



[Name of Fund or Joint Programme]  
**MPTF OFFICE GENERIC FINAL PROGRAMME<sup>1</sup> NARRATIVE REPORT**  
**REPORTING PERIOD: FROM 01 January 2013 TO 31 December 2013**

<p style="text-align: center;"><b>Programme Title &amp; Project Number</b></p> <ul style="list-style-type: none"> <li>• Programme Title: Improving the business environment through green jobs and institution building</li> <li>• Programme Number (if applicable)</li> <li>• MPTF Office Project Reference Number: 75509</li> </ul>	<p style="text-align: center;"><b>Country, Locality(s), Priority Area(s) / Strategic Results<sup>2</sup></b></p> <p>(if applicable) Country/Region: Montenegro</p> <hr/> <p>Priority area/ strategic results</p>
<p style="text-align: center;"><b>Participating Organization(s)</b></p> <ul style="list-style-type: none"> <li>• Organizations that have received direct funding from the MPTF Office under this programme UNIDO</li> </ul>	<p style="text-align: center;"><b>Implementing Partners</b></p> <ul style="list-style-type: none"> <li>• National counterparts (government, private, NGOs &amp; others) and other International Organizations Ministry of Economy of Montenegro</li> </ul>
<p style="text-align: center;"><b>Programme/Project Cost (US\$)</b></p> <p>Total approved budget as per project document: 80,250</p> <p>MPTF /JP Contribution<sup>3</sup>: 80,250</p> <ul style="list-style-type: none"> <li>• by Agency (if applicable)</li> </ul> <p>Agency Contribution n/a</p> <ul style="list-style-type: none"> <li>• by Agency (if applicable)</li> </ul> <p>Government Contribution (if applicable)</p> <p style="text-align: right;">UNIDO received 360,000 (incl. support cost) from UNDP (origin of funding – Montenegrin Government) for a</p> <p>Other Contributions (donors) (if applicable)</p>	<p style="text-align: center;"><b>Programme Duration</b></p> <p>Overall Duration (months) 24 months</p> <p>Start Date<sup>4</sup> (31.12.2011)</p> <p>Original End Date<sup>5</sup> (31.12.2013)</p> <p>Actual End date<sup>6</sup>(31.12.2013)</p> <p>Have agency(ies) operationally closed the Programme in its(their) system? <b>Yes</b> <input type="checkbox"/> <b>No</b> <input type="checkbox"/></p> <p>Expected Financial Closure date<sup>7</sup>: 30.09.2014</p>

<sup>1</sup> The term “programme” is used for programmes, joint programmes and projects.  
<sup>2</sup> Strategic Results, as formulated in the Strategic UN Planning Framework (e.g. UNDAF) or project document;  
<sup>3</sup> The MPTF/JP Contribution is the amount transferred to the Participating UN Organizations – see [MPTF Office GATEWAY](#)  
<sup>4</sup> The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)  
<sup>5</sup> As per approval of the original project document by the relevant decision-making body/Steering Committee.  
<sup>6</sup> If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed. As per the MOU, agencies are to notify the MPTF Office when a programme completes its operational activities. Please see [MPTF Office Closure Guidelines](#).  
<sup>7</sup> Financial Closure requires the return of unspent balances and submission of the [Certified Final Financial Statement and Report](#).

cluster project context.  
(UNDP will report?) o

**TOTAL:**

**Programme Assessment/Review/Mid-Term Eval.**

Evaluation Completed

Yes  No Date: *dd.mm.yyyy*

Evaluation Report - Attached

Yes  No Date: *dd.mm.yyyy*

**Report Submitted By**

- Name:
- Title:
- Participating Organization (Lead):
- Email address:

## **FINAL PROGRAMME REPORT FORMAT**

### **EXECUTIVE SUMMARY**

The major role of this One-UN Programme in the course of 2013 was to continue support to the Ministry of Economy in the implementation of a Strategy for Promoting Sustainable Economic Growth in Montenegro through the Introduction of Business Clusters (2012-2016), containing a concrete set of measures for systemically increasing the competitiveness and market access of SME clusters and networks in the country.

In this context, activities that were launched with a focus on support to selected pilot clusters continued and were finalized.

#### **I. Purpose**

The outputs of the joint UN programme contribute to the overall achievement of Outcome 3.3 of the Integrated UN Programme 2010-2015 “Established system for strengthening entrepreneurial capacity building and facilitating private sector partnerships for ‘green jobs,’ rural livelihoods and development of Medium, Small and Micro Enterprises (MSME) in order to improve economic choices and achieve balanced regional growth as well as address gender specific concerns and interests”.

The expected result for the year 2013 was to have at least (!) two cluster initiatives developed. (Ref. 3.3.4 A)

#### **II. Assessment of Programme Results**

##### **i) Narrative reporting on results:**

The below summarizes key developments and achievements made in the pilot clusters in 2013 (not repeating information that was already included in the past report). The below activities (thought funded by various other resources) were included in specific cluster action plans, which were developed with the support of the UNIDO trained cluster development agents (CDAs), who also assisted cluster stakeholders in the implementation when needed.

##### **Wood processing cluster in Rozaje:**

- In December 2012, ten wood processing firms (all located at Rozaje) signed a Memorandum of Understanding among each other.
- In February 2013, representatives of the wood processing cluster, with the help of the UNIDO trained and contracted cluster broker, have contacted the Ministry of Labour and Social Welfare, the Prime Minister and President of the Association of Entrepreneurs of Montenegro with a request to consider the consequences of increasing the minimum labour costs to the representatives of clusters, which in these difficult times, with great effort, survive and are doing their best in order to contribute to the betterment and development of Montenegro. This was deemed a quite important joint activity by the cluster stakeholders, which helped strengthening communication and trust among cluster members.
- All cluster members have presented their programme and offer jointly at the Adriatic Fair in Budva held in March 2013.

- Representatives of the wood processing cluster were informed about open calls by the Ministry of Economy (state aid programme to clusters), and given all support for preparing the application.
- Together, they contacted the local authorities and the Ministry of Foreign Affairs in order to discuss jointly the issue of opening the border crossing Dračenovac.
- As a result of this initiative, three members of this cluster have signed an agreement with the Macedonian company for the construction of 100 wooden houses until the end of 2015, which was a good example of enhanced market access through collective efficiency.

#### **Meat processing cluster Rozaje and Bijelo Polje:**

- With the support by the UNIDO CDA, in December 2012, four meat processing firms (two located at Rozaje and two in Bijelo Polje) signed a Memorandum of Understanding among each other to engage in joint activities and foster collaboration.
- As a result, at the beginning of 2013, two companies (Gradina from Rozaje and Mesopromet from Bijelo Polje) have managed to jointly export leather to Turkey.
- They also purchased feed jointly on several occasions.
- Representatives of this cluster also jointly applied to a programme for encouraging the development of clusters in the northern region and the less developed municipalities in Montenegro proposed by the Ministry of Economy.

#### **Olive oil cluster (producers in Bar):**

- In February 2013, five olive oil processors in Bar have signed the proposed Memorandum of understanding for enhanced collaboration among each other with the support of the UNIDO CDA.
- As a result, and following a link established by UNIDO, cluster members have jointly submitted an application towards TIKA (Turkish Development Agency) in order to gain processing mill. This application was approved during January 2013. However, they are still waiting delivery of the mill due to still ongoing discussions of the adequate joint space (at present it seems that the solution will be to jointly rent a small building with good accessibility for everyone).
- At the beginning of the March 2013, a buyer-seller meeting was organized in the shopping mall Delta City in Podgorica as a joint initiative of cluster representatives of Bar. According to the exhibitors, the attendance was good and the managed to sell 70% of their assortment there. The event was escorted by media and the broader public had a chance to become acquainted with products based on olives originating from Bar.
- In April 2013, representatives of the this cluster submitted a request to the Standardization Institute of Montenegro to establish a Committee in order to better meet the required standards demanded in the market. In order to become a member they will need to provide a proof regarding experiences in the field of quality (Quality Manager, the successful training of assessors Lead Auditor - Bureau Veritas) and to be the leader of the panel for sensory analysis of virgin olive oil. Furthermore, a representative of the Association of olive oil producers Bar is currently working on a study which attempts to make a comparative analysis of Montenegrin and EU legislation concerning the quality of olive oil, and to compare local standards with EU and IOC (International Organization for olive). Standards. Twelve olive growers from Bar and Kotor have attended an internationally recognized training to assess the quality of olive oil while one representative of the Association of olive oil

producers of Bar has attended an additional training in Italy for the leader of a group of evaluators called PANEL (from other financial resources).

## ii) Indicator Based Performance Assessment:

Using the **Programme Results Framework from the Project Document / AWP**s - provide details of the achievement of indicators at both the output and outcome level in the table below. Where it has not been possible to collect data on indicators, clear explanation should be given explaining why.

	<u>Achieved</u> Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
<p><b>Outcome 1:</b> Established system for strengthening entrepreneurial capacity building and facilitating private sector partnerships for 'green jobs,' rural livelihoods and development of Medium, Small and Micro Enterprises (MSME) in order to improve economic choices and achieve balanced regional growth as well as address gender specific concerns and interests</p> <p><b>Indicator:</b> # of joint business actions initiated by cluster members for enhanced collective efficiency  <b>Baseline:</b> 0  <b>Planned Target:</b> N/A  <b>Achieved:</b> 12</p> <p><b>Indicator:</b> # share of cluster members involved in at least 1 joint action  <b>Baseline:</b> 0  <b>Planned Target:</b> N/A  <b>Achieved:</b> 30% - 100%</p>			<ul style="list-style-type: none"> <li>- Wood cluster members participated in a programme of the Ministry of Economy aimed at encouraging the development of clusters in the northern region and the less developed areas of Montenegro, substituting 70% of production equipment cost.</li> <li>- Wood cluster jointly lobbied to solve business environment barrier</li> <li>- Wood cluster members jointly participated in fair.</li> <li>- Wood cluster members jointly applied for Ministry call.</li> <li>- 3 members of this cluster have signed a joint sales deal with a Macedonian buyer.</li> <li>- Olive oil cluster members in Bar and the Association together with local authorities organized the Olive Oil Festival in Old Bar in November 2012.</li> <li>- Olive cluster members jointly engaged in a buyer seller meat which resulted in increased sales.</li> <li>- The olive oil cluster in Bar jointly obtained shared equipment (mill) from TIKA.</li> <li>- Olive cluster launched joint initiative towards improved quality standards.</li> <li>- Meat processors from Bijelo Polje and Rozaje jointly purchased feed in order to reduce costs through bulk purchase.</li> <li>- 2 meat processors jointly tapped an export opportunity for leather</li> <li>- Joint project proposal developed by cluster members</li> </ul> <p><i>[Wood cluster (3/10 members or 30%) applied for Ministry of economy grant.</i></p>

			<i>Olive oil cluster - Bar (5/5 members or 100%) for TIKA grant (mill) and organized Olive oil festival]</i>
<p><b>Output 1.2</b> Assistance is provided to min. 2 selected pilot clusters/networks in the Northern region of Montenegro for the diagnostics, formulation, implementation and monitoring of action plans and the creation of market linkages (UNIDO)</p> <p><b>Indicator 1.2.1:</b> # of clusters supported with an external cluster broker  <b>Baseline:</b> 0  <b>Planned Target:</b> 2  <b>Achieved:</b> 3</p> <p><b>Indicator 1.2.2:</b> # of regions covered by the selected target clusters  <b>Baseline:</b> 0  <b>Planned Target:</b> 2  <b>Achieved:</b> 2</p>		N/A	<p>Supported clusters include:</p> <ul style="list-style-type: none"> <li>- Meat producers Cluster, municipalities Bijelo Polje and Rožaje</li> <li>- Wood producer Cluster, municipality Rožaje</li> <li>- Olive Oil Producers Cluster, municipalities Bar and Ulcinj</li> </ul> <p>Regions covered: Northern and Southern</p>

### iii) Evaluation, Best Practices and Lessons Learned

- Report on any assessments, evaluations or studies undertaken relating to the programme and how they were used during implementation. Has there been a final project evaluation and what are the key findings? Provide reasons if no programme evaluation have been done yet?
- Explain challenges such as delays in programme implementation, and the nature of the constraints such as management arrangements, human resources etc. What actions were taken to mitigate these challenges? How did such challenges and actions impact on the overall achievement of results? Have any of the risks identified during the project design materialized or were there unidentified risks that came up?
- Report key lessons learned and best practices that would facilitate future programme design and implementation, including issues related to management arrangements, human resources, resources, etc. Please also include experiences of failure, which often are the richest source of lessons learned.

### iv) A Specific Story (Optional)

- This could be a success or human story. It does not have to be a success story – often the most interesting and useful lessons learned are from experiences that have not worked. The point is to highlight a concrete example with a story that has been important to your programme.
- In ¼ to ½ a page, provide details on a specific achievement or lesson learned of the Programme. Attachment of supporting documents, including photos with captions, news items etc, is strongly encouraged. The MPTF Office will select stories and photos to feature in the Consolidated Annual Report, the GATEWAY and the MPTF Office Newsletter.

**Problem / Challenge faced:** Describe the specific problem or challenge faced by the subject of your story (this could be a problem experienced by an individual, community or government).

**Programme Interventions:** How was the problem or challenged addressed through the Programme interventions?

**Result (if applicable):** Describe the observable *change* that occurred so far as a result of the Programme interventions. For example, how did community lives change or how was the government better able to deal with the initial problem?

**Lessons Learned:** What did you (and/or other partners) learn from this situation that has helped inform and/or improve Programme (or other) interventions?