



**IEO** | INDEPENDENT  
Evaluation Office  
United Nations Development Programme

# INDEPENDENT COUNTRY PROGRAMME EVALUATION **MONTENEGRO**





# INDEPENDENT COUNTRY PROGRAMME EVALUATION MONTENEGRO

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# ACKNOWLEDGEMENTS

- The Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) would like to thank all those who have contributed to this evaluation.

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**Other stakeholders and partners:** The Government of Montenegro, representatives of the United Nations agencies, civil society, and bilateral and multilateral development partners.



# FOREWORD

I am pleased to present the Independent Country Programme Evaluation for Montenegro, the first country-level assessment conducted by the Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) for the country. The evaluation covers the programme period from 2017 to 2020. It has been carried out in collaboration with the Government of Montenegro, UNDP Montenegro country office, and the UNDP Regional Bureau for Europe and the Commonwealth of Independent States (RBEC).

UNDP has supported the Government of Montenegro since 2006. Since then, UNDP's programme has been shaped by the country's development priorities and challenges. The current programme under review responds to the national development priorities laid out in Montenegro's Development Directions (2015-2018 and 2018-2021) and its European Union (EU) accession priorities across all sectors, specifically in the area of public administration reform, public finance management, environment and climate change with interlinkages to economic development, social policy and democratic governance.

The evaluation found that UNDP has established itself as a trusted and reliable partner of the Government in Montenegro. Its value proposition lays in both its responsiveness to government long-term development priorities and its ability to fill in short-term gaps in government capacity to respond to EU accession requirements. UNDP has made important contributions in promoting democratic governance and public administration reforms, strengthening the country's public service delivery through support to information technologies, interoperability, e-governance and e-services solutions. UNDP's multi-pronged upstream-downstream support model allows it to respond to the needs of the central administration and line ministries but also brings the reform to the local level, where assistance to institutional capacity development is most needed.

UNDP has made significant contributions in improving the quality of social services provision in Montenegro, especially through the Integrated Social Welfare Information System and enhanced social service delivery capacity, which has been vital in the transformation of national social welfare system. The system also proved its utility during the current COVID-19 pandemic for targeting of assistance to vulnerable groups and its lessons are now being used as inputs to support health and justice systems.

UNDP's contribution to the environment, climate change and economic development has brought short-term results, with varying potential for transformative change. While support to the establishment of the Eco Fund has a promising catalytic potential, outsourced expert support in fulfilment of reporting obligations to international environment and climate change bodies fall short in addressing long-term institutional capacity issues.

I would like to thank the Government of Montenegro, various national stakeholders, and colleagues at the UNDP Montenegro country office, and the UNDP RBEC, who graciously provided their time, information and support to this evaluation. I have every confidence that the findings, conclusions and recommendations provided herein will help to strengthen the formulation of UNDP's next country programme strategy in Montenegro.



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**Director**  
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# ACRONYMS AND ABBREVIATIONS

<b>CO</b>	Country office	<b>RBEC</b>	Regional Bureau for Europe and the Commonwealth of Independent States
<b>CP</b>	Country programme	<b>ReLOaD</b>	Regional Programme on Local Development in the Western Balkans
<b>CPD</b>	Country programme document	<b>ROAR</b>	Results Oriented Annual Report
<b>CSO</b>	Civil society organization	<b>RR</b>	Resident Representative
<b>EU</b>	European Union	<b>SDG</b>	Sustainable Development Goal
<b>GBV</b>	Gender-based violence	<b>SISEDE</b>	Single Information System for Electronic Data Exchange
<b>GDP</b>	Gross domestic product	<b>UMIC</b>	Upper middle-income country
<b>GEF</b>	Global Environment Facility	<b>UNDAF</b>	United Nations Development Assistance Framework
<b>GEWE</b>	Gender equality and women's empowerment	<b>UNDP</b>	United Nations Development Programme
<b>GHG</b>	Greenhouse gas	<b>UNEP</b>	United Nations Environment Programme
<b>ICPE</b>	Independent Country Programme Evaluation	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>IDF</b>	Investment Development Fund	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>IEO</b>	Independent Evaluation Office	<b>UNICEF</b>	United Nations Children's Fund
<b>ISWIS</b>	National Integrated Social Welfare Information System	<b>UNSDCF</b>	United Nations Sustainable Development Cooperation Framework
<b>LSG</b>	Local self-government		
<b>MAB</b>	Man and biosphere		
<b>MoLSW</b>	Ministry of Labour and Social Welfare		
<b>MPA</b>	Ministry of Public Administration		



# Evaluation Brief: Montenegro

The United Nations Development Programme (UNDP) has been operating in Montenegro for over 15 years, during which its programme has been shaped by the country's development priorities and challenges. The programme under review (2017-2021) responds to the priorities laid out in Montenegro's Development Directions (2015-2018 and 2018-2021) and its sectoral policies and normative framework. It responds to Montenegro's European Union (EU) accession priorities across all sectors, and specifically: public administration reform and public finance management; environment and climate change with interlinkages to economic development; social policy; and democratic governance and human rights. The Independent Evaluation Office of UNDP conducted an Independent Country Programme Evaluation of Montenegro in 2020.

## Key findings and conclusions

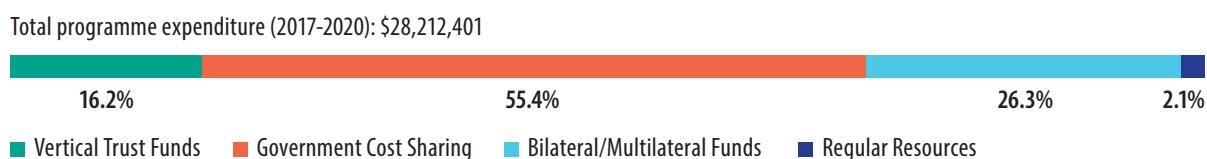
**UNDP has been a trusted and reliable partner of the Government.** Its value proposition lays in both its responsiveness to the Government's long-term development priorities and its ability to fill in short-term gaps in government capacity to respond to EU accession requirements. While meeting immediate needs, UNDP provides short-term ad hoc support to the Government particularly on the environment and climate change by bringing short-term international experts to deliver

on EU and other international obligations. This limits institutional capacity-building, which can be counter-productive in the long term.

**Montenegro's upper middle-income country status and the country's shrinking donor space presents a resource mobilization challenge for UNDP.** It has managed to overcome this so far by implementing a wide range of thinly spread short-term interventions under the country programme document supported by government cost-sharing. While spreading human resources thin, such an approach leads to fragmentation and undermines UNDP's potential to achieve transformative results, some made possible through cross-sector synergies.

**UNDP has made significant contributions in promoting democratic governance and public administration reforms in pursuit of EU accession requirements.** UNDP has been a partner of the Government and the EU in important democratic governance reforms and has contributed to strengthening public service delivery through support to IT, interoperability, e-governance and e-services solutions. UNDP's multi-pronged upstream-downstream support model responds to the changing priorities of the central administration and line ministries. It also brings reforms to the local level, where assistance to institutional capacity development is most needed. This support's outcomes

## Funding sources (2017-2020)



## Programme expenditure by outcome areas, 2017-2020 (million)



are still emerging and offer a positive prospect of effectiveness and sustainability.

**UNDP has contributed to strengthening the environment and climate change normative and policy framework in alignment with EU accession priorities and international obligations.** UNDP has provided critical support to Montenegrin institutions, especially in meeting reporting requirements to international treaty bodies by providing international and national experts. While outsourced expert support has helped fulfil the country's reporting obligations, it falls short in addressing long-term institutional capacity needs. The establishment of the Eco Fund, a key achievement, is one of the critical benchmarks in EU accession negotiations. The fund supports the green economy and promotes green growth through interventions and pilots in environmental institutions and businesses. However, as the fund is still in an early phase of institutionalization, it remains to be seen whether and when it will reach its full potential, considering resource limitations, especially post COVID.

**UNDP has significantly contributed to improving the quality of social services in Montenegro.** UNDP's contribution to social welfare through ISWIS and enhanced social service delivery capacity has been vital in transforming national social welfare system. The system is

progressively stronger and observant of equity issues, focusing on women, victims of gender-based violence, the elderly, persons with disabilities, Roma and other vulnerable groups. It proved its utility during the COVID-19 pandemic in targeting assistance to vulnerable groups. Lessons learned are being used to support the health and justice systems, confirming UNDP's added value in social development.

**UNDP has made notable contributions in promoting gender equality and women's empowerment (GEWE) with significant results in political engagement, social inclusion, protection from violence and, to a limited extent, economic development.** UNDP's long-term engagement with the Government, public administration, civil society and political parties has been key to the transformative changes, which are visible in improved legislative frameworks, better public services and improvements in the integration of gender in the Government's policymaking, planning and budgeting. While UNDP has been generally successful in this area, one exception has been integrating a gender dimension in environmental protection mechanisms and policies. UNDP could have done more to leverage its position and support.

## Recommendations

**Recommendation 1.** In line with Montenegrin EU accession aspirations, UNDP's next country programme strategy should build on the established intersection of themes in which UNDP has found a strong niche, i.e. support to good governance across the public sector as well as economic development underpinning sustainable environment protection.

**Recommendation 2.** UNDP should consolidate and expand its support to local self-government units to embrace and implement reforms, principles and standards initiated by the central government. Particular attention should

be placed on the institutional capacity development of local authorities to promote and benefit from reforms in line with the EU accession aspiration of Montenegro.

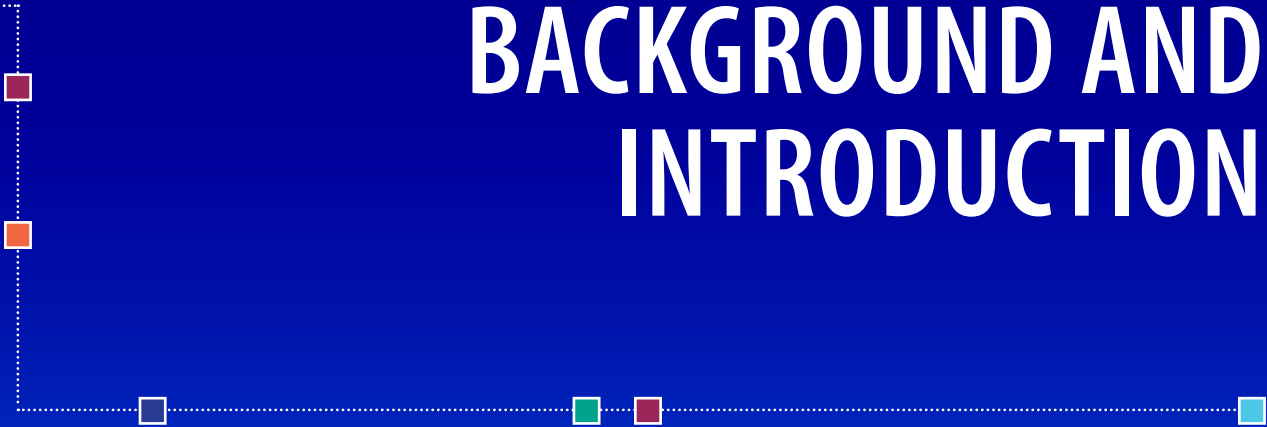
**Recommendation 3.** UNDP should consider merging economic development and segments of its support to the environment, green growth and reduction of carbon footprint under one umbrella programme to ensure consolidation of its green economy portfolio. Lessons from implemented models with potential for scaling up and promotion of a systematic approach to circular economy and innovation should be

generated to inform the Government's efforts to diversify the economy.

**Recommendation 4.** UNDP should build on results and lessons from the implementation of initiatives supporting GEWE as the basis for the CO strategy to fully integrate GEWE in its portfolio. Cross-sector and cross-portfolio synergies with transformative potential for women should be developed and integrated into support of the Government's gender requirements as part of the EU acquis. Stronger efforts should be made by UNDP to promote the gender dimension in its environment and climate change portfolio.

# CHAPTER 1

# BACKGROUND AND INTRODUCTION



This chapter presents the purpose, objectives and scope of the evaluation as well as the methodology applied. It lays out the development context of Montenegro as well as the UNDP programme in the country.

## 1.1 Purpose, objectives and scope of the evaluation

The Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) conducts Independent Country Programme Evaluations (ICPEs) to capture and demonstrate evaluative evidence of UNDP's contributions to development results at the country level, as well as the effectiveness of UNDP's strategy in facilitating and leveraging national efforts for achieving development results. ICPEs are independent evaluations carried out within the overall provisions contained in the UNDP Evaluation Policy.<sup>1</sup>

This is the first country-level evaluation of UNDP's work in Montenegro. The evaluation covers the period from 2017 to mid-2020 of the current country programme cycle (2017-2021). The scope of the ICPE includes the entirety of UNDP's activities in the country and therefore covers interventions funded by all sources, including core UNDP resources and donor and government funds. It also includes any projects and activities from the previous programme cycle that either continued or concluded in the current one in accordance with the evaluation terms of reference (Annex 1, available online).

The ICPE is guided by three main evaluation questions (Box 1). It presents findings, conclusions and recommendations which will serve as an input to the formulation of UNDP's new country programme document (CPD) for 2022-2026.

The primary audiences for the evaluation are the UNDP Montenegro country office (CO), the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC), the UNDP Executive Board, and the Government of Montenegro.

## 1.2 Evaluation methodology

### > EVALUATION QUESTIONS

1. What did the UNDP country programme intend to achieve during the period under review?
2. To what extent has the programme achieved (or is likely to achieve) its intended objectives?
3. What factors contributed to or hindered UNDP performance and the sustainability of results?

The evaluation methodology adheres to the United Nations Evaluation Group (UNEG) Norms & Standards<sup>2</sup>, ensuring that all evaluation steps adhere to ethical and professional standards of evaluation practice. The evaluation adopted a theory-based approach. An abridged theory of change was developed at the inception stage based on the desk review to explain causality and change, including underlying assumptions. This was refined as the evaluation progressed, based on discussions with stakeholders on UNDP's progress towards the country programme outcomes (Figure 2). Choices about the methods and strategy for the evaluation were grounded in the theory of change and its assumptions. An evaluation matrix was developed identifying the sub-questions, sources of information and evaluative evidence for each of the three evaluation questions (Annex 2, available online). Qualitative methods were used for data collection and analysis in line with the evidence's nature and to facilitate triangulation of findings.

**Documentation review:** The evaluation team undertook an extensive review of documents. This included, among others, background documents on the regional, subregional and national context, documents from

<sup>1</sup> See <http://web.undp.org/evaluation/policy.shtml>

<sup>2</sup> <http://www.uneval.org/document/detail/1914>



international partners (e.g. EU, World Bank and SIGMA reports and studies) and other UN agencies; project and programme documents such as work plans and progress reports; monitoring and self-assessment reports such as the yearly UNDP Results Oriented Annual Reports (ROARs), strategy notes and project and programme evaluations conducted by the country office and the regional bureau, including quality assurance and audit reports.

**Portfolio analysis:** Purposive sampling was used based on a number of criteria, including programme coverage (projects covering the various thematic and cross-cutting areas such as gender and human rights); financial expenditure (a representative mix of both large and smaller projects) and maturity (covering both completed and active projects). Based on the analysis of the country portfolio, the team selected 21 projects (38 percent of the portfolio) representing a cross-section of UNDP's work in the country across the four outcomes for in-depth review and analysis (Annex 5, available online). In addition, the ICPE also considered the desk review and case study analysis undertaken by the IEO middle-income countries (MIC) evaluation based on its own selected sample of projects. These analyses were used to refine and elaborate the evaluation matrix.

**Stakeholder analysis:** The desk review and the portfolio analysis were used to undertake a stakeholder analysis to identify all relevant UNDP partners, including those that may not have worked with UNDP but play a key role in the outcomes to which UNDP contributes. The analysis was used to identify key informants for interviews during the main<sup>3</sup> data collection phase, and to examine any potential partnerships that could improve UNDP's contribution to the country.

**CO questionnaire survey:** A detailed questionnaire was administered to the UNDP country office as a self-assessment and reflection tool and to gather evidence of results. This evidence was very valuable in providing an additional source of information on the UNDP country programme, its effectiveness and sustainability, allowing triangulation of data collected

during the remote interviews with stakeholders and from the secondary data/documentation review. The preliminary findings of the desk review (which was conducted according to the evaluation matrix, available online) were validated during stakeholder interviews, and used to identify gaps in data and any important issues requiring subsequent follow-up.

**Primary data collection and key informant interviews:**

Given the COVID-19 pandemic, the evaluation team, in close consultation with the UNDP CO in Montenegro, modified the evaluation design to conduct the evaluation remotely with virtual stakeholder interviews in lieu of in-country fieldwork. As a result, all the evaluation's primary data were collected remotely using phone and internet-based video communication tools. A total of 81 stakeholders were interviewed representing UNDP staff, government representatives, civil society organizations, private-sector representatives, UN agencies, multilateral organizations, bilateral donors, and programme beneficiaries (Annex 6, available online).

**Triangulation:** All information and data collected from multiple sources was triangulated before making any evaluative judgements. The evaluation design matrix (Annex 2, available online) guided how each of the questions was addressed based on the available evidence, facilitated the analysis and supported the evaluation team in drawing well-substantiated findings, conclusions and recommendations.

**Evaluation quality assurance:** The report went through a series of internal and external reviews in line with the IEO peer-review process to ensure a sound and robust evaluation methodology and analysis of the findings, conclusions and recommendations. Following the reviews, the draft ICPE report was first shared with the country office and the RBEC, and then with the Government and other national partners in Montenegro.

**Evaluation limitations:** The travel restrictions posed by the COVID-19 global pandemic forced the evaluation team to cancel the planned in-country data collection mission to Montenegro, limiting the team's capacity to conduct in-person interviews

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<sup>3</sup> This turned into a virtual mission due to the COVID-19 pandemic.

and interact with different stakeholder groups and communities benefiting from UNDP's support. The use of remote consultations instead of fieldwork and phone and internet-based communication tools to interview respondents posed a couple of challenges.

- The first relates to the quality of interaction with key informants. Online interviews tend to be less nuanced than in-person interviews, as there is no in-person exchange and familiarization between interlocutors. The evaluation team tried to overcome this by providing a detailed introduction of the evaluation process and its confidentiality.
- The second limitation relates to the face-to-face interactions, project site visits and observations, which are particularly important for identifying intended and unintended consequences in the achievement of results. Remote data collection reduced the degree to which achievements of results could be assessed. To mitigate this challenge, the evaluation team broadened the scope and depth of its secondary data review by including external reviews, assessment and evaluations, and country progress reports to cross-reference the data and validate findings. Documents such as World Bank, EU progress reports, SIGMA country reports, partners' agency reports, and studies were also consulted. The team also used the desk review and cases study analysis undertaken by the IEO MIC evaluation for Montenegro and organized discussions with the independent evaluation team undertaking the Montenegro UN Development Assistance Framework (UNDAF) evaluation to validate some of the emerging findings and conclusions.

## 1.3 Country context

Montenegro<sup>4</sup> is an upper-middle-income country in the Balkan peninsula with a GDP per capita of \$8,545 in 2019<sup>5</sup>, while GDP per capita according to MONSTAT data in 2019 was €7,959.<sup>6</sup> The country had a population of 627,987<sup>7</sup> and belonged to the category of the very high human development countries, ranking 52 out of the 62 countries in this category in 2019.<sup>8</sup> Nearly 51 percent of the total population is female. Eighteen percent of Montenegro's total population live in rural parts of the country<sup>9</sup> and its average adult literacy rate is 98.86 percent.<sup>10</sup>

Accession to the EU is the country's economic and political priority and the major driver of development and reform. The European Union (EU) opened accession negotiations in June 2012. As noted in successive EU progress reports, the country's progress in meeting EU accession requirements has been well underway and the country is regarded as one of the EU accession frontrunners. At the time of the evaluation, Montenegro has successfully opened all 33 EU negotiation chapters, of which three have been provisionally closed. However, as noted in the latest EU Progress Report, the country is still burdened by the inner instabilities traced back to a political crisis from 2016 which led to allegations by the opposition that the elections that year were fraudulent. The political scene remained fragmented and political dialogue was difficult until August 2020, when new parliamentary elections were held in Montenegro. These elections brought the first-ever transfer of power after almost 30 years of rule of the Democratic Socialist Party.

Within the scope of the public administration framework, Montenegro is implementing two umbrella strategies, the 2016-2020 Public Administration Reform (PAR) strategy and the 2016-2020 Public

<sup>4</sup> Before becoming independent through a referendum in 2006, Montenegro was a part of the Federated Union of Serbia and Montenegro, and before that, for the largest part of the 20th century, it was one of Yugoslavia's member states.

<sup>5</sup> GDP per capita (constant 2010 US\$), World Development Indicators, World Bank, 2020.

<sup>6</sup> [https://www.monstat.org/uploads/files/Nacionalni%20racuni/BPD/Tab\\_BDP\\_2006-2019\\_crn.xls](https://www.monstat.org/uploads/files/Nacionalni%20racuni/BPD/Tab_BDP_2006-2019_crn.xls)

<sup>7</sup> <https://worldpopulationreview.com/countries/montenegro-population>

<sup>8</sup> Human Development Report 2019, UNDP.

<sup>9</sup> <https://tradingeconomics.com/montenegro/poverty-headcount-ratio-at-national-poverty-lines-percent-of-population-wb-data.html>

<sup>10</sup> <https://data.worldbank.org/indicator/SE.ADT.1524.LT.FE.ZS?display=graph-%3E&locations=ME>

Finance Management (PFM) reform programme. So far, the country marked some progress and is classified as moderately prepared on this aspect. The most notable reforms it has conducted are in the area of medium-term policy-planning framework, merit-based recruitment, and rationalizing the state administration's organization.<sup>11</sup>

Although economic performance is broadly positive, other factors create vulnerability. Public debt is high and increasing, structural unemployment affects labour market participation, regional development disparities and the large share of the informal economy is seen as creating unfair competition with the formal sector and reducing tax income. The labour market suffers from low activity rates as well as a relatively high unemployment rate (15.2 percent in the second quarter of 2020<sup>12</sup>), especially among youth (at 27.9 percent for young people aged between 15-29 in the second quarter of 2020).<sup>13</sup> Nearly a quarter of the population is at risk of poverty measured by income, accompanied with high inequalities, since the top 20 percent of the population spends 7.6 times more than the bottom 20 percent. With regard to the business environment, the World Bank's Doing Business 2020 Report ranks Montenegro 50th out of 190 ranked countries, with a score of 73.8.<sup>14</sup>

Montenegro is among the richest countries in water, although, at the same time, it is one of the most inefficient consumers of water (and energy) in Europe.<sup>15</sup> It has a Mediterranean climate with warm and somewhat dry summers and mild and rather humid winters. Climate monitoring and assessments show that the Montenegrin climate has changed as a result of global climate change as well as variability.<sup>16</sup> The country aligned its legislation with EU standards,

but implementation is slow. Substantial further implementation efforts remain, including those required by the EU climate acquis.<sup>17</sup> The Government of Montenegro integrated climate change in its National Strategy on Sustainable Development and National Communications on Climate Change.

The first wave of the COVID-19 pandemic in the country was well controlled and Montenegro was declared 'corona-free' on 24 May 2020. However, since mid-July 2020, a sharp increase in cases was recorded (with the number of cases growing from 500 actively infected to more than 8,000 active cases in November 2020), calling for renewed restrictions both within the country and from outside. This severely impacted the Montenegrin economy, which relies heavily on tourism (11.7 percent of direct contribution to GDP) and remittances (accounting for 10.7 percent of GDP).<sup>18</sup> To mitigate the pandemic's negative economic and social effects, the Government of Montenegro implemented three subsequent packages of financial support. The Assessment of the Impact of COVID-19 on the Business Sector and the Growth Prospects of the Montenegrin Economy<sup>19</sup> published by the United Nations in Montenegro noted that the first package of measures in the amount of €100 million to help the economy and citizens was adopted by the Government in mid-March 2020, focusing primarily on liquidity support. On 24 April 2020, the government introduced a business and employee support programme as a second package of support. The programme envisaged a range of measures and subsidies for the business and tourism sector as well as other affected industries. Besides, the programme also provided for subsidies for employees on paid leave or in quarantine or isolation. The total fiscal effect

<sup>11</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro_report_2020.pdf)

<sup>12</sup> <http://monstat.org/cg/page.php?id=1762&pageid=22>

<sup>13</sup> Ibid.

<sup>14</sup> <https://www.doingbusiness.org/content/dam/doingBusiness/country/m/montenegro/MNE.pdf>

<sup>15</sup> [https://www.me.undp.org/content/montenegro/en/home/ourwork/economyandenvironment/in\\_depth/](https://www.me.undp.org/content/montenegro/en/home/ourwork/economyandenvironment/in_depth/)

<sup>16</sup> [https://unfccc.int/sites/default/files/resource/mnenc2\\_eng.pdf](https://unfccc.int/sites/default/files/resource/mnenc2_eng.pdf)

<sup>17</sup> <https://climateknowledgeportal.worldbank.org/country/republic-montenegro>

<sup>18</sup> See OECD paper on the COVID-19 crisis in Montenegro for a detailed overview of the current context in Montenegro at <https://www.oecd.org/south-east-europe/COVID-19-Crisis-in-Montenegro.pdf>

<sup>19</sup> UN, 'Assessment of the Impact of COVID-19 on the Business Sector and the Growth Prospects of the Montenegrin Economy' 2020, available at: <https://montenegro.un.org/sites/default/files/2020-07/Assessment%20of%20the%20impact%20of%20COVID-19%20on%20the%20business%20sector%20and%20the%20growth%20prospects%20of%20the%20Montenegrin%20economy%2C%20June%202020.pdf>

of the measures from the second package adopted on 24 April was estimated to be worth €75 million. The third package of socio-economic measures was adopted by the Government of Montenegro on 23 July 2020. This package included both short-term and medium-to-long-term measures and the total fiscal effect of this package, involving direct support to businesses, investments from the budget and state-owned companies, as well as favourable credit arrangements secured with the State Investment and Development Fund (IDF) and commercial banks intermediated by the Government, for the period of 2020-2024, is estimated at €1.2 billion.<sup>20</sup>

Besides, the EU offered a support package of €3 million for the health sector and €50 million to support social and economic recovery. The European Council also decided to provide €60 million of macro-financial assistance to Montenegro to strengthen its response to COVID-19. Besides, UN Agencies in Montenegro also developed a UN Socio-Economic Response Plan to COVID-19 in Montenegro<sup>21</sup> to offer a strategic socio-economic response to COVID-19. This document presents five key pillars to the UN's offer of support to Montenegro to mitigate the impacts of the COVID-19 crisis and support the recovery sustainably in the medium to long term.<sup>22</sup>

## 1.4 National development planning architecture in Montenegro

The main driver of Montenegro's reform process has been the EU accession process, which shows steady progress towards fulfilling all accession requirements, with all negotiation chapters of the EU acquis opened since 2020, and three chapters closed. The country received positive soundings from Brussels as a frontrunner in accession. The main developmental directions of the country are set out in the subsequent

Government of Montenegro's Development Directions (2015-2018 and 2018-2021); Programme of Accession of Montenegro to the EU; National Strategy for Sustainable Development by 2030 (NSSD)<sup>23</sup>; Regional Development Strategy; and the Partnership Agreement with the EU. The current Directions 2018-2021 promote three main areas of intervention/pillars – Smart, Sustainable and Inclusive Growth.<sup>24</sup>

All three Development Directions present continued focus on the ongoing structural reform processes within the three pillars and with references to the EU accession negotiations, to which UNDP contributed or helped implement through the implementation of its strategic interventions. Within each sector and in line with the EU accession negotiations within each opened chapter, the Government has adopted respective strategies for transposition of EU acquis. For instance, a National Strategy for Transposition, Implementation and Application of the EU legislation in the area of environment and climate change was adopted, with an Action Plan for 2016-2020, along with the National Climate Change Strategy until 2030. The Government also adopted the National Strategy for Biodiversity 2016-2020; Chemicals Management Strategy; Waste Management Strategy of Montenegro until 2030 and the State Plan for Waste Management in Montenegro for 2015-2020, as well as Energy Development Strategy. Besides, the Law on Tourism was adopted by the Parliament in January 2018, and revised in 2020, while the Law on adverse impacts of Climate Change was adopted in 2019.

Within the governance sector, the strategic framework package includes the Public Administration Reform Strategy 2016-2020. Within the economic development sector, strategies such as the Strategic Guidelines for Small and Medium Enterprise Development 2017-2021, SME Development Strategy

<sup>20</sup> Ibid.

<sup>21</sup> <https://unsdg.un.org/resources/un-socio-economic-response-plan-covid-19-montenegro>

<sup>22</sup> These five pillars are: Ensuring that essential health services are available and protecting health systems; Enabling people to cope with the challenges created and vulnerability, through social protection and basic services; Protecting jobs, supporting small and medium-sized enterprises, and the most vulnerable workers in the informal sector through economic recovery programmes; Guiding the fiscal stimulus and macroeconomic policies to support the most vulnerable and strengthening multilateral and regional responses; and Promoting social cohesion and investing in community-led resilience and response systems.

<sup>23</sup> <http://www.mrt.gov.me/ResourceManager/FileDownload.aspx?rid=272986&rType=2&file=NSOR%20do%202030%20FINALNA.pdf>

<sup>24</sup> Government of Montenegro (2017) Montenegro Development Directions 2018–2021



2018-2022 and accompanying action plans are important to set the priorities. Besides, relevant strategies in the areas of research and innovation have been adopted, including the Strategy for Innovative Activities (2016-2020) with the Action Plan, the Science and Research Strategy (2017-2021), the Smart Specialization Strategy (2019-2024), and the Information Society Development Strategy until 2020. Besides, the Strategy for the Development of Social and Child Welfare System was adopted for 2018-2022 succeeding the Social and Child Welfare Strategy 2013-2017 and the National Employment and Human Resources Development Strategy 2016-2020. UNDP's work in the country is guided by and based on these strategies, some of which were developed/drafted with UNDP's support across all sectors.

## 1.5 UNDP country programme in Montenegro

The UNDP country programme for Montenegro (2017-2021) is closely aligned with the national development priorities laid out in Montenegro's Development Directions (2015-2018 and 2018-2021) and sector policies and normative framework, and the 2017-2021 UNDAF. The country programme responds to Montenegro's EU accession priorities across all sectors, and specifically the following: PAR and PFM; environment and climate change with interlinkages to economic development; social policy; and democratic governance and human rights. In support of the Government's and EU accession priorities, the UNDP CPD focusses on four key areas that also align with the global and regional sustainable development agenda priorities (Table 1).

**TABLE 1. Country programme outcomes and resources, 2016-2020 (as of August 2020)**

Theme	Country Programme Outcome		Budget (2017-20) million	Expenditure (2017-20) million
<b>Democratic governance</b>	Outcome 1	By 2021, accountable, transparent and effective judiciary, public administration at central and local level, Parliament and independent institutions ensure security, development, equal access to justice and quality public services for all people, focusing on enhancing human rights.	\$7.0	\$4.3
<b>Environmental sustainability</b>	Outcome 2	By 2021, people of Montenegro benefit from sustainable management of natural resources, combating climate change and disaster risk reduction.	\$8.4	\$6.7
<b>Social inclusion</b>	Outcome 3	By 2021, population has improved access to quality, equitable, inclusive and mutually reinforcing systems of health, education, protection and decent work promotion.	\$13.2	\$10.7
<b>Economic development</b>	Outcome 4	By 2021, people of Montenegro benefit from an enabling institutional and regulatory framework for sustainable and inclusive economic growth based on innovation, entrepreneurship and competitiveness.	\$9.1	\$6.5
<b>Regional projects</b>	Cross-sectoral		\$2.4	\$1.4
<b>TOTAL</b>			\$40.1	\$29.6

The UNDP country programme portfolio includes a total of 56 projects which have been under implementation within the current CPD (some of which started during the previous country programme), under the four outcomes. There is a big variation in budget allocations for projects in each pillar, going from under \$100,000 to multimillion-dollar projects. The smallest funding on average is in projects within democratic governance portfolio and largest for projects within environment and social inclusion. Out of the total portfolio, 15 projects are long-term interventions, some with a start date going back to 2007 (e.g. the Demilitarization project).

UNDP's work within the democratic governance portfolio focuses on support to the EU accession aspirations, with specific focus on the negotiations process, the justice system, public administration reform, gender mainstreaming and strengthening the civil sector. Within social inclusion, support has been provided to the health and social welfare system and social services; enhancing e-governance within the social and health sector.

In the area of environment, UNDP intervention is anchored in three main areas: climate change reporting and mitigation mainstreaming; biodiversity

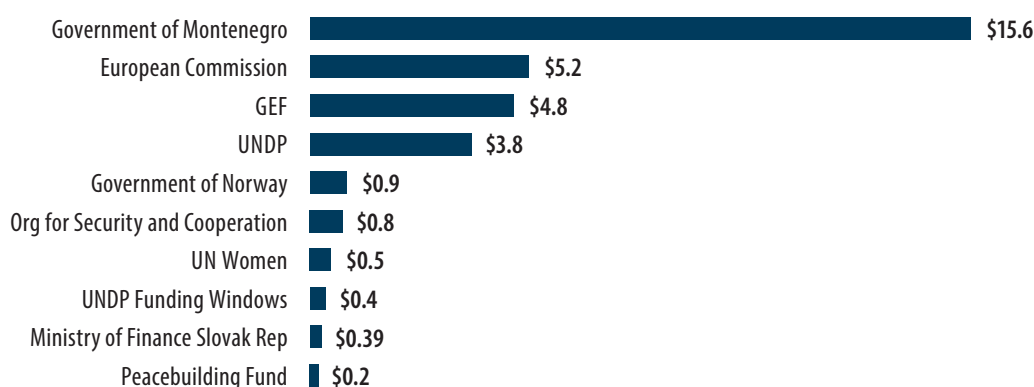
conservation; and waste and chemicals management. Most of these projects combine capacity-building, policy advice, administrative and financial support, with the Global Environment Fund (GEF)'s assistance.

The review of the economic development portfolio shows interconnections with the environment portfolio with its focus on green businesses and local sustainable development. Within this portfolio, other support interventions towards enhancing cultural heritage, promotion of new creative industries, etc., is offered as well.

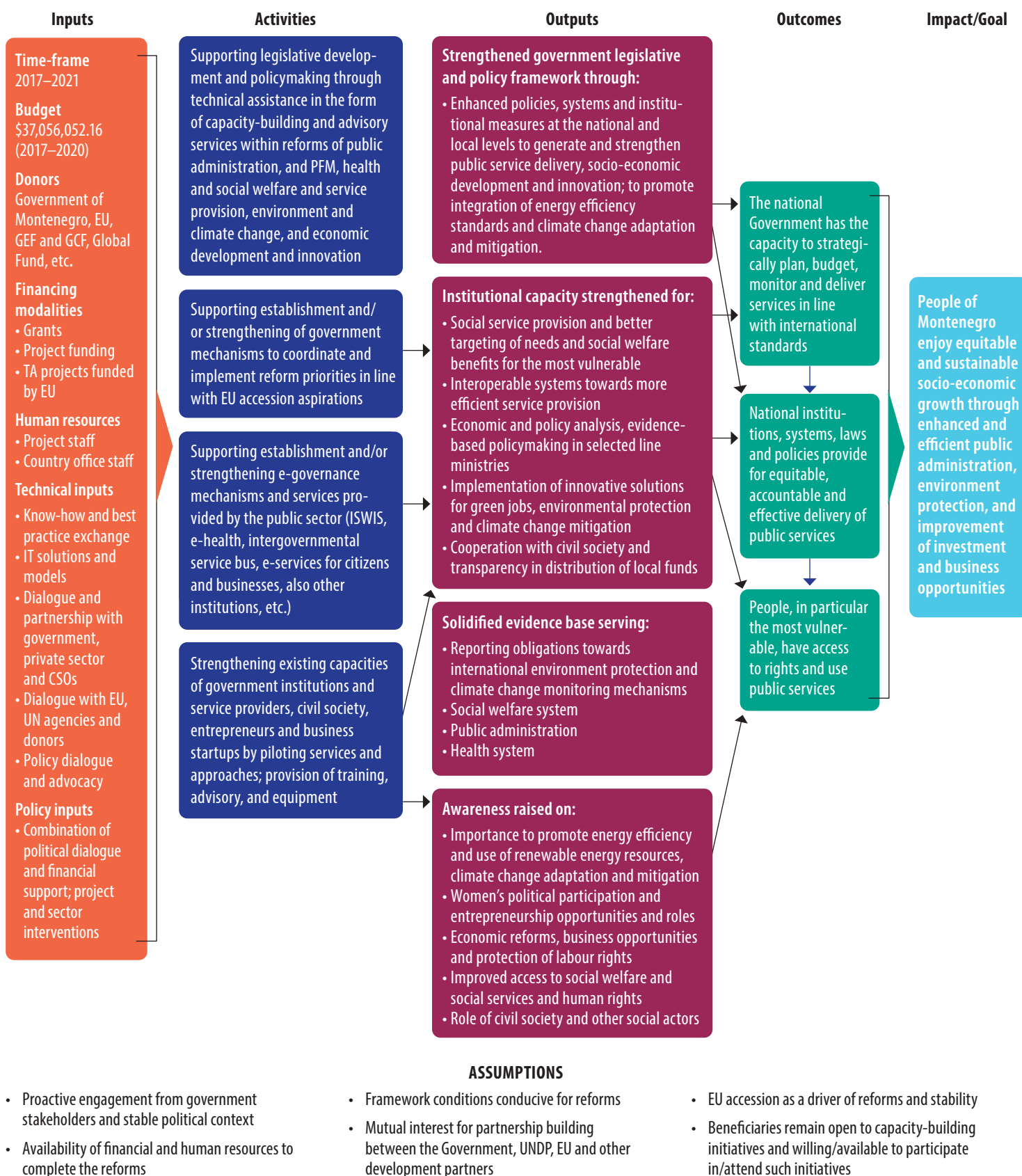
The CO also implements nine regional projects that contribute to a cross-section of outcomes. These include interventions on strengthening local authorities' cooperation and support to civil society; social cohesion, inclusive labour market solutions and public-private finance; urban resilience; small arms control, climate change and innovation.

Montenegro is an UMIC country, which presents challenges in terms of availability of funding and staff resources for the CO. UNDP's main financial contributions in the country come from the Montenegrin Government, EU, GEF and Norway. UNDP has also managed to raise funds from other donors, such as the UK but with limited funding.

**FIGURE 1. UNDP Montenegro – key contributors based on country programme expenditure 2017–2020 (US\$ million)**



**FIGURE 2. UNDP Montenegro – reconstructed theory of change**







# CHAPTER 2

# FINDINGS



This chapter presents the results of the outcome analysis, and an assessment of cross-cutting issues. The main factors that influenced UNDP performance and contributions to results are also described in this section. The assessment was based on an analysis of the correlation between project results, their contribution to the expected outputs under each outcome, and consequently to the overall outcome objectives.

## 2.1 Overall programme implementation

**Finding 1.** UNDP is well-positioned as a reliable and credible provider of development services supporting the Government's efforts to fulfil its EU accession priorities across all sectors of UNDP focus. It is also widely appreciated by the Government for its critical role in filling the short-term/ad-hoc capacity gaps to overcome institutional shortage of expertise. This is reflected in steady government financing, making it the largest contributor to the UNDP country programme. However, UNDP's continuing role in bridging short-term capacity gaps poses a potential threat to building sustainable institutional structures in the long term.

Accession to the EU is a top economic and political priority and a principal driver of development and reform in the country. Geared by the accession drive, Montenegro is undergoing a vital stage of institution-building with adaptations of policy, legal and institutional structures to maximize the reform gains across all sectors. Montenegro started accession negotiations in June 2012 and is advancing well with all 33 acquis negotiation chapters now open. The process requires screening in each policy field, agreement on opening and closing benchmarks and detailing strategies and action plans to facilitate compliance with relevant EU directives covering key areas of development.

These national developments and priorities have considerably informed the UNDP's country programme

development for 2017-2021, providing a framework for UNDP to proactively support government efforts to implement reforms in response to EU accession demands. Given Montenegro's UMIC status, the UNDP country programme has primarily focused on upstream interventions to strengthen policies, institutions and systems<sup>25</sup> but also to some extent direct service provision downstream. Within the efforts, UNDP has implemented a range of relevant interventions across various sectors<sup>25</sup> in line with the CPD provisions.

Within upstream support, UNDP's focus on the key reforms included the high-level policy advice regarding policies and strategies across different sectors; technical advisory support;<sup>26</sup> facilitating networks with national and regional institutions and bilateral partners. At the local level, analysis of UNDP documentation and stakeholder interviews points to evidence of downstream support, primarily in modelling social services and in support to cooperation between local-level governments and civil society. Work with local self-government (LSG) units focused mainly on assisting the Government in extending the reach and 'localization' of its public administration reform interventions, particularly optimization and fiscal decentralization. Besides, UNDP extended its support to social service provision at the local level supporting the local governments to promote and strengthen more transparent engagement and support to civil society;<sup>27</sup> enhance low-carbon economic and tourism potential in a number of municipalities; and promote women entrepreneurship through interventions within the economic development

<sup>25</sup> Support to PAR and PFM (albeit to a lesser extent), environment and climate change; economy, labour, and sustainable local development; e-health and e-social systems; enhancement of government-civil society relations, as well as human rights, etc.

<sup>26</sup> Including, but not limited to analytical papers, position statements, policy documents, research and analytical studies, facilitating stakeholder consultations and dialogues, technical review and quality assurance, various training and learning activities, human resources development – training, workshops, conferences, seminars, coaching and mentoring, study tours, etc.

<sup>27</sup> For instance, ReLOaD programme in Montenegro is supporting both municipalities and non-governmental organizations for transparent allocation and utilization of the public funds aiming to increase the quality of services to citizens, provided by NGOs.

portfolio. Interviewed stakeholders across the board appreciated UNDP's key role in supporting the central government institutions to fulfil the EU accession priorities as well as support to the local-level needs across different sectors.

Within each of its intervention areas, UNDP has invested efforts to respond to priorities and provide quality technical expertise and introduce models and approaches to help the Government fulfil developmental and EU accession priorities set out in Montenegro's Development Directions (2015-2018 and 2018-2021), the National Strategy for Sustainable Development (NSSD) and other relevant sector strategies (detailed in Section 1.5). Evaluation respondents from the Government (both local and central), civil society and international development partners endorse the approach and appreciate UNDP as an efficient and proactive partner responsive to government and EU accession priorities. The relationship between UNDP and the Government was characterized as strong and positive by the interviewed interlocutors representing key national institutions and local self-governments,<sup>28</sup> with long-term partnerships extending beyond the current CPD. This placed UNDP as a strategic partner of the Government. UNDP's main value proposition lies in its efficiency in providing relevant international, regional and local expertise to address development concerns and EU accession priorities. A good indicator of this reliance on UNDP expertise is reflected in Government of Montenegro's contributions to UNDP, making it the largest donor with \$15.63 million in government cost-sharing across the current CPD (Figure 1, Table 2).

Another important value proposition of UNDP relates to the efficiency gains made possible by applying UNDP procurement procedures. Government stakeholders note that official procurement procedures are complex and cumbersome, making it hard at times to ensure efficient and timely delivery of goods and services (especially in outsourcing expert services and procurement of technical equipment).

This is where national stakeholders praise UNDP's assistance for its efficient and transparent procurement process, whereby government institutions benefit from timely, appropriate and quality services and goods as emphasized by key informants.<sup>29</sup> A review of UNDP's programming documents and stakeholder interviews show that UNDP invested efforts to go beyond acting as procurement agent towards a more comprehensive technical assistance package, as appreciated by both government institutions and UNDP. Such examples were found in support to the healthcare or social welfare system e-government systems and IT equipment, interoperability and other types of software development support within the public sector. In these cases, UNDP served not only as a procurement agent but delivered important policy and institutional development advice, which was seen as highly relevant for the respective reforms. This ability of UNDP to offer deeper institution-building support interventions beyond just procurement is seen by national stakeholders as the added value that UNDP offers contributing to more sustainable systems.

Stakeholder interviews also raised a critical feature of UNDP's engagement thus far, i.e. its role in bridging the gaps. Stakeholders note that UNDP's services are sought every time the Government does not have a solution for an urgent need or priority that arises, primarily with regards to fulfilling Montenegro's EU accession and/or international obligations. Illustrative examples of such demands were found across all sectors and most notably in the environment and public administration reform. In such cases, UNDP's services (e.g. technical assistance in drafting reports to international treaty bodies or strategies;<sup>30</sup> procurement; IT and/or technical expertise, etc.) represent the core focus of government cost-sharing. For such technical assistance, UNDP helps with outsourcing international and local expertise in charge of drafting reports or building IT systems on behalf of and for the use of the government institutions. Key government stakeholders note that the

<sup>28</sup> For example, Ministry of Health and Ministry of Labour and Social Welfare, Ministry of Public Administration and Ministry of Finance as well as Ministry of Sustainable Development and Tourism and public institutions and agencies.

<sup>29</sup> Key informants representing government institutions.

<sup>30</sup> For instance, Biennial Update Reports submitted to the UNFCCC Secretariat.

reasons are the significant shortcomings the public administration in Montenegro confronts in terms of attracting and retaining talent in specific sectors (e.g. IT experts, environment and climate change experts, etc.). Another challenge that public administration in Montenegro encounters is the moratorium on employment in the public administration, which creates difficulties in hiring new staff even for newly established agencies or sectors.

UNDP's role in bridging the gaps is thus seen as a critical short-term support modality and is praised by the government counterparts and other national stakeholders for its utility in overcoming the institutional shortage of expertise. Despite its attractiveness in addressing short-term capacity gaps and meeting demands, it is seen as a potential threat to building sustainable institutional structures able to manage growing governance demands that come with development and ultimate EU accession. This is mainly because outsourced expertise replaces missing institutional expertise, without a clear plan on ensuring institutional capacity following the accomplishment of a task. For instance, UNDP supported the Government to prepare the Biennial Update Report on Climate Change by outsourcing technical expertise to prepare the report. External experts worked closely with Montenegrin institutions to collect the data and prepare the report, which was essentially experts' final assignment deliverable. According to key informant interviews, experts liaised with local institutions closely and discussed the main steps in the process, but there was no clear-cut capacity development component. National institutions noted that they still do not have the full institutional capacity to prepare such report independently, requiring further outsourcing support for such tasks. From a wider perspective, these challenges will have implications on the extent to which Montenegro may benefit from EU structural funds once the country becomes a member state along with other international and regional commitments. Such commitments will require in-house expertise,

which is mostly non-existent at the moment. This is a key challenge to sustainability of UNDP's TA support.

**Finding 2.** Montenegro's UMIC status and the narrow donor space, with the EU as the single largest donor in the country, presents a challenge for UNDP's resource mobilization strategy, resulting in overreliance on government funds. This impacts long-term planning and engagement resulting in smaller technical assistance interventions or projects supported in phases as per government budgeting cycles. UNDP's efforts to diversify its resources base have been limited so far.

Montenegro's UMIC status and EU accession progress have impacted UNDP's core funding and donor resources. Allocation of core resources to the CP makes up only a small portion of the country's total mobilized resources, with \$598,283 across the CP portfolio (Figure 3). With accession progress, the EU is taking up the external funding space, while bilateral donors are either not present or phasing out their projects. At the time of the evaluation, the remaining main donors besides the EU include the Government of Norway, Slovak Aid, the UK, the US and Germany. Other donors are either not present or have a minimal presence in the country. Analysis of programme documents indicates that UNDP has partnered with the EU on a number of issues, notably within the PAR sector and gender mainstreaming. A dwindling donor base presents a challenge for the CO to diversify its resource portfolio.

Vertical funds remain reasonable, though reportedly not sufficient to cover all the needs of Montenegro's reforms in alignment with the EU acquis. UNDP increasingly relies on government funding for its programming, which has shown to be a steady stream of the agency's financial inflow. However, government cost-sharing comes with a caveat of annual budget planning,<sup>31</sup> which means that the Government can commit only annual funding allocations. This makes it difficult for the Government and UNDP to tackle

<sup>31</sup> As noted in the PEFA report, "the budget documentation provided to the parliament when deliberating the Draft Budget Law for the coming year includes the allocations for the budget year, and the forecasts for the coming two years, according to main categories of economic classification", see IBRD/World Bank (2019); Public Expenditure AND Financial Accountability (PEFA) – Performance Assessment Report: Montenegro, p. 41; <https://www.pefa.org/sites/pefa/files/2020-02/ME-Dec19-PFMPR-Public%20with%20PEFA%20Check.pdf>

**FIGURE 3. Programme expenditure by source, 2017-2020 (US\$ million)**



issues that require longer term engagement. Hence, the support is provided either to smaller TA interventions, or to projects which are implemented in phases reflecting government budgeting cycles. At the time of the evaluation, the implications of the COVID-19 pandemic on government budget were not clear. However, the budget likely will be heavily affected by the economic downturn expected as a result of COVID-19. UNDP's resource mobilization strategy includes four levels of resource diversification efforts. i.e.: 1) Diversifying through other types of domestic donor support (e.g. agreement with Airports of Montenegro [independent public joint stock company] and local self-governments); 2) Positioning in regional fundraising efforts of UNDP (such efforts resulted in initiatives such as public finance management, floods risk management, Integrated Labour Market Solutions supported through the regional funding windows of development partners); 3) Positioning for global UN funding (e.g. joint SDG Fund supported project 'Activate!'); and 4) Leverage of government funding with other donors' funds, (e.g. Efficiency of Justice System project, where both Norway and the Government of Montenegro jointly fund the project).<sup>32</sup>

However, in other efforts, together with the UN Resident Coordinator Office, UNDP has successfully leveraged its partnership with other UN Agencies to identify resource mobilization opportunities through joint programmes within the One UN framework. Two such initiatives are Dialogue for the Future (DFF) and Activate! Youth project.<sup>33</sup> DFF is a joint regional UN

**TABLE 2. Overview of funding sources**

Fund source	Total expenditure
Regular Resources	\$598,283.08
Vertical Trust Funds	\$4,559,134.96
Government Cost Sharing	\$15,628,523.35
Bilateral/Multilateral Funds	\$7,426,459.64
<b>Grand Total</b>	<b>\$28,212,401.03</b>

initiative funded by Secretary-General's Peacebuilding Fund to promote peaceful coexistence, increased trust and inter-cultural dialogue in the region and brings together UNDP, UN Children's Fund (UNICEF) and the UN Educational, Scientific and Cultural Organization (UNESCO), in partnership with Presidency Offices and government institutions in Bosnia and Herzegovina, Montenegro and the Republic of Serbia. Activate! Youth project (with UNICEF, UN High Commissioner for Refugees, the International Organization for Migration and the International Labour Organization) on the other hand is funded by the Joint SDG Fund and focuses on the enhancement of capacities of the social protection system to better serve people in need, with particular focus on the youth. In July 2020, UN Agencies in Montenegro also developed the UN's Socio-Economic Response Plan to COVID-19 for Montenegro. The plan sets out the context, needs and recommended approach and follows the UN framework for the immediate socio-economic response to COVID-19.<sup>34</sup>

<sup>32</sup> UNDP, Rolling Partnership and Resource Mobilization Implementation Plan (2019-2020), 2019.

<sup>33</sup> [https://www.ilo.org/budapest/what-we-do/projects/WCMS\\_732984/lang-en/index.htm](https://www.ilo.org/budapest/what-we-do/projects/WCMS_732984/lang-en/index.htm)

<sup>34</sup> [https://unsdg.un.org/sites/default/files/2020-08/MNE\\_Socioeconomic-Response-Plan\\_2020\\_0.pdf](https://unsdg.un.org/sites/default/files/2020-08/MNE_Socioeconomic-Response-Plan_2020_0.pdf)



As noted in the UNDAF evaluation, “collective efforts of the UN Agencies and the UN Resident Coordinator Office have been critical factors that contributed to a more coordinated approach and synergies under UNDAF outcomes”.<sup>35</sup> Feedback received from stakeholders<sup>36</sup> interviewed within the scope of this evaluation confirm the findings of the UNDAF evaluation which highlight that in addition to joint resource mobilization, collaborative efforts and joint advocacy of UN Agencies has been critical in addressing key issues on gender, gender-based violence, rights of vulnerable groups, social services and wider social welfare issues and the environment in the country. Overall, the evaluation could not establish any concrete plans or strategy to address the funding constraint and diversify its resource base, including with the private sector, which remains an untapped potential.

**Finding 3.** UNDP’s country programme portfolio in Montenegro is demand driven but somewhat fragmented, reflecting resource mobilization challenges and the Government’s EU accession pace. A rather loose and general CPD framework allows for wide outreach and multiplication of interventions across sectors. However, implementing a multitude of interventions overstretches human resources, demanding teams to cover multiple thematic areas and sectors simultaneously, which questions the medium- to long-term sustainability of the approach and programme structure.

As discussed in Finding 2, UNDP’s resource mobilization strategy is challenged by dwindling donor and core resources, leading to increased reliance on government funds. In response to funding possibilities and government requests for support, the CO portfolio covers diverse thematic areas<sup>37</sup> in which UNDP intervenes across the four pillars, providing policy advice, technical assistance, procurement

support and other types of activities. All these thematic areas fit in the rather loose/general definition of outcomes in the CPD but lead to a thinly spread portfolio with numerous small-scale projects or projects that are implemented in a number of phases to reflect the Government’s annual budgeting process. Most notable examples are found in the economic development portfolio which engages with a range of themes and areas often piloting promising models or innovations, which are often one-off, scattered and at times without possibility of a follow-up. An illustrative case is support to creative industries or e-mobility, which offered interesting and innovative ways to promote creative industry and e-mobility, but without any deeper follow-up and engagement. Detailed examples of these are discussed under Section 2.5, Findings 18-20.

This fragmentation has had its implications on the staff resources as well. Montenegro’s UNDP CO core team is small, with 14 UNDP staff<sup>38</sup> and 34 service contracts (including administrative and other services staff). Document review and interviews with the UNDP CO team show that most key positions (e.g. programme and/or project managers) are held by team members with service contracts, due to lack of funding to ensure more stable types of arrangements. Due to the large number of projects and a limited possibility to expand human resources, there are cases where one person is in-charge of multiple projects running simultaneously within multiple thematic areas (mainly on the service contracts). Project or programme assistants are in most cases shared between projects/programmes, assisting the implementation of multiple projects under multiple thematic portfolios. This presents a huge burden on the team members overstretching the available human resources, as confirmed by UNDP country team interviews.

<sup>35</sup> United Nations in Montenegro, Final Evaluation of the United Nations Development Assistance Framework (UNDAF) for Montenegro (2017-2021), 2020, p.8.

<sup>36</sup> Key informant interviews with UNDP, UN Agencies, the Government, development partners and CSOs.

<sup>37</sup> Interventions are contributing to justice and public administration reform; environment and climate change, green jobs, creative industries, cultural heritage, social and health sector reform and service provision, gender and civil society strengthening, public-private finance, labour market and innovation, tourism, education, support to airport infrastructure, etc.

<sup>38</sup> For example, two staff members, one G3 and another G6, are formally hired by UNDP for RCO office for which UNDP provides operational services.

Multiple and oftentimes urgent procurement support requests present another burden on both the project/programme managers and operations. Operations are staffed appropriately for regular duties, but bottlenecks appear at times due to multiple tender requests from a number of projects at the same time. Project/programme managers and assistants always work closely with operations to draft tender documentation to speed up the process and lessen the burden on the Operations Department, particularly when bottlenecks appear. Review of country programme documents and interviews with both the UNDP team and government counterparts confirm that, thus far, UNDP processes have been running smoothly without major deviations or hiccups. In the view of this evaluation, this mainly results from the dedication and expertise of the country team, even though the overload is obvious. However, it is questionable if the UNDP programme, as structured at the moment with the current workload and task distribution for a relatively small team, is sustainable in the medium to long term.

**Finding 4.** UNDP's efforts to ensure coherence and complementarity within and across thematic areas have been successful and have led to a more holistic approach in programming owing to the multiple sectoral expertise in the team and management systems that promote synergies. However, reporting could have benefited from deeper outcome level analysis of results.

The size of the team and their inter-sectoral engagement has helped realize cross-sector synergies. The fact that project, programme managers and team leaders are tasked to manage multiple projects, some of which span different portfolios, on one hand, places burden on their workload, but on the other, offer a chance to ensure synergies and more coherent cross-sector interventions. Views collected in interviews with the UNDP CO team and corroborated by feedback received by key government stakeholders highlight that such an approach helps to ensure collaborative thinking and reflection on main areas of intervention and possibilities to ensure synergies across interventions within the CO portfolio.

Examples of cross-sector and cross-cutting integration exist across the entire country programme both in terms of design and implementation, the most important being in the area of e-governance and e-services. UNDP engages deeply in public administration reform supporting government efforts to enhance interoperability between public administration institutions at the central level and between the central and local level towards increasing quality, efficiency and accessibility to public services. Within this, UNDP has supported the so-called Government Service Bus, i.e. interoperability system that connects a range of public institutions towards automation of state institutions and technical and technological modernization of operations, enabling a quick and efficient way to obtain documents ex officio. This meta register of all government systems, services and data is geared to encompass all sectors and enable interoperability as a precondition for the provision of public services to institutions (G2G), citizens (G2C) and businesses (G2B). UNDP's work on enhancing the Justice (and Prisons), Health and the Social Welfare Information Systems also contributes to the wider government commitment to improving efficiency access to services to citizens.

Besides e-governance, UNDP's work across environment and economic development shows contributions to building a green economy and decreasing the carbon footprint for businesses and other economic activities alike. Connections are also made between these two sectors and social inclusion, ensuring that environment and economic development do not leave anyone behind.

UNDP's monitoring and evaluation and knowledge management systems are modest and help visibility of outputs, but do not provide an extensive basis for a deeper analysis of their transformative effects. The UNDP CO team's size and cross-sectoral nature helps reflection and analysis and offers comprehensive information on outputs of UNDP's work across supported system reforms in Montenegro. However, a key weakness is found in the somewhat less pronounced analysis of causal links between project activities and expected outputs and their contribution to the outcome level results. Such analysis would have been beneficial to fully grasp the added value

of UNDP's engagement and the catalytic effect of its interventions in addressing development and EU accession priorities. Most CPD indicators, which can be attributed to and reported on by UNDP, are at the output level. This fact does not help motivate more systematic efforts to collect outcome level data and deeper analysis on results. This is reflected in the progress with the implementation of CO fully costed evaluation plan. At the time of the evaluation the CO had only completed three out of seven planned decentralized evaluations. It plans to complete the remaining by end of 2020 and in 2021, which the evaluation team considers too ambitious.

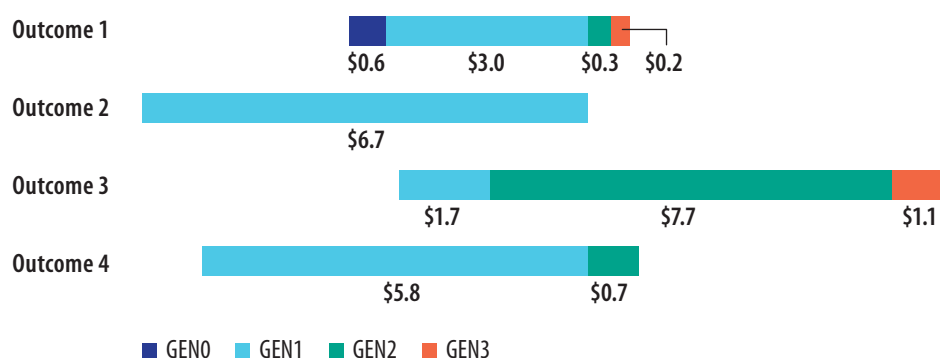
**Finding 5.** UNDP has made notable contributions in promoting GEWE in the country with transformative effects in the area of political engagement, social inclusion and protection from violence, despite limited financial commitment towards GEWE. The results, however, have been weak under the environment pillar.

There is quite a disparity in the application of gender markers across projects and their actual impact in gender mainstreaming across the CO portfolio. A review of programming documents shows that a large portion of the UNDP portfolio (65 percent) projects with expenditure reaching \$17.9 million were marked as either GEN0 or GEN1 projects,<sup>39</sup> while GEN2

projects<sup>40</sup> represent only 28 percent of the portfolio with expenditure of \$8.8 million. GEN3 outputs are limited to 7 percent with expenditure of \$1.5 million over the implementation period, representing 5.3 percent of the total programme expenditure. Most GEN 2 and GEN3 projects belong to outcome 3 on social inclusion. Other outcomes show limited gender-sensitive outputs, and outcome 2 on environmental sustainability only has GEN1 projects and therefore less likely to promote gender equality and women's empowerment (Figure 4).

While the investment in GEN 2 and GEN 3 projects has been modest, the gender mainstreaming work undertaken within the democratic governance and social inclusion portfolios has brought relevant system-level changes with potential for long-term sustainability. Projects in these portfolios focused on the promotion of gender equality, social inclusion and reducing violence against women and girls anchored in the normative frameworks of CEDAW, the Istanbul Convention and EU accession standards. In some of these areas, UNDP had an opportunity to capitalize on results achieved during the previous CP cycle which focused on raising awareness on gender not-only as a women issue but a larger social issue, achieving important results. One reason for this, as noted by UNDP and government stakeholders was that gender mainstreaming was already on the agenda of

**FIGURE 4.** Expenditure by gender marker and outcome, 2017-2020 (US\$ million)



<sup>39</sup> GEN0 and GEN1 marks denote that such interventions are expected to have limited or no contribution to gender equality and empowerment of women.

<sup>40</sup> GEN 2 marker is assigned to such projects expected to have a significant contribution to GEWE.



the government and public service providers, particularly within the social welfare sector. The main contributions of UNDP across these sectors included the establishment of an evidence base; legislative changes and improved policymaking; improvement of services as well as overall foundations for further integration of gender through investment in public administration capacity. Some of these contributions are discussed below.

UNDP's support to the generation of evidence base brought in important information on the extent to which gender is mainstreamed in the public administration (PA), which established foundations for further work on gender in PA. Besides, UNDP supported the publication of the first-ever Gender Equality Index report for Montenegro in 2019.<sup>41</sup> According to interviewed stakeholders from civil society and the Government, these reports have created foundations for further institution-building support and informed further legislative and policy processes.<sup>42</sup> Through comprehensive support to the Government and the Parliament, UNDP contributed to the integration of the gender mainstreaming parameters in the Methodology for Policy Development, Drafting and Monitoring of Strategic Planning Documents, which is a mandatory guide for public policymaking processes. This output can directly contribute to enhanced gender mainstreaming in Montenegro's normative and policy framework, given that the Guidelines are mandatory.

Informed by the evidence base on gender and PA, UNDP provided multidimensional support towards wider gender mainstreaming across public administration. This resulted in the establishment of an accredited educational programme for the Human Resources Management Agency's (HRMA) with a pool of gender mainstreaming trainers to implement the programme across PA. Besides, UNDP continued networking with women politicians from 16 political parties<sup>43</sup> as an advocacy drive for stronger

engagement on issues of common interest relating to women empowerment and rights. In the current volatile political environment in Montenegro, as noted by relevant key informants, this network was one of the rare spaces for women politicians to discuss and agree on important issues and joint advocacy actions of relevance for women.

Evidence collected through the evaluation also highlights UNDP's work in addressing the gender dimension of the social welfare system to enhance system response and social services that target women and the vulnerable communities (e.g. victims of gender-based violence, or GBV). The National Integrated Social Welfare Information System (ISWIS) established with UNDP's support enables more just distribution of social welfare benefits to women and men in need, as emphasized by interviewed stakeholders (Finding 17). At the same time, social services, especially those affecting families in need are now more widely available and diversified (provided by both government and licensed CSO service providers (Finding 18). The work on system-level changes in ISWIS and social services has a catalytic potential for enhancing access to rights, especially for the most vulnerable women (and their families) encountering risks of social exclusion and violence.

Interventions under the environment and economic development portfolio, on the other hand, have had less visible impacts on GEWE. Some notable, albeit fragmented results were found in the promotion of women's entrepreneurship within efforts to promote green businesses in Montenegro. However, these activities (capacity-building mainly through training<sup>44</sup>) engaged only a handful of women entrepreneurs leading to results with limited scalability potential. UNDP's efforts to advocate with the IDF to develop measures supporting women's entrepreneurship and green businesses did not thus far lead to a significant change in the way IDF approaches women entrepreneurship. On the other side, UNDP's work

<sup>41</sup> <https://www.undp.org/content/dam/montenegro/docs/publications/si/Gender/Gender%20Equality%20Index%202019%20for%20web.pdf>

<sup>42</sup> Two important laws were amended – Elections Law and the Law on Protection from Domestic Violence – both of which are under consideration at the time of the evaluation.

<sup>43</sup> This network was established within the previous country programme cycle under the project on women's empowerment.

<sup>44</sup> In 2019, more than 100 women were involved in the workshops, while 46 received tailored/individual consultancy and mentorship for the development of their businesses.

at the municipal level, where significant capacity-building and advocacy efforts were invested in building local funding for women entrepreneurship, brought more systemic results. Through engagement with municipalities and utilizing the Women's Political Network's advocacy leverage, UNDP succeeded in assisting 16 out of 24 municipalities to institutionalize funds for women entrepreneurship initiatives. As a result, €200,000 of non-refundable resources were allocated for women's businesses in these 16 municipalities. UNDP records show some emerging results of UNDP Montenegro engagement in the UNDP/ UNEP Global Support Programme (GSP) pilot for five Balkan countries and Lebanon,<sup>45</sup> that was aimed at building capacities of pilot countries to integrate gender in the MRV, following the main priorities of the UN Framework Convention on Climate Change (UNFCCC) Gender Action Plan. Within the scope of this project, the partnership with the Ministry for Sustainable Development and Tourism resulted in some new mechanisms, including the nomination of the Gender focal point for UNFCCC on behalf of the Ministry and the development of the Gender and Climate Change Action Plan as a framework for intersecting the two policies as a cooperative effort of the Ministry for Sustainable Development and Tourism and the Ministry for Human and Minority Rights (coordinating institution for gender equality policies). However, the evaluation could not corroborate data on utility and/or implementation of this Plan from other sources. Besides, other than this initiative, UNDP's integration of the gender dimension in the environment was not so pronounced.

One of the key drivers for the strong engagement of UNDP in the Government's efforts to mainstream gender and support to women empowerment has been the fact that the Montenegro CO was among the first UNDP COs to have a two-person team focusing on

gender with a full position of gender mainstreaming officer and an assistant. This was further supplemented with another short-term staff in 2019 for a year. Besides, UNDP invested in capacity-building of the UNDP CO team to ensure horizontal capacity among mid-management. According to feedback from UNDP CO, these training and investment in human capital helped strengthen UNDP's understanding of ways in which the CO can engage and seek synergies horizontally among programmes and portfolios. This decision has marked a strategic shift in the CO's thinking and tackling the issues of gender across the CP, albeit with variations when it comes to individual sectors, as shown above. In 2017, the CO received the Gold Gender Seal, which is a good achievement yet presents expectations for further investment in deepening the CO's gender focus. These are good prerequisites for further consolidated efforts of UNDP in the field of GEWE.

**Finding 6.** UNDP's response to the COVID-19 crisis in Montenegro has been timely and appreciated by the stakeholders. In particular, UNDP-led UN joint assessments of socio-economic and gender impacts of COVID<sup>46</sup> were very well received and serve as a timely evidence base for the design of economic and social measures in response to the COVID-19 crisis.

The response to COVID-19 in March 2020 exposed a number of gaps and areas for support not only in the health sector but also in the other sectors to effectively respond to the crisis. One key shortcoming within the health sector was the shortage of equipment and supplies necessary to ensure an adequate response. To respond to these needs, UNDP was contracted by the EU to procure €3 million worth of equipment and supplies for the Montenegrin health system. UNDP assumed work on this in close consultation with the Government's National Coordination

<sup>45</sup> Gender Mainstreaming into Climate Transparency and Measurement, Reporting and Verification (MRV) 2017-2020: Results of GSP Pilot in Western Balkan Countries (Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia) and Lebanon. - Global Support Program, 2020, available online: [https://www.un-gsp.org/sites/default/files/documentos/gender\\_mainstreaming\\_climate\\_transparency\\_mrv\\_gsp\\_pilot\\_western\\_balkan.pdf](https://www.un-gsp.org/sites/default/files/documentos/gender_mainstreaming_climate_transparency_mrv_gsp_pilot_western_balkan.pdf)

<sup>46</sup> Within these efforts, three reports were produced, i.e. 'Report on the Rapid Social Impact Assessment of the COVID-19 outbreak in Montenegro' and 'Assessment of the Impact of COVID-19 on the Business Sector and the Growth Prospects of the Montenegrin Economy' and the Gender impact assessment. Studies available on the following links: [https://montenegro.un.org/sites/default/files/2020-06/Rapid%20Social%20Assessment%20-%20Summary%20-%20ENG\\_0.pdf](https://montenegro.un.org/sites/default/files/2020-06/Rapid%20Social%20Assessment%20-%20Summary%20-%20ENG_0.pdf); [https://www.me.undp.org/content/montenegro/en/home/library/economy\\_environment/Covid19EconomicImpactAssessment.html](https://www.me.undp.org/content/montenegro/en/home/library/economy_environment/Covid19EconomicImpactAssessment.html)

Body for Infectious Diseases and the Ministry of Health to identify needed equipment and supplies and to conduct the procurement process. Despite multiple challenges and obstacles, UNDP managed to deliver equipment and supplies for the health system in July 2020, albeit with a couple of months' delay owing to extremely volatile market for health supplies at the time of procurement, with frequent and abrupt changes in prices and urgency to place the order, which created challenges for quality assurance of equipment and supplies to be purchased.

Key stakeholders<sup>47</sup> noted that this was beyond UNDP's control, and the delay in delivery of supplies and equipment did not have a major effect on the operations within the health system, owing to a low rate of infection in the period between May and June 2020. Purchased goods actually came in handy later when new cases started spiking in Montenegro from July 2020 onwards. Although the goods were eventually delivered to the satisfaction of all parties, in the view of this evaluation, undertaking such efforts within an extremely volatile market situation presented somewhat of a reputational risk, due to the fact that multiple factors were beyond UNDP's control.

In another key effort, UN agencies with the leadership of UNRC joined hands to assess the socio-economic impacts of COVID-19 to establish an evidence base for country measures to mitigate the negative effects of the pandemic. This resulted in the 'Report on the Rapid Social Impact Assessment of the COVID-19 Outbreak in Montenegro',<sup>48</sup> the 'Assessment of the Impact of COVID-19 on the Business Sector and the Growth Prospects of the Montenegrin Economy' prepared by UNDP and Gender impact assessment, co-led by UNDP and UN Women, as well as a study 'Impact of COVID-19 on women's unpaid and care work' prepared by UNDP. These reports are produced as an important evidence base to inform decision-making on response measures to the COVID-19 pandemic. At the time of the primary data collection

phase, the Rapid Social Impact Assessment was the only published study, so the stakeholder feedback is available for this study only. Interviewed government and development partners confirmed that the Rapid Social Impact Assessment served as an important source informing planning of emergency measures to respond to the crisis, and in particular the business and employee support programme to mitigate negative effects of the coronavirus outbreak. Subsequently, in July 2020, UN agencies produced the UN's Socio-Economic Response Plan to COVID-19 for Montenegro, which lays out the UN's response to COVID-19. The plan sets out the context, needs and recommended approach and follows the UN framework for the immediate socio-economic response to COVID-19.<sup>49</sup> Overall, stakeholders<sup>50</sup> viewed UNDP response to the COVID-19 pandemic as very timely, useful and flexible to the country needs. Stakeholders appreciated UNDP's agility to mobilize support and drive relief efforts to build-back and better.

## 2.2 Democratic governance

**CPD Outcome 1:** By 2021, accountable, transparent and effective judiciary, public administration at central and local level, Parliament and independent institutions ensure security, development, equal access to justice and quality public services for all people, focusing on enhancing human rights.

UNDP CPD 2017-2021 envisaged partnership with the EU and the Government in addressing "capacity gaps and rule of law challenges to strengthen effectiveness, transparency and accountability of democratic institutions and processes".<sup>51</sup> The CPD envisaged UNDP's use of "its convening power and advocacy capacity to continue to support citizen networks and

<sup>47</sup> From the EU and the Government

<sup>48</sup> [https://montenegro.un.org/sites/default/files/2020-06/Rapid%20Social%20Assessment%20-%20Summary%20-%20ENG\\_0.pdf](https://montenegro.un.org/sites/default/files/2020-06/Rapid%20Social%20Assessment%20-%20Summary%20-%20ENG_0.pdf)

<sup>49</sup> [https://unsdg.un.org/sites/default/files/2020-08/MNE\\_Socioeconomic-Response-Plan\\_2020\\_0.pdf](https://unsdg.un.org/sites/default/files/2020-08/MNE_Socioeconomic-Response-Plan_2020_0.pdf)

<sup>50</sup> Key informant interviews with national and development partners.

<sup>51</sup> UNDP, 'Country Programme Document 2017-2021', 2016, p.6.

independent institutions of marginalized groups and those facing discrimination to exercise their human rights.”<sup>52 53</sup> At the local level, UNDP planned to support development of capacities of local self-government units to implement new mechanisms and provisions coming from the PAR and PFM, strengthen cooperation between municipalities and civil society as well as citizen engagement. UNDP’s portfolio includes 15 projects, most of which were under \$1 million barring one at \$1.5 million.

The operational framework for work on these issues was rather conducive, with EU accession (chapter 23 and 24 negotiations) and the horizontal reforms serving as key drivers of PA reforms in the country. The Government was open and supportive of reforms across the sector, which helped UNDP to fulfil its mission to a great extent. The following findings deal with UNDP’s work within the sector. Analysis of UNDP’s contribution to GEWE promotion is presented in Finding 5 above for consistency.

**Finding 7. UNDP has made positive contributions in supporting the Montenegrin Government’s efforts to promote democratic governance and public administration reform in the country in pursuit of EU accession requirements.**

Democratic governance is one of the important pillars of the EU accession agenda, which places a strong focus on changing how policymaking processes and public administration function. UNDP’s work during the current CPD cycle was led by EU accession priorities under this pillar, especially on policymaking and service provision. Within these efforts, UNDP embarked on scaling up innovative models for citizen participation and broader civic engagement; invest in expert policy and capacity-building support to reform the judiciary sector and in the reform of public administration and public finance management; as well as stronger support to gender mainstreaming and equality in Parliament and women’s empowerment through work with political parties, women

parliamentarians and women’s caucuses. Support to e-governance models was envisaged, with a wider focus on improving public service delivery, especially for poor and excluded communities.

Evidence collected through the review of UNDP, government and EU programming documents and reports and as corroborated by stakeholder interviews shows that UNDP’s focus within this pillar was appropriate and well targeted. Discussed in detail under Findings 9-12, UNDP succeeded in delivering results with transformative potential, enhancing public administration capacity to organize, process and deliver public services in a more coherent and interoperable manner. Specifically, support to boosting interoperability across public administration institutions, designing e-services and supporting optimization at the local level brings important prerequisites for enhancing public administration providing more transparent and optimal services to citizens. Investments in merit-based recruitment within the public administration as well as policy planning also brought important benefits to the transparency, targeting and gender mainstreaming across policies and administration. Besides, with the support of the Regional Programme on Local Democracy in the Western Balkans (ReLOaD) programme, municipality capacities were strengthened to be more transparent and open for participation of CSOs in decision-making. At the same time, CSOs were capacitated to transparently implement their interventions and provide services to citizens and report on achieved results.

The most recent EU progress report for Montenegro 2020<sup>54</sup> recognized positive progress across the governance area, albeit noting that public administration overall is still moderately prepared for EU accession.<sup>55</sup> In particular, the report notes progress in implementing the law on civil servants; the medium-term policy-planning framework, merit-based recruitment, human resource management and the rationalizing of the organization of the state administration

<sup>52</sup> Ibid, p.6

<sup>53</sup> These groups include vulnerable women and socially excluded groups like the elderly, Roma, persons with disabilities and other minorities.

<sup>54</sup> European Commission, Country Report: Montenegro 2020, available at: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro_report_2020.pdf)

<sup>55</sup> Ibid, p.16



and marks them as areas that continue to advance well.<sup>56</sup> Besides, the EU report also noted progress regarding financial transparency at the local level, noting that “[t]he rules for public funding of CSOs secure a minimum of 0.5 percent of the state budget to be allocated to civil society. In 2019, this budget amounted to €3.7 million (compared with €4 million in 2020).”<sup>57</sup> Stakeholder interviews confirm that sustained political will is an important prerequisite for the achievement of results in these areas.

**Finding 8.** UNDP’s contribution to the enhancement of the systems for planning, coordination and monitoring of the implementation of government policies on PAR has helped improve policymaking practices and resulted in a better quality of policy documents.

With Norwegian funding, UNDP offered relevant technical assistance to the General Secretariat of the Government of Montenegro in the development and coordination of public policies. This intervention was closely aligned with and contributing to the Government’s PAR strategy 2016-2020. Within this support, a set of important elements for the system of planning, coordination and monitoring of implementation of government policies were established, including the methodology for sector strategy development, the Decree on drafting strategic documents, Network of Civil Servants for Strategic Planning chaired by the General Secretariat of the Government and the Education Programme for Civil Servants for Strategic Planning.

Key informants interviewed<sup>58</sup> during the evaluation note that these mechanisms showed tangible results and corroborate findings of the Evaluation of the Government’s PAR Strategy, which noted an “increase in quality of Secretariat’s strategic documents, which was established through the increase in the compliance with the strategic framework from 11 percent to 47 percent; increase in the compliance with the

European accession standards from 22 percent to 42 percent, and the compliance with the Regulation from 16 percent to 46 percent in 2019”.<sup>59</sup> However, the main concerns of stakeholders echo the findings of the evaluation of the PAR strategy that results in this area are fragile as the system of planning is still new and not fully understood by government stakeholders, requiring further investment in the institutionalization of such approaches.

The PAR evaluation findings were corroborated by key informants interviewed within the scope of this evaluation, who noted that UNDP’s support has laid key foundations when it comes to planning and compliance. Interviewed UNDP, government and development partners emphasized that change is incremental and demands ongoing focus on building skills and investing in adequate change management for the changes to fully take roots. Besides, contributions were provided to develop and implement the plan to optimize the public administration, particularly raising capacities and awareness with the optimization process and its implications on the public administration’s functioning and organization. Document review and stakeholder interviews<sup>60</sup> noted that the plan was complex and required multiple interventions across the public administration to ensure its fitness for purpose, including the decrease of the number of public sector employees at the central and local level. UNDP’s support was viewed as relevant to help raise the awareness and capacity for optimization, but the potential for outcome level changes was affected by multiple factors beyond control of the project (including the level of commitment, understanding of the scope and reach, alternatives and in particular lack of baseline values that would enable measuring optimization results).<sup>61</sup>

**Finding 9.** UNDP’s policy advisory support has significantly contributed to the alignment of Montenegrin

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<sup>56</sup> Ibid, p.16

<sup>57</sup> Ibid, p.17

<sup>58</sup> Key informant interviews with government institutions.

<sup>59</sup> Kacapor-Dzihic, Zehra, ‘Mid-term Evaluation of the Public Administration Reform Strategy 2016-2020 in Montenegro’, European Commission, Podgorica, 2020.

<sup>60</sup> Key informant interviews with UNDP, EU and the Government.

<sup>61</sup> Zehra Kacapor-Dzihic, ‘Mid-term Evaluation of the Public Administration Reform Strategy 2016-2020 in Montenegro’, European Commission, Podgorica, 2020.

legislation and policies with the EU *acquis* across sectors. Drafted policies and legislation with UNDP support laid the foundations for access to rights and provision of improved services across sectors.

Transposition of EU *acquis* into national legislation is a primary demand of the EU accession process and requires the alignment of the national normative framework with relevant EU legislation sources. In order to ensure adequate transposition, the country is obliged to develop, adopt and amend national legislation corresponding to EU legislative acts. UNDP has been an active supporter of this process through its direct engagement with the European Integration Office (EIO)<sup>62</sup>, but also through technical assistance and advisory to relevant sector-specific ministries and negotiators within UNDP's sectors of focus.

UNDP's support has aimed to assist, advise and support EU accession negotiations by strengthening the capacities of the EIO and sector ministries to respond to the demands of the new phases of accession. Within these efforts, specific support was provided to strengthening the negotiations capacities in four out of 33 EU accession chapters (Chapters 8, 23, 24 and 27) and advisory to drafting and amending legislation in light of the EU *acquis* spirit. Technical support from UNDP in the form of outsourced expertise, technical advisory, advocacy and process facilitation resulted in drafting and eventually adoption (in most cases) of at least four national strategies as well as 13 municipal-level strategic plans;<sup>63</sup> as well as at least 18 laws and by-laws<sup>64</sup> across UNDP's sectors of focus as per UNDP records. Evaluation feedback from key informants<sup>65</sup> confirms the relevance of UNDP's contribution to these efforts, and in particular the possibility

of tapping into UNDP's pool of international, regional and local experts as well international and regional experience. As highlighted by government stakeholders, this support combined with other forms of assistance within different sectors has created the required foundation for enhanced operations of the Government and access to rights for citizens.

**Finding 10.** UNDP has made significant contributions in enhancing e-governance systems across the judiciary and public administration sectors. These systems are making a direct contribution in improving the accountability, transparency, efficiency and accessibility of justice and other public services for Montenegrin citizens. The Government's ability to expand on and maintain achieved gains thus far depends on ensuring that a wider pool of institutions is connected into the interoperable system, institutional capacity and ability to attract and maintain the required talent and expertise.

UNDP has strategically positioned itself as a partner of choice across justice, social protection and public administration to develop the e-governance systems and services (Finding 17 on development of ISWIS and e-health systems). Within efforts to support the public administration reform and in alignment with the PAR strategy, UNDP worked with the Ministry of Public Administration (MPA) to enhance interoperability of information systems within public administration towards improvement of public service provision. The cooperation on this was enabled by the Law on General Administrative Procedures (drafted with UNDP's support), which introduced the principle of encouraging data exchange between authorities. The law enabled efforts of the Government to build

<sup>62</sup> The support was provided mainly through the project 'Strengthening capacities for the acceleration of EU accession of Montenegro' funded by the Norwegian Ministry of Foreign Affairs and implemented by UNDP in partnership with the EIO.

<sup>63</sup> Instances of technical support include, but are not limited to, the drafting of the following strategies which were adopted by the Government during the CP cycle: the Communication Strategy on Montenegro's Accession to the European Union 2019-2022; Strategy for Protection of Elderly Persons 2018-2022; Strategy for Development of Micro, Small and Medium Enterprises in Montenegro (2018-2022) and Framework Action Plan, Life-Long Entrepreneurial Learning Strategy (2020-2024) and accompanying action plan; as well as supporting municipalities in drafting Strategic Development Plans, which also include components for economic empowerment measures.

<sup>64</sup> Technical support was provided in drafting/amending the following legislation: Law on accounting in the public sector from 2019; Law on Civil Servants; revision of a set of seven Laws and their by-laws regarding Violence in Family; amendments to the Electoral Law; amendments to the Law on Payment Transactions, Law on Self-Governments Financing, Law on Climate Change; Law on Industrial Emissions; Law on Local Self- Government; Law on Protection against Adverse Impacts of Climate Change; Social Protection Law, its amendments, and a set of 11 by-laws, Law on E-governance; Law on Waste Management; Decree on procedure of drafting, alignment and monitoring of implementation of strategic documents and Law on Establishment of Framework for the Protection of the Marine Environment.

<sup>65</sup> Key informant interviews with UNDP, development partners and national institutions.

a system of safe and reliable data exchange between authorities and to implement the principle of data exchange.

This UNDP flagship support focused on setting up and building the Single Information System for Electronic Data Exchange (SISEDE).<sup>66</sup> SISEDE enables communication among existing systems and faster and reliable exchange of information between databases and institutional systems across the public administration enabling more efficient delivery of services, particularly those that require collation of information and data from variety of sources. SISEDE was established in 2018, ensuring interoperability between five key electronic state registers at the time it became operational. In 2019, as part of the upgrade of the Single Information System project, an additional five key electronic state registers were connected.<sup>67</sup> Over 27 government institutions applied to be part of SISEDE, and more than 17 have been connected at the time of this evaluation. Also, four municipalities showed interest, and the biggest, Podgorica, got connected. Compared with 2016, when there were 129 services (mainly basic, informative in nature), the number of e-services offered by MPA increased to 187 in 2019. Key informant interviews with representatives of the Government, public agencies, CSOs and development partners praised both the SISEDE and e-services contributions. The main shortcoming considered by interviewed stakeholders<sup>68</sup> is that most of e-services currently in place are informational in nature and do not include deeper service levels than mere information on the respective service issue. There is a vision by the MPA to deepen the e-service system within the next cycle of the PAR strategy that is being developed from 2021 through 2025. Another important contribution, i.e. ISWIS (or e-social card)<sup>69</sup> is discussed in detail within outcome 3 (Finding 17).

Additionally, UNDP supported the design, purchase and functioning of the unique software for administering local public revenues, with a goal to support the overall public finance management reform processes in the country by enabling municipalities to administer better their revenues. This software is envisaged as a unified and standardized operating system for all local self-government units to determine, collect and control local public revenues. According to UNDP data and interviews, the system will serve as the foundation for planning and allocating local public budgets for effective execution of local policies in line with the strategic priorities.

The investment in the judicial and prison information systems included developing the new software with additional features allowing for interoperability among institutions, and business intelligence reporting, which would provide judicial statistics developed in accordance with the guidelines of the European Commission for the Efficiency of Justice (CEPEJ). The system enhancement included features that ensure a more efficient and automated system with a single entry of a case, random allocation of cases, monitoring of the flow of cases. As such, the interoperability module is geared to provide data exchange between judiciary, prosecutors, prisons and Ministry of Justice, as well as data exchange between judicial institutions and other relevant Montenegrin institutions, thus significantly shortening the time necessary for information flow among institutions.

Additionally, in partnership with the Government, two sets of IT solutions were developed, i.e. the so-called Domestic Violence database (a National Data Base on GBV<sup>70</sup>) and the Court IT system.<sup>71</sup> Both investments are viewed as crucial contributions to improving the efficiency of the justice and social welfare system when it comes to GBV. The GBV database in particular aims

<sup>66</sup> <https://www.me.undp.org/content/montenegro/en/home/projects/GSB.html>

<sup>67</sup> As of September 2020, 10 registers are interoperable via SISEDE. Central population register; Criminal record; Employment record; Registry of number of children in educational institutions; Register of taxpayers; Central registry of business entities; Registry of property rights holders; Register of the Health Insurance Fund; Central pension fund register; and Register of social benefits.

<sup>68</sup> Key informant interviews with UNDP, government and civil society.

<sup>69</sup> <https://www.me.undp.org/content/montenegro/en/home/projects/GSB.html>

<sup>70</sup> This database is a tool embedded in the interoperability of judiciary, police and social welfare centres, which enabled implementation of intersectoral and multidisciplinary actions to provide for protection of victims of GBV.

<sup>71</sup> The Court IT system is expected to enable data exchange among the Judicial institutions and Government agencies that would lead towards better protection of victims of sexual and gender-based violence.

to assist efficient processing of domestic violence cases jointly by the police and Social Welfare Centres (SWC). According to UNDP, its advanced interoperability function allows Social Welfare Centres and police to electronically in quality and timely manner exchange and process GBV cases reports and do the case management for the victims' protection, but also to generate official statistics on domestic violence. The IT systems support was accompanied by a tailored training of near 100 professionals from police, social centres and NGOs to raise their knowledge and skills to apply new a code of conduct, including a multidisciplinary approach to victims of GBV using the case management and interoperable IT systems of police and SWC. Interviewed interlocutors from the police and social welfare sectors and CSOs noted that the inter-sectoral referral system for GBV has brought a significant change in the approach to deal with GBV cases in a more comprehensive and rights-based manner.

Stakeholders from the Government and development partners noted high appreciation of UNDP's investment in both SISEDE and the judicial and prison information systems, in particular from the perspective of ensuring the state-of-the-art software solutions made possible through international procurement mechanisms, and measures for maintenance and upgrade of the systems. At the same time, key national stakeholders noted the utility of the two systems in improving the efficiency of the professionals within the public sector and the judiciary as well as contribution to transparency and accessibility of services. Investment in these systems provides for a direct contribution to outcome 1, and on a larger scale also contributes to increased trust of citizens in the public administration and justice sector.

The sustainability of these systems is ensured in the short to medium term through the institutionalization of the processes across relevant institutions. The main challenge, as emphasized by the sector specialists from the Government and UNDP, was seen to be linked with the possibility for the public sector to

attract and keep IT specialists who could maintain and enhance the systems. This is because public sector salaries are much lower than those in the private sector, particularly for IT specialists, creating problems when attracting new IT talent. UNDP's and respective institutions' mitigation strategy so far has been to contract the companies who developed the software and/or services to maintain the systems for periods between three to five years, which is not sustainable in the longer term. Another critical factor for sustainability is the continued interest and commitment of Montenegrin institutions to join in and share data systems through SISEDE, along with the institutional capacity of respective institutions to ensure data sharing in secure and interoperable manner.

**Finding 11.** UNDP interventions to support local self-government (LSG) units within the scope of the Government's PAR strategy were multifaced and somewhat fragmented due to the wide scope of Public Administration Reform (PAR). Gains achieved are still fragile and limited to targeted municipalities and have not taken root across the country.

Within the larger scope of PAR, UNDP undertook a complex task of 'localizing the aims of the PAR Strategy'. This included efforts to promote and implement some of the PAR measures (i.e. awareness-raising on the optimization of public administration, changes in systems for recruitment, as well as local revenue control). Funded by the EU, the most critical intervention of the project was to support the sensitive area of optimization, which implied laying off a large number of PA staff at the local level, along with the freeze of new employment. This intervention was braced with scepticism at the local level as the PAR Strategy included the obligation of all local self-government units to conduct an analysis of numbers of employees and to adopt local optimization plans.<sup>72</sup>

UNDP worked closely with the MPA and the Union of Municipalities of Montenegro to promote the efforts and support the working group to optimize the number of employees in the public sector towards

<sup>72</sup> Government of Montenegro, 'Public Administration Reform Strategy 2016-2020', 2015, p.54. <http://www.srju.gov.me/ResourceManager/FileDownload.aspx?rid=268749&rType=2&file=PUBLIC%20ADMINISTRATION%20REFORM%20STRATEGY%20IN%20MONTENEGRO%202016-2020.pdf>



‘localization’ of the optimization efforts. Besides, UNDP supported analytical work to establish the optimum number of employees required across public administration at LSG level by collecting data on employees across all the local entities (administration authorities, independent bodies, public institutions, public local enterprises). Within these efforts, UNDP embarked on the creation of an e-system to enable collection of up-to-date information on a number of employees in LSGs. This process, however, faced difficulties in getting full and reliable data from the LSGs and ambiguities in the definition of public administration, a challenge highlighted in the evaluation of the PAR strategy. To address the unreliability of data from LSGs, the project explored the possibility of developing a web application through which MPA would use the data from SISEDE obtained from Tax Administration’s Employment Records (CROO) on the number of employees at the local level. Updated in real time, this data aimed to provide the most accurate and reliable information with confirmed interest and support from both MPA and the Tax Administration.

UNDP also helped build vertical communication between LSGs and central government (primarily MPA), raising awareness and capacity of LSGs to understand the measures and efforts within PAR and, most importantly, assisting the process of optimization. Within the efforts in this regard, UNDP used its convener role to bring together the MPA and LSGs to engage in vertical and horizontal communication and exchange on lessons learned and approaches to optimization. This proved to be very useful for LSGs to come up with ways in which the optimization process and application of new laws on civil servants and on LSG respectively can be appropriately implemented. Besides, inter-municipal cooperation and exchange of information were supported through discussions convened and facilitated by UNDP. Stakeholder interviews<sup>73</sup> noted that UNDP’s key value added to LSGs was that

it enabled neutral space for LSGs to exchange and learn among themselves and seek solutions to problems with implementing the new measures set by the central government. Besides, UNDP supported the adoption of the Law on Local Self-Government Finance through the organization of wide public consultations and provided assistance in the development and implementation of the accompanying secondary legislation, i.e. five by-laws by the Government, which ranged from consultancy services to publication and creating relevant software solutions for their implementation. These efforts have helped strengthen the LSG operations, contributing to the economic and financial stability and the reduction of regional disparities among the Montenegrin municipalities.

Assessment of outcome-level results of UNDP work in this area shows that the optimization efforts at LSG level resulted in the reduction of 580 civil servant positions by the end of 2019,<sup>74</sup> which enabled Montenegro to partially meet the relevant EU benchmark. However, stakeholder interviews<sup>75</sup> and the mid-term evaluation of the PAR Strategy commissioned by the MPA and the EUD raised reservations about the extent to which UNDP’s ambitious results of full localization would be achieved given the complexity of the optimization process and factors beyond UNDP’s control.<sup>76</sup>

The PAR Strategy’s commitment to enhancing human resource management (HRM) systems within LSG structures, was another area where UNDP support was important, as noted by interviewed stakeholders.<sup>77</sup> For instance, the EU-financed project ‘Supporting the establishment of a transparent and efficient public administration at the service of citizens’, focused on ‘localizing’ the systems for electronic testing of candidates for public or internal employment across local self-government units. UNDP’s support focused on the development of software for testing

<sup>73</sup> Key informant interviews with national and development partners.

<sup>74</sup> According to the data from the Report on Implementation of the Action Plan for the Public Administration Reform Strategy 2016-2020 for the year 2019, the reduction of 105 civil servant positions occurred in 2019, while the reduction of additional 475 civil servant positions occurred in 2018.

<sup>75</sup> Key informant interviews with UNDP, the Government and EU.

<sup>76</sup> See Kacapor-Dzihic, Zehra, ‘Mid-term Evaluation of the Public Administration Reform Strategy 2016-2020 in Montenegro’, European Commission, Podgorica, 2020.

<sup>77</sup> Key informant interviews with key national institutions in charge of the sector.

candidates to be used by LSG HRM units. This evaluation corroborated findings of the evaluation of the PAR Strategy, which found that “the testing software is used at central and local level, bringing positive results”.<sup>78</sup> UNDP’s support to the system brought a merit-based IT recruitment system that allowed 23 out of 24 municipalities to conduct recruitment more transparently.<sup>79</sup> The HRM Agency noted that UNDP’s support to this field was critical to enable more unanimous application of testing approaches for internal and external recruitment across the country.

UNDP also supported the Ministry of Finance and Union of Municipalities of Montenegro to promote and build the capacity of LSGs to conduct Regulative Impact Assessment (RIA). Within these efforts, capacity-building training for LSGs were organized, focusing on practical aspects of drafting municipal decisions, and the role of RIA in this process. According to MPA’s 2019 Progress report on implementing the PAR strategy, training was conducted across the country, reaching out to 93 representatives of LSGs.<sup>80</sup> Besides, UNDP started a project ‘Efficient and Transparent LSGs’ in mid-2019, focusing on designing a functional software for administering local public revenues. The project aims to create a unified and standardized operating system for all LSGs in determining, collecting and control of local public revenues. At the time of the evaluation, the project was still in its initial phase with no specific details on outcomes.

UNDP also invested in supporting the LSG-CSO relations through ReLOaD. This project envisaged support to five municipalities and CSOs to jointly identify and target citizens needs in line with the local policy priorities and provide tailored support through 50 grassroots initiatives to more than 5,200 direct beneficiaries including vulnerable groups such as women, socially excluded (elderly, Roma, persons with disabilities, and other minorities). In addition,

ReLOaD provided technical support on amending municipal decisions on allocating funds to NGOs.

The project managed to assist targeted LSGs in improving their existing practices, with three out of five municipalities having adopted amended decisions in their local parliaments (Tivat, Kotor and Nikšić) while Pljevlja and Podgorica are working on it. Through this support, LSGs have improved the legal provisions and practices in defining Public Call priority areas involving NGOs, for example in monitoring project implementation, reporting on project results, declaring a conflict of interest in project evaluation, etc. External analytical studies and stakeholder interviews<sup>81</sup> confirmed the high utility of the project and assistance in designing unified and transparent mechanisms for the disbursement of municipal funds for CSO project-based activities in accordance with local service needs and identified priorities, as highlighted in the final evaluation of the project.<sup>82</sup> However, the fact that this support was limited to only five communities in Montenegro without the possibility of expansion across the LSGs creates significant limitations to coherent outcomes for all communities and CSOs across the country.

## 2.3 Environmental sustainability

**CPD Outcome 2:** By 2021, people of Montenegro benefit from sustainable management of natural resources, combating climate change and disaster risk reduction.

Montenegro has assumed obligations to address environmental protection issues within the EU accession negotiation Chapter 27: Environment and Climate

<sup>78</sup> Kacapor-Džihic, Zehra, ‘Mid-term Evaluation of the Public Administration Reform Strategy 2016–2020 in Montenegro’, European Commission, Podgorica, 2020, p.36.

<sup>79</sup> Key informant interviews with UNDP and with HRMA.

<sup>80</sup> Ministry of Public Administration, ‘Report on Implementation of the Action Plan for the Public Administration Reform Strategy 2016–2020 for the year 2019’ 2020, available at: <https://mju.gov.me/biblioteka/izvjestaji>.

<sup>81</sup> Key informant interviews with representatives of local government and Ministry for Public Administration, Directorate for LSG.

<sup>82</sup> Final Project Evaluation, ReLOaD, UNDP, December 2019, available at: <https://erc.undp.org/evaluation/documents/download/15411>.

Change<sup>83</sup> and within the wider country development framework. Montenegro adopted the 2018-2020 action plan for its national strategy to align with and implement the EU acquis on environmental protection and climate change in June 2018. The Government's efforts to align with EU acquis in the area of environment and climate change led to the adoption of important policy and institutional mechanisms to successfully close the chapter. One example is the Law on Protection against Adverse Impacts of Climate Change, which Montenegro became the first non-EU country to adopt. The Law includes provisions on transposing EU directives like Emissions Trading System (ETS) and Monitoring Mechanism Regulation (MMR), as part of EU climate change-related acquis.

UNDP has supported the Government's priorities within efforts to enhance sustainable management of natural resources and effective government approaches in combating climate change and disaster risk reduction. Within this framework, UNDP embarked to focus on five priority areas: (a) ensuring climate change targets and environmental protection measures are integrated into national policies and planning; (b) reducing emissions of carbon dioxide; (c) supporting integrated waste management; (d) aiding management and conservation of ecosystems; and (e) improving capacities and awareness for resilience to disasters.<sup>84</sup> UNDP implemented eleven projects within this portfolio, three of which were over \$1 million, while the remaining ones were under \$500,000.

Main investments were directed towards support to the transition to low-carbon development through investments in green businesses and jobs, aiming to create better employment opportunities for all, and to technical assistance in preparation of National Communications for Global Reporting and awareness-raising. UNDP's support within this pillar mainly focused on supporting the relevant

government agencies in fulfilling the strategic priorities through the provision of expert support and policy advice. Such interventions responded to the evidenced lack of administrative capacity and financial resources at the national and local levels to implement the national strategy to align with and implement the EU acquis on environmental protection and climate change, which lead to delays.<sup>85</sup>

**Finding 12.** UNDP contributed to a substantial increase in the environmental data availability and timely reporting to international treaty bodies, mainly through assistance in outsourcing relevant expertise. These contributions have been effective in the short-term but threaten longer term results and sustainability due to lack of adequate investment in institutional capacity.

Within its international and EU commitments to environment and climate change mitigation, especially the UNFCCC, Montenegro is obliged to monitor and report on its greenhouse gas (GHG) emissions and climate actions (mitigation and adaptation). However, given the limited human and technical capacities, the relevant government institutions are challenged in dealing with GHG emission data collection and processing, as well as lack comprehensive national system for regular reporting and monitoring on climate change actions, climate finance and climate modelling to inform both mitigation and adaptation actions. UNDP's support was viewed as critical to overcoming resource limitations given its access to an international network of expertise and experience in UNFCCC reporting. UNDP undertook the role of supporting the reporting obligations, for instance supporting the preparation of Montenegro's Second Biennial Update Report (SBUR) which was submitted by the Government in April 2019, thus fulfilling its obligation towards UNFCCC. Besides, UNDP experts supported the drafting of the third

<sup>83</sup> The EU-Montenegro website noted that the EU Acquis Chapter 27 presents environment protection policy based on preventive action, the polluter pays principle, combating environmental damage at source, shared responsibility, and integrating environmental principles into other policies in order to maintain biological balance. See more at: <https://www.eu.me/en/>.

<sup>84</sup> UNDP, 'Country programme Document 2017-2021', 2016, p.7.

<sup>85</sup> EC Montenegro 2019 Report, p.86, available at: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-montenegro-report.pdf>.

National Communication report which was developed by relevant national expert institutions.<sup>86</sup> Within these efforts, UNDP directly contributed to building Montenegro's GHG Inventory data and the development of the conceptual framework for establishing its national system for MRV. With the improved data collection and reporting ability, the Government was able to report that Montenegro exceeded its NDC commitment by 10 percent, reaching a total of 40 percent of GHG emissions reduction.<sup>87</sup>

UNDP also supported Montenegro to develop its GHG emission projections up to 2030, with mitigation scenarios and climate models, based on the most up to date information. This was done through investment in building the capacity of the Ministry of Sustainable Development and its agencies as well as the State Statistical Office to organize and collect data for GHG Inventory and report on GHG. Such investments are seen by relevant government stakeholders as direct contribution to the ability of the Government to regularly report on all elements related to climate change at both international and national level, as well as monitoring contributions to the GHG emission reduction targets under the Paris Climate Change Agreement. However, the main reservation and the threat to the sustainability of this support are seen in lack of national capacities to maintain this work after expiry of UNDP expert support, particularly in fulfilling international and EU accession obligations. Consulted stakeholders<sup>88</sup> note that employment freeze within the public administration and generally weak local expertise and narrow specialization are persistent, with difficulties for state administration to attract and keep talent. Most stakeholders<sup>89</sup> noted that UNDP's role in filling this gap is still needed, which shows significant weaknesses in terms of sustainability of invested efforts, which is mostly beyond UNDP's control.

**Finding 13.** UNDP has contributed to strengthening the environment and climate change normative and policy framework in alignment with EU accession priorities and international obligations of Montenegro. Specifically important has been the establishment of the Eco Fund, which is one of the critical benchmarks in EU accession negotiations within Chapter 27. However, the Eco Fund's sustainability and ability to fully function are threatened by human and technical resource limitations within the environment sector. This is likely to be constrained further due to the economic downturn resulting from COVID-19.

Montenegro has been receiving substantial financial and technical support from the EU and the GEF to strengthen its policy and normative framework and fulfil its monitoring and reporting processes. This support was provided through technical assistance projects contracted by the EU and UNDP as implementing agency. Document review and stakeholder interviews<sup>90</sup> point to valuable UNDP contribution to strengthening policy and normative framework in this sector, but foremost its substantial contribution to establishment of the Eco Fund. The establishment of the Fund was one of the benchmarks of the EU accession negotiations, as a mechanism for financing and providing technical support to projects/programmes in the field of the environment, climate change and energy, which would ensure a transparent environmental finance system for environmental fees and charges based on the Polluter Pays Principle, enshrined in the Law on Environment, Law on Waste Management, Law on Climate etc.).

Stakeholders<sup>91</sup> praised UNDP's role in facilitating a highly participatory process in designing the fund's institutional setting, including drafting of the Statute, the institution's organigram and all other internal

<sup>86</sup> Specifically, the Adaptation Component was developed by the National Hydrometeorological Institute, GHG inventory was developed by national EPA and input data were provided by State Statistical Office, while Mitigation Component was developed by the international expert company including national experts, with thorough consultative process with numerous national partners and institutions.

<sup>87</sup> Data from the Second Biennial Update Report submitted by Montenegro to the UNFCCC Secretariat in April 2019, available at: [https://unfccc.int/sites/default/files/resource/SECOND%20BIENNIAL%20UPDATE%20REPORT%20ON%20CLIMATE%20CHANGE\\_Montenegro.pdf](https://unfccc.int/sites/default/files/resource/SECOND%20BIENNIAL%20UPDATE%20REPORT%20ON%20CLIMATE%20CHANGE_Montenegro.pdf).

<sup>88</sup> Key informant interviews with government institutions across sectors and development partners.

<sup>89</sup> There are diverging views on UNDP's gap plugging role between national institutions and CSOs and development partners, whereby national institutions support further UNDP's efforts in this direction, while other stakeholders emphasize that the government institutions should be enabled to provide for such processes and operations.

<sup>90</sup> Key informant interviews with relevant government institutions and donors.

<sup>91</sup> Ibid.



regulations, multi-annual work programme and financial plan. Interviewed stakeholders also noted that UNDP's attention to details and dedication to a participatory process in the design ensured the Government's decision to formally establish the Eco Fund in December 2018. It now acts as the central national institution for financing and providing technical support to projects/programmes in the field of the environment, climate change and energy.

With the establishment of the fund, the country met one of the critical benchmarks for opening the EU Chapter 27 negotiations and set the pre-conditions for better collection and distribution of environmental fees and charges based on the polluter pays principle. However, stakeholders from national institutions and donors emphasize that the Eco Fund struggles with ensuring sufficient staffing capacities to maintain its operations, which are now further constrained by the new challenges posed by the COVID-19 crisis and financial repercussions due to expected economic downturn.

**Finding 14.** UNDP contributed to the promotion of low-carbon tourism and the preservation of biodiversity and national heritage. UNDP's contribution to enhancing the relevant regulatory framework was positive, albeit investments in economic activities and awareness raising were rather fragmented and includes multitude of small interventions, diminishing the catalytic potential of such investments.

Tourism and travel sectors present the backbone of Montenegro's economic activity, accounting for approximately 25 percent of national GDP in total over the past decade.<sup>92</sup> At the same time, tourism

activities are also high CO<sub>2</sub> emission generators. Through the GEF-funded project 'Towards Carbon Neutral Tourism in MNE', UNDP has invested in raising awareness of low-carbon tourism and how more eco-friendly approaches and models may be applied to reduce pressures on the environment and to utilize natural resources and cultural heritage in a more sustainable manner.

UNDP's engagement in this respect was at multiple levels, engaging in policy support for horizontal alignment with the EU accession process; support to transformation and scaling up of economic activities and the private sector support to low-carbon development and awareness-raising.<sup>93</sup> Through such efforts, a number of changes were achieved. For instance, UNDP support contributed to the adoption of a number of regulations, programmes and plans, including Law on Industrial Emissions adopted in March 2019; the 4th National Energy Efficiency Action Plan; revised Law on Road Transport adopted by the Parliament in January 2019 and the Strategic Plan for Boka Kotorska Bay and Cetinje – Polycentric Sustainable Urban Mobility Plan Boka-CET; the National Tourism Incentive Programme in 2018; the local incentive programme for eco-certification of tourism facilities in Tivat adopted in September 2020.<sup>94</sup> Besides, innovative and creative ideas to enhance tourism potential incorporating environment protection were promoted by UNDP and national stakeholders, including direct financing of eco-friendly projects, eco-certification of accommodation facilities; investment in e-mobility schemes and other related interventions. This resulted in increased tourism accommodations with sustainability certificates, from four in 2014 to

<sup>92</sup> [https://ec.europa.eu/economy\\_finance/forecasts/2020/spring/ecfin\\_forecast\\_spring\\_2020\\_me\\_en.pdf](https://ec.europa.eu/economy_finance/forecasts/2020/spring/ecfin_forecast_spring_2020_me_en.pdf)

<sup>93</sup> [www.lowcarbonmne.me](http://www.lowcarbonmne.me) for more details on UNDP project on carbon neutral tourism.

<sup>94</sup> With UNDP support, the Parliament adopted the Law on Industrial Emissions in March 2019, thus fully transposing the EU Directive on Industrial Emissions. Support also included technical assistance for 10 by-laws. Approval of this Law effectively established legal basis for the future funding collection from the private sector for the above-mentioned Eco Fund. UNDP supported horizontal alignment of other policy areas with the climate change mitigation ambitions of the country. Such an example is the adoption of the 4th National Energy Efficiency Action Plan which recognizes the Eco Fund as the key instrument for further mitigation actions. In addition, this plan recognizes the importance of the further development of e-mobility as a key driver of transport sector transformation. The revised Law on Road Transport adopted by the Parliament in January 2019 included a provision that a portion of vehicle registration and toll fees are considered eco-fees, thus according to the Environment Law, envisaged to be paid to the Eco Fund and channelled back to support the sustainable transport initiatives. This idea derives from UNDP's Eco Fund study, which was discussed in detail at Eco Fund Board with focus on capitalization of the fund. The Strategic Plan for Boka Kotorska Bay and Cetinje – Polycentric Sustainable Urban Mobility Plan Boka-CET developed with UNDP assistance – the key solutions identified in the plan have already been implemented and they contribute to the reduction of traffic congestion and GHG emissions in the targeted area.

30 tourist accommodations that comply with high sustainability standards required by EU Ecolabel and Travelife certification schemes in 2020. This process increased the level of knowledge in relation to climate change and introduced environmentally responsible business practices with reduced GHG emissions. UNDP investment in innovative tourism investment projects directly supported 31 such projects, which leveraged another \$13 million in private and public sector funds, with total expected lifetime direct GHG emission reductions of 121.8 kilo ton, as per UNDP records.

UNDP work on awareness-raising of the potential of using e-mobility schemes resulted in the establishment of 11 charging stations for e-vehicles throughout Montenegro. UNDP designed an online e-mobility calculator<sup>95</sup>, allowing car owners to calculate the benefits of purchasing e-vehicle in terms of financial savings and CO2 reduction. Stakeholders from national institutions, the private sector and donors noted that innovation in tourism was a value added of UNDP interventions, particularly the use of alternative power through e-mobility schemes, though concerns are raised on uptake of such schemes at the mass level. UNDP interlocutors noted the outstanding need for state support through various incentive schemes (financial, administrative, etc.) to catalyse more significant transformation in this sector. Therefore, one of the key pillars of Eco Fund focuses on support to clean transport solutions, reflected in the implementation of incentives for purchasing e-vehicles and installation of EV chargers etc.

Among wider awareness-raising efforts on the environment, UNDP supported a number of interventions, such as (i) the design of online carbon footprint calculator<sup>96</sup>, which allows tourists to calculate their carbon footprint when visiting Montenegro and make a voluntary donation to offset; (ii) support to 10 film and music festivals with over 150,000 festival goers to use energy-efficient stage equipment like solar-powered film screens including facilitating organized transport and campaign to reduce the use of plastic during events; and (iii) partnered with Green Games

Programme in cooperation with the Montenegrin Olympic Committee, the Ministry of Sustainable Development and Tourism to promote principles and practical tips on how sports events can become green and reduce the negative impact on the environment and climate by the development of guidelines for organizing green sports events that were applied in the course of 2019 Games as noted by UNDP. The findings of the 2019 Survey on the perception of tourists, institutions and businesses on low-carbon products and services showed that 37 percent of guests are aware of eco-friendly/certified accommodation providers and of carbon offset schemes, while two-thirds of those who are not aware are willing to learn more about it. Approximately one-third of business entities (35 percent) stated that the demand for 'green' tourism products has increased within the last four years. The utility of these measures could not be cross-checked and triangulated through stakeholder interviews due to field visit limitations. One of the reasons is that it is hard to measure the potential that such limited (and isolated) awareness raising work has in terms of leading to significant behavioural change in terms of using e-mobility schemes and environmental preservation.

In the area of natural resources conservation, there is an appreciation of UNDP's contributions to the conservation of Tara Man and Biosphere (MAB) reserve. UNDP was praised for supporting the Government's efforts to sustain special international forms of protection of the Tara MAB reserve to ensure that UNESCO would not remove Tara river from its list of protected sites. UNDP used its convening power to establish an inter-municipal cooperation mechanism for seven municipalities in Tara River basin in Montenegro. These efforts resulted in an inter-municipal agreement that covers the municipalities' cooperation in aspects of river basin management and environmental protection responding to requirements of areas management in line with UNESCO MAB status of the area. Following up on this, UNDP facilitated the creation of coordination mechanism and supported adoption of the Action plan for UNESCO MAB of Tara river, integrating disaster risk

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<sup>95</sup> <https://ev-kalkulator-cg.org/>

<sup>96</sup> [www.calculateco2.me](http://www.calculateco2.me)

reduction principles.<sup>97</sup> This plan was adopted during the 31st International Coordinating Council of the Man and the Biosphere Programme in June 2019.

The cooperation has resulted in improved capacities for natural resources management, increased representation of local stakeholders in the design and decision-making platforms, enhanced local ownership of the management processes and the inclusion of DRR principles in planning documents. According to UNDP records, management plans created are directly benefiting approximately 20,000 inhabitants and have preserved the international protection status of Tara River basin. Stakeholder interviews confirmed the utility of management plans, though raising challenges on their sustainability in medium to long run, mainly due to lack of local capacities and political issues.

UNDP's policy support in this sector yielded positive results and have a potential for sustainability. However, UNDP's support to low-carbon economic activities and awareness-raising has mainly yielded results at output levels, and their full catalytic potential is constrained in most cases due to multiple fragmented small-scale interventions. Fragmentation of efforts results from an inability to attract more stable and continuous funding for more holistic interventions within the environment, low-carbon tourism and natural resource conservation, due to limited donor funding available for such interventions. UNDP continued investing efforts in these areas even with limited resources aiming to generate a number of models for potential scale-up and expansion should funding become available. At the time of the evaluation, most of the tested models and approaches were viewed positively by the range of stakeholders interviewed during the evaluation, though their sustainability was questioned since many of these have not secured full scale up by the Government and/or the private sector. As such, these interventions and their results, along with the wider tourism sector, are very vulnerable to

economic shocks, some of which are already brought by the COVID-19 pandemic.

**Finding 15.** UNDP has substantially contributed to raising awareness and establishing standards for chemical waste sampling, analysis, treatment and disposal. However, the sustainability of these efforts is threatened by weak government and private-sector capacity to deal with chemical waste.

Environmental pollutants are not well known in Montenegro. The aluminium industry and electrical distribution are the main owners of the equipment contaminated with polychlorinated biphenyls (PCBs) and their presence has been identified in the soil over the years, however the data on this hardly exists. It is necessary for the country to further address this issue as the Ministry of Sustainable Development and Tourism reports directly on PCBs to the EU, for Chapter 27 of the EU Accession Process. To address the issue, UNDP has supported the institutional strengthening of staff (especially the public sector workers), worked on new Laws and By-laws<sup>98</sup> and supported actual PCB waste removal interventions designed in close consultation with the Government and the private sector.

One of UNDP's main contributions has been in setting up foundations for establishing the evidence base on PCB waste management, from the perspective of data on the quantities of PCB in the country. This data did not exist, but UNDP managed to establish an online database, inventory, covering 98 percent of the equipment tested for PCB contamination. Prior to this UNDP worked with the government stakeholders and private-sector partners on the drafting of regulations for sampling and analysis of such chemicals. In addition, UNDP has managed to export 248t of highly contaminated PCB waste to an accredited High Temperature Incineration (HTI) disposal facility in France, which marked the first such export since 2008. However, there is still about 400 tons of equipment and waste that needs to be removed.<sup>99</sup> By making reliable information on the incidence and magnitude

<sup>97</sup> [https://en.unesco.org/sites/default/files/binder\\_working\\_documents\\_31-icc\\_en\\_final\\_v2.pdf](https://en.unesco.org/sites/default/files/binder_working_documents_31-icc_en_final_v2.pdf) (p.165, line 209 – minutes of 31st International Co-ordinating Council of the Man and the Biosphere Programme (17-21 June 2019, Paris, France).

<sup>98</sup> Law on Waste Management in which Extended Producers Responsibility concept was introduced. This draft Law transposes five EU Directives.

<sup>99</sup> UNDP, 'Comprehensive Environmentally Sound Management of PCBs In Montenegro: Mid-Term Review Report', 2019, p.38.

of PCB contamination available to decision makers, technicians and workers, UNDP has successfully contributed to raising the issue high on the government agenda and national waste management plans. UNDP worked on Minamata Initial Assessment and developed Level 1 Mercury inventory with estimated Mercury releases, and these policy inputs resulted in the Government's decision to ratify the Minamata Convention in 2019 and fulfil Montenegro's obligations within the EU acquis Chapter 27.

However, the full sustainability of results in this area is not achieved and may be threatened by weak government and private-sector capacity to deal with PCB, chemical and all other waste in the country. Ecological matters are a not high priority for the private sector, and there is a general reluctance to spend money on this. At the time of the evaluation, it is not entirely clear which institution will manage the remaining quantities of PCB once the project expires.

## 2.4 Social inclusion

**CPD Outcome 3:** By 2021, population has improved access to quality, equitable, inclusive and mutually reinforcing systems of health, education, protection and decent work promotion.

The social welfare system reform in Montenegro has been comprehensive and included, among others, improvement of normative framework, digitalization of government social welfare systems, and strengthening social services. UNDP's partnership with the Government and other United Nations agencies on issues pertaining to social sector reform has been continuous since 2011 and focused on the empowerment of the socially excluded groups and improvement of the quality of social services for populations suffering multiple deprivations. Within the current CPD, UNDP implemented 11 projects, out of which four were over \$1 million and two between \$500,000–\$900,000. The remaining five projects are small scale, with amounts between \$100,000 and \$450,000. UNDP's support was

directed towards strengthening capacities of community service providers and introducing and scaling up innovative social services (including support to women victims of violence); support to development and application of cutting-edge ICT solutions and improved information technology infrastructure for the social welfare and health information systems to enable improved access to services and linkages within each of the sectors of social welfare and health. The goal is to improve the targeting of men and women beneficiaries and reduce exclusion errors.

The operational framework for working in the health and social protection sectors has been conducive, reflected in increasing government funding for UNDP support. Besides, the Government adopted a range of relevant strategies, including a strategic direction that envisages decentralization of social service provision, which formed the basis for UNDP's work on modelling of services and approaches.

**Finding 16.** UNDP's investment in the development of the Integrated Social Welfare Information System (ISWIS) has laid the foundations for a social welfare system that is more efficient, reduces exclusion errors and helps improve coverage. There is a commitment by the relevant key national institutions to maintain and upgrade the system, which helps ensure the sustainability and utility of the supported interventions. Lessons learned from the establishment of the ISWIS model are now used to develop an Integrated Health Information System (IHIS) in close partnership with the Ministry of Health and the Clinical Centre of Montenegro.

The social welfare system reforms in Montenegro include a number of strategic directions, including the operationalization of overarching government priorities towards digitalization of government systems and services to ensure improved access and targeting, accountability and transparency of public administration. This was necessary to address the overly bureaucratic, paper-based system that created difficulties in ensuring full transparency and targeting of social welfare benefits and services for the most vulnerable groups. UNDP has been a long-term supporter of the Government in this area since the beginning of reforms in 2010 with proven experience



with the procurement of appropriate expertise in the field of ICT solutions. These values were decisive in the Government's decision to request support from UNDP in digitalization of its social welfare system within the wider reform agenda. The Government funded UNDP technical assistance to the digitalization of the social welfare and wider reforms in Montenegro.

UNDP's technical assistance (software development, institutional capacity support, advisory, etc.) to development of ISWIS (commonly referred to as the E-Social Card) has been a long-term intervention towards building a complex information system for processing, approval, record-keeping, payments, audit and monitoring within the social welfare system. As such, it tackles issues of unreliability of paper-based data and statistics with a high margin of error. The ISWIS Business Intelligence module generates all socio-demographic variables of all social welfare beneficiaries and their family members. This is to ensure that social welfare appropriately targets the most vulnerable, while at the same time enabling the system to collect and analyse the data towards evidence-based social policy planning. As a result, as emphasized by key informants from the ministry and other interviewed social welfare institutions, ISWIS reduces the exclusion error and helps improve coverage by the system of the social protection beneficiaries. This is made possible by the identification of those recipients of social welfare benefits who do not fit the profile required to receive assistance.

Stakeholders from the national institutions pointed to enhanced transparency and savings that are generated from ISWIS. The system provides a 'one-stop shop' feature to apply for social protection cash, which significantly reduces the time, paperwork and financial resources needed for a family to apply. UNDP records note that, prior to the establishment of ISWIS, "a four-member family needed to provide as much as 32 paper evidence in order to apply for the means-tested social cash transfers. Since the eligibility needs to be re-tested, the family had to re-submit the evidence twice a year, meaning that

they could end up with collecting 96 status, income and property paper evidence in the course of one year. With system automation and one-stop shop, the poor and vulnerable who are seeking protection are not any longer exposed to above mentioned costs (e.g. administrative and travel costs) and social protection cash transfers could be processed quickly with first forthcoming monthly pay-roll".<sup>100</sup>

A review of the Ministry of Labour and Social Welfare (MoLSW) reports and analyses confirms these figures, also noting significant time efficiency gains for the social welfare institutions and other interlinked institutions benefiting from ISWIS.<sup>101</sup> Besides, document review notes that thousands of employers are no longer forced to physically come to the Pension and Disability Fund institution every month (12 times for 12 months for maternity leave) to submit and re-submit their reimbursement claims. This eases administrative burden and costs not only for the employers but also of the social welfare centres to process the requests. Another benefit of ISWIS is the time-saving on paperwork and data entry for professional social workers within the Centres for Social Work and across the social welfare system which is now automatized and more efficient, leading to cost-efficiencies and more time to work directly with beneficiaries. This information collected through document review is corroborated by government and social welfare stakeholders and CSOs who confirm that the ISWIS has brought significant efficiency gains, reducing the burden on both the clients and the social welfare systems.

An additional feature adding value to the system is its ability to perform gender-disaggregated analysis and deeper overview of the status of the most vulnerable populations for the purpose of modelling social transfers. Specifically, ISWIS includes the domestic violence database, which was developed to enable efficient processing of domestic violence cases jointly by the Police and Social Welfare Centres. An integral part of ISWIS is an Information System for Social Welfare residential placement institutions, such as homes for the elderly and for children without parental care. It

<sup>100</sup> UNDP ROAR 2019, p.17.

<sup>101</sup> See more detailed overview at: <https://mrs.gov.me/ResourceManager/FileDownload.aspx?rId=287343&rType=2> and the ISWIS report on [http://www.mrs.gov.me/informacije/materijalna\\_davanja](http://www.mrs.gov.me/informacije/materijalna_davanja) ISWIS Progress Report.

allows Social Welfare Centres to do e-referrals of vulnerable children, adults, persons with disabilities and the elderly, for their placement in these institutions. It also allows line case managers in SWC, on daily bases, to follow these cases, access and revise their individual plans, take timely actions. ISWIS also calculates and charges due placement costs and has a tailor-made e-health module used for medical care provided in these social institutions. Such features allow the system to produce evidence base on the most vulnerable populations for better targeting of social welfare, as emphasized by national stakeholders. Additionally, ISWIS facilitates the generation of statistics that the Ministry is obliged to submit to various national and EU-level statistics bodies.<sup>102</sup>

Stakeholder interviews<sup>103</sup> confirm the utility of ISWIS in the COVID crisis. For instance, all three sets of the Government Emergency Covid Response Social Measures are implemented through ISWIS, supported by UNDP. ISWIS enabled the Government to continue the increasing coverage of social rights during COVID-19 restrictions in line with arising needs of newly affected population. ISWIS was useful as it allowed for filtering out of eligible cases for continuation of cash transfers, review of cases in light of any negative socio-economic effects of the COVID pandemic, assessment of rights to cash transfers extension and payment for poor and vulnerable and eventual processing of due payments. According to UNDP data, "ISWIS processes and account for accuracy of over 84,000 of individual (multiple) social cash transfers monthly for 57,000 the poor and vulnerable".<sup>104</sup> The ISWIS Case Management module enables the processing of 30 additional procedures besides social transfers procedures, referrals and services processing. According to the MoLSW and Social Welfare Centres' websites and UNDP records, other procedures include placement in foster families and residential social institutions (additional 1,100 monthly payments through ISWIS), various referrals to

community services, processing of domestic violence cases, various kind of supervisions upon parental rights for children protections, counselling, mediation, etc.<sup>105</sup> Evidence from key stakeholders<sup>106</sup> confirms UNDP's internal data, with social welfare institutions highlighting the utility of such a system particularly when movement restrictions are in place. In such cases, the availability of interoperable E-Systems allows uninterrupted and targeted social welfare support.

ISWIS has served as best-case model for other countries in the region for replication. It also is a good model for replication and further refinement for the use by the health system in Montenegro. The evaluation found that ISWIS is fully institutionalized with a strong commitment of the social welfare institutions to use and expand as necessary. Funds for its maintenance are ensured as well.

Drawing on the lessons from ISWIS, UNDP is currently supporting the development of an Integrated Health Information System in close partnership with the Clinical Centre of Montenegro and Ministry of Health, which is leading the planning, coordination, financing, specification, contracting and monitoring the quality of the overall IHIS. The special focus is on developing and implementing the Information System of Clinical Centre of Montenegro, which currently provides more than 60 percent of total health services in Montenegro. This system is expected to contribute to timeliness and appropriateness of health services to the citizens as noted by relevant stakeholders. The partnership will also include the development of electronic health records, as the central information system for data exchange, as well as the development and integration of the other ICT solutions within the health sector. This partnership has recently started but is expected to bring an innovative solution for automation of the health system data and records, as noted by interviewed government stakeholders.

<sup>102</sup> Such instances include, but are not limited to monthly MLSW reports on the distribution of the social cash transfers, for MONSTAT Esspros, TransMone social statistics, domestic violence official statistics, annual reporting, data generation for reporting on strategies implementation, for indicators children protection generation and for various daily ad hoc data requests (based on Free Access of Information law) coming from NGOs, Parliament, political parties, citizens, UN Agencies.

<sup>103</sup> Key informant interviews with the MoLSW and other interviewed social welfare institutions; EU; UN Agencies.

<sup>104</sup> <https://www.me.undp.org/content/montenegro/sr/home/projects/E-SocialCard.html>

<sup>105</sup> <https://www.csrcg.me/index.php/iss-socijalni-karton>; [http://www.mrs.gov.me/informacije/materijalna\\_davanja](http://www.mrs.gov.me/informacije/materijalna_davanja) ISWIS Progress Report

<sup>106</sup> Ibid.

The Clinical Centre of Montenegro currently provides more than 60 percent of total health services in the country. This system is expected to contribute to timeliness and appropriateness of health services to the citizens as noted by relevant stakeholders.

**Finding 17.** UNDP has made important contributions in improving outreach, standards, quality and targeting of social services to the most vulnerable groups (elderly, Roma and other minorities, persons with disabilities, women, in particular victims of gender-based violence). These contributions have been systemic with the potential to advance access to rights and protection of vulnerable groups.

Continuing from the previous cycle, UNDP's support to the development and provision of quality social services has continued in this CPD as part of the wider social welfare reform process. UNDP's work on enhancing and expanding social services is based on its partnership and support to the MoLSW and local governments in the 15 targeted communities. UNDP has worked closely with the MoLSW's Division for Development of Social Services on building their capacity to organize and monitor supported services. This assistance was praised by relevant national stakeholders<sup>107</sup> as an important investment in the Division's capacities. UNDP's main aim was to invest in modelling of social services and strengthening institutional and human resource capacities of national and local authorities to manage social programmes for the most vulnerable. One segment of work included reconstruction or renovation of more than 30 different facilities for the provision of social services. UNDP worked closely with government institutions at the central level and in targeted communities to identify and reconstruct facilities where social services may be provided. At the same time, UNDP worked with local service providers (public, private and CSO sector) to standardize different types of social services and build capacity to provide them to relevant vulnerable groups.

According to UNDP records, these investments tripled the number of vulnerable people benefiting from new standardized local-level social services (from a

baseline of 900 persons as stipulated in the CPD document.)<sup>108</sup> UNDP records show that in 2019 alone, around 1,980 beneficiaries (70 percent of them women) from different vulnerable groups benefited from various community based social services. UNDP reports highlight contributions of such services to the improvement of the quality of life within their families and local communities, together with prevention of their placement in social and residential health institutions. In particular, social services for elderly, home assistance and day-care centres were supported in 21 out of 24 municipalities in Montenegro for 1,332 beneficiaries. One positive side effect was the engagement of 120 previously unemployed women as home assistance workers, directly contributing to their livelihoods. However, this evaluation could not obtain views and feedback from the final beneficiaries of such services. Key informants from the Government and civil society emphasized that these investments were of critical importance for improving general conditions of local service providers, as investment in infrastructure is no longer possible from international development partners due to lack of funding for such interventions. Besides, CSOs praised the investment in capacity-building, which helped them prepare better for the licencing process with the MoLSW. CSO representatives noted that the licencing process is very complicated and demanding; hence this support was timely and essential to assist service providers initiate or continue with their work.

Another key area where UNDP has contributed significantly is the positioning of women organizations and CSOs in social service provision for vulnerable women and victims of GBV. UNDP has been a long-term supporter of CSO and government efforts to strengthen the social service provision for vulnerable women. For instance, in 2019, the UNDP Gender Programme invested in the capacity development of 12 CSOs to provide specialized services in accordance with the Istanbul Convention. This support resulted in licencing of seven CSOs as providers of specialized GBV-related services. Key government and civil society informants agree that UNDP's influence on the Government helped to strengthen this role and

<sup>107</sup> Key informant interviews with national institutions, CSOs and donors.

<sup>108</sup> CPD 2017-2021, p.13.

positioning, thanks to the investment in capacities of CSOs to develop, deliver and model such services and working with the Government to fully take over the financing and oversight of such service within the licensing provisions for social service providers.

A notable example of successful service is the SOS line for victims of domestic violence implemented by UNDP's NGO partner, which is now licenced by the Ministry of Social Welfare to provide such service countrywide. Since January 2020, this service has been fully institutionalized and is funded by the MoLSW as confirmed by the national stakeholders. Another related service established and maintained in partnership with UNICEF and the CSO partners, is the 'Family Outreach Worker' service that reaches 48 families in risk with 266 beneficiaries, including 168 children across six communities. Stakeholder interviews provide evidence of the utility of these supported services and confirm that they have improved outreach to the most vulnerable and excluded individuals and families and ensure inter-sector and inter-agency cooperation towards enabling access and protection of such groups. The work on system-level changes in ISWIS and social services has a strong catalytic potential for enhancing access to rights, especially for the most vulnerable women (and their families) encountering risks of social exclusion and violence.

## 2.5 Economic development

**CPD Outcome 4:** By 2021, people of Montenegro benefit from an enabling institutional and regulatory framework for sustainable and inclusive economic growth based on innovation, entrepreneurship and competitiveness.

Being a small country with a population of 620,000 and limited economic opportunities beyond tourism, Montenegro encounters a significant challenge in

fulfilling its economic potential in the EU and international market. The Government considers innovation (especially in IT) to have potential comparative advantage for the country of this size and characteristics. UNDP's investment in economic development has been relatively new and was introduced as an outcome area during the current CPD.

Work within this outcome included support to the Government in implementing economic reforms with a focus on green economy, promoting low-carbon economic investments, green businesses and green jobs.<sup>109</sup> During the CP implementation, investments in innovation and creative industries were made along technical advice in advancing economic reforms; women entrepreneurship and partnerships with the private sector. The work in this outcome area has encountered a rather inconsistent funding situation, whereby most funding came from either the Government of Montenegro's co-financing or government local office cost and scattered across a variety of rather small-scale interventions, spanning both environment and economic development portfolio. In addition to a number of small regional projects, UNDP has implemented eight initiatives within the economic development portfolio, seven of which were under \$1 million and one just above \$5 million.

**Finding 18.** UNDP's engagement within the economic development portfolio has been diverse and fragmented with a range of pilot interventions across different economic sectors. Lack of clear intervention logic and scaling-up plans creates challenges for the promotion and scale-up of such models across government, businesses and donor community.

Evidence collected during the evaluation<sup>110</sup> points to UNDP's rather unsuccessful attempts to find its niche within the economic development outcome area, resulting in a very diverse set of mostly small-scale interventions. There is a clear distinction between UNDP's support to policy development within which UNDP's contribution is coherent and more systematic, and other economic development interventions where it is more ad hoc and scattered.

<sup>109</sup> UNDP, CPD 2017-2021, p.7

<sup>110</sup> Document and key informant interviews with representatives of UN agencies, government, civil society and other development partners.



Notable contributions were made through expert support in strengthening the policy framework and government strategies (e.g. the Strategy for Development of Micro, Small and Medium Enterprises in Montenegro (2018-2022) and Framework Action Plan, adopted in July 2018; Strategy for Women's Entrepreneurship (2021-2024) (*prepared with ongoing UNDP consultancy support*); Smart Specialization Strategy of Montenegro 2019-2024 (S3 Strategy)<sup>111</sup>; Strategy for Life-Long Entrepreneurial Learning (2020-2024) and accompanying Action plan).<sup>112</sup> Local development plans for targeted municipalities were also supported to enhance the economic development potential of these communities. UNDP's knowledge generation, policy advice and convener role were particularly acknowledged in the process of development of these strategies, which create important foundations for further investment in the improvement of business climate, entrepreneurship, competitiveness and lifelong learning, particularly the promotion of entrepreneurship among women and youth and private sector growth.

Most recently, the adoption of the S3 Strategy marked an important step for the Government to invest in the diversification of the economic portfolio and competitiveness of Montenegro, moving beyond tourism towards other innovative business investment arena. Stakeholders across relevant government entities see UNDP as an important actor which can bring relevant experiences gained through innovations in e-governance across the public sector. UNDP is thus strategically positioned to assist the National Council for Innovation and Smart Specialization in identifying innovative ways to develop the country's competitive advantages. Beginning in 2020, UNDP initiated a project on innovation aimed to support the Government to operationalize the strategic directions set out in the S3 Strategy along with two new Laws (i.e. Law on Innovation activity<sup>113</sup> and Law on incentives for the development of research and innovation<sup>114</sup>) which

were adopted during 2020. It is too early to assess the results of this specifically within the post-COVID-19 economic context in the country.

Apart from the policy development support interventions, other UNDP interventions within this outcome area are rather scattered and small scale, with a lot of piloting and individual ad-hoc support initiatives. Such examples include infrastructure support to the 'Airports Montenegro' company; support to development of business clusters; innovation in the management of cultural heritage – promotion of economic utilization of the country's cultural heritage, conservation, and tourism or investment in cultural and artistic creativity with the use of buildings for new cultural industries as a driver of economic growth, etc. Document review and interviews with the UNDP team and stakeholders active at local level (private sector, municipalities) could not bring more insight into the relevance and effectiveness of such small interventions.

These interventions have offered plenty of opportunities to model and test different types of business ventures linking tourism, heritage and creative industries, resulting in interesting individual business and tourism prospects. For instance, support to 'Airports Montenegro' to expand its airport facility in Tivat<sup>115</sup> has been important for expanding tourism and business opportunity for the coastal area. Investment in the renovation of cultural heritage in Cetinje and some other locations and turning such buildings into tourism sites and 'incubators' for creative industries has brought in some fresh ideas of how cultural heritage can be used to expand tourism offer in the country. Yet, none of these has thus far promoted or engaged in more systemic solutions or approaches which would have been expected to be delivered by UNDP upstream work anticipated within the UMIC country context.

In a way, the limited potential for systemic intervention is explained by a lack of substantial and more consistent funding for the sector and/or more long-term

<sup>111</sup> [http://www.mna.gov.me/en/ministry/Smart\\_Specialisation/](http://www.mna.gov.me/en/ministry/Smart_Specialisation/)

<sup>112</sup> See Finding 9 for an assessment of UNDP's contribution to the enhancement of the normative framework across sectors.

<sup>113</sup> <https://www.s3.me/sites/default/files/Dokumenta/Zakon%20o%20inovacionoj%20djelatnosti.pdf>

<sup>114</sup> <https://www.s3.me/sites/default/files/Dokumenta/Zakon%20o%20podsticajnim%20mjerama%20za%20razvoj%20istrazivanja%20i%20inovacija.pdf>

<sup>115</sup> Tivat is a coastal town in southwest Montenegro, located in the Bay of Kotor.

donor engagement that would enable more structured intervention. Besides, UNDP did not engage in a more thorough analysis of these investments from the perspective of model scalability potential, so clear intervention logics are not in place. Stakeholder interviews<sup>116</sup> confirmed positive individual examples of tourism, e-mobility, cultural heritage and creative industries initiatives yet without a clear picture of how such individual initiatives could be scaled up into more systemic approaches or solutions.

**Finding 19.** UNDP's work on strengthening business skills and facilitating access to financial and non-financial resources for women and vulnerable groups has resulted in positive results, specifically creating jobs for women targeted by assistance. Sustained systematic efforts, however, are required to ensure transformative effects.

Within the efforts to mainstream gender and equity principles and women empowerment more broadly, UNDP has invested heavily in systemic solutions for women entrepreneurship and economic empowerment. Within these efforts, and as noted earlier, UNDP provided relevant expert support to the development of Women Entrepreneurship Strategy which defines government determinations for women to be actively involved in creating their own entrepreneurship opportunities and not to be left behind in the resource allocation by the Government in support to entrepreneurship promotion.

As noted in Finding 5 above, UNDP, in collaboration with its partners (including the Women Political Network) succeeded in introducing specific budget lines for women entrepreneurship for grants provision in 16 out of the 24 municipalities<sup>117</sup> across Montenegro. Additional support has also been provided to assist the development of business plans for women and entrepreneurship trainings engaging 300 women, according to UNDP records. These interventions have resulted in business start-ups by 32 women. On a project level, the number of women-led business start-ups

indicate positive results. However, the potential for wider outcomes for women in Montenegro is limited because investment needs in women entrepreneurs are still large, as noted by interviewed stakeholders,<sup>118</sup> and demand further systemic efforts.

In support of social inclusion of vulnerable groups, UNDP worked closely with public employment and social service agencies to design and implement innovative approaches for activation and inclusion of vulnerable groups in the labour market. These support interventions resulted in the introduction of the Integrated Case Management in the work of Employment Agency and Social Welfare Centres, which enables labour activation and employment of vulnerable populations, especially social welfare beneficiaries. The support has been promoted through ISWIS interoperability features, enabling communication and exchange of data between different institutions. Interviewed stakeholders<sup>119</sup> emphasized the utility of such support interventions, connecting economic opportunities with wider women and vulnerable groups' empowerment potential. However, this evaluation could not establish the full scope of persons who managed to gain employment through these new measures.

**Finding 20.** The establishment of Eco Fund supported by UNDP to finance environmental protection and energy efficiency interventions has the potential to make a positive contribution in boosting the green economy through cross-sectoral synergies between environment and economic development interventions. Other UNDP interventions, however, have been rather small-scale and fragmented pilots with limited outcomes thus far.

UNDP has implemented a range of small-scale initiatives and pilots that have brought interesting short-term results and lessons (Finding 19). For instance, UNDP reported an increase in green employment creation through its interventions from 15 percent in 2017 to 50 percent in 2019 way above its

<sup>116</sup> Key informant interviews with relevant representatives of relevant national institutions and the private sector.

<sup>117</sup> Twenty-one district-level municipalities and two urban municipalities, with two subdivisions of Podgorica municipality.

<sup>118</sup> Key informant interviews with relevant representatives of government, civil society, development partners and private sector.

<sup>119</sup> Ibid.



30 percent target by 2021.<sup>120</sup> Within the low-carbon interventions, UNDP facilitated investments of €12 million that led to an opening of 20 new green jobs in the private sector in 2017 alone. In 2019, at least 22 green jobs have been created through low-carbon tourism investment projects. UNDP records show that two electric boats in Boka Bay served more than 5,000 people, while more than 1,500 children and elderly used the e-bus in Žabljak and the tourist trains in the National Park Biogradska Gora. Stakeholder interviews with local government representatives and the private sector raised appreciation for UNDP's support in this area, though caution was raised to challenges to scale up such small-scale interventions. In these cases, such interventions bring results for individuals and some companies, but do not have scalability potential.

These investments show the potential for undertaking a more holistic approach to supporting a green economy and green growth. Through the pilots, UNDP has demonstrated the value on investing in areas that can diversify Montenegro's economic offer while respecting the environment. However, the evaluation found that such interventions were met by challenging resource mobilization context, with lack of interest of both the Government and international funding agencies for such innovative pilot efforts. Lack of a systemic approach and resource constraints limit the sustainability potential of these interventions, which do offer interesting case studies and pilots that the Government or private sector could scale up. But for this, they need to be widely promoted, an area where UNDP should have invested more in.

Another example of UNDP's contribution in this area has been the support to Eco Fund established as per the decision of the Government of Montenegro in November 2018. The fund is a central national institution for financing and providing technical support to projects/programmes in the field of the environment, climate change and energy.<sup>121</sup> The fund has the potential to contribute to fostering a good business environment and sustainable private sector growth. As such, its establishment has been the single most important system-level contribution of UNDP cutting across environment and economic development sectors. UNDP's continued support to the establishment and functioning of the Eco Fund has been appreciated and widely promoted by the Government stakeholders, as visible from Eco Fund's website<sup>122</sup> and stakeholder interviews.

As per its goals, the Eco Fund aims to provide grants, subsidies, loans to the public and private sectors, as well as CSOs and citizens for public awareness and environmental education programmes. As such, it can serve as a key source of funding for interventions like those piloted by UNDP in the area of a green economy, catalysing the creation of diversified types of green economy partnerships and initiatives enhancing sustainable use of natural resources. As the Eco Fund was just established at the time of the evaluation, it is hard to assess the level to which it will be able to support potential scale-ups of piloted green-growth interventions.

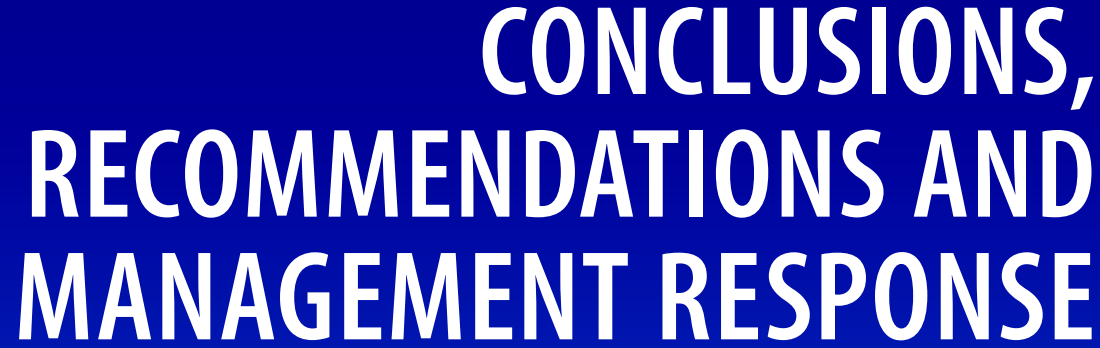
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<sup>120</sup> IRRF, indicator 4.2.2.

<sup>121</sup> See more at: [www.eco-fund.me](http://www.eco-fund.me)

<sup>122</sup> [www.eco-fund.me](http://www.eco-fund.me)



A decorative graphic consisting of a dotted line forming an L-shape. It starts at the top left, goes right, then down, then right again. Small colored squares are placed at the corners and along the lines: a dark red square at the top-left corner, an orange square on the vertical line, a grey square at the bottom-left corner, a green square on the horizontal line, a dark red square on the horizontal line, and a light blue square at the bottom-right corner.

## CHAPTER 3

# CONCLUSIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

This chapter presents the evaluation's conclusions on UNDP's performance and contributions to development results in Montenegro, recommendations and the management response.

### 3.1 Conclusions

**Conclusion 1.** UNDP is a trusted and reliable partner of the Government in Montenegro. Its value proposition lays in both its responsiveness to government long-term development priorities and its ability to fill in short-term gaps in government capacity to respond to EU accession requirements. While meeting immediate needs, the short-term ad-hoc support limits building institutional capacity which can be counterproductive in the long term.

As a frontrunner in the EU accession process with negotiation underway for all EU *acquis* chapters, Montenegro encounters a range of ambitious reforms across different sectors. The process of aligning Montenegrin systems with EU standards requires versatile expertise and support in introducing system-level changes that can help the Government respond to EU accession requirements (in particular, across PAR, environment and climate change and social policies). UNDP's work in Montenegro has been well aligned and responsive to these national priorities, and it has served as strategic and trusted partner in the fulfilment of international and national commitments.

UNDP's value proposition has been its ability to respond quickly to the needs and demands. Particularly appreciated is the efficiency of its procurement services and its ability to outsource and bring quality expertise (both international and local) in an efficient and transparent manner. UNDP has successfully managed to move away from simply being a procurement agent to be recognized as a versatile and strategic partner when more complex tasks are ahead of the Government in response to EU and other international commitments. This is an extremely important measure as it assists the Government in receiving more holistic support package in times of need and creates a difference between what UNDP can bring to the table in support of the Government. The government recognition of this value is reflected in its increasing budget allocations for UNDP programme interventions.

While UNDP's continued support has contributed to the strengthening of systems within institutions, in many areas, it continues to fill capacity gaps in the Government by bringing short-term international experts to deliver on EU and other international obligations, without adequate emphasis on building institutional capacity. For now, this arrangement is convenient for all sides given the current moratorium on new employment in the public sector and the limited availability of local expertise, especially within the environment sector. However, in the long run this may be counterproductive once EU structural and other funds become available upon Montenegro's entry into the EU.

**Conclusion 2.** Montenegro's UMIC status and the shrinking donor space in the country presents a resource mobilization challenge for UNDP. It has managed to overcome this so far by taking an opportunistic approach and implementing wide range of thinly spread short-term interventions under the CPD supported by government cost sharing. While spreading the human resources thin, such an approach leads to fragmentation and undermines UNDP's potential to achieve transformative results, some of which are made possible through cross-sector synergies.

As an EU accession candidate and an UMIC country, Montenegro encounters very meagre donor support apart from the EU, which remains the main donor in the country. This poses resource mobilization challenges for UNDP. Given its strategic position as a reliable and trusted partner of the Government, UNDP has increasingly relied on government cost-sharing to support its programmes across different sectors, including at times implementing interventions that very loosely fit within the CPD.

Being sufficiently broad in definition, the CPD outcomes allow necessary responsiveness to government demands and arising needs across sectors. However, it also creates a tension between the demand-driven and at times opportunistic responses of UNDP against its aspiration to keep the consolidated programme.

A major caveat with government funding is its annual allocation, making it practically impossible to have longer term planning and secure financing, creating additional burden to UNDP's portfolio. These challenges lead to fragmentation of interventions and their outputs and accumulation of rather incoherent small-sized projects with limited outcome-level catalytic potential in some sectors. It also brings a strain on already small country office team and threatens some of the CO's gains in promoting coherence and cross-sector synergies.

**Conclusion 3.** UNDP has been a partner of the Government and the EU in important democratic governance reforms and has contributed to strengthening the country's public service delivery through support to IT, interoperability, e-governance and e-services solutions. UNDP's multi-pronged upstream-downstream support model allows it to respond to the changing priorities of the central administration and line ministries but also brings the reform to the local level, where assistance to institutional capacity development is most needed. Outcomes of this support are still emerging and offer a positive prospect of effectiveness and sustainability of UNDP's support.

UNDP country office has been strategically positioned in the domain of democratic governance, particularly in the reform of public administration in response to the national PAR strategy 2016-2020 and the EU accession requirements. With support by EU and government funds, UNDP has offered significant expertise and resources in the reform of public administration particularly within the domain of policymaking and coordination, where UNDP found its niche, with support to IT, interoperability, e-governance and e-services solutions across public sector (health and social welfare, business registration services, justice system, etc.) resulting in enhanced capacity, efficiency and accountability.

UNDP's role has been crucial in extending the reform to the local level, where the capacity for change and knowledge of reform needs is limited. Through training, information sharing, and capacity-building, UNDP's support has brought positive results in terms of increased knowledge and embracement of reform principles and new solutions. UNDP continues to play

a key role in this area as practically a sole provider of assistance in ensuring that local self-government units have the knowledge and the tools to sustain the reform gains that materialize at the central level.

**Conclusion 4.** UNDP's contribution to the environment, climate change and economic development has brought short-term results, with varying potential for transformative change. While support to the establishment of the Eco Fund has promising catalytic potential, outsourced expert support in fulfilling reporting obligations to the international environment and climate change bodies falls short in addressing long-term institutional capacity issues. Piloting innovative solutions has contributed to reducing carbon footprint within the business sector and tourism, yet with limited scale-up potential thus far.

UNDP has been a critical provider of support to Montenegro's institutions in the environment and climate change sector, especially in helping the country meet its reporting requirements to international treaty bodies. While the outsourced expert support has helped fulfil its reporting obligations, it falls short in addressing the country's long-term institutional capacity needs to do this on its own with limited local expertise and capacity. UNDP's engagement did not lead to any significant outcomes in this area.

Building a coherent cross-sectoral portfolio of interventions in support of the green economy and reducing carbon footprint shows the potential for more synergetic cross-sector/cross-portfolio interventions. Support to the establishment of the Eco Fund provides foundations for more transparent, accountable and efficient distribution of funds to environmental institutions and businesses which can promote green growth interventions and pilots. The institution is still in its early institutionalization phase, and it remains to be seen whether its full potential will be reached, particularly considering the expected post-pandemic economic downturn.

Piloting innovative solutions for reducing the carbon footprint in the tourism and business sectors and e-mobility has presented interesting models and approaches, which are not yet scaled up and remain small-scale initiatives benefiting only a limited

number of people. Especially fragmented are small initiatives for creative industries interconnection with cultural heritage, which present individual efforts without visible system-level rooting. Consolidation of piloting efforts has not yet happened as these initiatives are relatively new and lack a coherent intervention logic and scalability potential and plan.

**Conclusion 5.** UNDP's contribution to social welfare through ISWIS and enhanced social service delivery capacity has been vital in the transformation of national social welfare system, which is now progressively stronger and observant of equity issues, with a focus on women, victims of gender-based violence, elderly, persons with disabilities, Roma and other vulnerable groups. Lessons learned from this support are now being used as inputs for support to health and justice systems, confirming UNDP's added value within the social development arena.

UNDP has provided valuable support in building system solutions within social welfare, resulting in an outstanding social welfare system, ISWIS. This system brings efficient, transparent and just mechanism for processing social welfare claims and benefits for the society, bringing equity, clarity and cost-efficiency for both the institutions and clients. As such, it helps strengthen governance and protection of human rights, leaving no one behind. The system has also proved its utility during the current COVID pandemic, when it was used to identify poor and vulnerable eligible beneficiaries to target assistance. Good lessons from this process are integrated in planning and building e-health and court IT systems, ensuring replicability and systematization of institutional IT solutions across government.

At the local level, UNDP has worked to promote social services for the most vulnerable, offering models for scale-up, with clear linkages to national policies, presenting opportunities for sustainability of given interventions. Through the significant investment that UNDP managed to secure from the Government, the

country office maximized the opportunity to scale up its work within the social development sector.

**Conclusion 6.** The UNDP country programme has contributed to a more systematic response to gender equality and women's empowerment. Empowerment outcomes for targeted individuals and system-level solutions for women rights and gender equality are positive, leading to improving trends across social welfare, governance and, to a lesser extent, economic development sectors. UNDP's attention to GEWE varied across the country programme and was significantly limited in the environment and climate change portfolio.

Even though UNDP programming shows weak integration of gender issues as measured by gender markers, assessment of actual UNDP interventions and their results show noteworthy contributions to gender mainstreaming and GEWE in social welfare and governance sectors. UNDP's strategic positioning and long-term engagement with the Government, public administration, civil society and political parties has brought important transformative effects for women in these areas. This is visible through improved legislative frameworks, better public services and protection, and more general improvements in terms of integrating gender in the Government's policymaking and budgeting, latter particularly at the local level. Success in integrating gender dimension and addressing appropriately the structural causes of inequality and applying the rights-based approach across the country programme presents a good example of UNDP's contribution in GEWE.

While promotion of GEWE is part of the EU accession priorities for Montenegro, one exception in UNDP's support has been a clear void in promotion and support to the assessment and integration of gender dimension in environmental protection mechanisms and policies. UNDP could have done more to leverage its position in support of GEWE.



## 3.2 Recommendations and management response

### RECOMMENDATION 1.



In line with Montenegrin EU accession aspirations, UNDP's next country programme strategy should build on the established intersection of themes in which UNDP has found a strong niche, i.e. support to good governance across the public sector as well as economic development underpinning sustainable environment protection.

Within the implementation of the current country programme, UNDP has invested efforts in synergies among different portfolios and cross-fertilization of successful models and system solutions across different sectors and institutional set-ups. Good examples are found in IT and e-governance interoperability solutions or investment in green jobs and sustainable tourism and businesses, etc.

The next CPD cycle should use this momentum and build on gains achieved through coherent cross-sector and cross-portfolio interventions to further consolidate the programme. It is advised that the next cycle of the UNDP country programme focus its portfolio under three cross-sectoral outcomes, which may reflect this synergetic potential. Specifically, UNDP should consider consolidating investment in the environment and economic development under one outcome area. This will help gain full understanding of the catalytic potential of UNDP's investment in green jobs, sustainable tourism, business and innovation.

### Management response: **ACCEPTED**



The recommendation is accepted and will be pursued through the new UN Sustainable Development Cooperation Framework (UNSDCF) and CPD 2022-2026 formulation process.

In the new CPD programme cycle (2022-2026), UNDP will focus on identifying the mutually reinforcing interventions, especially in the areas of the highest potential for EU accession and Agenda 2030 synergetic effects. In line with SDG Mainstreaming, Acceleration and Policy Support (MAPS) report, the highest SDG acceleration potentials were identified the areas of social protection/inclusion human rights and in the area of environmental protection and green economy. Building on the results achieved in the current cycle, UNDP will pursue further development and implementation of the new programmes in the proposed areas. Among others, responding to the emerging post -COVID19 recovery needs that call for restructuring the current development models to enable inclusive and sustainable growth prospects is expected to be in the focus of the next UNDP country programme.

Key action(s)	Completion date	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 UNSDCF/CPD consultation and prioritization informed by the recommendations of the CPD evaluation, country's post-COVID-19 recovery needs and EU accession dynamics	By December 2021	RR/Team Leaders		Initiated

◀ Recommendation 1 (cont'd)

1.2 New CPD/programming developed and validated with national partners	By December 2021	RR/Team Leaders		Initiated
1.3 Programmatic interventions developed and implemented seeking Agenda 2030 and EU accession synergies	No due date	CO Programme		Initiated

RECOMMENDATION 2.



**UNDP should consolidate and expand its support to local self-government units to embrace and implement reforms, principles and standards initiated by the central government. Particular attention should be placed on the institutional capacity development of local authorities to promote and benefit from reforms in line with the EU accession aspiration of Montenegro.**

UNDP's efforts to assist local governments in understanding and implementing public administration and finance management as well as social welfare reforms should be consolidated and replicated across Montenegro. This support would ensure coherent and more uniform approaches and practices with the potential to create more equal chances for development across the local level in the country. This is particularly important in light of the country's aspiration and preparation for EU membership, which requires a well capacitated and successful local-level government as one at the central level.

To facilitate this process, the CO may consider elaborating jointly with the Government a concept for reforms needed at the local level within the framework of existing and upcoming central government strategies in given sectors based on the new cycle of the PAR and PFM strategies, as well as policy framework for social welfare sector and collaboration with civil society. The CO and the Government should also assess opportunities for more effective engagement of local governments and other local actors in its support activities as a way to strengthen the sustainability of structures promoted at the local level.

**Management response: ACCEPTED**



**The recommendation is accepted with the reservation that implementation will hinge on the availability of funding, allowing for the expansion given the country's UMIC context.**

UNDP Montenegro is committed to continuing to expand its programmatic work at the subnational level, among others, through supporting better servicing of the populations in need and, in particular the most vulnerable groups. However, the extent to which UNDP can cover the needs of a larger number of self-government units in a meaningful and impactful manner will depend on the funding available for UNDP to expand, given the country's UMIC status. Under the new CPD, UNDP will explore opportunities by introducing new technologies to reach out those left behind, but also by developing capacities of the local authorities to enable effective and transparent functioning of the local institutions, thus meeting the EU accession requirements when it comes to decentralization processes.

◀ Recommendation 2 (cont'd)

Key action(s)	Completion date	Responsible unit(s)	Tracking*	
			Comments	Status
2.1 Seek opportunities as part of the new CPD/resource mobilization	No due date	RR/Team Leaders		Initiated
2.2 ReLOaD 2nd phase allowing for partial expansion to a larger number of municipalities and component of inter-municipal cooperation built in	By December 2021	Team Leaders/ Programme staff		Initiated
2.3 Forge further partnership with the Union of Municipalities to allow for more systematic and synergetic transfer of good practices across municipalities	No due date	RR/Team Leaders		Initiated

RECOMMENDATION 3.



**UNDP should consider merging economic development and segments of its support to the environment, green growth and reduction of carbon footprint under one umbrella programme to ensure consolidation of its green economy portfolio. Lessons from implemented models with potential for scaling up and promotion of a systematic approach to circular economy and innovation should be generated to inform the Government's efforts to diversify the economy.**

Large parts of UNDP's environment protection and economic development portfolios have been increasingly evolving as a more holistic approach to enhancing green growth and green economy, with focus on reduction of carbon footprint and climate change. Such cross-portfolio interventions indicate the potential of a full-fledged structured portfolio of interventions with a larger scope and outreach, with interventions tackling different areas of circular economy and climate change, moving up from scattered individual interventions to larger policy-level support. Hence, it is worth considering bringing these two portfolios under one umbrella. This will allow for more in-depth and operational synergies around green growth and climate change.

Within these efforts, UNDP should further consolidate its approach based on lessons from already piloted models to inform efforts in creation of government measures to recover from the economic downturn resulting from COVID-19 pandemic but also assisting the country to diversify its economic offer. UNDP should pay greater attention to the practical results that may materialize from the innovation initiatives it supports by tracking more closely what happens to the supported innovations over time, what changes they generate at the practical level and how their impact can be sustained in the long term. Besides, UNDP should invest in analytical efforts on the use of innovative technology in particular across sectors towards diversification of economy and ensuring Montenegro's competitiveness in international economic sphere.

**Management Response: ACCEPTED**



**The recommendation is accepted and will be pursued through UNSDCF/CPD formulation, in close consultation with the stakeholders.**

In responding to the country's aim to restructure the current economic model that is now characterized with a) the overreliance on tourism, and b) is often times damaging to environment, UNDP will pursue merging of the current environment and economic portfolios within the new CPD cycle (2022-2026) by emphasizing cross-practice interventions and strong mainstreaming of climate change mitigation, adaptation and biodiversity/natural protection into the country's economic sectors development, and contributing to the improved competitiveness of the Montenegrin economy. Pursuing such approach will be also strongly aligned with the recent EU's Western Balkans Economic and Investment Plan to support the economic recovery and convergence through the green and digital transition.

Key action(s)	Completion date	Responsible unit(s)	Tracking*	
			Comments	Status
3.1 UNSDCF outcomes formulated to clearly communicate green economic development result ambition	By December 2021	RR/Team Leaders		Initiated
3.2 CPD outputs developed to enable consolidation of its green economy portfolio	By December 2022	RR/Team Leaders		Initiated

## RECOMMENDATION 4.



UNDP should build on results and lessons from the implementation of initiatives in support of women's empowerment and gender equality as the basis for the CO strategy to fully integrate GEWE in its portfolio. Cross-sector and cross-portfolio synergies with transformative potential for women should be developed and integrated into support of the Government's gender requirements as part of the EU acquis. Stronger efforts should be made by UNDP to promote the gender dimension in its environment and climate change portfolio.

UNDP should capitalize on the gains achieved thus far in terms of gender equality and women's empowerment by ensuring that the new CPD is strongly rooted on GEWE principles in support to government efforts to attain gender requirements within the wider EU accession framework. Based on these principles, UNDP should define a gender strategy in collaboration with the Government and the EU, outlining how to work with national project implementation actors and other project/programme stakeholders to design/deliver effective interventions with transformative GEWE potential.

Specific efforts should be made to enable and deepen interconnectivity between the social inclusion, democratic governance and economic development pillars considering the multidimensional nature of gender issues and their impact potential. Given the very limited integration of gender dimension in programmes on environment and climate change thus far, these perspectives should be actively integrated and promoted further, seeking synergies with investments across all sectors.

## Management Response: **ACCEPTED**



The recommendation is accepted and will be pursued through UNSDCF/CPD formulation and in close consultation with the Government of Montenegro and other partners.

UNDP work on GEWE has been fully aligned with country's EU accession priorities, EU aquis and political criteria and UN Conventions. Within the new CPD, the gender equality principles will be mainstreamed through the entire programmatic portfolio.

Key action(s)	Completion date	Responsible unit(s)	Tracking*	
			Comments	Status
4.1 GEWE mainstreamed throughout new CPD programme portfolio	By December 2021	RR/TLs/Gender Mainstreaming Officer		Initiated
4.2 New initiatives developed pursuing GEWE in all areas of the CPD	No due date	Programme staff		Initiated
4.3 Particular interventions focusing on GEWE developed, funded and implemented under the green growth/environmental portfolio	No due date	Programme staff		Initiated

\* The implementation status is tracked in the UNDP Evaluation Resource Centre





# Annexes



Annexes to the report (listed below) are available on the website of the Independent Evaluation Office at:  
<https://erc.undp.org/evaluation/evaluations/detail/12957>

**Annex 1.** Terms of reference

**Annex 2.** Evaluation design matrix

**Annex 3.** Country at a glance

**Annex 4.** Country office at a glance

**Annex 5.** Project list

**Annex 6.** People consulted

**Annex 7.** Documents consulted

**Annex 8.** Status of country programme action plan outcome indicators



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