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Concept Note for the Integrated UN Programme for Montenegro **[Revised]**

1. DELIVERING AS ONE: COHERENCE OF THE UNITED NATIONS DEVELOPMENT SYSTEM

1. "Delivering as One" in Montenegro builds on the existing reform agenda set by UN member states, which asked the UN development system to accelerate its efforts to increase coherence and effectiveness of its operations in the field. Specifically, the General Assembly's "Triennial Comprehensive Policy Review (TCPR) of operational activities for development of the UN system", and Resolution A/RES/59/ 250 of 17 December 2004, requested the funds and programmes and specialized agencies to implement "joint offices". Building on the TCPR, the UN Secretary-General in 2006 tasked a High Level Panel, composed of eminent world leaders and practitioners, to examine ways to strengthen the UN's ability to respond to the development challenges of the 21st century.

2. The Secretary-General's High Level Panel (HLP) on UN System-wide coherence in the areas of Development, Humanitarian Affairs and the Environment re-affirmed that the UN was an indispensable force within the multilateral system but that its status as a central player had been undermined by a lack of focus on results. The HLP found a UN that was fragmented at all levels, imposed high transaction costs on both national partners and donors and had inadequate and unpredictable funding which undermined the UN's multilateral character.

3. Following the launch of the HLP Report in November 2006¹, the Government of Montenegro addressed a letter to the UN Secretary-General, dated 23 January 2007, in which it requested that Montenegro be nominated as one of the "One UN" pilot countries. The UNDG Chair agreed, but proposed that Montenegro join the second round of nominations. Since then, the UN General Assembly has determined that a second round of pilot countries should be deferred, pending a full evaluation of the experiences in the first round countries². However, the eight first round countries that were nominated (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam) did include two middle income countries, namely Uruguay and Albania. The experience of Albania has been carefully followed by the UNCT and partners in Montenegro and has provided a valuable source of documentation and lessons learnt directly applicable to Montenegro.

¹ United Nations: "Delivering as One: Report of the Secretary-General's High-Level Panel on UN System-wide Coherence", 9 November 2006, United Nations, New York.

² See UN GA Resolution 62/206: Triennial comprehensive policy review of operational activities for development of the United Nations system



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4. During meetings of H.E. Milo Dukanovic, Prime Minister of Montenegro, with the UN Secretary General and the Administrator of UNDP, in September 2009, he reiterated his Government's strong support for the DAO approach. This message was repeated during the official visit to Montenegro of Kori Udovicki, UNDP Regional Director for Europe and the CIS.

2. THE INTEGRATED UN PROGRAMME FOR MONTENEGRO

1. The goal of the Integrated UN Programme for Montenegro is to enhance development results and impact by bringing together the comparative advantages of the UN system within a single strategic programme. The response of the UN system will align and support the European integration and development goals of Montenegro while complementing the assistance provided by other multilateral and bilateral development partners. The ultimate aim of the UN in Montenegro is to contribute to making a difference in the lives of all who make Montenegro their home.

2. Through the Integrated UN Programme, in partnership with the Government and other development stakeholders in civil society and the private sector, the UN system will deliver focused and value-added results in development assistance as a harmonized organization with unity of purpose, coherence in management and efficiency in operations.

3. The Integrated UN Programme is guided by national development strategies including: (1) the Stabilization and Association Agreement (SAA) and the over-riding priority of the Montenegro Government to join the European Union; (2) national priorities expressed in the National Programme of Integration to the EU, 2008-2012 (NPI); (3) the Poverty Alleviation and Social Inclusion Strategy 2007-11 (PISIS) and the Strategy for Social and Child Welfare Development (2008-2012); (4) the National Action Plan for Resolution of the Status of Displaced Persons from the Former Yugoslav Republics and of the Status of the Internally Displaced Persons from Kosovo Residing in Montenegro; (5) programmes of other international partners, to ensure synergies and avoid duplication, and; (5) the global reform agenda with respect to harmonization and increased aid effectiveness in the context of the Paris Declaration.

4. The Integrated UN Programme builds on the areas of intervention of various resident and regionally-based programmes, funds and agencies of the UN system already agreed between them and the Government of Montenegro. Therefore, the Integrated UN Programme reconfirms commitments and agency agreements reached to date with Government, including: the UNDP Country Programme (2007-2011)³, the UNHCR Comprehensive Plan 2010, the UNICEF Country Programme Document (2010 – 2011)⁴ and the Biennial Collaborative Agreement between the Ministry of Health and the Regional Office for Europe of the World Health Organisation – 2010 / 2011⁵, as well as on-going projects of IOM, FAO and a number of

³ UNDP Country Programme Republic of Montenegro (2007-2011), 8 November 2006

⁴ UNICEF Country Programme Document (2010 – 2011), 22 July 2009 (E/ICEF/2009/P/L.9)

⁵ Biennial Collaborative Agreement between the Ministry of Health and the Regional Office for Europe of the World Health Organisation – 2010 / 2011, 16 September 2009



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regionally-based organisations, including UNEP, UNESCO, UNIDO and UNIFEM, as agreed with the Government.

5. The UN system's normative and operational roles, neutral positioning, convening power, policy expertise and technical capacity will be brought to bear in supporting Montenegro's European accession and national development goals. Assessment of Montenegro's progress in the implementation of the Stabilisation and Association process has helped define a number of priorities to be addressed under the European Commission's Instrument for Pre-Accession Assistance (IPA). The development focus of the Integrated UN Programme will complement and support IPA implementation over the coming years, while also complementing other international partners' programmes.

6. Following close consultations with the Government of Montenegro, as well as other national and international stakeholders, it has been agreed that this first Integrated UN Programme will have three result areas, or programme Pillars, broadly entitled Social Inclusion, Democratic Governance and Environmental Sustainability & Economic Development.

7. In all three result areas, the core principles of human rights, gender equality and development of national capacity will be upheld and incorporated throughout the implementation of the Programme. The Integrated UN Programme prioritises the application of socially inclusive strategies throughout programme implementation. The UN's role in advocating for the national application of international norms, standards and actions on human rights and global issues imply a shift towards intensified efforts in policy advisory services.

8. The Integrated UN Programme for Montenegro includes resident, regionally-based and specialized UN programmes, funds and agencies which strategically contribute to Montenegro's development priorities as outlined in the three Pillar Vision Statements. The following resident UN agencies are Participating UN Organisations: the United Nations Development Programme (UNDP), the UN High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) as well as the inter-governmental agency, the International Organisation for Migration (IOM). Additionally, the following regionally-based agencies are Participating UN Organisations: the Food and Agriculture Organization (FAO), the UN Environment Programme (UNEP), the UN Educational, Scientific and Cultural Organization (UNESCO), the UN Industrial Development Organisation (UNIDO) and the United Nations Development Fund for Women (UNIFEM).

9. The World Bank is a member of the UNCT in Montenegro. While the Bank will not be an integral part of the Integrated UN Programme, on-going collaboration will be enhanced in the areas of capacity development, education, economic governance and environment.

3. CURRENT DEVELOPMENT OVERVIEW

1. The independence of Montenegro from the State Union of Serbia and Montenegro in 2006, and the subsequent dual processes of nation-building and planned accession to the European



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Union (EU), continues to dominate the development agenda in the country. In December 2008, the Government submitted Montenegro's application for the status of EU candidate country, thus reconfirming its commitment to EU accession. Based on the latest EC Progress Report (October 2009), however, Montenegro still faces a number of challenges in terms of achieving European standards and compliance with the Copenhagen Criteria. The Constitution guarantees the primacy of international legal obligations. Nonetheless, respect for the protection of minorities and the promotion of gender equality requires significant attention, so that socio-economic development can support the elimination of disparities rather than contribute to their increase. Advancements made in enhancing citizens' participation in decision-making remains fairly limited due to a predominantly centralized state administration and underdeveloped communication channels between central and local levels. Decentralization, as well as its full democratization and system of accountability, remains an ongoing challenge.

2. As an upper-middle-income country that is multi-ethnic, geo-politically stable and on track to meet most of the Millennium Development Goals, Montenegro is in a strong position to create optimal conditions for human development and security. There has been impressive economic growth over the last three years (on average, 9% for 2006, 2007 and 2008), fueled by foreign direct investment (accounting for some 25% of GDP), expansion of the service sector in tourism, construction, retailing, banking and telecommunications as well as structural reform processes in the areas of public finances, prices and trade liberalization. However, poverty levels have remained stubbornly steady, with 10.8% of the population living below the poverty line (€162 per month) in 2008. Poverty is concentrated in the north of the country, where high unemployment and low income levels prevail. More than half the poor (62%) reside in the north, clearly indicating huge regional development disparities in the country. Furthermore, inequality measured by decile ratio increased from 6.0 in 2004 to 9.8 in 2008, placing Montenegro among the least equal countries in the West Balkans.

3. After three years of runaway growth, the estimated real GDP will contract by 5% in 2009 under the impact of the global economic downturn, which has led to a sharp drop in Montenegro's industrial output, trade and investments, with a long term negative impact on human development situation, regional disparities and vulnerable groups. The crisis can plague the country for years after the crisis has ended and that threatens to halt a human development progress, achieved to date, putting at risk its anti-poverty and social inclusion work done in the framework of MDGs completion. The Government expressed interest to a 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.

4. GOVERNMENT DEVELOPMENT PRIORITIES

1. Between 2003 and 2008 the Government of Montenegro developed and adopted the following programmes, plans and strategies, all of which were instrumental in its efforts to



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ensure that the country would achieve the MDGs: Development and Poverty Reduction Strategy (DPRS); National Sustainable Development Strategy; National Action Plan for Children; the Strategy for Social and Child Welfare Development (2008-2012); Strategy on Inclusion of People with Disabilities; National Strategy on Roma Inclusion; National Action Plan for Decade of Roma Inclusion (2005-15); National Action Plan for Gender Equality; National Youth Action Plan; Programme to Fight Corruption and Organized Crime; Economic Reform Agenda 2002-2007; Strategy for Integrated Migration Management 2008-2013 and Strategy for Integrated Border Management 2006-2012; National Spatial Plan; National Energy Development Strategy and the National Strategy for Resolution of the Problems of Displaced and Internally Displaced Persons. Challenges related to the implementation of these instruments included political commitments, state budget allocations and the development of the institutional capacity to execute the identified priorities.

2. The over-arching strategic goal for the Government is Euro-Atlantic integration, particularly greater integration with the European Union. Overall Government policy is set out in the National Programme of Integration to the EU, 2008-2012 (NPI) and EU Stabilization and Association (SAA) programme. Within this framework, the Government has identified three key priorities⁶: (i) enhancing sustainable economic growth, through increasing economic freedoms and strengthening the role of the private sector; (ii) building institutions and the rule of law; and (iii) improving the standard of living of citizens, through efficient education, health and social protection systems.

3. A new PRSP, the Poverty Alleviation and Social Inclusion Strategy 2007-11 (PASIS) supports these priorities with a range of sector plans and strategies for education, health, social protection and employment, the areas recognized as priority ones to impact poverty alleviation and social inclusion. Linking these strategies with a strengthened medium-term expenditure framework and the annual budgetary process, however, presents a continuing challenge.

3. INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS TO SUPPORT DELIVERING AS ONE

3.1 Joint Country Steering Committee

1. The Government announced on 17 September 2009 its intention to appoint a National Steering Committee for the implementation of UN system coherence, effectiveness and relevance. This Joint Country Steering Committee (JCSC) is the body directly responsible for providing overall leadership and oversight of the process of design, implementation and monitoring of the Integrated UN Programme, Results and Budgetary Framework for Montenegro. The JCSC provides the mechanism by which Government demonstrates its commitment and leadership from the onset of the Delivering as One process.

⁶ *Economic Policy of Montenegro for 2007*: Government of Montenegro, December 2006.



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2. Membership of the JCSC will be limited to seven (7) representatives from Government and all members of the UNCT in Montenegro. The Government members have already been appointed (See Annex). Meetings of the Steering Committee will be co-chaired by the Minister of Foreign Affairs and the UN Resident Coordinator. To ensure timeliness and efficiency of guidance and decision-making, the quorum for meetings of the Steering Committee will be two line ministries and three Heads of UN agencies, as well as the co-chairs.

3.2 Sector Working Groups

1. Government-led sector and cross-cutting thematic working groups will be required to provide technical and special inputs and/or support to the development and implementation of UN Pillar Working Groups and their respective projects and sub-programmes within the Integrated UN Programme. However, such sector and thematic working groups are poorly developed except in relation to judicial affairs and education. Therefore, it will be the task of the JCSC and Pillar Convenors to mandate and facilitate respectively the creation of improved technical level sector and thematic working groups.

3.3 United Nations Country Team (UNCT) and the Resident Coordinator (RC)

1. The UNCT, chaired by the Resident Coordinator, functions as a collective of equals with consensus at the core of decision-making processes. The UNCT commits itself to act collaboratively and take overall responsibility for the operations of the UN in the country as well as to act as the representatives of their agencies. In the context of the Integrated UN Programme the UNCT will: (1) work actively to implement the Integrated UN Programme; (2) review and approve the Integrated UN Programme prior to its formal submission to and approval by the JCSC; (3) advise on the funding priorities contained within the Integrated UN Programme; and (4) use the Integrated UN Programme as an opportunity to re-examine, with the Government and other national development stakeholders, new opportunities and emerging national trends. The UNCT will designate substantive leadership to one of the Participating UN Organisations for each of the Integrated UN Programme Pillars and for any additional cross-pillar thematic areas.

2. In the context of the wider, country-level UN reform and Delivering as One, the UNCT will guide the overall change process. The Resident Coordinator (RC) is the designated representative of the UN Secretary General accredited to the Government and is chair of the UNCT. The RC facilitates the change process and makes the ultimate decision where a consensus cannot be achieved. Various mechanisms introduced by the UNCT in recent years for Delivering as One will now be institutionalized in support of the Integrated UN Programme and Budgetary Framework. These include the three Pillar Working Groups, a rationalized number of UN Theme Groups, the Operations Management Team and the Joint Communication Team.



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3. The RC is empowered to represent the UN, while at the same time respecting the mandates of individual agencies and the competencies of their Representatives to speak and act on their areas of competence and authority. The roles and responsibilities of the RC and members of the UNCT will be enshrined in Terms of Reference.

3.4 Pillar Convenors and Pillar Working Groups

1. For each of the three Pillars of the Integrated UN Programme, there is a Pillar Working Group (PWG) composed of technical staff from each of the Participating UN Organisations with projects, sub-programmes or commitments relevant to the respective Pillar Outcomes. One participating UN agency has been selected by the RC, in consultation with the UNCT, to be responsible for convening each PWG: UNICEF convenes Social Inclusion, UNDP convenes Democratic Governance and, in 2010 at least, UNDP convenes Environmental Sustainability and Economic Development. A senior staff member from that agency, usually the Head of Agency, is the Convenor. Each of the three PWGs is responsible for identifying annual priorities within its respective Pillar, preparing a Pillar Annual Work Plan (PAWP) and budget for each outcome area, reflecting these priorities, the funding availability and the funding gap per year. The three PAWPs from the PWGs are consolidated to prepare the overall Integrated UN Programme Annual Work Plan (UNAWP) by the UNRC Office. The Terms of Reference for the PWGs can be found in the supporting documents to this Integrated UN Programme.

3.5 Joint Communication

1. The Joint Communication Team (JCT), established in late 2007, works on promoting a coherent image of the UN and keeps the public informed of key UN priority issues and activities. A Joint Communication Strategy, finalized in 2009, seeks to simplify and streamline joint communication, both externally and internally. The JCT will continue working on strengthening UN advocacy and joint communication of the UNCT, as well as the media profile of UN activities at the national and local level. Targeted communication will deepen the understanding of Delivering as One among Government officials and stimulate their interest in ownership and leadership of UN reform. Joint communication will not replace the individual brands of respective UN agencies. Understanding the process of Delivering as One is also a key driver of UN internal change management and implementation of UN reform. Internal communication is, therefore, crucial to managing organizational change at all levels of the UN in Montenegro.

4. FOCUS OF THE MONTENEGRO INTEGRATED UN PROGRAMME

1. The process of EU accession as well as full achievement of the Millennium Development Goals and adherence to the Millennium Declaration provide the backdrop for a set of three Vision Statements, one for each of the programme Pillars. These Vision Statements were prepared by PWGs, working under the guidance of the UN Country Team (UNCT), in consultation with the relevant line ministries and the Ministry of Foreign Affairs. They succinctly describe the progress that the Government and UN want to see in the country as a whole over



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the next 5 or 6 years and provide the context for a set of Outcomes that form the basis of the Results and Budgetary Framework for the UN Programme.

5. PLANS FOR RESOURCE MOBILIZATION

1. The Joint Resource Mobilization and Partnership Strategy addresses the funding gaps identified in the Budgetary Framework, and its amendments, that form part of the of the Integrated UN Programme, Results and Budgetary Framework (2010-2015). Its objective is to provide strategic guidance to resource mobilization for the Integrated UN Programme.

2. To prevent donor driven activities and to ensure the strategic focus of the Integrated UN Programme in support of national priorities, it is crucial that sufficient and timely funding is mobilized to achieve the Outcomes defined in the Integrated UN Programme. In return, Participating UN Organisations commit to the cessation of independent fund raising for themselves under the Integrated UN Programme at the country level, with the following exceptions applying: (i) vertical funding sources (e.g. UNICEF National Committees, Thematic Trust Funds); (ii) Joint Programmes; and, (iii) humanitarian emergency programmes, which should be responded to through other established UN mechanisms.

6. LEADERSHIP AND COMMITMENT OF THE GOVERNMENT

1. Under the leadership of the JCSC, the UNCT, the Pillar Convenors, the JCT and line ministries will work together to mobilize a pool of funds (the UN Country Fund for Montenegro) to cover the funding gap in the Budgetary Framework of the Integrated UN Programme.

2. The Government will permit contributions from individuals, the private sector and foundations in Montenegro, which will be tax exempt. The Government through its line Ministries will ensure that counterpart funds necessary for the Integrated UN Programme will be made available in a timely and adequate manner, which consists of both in-kind and monetary contributions for personnel, premises, supplies, and technical assistance. Over the lifetime of the cycle of the first Integrated UN Programme, it is anticipated that an increase in Government cost-sharing will be registered as part of the exit strategy for some Participating UN Organisations and in response to donor concerns about the sustainability of UN initiatives.