclusive, which in certain cases has resulted in inequality, risk of poverty and regional disparities.

1.4 International Human Rights Commitments

The Constitution of Montenegro stipulates the “supremacy” of international agreements over national legislation. Montenegro is a signatory to the main international and regional human rights treaties and has made strong commitments to guarantee the human rights of its people through legal and policy measures. It has ratified eight of the nine core human rights treaties and their optional protocols.⁴ Montenegro cooperates with the UN human rights mechanisms, through regular progress reporting, and has issued a Standing Invitation to Special Procedures of the Human Rights Council. Montenegro has also acceded to more than 60 ILO conventions, the Paris Agreement on climate change, various UNESCO conventions and multilateral environmental agreements. Montenegro is a signatory to the Rome Statute of the International Criminal Court and is party to the 1949 Geneva Conventions on international humanitarian law and the 1949 Genocide Convention, as well as to the refugee and statelessness conventions. Montenegro ratified the CEDAW convention, Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organised Crime. Montenegro has adopted an array of other international human rights instruments.

Montenegro has a national human rights institution (NHRI), the Protector of Human Rights and Freedoms of Montenegro (Ombudsperson). The International Coordination Committee of NHRIs accredited it with B-status; partially compliant with the Paris Principles. In addition, the state recognises the need to continuously work on further alignment of national laws with international standards.

4 It has signed but is yet to ratify the Convention on the Rights of All Migrant Workers and Members of Their Families

1.5 Gaps and challenges

There are some key bottlenecks that can be overcome if reforms continue in line with EU accession and the 2030 agenda. These issues, described below, are not uncommon for upper-middle income countries in Montenegro's stage of development.

1. Implementing the necessary reforms requires continued work on improving governance, professionalizing public administration and strengthening human and financial capacity. Montenegro is making efforts to effectively implement new framework laws, required under the EU accession, and to continue to address corruption. Also the Government works on judicial reform primarily on digitalisation and networking. Still institutional dynamics sometimes results in partial policy implementation and reduced efficiency of the public sector. Additionally, cross-sectoral cooperation, coordination, and accountability, and evidence usage and data sometimes hinder policymaking. The Government recognises the need to work on improving dialogue at national and local level, as well as fighting hate speech, especially related to homophobia, misogyny and ethnicity, with UN support. Stereotypes about women's role in society affect women's labour force participation, as well as participation in decision-making, facing many obstacles to reach equality, such as a disproportionate care burden. Violence against women, children and older persons has resulted in loss of life and limited development progress for individuals and their families but also society.
2. Montenegro is aspiring to be a sustainable market economy. Some of the issues of transitioning from a command-and-control to market-based economy remain including the reliance on public sector consumption/ investment as an engine of growth and prosperity. Consequently, the economy's structure is vulnerable to shocks, manifested in the boom-and-bust cycles which creates an economy that does not generate decent jobs, economic transformation and contributes to outward migration.

3. Climate change and environmental degradation have posed a challenge to the economy just as economic growth has led to environmental degradation thus demonstrating the strong causality between the two. Montenegro is, by constitution, an ecological state. Yet the protection of its environment and ecosystems continues to lag comparators in the EU. Environmental degradation and climate change typically have the strongest negative impact on the income and health of the most vulnerable. They also undermine tourism, Montenegro's main growth and jobs engine.
4. Insufficient availability of development finance may hinder the ability to drive the 2030 Agenda forward. A heavy debt burden, 83.3 percent of GDP in 2021, and limited fiscal space, with a budget deficit projected at 5 percent in 2022 and expenditures of approximately 1.9 percent of GDP to service the debt, impacts the availability of resources for the SDGs. This, coupled with public expenditure and negative impact of COVID-19, may shrink the fiscal space to formalise the economy, provide credit to domestic enterprises and other development activities.

1.6 Opportunities

Accelerating progress on the 2030 agenda will depend on addressing the underlying barriers identified above, articulated in more detail in the CCA. This will require reducing exclusion and vulnerability, improving governance, increasing resilience, and implementing a reform agenda conducive for both the SDGs and EU accession. COVID-19 has worsened some of the key human development indicators, requiring efforts to build back better and regain lost progress. Policies and strategies exist, which if adequately implemented and financed could speed up progress on the SDGs, enhance the LNOB approach and the realisation of human rights. EU accession reforms, due to their synergies with the SDGs, will likewise accelerate and sustain progress on the 2030 agenda. To sustain progress on the SDGs, Montenegro's focus should be on multidimensional pathways that put people at the centre. These pathways are centred around three areas of opportunity:



Promoting economic transformation and environmental sustainability

More inclusive growth would make the economy more sustainable and decouple it from environmental degradation. In Montenegro's case, the economic recovery from COVID requires the creation of a competitive, inclusive, and sustainable economy, which is resilient to external shocks. Sustainable recovery measures are needed, as the Montenegrin economy needs to diversify its production base. This would lead to a reduction in its structural vulnerabilities, and deliver a green and digital economic transformation that shifts Montenegro's production base towards higher-productivity and higher-value sectors and away from environmental degradation. This would enable more Montenegrin citizens, especially youth and women, to benefit from formal employment with higher participation rates, through financial and non-financial incentive mechanisms. These mechanisms would include easier access to finance and improving the entrepreneurial skills needed to successfully establish a business, which would lift incomes, reduce vulnerability, and enhance productivity. The EU accession process offers such opportunities to decarbonise through the European Green Deal. The transition to the circular economy could also offer opportunities to accelerate progress on the SDGs.

Investing in human and social capital

Safeguarding and increasing the transparency, effectiveness, accessibility, and efficiency of public expenditures in health, social and child protection, and education is crucial to protect the most vulnerable groups from social exclusion. This would require improved planning, budgeting, allocation and monitoring of public finances an effective and tailored response in terms of integration, and the reintegration of migrants (readmitted nationals). Innovative funding sources for the social and child protection sector and prioritisation of spending on areas that maximise the return on investments through human capital development, such as early childhood development, education, labour activation and an improved health system would also be needed. Despite the level of youth unemployment, this part of the Montenegrin population is a generator of future socio-economic development, so special attention should be paid to this issue in policy planning.

Enhancing governance and institutional capacities

The implementation of reforms, linked to the EU accession, in the rule of law, public administration and human rights, would support all areas of the 2030 Agenda. Some complementary actions would improve the implementation of reform, including better coordination to work in a cross-sectoral manner, building national capacities, reliable disaggregated data generation and use, and monitoring and evaluation. UN will continue to support the Government in addressing corruption, further strengthening the independence and efficiency of the judiciary, as well as continued professional development of civil servants. This will contribute to increased accountability and strengthened trust in institutions. Citizens should be empowered to hold decision-makers accountable.



CHAPTER 2: UN Development System support to the 2030 Agenda

2.1. From CCA to UNSDCF Priorities

The UNSDCF is anchored in Montenegro's priorities, including Accession to the EU, the 2030 Agenda and the National Strategy on Sustainable development 2016-2030 (NSSD) with the focus on: recovery, economic growth, sustainable management and use of natural resources, quality and inclusive services and effective social and child protection as well as enhanced public sector and improved realization of the rule of law, human rights and ending discrimination, violence, and exploitation.

2.2 Theory of Change for the UNSDCF Priorities

If Montenegro achieves a set of interconnected and transformational changes to address the root causes of its vulnerabilities and challenges, it will contribute to an overall vision of *a Montenegro with reduced multidimensional and income poverty and accelerated progress towards sustainable, resource-efficient, and innovation-based economy, with improved state of the environment and increased respect for human rights, social justice, and inclusion of the most vulnerable, by 2027.*

Short-term policies in Montenegro will, among others, be guided by the principles of building back better from the Covid-19 pandemic, as well as a proactive approach to mitigate the negative impacts of regional and global developments. In the medium- to long-term, the focus will remain on implementing the reforms required to achieve the 2030 Agenda and EU accession.

The set of required policies and changes relates to investments in: (i) economic transformation and halting environmental degradation, (ii) human capital through key areas of social policy, (iii) strengthening social safety nets through equitable and effective social protection system, and (iv) strengthening institutions and enhancing the

rule of law. This set of interrelated and systemic interventions unlocks the potential of the society to progress towards the sustainable development, while leaving no one behind and achieving the preconditions to join the European Union, as the main foreign policy priority of the country.

The UN Cooperation Framework sets the ground for the United Nations System to support Montenegro in unlocking the full potential of reforms and opening the progressive pathways for achieving the sustainable development. Each strategic priority has been designed to address the broader need to reduce vulnerability and poverty. Therefore, a holistic approach is needed to address the main bottlenecks to build back better and to accelerate progress on the SDGs.

Montenegro creates the conditions for economic transformation and decoupling economic development from environmental degradation.

This change reduces Montenegro's overall vulnerability to economic shocks and also ensures that its economy is more sustainable. The main structural economic weakness is the reliance on the public sector and tourism to be engines of growth and jobs. Tourism alone accounts for approximately 25 percent of GDP. This leads to a) external and internal imbalances limiting Montenegro's ability to respond to shocks; b) jobs being created in low-value, low-productivity sectors perpetuating the risk-of-poverty; c) slow private sector growth; d) unequal participation of women and vulnerable groups; and e) a large informal economy.

These issues have further consequences. Montenegrins increasingly see their future abroad and outward migration means lost productivity and potential innovation. A study in 2019 by the Westminster Foundation for Democracy found that in the previous five years there was an annual net outflow of 1,700 Montenegrins.⁵ In addition to the vulnerability to shocks, Montenegro's economic

5

https://www.wfd.org/sites/default/files/2022-05/wfd-web-brochure-montenegro_final.pdf

growth has had an increasingly detrimental impact on the environment. Climate change represents a risk to economic prosperity and Montenegro's future. Infrastructure construction, increased investment at the coast, increased use of personal vehicles and reliance on thermal power (coal and biomass) have caused environmental degradation in the form of endangered natural resources, air pollution and reduced resilience to climate change.

Economic transformation and environmental sustainability depend on effective policies that reduce the reliance on the public sector and tourism to generate growth and jobs, while developing the green economy and propelling the green transformation. Economic transformation depends upon a set of effective and interlinked interventions: a) conducive macroeconomic policies, broadening the tax base to generate state revenues, and investments that will improve fiscal sustainability and reduce import dependence; b) focussing investments in sectors that accelerate structural transformation and private sector growth; c) developing the skills, including digital skills, for a modern and functioning labour market, and triggering the entrepreneurial drive and ability to establish the next generation of small and medium sized enterprises (SMEs), especially by young people and women; d) policies that improve the participation and access of women and vulnerable groups to employment; e) reform and implementation of labour policies and laws that formalise both labour and businesses.

While economic reforms are needed, the emphasis should also be on ensuring that Montenegro sustainably manages its natural resource base. Improving Montenegro's natural resource base depends upon policies and capacity development for climate change adaptation and mitigation, more efficient use of ecosystem resources, and effective disaster risk management including increased community readiness to respond to disasters and emergencies. Coupled with the greening the current economic practices, aligning with EU legislation, the circular economy and policy frameworks should support these efforts. Also, it is important to continue the implementation of existing laws and strengthening of administrative

capacity, both at the state level and at the local level, with special emphasis on inspections.

Montenegro invests in human capital, especially in early childhood development, education, and health outcomes.

While public expenditure on health and education as a proportion to GDP is in line with its regional peers, the quality of outcomes still lags those in the EU. These issues are especially pronounced in northern and rural areas, which have higher at-risk-of-poverty rates. The poor and bottom 40 percent continue to have lower levels of education and weaker labour market attachment. PISA tests also show that students from socio-economically advantaged families outperformed disadvantaged students by 55 points in reading, indicating strong linkages between vulnerability and educational achievement.⁶

Inequities in Montenegro start from a young age, with especially lower human development opportunities for vulnerable families. Although early childhood education has been increasing, gaps persist: the gross enrolment rate in preschool enrolment is 35 percent of rural children (62 percent in urban areas), 18 percent of the poorest children (65 percent of the richest), and 15 percent of Roma children.

A strong, efficient, and resilient health system is the pre-condition to protect the population's health but also to ensure social cohesion and inclusion. Prior to the COVID-19 pandemic Montenegro's health system faced pressure from an ageing population and a high burden of non-communicable diseases (NCDs), which accounted for an estimated 95 percent of all deaths. The COVID-19 pandemic has further strained the health system, highlighting the need to ensure that it is resilient to such challenges. Montenegro has had a high incidence of COVID-19 infections. Moreover, the pandemic has increased vulnerability, hindered educational outcomes, and impacted the economy. The current health system is centred on treatment and requires a different service mix that would give priority to primary care prevention and management of chronic conditions.

Primary care can have a pivotal role in NCDs prevention, risk management, and early detection, but requires more investment, enhancing its diagnostic and referral capacity.

Developing human capital is an investment in Montenegro's future and depends upon improving the inclusiveness, efficiency, and effectiveness of service provision of social sectors in Montenegro. While greater fiscal space will improve capacity to enhance expenditures in these areas, it is the quality of policies, programmes and interventions that will contribute to the greatest change in human capital development. More efficient and effective use of resources will enable the greater inclusion of vulnerable groups in social services and improve the overall targeting of the required interventions, while enabling Montenegro to respond to demographic challenges such as an ageing population. Investing in and ensuring access to quality health and social services can help to counteract vulnerability and polarisation, and reduce pressures for outmigration.

Montenegro needs an equitable and effective social and child protection system, while negative social norms and behaviours need to be countered so to reduce vulnerability and leave no one behind.

The effectiveness of social assistance is still hampered by the low coverage of poverty-targeted programs and inadequate integration with employment policies to activate beneficiaries. Design restrictions and inadequate resource allocation for social benefits, as well as inadequate coordination between social assistance and employment policies and result in limited coverage. The COVID-19 pandemic has further exposed and exacerbated the gaps in the system's resilience and flexibility to extend protection to vulnerable people during the crisis. Similarly, at service/local level, further efforts are required to tailor support to the most vulnerable groups.

Negative social norms and behaviours perpetuate other issues. Labour market participation rates and pay gaps between men and women have not narrowed. GBV persists with one in five Montenegrin women⁷. GBV is a violation of human rights deeply rooted in gender inequality. The Government will work, with the support of UN system, on eliminating hate speech, discriminatory attitudes, values and behaviours towards women, children, persons with disabilities, LGBTI, migrants, and other population groups, and on improving preventive, remedial and victim support measures.

Improving social and child protection system and countering negative social norms and behaviours depend on improving the effectiveness of the system and addressing their root causes. This will reduce vulnerability and exclusion of vulnerable groups. Whilst resources exist, they need to be rebalanced to improve coverage and the ability to respond to shocks. Labour market challenges need a focus on long-term unemployed, women and vulnerable groups. This will require targeted activation services that have the potential to increase formal employment and productivity.

Finally, Montenegro is aspiring to have stronger implementation of the rule of law and the protection of human rights, especially of vulnerable groups.

And while Montenegro is, on average, doing better in governance indicators than other Western Balkan countries, it continues to lag the EU average and EU small states average. This affects other key challenges such as corruption, weak accountability, transparency, and the trust of citizens in institutions.

UN system will continue to support the Government in further improving evidence-based policymaking, further professionalisation of the civil service, and increased citizen participation in policymaking and enhanced service delivery. This enhances accountability, inclusiveness, trust, and transparency while restricting direct and indirect discrimination against vulnerable and excluded groups.

6 https://www.oecd.org/pisa/publications/PISA2018_CN_MNE.pdf

7 UNDP Montenegro, "Research on the prevalence, perceptions, costs and multidisciplinary response to domestic violence", 2017

THEORY OF CHANGE

By 2027, Montenegro has reduced multidimensional and income poverty and accelerated progress towards sustainable, resource-efficient and innovation-based economy, with improved state of the environment and increased respect for human rights, social justice and inclusion of the most vulnerable.

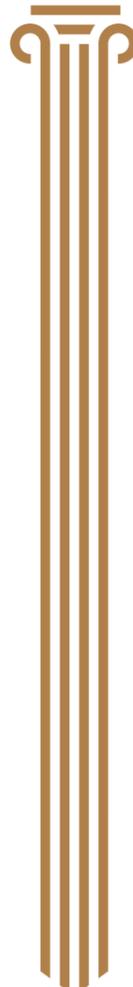
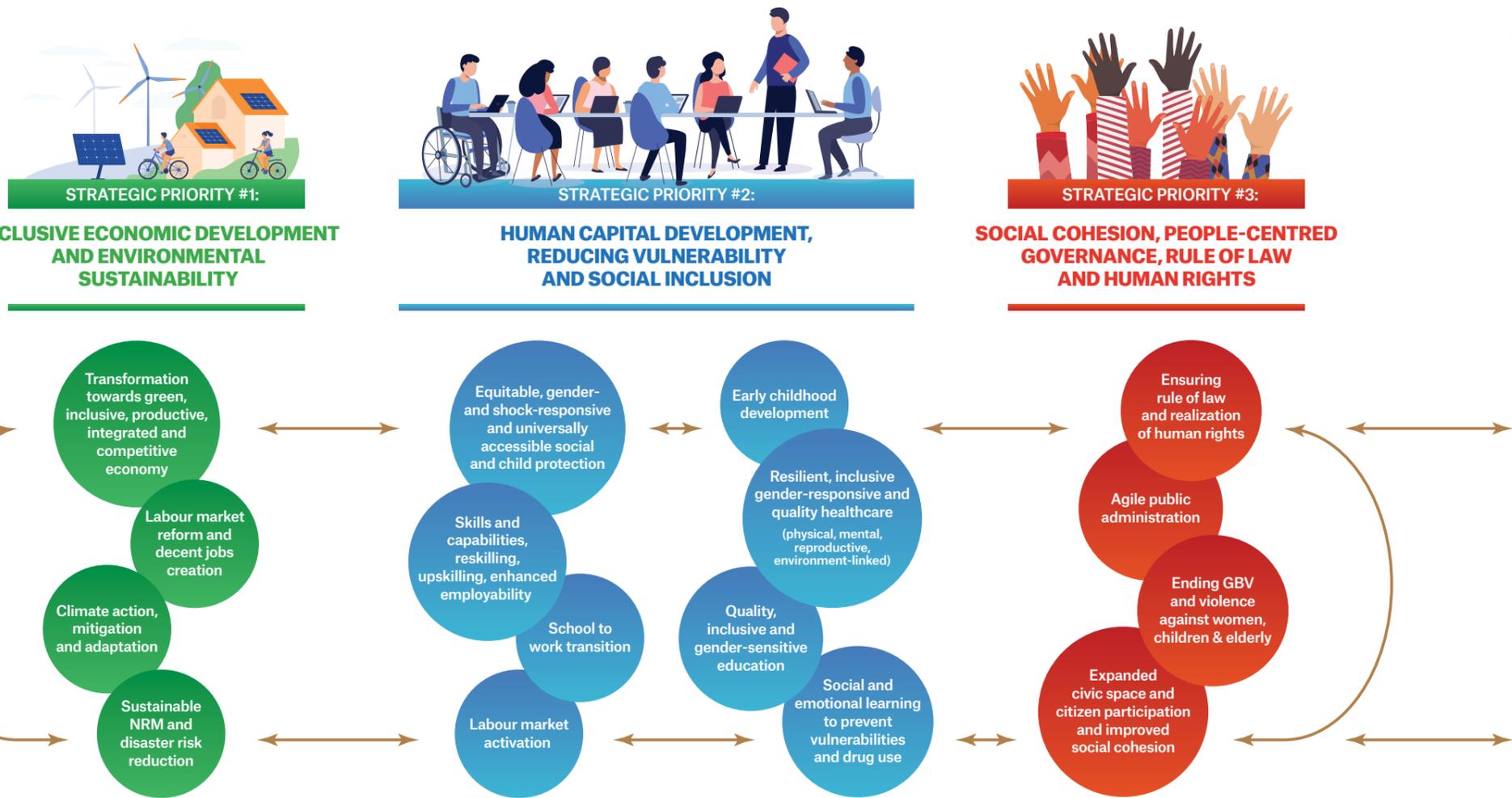
If there is inclusive economic development and economic transformation following the low carbon path and environmental sustainability; if there is investment in human capital with inclusive and gender-responsive outcomes on healthcare, education and social and child protection, and if there is social cohesion, people-centred governance with respect for rule of law and realisation of human rights then the vision above will be achieved.

Cross-cutting themes:

LNOB, GE&WE,
EU accession,
disaggregated data,
digital transformation

Focus groups:

All the people in Montenegro, especially the most vulnerable (such as Roma and Egyptians, PWDs, children, older persons, refugees, informal workers, women, trafficking victims, LGBTI, homeless, and others at risk of being excluded)



Stronger implementation and the realisation of human rights depend upon the capacity and independence of the public administration and institutions at national and local level. Institutions need to accelerate the implementation of recommendations of the UN human rights bodies and mechanisms, including institutional capacities for gender and child-rights responsive analysis and programming, while also fulfilling the strict fundamental rights criteria from the EU accession process.

Enhanced civic participation is an essential component of more transparent and accountable governance and greater social cohesion, but also to counter divisive narratives. Increasing the space for civil society will build accountability and transparency. Greater oversight is needed of public finances and administration to combat corruption, illicit financial flows, and the informal economy. Improving the overall capacity of the public administration will lead to more evidence-based decision-making, prioritisation and expenditure by the Government and contribute to greater trust in public institutions.

Accountability enables people, especially excluded groups to voice their concerns, claim their rights in legal processes and to seek remedies for violations. Despite certain improvements, Montenegro aspires to have a judiciary, which is more effective at processing cases to tackle corruption, GBV and hate speech. To effectively counter GBV and hate speech, additional normative actions as well as better connected institutions are needed to combat behaviours that enable these issues to persist.

There are strong complementarities between the four areas. These complementarities will require an approach that understands and engages the interlinkages. Environment is not only important for the economy, but also its impact on health. Likewise education has strong links to productivity, labour market and the broader economy. The economy is important for generating the required resources that finance SDG-related expenditures. In Montenegro's context governance and institutions are especially important. It is important not just in terms of implementing reforms in line with the EU accession process, but also across

all areas in terms of effective implementation of policy and the rule of law. Improved governance and institutional performance will improve the functioning of the economy, protect the environment, and reduce the exclusion of vulnerable groups.

The UN System in Montenegro is both well-positioned, and well-qualified to support the Government of Montenegro towards achieving its development priorities, including its NSSD, through the UN's demonstrated comparative advantages. The UN's comparative advantage is its wide-ranging, high-level technical expertise, including its ability to create linkages and partnerships in exchange of knowledge. Additional comparative advantages include the UN's advocacy for and support to the achievement of the SDGs including on sensitive issues such as gender equality and human rights. The UN's strong human rights and LNOB focus plays a critical role in the country's alignment with the SDGs as it proceeds with EU accession process.

The UNDAF evaluation interviews, UNCT self-assessment and the UN's internal prioritisation workshop identified that the primary UN comparative advantage lies in the UN being the custodian of values, facilitator and convener of multi-stakeholder engagement, provider of regional/ global best practice and in offering catalytic solutions.

The UN is a credible, responsive and neutral partner of the Government and other stakeholders. UN agencies have clear and recognised mandates along with proven impartiality, independence, credibility, and neutrality. The UN uses an integrated development approach which applies knowledge and expertise across all the 17 SDGs while connecting planning, delivery, monitoring and evaluation of the programmes across all sectors.

Assumptions for the UNSDCF

1. As EU accession is the main driver, the Government and other stakeholders recognise the complementarity between the EU accession agenda and the 2030 Agenda and do not perceive the two as separate or competing processes. This entails that the Government remains committed to monitor and accelerate SDG progress.
2. The COVID-19 pandemic weakens over time and there are no fresh outbreaks of its variants. A sufficient proportion of the population is fully vaccinated against COVID-19. Social economic life, including inflow of tourists, returns to near normal.
3. The sustainable development in future requires strong commitment to moving away from business-as-usual approach and following the low-carbon path, reform of public sector and governance reforms. There is underlying assumption that there are no political or business interests inimical to these reforms.
4. The Government remains committed to implementing the human rights obligations. This is important as such a commitment has a direct bearing on the "LNOB" principle of the UNSDCF.
5. As highlighted above, quality disaggregated data is important. The Government strengthens data collection capacity and promotes its use for analysis and evidence-based policymaking.
6. It is assumed there will be no negative developments in the region that could spill over to Montenegro.
7. Montenegro remains politically stable and transfer of power, as and when it happens following elections, is peaceful. There is also continuity of development vision.

Risks for the UNSDCF

1. *Political Situation:* Risks such as administrative transition processes and the influence of regional and global developments.
2. *Social Cohesion:* Risks to social unity and gender equality resulting from negative and discriminatory attitudes, hate speech, sexism and divisive narratives as well as demographic trends.
3. *Infrastructure and access to social services:* Risks to society and the population resulting from a lack of availability or limitation on access to physical infrastructure, and/or basic social services.
4. *Displacement and Migration:* Risks related to displacement and/or migration, pressures on economic, social and health system resulting from internal and external factors.
5. *Public Health:* Risk to the population and the economy resulting from the continuation of the COVID-19 pandemic or other health crises arising.
6. *Environment and Climate:* Risks to Montenegro's ecology, its ecosystem and its people resulting from natural disasters, issues associated with the environment, climate, and natural resources.
7. *Economic Stability and Financial Risks:* Risk to macroeconomic stability, fiscal sustainability, jobs, and businesses from exogenous shocks, such as those to tourism.

2.3 Cross-cutting strategies in the UNSDCF

Under the theory of change there are two core principles of the UN in Montenegro a) LNOB; and b) gender equality and mainstreaming. LNOB is a rights-based principle and anchored in the global commitment to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind. It also means that progress towards achieving the SDGs must be judged by the extent to which governments reach those that are furthest behind and not by average progress. The UNSDCF will mainstream the gender equality principle throughout all thematic pillars. Given the discrimination women and girls face and their inadequate participation in social, economic, public and political life it is necessary to address GBV and women and girls' meaningful participation and empowerment, tackling structural barriers, in line with CEDAW and other international human rights commitments Montenegro has made. Alongside these two core principles, the UNSDCF will seek to accelerate progress through the following cross-cutting strategies:



Synergising with EU accession: EU accession, as a key foreign policy objective, has strong interlinkages with the 2030 Agenda (highlighted above). Montenegro has carried out reforms in several areas – economic, environmental, human rights, public administration – to comply with the EU acquis. It is evident that SDG progress will enhance the chances of Montenegro becoming a member of the EU. This is an opportunity to accelerate the SDGs through EU accession progress, and will be leveraged in the UNSDCF.



Generating and using quality, disaggregated data: While the availability and quality of data is better than some of its regional peers, across all strategic priorities, regular and reliable disaggregated data should be generated and used to support vulnerable groups. It will enable more evidence-based policymaking across all the strategic priorities. The Government of Montenegro and UN system will support a culture of measurement, monitoring, analysing and evaluation through all areas of joint work.



Digital transformation and innovation: Digital technology can support social and economic transformation, towards a greener, diversified and more inclusive economy, and an accessible and user-friendly interface and improved information flows for public services. Digitalisation would also increase cross-sectoral collaboration, supported by efficient data exchange information systems, flexibility, and adaptability of national systems to shocks and challenges and reduce bureaucratic burden. It will contribute to strengthening accountability of policymakers and service providers to ensure human-centred development.



SDG financing: Montenegro's financing of the SDGs comes from several sources including Government, private sector, and development partners. As Montenegro continues its path towards EU accession and continued convergence with high-income economies, access to international funds will be improved. Resultantly, an increasingly important role will need to be played by Government and private finance for the SDGs. However, data gaps remain regarding the amount of finances that are being allocated to the SDGs and the respective amount of finance required to accelerate progress to achieve the 2030 Agenda. Therefore, the UN will continue to influence and leverage public and private financing, to generate data on the allocation of public spending per SDG, and explore innovative sources of SDG financing. The initiative to build a strategic partners coordination mechanism with the Office of the Prime Minister will ensure alignment to national priorities. Better coordination among the development partners and Government will increase the effectiveness and efficiency of development finance, from both domestic and international sources.



Partnering with International Financial Institutions (IFIs) and the private sector: The IFIs and UN are well-positioned to respond to the macroeconomic, social, and environmental development needs in a more integrated and effective manner. Consultations highlight the potential for stronger, more systematic engagement with the private sector to support EU accession priorities and the SDGs. The UN in Montenegro will continue to build its partnership with IFIs to jointly support public policy creation and investment planning.



Youth participation: The UNCT, while conducting the Youth scorecard exercise, reconfirmed that youth not only need to be an active stakeholder in implementation of the programme, but also in the inception of the strategic vision of the UN. The UN will base its approach on the opinions of youth through the establishment of a youth sounding board.



Taking a prevention approach: A preventative approach will strengthen the resilience of the overall system to economic, health and social shocks, and will include the fight against hate speech, and improved dialogue and social cohesion. Supporting broader resilience to further shocks will accelerate SDG achievement.

2.4 UNSDCF Strategic Priorities

The UNSDCF, through the consultations highlighted previously and CCA, has identified three strategic priorities to address the underlying gaps and challenges highlighted above and in the CCA. These strategic priorities are closely linked with the EU accession process. The identification of priorities was also informed by the UN comparative advantage including its mandate, capacity and positioning in Montenegro. In view of its normative rights-based mandate, the UN is singularly placed to address exclusion and inequalities and promote sustainable development, leaving no one behind.

The three strategic priorities in the UNSDCF are interlinked and reinforce each other to contribute to reducing vulnerability and poverty utilising a wide range of approaches which can play a useful complementary role in the reduction vulnerability and poverty. These will require stronger institutions and improved participation across all areas. The outcomes will be addressed in an integrated manner given the complexity and interlinked nature of the development challenges.

1: Inclusive Economic Development and Environmental Sustainability

This priority focuses on the intertwined pillars of economic development and environmental sustainability. It will accelerate economic transformation, create decent jobs and transition to 'green' economy by following a low-carbon pathway that promotes sustainable natural resource management and infrastructure and builds the resilience of communities and eco-systems to climate change.

2: Human capital development, reducing vulnerability, social inclusion

This priority centres on vulnerability reduction and investment in human capital through inclusive, shock-responsive, and universal health coverage, early childhood development, quality education, social and child protection, and labour market activation including provision of 21st century skills.

3: Social cohesion, people-centred governance, rule of law and human rights

Improved social cohesion, rule of law, administrative reform, people's participation, protection, and promotion of human rights, especially of the vulnerable groups, gender equality, and combating GBV and violence against children are the key focus areas under this priority.

As stated, the interrelated strategic priorities above are derived from the theory of change described in section 2.2 and will be addressed through an integrated and multi-sectoral action. To address the above priorities, the UN system in Montenegro, based on its comparative advantage and building on the lessons learned from the UNDAF (2017-2021), will provide technical assistance, policy advice, build capacities of key institutions, broker knowledge, mobilise partnerships and resources, and scale up innovations, by empowering delivery and upgrade of policy framework. The UN system will advocate for change on key development issues and, as a convener and facilitator, bring together key development actors for holding sustainable development discourse in Montenegro. The linkages of strategic priorities identified in the UNSDCF with the EU chapters and SDGs can be seen in the table below.

Each of the three strategic priorities in the UNSDCF uses the comparative advantages of different United Nations agencies and have strong complementarities. The economic and environmental aspects have been combined under one strategic priority grouping due to the strong complementarities and need to make the economy environmentally sustainable. These strategic priorities will involve the collective approach of the UN to support governance systems and ensure funds are efficiently and effectively targeted to reduce vulnerability. Such areas offer the possibility for joint programming and collaborative working between UN agencies.



**STRATEGIC PRIORITY #1:
INCLUSIVE ECONOMIC
DEVELOPMENT AND
ENVIRONMENTAL SUSTAINABILITY**

SDGs

- SDG 1 - No poverty
- SDG 2 - Zero Hunger
- SDG 3 - Good health and well-being
- SDG 5 - Gender equality
- SDG 6 - Clean water and sanitation
- SDG 7 - Affordable and clean energy
- SDG 8 - Decent work and economic growth
- SDG 9 - Industry, innovation, and infrastructure
- SDG 10 - Reduced inequalities
- SDG 11 - Sustainable cities and communities
- SDG 12 - Responsible consumption and production
- SDG 13 - Climate action
- SDG 14 - Life under water
- SDG 15 - Life on land
- SDG 16 - Peace, Justice and Strong Institutions
- SDG 17 - Partnerships for the Goals

EU Chapters

- Ch 3 - Rights of establishment and freedom to provide services
- Ch 5 - Public procurement
- Ch 6 - Company law
- Ch 7 - Intellectual property law
- Ch 11 - Agriculture and rural development
- Ch 12 - Food safety, veterinary and phytosanitary policy
- Ch 13 - Fishery
- Ch 14 - Transport policy
- Ch 18 - Statistics
- Ch 19 - Social policy and employment
- Ch 20 - Enterprise and industrial policy
- Ch 21 - Trans-European networks
- Ch 27 - Environment
- Ch 28 - Consumer and health protection



**STRATEGIC PRIORITY #2:
HUMAN CAPITAL DEVELOPMENT,
REDUCING VULNERABILITY
AND SOCIAL INCLUSION**

SDGs

- SDG 1 - No poverty
- SDG 3 - Good health and well-being
- SDG 4 - Quality education
- SDG 5 - Gender equality
- SDG 6 - Clean water and sanitation
- SDG 8 - Decent work and economic growth
- SDG 10 - Reduced inequalities
- SDG 16 - Peace, Justice and Strong Institutions

EU Chapters

- Ch 3 - Right of establishment and freedom to provide services
- Ch 11 - Agriculture and rural development
- Ch 12 - Food safety, veterinary and phytosanitary policy
- Ch 13 - Fishery
- Ch 14 - Transport policy
- Ch 18 - Statistics
- Ch 19 - Social policy and employment
- Ch 20 - Enterprise and industrial policy
- Ch 23 - Judiciary and fundamental rights
- Ch 24 - Justice, freedom, and security
- Ch 26 - Education and culture
- Ch 28 - Consumer and health protection



**STRATEGIC PRIORITY #3:
SOCIAL COHESION, PEOPLE-CENTRED
GOVERNANCE, RULE OF LAW
AND HUMAN RIGHTS**

SDGs

- SDG 1 - No poverty
- SDG 3 - Good health and well-being
- SDG 4 - Quality education
- SDG 5 - Gender equality
- SDG 9 - Industry, innovation, and infrastructure
- SDG 10 - Reduced inequalities
- SDG 16 - Peace, justice, and strong institutions
- SDG 17 - Partnership for the goals

EU Chapters

- Ch 5 - Public procurement
- Ch 7 - Intellectual property law
- Ch 10 - Information society and media
- Ch 11 - Agriculture and rural development
- Ch 12 - Food safety, veterinary and phytosanitary policy
- Ch 13 - Fishery
- Ch 18 - Statistics
- Ch 19 - Social policy and employment
- Ch 23 - Judiciary and fundamental rights
- Ch 24 - Justice, freedom, and security
- Ch 26 - Education and culture

2.5

UNSDCF Outcomes and Partnerships



National development vision

By 2027, Montenegro has reduced multidimensional and income poverty and accelerated progress towards sustainable, resource-efficient, and innovation-based economy, with improved state of the environment and increased respect for human rights, social justice, and inclusion of the most vulnerable



**STRATEGIC PRIORITY #1:
INCLUSIVE ECONOMIC DEVELOPMENT
AND ENVIRONMENTAL SUSTAINABILITY**

1 OUTCOME

All people, especially the vulnerable, benefit from improved management and state of natural resources and increasingly innovative, competitive, gender-responsive and inclusive economic development that is climate resilient and low-carbon.

by **2027**

Theory of change

The overall theory of change, articulated above, highlighted the bottlenecks and necessary conditions to greater economic transformation and decoupling growth from environmental degradation. To achieve these conditions Outcome 1 will focus on 3 main outputs 1) private sector growth, economic transformation, and decent jobs; 2) climate adaptation and mitigation; and 3) sustainable management and protection of natural resources. Success will depend upon the ability of Montenegro to prioritise and implement the reforms and policies needed to deliver these outputs. The approach will therefore embody two key elements. Firstly, building institutional and governance capacities in both economic and environmental management. Secondly, working with the private sector and other non-state actors to create a more enabling environment for inclusive economic development and environmental

sustainability. The outcome is expected to contribute to the short-term recovery of the economy from the COVID-19 pandemic and lay the foundations for the acceleration of EU integration and the 2030 Agenda, while strengthening citizen-centred digitalization, the natural resource base, and the circular economy.

Cross-cutting preconditions for this to materialise are: regional economic and environmental cooperation; building on existing multilateral environmental agreements, tools and platforms provided by international and regional organizations; leveraging and influencing the programmes and policies of others investing in the economy and environment; and embracing innovative solutions, such as digitalisation and the circular economy.



UN contribution

Contextualised within the theory of change above, and the national priorities articulated through several strategies, policies, and laws (see the Results Framework for details), the UN in Montenegro will support the following important interlinked conditions for success.

1. In line with the Programme of Economic Reforms 2022-2024, the UN will contribute to evidence-based, cohesive, and conducive policy and institutional eco-system to promote **structural transformation of the economy** that is green, digital, inclusive, and resilient to shocks. This will be achieved through greater diversification, improved competitiveness, improved trade and transport connectivity and innovation in the economy. These changes will support regional economic integration, reduce regional disparities, and enable access to bigger markets to overcome size disadvantage.
2. The UN will support interventions that create a responsible and predictable business and **investment climate for the private sector**, notably for SMEs and start-ups, affected by the COVID-19 pandemic, to access markets, finance, entrepreneurship, and business facilitation services, especially for women and youth. These interventions, at the policy and business level, together with investment in 21st century skills, and bridging the skills gap, will create decent, resilient jobs especially for youth, women, and vulnerable groups, with the focus on new green growth sectors with high productivity. Additionally, the UN will contribute to the redesigning of the currently disjointed system of support to small business development.

3. **Digital transformation** will be strengthened notably through digital trade, data interoperability and connectivity, product and service development, digital skills, innovation development and automation of business processes. The UN will support use of digital platforms to market products or to make payments. This will contribute to resilience, increased productivity, a narrowed digital gender gap, and a more conducive environment for the ICT sector.
4. **Labour markets will be improved** to enhance youth and women's labour force participation, countering discriminatory practices at workplace, addressing gender wage gaps and skills for women and youth. The support will reduce informality through incentives, address employment outside the social security system, provide labour market information by strengthening the Employment Agency of Montenegro, and reviewing the efficiency and sustainability of the social security schemes.
5. **Fiscal management will be strengthened** through steps to broaden the tax base and improving public expenditure efficiency and effectiveness. The fiscal system will be used as an instrument to address environmental challenges. The informal economy undermines the competitiveness of the formal enterprises and deprives the Government of tax revenues. This will be tackled through a multi-pronged approach, including by adjusting tax system, removing non-cost barriers, strengthening skills development, and improving the access to finance.

6. Enabling policy, institutional and financial mechanisms will be used as part of the **transition to low-carbon development**, promoting green growth, renewable energy generation, sustainable production and consumption, and mainstreaming circular economy principles across all sectors. However, to make this transition just and fair to all, especially those at risk of being excluded, the focus will be on interventions where vulnerable groups can contribute to and benefit from the low-carbon and circular economy activities. Working with the private sector, the UN will proactively leverage global and regional **financial instruments** that are specifically linked with the climate change mitigation and adaptation and green growth
7. The UN will support the **sustainable management of natural resources**, in line with Montenegro's commitments under the global environmental treaties and protocols, EU Chapter 27, as well as NDC and national strategies on climate change, biodiversity and energy, through improving the capacities of the government and other stakeholders. Institutional capacities will be improved to implement the policies and legislative frameworks needed to sustainably manage its natural resources and access innovative financing and planning. Equitable access to resources by the community especially those dependent on the natural resources for livelihoods will be provided, while protecting and restoring ecosystems. Support will be provided in improving infrastructure planning, delivery, and management to protect natural resources.

8. Although **tourism** is an important economic sector, it is imposing huge pressure on environment especially in coastal areas. Inadequate waste management, both dry waste and effluents discharged in the sea, and unplanned urban expansion will harm the tourism sector. To address this, the UN will promote **sustainable and carbon-neutral tourism** through waste management, awareness, and advocacy, working closely with the hospitality industry. Also, the nexus between health and tourism will be promoted.
9. In line with the Sendai Framework, the capacities of the key stakeholders at national and sub-national levels will be enhanced to formulate and implement gender- and disability-inclusive plans that **build resilience**. It will work with the communities at local level who bear the brunt of socio-economic, climate and health-related risks and disasters. Equally, the stakeholders will be equipped with real-time information and early warning systems, vulnerability assessment tools, greater awareness (including at school level), building disaster-resilient infrastructure, hazard and disaster risk assessment and mapping, to assist in gender-responsive disaster risk reduction planning. By increasing the role of insurance and risk-financing in development, as complementary measures, the impact of extreme weather events on lives and livelihoods, especially of vulnerable communities, will be mitigated.
10. **Social, cultural, and environmental impact** of policies and programmes will be mainstreamed as a key principle across all sectors especially as they impact women, children, and youth. The UN will contribute to developing appropriate measurement tools for this. The impact assessment and analysis will provide granular data for authorities to be able to make evidence-based policies and decisions.





LNOB

The outcome will focus on the vulnerable groups including those identified in section 1.3. Individual agency programs and projects will identify target groups specific to the interventions. For example, a project on disaster risk management may identify geographical regions and population groups more vulnerable to hazards and disasters than others. Green growth and skills support may likewise target vulnerable and excluded youth and women, and informal workers.

Partnerships

The UN will continue to build partnerships with and engage a wide range of partners comprising, but not limited to: the Parliament, the key Ministries in the Government of Montenegro (e.g. ministries in charge of the areas of ecology, spatial planning, urbanization, agriculture, forestry, water management, capital investment, economic development, finance, tourism, European affairs, health, education, science, sport, and youth), institutions such as Eco Fund, Investment Development Fund, municipalities, Agency for Environmental Protection, and National Council for Sustainable Development. The private sector, national and international NGOs, development partners including the IFIs, trade unions, chamber of economy, community-based organizations representing marginalised groups, training institutions, academia, and media. Regional organizations and funds will contribute to the progress under this outcome.

Major assumptions

1. There is political will and commitment to carry out long-term reform in the economy and put in place appropriate macroeconomic policies including prudent fiscal and debt management policies to create space for investment in human development.
2. The regional political situation remains calm and there is no major inflow of refugees and the regional economic slow-down in the wake of COVID-19 pandemic does not spill over to Montenegro.
3. Government remains committed to climate action and short-term economic interests do not deflect Montenegro from, and there are no forces inimical to, the low-carbon development pathway.
4. The European integration continues to progress as planned and international commitments are mainstreamed in national policies.
5. There is political stability in Montenegro and an inclusive and sustainable structure of the institutional framework, based on meritocracy and transparency.

UNCT configuration

The UN agencies, funds and programmes that will contribute to this outcome are UNDP, ILO, UNIDO, FAO, UNOPS, UNICEF, UNECE, UNESCO, UNDRR, UNEP, IFAD, WHO and ITU. Collectively, they have the required expertise and resources to work towards the outcome through (a) capacity development of key government and non-government institutions (b) leveraging regional / global knowledge networks and offering innovative and integrated solutions (c) mainstreaming the LNOB principle and ensuring its centrality in programmatic interventions (d) working with the private sector and global funds to mobilise innovative financial instruments linked to green growth and SDGs and (e) advocacy for green growth and creating awareness about environmental challenges.

Nexus

This outcome makes direct contributions to the implementation of Montenegro's human rights obligations notably economic, social, and cultural rights and related Universal Periodic Review of the Human Rights Council (UPR) recommendations. To enable vulnerable groups to realise their rights, this outcome focuses on the persons or groups, whose rights are more likely to be violated and hence need special focus. Even though Montenegro has a normative and institutional framework for environmental protection in place, there are challenges in the implementation of regulations in the field of urban planning, construction, waste disposal, and air and acoustic pollution. This outcome will address the implementation challenges and enhance environmental awareness.

Sustainability

To contribute to the sustainability of this outcome, the UN will work in partnership with the Government and other national institutions. The alignment of activities under this outcome with the national priorities and programmes will further contribute to the sustainability of results under this outcome as capacity building of institutions to provide services and for reporting in compliance with global / regional environmental agreements. The financial sustainability of results will be promoted by leveraging innovative climate- and SDG-sensitive financial instruments.



Photo: UNICEF Montenegro / Duško Miljanić



**STRATEGIC PRIORITY #2:
HUMAN CAPITAL DEVELOPMENT, REDUCING
VULNERABILITY AND SOCIAL INCLUSION**



OUTCOME

All people, especially the vulnerable, increasingly benefit from equitable, gender-responsive and universally accessible social and child protection system and quality services, including labour market activation and capabilities

by **2027**

Theory of change

The overall theory of change articulated above that enhanced, efficient and effective investment in building human capital is important to reduce vulnerability, build resilience, and protect the most vulnerable groups from social exclusion. Social spending is an investment in the future. It has both an intrinsic value as it builds capabilities for people to realise their full human potential and an instrumental value as it generates a healthy and productive workforce. Therefore, Outcome 2 focuses on 3 main outputs 1) quality and coverage of social and child protection; 2) addressing the

skills mismatch with the labour market; and 3) improved management of mixed migration. The success of this outcome will be dependent on the ability to raise institutional capacities to prioritise and implement the key policies and expenditures that are needed to achieve these outputs. This will be realised by addressing existing gaps in laws; strengthening evidence-based policies and strategies; and capacity building for people-centred, rights based and gender-responsive integrated approaches to the challenges identified in the overall theory of change.

UN contribution

The important conditions for success that will be supported by UN and that correspond to the outputs are as follows:

1. **Social and child protection system is strengthened**, in line with national strategies, by improved efficiency in social spending and robust design of the social and child protection system, which provides adequate coverage and quality of support. *Adequate* implies that they are more integrated, less fragmented (using digital means), with no exclusion errors and able to respond to identified vulnerabilities of beneficiary population. It will be shock- and gender-responsive. The UN will contribute to this outcome by improving capacities for planning, coordination, financing, development, quality assurance, monitoring and evaluation of social and child protection system, services, and cash benefits. Where necessary, changes in legislative frameworks, strategies and policies will be supported. Improved coordination and inter-sectoral cooperation among the line ministries as well as between central and local levels will be particularly targeted for interventions. Involvement of the private sector will be necessary in the provision of social and child protection especially as the economy moves towards greater formalisation.
2. **Gender analysis** will be embedded in social reforms, awareness raising for **gender equality** intensified, and the legal framework will be strengthened, and services expanded to address GBV. To increase relevance of anticipated reforms, the UN system will collaborate with relevant ministries and service-oriented civil society organizations that are working with vulnerable groups.
3. **Children without parental care, all children and adults with disabilities, and older persons** exposed to life events, vulnerabilities, and deprivation, including environmental risks, will be supported through services, and status change. The focus will be on universal prevention, outreach, family support and community-based health, specialised services, and integrated support for vulnerable groups,

education, and social and child protection/welfare to overcome vulnerability and deprivation, and deinstitutionalisation in line with EU priorities. The legal framework for persons and children with disabilities will be reformed, allowing better targeting and adequacy of social assistance.

4. **Sustainable and comprehensive protection, integration and reintegration of migrants, asylum seekers, refugees, and stateless persons**, in line with the Strategy on Migrations and Reintegration of Returnees to Montenegro 2021-2025, will be supported. The UN will work to ensure that all migrants, asylum seekers and refugees, including refugees from former Yugoslavia, can access their legally stipulated rights while concurrently supporting the government to end statelessness through the issuance of legal identity documents and the implementation of appropriate procedures. Similarly, UN will support the development of a sustainable and responsive reintegration mechanism in the country. At the same time, legislative frameworks and institutional mechanisms will be supported to manage the mixed movement of migrants and asylum seekers in compliance with the EU and international norms and standards.
5. **Labour activation services and 21st century skill building activities** will be provided, aligned with social and child protection to enable a just school-to-work transition. This will bridge the skills mismatch and increase the employability through counselling and career guidance and experiential learning opportunities, of youth, and vulnerable and excluded groups. Women's labour force participation will be increased through flexible (part-time and online) work, and they will have equal access to and treatment in labour markets in terms of wages and working conditions. The UN will support the protection of labour rights to benefit all workers, regardless of their status. In the area of occupational health and safety it is necessary to strengthen capacities, prevention, and mechanisms for reporting and recording

occupational injuries. It necessary to improve standards with the adoption of strategic documents, awareness raising campaigns and improved coordination.

6. To better **include vulnerable and excluded groups** and create a more inclusive society, behaviours and attitudes will need to change by raising awareness of rights and countering tendencies that give rise to stigma, discrimination and social exclusion of vulnerable groups and perpetuate outdated societal and gender norms and stereotypes. A stronger institutional response will be promoted to advance gender equality, curb violence more effectively and provide redress for survivors of violence, exploitation, and trafficking.

LNOB

The UNSDCF will focus on the social and child protection needs of the vulnerable groups including those identified in section 1.3. Children with intersectional vulnerabilities such as those from Roma and Egyptian community, with disabilities, without parental care, children exposed to all forms of violence and exploitation and from lower income quintiles will receive particular attention, as well as victims of GBV.

Partnerships

The UN will continue to build partnerships with and engage a wide range of partners comprising, but not limited to: the Parliament, the key Ministries in the Government of Montenegro (e.g. ministries in charge of the areas of finance, labour, and social welfare, economic development, education, science, culture, media, sport, youth, justice, human and minority rights, interior, public administration, health) Institute for Public Health; Institute for Social and Child Protection; Employment Agency of Montenegro; and Centres for Social Work, Ombudsman and golden advisers, youth associations, and MONSTAT. In addition, local governments, community-based organisations representing marginalised communities, training institutions, academia, NGOs, private sector, and media will also play an important role. Regional organizations and funds

(in the Western Balkans) will also contribute to the progress under this outcome.

Major assumptions

- Government's macroeconomic situation, including its debt levels, remains manageable and there is enough fiscal space for effective social spending.
- The European integration continues to progress as planned and is mainstreamed in national policies
- There is political commitment and stability in Montenegro and the institutional setting is resilient to changes in the national governing structures.
- Disaggregated and reliable data is available for evidence-based policymaking and MICS survey is conducted
- COVID-19 does not escalate and strain the health and social and child protection systems
- National strategies are implemented.

UNCT configuration

The UN agencies, funds and programmes that will contribute to this outcome are: UNDP, UNICEF, ILO, FAO, UNESCO, IOM, UNHCR, UNOPS and ITU. Collectively, these have the required expertise and resources to work towards the outcome through (a) supporting systems for improved coordination and inter-sectoral cooperation among line ministries (b) capacity development of key government and non-government institutions (c) continue to provide support with the aim of ending harmful and discriminatory practices, GBV and violence against children (d) leveraging regional / global knowledge networks and offering innovative and integrated solutions (e) creating awareness about human and labour rights and (f) mainstreaming the LNOB agenda and ensuring the centrality of LNOB principle in the programmatic interventions.

Nexus

This outcome contributes to the realization of human rights, child rights and labour rights in line with Montenegro's international obligations under multiple treaties. The outcome also particularly targets the vulnerable groups as identified in the UPR report for provision of social and child protection, skills, and employment, protecting the rights of the migrants and those of persons with disabilities. The outcomes contribute to making Montenegro's social and child protection system in alignment with international and the European standards, particularly EU accession Chapter 19 – Social policy and employment.

Sustainability

To make the results sustainable, the UN will align itself to national strategies and priorities and continue to support building capacities of the institutions to sustain activities even after the end of the UNSDCF cycle. The non-availability of fiscal space to maintain or expand social spending is the biggest threat to sustainability. To mitigate this, the UN would support national capacities to leverage innovative financial instruments such as social impact bonds, child- and gender-responsive budgeting and will partner with the private sector to leverage their contribution to social and child protection as the economy moves towards greater diversification and formalization.





**STRATEGIC PRIORITY #2:
HUMAN CAPITAL DEVELOPMENT, REDUCING
VULNERABILITY AND SOCIAL INCLUSION**



3 OUTCOME

All people, especially the vulnerable, benefit from strengthened human capital including early childhood development, and more resilient, gender-responsive, and quality healthcare and education

by **2027**

Theory of change

The overall theory of change articulated a need for investment in human capital for people to realise their full potential. Human capital is an investment in people and integral to the 2030 Agenda. It is an important mechanism for Montenegro to build its overall resilience to shocks. The COVID-19 pandemic has highlighted the need to build resilience to respond to such crises. To achieve this, Outcome 3 should focus on 3 main outputs 1) timely and unrestricted access to quality healthcare; 2) quality and coverage of education; and 3) improved early childhood development. The approach will enhance national capacities to deliver these outputs. Success will depend on the ability of Montenegro to broaden the delivery of these

key services, so that more people can benefit from them, and improving health and learning outcomes. As with the other outcomes these interventions cannot be seen in isolation but part of a broader, integrated approach to accelerate progress towards the 2030 Agenda.

UN contribution

Contextualised within the theory of change above, and the national priorities articulated through several strategies, policies, and laws (see the Results Framework for details), the UN in Montenegro will support the following important interlinked conditions for success. These correspond to the following UN contributions (or outputs):

1. National capacities will be built to plan and deliver comprehensive, quality, and gender responsive **healthcare** (physical, mental, and reproductive), including WASH and nutrition, that is accessible, equitable and resilient to shocks. Emerging health challenges such as rise in communicable, non-communicable and health-style diseases which are a huge drain on the health system, and which are preventable at low cost will be addressed, alongside children's routine immunization. The UN and Government will jointly work on mitigating the harmful health impacts of tobacco and alcohol, inadequate diet and physical inactivity. In addition, the health system will be strengthened through emergency preparedness capacities and health management information system. Addressing universal health coverage and some of the longer lasting impacts of the pandemic, such as mental health, will reduce vulnerability. Digital solutions will be applied to strengthen primary healthcare.
2. UN will continue to engage in drug use prevention, targeting different vulnerable groups (such as children/adolescents, women, refugee and stateless populations, Roma, and others) based on a gender-responsive approach. UN will support the implementation of the mental-health programmes for children and adolescents.
3. **Social and Emotional Learning** (SEL) packages will be deployed to tackle vulnerabilities that, when un-addressed, tend to lead to violence, delinquency, poor scholastic performance, and poor mental health.
4. To strengthen **early childhood development**, national capacities will be supported to continue to provide quality, inclusive and intersectoral early childhood development and education services to all, particularly those from most vulnerable groups, with developmental delays and difficulties. These programmatic interventions will strengthen the participation of and support to parents/caregivers.
5. Contribution will be made to provide quality, inclusive and gender-responsive **education**, in child-friendly and safe environments. Focus will be on improving learning outcomes of children from vulnerable groups and bridging the learning gaps with OECD peers. The UN will support digitalisation to build resilience to shocks and ensure that children from marginalised groups, especially those with disabilities, from Roma and Egyptians communities, as well as those granted international protection who are in the integration process, are not left behind. School curriculum will include values of tolerance, empathy, and diversity.
6. The education system will be improved so that there is **smooth transition from education** to work. It will enable youth, especially marginalised and vulnerable youth, to make informed career choices. Career guidance, counselling, and delivery of 21st Century skills will be provided. By building the partnership between industry and education system, the UN will contribute to strengthening the provision of demand-driven skills.

LNOB

While the principle of equal access to healthcare and education is well-recognised, there are vulnerable groups that do not have access to these services. These vulnerable groups including those identified in section 1.3 will be the focus of this outcome. Likewise, social and child protection is a very targeted intervention for which individual agency projects, working with the national partners, will identify target groups.

Partnerships

The UN will continue to build partnerships with and engage a wide range of partners comprising, but not limited to: the Parliament, the key Ministries in the Government of Montenegro (e.g. ministries in charge of the areas of health, education, science, culture, media, sports, youth, finance, labour, social welfare, human and minority rights, interior, public administration), Institute for Public Health, Bureau for Education, Institute for Social and Child Protection; Employment Agency of Montenegro; Centres for Social Work; and MONSTAT – the Statistical Office of Montenegro. In addition, the UN will also partner with civil society and private sector, training institutions, academia, financial institutions, skills providers, community-based organisations, and international NGOs.

Major assumptions

- The Government's macroeconomic situation, including its debt levels, remains manageable and there is enough fiscal space for expenditures on comprehensive healthcare and education.
- The European integration continues to progress as planned and international commitments are mainstreamed in national policies.
- There is political stability in Montenegro and the institutional setting is resilient to changes in the national governing structures.
- The private sector will be interested in partnering with the government on provision of healthcare and education services.
- Systems and capacities are in place to improve public expenditure efficiency.
- Disaggregated and reliable data is available for evidence-based decision-making.
- COVID-19 does not spread further to put strain on the health and education systems.

UNCT configuration

The UN agencies, funds and programmes contributing to the outcome are: UNICEF, UNHCR, WHO, UNODC, UNESCO, UNOPS and ITU. Collectively, these have the required expertise and resources to work towards the outcome through (a) supporting capacity building of institutions of service delivery at national and sub-national levels (e.g. health, education, skills) (b) use of data and advocacy for the elimination of harmful and discriminatory practices and violence against women and children, and for improving mental health (c) leveraging regional/global knowledge networks, sharing good practices and offering innovative and integrated solutions (d) creating awareness about human and labour rights and (e) staying focused on the LNOB agenda and ensuring the centrality of LNOB principle in the programmatic interventions.

Nexus

This outcome directly contributes to realisation of right to health and right to education besides addressing the vulnerabilities of specific population groups as identified in the UPR report and CRC concluding observations. The outcome will address gaps in the public health system and strengthen mental health care. It will support special measures to address the needs of children with disabilities, children and women from Roma and Egyptian community and other vulnerable groups who are more likely to be excluded from health and education services.

Sustainability

Enhancing capacities within health, education, and early childhood development systems to deliver high-quality services will be achieved through coordinated efforts across sectors, effective governance, sustainable funding, ensuring adequate workforce, reliable data systems, and continuous monitoring, evaluation, and improvement cycles. Partnerships with the private sector, communities, and parents are key for sustainability of results. The improved efficiency of social spending is the underlying strategy of this outcome as this will promote enhanced outcomes without necessarily increasing the budget. Alignment with the national strategies and priorities, partnership with private sector and enhanced capacities of the delivery institutions will contribute to the sustainability of results.



Photo: EBRD/FAO Dermot Doorty



Photo: UNICEF Montenegro / Duško Miljanić



**STRATEGIC PRIORITY #3:
SOCIAL COHESION, PEOPLE-CENTRED
GOVERNANCE, RULE OF LAW
AND HUMAN RIGHTS**



4 OUTCOME

All people, especially the vulnerable, benefit from improved social cohesion, increased realization of human rights and rule of law and accountable, gender-responsive institutions

by **2027**

Theory of change

The overall theory of change articulated that for people to benefit from improved governance, the implementation of reforms in the rule of law, public administration, and human rights should be accelerated. In addition, effective interventions are needed to end discriminatory practices, tackle harmful social norms, build trust, promote gender equality, and provide timely and effective remedy for grievances. Therefore, Outcome 4 will focus on 6 outputs 1) strengthening rule of law and providing justice to all; 2) improving capacities of public administration for policymaking, financial management and service delivery; 3) expanding

civic space; 4) combatting violence against women, children, and the elderly; 5) countering hate speech, sexism, and divisive narratives; and 6) combating corruption, organised and cross-border crime and illicit financial flows.

UN contribution

UN will support the following conditions for success corresponding to the outputs:

1. The capacity of the **justice system and the national human rights institutions** will be strengthened to ensure rule of law and provide justice to all, especially women and children and those most excluded or at risk of being excluded, in line with the relevant international human rights obligations. Among others, this will be done through supporting institutions that monitor the rights of women and child rights and sensitising the law enforcement agencies and justice system of the rights of vulnerable groups. Child rights and children's access to justice will be enhanced through improving the capacity of justice professionals to apply child friendly justice standards and restorative justice approaches. It will be complemented by improved inter-sectoral coordination, accountability, increased availability of public and private resources for children and the proactive follow-up of Convention on the Rights of the Child and other global / regional commitments. The NHRI will be supported to use its statutory power to encourage enforcement of its recommendations including on children's matters and to function more effectively in line with the Paris Principles.
2. **Digital transformation** that contributes to improved governance and service delivery while protecting personal data will be supported in line with the national Public Administration Reform Strategy and Digital Transformation Strategy 2022 – 2026. This will be done through building capacities, creating digital awareness, and bridging the digital divide, including the gender digital gap. Digital solutions coupled with improved management capacities will enhance resilience to future shocks and support gender-responsive policymaking. Digital transformation will also be leveraged to provide legal information, legal assistance and online evidence-taking and hearing/settlement of cases. The move towards e-justice within Judicial ICT Programme will make it resilient to shocks,

provide judicial information in the public domain and reduce corruption.

3. **Public administration capacities** for more coordinated, evidence-based and gender- and child- responsive policymaking will be supported through the strengthening of disaggregated data. Prudent fiscal management and SDG-sensitive planning and budgeting will be supported. Assistance will be provided for effective implementation of the commitments made under the National Action Plan for Open Government Partnership 2022-2024, including for open data, stronger people participation, public services, and anti-corruption. Interventions will contribute to the civil service being professional and accountable to people, and with adequate representation of women in decision-making positions.
4. Through advocacy and capacity building, and cooperation with the executive, legislative and judiciary, the UN will contribute to the effective implementation of the National Strategy on Gender Equality 2021-2025. The UN will **promote women's full and equal representation and participation** in social, political, and economic life of Montenegro and embed gender equality and women's empowerment in policies and practice.
5. Continue to strengthen institutional capacities will be built to **end harmful and discriminatory practices** and social norms to support implementation of existing Government strategies. Communications will promote positive behaviours and community participation in programme activities.
6. Though there is strong, EU-aligned legislative framework to combat **violence against women and children**, hate-speech and GBV, the implementation needs to improve. The UN will further support capacity-building of institutions to prevent, report and process cases of all forms of violence and exploitation, and to provide victim support and effective legal remedy, in partnership with civil society and other stakeholders.

7. UN will continue to contribute to strengthening capacity of civil society for the **meaningful participation** in decision-making, demanding accountability, realization of human rights and effective implementation of anti-discrimination policies. The UN will support citizens to have better access to information for stronger transparency in decision-making and increasing trust in institutions.
8. Key stakeholders will be capacitated, sensitised, and empowered to engage in meaningful dialogue to promote a **more equal and cohesive society**, based on trust, respecting differences and empathy, as well as a society committed to the public good and the fight against hate speech, sexism, and divisive narratives. The education system will also be sensitised to these values. This will be complemented by monitoring of trends to provide early warning for preventive action.
9. Accountability mechanisms will be strengthened to prevent and **combat corruption, organised and cross-border crime, including human trafficking** and smuggling of migrants, and illicit financial flows. The UN will support prevention and effective criminal justice responses including asset-recovery and its transparent management. The UN will support the combat against corruption. Digitalisation and improving business processes will counter corruption at various levels. The UN will collect data and advocate the ends of people trafficking and early marriages. Access to quality, timely, age-adequate, victim-centred, and gender-responsive services will be improved. Similarly, the capacities of the police and other relevant stakeholders will be additionally strengthened to better identify victims of trafficking, including those within mixed migration flows.

LNOB

Governance is a cross-cutting dimension, which affects all, especially the most vulnerable. The UN's support will, therefore, focus on those who face deprivations, are discriminated against, stigmatised, are unreachable or face intersectional vulnerabilities, with focus on the groups defined in section 1.3.

Partnerships

The UN will continue to build partnerships with and engage a wide range of partners comprising, but not limited to: the Parliament, the key Ministries in the Government of Montenegro (e.g. Ministries in charge of the areas of interior, finance, social welfare, economic development, education, science, culture, sports, youth, public administration, digital society, media, justice, human and minority rights, European integration), the Agency for Prevention of Corruption; Special State Prosecution; Human Resource Management Authority; MONSTAT; and Judicial Training Centre. The UN will also cooperate with the Supreme Court, Administrative Court, the Bar Chamber; and the Protector for Human Rights and Freedoms. In addition, the knowledge and experience of the private sector, national and international NGOs, development partners including IFIs, community-based organizations representing marginalised communities, academia, and media will also be leveraged. Regional organizations (in the Western Balkans) will also play an important role in contributing to the progress under this outcome.

Major assumptions

- The Government remains committed to protecting and promoting human rights in line with its international as well as EU accession process obligations and carrying out all-round governance reforms encompassing justice system, law enforcement machinery and civil services.
- There is a political will to tackle hampering practices and norms.
- The Government has disaggregated data to make evidence-based decision-making.
- There are no obstacles to strengthen digital infrastructure.
- There is political stability in Montenegro and the institutional setting is resilient to political complexities and changes in the national governing structures.

UNCT configuration

The UN agencies, funds and programmes that will contribute to this outcome are: UNDP, UNICEF, IOM, UNHCR, UNODC, UNESCO, UN WOMEN, UNOPS, OHCHR and FAO. Collectively, these UN entities have the required expertise and resources to work towards the outcome through (a) engaging with the justice institutions and support capacity development of key government and non-government institutions (b) leveraging regional / global knowledge networks and offering innovative and integrated solutions (c) focusing on the LNOB agenda and ensuring the centrality of LNOB principle in programmatic interventions and (d) working with the private sector and global funds to mobilise innovative financial instruments linked to SDGs.

Nexus

This outcome contributes to the implementation of international human rights obligations of Montenegro. Protection and promotion of human rights of all, especially the marginalised groups, is at the heart of this outcome. The outcome also strengthens compliance with the EU accession chapters 23 and 24 on rule of law, justice, and human rights.

Sustainability

Sustainability will be achieved through the alignment of the outcome with national strategies and priorities, the country's international obligations and those related to EU accession. Capacity building efforts with partners from State institutions but also from civil society will also contribute to the sustainability of the UN's contributions.

2.6 Cross-border and regional cooperation

Given the small size of the domestic market, with a GDP around €6 billion, and other challenges to sustainable development, Montenegro can exploit economies of scope and its comparative advantage from cross-border and regional cooperation. Plus, economies that are open tend to grow faster, innovate, and improve productivity. With Montenegro and some of the other Western Balkans nations on the path to accede to the EU, Montenegro can benefit from stronger regional markets. The Western Balkans do not operate together under a common policy or management framework on migration. While bilateral cooperation between Western Balkan partners on borders has been developed, true regional cooperation along the migratory routes covering other aspects of migration and asylum management, remains limited. Limited domestic resources, overstretched systems, and a low level of absorption capacity also present challenges to a varying degree in each of the Western Balkans countries. Support is needed to create better aligned policies and institutional mechanisms at the regional level and to support the overall policy engagement of the EU with the IPA III Western Balkans beneficiaries.

Regional cooperation will be strengthened in disaster risk management, climate information sharing, risk mapping, trade, migration, asylum, statelessness eradication, countering illicit financial flows, collaboration on transitional justice, gender equality in defence sector, trafficking of drugs and migrants, and improving small arms and light weapons control among others.

The UN is well-positioned to support Montenegro in fostering regional support through collaboration with regional organisations and frameworks such as European Green Agenda for the Western Balkans; triennial European Forum for Disaster Risk Reduction; and Economic and Investment Plan which are important regional vehicles to address the regional disaster risk challenges, infrastructure constraints and global public goods (mostly environmental) management at the regional level. The UN will also share information on country experience for Montenegro to leverage, including through south-south and triangular cooperation.

2.7 Sustainability

A key factor contributing to sustainability is the fact that the UNSDCF was formulated in consultation with all key stakeholders. This would foster ownership and promote sustainability. The strategic priorities addressed by the UNSDCF are well-aligned with the national development vision and the 2030 Agenda. EU accession is the top national foreign policy priority. The UNSDCF will contribute to accelerating the SDGs which will also accelerate progress towards various chapter under EU acquis and help Montenegro align with EU norms and standards. UN has shown through MAPS exercise that the EU accession agenda and the 2030 Agenda are very closely interlinked. This alignment with the national strategic priority will further contribute to sustainability of results.

As the UN will be working to support the capacity development of institutions and strengthening mechanisms to comply with EU standards, global and regional human rights, labour rights and environmental agreements, there is an expectation that results will be sustainable even after the UNSDCF. Furthermore, digital transformation and the greening of the economy will also contribute to resilience and sustainability. By focusing on policy coherence, evidence-based governance, and coordination (rather than working on pilots) the UN will contribute to the durability of results after the life of the current UNSDCF.

Other strategies to foster sustainability would include: building strong and broad-based partnerships, potential participation of Government in cost-sharing within the UNSDCF; and building capacities of key actors in the SDG-aligned policy making, budgeting, and financing; and strengthening coherent and evidence-based policymaking based on disaggregated data collection and use.

Moreover, sustainability will be built through the interrelated nature of the outcomes and interventions identified. The impact of natural resource degradation on human health will be addressed together (Outcomes 1 and 3). Moreover health outcomes will be improved through improved social and child protection system and strategic investment in human capital development. Investment in quality education



with equal access especially by women (Outcome 2) will have beneficial impact on women's labour force participation and their employment prospects (Outcome 1) besides improved health outcomes of women themselves and children (Outcome 3). Contributions to social and child protection (Outcome 2) is linked with the health and learning outcomes (Outcome 3) hence child protection will be mainstreamed in the education system. Investment in early childhood development (Outcome 3) will build human capital that is productive and resilient and can contribute to sustainable development (outcome 1).

The outcome that contributes to building capacities of governance institutions making them agile and transparent (outcome 4) will also contribute to curbing corruption and make the economy more competitive and productive (Outcome 1.) and efficient fiscal management (Outcome 1) will result in improved human capital outcomes (Outcomes 2 and 3). Outcome 4, on governance, is a cross-cutting one and when policymaking becomes more cohesive and evidence-based, and there is improved coordination and efficiency, the other outcomes will also improve. The effective implementation of the rule of law (Outcome 4) creates a more conducive environment for private investment (outcome 1), improves social and child protection outcomes (Outcomes 2 and 3) and social cohesion. Focusing on women and girls from Roma and Egyptian communities in investment in health and education (Outcome 3) will yield high returns in terms of their participation in social, economic, and political life of Montenegro (Outcome 4).

The world has seen the SDG reversals and setbacks that a crisis such as the pandemic can cause. This can shrink the fiscal space as countries have to spend on emergency healthcare and economic stimulus support those affected. This is also an opportunity to build back better and invest in digitalization of economy (Outcome 1 and 4), services like health, education, and social and child protection (Outcome 2 and 3) including delivery of justice and legal assistance (Outcome 4) to promote resilience and transparency.

2.8 UNCT Configuration

The UNCT in Montenegro will comprise 18 agencies, funds, and programmes of which 10 will have an in-country presence and 8 with no physical presence in the country.⁸ The UN system in Montenegro is a trusted, relevant, and capable partner of the Government and the people of Montenegro to bring about transformational change in Montenegro. The 2030 Agenda and the SDGs framework serves as a reference point for the Government and other development partners. The collective capacity of the UN across the system will be drawn upon to support Montenegro accelerate the SDG achievement.

The UN, deriving its mandate from the UN Charter, as the custodian of human rights, places people at the centre of development. The UN follows a rights-based approach to development, gender equality and women's empowerment ensuring that no one is left behind. It advocates for a more integrated approach to development combining the social, economic, and environmental dimensions. The UN supports Montenegro to align its national laws with international norms and standards. It works with relevant Government bodies, civil society, and other partners to ensure compliance with international human rights, labour rights and environmental obligations and commitments and implementing the relevant recommendations.

The UN's partnership with regional and global knowledge networks and access to international expertise is its distinct advantage in providing cutting-edge policy advice and sharing good practices on complex development challenges requiring integrated and innovative solutions. It also leverages the regional issues-based coalitions on multiple issues.

The UN, with the 2030 Agenda as the only driving force and as a neutral player in Montenegro, can mobilise diverse partners with different perspectives and convene development discourse on complex issues in a non-threatening environment.

Recognizing that Montenegro is a high human development and upper-middle-income country, a NATO member and an EU candidate country, an exercise was undertaken to put in place UNCT configuration that is need-based and tailor-made to respond to the priorities that the UN entities have committed to in the UNSDCF. The exercise involved both UN entities with physical presence in the country and the ones without an in-country presence. The participating UN entities mapped their contributions to the UNSDCF and made a detailed assessment of their capacities (technical, functional, and financial), including in-country, as relevant, and what they can leverage through their regional / global offices, to deliver on the UNSDCF commitments. This was followed by a UNCT meeting on 28 April 2022 that endorsed the UNCT configuration. The changes in configuration from the previous UNDAF were also noted. UNDRR, ITU, and IFAD are joining and would sign the UNSDCF. Also, OHCHR which already had embedded capacity in the Resident Coordinator's office, based on a request from the Government, will be signing the UNSDCF. Other agencies might sign on to Cooperation Framework at a later stage during this timeframe.

It was agreed that mechanisms will be put in place to build synergies, avoid overlaps and address gaps. UNCT aims to establish country-based SDG pooled fund and explore innovative, market-linked SDG financing instruments. However, UNCT also recognised that regional and global developments could have an impact on its resource mobilisation for UNSDCF. UNCT agreed to carry out donor mapping and formulate a resource mobilisation strategy after the signing of UNSDCF.

The UNCT configuration was shared with and is endorsed by the Government of Montenegro.

⁸ The UN entities with physical presence, regardless of the nature of such presence, are: UNDP; UNOPS; WHO; IOM; UNHCR; UNICEF, UNIDO, ILO, OHCHR, and FAO. The agencies without physical presence in the country are: UNECE, UN WOMEN, UNESCO, UNODC, UNDRR, ITU, IFAD and UNEP





CHAPTER 3: UNSDCF implementation plan

3.1 Governance

3.1.1 Overall coordination

The programme will be nationally executed under the overall coordination of the Ministry of Foreign Affairs (Government Co-ordinating Authority). Government coordinating authorities for specific UN system agency programmes are noted in Annex 2. Government Ministries, NGOs, INGOs and UN system agencies will implement programme activities. The Cooperation Framework will be made operational through the development of joint work plans⁹ and/or agency-specific work plans and project documents as necessary which describe the specific results to be achieved and will form an agreement between the UN system agencies and each implementing partner as necessary on the use of resources. To the extent possible the UN system agencies and partners will use the minimum documents necessary, namely the signed Cooperation Framework and signed joint or agency-specific work plans and project documents to implement programmatic initiatives. However, as necessary and appropriate, project documents can be prepared using, inter alia, the relevant text from the Cooperation Framework and joint or agency-specific work plans and / or project documents¹⁰.

Cash assistance for travel, stipends, honoraria, and other costs shall be set at rates commensurate with those applied in the country, but not higher than those applicable to the United Nations system (as stated in the ICSC circulars).

3.1.2 Joint Steering Committee

The joint Government of Montenegro-United Nations Joint Steering Committee (JSC) will be the highest oversight body for the UNSDCF. The JSC will be co-chaired by the Minister of Foreign Affairs and the UN Resident Coordinator on behalf of the UNCT in Montenegro. The JSC will have as its members the key partners identified in the UNSDCF comprising the key Government ministries and UN entity heads¹¹. IFIs, bilateral development partners, and representatives of private sector and civil society can be invited. Composition and membership of the JSC will be agreed with the Government of Montenegro.

The JSC will meet once a year and provide strategic oversight and direction to the UNSDCF process and ensure its alignment to evolving country contexts, national, regional, and international development processes, mechanisms and goals, and links with other processes such as the EU accession process. JSC will also support resource mobilisation for the UNSDCF and identify development financing opportunities. The JSC will monitor progress, challenges, and opportunities, and steer the direction of implementation of UNSDCF. It will provide guidance on course corrections if required.

The JSC will review the annual progress report to be prepared by the UNCT in consultation with the relevant Government counterparts. The report will be presented to JSC by the UN Resident Coordinator and will be based on the progress against the targets in the Joint Work Plan. The JSC will also review and endorse the next year's JWP.

⁹ As per the undg Standard Operating Procedures (SOPs) for countries adopting the "Delivering as One" approach.

¹⁰ In the case of UNDP, the Government Coordinating Authority will nominate the Government Co-operating Agency directly responsible for the Government's participation in each UNDP-assisted workplan. The reference to "Implementing Partner(s)" shall mean "Executing Agency(s)" as used in the SBAA. Where there are multiple implementing partners identified in a workplan, a Principal Implementing Partner will be identified who will have responsibility for convening, coordinating and overall monitoring (programme and financial) of all the Implementing Partners identified in the workplan to ensure that inputs are provided and activities undertaken in a coherent manner to produce the results of the workplan.

¹¹ The list of agencies to participate in JSC to be defined

3.2 UNSDCF Management Structure

3.2.1 UN Country Team (UNCT)

UNCT, comprising the UN agencies, funds, and programmes, with or without in-country presence, is the main inter-agency mechanism in Montenegro for inter-agency coordination, coherence, and decision-making. The Resident Coordinator leads and enables joint work of the UNCT to ensure effective coordination of country-level activities to deliver on the strategic results agreed in the UNSDCF in line with the UN's Management Accountability Framework (MAF) and the UN Charter and international norms and standards. The UNSDCF, agreed with the Government, is the most important instrument for the planning and implementation of the United Nations development activities in Montenegro, in support of its development priorities. UNCT members remain accountable to their respective entities on individual mandates and to the Resident Coordinator for their contribution to agreed results as defined in the UNSDCF in line with MAF.

UNCT will meet at least once a month enabling the participation of UN entities without in-country presence and, on a quarterly basis, take stock of the progress of UNSDCF. It will provide guidance to the Results Groups, Working Groups and Programme Support Groups established for effective implementation of the UNSDCF, as outlined below.

3.2.2 Results Groups

For the effective implementation of the UNSDCF, internal coordination and coherent UN system-wide approach to analysis, planning, implementation and monitoring of the UNSDCF, one Results Group will be set up for each Strategic Priority area. As there are three strategic priority areas under UNSDCF, the UNCT will set up three Results Groups to support the implementation of the UNSDCF as follows¹²:

1. **Inclusive Economic Development and Environmental Sustainability**
2. **Human capital development, reducing vulnerability, social inclusion**
3. **Social cohesion, people-centred governance, rule of law and human rights**

These Results Groups will comprise experts from the UN entities represented in the UNCT, regardless of their in-country presence, and Government representatives from the relevant line ministries / departments. Additional external members may be included if deemed appropriate. Each Results Group will be co-chaired by a UN entity and a representative of the Government. Meetings of the Results Groups will also be attended by at least one representative of the RCO. The chairs of the Results Groups will report progress to UNCT.

The Results Groups will be primarily responsible for preparing and updating Joint Work Plans, Monitoring, Evaluation and Learning (MEL) plans and funding framework for achieving the UNSDCF outputs. The Results Groups will identify opportunities for joint UN programming and advocacy, challenges, and new learning during the implementation of the UNSDCF. They will constantly monitor results, evolving country context, and risks and recommend course corrections to the UNSDCF through Joint Work Plan.

¹² Results group on Strategic Priority 2 (Human capital development, reducing vulnerability, social inclusion) may be further divided into 2 outcome groups, depending on follow up arrangements

The Results Groups will provide inputs for the RCO to prepare the Annual Performance Review before the Joint Steering Committee meetings. In preparing this Review, RCO and RGs will consult key stakeholders with the support of the RCO. The Results Groups will ensure that the information related to the JWP, and implementation progress is kept updated in the UN INFO on a regular basis. The Results Groups will further deliver on MEL Plan in their respective area and share the key results with the Joint UN Communications Team for joint communications and advocacy. The Results Groups will also contribute to mainstreaming the guiding principles including "LNOB" and ensuring that these principles are uniformly adhered to by the UN agencies. Since the M&E function is embedded within the Results groups, the RCO will coordinate the M&E inputs and will keep the consolidated MEL plan updated and constitute an ad hoc team to organize the final evaluation of the UNSDCF.

The Results Groups may, through RCO, liaise with any working group the Government established with regards to NSSD.

3.2.3 UN Thematic and Programme Support Groups

The thematic and programme support groups, as outlined below, further support UNCT in the implementation of the UNSDCF.

UN Thematic Working Groups

UNCT will establish several theme groups on cross-cutting areas to provide technical support to the Results Groups / UNCT.

The Working Group on Gender and Human Rights will continue to ensure mainstreaming of gender equality and women's empowerment in the UNSDCF at all stages. Additionally, this Group will also establish an accountability system and promote stronger coordination among UN entities for gender equality and women's empowerment. The Group will also promote mainstreaming of human rights-based approaches in the UNSDCF at all stages and provide inputs for UN human rights monitoring mechanisms (treaty-based bodies and charter-based bodies).

The SDG Working Group will continue to harmonize the efforts of the UN system in Montenegro to deliver as one and support the accelerated implementation of the sustainable development agenda in line with the UNSDCF and its outcomes. The Working Group will particularly focus on follow up of implementation of the MAPS recommendations, assist with identifying SDG financing mechanisms, contribute to data management and results monitoring for sustainable development; and advocacy of SDGs and NSSD.

UNCT may also establish other working groups as required.

UN Programme Support Teams

Operations Management Team (OMT)

The UN Operations Management Team (OMT) for the UN system provides support and advice to the UNCT about efforts to harmonize and simplify business operations and contribute to the delivery of CF results and to introduce new opportunities for collaboration and initiatives for the UNCT for the period of five years. The OMT will update and review/ expand its Business Operations Strategy (BOS) to deliver on CF results on annual basis.

The UN Operations Management Team (OMT) will explore new opportunities for high impact common services as part of BOS 2.0 and secure expertise and resources to achieve greater cost-savings and efficiencies through economies of scale, collective bargaining with Long Term Agreements (LTAs), and enhanced monitoring and evaluation of common back-office services.

The OMT is chaired by Operations Manager of UN system agency while OMT members are drawn from each UN system agency's senior operations officers.

By the beginning of 2022, the UN system in Montenegro was using Long term agreements (LTA) covering 14 different services: reception, internet, security, building maintenance and cleaning services of the UN House, air travel, media clipping, translation, interpretation services, office supplies, fuel, printing, taxi services and renting of sound equipment for the events. These have led

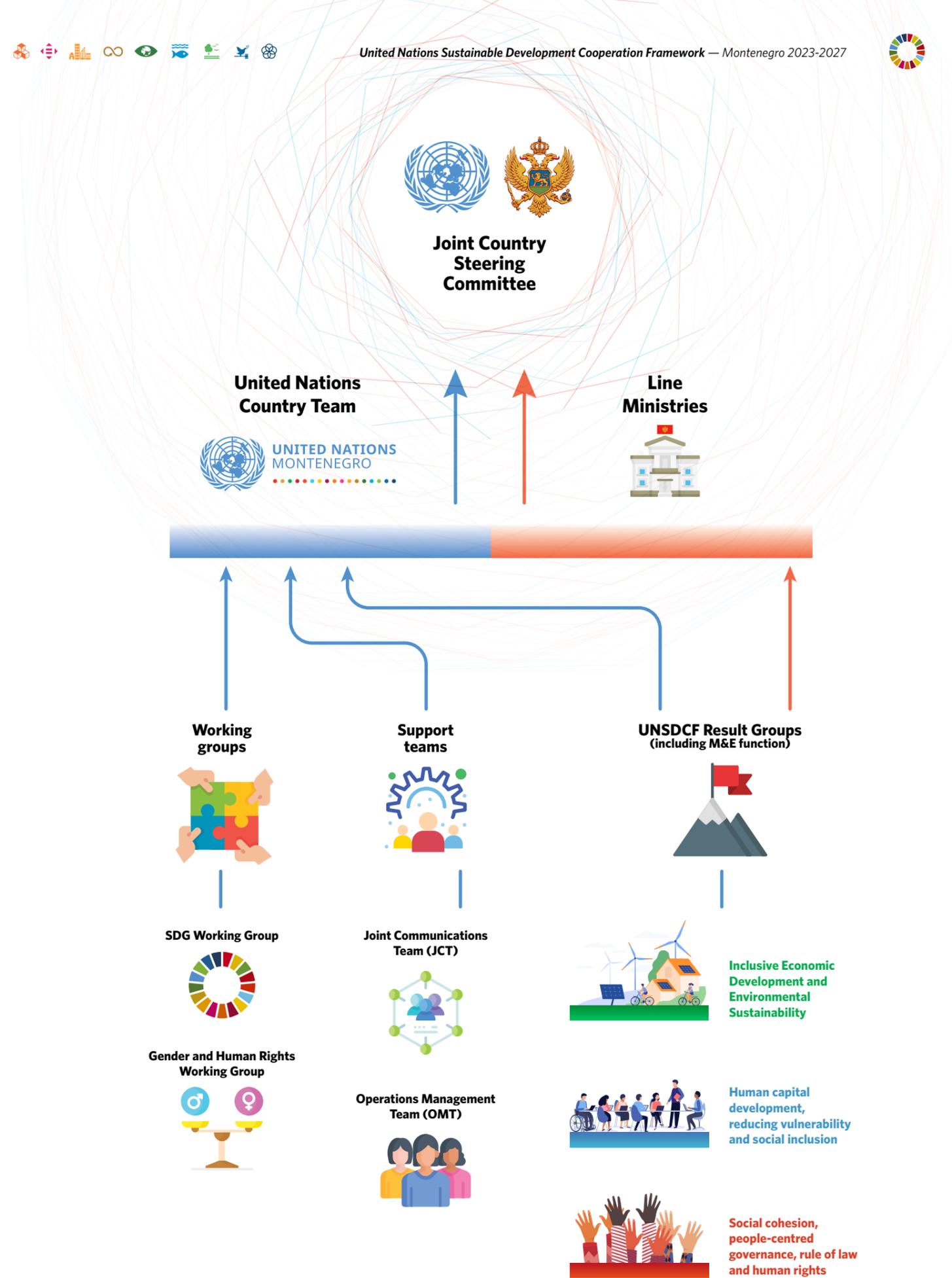
to estimated cost-savings of 250k for the period of 5 years. UN System in Montenegro implements additional 8 common services/practices not covered by the LTA such as human resource surveys, gender parity, PSEA and services related to the disability inclusion such as Reasonable accommodation for persons with disability, Training of staff on disability issues and Mapping and reviewing of digital and web accessibility. Specific effort of the OMT in 2022 and beyond will be invested in advancing of disability inclusion in business operations.

Joint UN Communications Team

The Joint UN Communications Team (JCT) is established to ensure effective, coordinated, and coherent communication and visibility of UN's work and results achieved jointly with key national stakeholders throughout the UNSDCF cycle. Through the joint UN communications and advocacy aligned with the 2030 Agenda, JCT will ensure that UN communicates together, highlighting the shared work of UN teams and the individual work and mandates of each UN entity.

JCT will draft a five-year joint UN communications strategy aligned with the UNSDCF, which will be operationalised through annual work plans, to ensure relevant, tailor-made, and targeted communications and advocacy throughout the UNSDCF cycle. UNCT will ensure that the JCT is adequately funded to carry out its functions.

The JCT is composed of communications officers or communications focal point from UN organisations participating in the UNCT, who are responsible for implementation of the joint communications strategy and annual work plans.



e

3.3 Resourcing the UNSDCF

The UNSDCF *funding* will be used in a catalytic manner - to mobilise other resources. Given the upper-middle income status of Montenegro, the UN's own resources will be limited, and it will need to mobilise funds from development partners, vertical funds (like GEF, GCF), private sector and government cost-sharing. The issue of funding the UNSDCF will be aligned with the broader issue of SDG financing, where SDG Financing scoping exercise takes place along with the development of the UNSDCF. Working closely with the Ministry of Finance and other stakeholders, the UN in Montenegro will support capacity building to improve the allocation of resources towards SDGs and national priorities in line with the 2030 Agenda.



Montenegro is also in the process of developing the mechanism to propel financing for strategic interventions in the EU accession process and implementation of the 2030 Agenda for Sustainable Development. This mechanism is developed jointly by the Government of Montenegro and the United Nations System, and intends to attract partners that currently do not have substantive programmes in the development of Montenegro. The intention is also to use this facility to test innovative financing modalities that are currently non existing in this context.

The UN system agencies will provide support to the development and implementation of activities within the Cooperation Framework, which may include technical support, cash assistance, supplies, commodities and equipment, procurement services, transport, funds for advocacy, research and studies, consultancies, programme development, monitoring and

evaluation, training activities and staff support. Part of the UN system entities' support may be provided to non-governmental [and civil society] organizations as agreed within the framework of the individual workplans and project documents.

Additional support may include access to UN organization-managed global information systems, the network of the UN system agencies' country offices and specialized information systems, including rosters of consultants and providers of development services, and access to the support provided by the network of UN specialized agencies, funds, and programmes. The UN system agencies shall appoint staff and consultants for programme development, programme support, technical assistance, as well as monitoring and evaluation activities.

Subject to annual reviews and progress in the implementation of the programme, the UN system agencies' funds are distributed by calendar year and in accordance with the UNSDCF. These budgets will be reviewed and further detailed in the workplans and project documents. By mutual consent between the Government and the UN development system entities, funds not earmarked by donors to UN development system agencies for specific activities may be re-allocated to other programmatically equally worthwhile activities.

3.4. Derivation of UN entity country programming instruments from the UNSDCF

UNCT through the RCO will ensure that the individual agency programming instruments will contribute to the implementation of the UNSDCF outcomes and outputs. This will be achieved through joint work planning, regular meetings of the Results Groups, working groups and programme support teams, as well as JSC meetings. Most UN entities are required to ensure that their programme directly contributes to and is well-aligned with UNSDCF. The outcomes of UNSDCF and the indicators become the outcomes and indicators of these programming instruments. RC also issues a letter of endorsement before the UN agencies take their programmes to their Executive Boards.

3.5. Joint Work Plans

The Joint Work Plans are a key instrument in the implementation of the UNSDCF. It is through JWP that the UNSDCF in Montenegro will be operationalised. The JWPs will be prepared on an annual basis by the UN and endorsed by the JSC. The JWP will comprehensively capture the outcomes, outputs, resources, SDG targets and indicators, and gender and human rights markers. The JWP will be prepared jointly by all UN entities (resident and non-resident) and directly in the online system UN INFO.

The JWPs form the basis for preparing the Annual Performance Review and Annual Country Results Report by the RCO based on inputs from the Results Groups. The JWPs will be aligned with the SDG framework and national priorities of Montenegro and will undergo annual reviews to gauge progress made and suggest course corrections, if any, considering the evolving country context. The outputs in the JWP reflect the aggregate of sub-outputs (or activities) which are the individual "agency contributions" to the output for which they are accountable.

To the extent possible, the UN system agencies and partners will use the minimum documents necessary namely the signed UNSDCF, signed joint workplans and project documents to implement programmatic initiatives. However, as necessary, and appropriate, project documents can be prepared using, inter alia, the relevant text from the UNSDCF and joint or agency-specific workplans and/or project documents.

3.6 Business Operations Strategy

The UN system will continue to review, update, and expand its Business Operations Strategy (BOS) to deliver on CF results. The OMT will explore new opportunities for high impact common services as part of BOS 2.0 and secure expertise and resources to achieve greater cost-savings and efficiencies through economies of scale, collective bargaining with Long Term Agreements (LTAs), and enhanced monitoring and evaluation of common back-office services. As of 2022, BOS ensures cooperation

13 Refers to results Groups' or agency specific annual, bi-annual or multiyear work plans

in 18 common services plus services related to PSEA and to disability inclusion such as reasonable accommodation. The OMT will also explore additional opportunities for gender responsive procurement, disability inclusion, and green energy services.

3.7 Cash Transfer Modalities

The stipulations below apply to the UN agencies - UNICEF and UNDP - that make direct cash transfers to implementing partners following the Harmonized Approach to Cash Transfers (HACT) procedures.

All cash transfers to an Implementing Partner are based on the Work Plans (WPs¹³) agreed between the Implementing Partner and the UN system agencies.

Cash transfers for activities detailed in WPs can be made by the UN system agencies using the following modalities:

1. Cash transferred directly to the Implementing Partner:
 - a. Prior to the start of activities (direct cash transfer), or
 - b. After activities have been completed (reimbursement).
2. Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner.
3. Direct payments to vendors or third parties for obligations incurred by UN system agencies in support of activities agreed with Implementing Partners.



Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UN system agencies shall not be obligated to reimburse expenditure made by the Implementing Partner over and above the authorized amounts.

Following the completion of any activity, any balance of funds shall be refunded or programmed by mutual agreement between the Implementing Partner and the UN system agencies.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government Implementing Partner, and of an assessment of the financial management capacity of the non-UN¹⁴ Implementing Partner. A qualified consultant, such as a public accounting firm, selected by the UN system agencies may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

In case of direct cash transfer or reimbursement, the UN system agencies shall notify the Implementing Partner of the amount approved by the UN system agencies and shall disburse funds to the Implementing Partner in 30 days.

In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the UN system agencies in support of activities agreed with Implementing Partners, the UN system agencies shall proceed with the payment within 30 days.

The UN system agencies shall not have any direct liability under the contractual arrangements concluded between the Implementing Partner and a third-party vendor.

Where the UN system agencies and other UN system agency provide cash to the same Implementing Partner, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN system agencies.

A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the WP, will be used by Implementing Partners to request the release of funds, or to secure the agreement that [UN organization] will reimburse or directly pay for planned expenditure. The Implementing Partners will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner.

Cash transferred to Implementing Partners should be spent for the purpose of activities and within the timeframe as agreed in the WPs only.

Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the WPs, and ensuring that reports on the utilization of all received cash are submitted to [UN organization] within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the UN system agency financial and other related rules and system agency regulations, policies and procedures will apply.

In the case of international NGO/CSO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the WPs and ensuring that reports on the full utilization of all received cash are submitted to the relevant UN agency within six months after receipt of the funds.

To facilitate scheduled and special audits, each Implementing Partner receiving cash from [the relevant UN agency will provide UN system agency or its representative with timely access to:

- all financial records which establish the transactional record of the cash transfers provided by the relevant UN agency, together with relevant documentation;
- all relevant documentation and personnel associated with the functioning of the Implementing Partner's internal control structure through which the cash transfers have passed.

The findings of each audit will be reported to the Implementing Partner and the relevant UN agency.

Each Implementing Partner will furthermore:

- Receive and review the audit report issued by the auditors.
- Provide a timely statement of the acceptance or rejection of any audit recommendation to the relevant UN organization that provided cash and SAI, so that the auditors include these statements in their final audit report before submitting it to the relevant UN organization.
- Undertake timely actions to address the accepted audit recommendations.
- Report on the actions taken to implement accepted recommendations to the UN system agencies and SAI, on a quarterly basis (or as locally agreed).

The SAI may undertake the audits of Government Implementing Partners. If the SAI chooses not to undertake the audits of specific Implementing Partners to the frequency and scope required by the UN system agencies, the UN system agencies will commission the audits to be undertaken by private sector audit services.

14 For the purposes of these clauses, "the UN" includes the IFIs.



CHAPTER 4: Monitoring and evaluation

4.1 CCA update

In view of the fresh evidence and latest data including on COVID-19 impact and development vision of Montenegro, the UN Common Country Analysis for Montenegro will be updated. The task will be undertaken by an inter-agency Task Force of the UN under the overall direction of UNCT with support from the Results Groups and Working Groups.

4.2 Monitoring implementation of the Joint Work Plans

The Results Groups will be the custodians of the MEL Plans for their respective areas throughout the implementation of UNSDCF. The Results Groups will support the UNCT in regular monitoring of the UNSDCF.

The Results Group, supported by the RCO, will ensure that the UN entities' monitoring, evaluation and learning activities are coordinated and coherent with the UNSDCF monitoring, evaluation and learning activities. The Results Groups will also ensure that UN entity specific monitoring and evaluation activities in relation to their own outputs and resources (Agency Contributions) are recorded by relevant UN entities directly into the UN INFO to enable effective reporting on the UNSDCF.

An ad hoc group, supported by the Results Groups, will steer the final evaluation of the UNSDCF by making sure necessary evidence on each indicator as well as UNCT reports, and sources of information are prepared well in advance. The indicators in the Results Framework are aligned with the nationalised SDG indicators to the extent possible, and are the ones where regular and reliable data is available from the national sources. The monitoring of gender equity results will be additionally supported by Gender and Human Rights Working Group.

The main sources of data for monitoring and reporting on the implementation of the UNSDCF

will be: the Montenegro Statistical Office (MONSTAT), EU SILC, MICS, Labour Force Survey, RCC Balkan Barometer, Voluntary National Reviews, national and UNCT reports to the human rights mechanisms (treaty bodies, UPR, updates on the recommendations of the Special Procedures of the UN Human Rights Council), communications, reports and concluding observations of the UN Treaty Bodies, data emerging from the UN entities projects, reports of the multiple surveys led by different UN agencies, and global reports and indices.

Implementing Partners agree to cooperate with the UN system agencies for monitoring all activities supported by cash transfers and will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UN system agencies. To that effect, Implementing Partners agree to the following:

1. Periodic on-site reviews and spot checks of their financial records by the UN system agencies or their representatives, as appropriate, and as described in specific clauses of their engagement documents/ contracts with the UN system agencies'
2. Programmatic monitoring of activities following the UN system agencies' standards and guidance for site visits and field monitoring,
3. Special or scheduled audits. Each UN organization, in collaboration with other UN system agencies (where so desired and in consultation with the respective coordinating Ministry) will establish an annual audit plan, giving priority to audits of Implementing Partners with large amounts of cash assistance provided by the UN system agencies, and those whose financial management capacity needs strengthening

4.3 Monitoring Development Risks and Opportunities

The monitoring mechanisms will also keep UNCT informed of the emerging risks to the achievement of the UNSDCF results and opportunities.

The key risks, defined in Chapter 2.2, will be mitigated by aligning the UNSDCF with the national priorities and EU accession, building strong broad-based partnership, encouraging government cost-sharing, embedding capacities in the government, and configuring UN to be flexible and agile to respond quickly to emerging situations. UN will carry out due diligence and comply with social and environmental standards to ensure no unintended harm of its interventions. There is also an opportunity to build back better – green, digital, and inclusive. Montenegro can also leverage regional resources and UNSDCFs to enhance development outcomes.

4.4 Annual Performance Review and Country Results Reporting

The UNSDCF will be subject to an Annual Performance Review by the Joint Steering Committee. The review will be based on a report jointly prepared by the UNCT, with support from the governance structures (Results Groups, Working Groups and Support Groups), and the relevant Government counterparts. The report is an integration of the results reported by the contributing UN entities including those not physically located in Montenegro. The report not only presents the progress achieved against the planned results as per JWP, but it will also document lessons learned and feed into the learning plan of the UN entities. During the review, JSC will recommend course corrections, if any, to the strategies, results and resources or implementation arrangements to make the UNSDCF more effective. The report will draw upon the national data sources and triangulate with the evidence emerging from the implementation of UNSDCF.

The annual performance review will be shared with the key stakeholders including the Government, implementing partners, private sector, and civil society. This will be communicated to wider audience and be available in public domain. The annual performance review will also feed into the Government's own thematic and sector reviews and will be useful in preparing the next VNR.

4.5 Evaluation plan

A final evaluation of the UNSDCF will be conducted in the penultimate year of the UNSDCF cycle in consultation with the Government. The evaluation will document the results achieved against the planned results as per the Results Framework and JWP. The ad hoc Group created for UNSDCF evaluation will support the UNCT in organising the evaluation. It will be ensured that the results of the individual UN entities are correctly and comprehensively reflected and captured in the evaluation. For this purpose, the Results Group and the ad hoc group will ensure that complete information on agency-specific progress or bottlenecks that could be useful for the terminal evaluation is provided. Where possible, the agency-specific evaluations and UNSDCF evaluation will be combined to reduce costs and processes.

The Results Groups and the ad hoc group will contribute to data quality throughout the implementation. The lessons learned and would feed into the next UNSDCF cycle. The evaluation will also be an accountability mechanism of UN in Montenegro towards the Government and the people.

The evaluation will be independent and conducted along the OECD Development Assistance Committee (DAC) evaluation criteria to gauge relevance, effectiveness, efficiency, sustainability, and potential impact. It will be conducted in an inclusive and participatory manner involving, among others, discussions with the relevant population groups to assess the influence on their lives. It will use modern information collection tools and techniques, where feasible, and follow the UN Evaluation Group's norms and standards. The final evaluation report will be available in the public domain.

Annex 1: The Cooperation Framework Legal Annex

Basis of Relationship

1. Whereas the Government of Montenegro (the "Government") has entered into the agreements listed below with the United Nations, including its Funds, Programmes and other subsidiary organs, and other organizations of the United Nations system ("UN System Organizations"), which are applicable to their programme activities in Montenegro (the "UN Agreements") under the United Nations Sustainable Development Cooperation Framework (the "Cooperation Framework");
2. Whereas the UN Agreements, together with the Convention on the Privileges and Immunities of the United Nations of 13 February 1946 (the "General Convention") and/or the Convention on the Privileges and Immunities of the Specialized Agencies of 21 November 1947 (the "Specialized Agencies Convention") as applicable, form the primary existing legal basis for the relationship between the Government and each UN System Organization for supporting the country to deliver on the Cooperation Framework, and are non-exhaustive and without prejudice to any other legal instruments the Government may enter into, including additional agreements with UN System Organizations for the purpose of their activities in the country:

UN entity	Agreement
United Nations Development Programme (UNDP)	With United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP's assistance to the country (Standard Basic Assistance Agreement) (SBAA) which was signed by both parties on 15 December 2006. Based on Article 1, paragraph 2 of the SBAA, UNDP's assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP's Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of 'execution' and 'implementation' enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this UNSDCF together with a work plan (which shall form part of this UNSDCF and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the SBAA].
United Nations Children's Fund (UNICEF)	With the United Nations Children's Fund (UNICEF) a Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF on 15 December 2006.
World Health Organization (WHO)	With the World Health Organization, (WHO) a Basic Agreement was concluded between the Government and WHO on 14 February 2007.
International Organization for Migration (IOM)	With the International Organization for Migration (IOM) the Cooperation Agreement between the Government and IOM was concluded on 22 February 2008.
International Labour Organization (ILO)	With the International Labour Organization (ILO), a Memorandum of Understanding between the Government and the Social Partners of Montenegro on the Decent Work Country Programme for 2019-2021, which was signed on 8 March 2019.

Office of the United Nations High Commissioner for Refugees (UNHCR)	United Nations High Commissioner for Refugees (UNHCR) and Government of Montenegro signed the Country Cooperation Agreement on 15 December 2006.
United Nations Industrial Development Organization (UNIDO)	With the United Nations Industrial Development Organization (UNIDO), the Basic Cooperation Agreement (BCA) concluded between the Government of Montenegro and UNIDO on 25 October 2010.
UN Women	The Basic Agreement concluded between the Government and the United Nations Development Programme on 15 December 2006 (the "Basic Agreement") mutatis mutandis applies to the activities and personnel of UN WOMEN.
United Nations Economic Commission for Europe (UNECE)	With the United Nations Economic Commission for Europe (UNECE), Terms of Reference and Rules of Procedure of the Economic Commission for Europe (fifth revised edition, E/ECE/778/ Rev.5) from 2009 apply.
United Nations Office for Project Services (UNOPS)	United Nations Office for Project Service and Government of Montenegro signed the Host Country Agreement on 5 March 2020, which entered into force on 1 July 2021, after its ratification in the Parliament of Montenegro.
United Nations Office on Drugs and Crime (UNODC)	The Standard Basic Assistance Agreement (SBAA) with the United Nations Development Programme (UNDP), signed on 15 December 2006, shall apply, mutatis mutandis, to the assistance provided by UNODC. Under this agreement, the Government confirms, in particular, that Article IX (Privileges and Immunities), Article X (Facilities for the execution of UNDP assistance), Article XI (Suspension or Termination of Assistance) and Article XII (Settlement of Disputes) of the SBAA shall apply to the activities of UNODC.
United Nations Educational, Scientific and Cultural Organization (UNESCO)	UNESCO's assistance to the Government shall be made available and shall be furnished and received in accordance with the applicable resolutions of the General Conference and Executive Board of the Organization.
International Telecommunication Union (ITU)	With the International Telecommunication Union (ITU), the Electronic Communications and Postal Services of Montenegro (EKIP), has a Memorandum of Cooperation on ITU Interactive Transmission Maps. According to the MoC, the two organizations will strengthen cooperation in the field of mapping and Montenegro will support the ITU's collection, validation, and transferring of data on backbone networks at the national level to the ITU.

With respect to all UN System Organizations, including OHCHR, UNDRR, IFAD, FAO and UNEP, assistance to the Government shall be made available and shall be furnished and received in accordance with the relevant and applicable resolutions, decisions, rules and procedures of each UN system Organisation.

4. Without prejudice to the above, the Government shall:

(i) apply to each UN System Organization and its property, funds, assets, officials and experts on mission the provisions of the General Convention and/or the Specialized Agencies Convention; and

(ii) accord to each UN System Organization, its officials and other persons performing services on behalf of that UN System Organization, the privileges, immunities and facilities set out in the UN Agreement applicable to such UN System Organization.

5. United Nations Volunteers performing services on behalf of a UN System Organization shall be entitled to the privileges and immunities accorded to officials of such UN System Organization.

6. Any privileges, immunities and facilities granted to a UN System Organization under the Cooperation Framework shall be no less favourable than those granted by the Government to any other UN System Organization signatory of the Cooperation Framework.

7. Without prejudice to the UN Agreements, the Government shall be responsible for dealing with any claims which may be brought by third parties against any of the UN System Organizations and their officials, experts on mission or other persons performing services on their behalf, and shall hold them harmless in respect of any claims and liabilities resulting from operations under the Cooperation Framework, except where it

is mutually agreed by the Government and the relevant UN System Organization(s) that such claims and liabilities arise from gross negligence or misconduct of that UN System Organization, or its officials, or persons performing services.

8. Nothing in or relating to this Cooperation Framework shall be deemed:

(i) a waiver, express or implied, of the privileges and immunities of any UN System Organization; or

(ii) the acceptance by any UN System Organization of the jurisdiction of the courts of any country over disputes arising from this Cooperation Framework,

whether under the General Convention or the Specialized Agencies Convention, the UN Agreements, or otherwise, and no provisions of this Cooperation Framework shall be interpreted or applied in a manner, or to an extent, that is inconsistent with such privileges and immunities.

Annex 2: UNSDCF Results Framework

National development vision

By 2027, Montenegro has reduced multidimensional and income poverty and accelerated progress towards sustainable, resource-efficient and innovation-based economy, with improved state of the environment and increased respect for human rights, social justice, and inclusion of the most vulnerable.

Strategic Priority # 1: Inclusive Economic Development and Environmental Sustainability

National development priorities

- National Sustainable Development Strategy 2016-2030
- National transport development strategy 2019-2023
- Transport decarbonization Roadmap
- Climate change law
- National climate change strategy until 2030
- NDC until 2030, and the Report for the preparation of an updated NDC from 2020
- Action Plan for Energy Efficiency
- Energy Law
- Environment Law
- Nature protection Law
- National strategy for integrated coastal management
- National Strategy for biodiversity conservation
- National Strategy for water management
- Action plan for the fulfilment of closing benchmarks in Chapter 27 - Environment and climate change
- Smart specialization strategy 2019-2024
- Strategy of energy development of Montenegro until 2030
- National Forestry Strategy 2014-2023
- Industrial Policy of Montenegro 2019-2023
- Programme of Economic Reforms 2022-2024
- National Strategy on Employment 2021-2025
- Strategy for [sustainable] development of cultural heritage for the period 2023-2028 (to be adopted in 2022)
- National strategy for the safeguarding and sustainable use of cultural heritage (to be adopted in 2022)
- Strategy for Development of Micro, Small and Medium Enterprises (MSMEs) in Montenegro

Regional frameworks [EU chapters]

- Ch 3 – Rights of establishment and freedom to provide services
- Ch 5 – Public procurement
- Ch 6 – Company law
- Ch 7 – Intellectual property law
- Ch 11 – Agriculture and rural development
- Ch 12 – Food safety, veterinary and phytosanitary policy
- Ch 13 – Fisheries
- Ch 14 – Transport policy
- Ch 18 – Statistics
- Ch 19 – Social policy and employment
- Ch 20 – Enterprise and industrial policy
- Ch 21 – Trans-European networks
- Ch 27 – Environment
- Ch 28 – Consumer and health protection

SDGs:

- SDG 1- No poverty
- SDG 2 – Zero Hunger
- SDG 3 – Good health and well-being
- SDG 5 – Gender equality
- SDG 6 – Clean water and sanitation
- SDG 7 – Affordable and clean energy
- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, innovation and infrastructure
- SDG 10 – Reduced inequalities
- SDG 11 – Sustainable cities and communities
- SDG 12 – Responsible consumption and production
- SDG 13 – Climate action
- SDG 14 – Life under water
- SDG 15 – Life on land

Key Partners:

Government of Montenegro, with the ministries in charge of ecology, spatial planning, urbanism, agriculture, forestry, water management, health, education, science, culture, sports and youth, capital investments, economic development, finance, European integration; as well as the Parliament of Montenegro, Eco Fund; Investment Development Fund; Municipalities; Environment Protection Agency; National Council for Sustainable Development; business sector; NGOs; Chamber of Economy; Innovation Fund; Science and Technology Park; MONSTAT

Contributing UN agencies: UNDP, ILO, UNOPS, UNIDO, FAO, UNICEF, UNECE, UNESCO, UNDRR, UNEP, IFAD, WHO



Results	Performance Indicators (disaggregation)	Baseline (year)	Target (Cooperation Framework end)	Data source/MoV	Assumptions
<p>Outcome 1: By 2027, all people, especially the vulnerable, benefit from improved management and state of natural resources and increasingly innovative, competitive, gender-responsive and inclusive economic development that is climate resilient and low-carbon</p>	<p>1. Employment rate: Total, Men, Women, youth (15-24)</p> <p><u>Custodian agency: ILO</u></p>	<p>Total: 43.8% (15+), Male: 50 % Female: 37.9 % Youth: 19.8% (2020)</p>	<p>Total: >48%, Male: >55% Female: >45% Youth: >27%</p>	Labour Force Survey (LFS), Monstat	<p>There is political commitment to carry out long-term reform in the economy and put in place appropriate macroeconomic policies</p> <p>Post-COVID-19, the economic impact is contained</p> <p>Prudent fiscal and debt management policies create space for investment in human development</p> <p>Borders remain open and there are no hurdles in cross-border movement of goods and persons</p> <p>Government remains committed to climate action and short-term economic interests do not deflect the country from the low-carbon development pathway</p> <p>European integration progresses as planned and EU accession commitments mainstreamed in national policies</p> <p>Inclusive and sustainable structure of the institutional framework, based on meritocracy and transparency</p>
	<p>2. Inactive population due to caring responsibilities (20-60)</p> <p><u>Custodian agency: ILO</u></p>	<p>Total: 28.6% Male: 10.7% Female: 39.9% (2020)</p>	<p>Total < 24% Male < 10% Female < 30%</p>	Labour Force Survey (LFS)	
	<p>3. Greenhouse gas emissions: Total GHG emissions expressed as Gg CO2eq</p> <p><u>Custodian agency: UNDP</u></p>	<p>3,623 (2019)</p>	<p>3,597</p>	Government	
	<p>4. Area of landscapes under improved management to benefit biodiversity, in ha</p> <p><u>Custodian agency: UNDP</u></p>	<p>0 (2021)</p>	<p>80,000</p>	Government	
	<p>5. Global innovation index score</p> <p><u>Custodian agency: UNDP</u></p>	<p>Score: 35.4 (2021)</p>	<p>Score: >47</p>	World Intellectual Property Organisation	
	<p>6. Share of electricity produced from renewable sources in total net electricity consumption on an annual basis</p> <p><u>Custodian agency: UNDP</u></p>	<p>62% (2020)</p>	<p>>64%</p>	MONSTAT	
	<p>7. CAT-I (Capacity Assessment Tool for Infrastructure) infrastructure enabling environment score</p> <p><u>Custodian agency: UNOPS</u></p>	<p>4.98 (2022)</p>	<p>>5.47</p>	<u>UNOPS Capacity Assessment Tool</u>	
	<p>8. Gender Equality Index score, dimensions: money, time, work</p> <p><u>Custodian agency: UNDP</u></p>	<p>Total: 55 Money: 59.7 Time: 52.7 Work: 65.2 (2019)</p>	<p>Total: >62 Money: >67 Time: >60 Work: >72</p>	MONSTAT	
	<p>9. OECD SME Policy Index</p> <p><u>Custodian agency: UNOPS</u></p>	<p>3.42 (2019)</p>	<p>>3.80</p>	OECD	
	<p>10. Global Competitiveness index</p> <p><u>Custodian agency: UNOPS</u></p>	<p>60.82 (2019)</p>	<p>>65</p>	World Economic Forum	

<p>11. SDG indicator 11.4.1: Total per capita expenditures on preservation, protection and conservation of all cultural and natural heritage, by source of funding (public, private), type of heritage (cultural, natural) and level of government (national, regional, local/municipal)</p> <p><u>Custodian agency: UNESCO</u></p>	<p>Results to be published by the end of 2022</p>	<p>5% increase (2027)</p>	<p>Monstat/UIS</p>
<p>Outputs</p> <p>Output 1.1</p> <p>Private sector growth, economic transformation and decent jobs generated through innovation, increased institutional capacities, policies and inclusive and gender-responsive policy frameworks to enhance productivity and competitiveness.</p> <p>Contributing agencies: UNDP, ILO, UNOPS, UNICEF, UNIDO, UNECE, FAO, ITU, IFAD</p> <p>Output 1.2</p> <p>Strategies, policies, financing mechanisms and capacities developed to prepare for and respond to socio-economic, climate and health-related risks and natural hazards, through effective, inclusive and gender-responsive mitigation and adaptation actions.</p> <p>Contributing agencies: UNDP, ILO, UNOPS, UNICEF, FAO, UNIDO, UNECE, UNESCO, UNDRR, ITU, IFAD, WHO</p> <p>Output 1.3</p> <p>Policies, legislative frameworks, financial mechanisms and institutional capacities are developed to protect, value and sustainably manage infrastructure, cultural and natural resources that are accessible to all.</p> <p>Contributing agencies: UNDP, UNOPS, FAO, UNIDO, UNECE, UNESCO, ITU, UNEP, IFAD</p>			

Strategic Priority # 2: Human capital development, reducing vulnerability, social inclusion**National development priorities**

- Roadmap for Social and Child Protection System Reform
- Strategy on protection of Persons with Disabilities from discrimination and promotion of equality 2022-2027
- Strategy on Social Inclusion of Roma and Egyptians in Montenegro 2021-2025
- Strategy on Migrations and Reintegration of Returnees to Montenegro 2021-2025
- Strategy for the Development of the Social and Child Protection System 2018-2022
- Strategy for the Realization of Child Rights 2019-2023
- Strategy on the Prevention and Protection of Children from Violence (to be developed)
- Strategy for Protection from Domestic Violence 2016-2020
- Strategy for combating trafficking in human beings 2019-2024
- Strategy for early and preschool education in Montenegro 2021-2025
- Inclusive Education Strategy 2019-2025
- Higher Education Development Strategy 2020-2024
- Program for implementation of recommendations for improvement of educational policy 2019-2021 based on the results of PISA 2015
- Strategy for Teacher Training in Montenegro 2017-2024
- Strategy for development of vocational education 2020-2024
- Strategy for the Development of Women's Entrepreneurship in Montenegro 2021-2024
- National Strategy on Gender Equality 2021-2025
- Strategy for development of e-health and integrated health information system 2018 - 2023
- Strategy for improving the quality of health care and patient safety 2019-2023
- Program for control and prevention of chronic non-communicable diseases in Montenegro 2019-2021
- Program for adapting Montenegrin health system to climate changes 2020-2022
- Program for the prevention of harmful use of alcohol and alcohol-related disorders in Montenegro for the period 2022-2024. with the Action Plan for 2022-2023.
- Strategy on strengthening mental health in Montenegro 2019-2023

Regional frameworks [EU chapters]

- Ch 3 - Right of establishment and freedom to provide services
- Ch 11 - Agriculture and rural development
- Ch 12 - Food safety, veterinary and phytosanitary policy
- Ch 13 - Fisheries
- Ch 14 - Transport policy
- Ch 18 - Statistics
- Ch 19 - Social policy and employment
- Ch 20 - Enterprise and industrial policy
- Ch 23 - Judiciary and fundamental rights
- Ch 24 - Justice, freedom and security
- Ch 26 - Education and culture
- Ch 28 - Consumer and health protection

SDGs:

- SDG 1 - No poverty
- SDG 3 - Good health and well-being
- SDG 4 - Quality education
- SDG 5 - Gender equality
- SDG 6 - Clean water and sanitation
- SDG 8 - Decent work and economic growth
- SDG 10 - Reduced inequalities
- SDG 16 - Peace, Justice and Strong Institutions

Key Partners:

Government of Montenegro, with the ministries in charge of finance, social welfare, economic development, education, science, culture, sports and youth, justice, human and minority rights, interior, public administration, digital society, media, health; as well as the Parliament of Montenegro; Institute for Public Health; Institute for Social and Child Protection; Employment Agency of Montenegro, MONSTAT

Contributing UN agencies: UNDP, UNICEF, ILO, IOM, UNHCR, WHO, UNESCO, UNODC, FAO, UNOPS



Results	Performance Indicators (disaggregation)	Baseline (year)	Target (Cooperation Framework end)	Data source/ MoV	Assumptions
<p>Outcome 2: By 2027, all people, especially the vulnerable, increasingly benefit from equitable, gender-responsive and universally accessible social and child protection system and quality services, including labour market activation and capabilities</p>	<p>1. Proportion of people at risk of poverty disaggregated by sex and age</p> <p><u>Custodian agency: UNDP and UNICEF</u></p>	<p>Total: 22.6 0-17: 32.6 18-24: 25.2 25-54: 20.4 55-64: 17.3 65+: 15.5 Male: 23, Female: 22.2 (2020)</p>	<p>Total: 21.4 0-17: 31.4 18-24: 24 25-54: 19.2;55-64: 16.1; 65+: 14.3 Male: 21.8, Female: 21</p>	MONSTAT	<p>There is political will and stability to provide long-term vision to human development, reducing vulnerabilities and promoting social inclusion</p> <p>There is enough fiscal space for the government to maintain /enhance social spending to achieve the long-term goals</p> <p>Systems and capacities are in place to improve public expenditure efficiency</p> <p>Disaggregated and reliable data is available for evidence-based decision-making</p> <p>COVID-19 does not spread further to put strain on the health system</p> <p>There are no infrastructure bottlenecks, including digital infrastructure, to provide integrated services</p> <p>National Strategy on Prevention and Protection from Violence is developed for the period 2022-2026 and implemented; Awareness raising campaign implemented in continuity; MICS survey conducted.</p> <p>National Deinstitutionalization Strategy is developed and implemented. The country invests in strengthening social service workforce and expanding family and community based services.</p> <p>Policies adopted and data on reintegrated readmitted nationals available.</p>
	<p>2. Proportion of people with severe material deprivation, disaggregated by sex and age</p> <p><u>Custodian agency: UNICEF and UNDP</u></p>	<p>Total: 13.5 Male: 13.1 Female: 14.0</p> <p><18: 17 18-64: 12.6 Male: 12.5 Female: 12.6</p> <p>65+: 12.1 Male: 9.6 Female: 14 (2020)</p>	<p>Total: 12.5 Male: 12.1 Female: 13.0</p> <p><18: 16 18-64: 11.6 Male: 11.5 Female: 11.6 65+: 11.1 Male: 8.6 Female: 13</p>	MONSTAT	
	<p>3. Proportion of women aged 20–24 years who were married or in a union before age 15 and before age 18</p> <p><u>Custodian agency: UNICEF</u></p>	<p>15 years: 1,9% 18 years: 5,8%</p> <p>Roma women 15 years: 21,5% 18 years: 60% (2018)</p>	<p><1pp 15 years: below 1% 18 years: below 5%</p> <p>Roma women 15 years: 10 % 18 years: 20%</p>	MICS	
	<p>4. Activity rate as proportion of population (15+), disaggregated by sex</p> <p><u>Custodian agency: ILO and UNDP</u></p>	<p>Total: 53.3% Male: 60.6% Female: 46.4% (2020)</p>	<p>Total > 63% Male > 70% Female > 56%</p>	MONSTAT	
	<p>5. Proportion of children aged 1–14 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month</p> <p><u>Custodian agency: UNICEF</u></p>	<p>National: 65.8 Roma settlements: 64.4 (2018)</p>	<10pp	MICS	
	<p>6. Percentage of children in family-based care of the total number of children in all forms of formal alternative care</p> <p><u>Custodian agency: UNICEF</u></p>	<p>70% (69% girls 74% boys) (2021)</p>	<p>90% (90% girls 90%boys)</p>	MFSW (SWIS)	
	<p>7. Multidimensional child poverty (proportion of children facing 2 or more deprivations)</p> <p><u>Custodian agency: UNICEF</u></p>	<p>0-2 y - 77.6% 0-5y - 64.3%, 5-17y - 49.1% (2018)</p>	<p>0-2 y - 74.6% 0-5y - 61.3%, 5-17y -46.1%</p>	MODA	
	<p>8. Proportion of readmitted nationals benefiting from integrated reintegration assistance in line with EU and international standards, disaggregated by sex and age</p> <p><u>Custodian agency: IOM</u></p>	0	10% per year	IOM reports; Mol Report on the implementation of the Strategy for Migration and Reintegration of Readmitted Nationals	

Outputs
<p>Output 2.1</p> <p>Legislative frameworks, strategies and institutional capacities are in place to provide gender-responsive, quality social and child protection, at all levels, that is integrated, sustainably funded and improved in equity, coverage and effectiveness.</p> <p>Contributing agencies: UNDP, UNICEF, ITU</p>
<p>Output 2.2</p> <p>Participative policies and capacities of key stakeholders are improved and provide development of inclusive and labour market-oriented, 21st century skills, including sustainable mechanisms for successful school to work transition, reskilling opportunities and lifelong learning, for improving employability and activity rates, in particular, of women, youth and all the vulnerable groups.</p> <p>Contributing agencies: UNESCO, IOM, UNHCR, UNICEF, UNDP, ILO, FAO, UNOPS, ITU</p>
<p>Output 2.3</p> <p>Policies, legislative frameworks and institutional capacities are in place to enhance migration outcomes through management of mixed movement of migrants and asylum seekers in compliance with the international norms and standards and promote safe, orderly and regular migration.</p> <p>Contributing agencies: IOM, UNHCR</p>



Results	Performance Indicators (disaggregation)	Baseline (year)	Target (Cooperation Framework end)	Data source/MoV	Assumptions
Outcome 3: By 2027, all people, especially the vulnerable, benefit from strengthened human capital including early childhood development, and more resilient, gender-responsive, and quality healthcare and education	1. Share of people with good or very good perceived health, disaggregated by sex <u>Custodian agency: WHO</u>	Total: 69.2% Male: 73.1 % Female: 65.5% (2019)	Total: 74% Male: 75% Female: 73%	ESS SILC	<p>The importance of immunization continuously promoted</p> <p>There is political will and stability to provide long-term vision to human development, reducing vulnerabilities and promoting social inclusion</p> <p>There is enough fiscal space for the government to maintain /enhance social spending to achieve the long-term goals</p> <p>Systems and capacities are in place to improve public expenditure efficiency</p> <p>Disaggregated and reliable data is available for evidence-based decision-making</p> <p>COVID-19 does not spread further to put strain on the health system</p> <p>There are no infrastructure bottlenecks, including digital infrastructure, to provide integrated services</p>
	2. Proportion of the target population covered by all vaccines included in the national programme <u>Custodian agency: UNICEF</u>	Timely MMR1 coverage 24% for 2020, DTP3 84%.	MMR1 60 % by 2027, DTP3 90%	Institute for Public Health	
	3. Universal Health Care Service Coverage Index <u>Custodian agency: WHO</u>	67% (2019)	70%	WHO	
	4. Percentage of children age 3-4 years who are developmentally on track in literacy-numeracy, physical, social-emotional, and learning domains, Early development index <u>Custodian agency: UNICEF</u>	General population - 90.2%, Roma population- 76.9% (2018)	General population - 95% Roma population, 80%	MICS	
	5. Participation in early childhood education, enrolment rate by age group (and sex) <u>Custodian agency: UNICEF</u>	Total for 0-6 years of age: 52 (for girls and boys) Total for 0-3 years of age: 28 (girls and boys) Total for 3-6 years of age: 77 (girls and boys) (2019/20)	Total for 0-6: 60% for girls and boys Total for 0-3: 30% for girls and boys Total for 3-6: 90%, for girls and boys	MESCS, MONSTAT	
	6. Proportion of children at the end of lower secondary education, achieving minimum proficiency level in reading, science, and maths <u>Custodian agency: UNICEF</u>	Reading: 55.6% (Female 63.5, Male 48.3) Math: 53.8% (Female 52.1 Male 55.4) Science: 51.8% (Female: 53.87 Male: 50.48) (2018)	Reading: 60% (Female 67, Male 55) Math: 59% (Female 59, Male 59) Science: 57% (Female 59, Male 55)	PISA	

7. NEET - Percentage of young people aged 15-24 years who are neither in employment nor in education or training <u>Custodian agency: ILO</u>	Total: 21.1 Male: 21.5 Female: 20.6 (2020)	Total <18 Male: <18 Female: <18	LFS Monstat
--	--	---------------------------------------	-------------

<p>Outputs</p> <p>Output 3.1 National capacities improved to plan and deliver comprehensive, quality, gender-responsive healthcare (physical, mental and reproductive, including nutrition) that is affordable, equitable and resilient to shocks. Contributing agencies: UNICEF, WHO, UNOPS</p> <p>Output 3.2 Capacities enhanced to formulate and implement policies for improved learning outcomes and access to quality, gender informed education that is career oriented, inclusive, equitable and shock-resilient. Contributing agencies: UNICEF, UNHCR, UNODC, ITU, UNESCO</p> <p>Output 3.3 National capacities enhanced to provide quality, inclusive and intersectoral early childhood development and education services to all, particularly those from most vulnerable groups with strengthened participation of parents/ caregivers. Contributing agencies: UNICEF, UNODC, UNHCR</p>
--

Strategic Priority # 3: Social cohesion, people-centered governance, rule of law and human rights
<p>National development priorities</p> <ul style="list-style-type: none"> - National Strategy for Sustainable Development 2016-2030 - Mid Term Work Plan of the Government 2022-2024 - Economic Reform Programme 2021-2023 - Public Administration Reform Strategy 2022-2026 - Public Finance Management Reform Programme 2022- 2026 - National Action Plan for Open Government Partnership 2022-2024 - Judicial ICT Programme 2021-2023 - Strategy on the Reform of Judiciary 2019-2022 - Strategy of Realization of Child Rights 2019-2023 - Strategy for Integrated Border Management 2020-2024 - Strategy for Migrations and Reintegration of persons Returned through Readmission 2021-2025 - Strategy for combating trafficking in human beings 2019-2024 - Strategy on Social Inclusion of Roma and Egyptians 2021-2025 - National Strategy on Improving the Quality of Life of LGBTI People in Montenegro for 2019-2023 - Strategy on protection of Persons with Disabilities from discrimination and promotion of equality 2022-2027 - Strategy for the Development of Women's Entrepreneurship in Montenegro 2021-2024 - National Strategy on Gender Equality 2021-2025 - Strategy on Cyber Security 2022 - 2026 - Digital Transformation Strategy 2022 - 2026 - Program to attract digital nomads and investments in IT <p>Regional frameworks [EU chapters]</p> <p>Ch 5 - Public procurement Ch 7 - Intellectual property law Ch 10 - Information society and media Ch 11- Agriculture and rural development Ch 12- Food safety, veterinary and phytosanitary policy Ch 13- Fisheries Ch 18 - Statistics Ch 19 - Social policy and employment Ch 23 - Judiciary and fundamental rights Ch 24 - Justice, freedom and security Ch 26 - Education and culture</p> <p>SDGs:</p> <p>SDG 1 - No poverty SDG 4 - Quality education SDG 5 - Gender equality SDG 9 - Industry, innovation and infrastructure SDG 10 - Reduced inequalities SDG 16 - Peace, justice and strong institutions SDG 17 - Partnership for the goals</p> <p>Key Partners:</p> <p>Government of Montenegro, with the ministries in charge of justice, human and minority rights, interior, economic development, finance, social welfare, public administration, digital society, media, education, science, culture, sports and youth, European integrations; as well as the Parliament of Montenegro, Agency for Prevention of Corruption; Special State Prosecution; Central Bank of Montenegro; Human Resource Management Authority; Supreme Court; Bar Chamber; Judicial Training Centre; Protector for Human Rights and Freedom, MONSTAT</p> <p>Contributing UN agencies: UNHCR, UNDP, UNICEF, UNESCO, IOM, UNODC, UN WOMEN, FAO, UNOPS, OHCHR</p>

Results	Performance Indicators (disaggregation)	Baseline (year)	Target (Cooperation Framework end)	Data source/ MoV	Assumptions	
Outcome 4: By 2027, all people, especially the vulnerable, benefit from improved social cohesion, increased realization of human rights and rule of law and accountable, gender-responsive institutions	1. Corruption Perception Index score	Score: 46/100 (2021)	>63.7	Transparency International	There is political will and stability to carry out governance reform	
	Custodian agency: UNODC					
	2. Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law, general population, Roma population	Women: 5.6 % Men: 6.5 % Roma Women: 8.7 % Roma Men: 13 % (2018)	Women: <5 % Men: <6 % Roma Women: <8 % Roma Men: <12 %		MICS	The Government is committed to implementing international human rights obligations and cooperates with human rights mechanisms
	Custodian agency: UNICEF					
	3. Proportion of seats held by women in national and local parliaments and national government	National Parliament - 27.2% (2020) Local parliaments - 31.8 % Mayors - 8.33% National Government - 33% (2021)	National Parliament - 40% Local parliaments - 40% Mayors - 15% National Government - 40%		National Parliament, Inter-parliamentary Union, MONSTAT	COVID-19 does not spread further and measures do not influence freedom of movement and gathering
	Custodian agency: UNDP					
4. Balkan Barometer:	a) Level of tolerance and respect of differences; b) Equality before the law; c) Accessibility to public services via digital channel: d) Trust in institutions: 1) Parliament 2) Government 3) Courts and Judiciary 4) Ombudsperson/Protector for Human Rights and Freedoms	a) 34% satisfied b) The law is applied to everyone equally. 67% disagrees 26% agrees c) Accessibility to public services via digital channel. 36% satisfied d1) Trust in Parliament. 44% d2) Trust in Government. 46% d3) Trust in Courts and Judiciary. 35% d4) Trust in Ombudsperson Baseline: 40% (tend to trust and total trust) (2021)	a>36% satisfied b) The law is applied to everyone equally. <65% disagrees >28% agrees c) Accessibility to public services via digital channel. >38% satisfied d1) Trust in Parliament. >46% d2) Trust in Government. >48% d3) Trust in Courts and Judiciary. >37% d4) Trust in Ombudsperson: >42% (tend to trust and total trust)	RCC Balkan Barometer	There are no hurdles in building infrastructure for service delivery, including digital infrastructure	
Custodian agency: UNDP						
5. World Bank Worldwide Governance Indicators Score:	a) Government Effectiveness Index b) Voice and Accountability Index c) Rule of Law Index	Government Effectiveness Index: 53.37 Voice and Accountability Index: 48.79 Rule of Law Index: 55.29 (2020)	Government Effectiveness Index: >55 Voice and Accountability Index: >49 Rule of Law Index: >57	World Bank		
Custodian agency: UNDP						
6. Level of establishment of permanent national child rights coordinating mechanism		Level 2 (Initiating) (2021)	4 (Championing)	EU Progress reports, CRC Concluding Observations		
Custodian agency: UNICEF						

7. Percentage of children in conflict with the law subject to a diversion order or a non-custodial measure <u>Custodian agency: UNICEF</u>	29% (2020)	40%	State Prosecutor Office, Ministry of Justice Human and Minority Rights
8. Level of improvement of migration governance system against the EC recommendations, GCM and GCR <u>Custodian agency: IOM, UNHCR</u>	0 of medium and long term EC recommendations adopted in 2022	5 of medium and long term EC recommendations adopted	EU Progress Report; Relevant Governmental, IOM and UNHCR reports
9. Media Literacy Index <u>Custodian agency: UNESCO</u>	26 points (2021)	30 points	Media Literacy Index 2021 OSIS.BG Open Society Institute

<p>Outputs</p> <p>Output 4.1</p> <p>Capacity of the justice system and the national human rights institution enhanced to strengthen rule of law and provide justice to all, especially to the most excluded or at risk of being excluded, in line with international human rights obligations.</p> <p>Contributing agencies: UNDP, UNICEF, UNHCR, IOM, UNODC, OHCHR</p> <p>Output 4.2</p> <p>Public administration capacities improved for more coordinated, evidence-based and gender-responsive policy-making, and for efficient, accountable and transparent financial management and service delivery, enhancing trust in institutions.</p> <p>Contributing agencies: UNDP, UNICEF, UNHCR, IOM, UNOPS, OHCHR</p> <p>Output 4.3</p> <p>Civic space expanded and citizens' capacities enhanced to meaningfully participate in decision-making, demand accountability for realisation of human rights and effective implementation of anti-discrimination and gender equality policies, with particular focus on women, youth and the most vulnerable.</p> <p>Contributing agencies: UNICEF, UNDP, UNHCR, IOM, UN WOMEN, OHCHR</p> <p>Output 4.4</p> <p>Improved legislative frameworks, policies and capacities of key stakeholders to effectively combat violence against women, children and elderly, gender-based violence and other harmful practices.</p> <p>Contributing agencies: UNICEF, IOM, UNODC, UNDP, UN WOMEN</p> <p>Output 4.5</p> <p>Key stakeholders are empowered to engage in dialogue to promote the values of equality, diversity, trust, and empathy and counter hate speech, sexism and divisive narratives, for more equal and cohesive society.</p> <p>Contributing agencies: UNESCO, UNDP, UNICEF, UNHCR, IOM, FAO, OHCHR</p> <p>Output 4.6</p> <p>National capacity and accountability system enhanced to combat corruption, organised crime, including human trafficking and smuggling of migrants, and illicit financial flows through prevention and effective criminal justice response.</p> <p>Contributing agencies: IOM, UNDP, UNODC, UNESCO, UNOPS</p>
--

