

## UNDP IN MONTENEGRO

Since the break-up of Yugoslavia in 1991, Montenegro has faced political and economic transitions, regional conflict, economic sanctions and NATO interventions. The collapse of the economy, influx of refugees, a 'brain drain', social disintegration and challenges to identity limited people's choices. These problems have been compounded by weak state administration, widespread corruption and the uncontrolled exploitation of the environment. Since 2001, Montenegro has embarked on an ambitious programme of reform, driven by the process

of accession to the European Union (EU) and independence. Market reforms have seen some success, but transition to a modern liberal democracy depends on the ability to effectively pursue further reforms.

UNDP has provided support related to institutional and judicial reform, energy and environment for sustainable development, and social and economic participation. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2001 to 2005.

### TOTAL PROGRAMME EXPENDITURE, 2001-2005: \$4.1 MILLION

#### FUNDING SOURCES, 2001-2005



#### PROGRAMME EXPENDITURE BY CLUSTER, 2001-2005 (\$ MILLIONS)



## FINDINGS AND CONCLUSIONS

UNDP did not have a physical presence in Montenegro until mid-2001. Through an agreement with the World Bank and the Government, a UNDP Liaison Office successfully coordinated preparation of Montenegro's first Poverty Reduction Strategy Paper and attracted support to develop the Montenegro Sustainable Development Programme. UNDP gradually expanded the capacities of the Montenegro office and sought opportunities in other programme areas. Programme strategies remained highly relevant and received the highest level of support from the Government.

Even as a relatively small actor, UNDP provided valuable assistance in developing institutional capacity in key ministries, helped focus attention on issues of poverty and human development, bridged gaps between governmental and non-governmental sectors, and advanced the eco-state concept. Considerable potential remains for continued support to national development priorities.

The Capacity Development Programme was a successful pilot that assisted in filling capacity gaps within three key ministries. Most important among these was the Ministry of International Economic Relations and European Integration, which has become a fully operational unit, using relatively modern methods of managing both the policy-making process and its own organization.

Through the Sustainable Development Programme, UNDP helped Montenegro devise 'early success' pilot initiatives and offered medium-term support to institutions within the framework of a sustainable development strategy. By developing a strategy for sustainable tourism as a viable development model in northern and central Montenegro, and supporting campaigns against initiatives that are potentially damaging to the environment, the programme provided a counterweight to mainstream mass tourism concepts. UNDP support was central to the drafting of the Spatial Planning Act, which has since been passed by Parliament. A pilot geographic information system for forestry mapping is being scaled up for use as a cross-sectoral planning tool.

UNDP was one of the first international agencies to recognize the potential of non-governmental organizations (NGOs) to support citizen's rights and shape the country's development. New opportunities have been created for NGO representation and dialogue with various government bodies. These have taken different forms, from providing a conduit for citizen engagement in policy formulation to strengthening NGOs' watchdog role over government and private sector initiatives.

The Development and Poverty Reduction Strategy was the first comprehensive poverty policy in Monte-

negro, defining the multidimensional nature of poverty and its causes, and leading to formal recognition by the Government of a 'poverty problem'. UNDP helped organize a broad participatory process to develop the strategy, including consultative meetings with stakeholders across all municipalities. While the strategy is not the primary development framework for Montenegro, it is nonetheless complementary to the Economic Reform Agenda, and could serve as the basis for or input into a new or consolidated National Development Plan.

UNDP programmes were compatible with the development priorities of funding donors and partners, and exploited UNDP's comparative advantages. Programme activities have been transparent and, in many cases, innovative. Programme staff were seen as committed and highly motivated, and a viable business platform has been built to support existing programmes and allow for future programme expansion.

Early indications suggest that many components of UNDP programmes will be institutionalized within Government and other national organizations, if adequate programme financing can be obtained. The stated intent of UNDP and the Government to move towards

a full national execution modality may, however, not be the best course. Future programme delivery modalities should emphasize the partnership model, which provides greater flexibility to adjust roles and responsibilities according to programme circumstances. Should government corruption continue to be a significant issue, UNDP should retain, at the least, administrative responsibility over inputs. A more flexible modality using a range of partnerships could also have the beneficial effect of better building national capacities, thus facilitating an eventual UNDP exit.

Focused strategic intent and thinking, perseverance, finding niches, networking, partnering, teamwork and entrepreneurial management have all contributed to UNDP's successes in Montenegro. The organization should continue to build on its strengths, such as support for sustainable development and eco-tourism. Stronger strategic management may entail reducing the portfolio where necessary, and ensuring alignment with EU accession. The medium-term phasing out of the UNDP programme as Montenegro moves towards 'net contributing country' status should be planned for early on.

## RECOMMENDATIONS

- Align strategically with Montenegro's goal of EU accession. The June 2004 Memorandum of Understanding between the European Commission and UNDP should be used as the basis for working out concrete collaborative arrangements. The Government may look to UNDP to assist in the mobilization of resources to meet a range of development programme implementation needs, particularly in areas where UNDP is well positioned and currently providing support.
- Use the Sustainable Development Programme, especially eco-tourism, as a flagship. The Government has indicated that UNDP's main advantage in this broad sector is in eco-tourism in the central and northern regions of the country, where there is a disproportionate share of poverty, environmental degradation and inequitable economic development.
- Support anti-corruption at all levels of programming. UNDP roles could range from supporting UN conventions on the subject to factoring in anti-corruption considerations in programme design.
- Advocate human development and poverty reduction, including in the macroeconomic development agenda. UNDP should strengthen its role as one of the leading advocates for issues that too often get a great deal of policy attention but little in the way of concrete action. Programmes in sustainable development could apply a special focus on impoverished geographic areas and marginalized groups.
- Strengthen strategic management and maintain programme focus, particularly as the UNDP office grows and possibly becomes a formal Country Office with resident coordinator designation. UNDP should not get involved in a wide range of programmes simply because funding may be available.
- Think early about an exit strategy. Montenegro today is a middle-income country that could soon graduate to net contributor country status and be accepted as a candidate for EU membership. A 'sunset clause' for the UNDP presence could be placed in the UN Development Assistance Framework and Country Programme Document, to be reviewed annually in the Country Programme Action Plan.

## ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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