

# VOLUNTARY NATIONAL REVIEWS AT THE HLPF 2016

## MONTENEGRO

**MONTENEGRO** is located in South-Eastern Europe with 623.000 inhabitants which live on 13.912 km<sup>2</sup>. Following the results of a referendum held on 21 May 2006 Montenegro regained independence and became the 192<sup>nd</sup> member of the United Nations. Diversity of geological base, landscape, climate and soil, as well as the very position of Montenegro on the Balkan peninsula and Adriatic sea, created conditions for formation of biological diversity with very high values, that puts Montenegro among biological "hot-spots" of European and world's biodiversity. The economy of Montenegro is mostly service-based (64% of GDP and 80% of employment) and is in late transition to a market economy. Estimated GDP for 2015 is 3.595 mil € with real growth rate of 3.2%. GDP/pc is 5.784 €. Measuring GDP/pc in PPS, Montenegro is 41% of the EU average in 2014. Montenegrin strategic foreign policy priorities are EU and NATO membership (negotiation talk with the EU started on June 2012 and NATO Accession Protocol will to be signed on 19 May 2016).

Montenegro is in the group of 22 UN members that volunteer to conduct national review of its planning process to enable implementation of the 2030 Agenda at the HLPF 2016.

### EXECUTIVE SUMMARY

**The Government of Montenegro adopted the first National Strategy for Sustainable Development (NSSD) in April 2007**, together with a corresponding Action Plan for the period of 2007-2012. Since then, the Government adopted five annual progress reports on the NSSD implementation. It was a step towards making an effort to materialize and make concrete the constitutional commitment of Montenegro to be an ecological state. In the period of its drafting, it relied on the guidelines and goals set in national strategic documents of that time, as well as on the *Mediterranean Strategy of Sustainable Development* (MSSD) and obligations arising from Agenda 21, Johannesburg Plan for Implementation, Millennium Declaration and relevant conclusions and recommendations of the UN Commission for Sustainable Development (CSD). Since its adoption, the Action Plan of NSSD with a number of goals, measures and related indicators was revised in the evaluation process. It was done in accordance with findings of the annual progress reports on NSSD's implementation and progress that was achieved in implementation of other relevant programmes and strategic documents in the meantime. The progress reports were subject of consideration by the National Council for Sustainable Development with the aim to provide recommendations based on which Government of Montenegro continued to guide the implementation phase of NSSD. The results of NSSD implementation were reported to UN CSD with the aim to inform not only on the progress but also to adjust a national process to relevant recommendations of CSD.

Being aware of the complexity of the challenges the UN 2030 Agenda on Sustainable Development put in front of national authorities, the most valuable example of good practice which Montenegro may share is the experience that was gained in **creating methodological concept and establishing related process for preparation of new NSSD until 2030** which put transposition of SDGs and indicators for sustainable development in the centre of such created national response.

The Fourth Progress Report on implementation of 2007 NSSD which was published in parallel with the finalization of participation of Montenegro in the Rio +20 conference, and the Fifth Progress Report on

implementation of 2007 NSSD which was published in 2013, guided planning process of reviewing NSSD. The monitoring and evaluation results indicated that the respectable progress has been achieved – environmental pillar score 47%, social development score 65% and economic development pillar score 49%, respectively in average about 53 % of 236 planned measures from the 2007 NSSD Action plan was realised by 2013. Bearing that implementation score in mind and since time-frame for implementation of the Action Plan of 2007 NSSD has expired in 2012 and since many changes have taken place in Montenegrin society in the meantime, particularly in terms of reforms related to the process of accession of Montenegro to EU, and also given that new global sustainable development road map has been created by adopting document The Future We Want at Rio+20, there was decision to launch revision of the NSSD in July 2013, year after Rio+20 Conference.

**The baseline assessment**, as the starting point, focused on the trends that represent a framework for preparation of the revised NSSD. That document was subject of public consultations with a broad spectrum of relevant stakeholders. On the basis of the given comments and analytical work of the expert team, a broader basis - the Platform for Development of the NSSD 2015-2020 was prepared. It provided the analysis of the existing conditions, as well as directions for completion of the NSSD revision. In parallel, supported by the UNDP Office in Montenegro, in 2015 the team of consultants prepared National Human Development Report 2014 - Towards a resource efficient economy, Fulfilling Montenegro's promise as an ecological state. Both documents were presented to the expert and interested public. Taking into account opinions and suggestions given during the participatory process, the expert team and the Ministry of Sustainable Development and Tourism embarked on amending the Platform and developing methodological approach for communicating the results of the expert team to the public. Also, additional expert analyses which were not originally planned were conducted and the initially anticipated time-frame set for revision of the NSSD MNE was redefined. However the most relevant reason for modification of original plan for NSSD revision were the results of the Open Working Group on SDGs and related intergovernmental negotiation process under UN auspices on the sustainable development after 2015 and financing for sustainable development. That was followed with the decision of the National Council for Sustainable Development and Climate Change to change original task of revising NSSD 2007 to the task of developing new NSSD after 2015, and after adoption of UN 2030 Agenda on Sustainable Development until 2030 in September 2015 to the new NSSD until 2030. It resulted in a complete change of structure and content of new NSSD as well as the composition of expert team as to respond to requirements of UN 2030 Agenda on Sustainable Development until 2030. Instead of making completion of new NSSD in 2014 the adoption of new strategy was postponed for June 2016.

**Additional expert analyses** such as: a) Montenegro ecological footprint analyse, b) National Human Development Report 2014 and related introduction of Domestic Material Consumption and Resource Productivity; c) Transposing the recommendations of preferable Scenario 4 of UNDP NHDR 2014 Report respectively Domestic Material Consumption and Resource Productivity to sectoral policies for the purpose of NSSD development; d) Development of spatial development indicators following UNEP methodology that was tested in six coastal municipalities while developing the National strategy on integrated coastal zone management; e) National Human Development Report 2016 – Informal work, from challenges to solutions; f) Analysis of national institutional and legislative framework for sustainable development; etc. provided specific guidelines for resolving the problems of non-sustainable trends of national development which were identified through baseline assessment and related analysis of problems and causes and DPSIR analysis and for responding to the challenges UN 2030 Agenda on sustainable development introduced into national policy for sustainable development. Such prepared analyses resulted also with development of a set of synthetic indicators of sustainable development

which were introduced due to the need to perform complete and comprehensive monitoring of the sustainability of national development. In addition, inputs for new strategy were based on the critical assessment of all relevant **national strategic development documents** such as actual sectoral strategies (energy, industry, transport, agriculture, etc.), National programme for integration to the EU, Montenegro's Development Directions 2015-2018, Programme of economic reforms, Agenda for competitiveness 2020, etc. against results of NSSD 2007 implementation and requirements of the UN 2030 Agenda for sustainable development.

**Montenegrin Government adopted the Draft of NSSD until 2030 on its session held on 28 December 2015.** After three-month public consultations on the Draft of NSSD until 2030, it is expected that Government of Montenegro will adopt the NSSD until 2030 by June 2016. Guided by national needs that were identified against the analyse of the lacks of national development and needs in responding to the challenges that have been introduced by 2030 UN Agenda on Sustainable Development, the central place in new NSSD is given to determination of the strategic goals and measures as to define answers on how to achieve sustainable management of four groups of national resources - human capital, social capital and values, natural capital and economic capital, as well as on how to achieve good governance and sustainable financing for sustainable development of Montenegro in period until 2030.

Hence the most complex element of this methodological approach was related to **transposition of the requirements of the UN 2030 Agenda for Sustainable Development**, with its 17 sustainable development goals (SDGs) and 169 targets, the Addis Ababa Action Agenda with recommendations for financing sustainable development into NSSD's strategic goals and measures. Statistically, 70% of SDGs related to human capital is recognised through NSSD measures and sub-measures, 82% of SDGs related to social capital, 79% of SDGs related to natural capital, 82% of SDGs related to economic resources, 74% of SDGs related to financing for sustainable development and 39% of SDGs related to management for sustainable development. In average about 78% of SDGs is recognised and taken over from UN 17 SDGs and 169 indicators to new NSSD until 2030.

Another valuable example of good practice which Montenegro may share is experience on **transposition of recently proposed list of 241 indicators for global monitoring of sustainable development** which was identified by IAEG-SDG into NSSD until 2030 as the main tool for planning future monitoring and evaluation of NSSD's implementation. The assessment of the needs related to transposition of the list of 241 indicators into NSSD until 2030 confirms that Montenegro currently monitors only 28 indicators (12%), for the 33 indicators there are alternatives according to content and they are monitored in Montenegro (33%), while 37 indicators can begin to trace from 2018 (15%). In total, 98 indicators can be monitored in Montenegro by 2018 (41% of the total number of indicators, including alternatives). For the remaining 143 indicators from the UN list of indicators of sustainable development, the introduction in Montenegro is not planned (59% of indicators) at the moment, and for them NSSD will define plan for introduction into national system in the course of NSSD until 2030 implementation. In addition, there are 31 indicators that are monitored by various international organizations and include Montenegro, whose monitoring and analysis can be a function of monitoring the progress of the overall implementation of the NSDS in Montenegro (13% compared to the number SDGs indicators). If these additional indicators are added to total number of indicators to be monitored in Montenegro since 2018 (98+31), there are 129 indicators that may be monitored both nationally and internationally (54%).

Having in mind all above mentioned, this voluntary Montenegrin national review presents **the process of drafting new NSSD until 2030 in period from 2013 until now** and related **final phase of public consultations that were launched in 2016** while approaching to the Proposal of NSSD until 2030 for formal adoption by the Montenegrin Government. Hence it also provides information on **lessons**

**learned** while recognizing national **needs** and identifying **challenges** related to transposition of the UN 2030 Agenda on Sustainable Development into national policy especially those related to the issues as follows:

- Enabling inter-sectoral consultations and public hearing on **nationalization of the SDGs** through the process of drafting new National Sustainable Development Strategy of Montenegro until 2030;
- Enabling inter-sectoral consultations on **establishing national system for regular monitoring and evaluation** of the implementation of NSSD until 2030 which presents also the monitoring of implementation of the SDGs and related indicators;
- Enabling inter-sectoral consultations on **transformation and strengthening of present governance system for sustainable development**.

Since Montenegro is a pioneer in creation of the national self-standing process that links national implementation with implementation of the UN 2030 Agenda on Sustainable Development, for us it is especially important that Agenda of HLPF's forthcoming session gives the opportunity to other countries to **share experience** on their respective national processes, in particular on their experience on enhancement of the national governance for sustainable development, plans to provide sustainable financing of sustainable development policy and to create the statistical systems to support regular evaluation and monitoring of 2030 Agenda by applying SDGs and indicators for sustainable development. Equally important is to present UN integrated platform to support that national endeavour in period until 2030.

This voluntary Montenegrin national review also presents the areas where Montenegro as a matter of priority would need **support in terms of finance, capacity building, technology, partnerships** especially with regard the issues as follows:

- How to increase efficiency and effectiveness on national implementation of 2030 Agenda through enhancing the **governance system for sustainable development** and evaluation and reporting on implementation of NSSD until 2030? How to strengthen the capacities of the **Statistical office of Montenegro** (MONSTAT) and other producers of statistical data as to effectively monitor the indicators for sustainable development?
- **How to mobilize external sources for financing sustainable development of Montenegro** and to increase share of the allocations related to sustainable development in total national budgeting /GDP? How to enforce national partnerships and to diversify public and private sources of financing of relevance for sustainable development?
- How to enforce **regulatory impact assessment of national processes** with regard to implementation of NSSD until 2030? How to enforce implementation of the NSSD measures and related projects on the preservation of natural capital and greening of Montenegrin economy?