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**1. Are you satisfied with the way the ongoing public debates on Draft Spatial Plan are being organized, and what is your cooperation with the Ministry for Economic Development like in this domain?**

Given the critical nature of the Plan and public interest that existed long before the public debates started, it was crucial to establish a framework for all the stakeholders including experts, institutions, civil society, and every other citizen of Montenegro, to get a chance to contribute with their comments and suggestions.

The UNDP has not been involved in the drafting of the plan but, with the support from Swedish International Development Cooperation Agency SIDA we took the role of supporting the process of public debates as something that we consider important for development of strategic documents of ultimate importance for the country.

In this regard, the joint Government, GTZ and UNDP campaign has ensured that there will be 21 municipal presentations and feedback sessions and 7 thematic expert debates, and comments can be provided via Internet forum or mail so there is opportunity for »having your say«.

**2. In your opinion, what will be the effects of public debates on the final version of the Spatial Plan?**

So far, over 2000 copies of the Plan were distributed, there was over 1200 participants involved, and they gave over 400 formal suggestions, which is a very positive indicator that the Ministry of Economic Development has lead the organisation of this entire process in a very effective manner.

We support the notion that not only expert opinion is relevant in a document which will after all effect the lives and landscape of Montenegro for the next 15 years. Furthermore, we believe that it is the experts' duty to make these key decisions understandable to the people of Montenegro to allow them to have a constructive input.

Although the process of how these inputs are weighed in terms of the evolution of the Plan will be the work of the Authors and the Revision Commission, the UNDP would be looking carefully at the version of the plan that emerges from this process to assure ourselves that the high level inputs which have been recieved from specialists of UNDP, UNESCO, WWF, WB, GTZ as well as the public and local experts have been incorporated or, if not, that water tight reasons have been given for their non inclusion. The acid test of whether the process has been effective is that the inputs should lead to a better Plan which has been demonstrably changed in response to the public participation process.

And of course we expect the Parliament to review this process and to vote accordingly.

### **3. UNDP helped in creation of the previous Spatial Plan and numerous experts have planned the development of Montenegro for several years, whilst the current version has basically been worked on several months only. Is one month enough time for a public debate on such a document?**

Yes indeed, the UNDP was a key driver in the original Spatial Strategy and General Zoning Plans of the Republic of Montenegro made in 1986, with cca 40 foreign and local experts involved and a budget of cca \$ 1.5 million at the time. However, UNDP had no involvement whatsoever in the development of the current Plan and this is useful in so far as we can be an impartial voice for constructive changes to the Plan.

When we talk about duration of public debates I recall a study visit that UNDP organised to Ireland, on Planning and Illegal Development, in 2002. At that time Ireland had just completed its National Spatial Strategy and the Ministry, Municipality, NGOs and Institutional leaders we brought with us recieved a presentation on the consultation process. The Spatial strategy process for Ireland started with a 12 month consultations period to visit and discuss with every municipality and interest group their role in the future medium term development of Ireland. On the basis of this intensive consultation a draft concept model was produced with key strategic outcomes and recommendations and this became the subject of a further 12 month consultation. However, the fact is that the current public debate on Montenegrin Spatial Plan is constrained to one month by virtue of the law under which the Plan was developed and this is the reality within which we must all work.

### **4. Why have you gotten yourselves involved only now?**

UNDP considers that supporting the public consultation process and policy impact assessment are priorities for participatory planning. As you may remeber it was UNDP, on behalf of the WB, in cooperation with Gordana Đurović and her team who ran the first »modern« public participation process for the PRSP. This process was evaluated by the joint IMF/WB committee as one of the most inclusive processes in the region. Since then UNDP has been invited by many other Government partners to assist them in such processes, albeit usually with a much long time frame than this one.

### **5. Is UNESCO familiar with the Draft solutions which refer to the areas protected by that organization (National Park Durmitor, Tara)? Whose obligation is to inform UNESCO and in which way?**

On May 11th 2006 the Government adopted the Declaration on the relations with the UN after referendum in which they declared to continue to oblige by the internatonal conventions, and on October 23rd the Government submitted the Instrument for Accession for the set of UN Conventions. The Ministry of Tourism and Environmental Protection is the designated focal point who should under article 172 of Operational Guidelines for the Implementation of the World Heritage Convention submit the Plan to the

UNESCO. We received a copy of the letter indicating that the Draft Plan has been sent to the UNESCO by the Ministry of Economic Development, as they took over this responsibility.

**6. When will the UNESCO's reaction be known, is it going to be publicized and what will UNDP, as a coordinator of all UN organizations in Montenegro, do to ensure respecting of UN conventions?**

Having in mind that the Plan was sent to the UNESCO recently I would expect that the UNESCO would need reasonable time to comment on this substantial document in terms of its importance and size. This assumes of course that Montenegro completes its obligations in relation to the Government Declaration of re-ratification of the World Heritage Convention. In this regard, I would like to mention one of the great misconceptions of the role of the UN, that we are some kind of police for heritage. It was Montenegro who rightly, due to the exceptional world class nature, geology, and geomorphology of the Tara canyon and the sheer scale and built heritage quality of the unique Fjord of Kotor Bay, asked for these places to be listed. It is your citizens' property as a state and your responsibility as a state to respect your global commitments as the newest member of the UN.

However, if the Plan is found to diminish the original reasons for designation, if this is pointed out to Montenegro – as happened in the case of Buk Bijela - there are of course measures to red list or even delist world heritage site. This is purely a question of political responsibility and the will of the Montenegrin people in the context of their commitment to build an ecological state.

**7. What is your opinion on Draft Spatial Plan for Montenegro and up to what extent is this document harmonized with the principles of sustainable development?**

The UNDP has hired a number of Specialists to provide their expert opinion on the Plan key components. According to their findings, it seems that the Plan should be made more compact so that priorities become clearer as well as guidelines for their implementation, in order to satisfy its sustainability goals.

According to WB, GTZ and our own Consultants' opinions the plan is not compliant with the principles of sustainable development in several key areas. Namely, the Draft Plan includes a number of specific development proposals that are not aligned with the country's environmental and sustainability objectives (such as transferring water from Tara to Morača river) and some international conventions and EU directives, it contains so many aspirations that it is unlikely that all of these can be delivered in the plan period, it needs to specify clear guidelines for lower tier Plans, and it fails to emphasize who will be responsible for taking the necessary actions and how progress will be monitored.

Finally, as many experts have said, discussing a spatial plan when both the energy and tourism strategy are not yet completed is running the grave risk of putting the cart before the donkey.

**8. UNDP was involved in the projects related to the usage of energy from alternative sources. Do you know how big the deficit is and their cause, and how this problem**

**should be resolved? From the aspect sustainable development of Montenegro, what should be done about the biggest consumers such as KAP and Željezara?**

There is definitely a strong link between energy questions and the current version of the National Spatial Strategy. In short, as a GTZ analyst has remarked, the current version of the Spatial Plan looks like moving down the road to an Energy State not an Ecological State.

Also the WB has stated in its report, it is premature to have energy sites contained within a Spatial Strategy when a draft Energy Strategy has only just been made public and is not expected to be adopted until later in the year.

The UNDP supported preparation of the Small Hydro power plant development strategy in Montenegro. Moreover, we expect that our project for »Power Sector Policy Reform to promote Small Hydropower Development« financed by the Global Environmental Facility (GEF) and bilateral donors (Norwegian government and European Agency for Reconstruction) will support the Government in realizing its goal of 15-20MW of new generation capacity by the close of the project instead of 2015 as declared by the Strategy.

Having said this, if one listens to proponents of the energy lobby one will hear the following logic: a) we have an energy deficit, b) we have 70 % untapped hydro potential and therefore c) we must build dams to solve the problem.

Now the key assumption here as to why we have an energy deficit needs to be analysed and we would suggest that any proposed Energy Strategy should start from detailed analysis of what is the energy subsidy Montenegro gives to the metal industry currently (Željezara Nikšić and KAP), and what is the likely future of these industries and are they part of Montenegro's strategic future orientation. Any strategy that ignores this question runs a serious risk of ignoring the main strategic issue.

Moreover, the country needs to comply with its international obligations, among which those under the Energy Community Treaty. This agreement requires from the country to implement the *Acquis* on energy, competition, environment and for renewables. For example, one provision of the *Acquis* on competition says that “*any public aid which distorts or threatens to distort competition by favoring certain undertakings or certain energy resources shall be incompatible with the proper functioning of the Treaty*”.

The next question is why is Montenegro importing 1/3 of our energy needs when the Energy Efficiency Strategy states that possible energy savings in all sectors in Montenegro, without significant investments is estimated around 13-13.5 %. At the level of estimated needs in 2005, this translates to 1140-1180 GWh (what was deficit in 1997) or about 40% of coal consumption in Pljevlja thermopower plant. Annual effect of the energy efficiency with the electricity price of 3,7 c Euro/ kWh would be around 41 million Euros.

In addition, current commercial losses (including theft) account for between 20% and 30% of all provision. When one looks at recent media reports on this issue it becomes clear that it is not just the

poorest of the poor who are making EPCG economically vulnerable and is an issue which, if resolved could greatly stabilize the current situation.

And now we come to the last part of the puzzle, new investment. Let us be very clear that even if Montenegro did allow the private sector to build a second block at Pljevlja or a dam or wind farms or any other energy generation facility (after all the relevant policy and environmental impact assessments had been done) we must face the fact that they would not be able to supply energy for an absolute minimum of 4 years – so no chance to solve the current energy problems - by which time the regional energy market will set tariffs and the private sector owners of these facilities would be sell on the regional market at market prices.

Also, what benefit would the Montenegrin state have from sacrificing its trade mark Wild Beauty? It's a tough question and certainly we must look at future energy generation but where, at what scale and for whom and by which companies are all critical to this policy mix.