

# UNDG 2010 Resident Coordinator Annual Report Montenegro

Montenegro has made significant progress in the past year in creating a legislative and institutional framework based on EU standards, and joining many international mechanisms. This progress was confirmed in December 2010 when the country was officially granted EU candidate status. However, as indicated in the recent *Analytical Report accompanying the Opinion on Montenegro's application for membership of the EU*, considerable further efforts are needed to meet the following key priorities [1]: to improve the legislative framework for elections; to strengthen rule of law; to strengthen administrative capacities to deal with future EU accession obligations; to improve the anti-corruption legal framework and implement the government's anticorruption strategy and action plan; to strengthen the fight against organised crime; to enhance media freedom; to implement the legal and policy framework on anti-discrimination in line with European and international standards; guarantee the legal status of displaced persons, in particular Roma, Ashkali and Egyptians, and ensure respect for their rights. This last priority will include the adoption and implementation of a sustainable strategy for the closure of the Konik camps. The UN agencies in the country have been working for the last ten years to ensure durable solutions for these refugees.

The country is currently undergoing extensive reforms, under the National Programme for Integration 2008 – 2012, for purposes of further harmonization with EU legal and policy frameworks. As the Government works to establish its policy and legal frameworks for public sector reform at national and sub-national levels, it has become increasingly clear that capacities of the state machinery to implement public administration reform and deliver services are limited. Specifically, financial controls, transparent public procurement procedures, anti-corruption institutions and parliamentary oversight remain weak, leading to slow and inadequate implementation of new laws and policies. Institutions suffer from inefficiencies related to human resource management, duplication and insufficient horizontal coordination and communication. Given that issues of public administration reform, prevention of corruption and organized crime, and strengthening the rule of law form the core set of challenges facing Montenegro on the path to European Union accession, there is broad agreement among Government, civil society and international development partners that collective efforts must be focused within these areas.

The global financial crisis caused a severe downturn for the Montenegrin economy; GDP growth was estimated at between -5% and -6% in 2009. While the economy is expected to pick up the pace during the next few years, macro-economic challenges will continue to dominate the policy agenda [2]. Regional disparities are marked: 62% of poor people live in the Northern part of the country. The overall poverty rate in 2009 was 6.8%. The available indicators on average salary and consumption trends for the year 2009 indicate that the rise of poverty rate was the expected result of the economic trends. The share of individuals in poverty was increased from 4,9% in 2008 to 6,8% in 2009.

The 2010 Report on achievement of the Millennium Development Goals (MDGs), which has nationalized targets for Montenegro, finds that the poverty rate has only slightly decreased since 2003. Although Montenegro's GDP increased by an impressive 8.6% in 2006 and 10.3% in 2007, poverty levels remained steady with 10.8% of the population still living below the poverty line (€162 per month per household member) in 2008.

The Report further finds that MDGs 4, 5 and 6 have been met, and as such Montenegro can be considered an "MDG Plus" country. Nonetheless, there is reason to fear that a number of gains have been jeopardized by the economic crisis, which is not yet captured by the data. Furthermore, significant regional disparities and severe social exclusion of certain vulnerable groups are a cause for concern. The Roma, Ashkaelia, and Egyptians are the most vulnerable population with a poverty rate of 36%; they are followed closely by displaced persons, social welfare recipients, older people, the unemployed, and people with disabilities.

Policy and legal frameworks for gender equality are in place, the Law on Protection of Victims of Violence, adopted in 2010, in a notable edition. Indicators on gender equality improved modestly. However, women's participation in political decision-making remains low at all levels. Equally, women are not registered business owners or owners of land on an equal level with men. Women are less represented in politics which is perhaps the greatest obstacle to the exercise of women's rights as they are not able to participate in decision-making processes. Thus, significant efforts will be needed to support Montenegro in the implementation of its laws and policies if it is to meet MDG 3.

Montenegro became a State party to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) on 23 October 2006 and completed its first State party report to the CEDAW Committee in February 2010 [3].

The Committee on the Rights of the Child issued in October 2010 the first ever concluding observations on Montenegro. The observations will have important implications for legislation, policies and data collection and analysis when it comes to children, as well as education, health, child and social care system reform, juvenile justice, deinstitutionalization and decentralization.

Montenegro's constitution defines the country as an 'Eco-state'. While the main legal and policy frameworks have been adopted as a means of harmonization with international norms and standards, it remains true that in this sector, as in others, implementation capacities continue to require support. The 2010 Initial National Communication (INC) on Climate Change to the UNFCCC [4] reports not only on greenhouse gas emissions and measures to reduce emissions but also analyses the vulnerability of the country to the effects of long-term climate change, especially on the most sensitive sectors such as water resource, coastal areas, agriculture, forestry, biodiversity and public health. Furthermore, Montenegro's potential to position itself to take on emerging issues such as climate change mitigation and adaptation, to promote clean growth, and to take advantage of its green tourism potential, are central to the Government's vision of the future of the country.

Former Montenegro's Prime Minister Milo Djukanovic, the longest-serving leader in the Balkans, resigned shortly after the country

received EU candidate status and the Parliament of Montenegro approved a new Prime Minister, Igor Luksic (former DPM and Minister of finance), and his Government a week after the resignation. Luksic's reshuffled Cabinet has five new ministers and he said he would follow Djukanovic's course and boost reforms.

Despite a relatively large number of officially registered NGOs, the civil society sector remains relatively weak in terms of management and financial capacities as well as opportunities for funding for all but the largest organizations; as a result, many NGOs are not able to advocate effectively. There continues to be a need to enhance the dialogue between Government and civil society.

The Government expressed interest to well coordinated multi-sectoral and multi-donor interventions, including that carried out by UN agencies, to remedy the consequences of the crisis, particularly in such areas as social inclusion, capacity development for good governance and sustainable development and climate change.

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[1] The *avis* of the European Union on Montenegro's accession highlights seven key benchmarks.

[2] Economist Intelligence Unit, October 2010

[3] Government of Montenegro (2010): *Report on Implementation of the Convention on the Elimination of all forms of Discrimination against Women*; Ministry for Human and Minority Rights, Podgorica, February 2010

[4] Government of Montenegro (2010): *The initial national communication on climate change of Montenegro to the United Nations Framework Convention on Climate Change (UNFCCC)* ; Ministry of Spatial Planning and the Environment, Podgorica, 01/05/2010, Submitted: 12 October 2010, MNE/COM/1 E

## Summary on progress towards UNDAF outcomes

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Montenegro developed an Integrated UN Programme 2010-2015 in 2009 and embraced the Delivering as One (DaO) approach. The country is currently developing the Phase II of its Integrated UN Programme, which actually represents the first UNDAF in independent Montenegro, covering the period 2012-2016.

Preparation of Phase II of the Integrated UN Programme began in 2010 in order to ensure that there would be a valid strategic framework for new UN commitments and agreements for 2012 and beyond. Both UNDP and UNICEF need to prepare new 5-year Country Programmes (2012 – 2016) and WHO needs to prepare a new Biennial Collaborative Agreement (2012 – 2013) in 2011. The traditional UN mechanism for providing a strategic framework is the United Nations Development Assistance Framework (UNDAF). However, in the case of Montenegro, such a framework already exists in the form of the Vision Statements, Outcomes and Results Framework that were prepared for Phase I of the Integrated UN Programme. Therefore, in order to comply with the UNDAF guidelines<sup>[1]</sup> but also consolidate the experience of Delivering as One, the UNCT, in consultation with the RDT (and its Peer Support Group), agreed on a roadmap for preparation of key analytical documentation, as well as a "Strategic Validation Retreat" with Government, as part of the process of preparing Phase II of the Integrated UN Programme. It took place in two phases in October 2011 with facilitation from UNSSC and was well attended by the government official at ministerial and deputy ministers level. The main outcome of the retreat was the acknowledgement of the UN work based on DAO principles which increased coherence of UN activities, coordination with the Government and enhanced responsiveness of UN intervention to national development priorities. This was also pointed out during the official visit to Montenegro by UNDG Chair, Helen Clark, on 7-8 September 2010, during her meetings with the highest MNE officials.

The existing Joint Country Steering Committee, which approves the Integrated UN Programme and guides the UN in its "Delivering as One" commitment, is the primary political mechanism through which the Government is engaged in the UNDAF process as part of formulation of Phase II of the Integrated UN Programme. At the technical level, the existing UN Pillar Working Groups and the government's Sector Working Groups are engaged in joint planning exercises and regular coordination of activities. The UNDAF process, and through it, the formulation of Phase II of the Integrated UN Programme were informed Strategic Planning Retreat, during which UN Agencies and Government partners came to a common understanding of (a) national development priorities and (b) the areas in which the UN has a comparative advantage, and highly constructive follow-up meetings between Government and UN partners by pillar.

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[1] UNDG (2010): *How to Prepare an UNDAF – Part II, Technical Guidance for UN Country Teams*; UNDG, UN NY, Jan. 2010

## Summary on progress in UN Reform

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This Executive Summary Common Country Assessment, UN System Comparative Advantage Analysis and Results Matrix for the

period 2012-2016 have been prepared as a key reference document to support the preparation of **Phase II of the Integrated UN Programme for Montenegro (2012 – 2016)**. Phase I of the Integrated UN Programme was prepared in 2010 and represented the consolidation of efforts by the UN system in Montenegro, together with Government, to implement the UN reform agenda at the country level. Montenegro received its first allocation in the UN Country Fund from the Expanded DAO Funding Window (EFW) in the amount of US\$ 1.064 for 2010.

The Integrated UN Programme builds on the areas of intervention of various resident (UNDP, UNICEF, UNHCR, WHO, IOM) and regionally-based programmes, funds and agencies of the UN system (FAO, UNEP, UNESCO, UNIDO and UN Women) already agreed between them and the Government of Montenegro.

Throughout the year the Government and especially the Ministry of Foreign Affairs has continued to be extremely engaged in and supportive of the new **Delivering as One approach**. The Directorate for UN and Other International Organizations has efficiently coordinated the work of ministries which are members of the Joint Country Steering Committee (JCSC). The JCSC has met twice in 2010. On both occasions the meetings were co-chaired by the Minister for Foreign Affairs and the Resident Coordinator. At these meetings, the JCSC formally approved the Integrated UN Programme, the Terms of Reference for the JCSC and the Terms of Reference for the UN Country Fund as well as the 2010 UN Annual Work Plan and allocations from the UN Country Fund to priority projects in **three programme pillar: Social Inclusion Democratic Governance and Sustainable Economic Development and Environmental Protection**

The UNCT decided to use the allocated funds strategically either to enhance **joint programming** (e.g. are based development of Konik Area) or to build upon excellent existing initiatives that required bridging funds (e.g mediation among adults, and juvenile justice). It was agreed among the Agencies that **programmatic coherence** would be prioritized over high delivery rates; this is notable because the UNCT has as such not shied away from tackling important but politically sensitive issues which may be time consuming to negotiate, in support of a genuinely coherent UN delivery. The areas upon which the Social Inclusion Pillar has focused its funding priorities in the first phase relate to two of the more intractable problems that Montenegro must address – the status of and living conditions in an area housing refugees, domicile Roma and social assistance families; and deinstitutionalization and mental health. Indeed, the process has shown that while progress has been slow in some areas, the jointness of the approach, and the resulting dialogue with government partners, has yielded positive results in the longer term.

The **Strategic Validation Retreat** was held in October, facilitated by the UN Staff College and a regional Peer Support Group representative. The Retreat was well attended and involved senior government officials. The atmosphere was constructive and forward-looking and provided an important opportunity to provide clarifications and make progress in joint planning. The existing Outcomes of the Integrated UN Programme were validated and reconfirmed. Sector and Pillar Working Groups engaged in detailed discussions on priorities and monitoring. The Retreat contributed positively into the formulation of the second phase of the UN Integrated Programme and to the overall coordination between UN and the Government, as well as within the government horizontal structure.

**Delivering as One has resulted in certain challenges** for the UNCT and the Government alike:

- a) At the beginning, UNCT and the Government considered the purpose of the DAO funding from conceptually different perspectives: for UNCT – to meet strategic development priorities, support fulfillment of social norms and meet UN standards, for the Government (or some parts of it) to cover immediate (mostly infrastructure-type) needs. Also within the UNCT there was not a common vision on whether the funds should be used to support funding gaps for existing initiatives (within the spirit of the Integrated UN Programme) or whether it would be used as catalytic funding for new initiatives that would still be relevant to the outcomes;
- b) There has been somewhat of a culture change required on the part of both the UN and the Government, which led to delays in certain areas of work. The Government has never dealt with UN as a whole system, hence the establishment of a functional inter-ministerial coordination mechanism was required. This was somewhat of a challenge within the current governance structure.

However, despite some challenges and delays, **significant positive programme results emerged** :

-Inter-ministerial cooperation has improved. Naturally, this is an ongoing process which the UNCT expects to continue to support throughout the coming year;

-Enhanced cooperation with regionally based UN organisations and as a result, the number of Participating Organisations in the Phase II of the Programme will increase from 9 to probably 12 as of January 2011;

-While joint programmes are being developed, the UNCT considers that the results seen in coherent joint planning and programming are more significant, and, ultimately, more important for the future of a more cohesive, coherent and results-based UN delivery. The UN is collectively addressing complex issues that individual agencies, while making in-roads, have yet to see the leap that is required. This could be one of the greatest value-added of a DaO approach;

-A thorough analysis of UN comparative advantages has enabled the UN to jointly address a number of the most important national priorities for EU accession, including such issues as the resolution of the status of refugees, anti-discrimination, rule of law, and the continued existence of sub standard refugee camps. This process also contributed to improved donor coordination overall.

-The Government is enthusiastic to encourage further the DAO concept as a way to reduce transaction cost and increase donor coordination. They also consider the DAO as a means to improve their internal horizontal coordination which is still a challenge.

The UN Country Team, through its inter-agency **Operations Management Team (OMT)**, worked on increasing efficiency and effectiveness through improved business practices and common services as well as planning the functioning in the future common premises. In particular, the OMT had developed a strategic work plan for 2010/2011 common services with relevant targets and timeliness as well as draft Action Plan for Functioning of the UN Eco Shared Premises that are to be constructed by the end of 2011.

The **UN Shared Eco Premises** is conceptualised using efficient, ecological technology and a modern design that would equally

satisfy the Montenegro Government's commitment to the Ecological State and provide the appropriate joint roof for UN family in Montenegro. During her official visit to Montenegro, UNDG Chair and UNDP Administrator, Ms. Helen Clark, laid the cornerstone of the future UN Eco building together with the Prime Minister, Mr. Milo Djukanovic, on 8 September. On that occasion, the UNDP Administrator said that she was pleased to see that the Government of Montenegro had been supportive of Delivering as One concept and that the UN Eco Building was just a result of such process.

Together with national partners, the UN agencies in Montenegro have also developed and **began implementation of joint programmes** in relation to Democratic Governance and Sustainable Economic Development and Environmental Protection (SEDEP) on a) Good Health system Governance for Equitable Effective and Quality Health Care in Montenegro (joint programme of UNDP and WHO) and b) Improving the business environment through green jobs and institution building (joint programme of UNDP and regionally based organisations UNEP, UNESCO, UNIDO and FAO) funded from the Expanded DAO Funding Window.

In relation to Social Inclusion, a pillar which addresses a number of complex and sensitive issues, the UN and the Government agreed on the following priority programmes, which implementation will begin in 2011: a) Social norms are embedded in order to facilitate age and gender sensitive inclusive attitudes and practices towards vulnerable and excluded populations' (joint programme of WHO, UNICEF and UNDP) and b) Montenegro reduces disparities and gaps in access to quality health, education and social services, in line with EU/UN standards (joint programme of all resident agencies, implemented by UNDP).

Following the first meeting of the JCSC at which the government formally approved the Integrated UN Programme, a **Joint Resource Mobilisation and Partnership Strategy** was prepared and approved by the UNCT [1]. Being at the inception stage, and given that there is a two year Transition phase for the Integrated UN Programme, developing and strengthening donor relations and building strong partnerships were key objectives of the UNCT in 2010. Additionally, proving the value of the Integrated UN Programme and the UN Country Fund, as well as documenting results, were also crucial.

Therefore, the RC and Pillar Convenors met with non-resident donors in Belgrade, Serbia, on two occasions and provided them with the major information on goals and objectives of the Integrated UN Programme and DAO in Montenegro. In July, the UNCT organized a presentation on DAO and Integrated UN Programmes for senior staff of the EC Delegation in Podgorica and the partner said to be very supportive of coherent and cohesive UN work in the country. The EC Delegation has allocated USD 1.2 million Gender Programme, as part of IPA 2010, as well as US\$3.2M for Enhancing Social Inclusion Programme, also part of IPA 2010, which will be implemented by relevant national authorities and UNDP and UNICEF respectively.

The **Theme Group and Joint Team on HIV/AIDS** provided substantial support to the National AIDS Commission in developing Action Plan and Budget for the new National HIV/AIDS Strategy for the period 2010-2014. The Theme Group and Joint Team supported the Country Coordinating Mechanism in strengthening the capacities of national counterparts in M&E issues and in enhancing their knowledge and skills in working with most at risk populations. Finally, the Theme Group and Joint Team supported a National AIDS Commission to develop a National Universal Access Review Report on HIV/AIDS 2008-2010.

The cross-cutting **Working Group on Gender and Human Rights** established continuous communications and working relationship with the three Pillar Working Groups. It produced a UNCTCEDAW report, on enhancing implementation of the newly adopted Law on Family Violence and on raising awareness on complex living conditions of displaced people living in the above mentioned Konik camp and informing the public on the agreement between international community and Montenegrin authorities to work together for finding durable solutions for people living in the camps.

Furthermore, the UNCT dedicated a significant amount of time to **disaster risk reduction** in the last quarter of the year when Montenegro was hit by severe floods. The UNCT, through close coordination with and additional funding OCHA and BCPR/UNDP, supported the Government of MNE, together with the national Red Cross, in its emergency response and preparedness through organisation of a Rapid Needs Assessment and subsequent development of a relevant Situation Report which was discussed and shared with local municipalities and the Government. The UNCT agreed to have this topic at the centre of UN's joint work in Montenegro in 2011.

In December, the UNCT submitted its 2011 request for funding to the Expanded Delivering as One Funding Window.

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[1] UNCT Montenegro (2010): *Joint Resource Mobilisation and Partnership Strategy*; approved at the UNCT of 24<sup>th</sup> May 2010

## Key aspects of the proposed 2011 workplan

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The UN resident and non-resident agencies will continue **implementation of the UN Integrated Programme** in 2011. Since implementation of the existing Integrated UN Programme (2010-2015) takes place in two distinct phases, 2011 is also a transition year, during which time the programme will substantively reflect the commitments and agreements reached prior to 2011 with Government by the Participating UN Organisations, but moulded into the new Integrated UN Programme management and accountability structure. Other related dimensions of UN coherence will also continue to be built upon based on experience to date, including common services and business processes, preparation for the move to the Common UN Eco-premises, and enhanced Resident Coordinator function. The UNCT will also finalise the Executive Summary Common Country Assessment, UN System Comparative Advantage Analysis, UN Results Matrix for the period 2012-2016 as well as M&E Framework for the Integrated Programme in close cooperation with the Government and a Regional Peer Support Group.

In the Programme Cycle Calendar of the Integrated UN Programme [1] a Mid-year Review is envisaged every September and an Annual Review every February. Therefore, the first Annual Review of the Integrated UN Programme and UN Country Fund is scheduled for February 2011.

In all three result areas of the Programme ( **Social Inclusion, Democratic Governance and Sustainable Economic Development & Environmental Protection** ) the core principles of human rights, gender equality and development of national capacity will be upheld and incorporated throughout the implementation of UN Annual Work Plan for 2011. Implementation of **joint programmes** will continue when it comes to Democratic Governance and SEDEP and will begin when it comes to joint programmes in the Social Inclusion Pillar.

Through the Integrated UN Programme, the UN system should provide continuous, enhanced and coherent support to Montenegro in the overall reform process associated with fulfilling EU accession criteria, The UN will ground its partnership in support to the implementation and monitoring of existing relevant strategies and policies and, where applicable, the development of new ones mitigating existing and emerging vulnerabilities. The UN will also continue to accompany the Government as it fulfils its international obligations, including the Millennium Declaration and MDGs, CEDAW, the CRC and conventions on refugees and statelessness. It will support the continued integration of human rights principles into Government policies and actions. Furthermore, the UN agencies will continue supporting the Government of Montenegro in the process of implementation of Strategy on Social Inclusion and further on in the process of monitoring and evaluation.

The UNCT will work extensively on different aspects of the **UN Eco Shared Premises**. The RC Office will continue monitoring the construction of the building, which should be finalised in the last quarter of 2011, and will provide necessary technical support to the Government and construction company in this process. The UN family expects to be able to move under one roof at the end of 2011 or beginning of 2012.

The Operations Management Team will finalise the **plan for functioning of common services** in the future UN Eco Shared Premises and will put it into force in close cooperation with the UNCT. Possible common ICT Services need to be identified before moving into the new joint building and eco-friendly furniture needs to be procured and relevant funds need to be secured.

The UNCT will also continue its work on **full implementation of HACT** in 2011. The HACT Task Force will conduct a micro-assessment of joint (UNDP/UNICEF) partners and will organize refresher trainings on the implementation of HACT for counterparts trained in previous years and beginner training for new UN implementing/national partners.

Furthermore, strengthening **joint UN communication** and functioning of the Joint Communications Group remains an ongoing priority since the group together with the UNCT needs to work on strengthening UN advocacy and joint communication and on deepening the understanding of Delivering as One both internally and externally as well as joint resource mobilization for the UN Country Fund. For the first time, the UN system in Montenegro will have a full-time communications analyst who will be hired in January.

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[1] UNCT Montenegro (2009): *Integrated UN Programme, Results and Budgetary Framework (2010 – 2015) for Montenegro*; (Annex 4 – Monitoring and Evaluation Plan)

## Recommendations

We would appreciate if the following could be provided to our UNCT:

-Assistance and guidance on capacity development of the Joint Communications Group and UN communications Analyst in successful implementation of Joint Communication Strategy;

-Assistance and guidance in building capacities of the Operations Management Team on functioning of common services in the future UN Eco Shared Premises, with a special focus on common ICT system.