

VOLUNTARY  
NATIONAL  
REVIEWS  
AT THE HLPF  
2016 MONTENEGRO



Ministry of Sustainable  
Development and Tourism



# VOLUNTARY NATIONAL REVIEWS AT THE HLPF 2016 MONTENEGRO

**MONTENEGRO** is located in South-Eastern Europe with 623.000 inhabitants who 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 was 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.

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## 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 programs 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 that the UN 2030 Agenda on Sustainable Development has 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 center 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 realized 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 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 2014 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 post 2015 sustainable development agenda 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 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 complex 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 programmer for integration to the EU, Montenegro's Development Directions 2015-2018, Program 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, Government of Montenegro adopted the NSSD until 2030 on 7 July 2016. Guided by national needs that were identified against the analysis 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 governance 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 and the Addis Ababa Action Agenda with recommendations for financing sustainable development into NSSD's strategic goals and measures. 167 targets from 169 targets grouped in UN 17 SDGs are taken over and included into the 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 goals, identified by IAEG-SDG, into the 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 is presented in chapter 7.

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 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 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 establish 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 endeavor 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?



# 1. INTRODUCTION

Guided by the determination to establish an ecological state, Montenegro was among the first countries in the region of South-East Europe that defined the strategic and institutional framework for sustainable development, in accordance with the standards of the developed EU member states. In cooperation with the UN University for Peace, in 2001, Montenegro developed a comprehensive document “Directions for the development of Montenegro as an ecological state”. At the same time, this document represented a national response to the goals defined in Agenda 21<sup>1</sup>. After the stabilization of the political situation and the opening of the European perspective for the countries of South-Eastern Europe, Montenegro has made significant progress in the development of a national policy of sustainable development and the creation of the necessary institutional framework. Following successful participation at the Sustainable Development Summit in Johannesburg, the National Council for Sustainable Development was established as an advisory body to the Government of Montenegro with the aim of strengthening the capacity to implement sustainable development policies. Since 2002, the Council was chaired by the Prime Minister, and since 2013 it is chaired by the President of the State.

Along with the beginning of implementation of sustainable development programs and projects, the process of drafting the National Strategy for Sustainable Development of Montenegro was initiated. *The first National Strategy for Sustainable Development of Montenegro (hereinafter: NSSD MNE)* adopted in 2007, represented a step forward in the effort to implement the commitment on the development of Montenegro as an ecological state. When drafted, it relied on the guidelines and objectives of the then strategic documents, primarily the *Directions for development of Montenegro as an ecological state*, And the *Development and Poverty Reduction Strategy*. The strategy has incorporated the most significant commitments contained in the national and European documents, and was developed in cooperation with the Mediterranean Commission for Sustainable

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<sup>1</sup> Agenda 21 represents a global action plan on sustainable development for the 21<sup>st</sup> century, which defines the obligation to take action at the global, regional and local level by the agencies within the UN system, the governments and the main groups in each sector where negative impact of human activity on environment has been detected. Agenda was adopted at the UN Conference on Environment and Development, that is, the First Earth Summit, held in Rio de Janeiro in 1992.

Development (MCSD) and the Mediterranean Action Plan of the United Nations Environment Program (UNEP/MAP). At the same time, document offered national responses to the commitments arising from two World Summits on Sustainable Development (1992 and 2002).

A special value is added to this document by its five-year action plan for the period 2007-2012, which defines the measures to achieve the objectives of sustainable development in the 24 priority areas of sustainable development of the Montenegrin society. After adoption, and through the NSSD evaluation process, a number of objectives, measures and related indicators in the Action Plan were amended.

After a five-year period of implementation, good results were achieved - the percentage of implemented measures is 53%, while the area of environment is lagging behind to some extent compared to the results achieved in the field of economy, and a bit less when compared to the results in the field of social development. Although this corresponds to the aggravating circumstances that the society faced in the period of social and economic transition, we are aware of the difficulties of dealing with the challenges of the still present unsustainable development trends.

Given that the deadline for implementation of the Action Plan of the Strategy expired in 2012, that there were many changes in Montenegro that have affected the development of institutional and legal framework relevant for the sustainable development of society, especially those that are related to the EU accession process and harmonization of national legislation with the EU acquis, and the fact that new programs and initiatives were launched at the national and international level with the aim of redefining the United Nations sustainable development policy, especially after the Rio+20 Summit in 2012, it was estimated that the conditions for **review of the NSSD** have been created. In this regard, the NSSD review was launched in 2013. However the negotiations on the definition of the global post 2015 sustainable development agenda, which were conducted based on the conclusions and the final document of the Rio + 20 Summit, "The Future We Want", have shown that the process of drafting a new national strategy was opened too early, that is, at the moment when there was only a basis for conducting international negotiations under the auspices of the United Nations aimed at defining the generally acceptable and generally-binding international framework that, among other things, determine the obligations and requirements to the UN member states in terms of building national institutional systems, modalities for monitoring and reporting on the implementation and financing of sustainable development.

Starting from the vision of sustainable development of Montenegro, set in the 2007 NSSD, and the assessment of the development priorities of Montenegro expressed by the citizens of Montenegro within the consultative process “Montenegro We Want” as part of the post-millennium consultations, and later in the consultative process that followed the development of the new NSSD for the period until 2030, **the vision of sustainable development of Montenegro until 2030** was defined, and it consists of ten key elements, as follows:

1. Montenegro is a sustainable, open, tolerant, inclusive and prosperous society that continuously improves the quality of life of each and every individual and invests in human and social capital.
2. Social and economic development of Montenegro is based on harmony between man and nature and efficient management of human, social, natural and economic resources.
3. Montenegro is a state of defined Montenegrin identity that tolerantly manages all the differences, while respecting and treating them as a potential and a resource.
4. Montenegro is the state of the rule of law that respects the dignity of individuals, with no discrimination on any grounds, where all people, irrespective of their differences, have the opportunity and support to fully exercise their human potential.
5. Montenegro is a community that is based on openness and diversity of culture, both in terms of preservation of all forms of heritage created in the different periods in history, and coexistence with modern forms of cultural expression, with areas of prominent natural, landscape and cultural values preserved and used in support of sustainable development.
6. Montenegro improved demographic trends by reducing the demographic deficit and achieving population growth by the year 2030 of 1.4%, as compared to 2015. This is achieved through the successful implementation of strategic objectives and measures defined in the National Strategy of Sustainable Development until 2030, primarily those that are relevant for the introduction of green economy, improvement of state of human resources and strengthening of social inclusion, support to the values, norms and behavior patterns relevant for the sustainability of society.
7. In Montenegro everyone has equal access to quality and inclusive education at all levels and throughout life cycle, while the healthcare system is of high quality and efficiency and ensures healthy lives of the citizens of all ages, particularly vulnerable ones, with reduced inequalities in the health sector.

8. Montenegro is an ecological state which preserved the symbiosis of the traditional way of life of man and the nature, the environment is healthy, and the value of biodiversity, water, sea, air, land, space, and the value of other natural resources are preserved and enhanced for generations to come. Ecosystem values and services are preserved, coverage of preserved natural, cultural and landscape values is increased, that are managed in a sustainable and efficient manner, adaptive capacities of men, ecosystems and economic sectors to climate change are improved and pollution in environmental hotspots is resolved. There is a continuous increase in the share of energy from renewable sources, while enabling energy efficiency and transfer of technological solutions that contribute to improving the quality of life in urban areas and reducing emissions of greenhouse gases. A reduction of 30% in the level of GHG emissions by 2030 as compared to 1990 has been achieved.
9. Montenegro is exercising continuous, inclusive, regionally balanced and sustainable economic growth, full and productive employment and decent work for all. Developmental trajectories of use of natural resources, on the one hand, and economic activities and social well-being, on the other hand, are mutually divergent, and inversely set in relation to the increased pressures on the environment, and this is characterized by the following: i) economic activity aimed at sustainable use of natural resources, while reducing negative impacts on nature, ii) enabled greening of the economy by applying patterns of sustainable consumption and production, resource efficient and circular economy. Promotion of the concept of sustainable economic development that includes: health, education, a healthy environment and the sustainability of natural resources, socially responsible behavior, social inclusion and good governance, as an alternative to the concept which is exclusively based on the promotion of competitiveness of the economic environment and economic growth.
10. Montenegro has achieved the goals and objectives set in the UN Sustainable Development Agenda by 2030 and successfully participates in global partnership for sustainable development. It has established an efficient system of good governance and sustainable financing of sustainable development of the Montenegrin society on the basis of achieved social consensus and full political support to sustainable development of Montenegro.



## 2. HOW THE REVIEW WAS CONDUCTED

Development of the new sustainable development policy of Montenegro was organized in three phases over the period from July 2013 to May 2016. As part of this process, the Proposal of NSSD until 2030 was prepared in the period from September 2015 to May 2016, through the redefinition of the process initiated in 2013 in accordance with the UN requirements. Below is a detailed overview of all phases in the process of drafting NSSD for the period until 2030. Unsatisfactory results achieved in 2013 and 2014 are partially the result of initiating the drafting process of the new national sustainable development policy too early, well before the conclusion of international negotiations on the UN Agenda for sustainable development by 2030, which was adopted at the Sustainable Development Summit within the 70th UN General Assembly session, in the period 25-27 September 2015. However, in the final stage of the process, the Proposal of NSSD until 2030 has been drafted, which is fully compliant with the requirements of the United Nations and in the opinion of relevant UN bodies it is one of the best documents prepared at the national level. That is why the Proposed NSSD until 2030 will be presented at the session of the High Level Political Forum in the framework of the UN Department of Social and Economic Affairs, to be held in July at the UN headquarters.

### 2.1 The process followed for the review

The Government of Montenegro adopted **the first National Strategy for Sustainable Development** (hereinafter: NSSD) in April 2007, together with a corresponding Action Plan (AP) for the period of 2007-2012. Since then, the Government adopted five annual reports on the NSSD implementation: First Annual Report in October 2008, Second Annual Report in December 2009, Third Annual Report in October 2011, Fourth Annual Report in Jun 2012 and Fifth Annual Report in July 2013. All the reports have been prepared by the Division for Sustainable Development and Integrated Coastal Zone Management (formerly the Office for Sustainable Development - OSD)<sup>2</sup>.

The first NSSD adopted in 2007 was a step towards making an effort to materialize and make concrete the declarative commitment of Montenegro to be an ecological state. In the period of its drafting, it relied on the guidelines and goals set in strategic documents of that time, such as the Directions for Development of Montenegro as an Ecological State, Development and Poverty Reduction Strategy

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<sup>2</sup><http://www.sd-network.eu/?k=country%20profiles&s=single%20country%20profile&country=Montenegro#basic>

and other strategies at the national level, as well as on the Mediterranean Strategy of Sustainable Development (MSSD), conclusions reached at the two world summits on sustainable development and their key documents (1992 and 2002) and on other instruments for achievement of sustainable development.

Since its adoption, the NSSD has been revised in the evaluation process in its part containing the Action Plan when a number of goals, measures and related indicators were revised, which was done in accordance with the reports on implementation and progress made by other programmes, and also in accordance with their results that had been achieved in Montenegro in the meantime. Since the time-frame for implementation of the Action Plan of this Strategy has expired and since many changes have taken place in Montenegro in the meantime, particularly in terms of reforms related to EU integration and harmonization of national legislation with the EU Acquis, and also given that new sustainable development programmes and initiatives have been launched at the national and international levels, conditions are in place for revision of the NSSD which needs to be harmonized with the new policies and strategies, especially global intergovernmental process of defining Post 2015 Agenda.

Process of development of the new NSSD was initiated one year after the Rio+20 Conference. In October 2013, the *Basis for NSSD review* was presented in the meetings held in four cities in the northern, southern and central region of Montenegro. Based on the comments and analytical work of the team of consultants, a broader basis was defined and it was called the *Platform for the development of NSSD 2015-2020* (hereinafter referred to as *the Platform*); it contains a general analysis of the current situation and directions for further development of Montenegro. The Platform was presented to the general public, experts, representatives of the academia, civil society and representatives of public institutions in seven workshops (in Budva, Bar, Herceg Novi, Pljevlja, Mojkovac and Danilovgrad) in all three regions of Montenegro, with the final workshop organized in Podgorica, in March 2014. Expert evaluation and public opinion stated that the Platform is incomplete in terms of content that the Draft NSSD should include. Participants in the consultations were mostly critical of the offered concept. Suggestions presented on that occasion indicated the necessity of significant changes in the work of the expert team in the development of this document. Comments related particularly to the analysis of the current situation, which was not based on the assessment of drivers and causes of the problem and failed to specify in more detail the problems to which the new NSSD should define the answers. For that reason, this document was not approved as a basis for further elaboration of the Draft NSSD. In parallel, in the context of international negotiations under the

auspices of the United Nations, a UN Open Working Group was established to define sustainable development goals (OWG SDGs). And this process confirmed that the presented criticisms of the Platform was justified, and that there is a need to rectify the noted deficiencies in the process of NSSD drafting, both in terms of methodology, and its content.

Therefore, the restructuring of the Platform was initiated, especially having in mind that the document was prepared without an analysis of causes, and the analysis of drivers, pressures, state, impact, as a basis for defining response (DPSIR<sup>3</sup>), as well as the development of new methodological approach in line with the course of negotiations under UN auspices and in line with good practice in the development of the previous NSSD, with the drafting process of the new Mediterranean Strategy of Sustainable Development, and based on the experience of some countries that have started or completed development of a new generation of national sustainable development strategies, and the EUROSTAT report on successful implementation of sustainable development policies within the EU. On that occasion, an in-depth analysis of the process and the document prepared until then was undertaken, and it indicated that the drafting of a new document started without previously performed basic analyses, and preparation of the analytical basis for the writing of this strategic document. Drafting process is coordinated and technically supervised by the Ministry of Sustainable Development and Tourism, i.e. it is supervised by the National Council for Sustainable Development.

In May 2014, on its 26<sup>th</sup> session of **National Council for Sustainable Development and Climate Changes**, members of the Council<sup>4</sup> were informed on results and dynamics of the development of NSSD. The National Council has approved a new **Outline** for further work on revision of NSSD/preparation of a new strategy for the period after 2015 with special focus on the following: to develop a methodology for

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<sup>3</sup> Eng. Drivers, Pressures, State, Impacts and Responses (DPSIR methodology);

<sup>4</sup> The National Council for Sustainable Development, Climate Changes and Integrated Coastal Zone Management (NCSDDCCICZM) of Montenegro deliberates the reports on the NSSD implementation and gives final recommendations before the reports are sent to the Government for adoption. The Division for Sustainable Development and Integrated Coastal Zone Management in the Ministry of Sustainable Development and Tourism (formerly the Office for Sustainable Development) oversees the process of monitoring the implementation of NSSD. The same institution is in charge of revising these two documents.

developing the NSSD Montenegro for the period after 2015, to define main goals and priorities, to define approach to set of national resources of Montenegro, to define policies for sustainable development, action plan, governance plan for implementation of the NSSD for the period after 2015, project portfolio of the action plan, and financing of a sustainable development policies.

At its session held on 26 June 2014, the Government of Montenegro assigned the Ministry of Sustainable Development and Tourism with the task to coordinate **continuation of activities regarding the new NSSD**, and in accordance with the redefined, recommended structure, content and dynamics of the NSSD review process, to prepare a completely new document instead of reviewing the 2007 NSSD. Having in mind the aforementioned shortcomings, simultaneously with the continuation of work on the document itself, activities were undertaken to obtain the missing expert analyses necessary in the NSSD drafting process. The following analyses were undertaken:

- Development of the **Analysis of institutional and legislative framework relevant for sustainable development of Montenegro** through the cooperation between the Ministry of Sustainable Development and Tourism (MSDT) and UNDP. MSDT prepared the analysis, which was sent for comments to the UNDP Regional Center in Istanbul, and the UN expert amended the analysis in terms of defining recommendations for governance for sustainable development based on the Sustainable Development Goals (SDGs) and financing for sustainable development.
- Within the **procedure of checking the estimate of DMC** (Domestic material consumption) and **PR** (Productivity of resources) **indicators** developed in the UNDP Human Development Report for 2014 with regard to resource efficiency and translation of optimum scenario into resource consumption projections for priority sector policies, through the cooperation between MSDT and UNDP, to the extent possible with the available data, DMCs have been translated into priority economic development sectors in Montenegro: energy, construction, transport, service sector (tourism) and agriculture.
- **Calculation of the ecological footprint for Montenegro** – through the cooperation between the MSDT and the Global Footprint Network (GFN), the ecological footprint was calculated, and the following activities were implemented:
  - Analysis of the ecological footprint and bio-capacity by type of land use: current trends for the period 2006-2011;
  - Analysis of the ecological footprint and bio-capacity by type of land use: assessment of projections for the period 2012-2014;

- Assessment of the Montenegrin path towards sustainable human development on the basis of the ecological footprint and Human Development Index (HDI);
- Sectors of ecological footprint for Montenegro – initial framework assessment, and description of key differences and complementarity between domestic material consumption (DMC) and ecological footprint.
- **Calculation of the use/consumption of space** applying UNEP methodology that was used for the coastal area within the implementation of the Coastal Area Management Plan of Montenegro (CAMP MNE), with professional coordination of activities by MSDT and financial support from UNDP. Calculation of this indicator gave a quantitative indicator of the use of space in Montenegro. A supporting set of measures was also adopted in the area of harmonization of existing trends in the use of space with the requirements and goals of sustainable development.

As the planned progress in drafting the National Strategy of Sustainable Development in accordance with the aforementioned approach was not made in 2014, at the 27<sup>th</sup> session of the National Council held on 28 January 2015, it was assessed that it is necessary to improve the expert involvement in the preparation of the NSSD, so that the new strategy can be prepared by the end of 2015. In order to strengthen the expert team engaged in the development of the NSSD, MSDT allocated additional funds to hire an adequate expert team for the preparation of the final Proposal of NSSD. The expert team that was additionally hired became operational in September 2015 and was responsible for the preparation of the Proposal of NSSD until 2030, with the accompanying Action Plan. In all that, this document should enable the translation of the UN agenda for sustainable development by 2030 into the national policy of sustainable development. At the same time, the new NSSD until 2030 represented a strategic framework for translation of sustainable development indicators into the national context.

Namely, the expert team that was additionally hired was responsible to implement the following tasks:

- Review of the Draft NSSD prepared until then with regard to the recommendations and conclusions of the National Council for Sustainable Development and Climate Change and its working groups, as well as with regard to the EU and UN documents established as mandatory in the development of NSSD for the period after 2015 (including documents within the negotiations on the development after 2015 and EUROSTAT documents on the implementation of sustainable development policy in the EU);
- Identification of shortcomings and proposal of the **modified concept of NSSD drafting**;

- Identification of shortcomings and proposal of the **modified concept of NSSD Action Plan**;
- In accordance with the proposals given in items 1 and 2, it is also necessary to review the Draft prepared until then and prepare the Proposal of NSSD MNE for adoption by the Government of Montenegro;
- Special attention should be given to the integration of results obtained through the previously mentioned **additional analyses** undertaken by the Ministry of Sustainable Development and Tourism in the period June 2014 – July 2015;
- Finally, special attention should be given to the improvement of the Action plan, with the aim to develop it in more detail, by defining measures of sustainable development for the period **2015 – 2030**.

As the Resolution on the **Agenda for Sustainable Development by 2030**, together with sustainable development goals and defined sustainable development financing framework, was adopted in the Sustainable Development Summit within the 70<sup>th</sup> UN General Assembly session, held on 25-27 September 2015, it was necessary for the expert team to review the NSSD drafting process up to that moment from the point of view of the adopted resolution. Therefore it was very important to include results of actual global process of defining the Sustainable Development Goals (SDGs), which are to give shape to national sustainable development policies. Namely, the 193-Member United Nations General Assembly formally adopted **the 2030 Agenda for Sustainable Development** that is composed of **17 goals and 169 targets**. It is universal, integrated and transformative agenda to spur actions that will end poverty and build a more sustainable world over the next 15 years. The new goals are part of an ambitious, bold sustainable development agenda that will focus on the three interconnected elements of sustainable development: economic growth, social inclusion and environmental protection. SDGs and targets are global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities. They are not independent from each other—they need to be implemented in an integrated manner. The SDGs are the result of a three-year-long transparent, participatory process inclusive of all stakeholders and people's voices. They represent an unprecedented agreement around sustainable development priorities among 193 Member States. They have received world-wide support from civil society,

business, parliamentarians, and other actors<sup>5</sup>. **The Addis Ababa Action Agenda** of the Third International Conference on Financing for Development also became an integral part of the 2030 Agenda<sup>6</sup>. This document is focused on the challenges of financing and creates an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity.

Having in mind all of the aforementioned, this **review** covers the period of drafting of the NSSD and corresponding action plan, as well as final public consultations in 2016 that will result in the final NSSD Proposal for formal adoption by the Montenegrin Government.

After intensive work of engaged experts and strong support of the Ministry, the Draft NSSD with Action plan was prepared in December 2015. The document was supported by the National Council for Sustainable Development and Climate Change on 9 December 2015. Montenegrin Government adopted the Draft NSSD with Action plan at its session held on **28 December 2015**. Along with the Draft National Strategy of Sustainable Development by 2030, the Government also defined the public consultations program for the period of 60 days. The Ministry of Sustainable Development and Tourism conducted the public consultations on the Draft of the NSSD in accordance with the Public Consultations Program and the consultative part of the participatory process in the period from February to April, as presented under bullets 2.4 and 2.5. After **three-month public consultations**, Government of Montenegro adopted NSSD on 7 July 2016.

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<sup>5</sup> The decision to launch a process to develop a set of SDGs was made by UN Member States at the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012. The Millennium Development Goals that were launched in 2000 set 2015 as the target year. Recognizing the success of the Goals – and the fact that a new development agenda was needed beyond 2015 – countries agreed in 2012 at Rio+20, the UN Conference on Sustainable Development, to establish an open working group to develop a set of sustainable development goals for consideration and appropriate action. After more than a year of negotiations, the Open Working Group presented its recommendation for the 17 sustainable development goals. In early August 2015, the 193 member states of the United Nations reached consensus on the outcome document of the new agenda “Transforming Our World: The 2030 Agenda for Sustainable Development”.

<sup>6</sup> Document adopted on the Third International Conference on Financing for Development, held in Addis Ababa from 13-16 July 2015.

In the meantime, on 6 March 2015, the United Nations Statistical Commission created an **Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs)**, composed of Member States and including regional and international agencies as observers, with mandate to provide a proposal of a global indicator framework. The IAEG-SDGs was established to develop an indicator framework for the monitoring of the goals and targets of the 2030 Agenda for sustainable development at the global level and to support its implementation<sup>7</sup>. They proposed a list of 241 SDGs indicators that are included in the final phase of preparation of the NSSD for Montenegro. For that reason, along with the public consultations on the Draft NSSD until 2030, there was a new chapter 7 drafted that refers to monitoring of NSSD implementation and measuring sustainability of development in Montenegro by 2030; based on that, the indicators to monitor progress in the implementation of sustainable development policy were included in the NSSD Action Plan.

Amendments to the Draft NSSD until 2030 were made in order to introduce an integrated system of sustainable development indicators, in order to monitor and report on implementation of NSSD until 2030, following the definition of list with 241 indicators of sustainable development by the UN Statistics Committee at the 47th session, held on 8-11 March 2016.

## **2.2 Methodology used for the review**

The new National Strategy of Sustainable Development until 2030 (NSSD) improves the policy of sustainable development of Montenegro by establishing a comprehensive framework for the national response to the challenges on the path to sustainable development of the Montenegrin society by 2030, while taking into account the results of implementation of the previous NSSD and requirements in the process of accession of Montenegro to the EU. In this context, the new NSSD also sets the platform for translating Agenda for sustainable development by 2030, adopted in September 2015 at the 70<sup>th</sup> session of the UN General Assembly, i.e. global goals and targets into the national framework. The process of drafting NSSD until 2030 uses positive experiences from the global, European and processes in the Mediterranean region, and is based on the principles and recommendations of the Rio Declaration and Agenda 21, as well as the Johannesburg Declaration and the Implementation Plan. NSSD is also based on the United Nations Millennium

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<sup>7</sup> <http://unstats.un.org/sdgs/iaeg-sdgs/>

Declaration<sup>8</sup> and the results of implementation of the Millennium Development Goals. In all that, it remains consistent with the generally accepted definition of sustainable development from the Brundtland Report<sup>9</sup>, in which the importance of sustainable development is defined as "meeting the needs of current generations without compromising the ability of future generations to meet their own needs".

NSSD until 2030 has been prepared as an **umbrella, horizontal and long-term development strategy of Montenegro**, which refers not only to the environment and the economy, but also the irreplaceable human resources and valuable social capital that should facilitate prosperous development. Namely, the **priority areas** of NSSD until 2030 are as follows: **improving the state of human resources and strengthening social inclusion, support to values, norms and behavior patterns important for the sustainability of society, preservation of natural capital, introduction of green economy, governance for sustainable development, financing for sustainable development.**

Thus positioned, this strategy provides a response to: identified unsustainable development trends; conflicting sectoral policies both among themselves and with the NSSD, environmental policy; institutional framework that does not comply with the requirements of implementing the sustainable development policy and the requirements of good governance; mismatch between the public finances and

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<sup>8</sup> The Millennium Summit of the leaders was held at the UN headquarters in 2000. On that occasion, the General Assembly adopted the Millennium Declaration as a political document of the UN for the 21<sup>st</sup> century. The Millennium Development Goals were established for the purpose of monitoring the implementation of the Millennium Declaration.

<sup>9</sup> In its Resolution no. 38/161 of 19 December 1983, the UN General Assembly confirmed the establishment of a special commission/ World Commission on Environment and Development in the framework of UNEP to prepare a report on the state of the environment under the name "Environmental Perspective to the Year 2000 and Beyond", including the proposal for the development of sustainable development strategies. This report is also known as the Brundtland report (or in English - *Our Common Future*) and was presented in 1987, promoting the need for integration of economic development, natural resource management and their protection.

the need for horizontal and vertical positioning of the priorities of sustainable development within national strategic policies, plans and programs, i.e. the mismatch of real actions with the expressed political support and official sustainable development commitments of Montenegro.

In order to achieve the objectives of sustainable development of Montenegro it is necessary to adequately respond to the **key problems** of use and management of national resources. Therefore, in the comprehensive assessment of the situation, the NSSD identified a number of factors that led to the unsustainable trends in the management and use of human, social, natural and economic resources, and in terms of governance for sustainable development. Overview of the key drivers, pressures, state and impacts was prepared using DPSI(R) method (drivers - pressures - state - impacts - responses). Some causes are related to more problems and vice versa - some problems are rooted in several of the mentioned causes. Systematization of the problems and the causes, and assessment of the level to which certain groups of problems and causes make the achievement of sustainable development objectives more difficult, and weaken the prospects for long-term sustainable development of the Montenegrin society, resulted in the identification of the key issues and weaknesses and related needs in terms of sustainable development of Montenegro.

Based on the **assessment of the state** of national resources in the four-dimensional concept (human, social, natural and economic resources) and institutional arrangements that support the sustainable development of the Montenegrin society, as well as analysis of key unsustainable trends and the needs for sustainable development by 2030 (DPSI approach - drivers, pressures, state, impacts), the priority areas and strategic goals of sustainable development of Montenegro were defined, structured as **responses** (R - Responses) to the problems of sustainable development of Montenegro, in order to improve the current situation and enable the achievement of the global objectives of sustainable development.

The strategic objectives of the National Strategy of Sustainable Development by 2030, with the accompanying measures and sub-measures, are defined as answers to the problems and weaknesses identified in the implementation of national sustainable development policy, while bringing them in connection with the national responses to the challenges of the implementation of global sustainable development goals by 2030. Solving these problems requires the following:

- Strategic and normative harmonization of public policies and regulations,
- Definition of public policies using the mechanisms of **inter-sector cooperation**, i.e. implementation of public policies through the achievement of strategic tasks

- based on integrated problem analysis, coordinated actions of the different sectors and achievement of synergy effect,
- Urgent response, having in mind that achievement of **sustainable economic, social and territorial cohesion in the development of Montenegro** depends on the successful problem solving,
  - Use of coordination mechanisms in solving inter-sector conflicts at the strategic (sector-level and horizontal strategies, plans and programs) and operational level (projects),
  - Increased efficiency, effectiveness and transparency of the **governance process**.

In relation to the problems, weaknesses and shortcomings identified in terms of use and management of human, social, natural and economic resources, as well as the aspects of governance for sustainable development, the fourth chapter of NSSD gives answers to the identified unsustainable development trends by defining the **strategic goals and measures** within the time span of the NSSD – until 2030, and from the aspect of financing for sustainable development in the fifth chapter. Further elaboration of policy measures in the Action Plan results in the definition of **sub-measures, indicators for monitoring the progress in their implementation and expected outcomes** in 2030.

The NSSD Action Plan by 2030 contains a detailed elaboration of measures through the sub-measures and outcomes, in the framework of the strategic goals of sustainable development of Montenegro. In this way, the answers of the Montenegrin society to the problems, weaknesses and shortcomings that characterize the current state of development and the governance system are defined within the time span until 2030.

### **2.3 Taking stock of country's status – current status, content and structure of NSSD until 2030**

Environmental, economic and social aspects of development of Montenegro in recent decades indicate that the needs of future generations can be endangered not only by the qualitative and quantitative degradation of natural resources, but also the diminishing availability of other resources (human resources as a precondition for development and economic capital). Based on their own experiences and lessons learned, and in connection with obligations to future generations, and experiences of key international actors through global dialogue, they have paved the way towards sustainability; in the assessment of national resources in the context of this document there is an innovative assessment of the overall Montenegrin national resources - through four-dimensional development

concept. Namely, the basic NSSD principle is that production of goods and provision of services critical for the improvement of the material, mental and spiritual well-being of each generation require **four basic, necessary resources: human, social, natural and economic ones**. These are key national resources that must be sustainable, preserving the "right to development" to each successive generation. The NSSD until 2030 analyzes the right to development in relation to the right of an individual – a man, family and family values, and the widest social groups, in terms of governance at the state level and the level of local communities. Our responsibility to future generations obliges us to follow the approach that puts the man in the center of development, ensuring sustainable and mutually interconnected valorization of four groups of national resources. In this respect, it is necessary to ensure that the essence of sustainability is comprised of consistent political actions focused on the development of resources for posterity and prevention of decisions that reduce our national resources.

**Human capital** represents the sum of knowledge, skills, values, quality of personal relations and other resources available to a particular society. OECD defines human capital as the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic welfare<sup>10</sup>. The 2015 Human Capital Report, which was compiled by the World Economic Forum, with 124 countries in it, does not include Montenegro<sup>11</sup>. From neighboring countries, Bosnia and Herzegovina is also not taken into consideration, Slovenia is 15<sup>th</sup>, Croatia 36<sup>th</sup>, Serbia is in the 50<sup>th</sup> place, while Macedonia and Albania are in the 55<sup>th</sup> to 66<sup>th</sup> place respectively. The report points out that talent, not capital, is a key factor that connects innovation, competitiveness and economic growth in the 21<sup>st</sup> century. Given that human capital is developed through investments by the states in improving the quality of life of the people through the **public system of education, healthcare and social programs, employment programs and additional education of employees who contribute to the economically stronger and socially healthier society**. For a good demographic, healthcare and labor market policy, it is necessary for Montenegro to create mechanisms that encourage the sustainable development of human resources and promote social cohesion.

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<sup>10</sup> Centre for Educational Research and Innovation, "*The Well-being of Nations - The Role of Human and Social Capital*", OECD, 2001.

<sup>11</sup> World Economic Forum, "*Human Capital Report 2015*", <http://reports.weforum.org/human-capital-report-2015/>

Moral norms and values, relationships of trust between individuals and organizations; institutions, cultural heritage and cultural activities make up the **social capital** of a country. The World Bank defines social capital as the institutions, relationships and norms that shape the quality and quantity of interaction in a society<sup>12</sup>. The Organization for Economic Cooperation and Development (OECD), in turn, defines it as bonds, common values and understanding in society that enable individuals and groups to trust each other and work together. Social capital has a direct effect on productivity, wellbeing and happiness of a community because the connection between its members leads to trust, cooperation and reciprocity in relations. In the context of the situation in which Montenegro is when it comes to social capital, and bearing in mind the objectives of sustainable development, within the NSSD until 2030 the following dimensions and areas for priority action were defined: **the attitude of key actors towards sustainable development, system of values, trust in institutions and the rule of law, organizational culture, employability and social inclusion, regional development and cultural development and integrated protection and management of cultural heritage and areas.**

The diversity and uniqueness of the natural resources of Montenegro require taking decisive action to preserve this tremendous potential in accordance with the constitutional commitment of Montenegro as an ecological state, vision, principles, strategic goals and measures of sustainable development set out in the NSSD from 2007, and the commitment expressed at the United Nations Conference on Sustainable Development in 2012 (Rio + 20)<sup>13</sup>. Based on the constitutional commitment, political will to direct socio-economic development of Montenegro towards the construction of an ecological state in accordance with the principles of sustainable development was confirmed many times. As an expression of the political will, the national policy of sustainable development was established through the implementation of NSSD and the work of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management. Also, a series of steps were made for the fulfillment of such political vision, which corresponds to a high level of awareness of the ever increasing need to protect natural resources and to reduce the dynamics of their use in relation to the dynamics of economic growth of the country and to support the increase in the

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<sup>12</sup> Grootaert & Bastelaer, *“Understanding and measuring social capital: a synthesis of findings and recommendations from the social capital initiative”*, World Bank, 2001., str. 4.

<sup>13</sup> Ministry of Sustainable Development and Tourism, Analytical document “Greening the Montenegrin economy” – Platform for participation in the Rio+20 Summit, Government of Montenegro, June 2012.

quality of life of the citizens. The commitment to develop an ecological state requires and inter-generational equity transformed into an obligation not to deny the right of the future generations to have the same quality of the environment and resources that we have now. The conclusions in the Report on national consultations regarding Post-Millennium Development Goals Montenegro we want<sup>14</sup> **identify environment as one of the greatest advantages and opportunities of the country**. However, it is noted that the potentials of the environment are not only underutilized, but its qualitative properties are also rapidly disrupted.

The level of **economic development of Montenegro** is the result of a multitude of economic and non-economic factors that have affected in the previous developmental periods both the available development factors and the state of national resources, on the one hand, and the application and quality of implementation of various development concepts. Throughout the post-war development, Montenegro was relatively and absolutely lagging behind the other Yugoslav republics, undergoing a process of intense change in its economic structure, from accelerated deagrarianization, through industrialization, to a gradual strengthening of the service sector in the last twenty years. While there has been significant economic growth and development, Montenegro's economy came out of the "**Yugoslav**" **development phase** with a low level of competitiveness (high import dependence, moderate export orientation and dependence on ex-Yugoslav market). In the long run, with the strengthening of **competitiveness** of the Montenegrin economy, it is possible to gradually strengthen the export orientation of the country and on this basis to adapt the selected model of development that gives the best effects on the increase in the quality of life of all our citizens on a sustainable basis. **The key challenges of sustainable development of Montenegro** still remain as follows: to maintain macroeconomic stability, accelerate economic growth by introducing green economy with respect, preservation and evaluation of all national resources, especially natural capital, with increased resource efficiency and increase in the level of economic competitiveness, as well as balanced development both at the regional level as well as between members of different social groups. In the upcoming medium term period, it is necessary to work on strengthening resource efficiency especially in the sector of industry and agriculture, and to try to recover, or maintain, on a sustainable basis, the participation of these two sectors in the total structure of this sector.

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<sup>14</sup> Olivera Komar and Pavle Gegaj, Montenegro that I want – Report on national consultations in Montenegro on the post-Millennium Development Goals, April 2013

**Comprehensive assessment of the state of national resources is contained in Chapter 2 of the NSSD until 2030, according to the following structure:**

- 2.1. State of human resources
  - 2.1.1. *Demographic resources*
  - 2.1.2. *Health*
  - 2.1.3. *Education and skills*
- 2.2. State of social resources
  - 2.2.1. *On social capital*
  - 2.2.2. *Attitude of the key actors towards sustainability of development*
  - 2.2.3. *Value system*
  - 2.2.4. *Trust in the institutions and the rule of law*
  - 2.2.5. *Organizational culture*
  - 2.2.6. *Employability and social cohesion*
  - 2.2.7. *Balanced regional development*
  - 2.2.8. *Cultural development*
  - 2.2.9. *Integrated protection and management of cultural heritage and areas*
- 2.3. State of natural resources
  - 2.3.1. *Biodiversity*
  - 2.3.2. *Forests*
  - 2.3.3. *Ecosystem services*
  - 2.3.4. *Waters*
  - 2.3.5. *Air*
  - 2.3.6. *Land*
  - 2.3.7. *Environment and health*
  - 2.3.8. *Space and urban development*
  - 2.3.9. *Metals and non-metals (metallic, non-metallic and energy mineral raw materials)*
  - 2.3.10. *Natural and anthropogenous hazards, management of risk, protection and rescue in emergencies and recovery of effects in the state of emergency*
- 2.4. State of economic resources
  - 2.4.1. *Macroeconomic trends and sustainable management of development*
  - 2.4.2. *State of sectors of key relevance for sustainable development of the society*
- 2.5. Governance for sustainable development
  - 2.5.1. *Introduction of institutional and strategic framework for sustainable development*
  - 2.5.2. *Environmental management system*

In line with the aforementioned approach and the summary evaluation of the situation and the methodology for drafting the NSSD shown in item 2.2, the **structure and content of NSSD until 2030 are set out** as follows:

- **Introduction** – gives an answer to the question why and in which national and global circumstances the drafting of the new NSSD until 2030 is taking place, and what is the methodology used in drafting it.

- The second chapter **Assessment of national resources** covers **four areas**: **the state of human resources**: demographic resources, health, education and skills; **the state of social resources**, covering the topics such as: social capital, the attitude of key actors towards sustainable development, system of values, trust in institutions and the rule of law, organizational culture, employability and social cohesion, balanced regional development; cultural development and integrated protection and management of cultural heritage and areas; **the state of natural resources**, which assesses the state of: biodiversity, forests, ecosystem services, water, air, land, environment and health, non-renewable resources - space, metals and non-metals, and shows the impact of natural and anthropogenic hazards; **the state of economic resources**, which analyzes the macroeconomic trends, management of development and situation in the sectors that are crucial for sustainable development of the Montenegrin society. A special emphasis in the second chapter is given to national institutional and legislative framework, which is important for the **governance sustainable development**.
- The third chapter provides an overview of **key unsustainable development trends** and needs in the context of achieving the strategic objectives of sustainable development of Montenegro until 2030, in the context of all four groups of resources - human, social, natural and economic, as well as in the context of enabling the optimal institutional and legislative framework for the governance and financing for sustainable development.
- The fourth chapter defines the **strategic goals and measures** for: improving the state of human resources and strengthening social inclusion; improving demographic trends and reducing the demographic deficit; supporting the values, norms and behavior patterns important for the sustainability of the company; the preservation of natural capital and the introduction of the green economy, as well as answers to problems in achieving sustainable development of Montenegro, which are defined in chapter 3 of the NSSD. In doing so, national needs are perceived through detailed DPSI analysis (analysis of the driver-pressure-state-impact), the results of monitoring the implementation of the NSSD in the period of 2007-2012, and the weaknesses and needs of sustainable development of the Montenegrin society which were established in preparation for Montenegro's participation in the Rio + 20 Summit, as well as in the context of national consultations on Post-Millennium Development Goals. In this way, the needs identified have been associated with the challenges in the process of joining the EU, with an emphasis on the EU's road map to a resource efficient Europe and the EU 2020 strategy. Among the key documents that are taken into account is the Human Development

Report<sup>15</sup> for 2014 covering the issue of resource efficiency, and recommendations of the Government of Montenegro in the context of its application in the development of national policies for sustainable development. This way, the strategic framework is brought in direct contact with the challenges related to the translation of 17 objectives and 169 tasks of sustainable development as defined in the UN Agenda for sustainable development by 2030 in the national context, so that the measures and sub-measures in NSSD respond to the national needs and at the same time connect them with the fulfillment of global commitments.

- Chapter five defines recommendations for the establishment of a **financing framework for sustainable development** of Montenegro. It gives a detailed presentation of the basic principles of financing for sustainable development and analyzes the possible sources of funding in relation to the requirements contained in the Addis Ababa Action Plan: domestic public funds, domestic and international private business and finance, international development cooperation, international trade as a development engine, management of public debt and intergenerational balance, science, technology, innovation and development capacity. It also reviews the situation and needs in the area of financing for the environment through the planned establishment of the Eco-Fund and linking this framework to the broader context of financing for sustainable development.
- Chapter six presents **NSSD Action Plan until 2030**, which establishes a set of **measures** and relevant **sub-measures** grouped under the strategic objectives of sustainable development of Montenegro. Bearing in mind the horizontal and multisectoral nature of the problem and in relation to them identified needs of sustainable development of Montenegro by 2030, the strategic objectives are structured into the following priority themes: **improving the state of human resources and strengthening social**

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<sup>15</sup> The United Nations Development Program (UNDP) Office prepares regular annual National Human Development Reports, with the aim to draw attention to the important issues of social and economic development in the country, stimulate debate and mobilize support for the necessary improvements and changes. In 2014, the Government of Montenegro adopted the information on the report «On the road to resource efficient economy – fulfilling the promise of Montenegro becoming an ecological state» and adopted the conclusions, giving the task to the Ministry of Sustainable Development and Tourism to amend the National Strategy of Sustainable Development of Montenegro by 2030 with the recommendations contained in this report.

**inclusion, support to values, norms and behavior patterns important for sustainability of society, preservation of natural capital and the introduction of green economy, governance for sustainable development, financing for sustainable development.**

- Strategic objectives and measures, with a detailed elaboration of **sub-measures and target outcomes**, and identified responsible parties for their implementation, have been defined as responses of Montenegrin society in the time span until 2030 in order to overcome the problems, weaknesses and shortcomings of the current state of development and the governance system. At the same time, priority issues, strategic objectives, measures and sub-measures of sustainable development by 2030 represent a **Montenegrin response to the challenges in the context of the implementation of the Agenda for sustainable development by 2030**. Namely, the NSSD until 2030 sets the basis for monitoring the implementation of the UN Agenda for sustainable development by 2030 in the national context.
- The seventh chapter proposes the **system for monitoring the implementation** of NSSD until 2030 and **reporting on progress** to be achieved in the process. This chapter establishes a complex set of indicators, which should enable effective monitoring and reporting, and it is comprised of the indicators of sustainable development taken from the UN list, specific national indicators, relevant indicators of certain international organizations and complex indicators for cumulative monitoring of sustainability of development of Montenegro. The use of selected complex indicators resulted in the assessment of the state of consumption of national resources through quantified overview of the state of biological capacity, domestic consumption of resources, development of human resources, space consumption, and their interconnection.

The NSSD Action Plan by 2030 defines also the control measures that are necessary in order to establish an information system and database as key instruments to enable the application of measurable indicators in the context of monitoring progress in the implementation of the goals of sustainable development. Besides, this chapter also assigns tasks to the relevant entities in terms of collecting and storing the input data for the calculation and statistical processing of indicators, as well as a way of exchanging data and facilitating their mutual compatibility. It particularly emphasizes the need for strengthening the capacities necessary for the improvement of statistical programs to meet the needs of reporting by using indicators of sustainable development from the UN list.

## **2.4 Consultative process - Consultations with different levels and sectors of government and contribution by the national evaluation/ oversight institutions**

The process of drafting NSSD until 2030 involved the work of an expert team and the participatory process. The participatory process was comprised of the following:

- Consultative process that included representatives of all the relevant ministries in the Government of Montenegro, state administration bodies, local self-governments and local administration bodies;
- Public consultations involving all the relevant stakeholders.

The process of drafting NSSD until 2030 involved the following consultative meetings with the interested public:

- March-April 2013 – *Questionnaire on the National Strategy for Sustainable Development of Montenegro (2007-2012)*, that was accessible via the e-government portal, and was aimed at giving an overview of the extent of use of NSSD MNE 2007-2012, the impact it had on sector policies and development projects, and the deficiencies of this document;
- April 2013 – launching the NSSD MNE 2014-2020 (a Conference on the topic «How to achieve sustainable future?» was held and the *Report on national consultations on the post-millennium development goals* was presented at that occasion, and the review of 2007 NSSD was announced);
- May 2013 – meeting with the representatives of the Coordination body for sustainable development;
- October 2013 – consultations on sustainable development were held and the developed Basis for drafting the NSSD MNE 2014-2020 was presented. Participants in this round table included representatives of all the stakeholders;
- November 2013 – regional meetings with different social actors;
- November-December 2013 – consultations with representatives of different stakeholders, and in-depth interviews with relevant representatives;
- March 2014 – 7 one-day regional workshops held in the following municipalities: Budva, Herceg Novi, Bar, Pljevlja, Mojkovac, Danilovgrad and Podgorica. The process of NSSD MNE review was presented there and the discussion was held on the vision of NSSD MNE and all the topics relevant for the local self-governments;
- July-September 2015 – consultations were held with the members of the Coordination body for sustainable development, in the context of development of the Draft NSSD Action Plan. In order to engage in

consultations with the members of the Coordination body, questionnaires were distributed with the aim to define the goals and measures of the Draft NSSD Action Plan. During the consultations, there were three thematic meetings held in September, covering the different themes of the NSSD. In this round of consultations the emphasis was put on the participation of relevant ministries and local self-governments, in order to harmonize the NSSD and priority sector with strategies and plans on local level;

- Throughout 2014 and 2015, meetings of the working groups of the National Council for Sustainable Development and Climate Change took place, in order to discuss the Preliminary Draft NSSD – in July 2014 and May 2015, and the Draft NSSD until 2030 – on 4 December 2015.

The Draft NSSD, which was analyzed by the National Council for Sustainable Development and Climate Change at the 29th session, and confirmed by the Government of Montenegro at its session of 28 December 2015, incorporated the comments and suggestions that have been presented in writing by members of the working groups of the National Council, Ministry of Agriculture and Rural Development (agriculture), the Ministry of Economy (energy), MSDT (tourism and civil works), and MONSTAT.

Following the recommendations of the working groups of the National Council, and the opinions of members of the National Council presented at the 29th session, during the preparation of the NSSD Proposal, there were seven consultation meetings organized in the period from 15 to 18 February with representatives of the relevant entities for each of the thematic areas of the NSSD (natural resources, human and social resources, economic resources, monitoring the implementation of the NSSD, financing for sustainable development). The expert team for drafting the NSSD until 2030 and the Division for Sustainable Development and Integrated coastal zone management within the Ministry of Sustainable Development and Tourism held the following consultative meetings:

- Meeting with the entities responsible for natural resources took place on 15 February 2016. There were 26 participants in this meeting, from the Ministry of Sustainable Development and Tourism, the Ministry of Agriculture and Rural Development, the Ministry of Health, the Ministry of Interior Affairs, the Environmental Protection Agency of Montenegro, the Directorate for Inspection Affairs, the Forest Directorate, the Union of Municipalities of Montenegro, Capital Podgorica and the Public Health Institute of Montenegro;
- Meeting with the entities responsible for economic resources was held on 16 February 2016. There were 16 participants in this meeting, from the Ministry of Economy, the Ministry of Transport and Maritime, the Ministry of Sustainable Development and Tourism, the Standardization Institute of

Montenegro, the Bureau for Metrology of Montenegro, the Directorate for the development of SMEs and the Accreditation Agency of Montenegro;

- Meeting with the entities responsible for issues of human and social resources took place on 17 February 2016. There were 25 participants in this meeting, including representatives of the Ministry of Labor and Social Welfare, the Investment-Development Fund, the Public Health Institute of Montenegro, the Directorate for Youth and Sports, the University of Montenegro (Faculty of Political Sciences), the Ministry of Education, the Employment Agency of Montenegro and the Chamber of Commerce of Montenegro;
- Meeting with the entities responsible for the issues in the area of culture – the Ministry of Culture and the Directorate for the protection of cultural resources was held on 17 February 2016;
- Meeting with the representatives of the Directorate for economic policy and development in the Ministry of Finance was held on 18 February 2016;
- Meeting with the representatives of the Department for electronic registries in the Ministry for Information Society was held on 18 February 2016.

In the consultation process a lot of interest in the Draft NSSD until 2030 was expressed, and this resulted in a large number of suggestions and proposals relevant to the improvement of the NSSD. In addition to the consultative meetings, suggestions have also been submitted in writing, using the form that was prepared for this purpose by the Ministry of Sustainable Development and Tourism. A report from all the consultative meetings contains an overview of the submitted suggestions and the opinion of the NSSD expert team in terms of their integration into the Proposal of the NSSD until 2030. All proposals that were not in conflict with the goals and objectives of sustainable development were accepted, thus, it can be concluded that the Proposal of NSSD until 2030 reflects a high degree of consensus of the relevant entities in relation to the strategic objectives and measures for sustainable development of Montenegro by 2030. Report from the consultative meetings with the presented comments and suggestions, as well as the views of the expert team for the development of the NSSD until 2030 is available in the Ministry of Sustainable Development and Tourism.

In preparation of materials for consideration by the Government of Montenegro, the Proposal of NSSD until 2030 was submitted for validation to all ministries that are recognized as responsible institutions for implementations of activities defined by NSSD until 2030.

An integral part of the consultation process were the meetings of the permanent working groups of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management, which took place on 6 June 2016. Members of the working groups expressed their support for the Proposal of NSSD until 2030 and assessed that its implementation will require the full commitment of all stakeholders whose tasks are set out in the NSSD Action Plan, as well as strong political support in order to eliminate unsustainable development trends. The minutes of the meeting, with the opinion of the working groups, is provided in the annex to this summary.

## **2.5 Public consultations on the Draft NSSD until 2030 - contribution from civil society, academia, business sector, other stakeholders, and other relevant contributions**

The public consultations process was organized in accordance with the Program of public consultations which is aligned with the Article 7 and Article 9 of the Regulation on the procedure and manner of conducting public debate in preparing laws. Program was approved by the Government of Montenegro at its session of 28 December 2015, when the Draft NSSD until 2030 was approved. The process of public consultations was initiated through the publication of notice and the Draft NSSD until 2030 on the website of the Ministry of Sustainable Development and Tourism and e-government portal. In accordance with Article 11 of the Regulation on the procedure and manner of conducting public debate in preparing legislation, and taking into account the comprehensiveness of the NSSD, the debate on the Draft NSSD lasted 60 days from publication of the call, in the period from 28 February to 22 April 2016. Public Hearing was preceded by a consultative part of the participatory process that was organized in the period from 15 to 18 February 2016, as specified within the preceding paragraph 4 of this summary. After adjustment of the Draft NSSD based on the suggestions received in the consultative process, the second part of the participatory process was conducted, through the organization of round tables in the context of public consultations:

- Meeting with the members of the Committee of the Parliament of Montenegro for Tourism and Agriculture, Ecology and Spatial Planning, held on 25 February 2016,
- Round table in Kotor, held in the premises of the Municipal Assembly in Kotor, in the presence of 36 participants, on 4 March 2016,
- Round table in Berane, held in the premises of the Municipal Assembly in Berane, in the presence of 40 participants, on 11 March 2016,

- Round table in Podgorica, held in the premises of the Ministry of Sustainable Development and Tourism, in the presence of 29 participants, on 18 March 2016,
- Round table for the business sector and the academia, held in the premises of the Chamber of Commerce of Montenegro, in the presence of 30 participants, on 22 March 2016.

In relation to the target groups of participants in the public debate, as defined in the Public Consultations Program, the Union of Municipalities and the Partnership Council for Regional Development did not confirm their interest in participating in the organization of special panel discussions (a round table in cooperation with the Partnership Council was proposed considering that it is composed of representatives of public administration, local governments, as well as foreign investors). Representatives of local governments took an active part in the framework of the aforementioned round tables.

Division for Sustainable Development and Integrated Coastal Zone Management in the Ministry of Sustainable Development and Tourism organized a round table in cooperation with CEED Consulting Ltd. and local non-governmental organizations that have helped to promote NSSD until 2030 and to ensure such a wide response of the stakeholders in the context of the public consultations.

Report from the public consultations that contains remarks and suggestions and the views of the expert team for the development of the NSSD is available in the Ministry of Sustainable Development and Tourism. All comments and suggestions were observed and to the extent possible integrated into the Proposal of NSSD until 2030. In this way the NSSD Proposal represents an expression of needs not only of the Government and national institutions, but also of the widest range of stakeholders, from local self-governments, NGO's, academia and the business sector.

## **2.6 Sources used for the review**

The National Strategy for Sustainable Development until 2030 is based on documents that were created in the context of monitoring implementation of the 2007 NSSD, on all relevant sectoral documents, the relevant documents in the UN, regional and EU context. Information about key sources for the preparation of the NSSD until 2030 is given in paragraphs 2.1 and 3.2.3, while the overall presentation of sources is listed in the Bibliography, Annex to the NSSD until 2030.



## **3. POLICIES AND ENABLING ENVIRONMENT**

### **3.1 Creating ownership of the SDGs**

Development of ownership over the sustainable development goals started within the consultative process “Montenegro we want”, within the post-2015 consultations. This process, supported by the UN, was part of a global discussion through which people from all over the world have been invited to help Member States to shape the future development agenda that will build on the Millennium Development Goals (MDGs) after their target date at the end of 2015. In order to involve the people of Montenegro and give them the opportunity to describe “what kind of Montenegro and what kind of world they want to live in”, the UN system in Montenegro, in cooperation with Ministry of Sustainable Development and Tourism and Ministry of Foreign Affairs and European Integrations, has created a broad platform for communication with the purpose of collecting people’s ideas, and hence helping world leaders create a new global development agenda after 2015. The consultations on Post 2015 development agenda in Montenegro was carried out in two phases (2013 and 2014): Phase 1 was organized between December 2012 and April 2013 and Phase 2 between May and September 2014.

Development of ownership over the Sustainable Development Goals continued in the context of Montenegro's participation in the Open Working Group for SDGs, when the Ministry of Sustainable Development and Tourism organized comprehensive inter-ministerial consultations, relying on mechanisms of the National Council for Sustainable Development and Climate Changes. Inter-ministerial consultations within the working groups of the National Council and the Coordinating Body for Sustainable Development enabled defining national positions within the intergovernmental negotiations on SDGs based on the inputs from the relevant institutions. At the same time, Coordinating body was the key coordinating mechanism for the involvement of relevant national stakeholders in monitoring the implementation of the 2007 NSSD.

The consultation process continued during the phase of drafting the NSSD, following the methodology presented in sections 2.4 and 2.5, and it enabled participation of all the relevant stakeholders in all phases of drafting of the new NSSD until 2030. In this way, all relevant stakeholders: ministries, expert institutions, and institutions in the public sector, local self-governments, the parliament, the academia, the civil society organizations and the business community took an active part in the development of NSSD until 2030, which is focused on the SDGs and the relevant set of sustainable development tasks.

### **3.1.1 Raising awareness among various stakeholders about the SDGs-post millennium consultations**

The aim of the first phase of consultations "Montenegro We Want" was to obtain the views of Montenegrin citizens on development challenges they face, ideas and visions and especially ideas on how to overcome identified problems which would lead to a better life for themselves and their families. The process was particularly focused on the consultations in order to contribute to the creation of a development plan for the period after 2015, that is, to the definition of the goals of sustainable development. This phase included over 8,000 people in Montenegro, or 1.3% of the total population. Special attention was given to the inclusion of marginalized groups, including the poor, the young and the elderly, women, people living in remote or isolated communities, persons with disabilities, etc.

Eight most important issues were identified around which priorities for the future should be set: the economy, unemployment, income and equal regional development; fighting crime, corruption and nepotism; health; equality; the environment; building infrastructure; education and values.

In the second phase, after the eight most important issues were identified, specific questions were tailored for the purpose of gaining more in-depth understanding of people's priorities within these identified themes. These questions were then asked both to specialists/experts and again to the citizens. The objective was two-fold: to gain more specific understanding of the priorities that were chosen by the representative sample of people in the first round of consultations and to consult as many people as possible on these eight issues.

Findings of this consultative process were used as the platform for development of the National Strategy for Sustainable Development of Montenegro as well as inputs within Montenegro's participation in the work of Open Working Group for SDGs.

### **3.1.2 Plans for disseminating the findings of reviews of the 2030 Agenda**

This report, which provides an overview of translation of the UN Agenda for sustainable development into the new NSSD until 2030, will be presented at the HLPF session, on 19 July 2016. At the national level, the document will be presented to the stakeholders in September 2016 by the Ministry of Sustainable Development and Tourism in cooperation with the United Nations Development Program, in the context of promoting new policies for sustainable development of Montenegro by 2030. Besides, the report will also be submitted, for information,

to the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management and its working groups, as a body that integrates representatives of all stakeholder groups at the national and local level of action.

### **3.2 Incorporation of the SDGs into national framework**

As explained in paragraph 2.3, NSSD until 2030 represents a strategic framework for translating global goals and indicators of sustainable development in the national context. Priority topics, strategic goals and targets of sustainable development until 2030 represent at the same time the response of Montenegro to the challenges and responsibilities related to the implementation of the UN Agenda for Sustainable Development until 2030. A coherent set of measures and sub-measures in NSSD until 2030 sets the **platform for translating global targets and indicators of sustainable development in the national framework**, in order to link, to the extent possible, the monitoring of progress in the implementation of the NSSD Action Plan until 2030, with the UN Agenda for Sustainable Development until 2030. The complexity of global sustainable development goals and the high number of associated targets and indicators resulted in the need for a comprehensive analysis of a complex institutional system in the country, in order to introduce a stable and functional system of monitoring and reporting on the implementation of sustainable development policies in the long run.

The strategic goals and measures of sustainable development of Montenegro until 2030 are defined taking into account national circumstances as well as and national commitments in the context of implementation of the UN Agenda 2030. In order to define the strategic goals and measures in response to the **key issues** in the management and use of human, social, natural and economic resources, as well as in the governance for sustainable development, targets defined by the UN agenda 2030 were analyzed in terms of types of obligations generated for the responsible entities at the national level and it was assessed whether these are obligations which have been identified in the context of the analysis of problems in national development (which was conducted in the manner explained in the NSSD methodology). The analysis showed a high degree of compatibility of the responses to be provided in the national context in order to overcome the unsustainable patterns of development and harmonization of national development with the requirements of the UN Agenda 2030. Specificities of the sustainable development targets in the national circumstances are recognized by defining additional measures and sub-measures, or the measures that have been defined as responses to the problems of sustainable development of Montenegro

in the previous period, identified using the DPSI method, were upgraded by expanding their scope in a way to connect them with the related tasks from the Agenda for sustainable development.

Summary of methodological approaches for translating the UN sustainable development goals and targets into the national context through the NSSD is given in Table 3-1, which provides an overview of the goals and targets in the NSSD priority areas in which these UN goals are recognized as relevant. Namely, out of 169 targets, structured in 17 sustainable development goals, 167 have been translated into measures defined in the action plan in accordance with national circumstances and future needs. Two targets are not relevant for Montenegro: 9a - facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing states and 9c - significantly increase access to information and communication technology and strive to provide universal and affordable access to internet in the least developed countries by 2020. The last column indicates whether in the context of a specific sustainable development goals there is a target that is not relevant in the context of Montenegro. It is important to emphasize that a large number of 167 translated targets are recognized as relevant for several priority areas of the NSSD, confirming the universal nature and the cross-sectoral character of this Strategy and stressing the need for functional integration of all dimensions of sustainability of national development. Of all the relevant targets, 95 have been identified in one priority area, 49 in two, 17 in three, 4 in the four priority areas, and 1 was identified in five priority areas of the NSSD.

All of the aforementioned **confirms that this strategy sets the basis for monitoring of implementation of the UN Agenda for sustainable development until 2030 in the national context.**

*Table 3-1 Overview of integration of UN Agenda for sustainable development goals and targets in the priority areas of NSSD*

	Human resources	Social resources	Natural resources	Economic resources	Governance for sustainable development	Financing for sustainable development	Not relevant
SDG 1		1,2,3,4,3,5,a,b	5,				0
SDG 2		1,2	4	3,4,5,a,b,c			0

SDG 3	1,2,4,5,6,7,8,a,b,c	1,2,3,7,8	9,d				0
SDG 4	1,2,3,4,5,6,7,a,b,c	4,7					0
SDG 5		1,2,3,4,5,6,a,b,c					0
SDG 6			1,2,3,4,5,6,a,b	3,b	a,b		0
SDG 7			2,3,a	1,2,3,a,b			0
SDG 8	3	1,2,3,5,6,7,8,9,b	3, 4,	1,2,3,4,5		2,3, a	0
SDG 9		1	4,5	1,2,3,4,5		B	a,c
SDG 10	7	1,2,3,4,c		2,7,b		1,2,3,4,5,6,a,b	0
SDG 11		1,2,4	1,2,3,4,5,6,7,a,b,c	6,b			0
SDG 12			1,2,4,8	1,2,3,4,5,6,7,8,a,b,c		2,a,c	0
SDG 13			1,2,3,a,b	1,2,3		2,3,a	0
SDG 14			1,2,3,5,7,a,b,c	1,2,4,5,6,c			0
SDG 15			1,2,3,4,5,7,8,9,a,b,c	2, 5, 6,b		2,a,b	0
SDG 16		1,2,3,4,5,6,7,9,10,a,b	6		6,7,8,10,b	6	0
	4		4,15,17	1,2,3,4,6,7,9,13,14,16,17,18,19	1,3,6,7,8,9,13,14,15,16,17,18,19	1,2,3,4,5,6,7,9,10,11,12,13,14,16,17,18,19	0

### 3.2.1 Mainstreaming/integrating the SDGs into legislation

In the 1992 Constitution, and the 2007 Constitution, Montenegro has opted for development based on the principles of sustainable development. Constitutional commitment was followed by a series of activities aimed at building the institutional and policy framework for sustainable development. In drafting the NSSD, a large number of regulations governing the issues relevant for sustainable development of Montenegro were analyzed. Findings in this respect are contained in the Analysis of institutional and legislative framework relevant for sustainable development of Montenegro, and a brief overview of the key deficiencies is given in Table 3-2.

At this stage, harmonization of national policy for sustainable development with the UN Agenda for sustainable development until 2030 respectively sustainable development goals and targets was carried out through their integration into the NSSD until 2030. As stated, in the period until 2018 sectoral policies will be harmonized with the NSSD and the Agenda for sustainable development by 2030. Depending on the assessment of the incompatibility of sectoral policies, it will be possible to engage in amending the existing regulations to eliminate their non-compliance with the Un Agenda 2030 and the strategic goals and policy measures for sustainable development of Montenegro.

*Table 3-2: Summary of problems in the implementation of the legislative framework important for sustainable development*

<b>Problems</b>	<b>Immediate and deeper causes</b>
<b>LEGISLATIVE FRAMEWORK</b>	
Insufficient level of harmonization of national legislation with international enactments (Conventions, Protocols, and treaties) and EU Directives	Incomplete and non-existent legislation
Insufficient efficiency in the implementation of legislation	Expert capacities for implementation of legislation have not been developed
Unsatisfactory level of institutional activities in the implementation of legislation and limited administrative capacities for the implementation of the programme activities	Competencies of various ministries are not clearly defined (there is some overlapping of competencies in the policies that regulate certain areas, particularly in the field of control and protection from pollution, like for example - waters sea, air, etc.)  Insufficient number of employees working on the tasks of sustainable development; insufficient number of expert staff;

Mechanisms for cooperation of the national and local bodies are not sufficiently developed	Unsatisfactory level of exchange of information and coordination Questionable spending of revenues collected on the basis of concession fees from the local self-government - not regulated
Reorganization of inspection services through their integration in one body, where ministries have lost a direct and efficient instrument for monitoring the policy implementation	Inefficient inspection supervision Insufficient number of inspectors Imprecisely and unclearly defined competencies of the inspection tasks on the national and local level Lack of expert staff for the tasks of inspection supervision
Lack of an integrated database for monitoring the status of the environment	Insufficient allocation of funds for financing research and monitoring programme and unsatisfactory existing technical capacities

### 3.2.2 Mainstreaming/integrating SDGs into strategies, policies, plans and programmes

By participating in international dialogue on the sustainable development goals and UN Agenda for sustainable development until 2030 Montenegro expressed its full commitment to the priority issues of sustainable development, such as: **poverty reduction, inclusive economy, the rule of law, good governance, the introduction of green economy, strengthening the efficiency of use natural resources, climate change, coastal areas, conservation of sensitive ecosystems, sustainable production and consumption, gender equality and providing inclusive and knowledge-based growth.** In addition to the global context, the priority is to create conditions for the implementation of key determinants of sustainable development enshrined in the relevant EU policies, primarily the Europe 2020 Strategy and the Roadmap to a resource- efficient Europe.

#### 3.2.2.1 Preparation of the 2016 Report on Millennium Development Goals in Montenegro

Practical implementation and measurable results of deviation from unsustainable development trends still represent a challenge and must constitute the backbone of policy of sustainable development. In the past, the **Millennium Development Goals** represented the means of measuring and monitoring progress in the implementation of some key tasks relevant to sustainable development both at national and international level. *The 2016 Report on Millennium Development Goals in Montenegro* has been prepared as the last in a sequence of annual and periodic reports on implementation of Millennium goals (MDGs) in the country with the

aim to assess whether national MDGs have been achieved and to analyze trends during the entire implementation period. Moreover, the *Report* was prepared in order to identify the key successes, constraints and lessons learnt in this process. The intent was to help maintain achievements and enabling factors while moving to the implementation of sustainable development goals (SDGs) i.e. to indicate possible ways of overcoming the challenges that have slowed down progress with certain MDGs.

### National milestones around the MDGs and transition to SDGs

Millennium Development Goals have been adapted to the national context in 2010 and the following localized goals have been defined, together with appropriate tasks, targets and indicators:

1. Reduce relative poverty and other dimensions of poverty;
2. Achieve universal primary education;
3. Enhance gender equality and improve position of women;
4. Decrease children's mortality rates;
5. Improve maternal health;
6. Combat HIV/AIDS, tuberculosis and other diseases;
7. Ensure environmental sustainability; and
8. Ensure global partnership for development.

While adapting global goals to the national context, particular attention was paid that selected targets and indicators are reflective of the achieved level of development in the country as well as of priorities and aspirations for the future.

National MDGs have been considered and taken into account when adopting regulations, policies, plans and programs. This has resulted in a high level of MDGs integration in the sectoral policies. The so far MDG reports showed these goals were compatible with the national framework strategic documents as well as with priorities of the process of acceding to the European Union (EU). In addition, it was assessed that MDGs have acted as an impetus for the implementation of adopted policies and strategies. In certain sectors (such as for example education and health), MDGs have had a significant impact in focusing attention on particularly vulnerable population groups.

In the coming period, it is expected that national development agenda will be significantly affected by the SDGs as defined in the UN's 2030 Agenda for Sustainable Development. The Agenda is compatible with the Millennium Declaration and it represents a basis for continued efforts towards unfulfilled MDG

aspirations. At the same time, the 2030 Agenda widens the set of development issues covered by the Millennium Declaration to include emerging issues and new priorities such as preservation of oceans and seas, sustainable agriculture, climate change, urban development, inclusive societies and institutions, and others. It is highly relevant for Montenegro and the country has committed to implement it.

Montenegro is one of the first countries in the world that has started the process of integration of the 2030 Agenda goals into the national frameworks. This is done through the *National Sustainable Development Strategy until 2030 (NSDS)*, the Proposal of which was finalized in June 2016. In preparing the NSDS, global SDGs have been considered in detail and transposed into the national sustainable goals in line with national priorities. NSDS goals by 2030 encompass all the development issues that were addressed under Millennium goals. The Strategy also envisages continued monitoring of all the MDG indicators. Continuity in addressing the MDG topics has been thus ensured at the level of strategic planning, and an opportunity created to complete the MDGs tasks where targets had not been achieved by the end of 2015 through the NSDS implementation.

#### Development context

A significant increase in the Human Development Index (HDI) and mild economic recovery after two cycles of recession (in 2009 and 2012) can be singled out as the main development achievements in the period since nationalized MDGs have been adopted in Montenegro. With HDI of 0.802 in 2014, Montenegro belongs to a group of countries with very high HDI and is ranked as 49<sup>th</sup> country in the world. Despite the GDP growth recorded in the past few years, the country is still faced with several macroeconomic challenges that need to be overcome in order to secure stable and sustainable growth. Accession to the EU is a national priority: accession negotiations were opened in June 2012 and have had major impact on the processes in the country.

Progress in achieving MDGs was not as impressive as the progress in human development shown by HDI rise. Adequate responses are needed for the cases of economic, social and environmental unsustainability (such as high unemployment, low competitiveness of the economy, budgetary deficit, poverty and inequality, excessive pressures on natural resources or environmental components, and others). If these responses are not provided, the so far achievements could be undermined and long term sustainability questioned. These threats are exacerbated by the fact that Montenegro is a small system that is, as evidenced through MDG implementation monitoring, highly susceptible to external as well as to internal pressures. Ensuring equal rights for all, fight against corruption and organized

crime, development of sustainable economic activities, development of effective and responsible institutions and capacity building at all levels can be singled out as the main challenges for the future.

#### MDG implementation in Montenegro: status in 2015, key successes and constraints

Out of national MDGs for which quantified targets have been set, one goal (MDG 5) has been fully achieved, two have been partially achieved (MDGs 4 and 6), for one goal (MDG 2) indicator values recorded in 2015 came very close to targets, while three goals (MDGs 1, 3 and 7) have not been achieved. Satisfactory progress has been recorded for MDG 8.

Nevertheless, achievements in the MDGs implementation process in Montenegro are highly significant. First of all, the goal on maintaining and improving reproductive maternal health (MDG 5) has been fully achieved. As for MDG 4, tasks 1 and 3 have been fulfilled: infant and children (up to 5 years of age) mortality rates have been significantly reduced and the same applies to mortality rates for children 0 to 4 years of age due to accidents. Under MDG 6, task on reducing incidence of and mortality due to tuberculosis (task 2) has been fulfilled. For the task 3 – reducing mortality due to chronic non-communicable disease – results were semi-successful: target was reached for cardiovascular diseases but not for malign tumors.

Even though targets were not actually reached, an important success was accomplished for MDG 2 where positive trends were recorded and where figures on coverage of preschool and elementary education (tasks 1 and 2) came very close to targeted values. It is estimated that task 3 on reaching low illiteracy rate for persons older than 10 was fulfilled.

MDG 7 was not entirely achieved, but significant progress was made for a number of indicators. Targets have been reached for 4 out of 11 indicators. Targets were reached or exceeded for terrestrial protected areas and areas under forests, reduction of greenhouse gases emissions and share of renewable energy in total consumption of energy (task 1). According to available data, energy intensity in 2015 was very close to intended level. Moreover, good progress was made for water supply and wastewater collection and treatment indicators (task 2) despite the fact that relevant targets were not reached.

Targets were not reached for either of the two tasks defined to contribute to improvements in gender equality, however the achieved progress is also

encouraging in these areas – for economic empowerment of women as well as for their participation in political affairs.

Finally, the weakest progress was made for MDG 1 where none of the four tasks defined in order to reduce poverty, inequality and unemployment were fulfilled. This is a reason for concern and a signal that related set of development issues must be paid much more attention in the coming period.

The following can be singled out as the main distinct successes in implementing the MDGs:

- Decrease of gender disparities in employment: at the onset of MDGs implementation, unemployment rate for women was higher than men's by almost 10 percentage points, while in the past couple of years the difference was negligible and mainly in favor of women.
- A significant increase in the rate of enrolment into preschool education was accomplished (from around 23% in 2003 to almost 38% in 2015) alongside with continued increase in the enrolment and completion rates for elementary education which came very close to achieving the goal of universal primary education.
- Unemployment rate for women was halved in the period of MDG implementation, while as employment rate increased for approximately 10 percentage points.
- A significant increase was recorded for all the indicators on women's participation in elected government bodies on national and local levels: in 2015, close to 24% of seats in the Government of Montenegro and in local parliaments were held by women, which is close to 30% targets.
- Infant and mortality rate for children up to 5 years of age dropped far below targets; this is considered to be one of the biggest successes of the health system in Montenegro.
- Since 2007 no deaths were recorded related to pregnancy, delivery and postnatal period; all the deliveries take place in the presence of qualified medical staff.
- Rate of newly registered tuberculosis cases decreased by more than 2 times in the period of MDGs implementation; mortality rate due to tuberculosis was halved.
- Surface of protected areas and areas under forests exceeded projected targets.
- MDG to reduce emissions of greenhouse gases was achieved whereas a decrease of more than 40% compared to 1990 emissions was recorded.

- MDG on the share of renewable energy in total energy consumption was significantly exceeded.
- A favorable trend was recorded for all the water supply and wastewater collection and treatment indicators; wastewater treatment rate increased by close to 2.5 times in the period of MDGs implementation.

Despite significant successes, poverty and employment indicators are largely behind the targets and this is rather worrying. Also worrying is failing to reach gender equality targets as well as slow progress with some health (primarily HIV infections and malign tumors) and environmental sustainability indicators (marine protected areas, air quality and rate of anthropogenic pressures on surface waters). Finally, important reasons for concern are inequalities that exist for some indicators. Coverage of vulnerable population groups with education is, for example, much lower than for general population. At the same time, there are no comprehensive and continuous data on inequalities in education (or in other areas).

The following can be singled out as some of the key factors that enabled successes:

- Implementation of reforms and continuous advancement of regulatory and strategic frameworks,
- Good integration of MDGs into sectoral policies and their compatibility with the EU accession requirements,
- Improved coordination and stakeholders' participation,
- Strong support (financial and technical) of international organizations,
- Implementation of programs to support development of female entrepreneurship,
- Interactive services and other activities to decrease regional inequalities in the coverage of preschool education,
- Specific actions designed to provide for integration of Roma and children with special needs in education system,
- Application of gender equality principles at local level,
- Activities of support and prevention units in the health centers, activities of specialized health institutions,
- Raised awareness on health risks,
- Improved information, studies and plans for forest and protected areas management,
- Implementation of energy efficiency measures, and

- Significant investments into water supply and wastewater collection and treatment projects.

On the other hand, the following can be singled out as the main constraints that have slowed down progress and caused delays in certain areas:

- Non-implementation of adopted plans and strategies, lack of responsibility for non-implementation,
- Poor implementation of recommendations from MDG progress reports,
- Lack of assessments on the effectiveness of certain measures and programs,
- Unavailable and unreliable data,
- Widely spread corruption,
- Traditionally weak support for gender equality and environmental goals, lately also for poverty reduction,
- Systemic weaknesses of the national economy and labor market that have a negative impact on unemployment have not been addressed sufficiently,
- Deeply rooted stereotypes on gender roles,
- Low investments into preschool education,
- Low investments into health,
- Insufficient capacities for protection of marine ecosystems, air and water management, and
- Insufficient capacities for implementation of environmental infrastructure projects.

In addition to tasks and goals that have not been achieved by the end of the implementation period i.e. in addition to unfinished MDGs business, emerging priorities identified in the course of MDG implementation also require attention in the coming period. Emerging priorities first of all refer to improvements in the quality of education, climate change, further ecosystem protection, increasing competitiveness of the national economy, development of responsible and efficient institutions and similar. NSDS implementation represents an excellent opportunity to continue with necessary activities, accelerate progress and capitalize on the efforts invested so far that have not yielded planned results.

Some of the main lessons that can be deduced based on experiences with MDGs implementation and are relevant for NSDS include:

- Implementation of MDGs has shown that substantial efforts will be needed in the coming period to ensure availability of sound and sufficiently

disaggregated data to conduct necessary analyses. One of the most significant challenges for NSDS implementation will be to achieve necessary improvements to enable monitoring and evaluation of selected SDGs indicators.

- Analysis of trends has shown that certain MDG indicators varied during time – getting closer or further from set targets. Reaction of competent institutions was not always adequate – negative trends were not always followed with appropriate measures and efforts to stop and reverse them. Such a situation should not repeat in the course of NSDS implementation.
- Efforts should be joined and coordination further improved in SDGs implementation in order to achieve synergetic effects from implementing diverse development agendas. This is especially important with a view to limited capacities.
- Political will and commitment to certain goals are crucial for achieving progress.
- Significant overlap between MDGs themes and priorities of the EU accession yielded multiple benefits.
- Improvements are needed in development financing, both when available funds and instruments are considered, as well as when it comes to efficiency and effects of investments. This has a growing importance in light of expected further budgetary restrictions. To this end, adequate planning and priority setting becomes even more important. Fight against corruption is equally important since corruption hinders equitable and efficient allocation of resources. The same applies to phasing out financial support for unsustainable activities.
- Finally, an important message for NSDS implementation is that full integration of global sustainable development goals into other national policies, plans and programs needs to be ensured, not only at the level of their preparation but primarily in the implementation process. In implementing the SGDs, planned targets and outcomes need to be reached and better results achieved than what was the case with MDGs.
- As for the unfinished MDGs business, special attention needs to be paid to reducing poverty, inequalities and unemployment (especially youth unemployment) in implementing the NSDS.

### **3.2.2.2 Transition from SDGs to MDGs**

The final report will provide a link in terms of transition from monitoring the Millennium Development Goals to the indicators of sustainable development established in March of this year. Seventeen recently adopted comprehensive,

universally applicable and, by their nature transformative **sustainable development goals** within the Agenda for sustainable development until 2030 replaced the Millennium Development Goals, thus making a positive step forward in terms of ensuring comprehensive monitoring of all aspects of sustainable development of a society. They are oriented toward the achievement of concrete and measurable outcomes, concise and universally applicable to all countries, taking into account different national circumstances, capacities and levels of development, and respecting the specificities of the national development context. Establishment of an adequate system for monitoring the sustainable development goals in the national context will represent a challenge for the existing system of public administration. This requires a reform and significant **strengthening of the existing institutional framework, governance and financing for sustainable development**. In order to provide functional cross-sector cooperation and improve the efficiency of the governance system for sustainable development it is necessary to horizontally strengthen the institutional capacities to implement national sustainable development policy, which is focused on the goals and indicators of sustainable development, and related sectoral policies.

NSSD until 2030 is a key national strategy that defines the structure of the system for **monitoring the implementation of sustainable development policy of Montenegro** in the period until 2030. The backbone of the monitoring and reporting system will be monitoring of progress in implementing the 17 SDGs and accompanying 169 targets defined in the UN Agenda for sustainable development until 2030 and integrated into the strategic goals and measures of NSSD. The NSSD established a **platform for translating SDGs and sustainable development indicators into the national context**, in order to link them, already in the initial stage and to the extent possible, to the monitoring of progress in the implementation of measures defined in the NSSD Action Plan until 2030. The set of 241 supporting sustainable development indicators published by the Statistical Commission of the UN in March 2016, should enable the collection and processing of data required for measuring progress in achieving the objectives of sustainable development and monitoring of the related trends.

The complexity of the UN sustainable development goals and the number of related indicators of sustainable development, have created the need for a comprehensive analysis of the complex national institutional system in order to establish a long-term stable and functional system of monitoring the implementation of sustainable development policy. Recommendations of the Second Committee of the UN General Assembly emphasize the need to provide support to countries in order to define and establish national systems for

monitoring the implementation of UN goals, targets and indicators of sustainable development in the upcoming two-year period. This is especially important because for now, UN member states do not have enough capacity for rapid transposition of all 17 goals into the national context<sup>16</sup>. Therefore, it is expected that they will gradually take over the sustainable development goals in processes that require horizontal and vertical coordination of institutions with responsibilities in the framework of governance for sustainable development. In terms of transposing the objectives of sustainable development into the national framework there are several key issues identified, including the following: how goals affect the planning of national development and selection of priorities for implementation, in which national policies and how they should be integrated, and the like. Implementation of the sustainable development goals is also compatible with the process of fulfilling the obligations in the implementation of a number of multilateral UN agreements. This indicates the essentially important role of governments of the UN member states in facilitating successful implementation of the sustainable development goals and the need for careful planning and establishment of a national system for monitoring and evaluation of the sustainable development goals in the upcoming two-year period.

UN goals and indicators of sustainable development translated into Montenegrin context will allow **monitoring of national trends and establishment of a reporting system significant both in the national and in the international context**, especially to the UN Statistical Commission and the UN Economic and Social Council (ECOSOC). Transition of the existing national institutional framework into the organizational model that can efficiently implement the UN sustainable development goals requires a consistent approach to the reform of the governance for sustainable development. Namely, it is necessary to achieve an integrated functioning in accordance with the measures defined in the strategic goal - **implementation of reform of the institutional organization of the system of governance for sustainable development**. It is a long-lasting process that implies the application of complex accountability mechanisms and the establishment of partnerships, primarily with the UN system. **The United Nations Agenda for sustainable development until 2030 in paragraph 5 points to the need to take into account different national realities,, capacities and levels of development and respecting national policies and priorities, and in paragraph 55 that the objectives of sustainable development targets are aspirational and global, and that national governments set their own**

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<sup>16</sup> UNDP Regional Centre in Istanbul: Recommendations for implementation of sustainable development goals in Montenegro. 2015.

**national targets guided by the global level of ambition but taking into account national circumstances, that is, they decide on how these global aspirations and goals should be introduced into national planning processes, policies and strategies.** In relation to this, besides NSSD other key national policies must also be aligned with the requirements of the Agenda for sustainable development by 2030. Therefore, in addition to translating UN goals and objectives of sustainable development into the sustainable development policy, the NSSD until 2030 establishes the basis for their incorporation into other relevant national policies, plans and programs. For that reason, in the upcoming two-year period it is necessary to carry out a detailed analysis of the national institutional system in order to confirm and elaborate mechanisms and measures set out in this strategy in the context of establishment of an operational system for translation of the UN objectives and indicators of sustainable development into the national system of monitoring and reporting and harmonization of existing national strategies, programs and plans with the goals and objectives of sustainable development.

Analysis of the current situation shows that in Montenegro, out of 241 indicators of sustainable development, 27 are fully monitored (11.2% of the total number), and additional 35 are partially monitored (which makes an additional 14.5% of the total). It is necessary for official and administrative producers of statistics to incorporate in their work programs, by 2018, additional 40 indicators of sustainable development from the UN list, which would mean that reporting in Montenegro covers 42.3% of the total number of indicators. In the period from 2018 to 2020, it is necessary to introduce additional 19 indicators of sustainable development from the UN list, to ensure monitoring of 50.2% of the total number of indicators in Montenegro. In the period from 2020 to 2022, it is necessary to introduce additional 36 indicators, to ensure monitoring of 65.1% of the total number of indicators from the UN list. The adoption of additional 24 indicators in the period 2020-2024 would create the prerequisites to monitor 75.1% of the indicators from the UN list. The establishment of this complex system of monitoring the implementation of sustainable development and the UN agenda for sustainable development by 2030 is not possible without a satisfactory level of development of human resources needed to strengthen the process of data collection and processing. This will require adjustment of the current institutional organization and work programs of official and administrative statistics producers, which must be accompanied by an increase in the number of employees and budget allocations.

This strategy introduces into the reporting system on the implementation of sustainable development policy the available national indicators (in groups as

shown in Chapter 7) for which it is considered that they may be classified as indicators for monitoring sustainable development of Montenegro. A special value of reporting in the upcoming period will be added by the introduction of selected **complex indicators** for cumulative monitoring of the sustainability trends: **ecological footprint (EF), the Human Development Index (HDI), Gender inequality Index (GII), Domestic material consumption (DMC), resource productivity (RP), land consumption (LC), the social progress Index (SPI), the genuine progress indicator (GPI), the environmental democracy Index (EDI) and the environmental performance Index (EPI)**, given that they were specifically developed or proposed for introduction in order to improve national policies for sustainable development by 2030.

NSSD until 2030 also defines measures in the area of governance that are necessary in order to establish an **information system and databases** as key instruments for monitoring the implementation of the goals and indicators of sustainable development. The exchange of data between different data producers and their mutual compatibility represent the basis for smooth functioning of the information system for monitoring the implementation of sustainable development policy. In addition to mutual connectivity and compatibility, it is extremely important to improve the public availability of data. Structure of an optimal monitoring, evaluation and reporting system has been defined in relation to the implementation of the goals and indicators of sustainable development.

A separate set of governance measures in the NSSD refers to the **provision of necessary financial resources** for the implementation of research and analysis needed in order to collect and process data in the use of sustainable development indicators, particularly in the context of a widening the coverage of statistical programs to be implemented by the official and administrative data producers, primarily the Statistical Office – MONSTAT.

### **3.2.3 How the existing plans and policies addressed the SDGs and how/ whether they were adjusted**

Montenegro has strengthened the strategic medium-term framework through the adoption of **horizontal strategic documents**, which include a number of horizontally mutually inter-related development issues. The longest development horizon is given in the National Sustainable Development Strategy, the National Strategy on Climate Change until 2030, the Spatial Plan of Montenegro, as well as the Program of Economic Reforms, Macro-Fiscal Guidelines (which will turn into a fiscal strategy), and the important financial sustainability strategies, such as the medium-term public debt management strategy. In particular, a comprehensive strategy is the medium-term

program of accession to the European Union, which is reviewed annually. Finally, definition of guidelines for long-term development is also contained in the Program of Structural Reforms by 2020, adopted in April 2016, which promotes six areas of structural reforms: reforms for growth and development of entrepreneurship, SMEs and investments, reform of the labor market, social protection and pension system, reform of the education system, health system reform, public financial governance reforms and administrative reforms.

The strategic medium-term framework is also strengthened through the adoption of numerous sectoral development strategies that regulate issues relevant for sustainable development of Montenegro and focus on the following:

- **Physical capital** (strategies in the field of environment, agriculture, fisheries, energy, transport). Key strategies in this area are as follows: Waste Management Strategy of Montenegro by 2030, National Biodiversity Strategy, National Strategy for air quality management with the Action Plan for the period 2013-2016, Strategy for the Development of Agriculture and Rural Areas 2015-2020, National Action Plan for the development of organic production 2012-2017, Fisheries Strategy of Montenegro 2015-2020, Strategy for the development of forestry and wood processing 2014-2023, Strategy for the development of transport 2008-2018, the Energy Development Strategy by 2030, Strategy for the development of renewable energy sources by 2020, action plans for energy efficiency, etc.
- **Human and Social Capital** (sectors such as science, health, social policy, including strategies for the protection of human rights of specific population groups, Strategy of cooperation with the diaspora 2015-2018, etc.).
- **Improvement of the business environment in Montenegro**, such as: Regional Development Strategy 2014-2020, the Industrial Policy by 2020, Strategy for the sustainable economic development of Montenegro through cluster development from 2012 to 2016, the SME Development Strategy 2015-2020, Strategy to promote competition at the micro level 2011-2016, Strategy for development of female entrepreneurship 2015-2020, the National action plan of Montenegro for the period 2014-2016 for the Strategy of Development of South East Europe 2020, Strategy and Action Plan for transposition of the EU acquis in the area of free movement of goods from 2014 to 2018, National Consumer Protection Program 2012-2015, the Market Surveillance Strategy (2009), the Strategy of Montenegro for the application of the EU acquis in the area of free movement of goods 2014-2018, Strategy for the development of accreditation 2015-2018, Strategy for the development of metrology in Montenegro 2016-2018, Strategy for the development of standardization 2015-2018, Strategy for encouraging FDI (2013-2015; new in the making for the period 2015-2020), Action plan: recommendations for the "Guillotine of regulations" 2012-2015, Action plan to combat the gray economy (annual),

Information Society Development Strategy 2012-2016, Plan for the development of Economic Diplomacy (2013), Strategy for the development of the national brand 2016-2021, etc.

- **Other sector strategies** – Strategy for the development of processing industry 2014-2018, Development of the Civil Works Sector by 2020, National Housing Strategy by 2020, Strategy of Tourism Development in Montenegro by 2020 (2008), etc.

Despite the definition of development priorities through the aforementioned overview of strategies, in most cases there are no permanent **coordination structures** to monitor the implementation of strategic documents, and no secured sources of finance by type of activity and age. In addition to the lack of coherence of sectoral policies, Montenegro's economic sectors are characterized by **inefficient use of natural and human resources**, particularly energy and water, with a low level of technological development and recycling of generated waste. In addition to the negative environmental impact, this situation also has a negative impact on the competitiveness of the economy and opens considerable space for the introduction of policies and measures of resource efficiency. Strategies in the economic sectors identify the **sustainable management of resources** in the context of the general goals, but fail to fully develop measures and commit themselves to the adequate practical use of these approaches. The situation is similar in physical planning, where the integration of the requirements of sustainable development exists at the level of guidelines and goals, but is often missing in the definition of sustainable use of space.

There are still numerous weaknesses in the environmental management systems that have been identified in the NSSD from 2007, and most notably those relating to: **enabling full harmonization of national legislation with the EU acquis, more effective application of regulations, the development of administrative and the overall institutional capacities for management of the environment and natural resources, and enabling for more efficient horizontal and vertical institutional coordination, and especially overcoming inadequate environmental financing from both public and private sources, and the still expressed low level of integration of environmental concerns into sectoral policies.**

For that reason the obligation was defined to harmonize legislation and sectoral policies with the goals and measures of the National Strategy for sustainable development by 2030. Although the global goals and tasks are transposed for the most part into the national NSSD framework by 2030, the NSSD Action Plan established the obligation of transposing them through harmonization of key national policies, programs and plans with the NSSD until 2030 and the UN Agenda

for sustainable development by 2030. Therefore, in accordance with the identified problems and the related measures that are defined in the NSSD until 2017, it is necessary to determine the relevance of global targets of sustainable development in terms of their integration into sectoral policies, programs and plans. Besides, by 2017 it is also necessary to identify shortcomings in the horizontal and vertical levels of government in terms of transposition of goals and indicators of sustainable development into the national context, all with the aim to complete by 2018 harmonization of the existing relevant strategies, programs and plans with the UN Agenda for sustainable development by 2030. In doing so, it is necessary to strengthen the orientation towards a green economy and related approaches and instruments of sustainable development (sustainable production and consumption, sustainable use of resources, reliance on the information society, social responsibility, integrating climate change into sectoral strategies, etc.), in order for the stable and sustainable economic growth to remain the engine of sustainable development of Montenegro in the period until 2030.

### **3.2.4 New policies developed for achieving SDGs**

As mentioned in 3.2.2 integration of goals and targets of sustainable development into sustainable development policy of Montenegro was done in NSSD until 2030. It is the only new strategic document adopted by the Government of Montenegro with the aim to facilitate the translation of goals and targets of sustainable development. In addition to NSSD until 2030 there will be no supplementary strategic documents, but the NSSD Action Plan stipulates the obligation of the translation of goals and targets through the harmonization of key national policies, programs and plans with the NSSD until 2030 and the UN Agenda for sustainable development until 2030 in the period of 2017-2019.

### **3.2.5 Efforts made by local authorities and non-state actors to implement the SDGs**

Through the Forum of **environmental NGOs**, the civil sector has actively participated in the work of the National Council discussing the most important issues dealt with by the National Council, presenting views and proposals, as well as directly participating in the work of the National Council. An important impetus to the improvement of relations between the governmental and non-governmental sector was signing a Memorandum of Understanding between the then Ministry of Spatial Planning and Environment with environmental NGOs and election of a

representative of non-governmental sector for the deputy president of the National Council for Sustainable Development in April 2011<sup>17</sup>.

Of the **23 municipalities** in Montenegro, only three municipalities - Podgorica<sup>18</sup>, Bijelo Polje and Mojkovac have established organizational units in their institutional system - Secretariats for spatial and urban planning and sustainable development, with main responsibilities to implement sustainable development policies. In April 2011, the Municipality of Danilovgrad has established its own local Council for Sustainable Development and adopted the Sustainable Development Strategy with Action Plan for the period until 2018.

When it comes to cooperation and partnership between social actors based on the principles of transparency and participation NSSD until 2030 defines activities that aim at significant advancement of reaching sustainability of development by implementing the NSSD until 2030 measures with certain transposition of SDGs and related targets. The forthcoming period should see strengthening of capacity at local level by establishing councils for sustainable development and the alignment of strategic plans for development of municipalities with the requirements of the NSSD, i.e. the adoption of strategic local umbrella documents of sustainable development, which must reconcile all the other individual plans and programs. Institutional framework and integrated planning should also be improved, and the capacities (human, technical and financial) of public sector (especially in local government and institutions) should be raised to a much higher level. Capacity development is necessary in academic and research institutions.

The role of the civil sector should be strengthened by providing substantial participation in the process of policy-making and decision-making. The private sector, despite certain positive examples in recent years, remains under-involved in achieving the goals of sustainability, so that there is a need to strengthen its role in the process of greening the economy through realization of projects and

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<sup>17</sup> National Council for Sustainable Development, Analysis of the achievements and challenges of ecological state, 20 years of ecological state of Montenegro, 2011.

<sup>18</sup> Department for environmental protection and sustainable development has been established under the Secretariat for spatial and urban planning and environmental protection of the Capital City of Podgorica, as a competent authority for the implementation of sustainable development policies at the level of the Capital City of Podgorica.

programs within the green entrepreneurship, sustainable consumption and production and corporate social responsibility, as well as through the development of public-private partnerships.

### **3.2.6 Partnerships for the SDGs**

NSSD until 2030 recognizes the importance of multiple partnerships in implementing the policy of sustainable development of Montenegro and the implementation of SDGs and targets of sustainable development through the implementation of the NSSD Action Plan. The need for strengthening partnerships at three levels of action - national partnerships with international entities, partnerships between relevant national entities and partnerships for financing for sustainable development, is present in all strategic objectives and measures of NSSD, and occupies a central place in the following strategic objectives of the NSSD:

- **Stimulate active approach of key stakeholders to sustainability of development,**
- **reform the institutional organization of the governance system for sustainable development (Strengthen professional and administrative levels of implementation of sustainable development policies, SDG (16.6, 16.7, 16.8), SDG 17 (17.3, 17.6, 17.7, 17.8, 17.9, 17:13, 17:14, 17:15, 17:16, 17:19), Paragraphs 3, 5, 21, 39-41, 45-48,54-59, 60-91),**
- **Establish a long-term sustainable system of financing for sustainable development.**

#### **3.2.6.1 The approach of key stakeholders to sustainability of development**

In order to strengthen the social capital, it is necessary to establish adequate relations between key social stakeholders that will be directed towards building a cohesive sustainable development. From the aspect of sustainable development, the more important social stakeholders are public administration institutions (including educational institutions), civil society (especially non-governmental organizations and informal groups of citizens), business communities and families. The degree of sustainability of a community depends on the way in which these actors organize their social life. All these actors bear significant responsibility for the process of socialization of citizens in accordance with the global goals of sustainable development which Montenegro has embraced. Educational institutions that do not "produce" a citizen capable and ready to get involved in solving social problems, based on the principles of sustainable development cannot meet the needs of development in the XXI century, where education is not understood only as a *transfer of knowledge*, but also as a *transfer of values*. The

same applies to civil society organizations that should be prepared to participate actively not only in articulating political interests of citizens but also in their mobilization in accordance with the goals of sustainable development. Discrimination on any grounds (gender, ethnic, religious, based on sexual identity or other personal or group characteristics) destroys the cohesion of society and by creating an internal conflict prevents all individuals within the society from realizing their full potential under the circumstances that could lead to sustainable community development. In Montenegro, the family has suffered numerous blows in the transition period, from the normative-value transformation of a classic family towards acceptance of alternative forms of cohabitation, to economic pressures that have redefined gender roles, but also created some tension that caused an increased level of violent behavior and destruction of family as a key unit of society. Sustainable development should be an opportunity to reconstruct the policies that will empower individuals in all their diversity (in terms of gender, nationality, religion, sexual orientation, age, etc.) and make them actors of change and equal partners in an effort to "promote an inclusive, equitable and sustainable development of society."<sup>19</sup>

**In accordance with the principle of *partnership*, which is defined as one of five basic principles for achieving goals of sustainable development, all these actors need to be committed partners in the development of a sustainable society in Montenegro.**

When it comes to cooperation and partnership among social stakeholders based on the principles of transparency and participation, there is a need and room for significant improvement of practice of achieving sustainability of development. Institutional framework and integrated planning should also be improved, and the capacities (human, technical and financial) of public sector (especially local government and institutions) need to be raised to a much higher level. Capacity development is essential in academic and research institutions. The role of the civil sector should be strengthened by providing its substantial participation in the policy-making and decision-making processes. The private sector, despite certain positive examples in recent years, remains under-involved in achieving the goals of sustainability, so that there is a need to strengthen its role in the process of greening the economy through realization of projects and programs within the green entrepreneurship, sustainable consumption and production and corporate social responsibility, as well as and through the development of public-private partnerships.

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<sup>19</sup> UNDP, *Gender Equality Strategy 2014-2017*, page 9

By adopting the Agenda for Sustainable Development, world leaders have pledged to build **the world of universal respect for human rights and human dignity, the rule of law, justice, equality and the world without discrimination, in which there is a full respect for the race, ethnicity and cultural diversity, as well as the world of equal opportunities, which allows full realization of human potential and contributes to the common prosperity, the world that invests in children and in which every child grows in an environment free of violence and exploitation, in which every woman and girl enjoys full gender equality and in which all of the legal, social and economic barriers to their empowerment are removed, in which children have access to justice when their rights are violated or when they are denied the exercise of the right, the world that is just, equitable, tolerant, open and socially inclusive and meets the needs of the most vulnerable.**

Starting from such a roadmap, in relation to the weaknesses and problems identified in the management of social resources, the NSSD until 2030 recognizes "the approach of key stakeholders towards sustainability development" as an area for priority action. Furthermore, in order to provide the necessary partnership and cooperation of all stakeholders in their joint creation of the world that develops in a sustainable way, NSSD defines a strategic objective **"To stimulate an active approach of key stakeholders to sustainability of development"** to be achieved through the implementation of the following measures:

- Provide conditions for healthy development of the individual within the family, SDG 3 (3.1, 3.2, 3.7), SDG 5 (5.2, 5.3, and 5.6), SDG 16 (16.1, 16.2)
- Eliminate gender discrimination, SDG 5 (5.1, 5.4, 5.5, 5a, 5.b, and 5c),
- Eliminate national and religious discrimination, SDG 10 (10.2, 10.3), SDG 16 (16.7, 16.9, and 16b)
- Eliminate discrimination against LGBT population, SDG 3 (3.3) and SDG 16 (16b)
- Eliminate discrimination against persons with disabilities, SDG 10 (10.3) 11 SDG (11.2)
- Eliminate discrimination against the elderly, SDG 3 (3.8)
- Support articulation of the interests of citizens through the work of non-governmental organizations and informal groups SDG 16 (16.7 and 16.10).

### **3.2.6.2 Partnership between the Government of Montenegro and the United Nations Development Program**

The reform of the system of governance for sustainable development must lead to elimination of the evident lack of human resource capacities in public administration. A particularly important aspect in strengthening the system of

governance for sustainable development is to link sustainable development policy with the application of the relevant scientific knowledge. However, despite the expressed commitment in this context, there has not been established an institutional form for directing technical and scientific knowledge and skills for the needs of implementation of sustainable development policies. **Completing the transformation of the Centre for Sustainable Development**, which functions as a program jointly implemented by the Office of the United Nations Development Program in Montenegro (UNDP) and the Government of Montenegro based on the "close partnership" model, and successful establishment of its functions with regard to guiding the results of scientific research for the improvement of sustainable development policies and sectoral policies, can be an opportunity to strengthen informed decision-making based on scientific and technical knowledge, and to increase the efficiency and effectiveness of the policy of sustainable development.

Harnessing technical and scientific knowledge and skills for carrying out sustainable development policy should support overcoming problems that are generated by insufficient existing implementation capacity of the sustainable development governance system. This emphasizes the importance of the decision of the Steering Committee of the Centre for Sustainable Development, adopted in April 2016, after a comprehensive consultation process, to continue its operation until 2020 in the form of a joint program implemented by the Government and UNDP on a close partnership model. This decision is in line with the Memorandum of Understanding between the Government of Montenegro and UNDP to establish the Centre for Sustainable Development in December 2013. The program framework of the Centre will be aligned with the needs of the implementation of NSSD until 2030 and 2030 Agenda for Sustainable Development, thus going beyond the current program of support to the public sector in the field of environmental sustainability and bridging the gap between the use of relevant scientific knowledge and implementation of sustainable development policy. Instead, there will be support for priority activities in all four groups of national resources: human, social, economic and natural, in line with the objectives and measures of NSSD until 2030 and possibilities for allocation of funds that will be available to UNDP, as well as those from the budget of Montenegro, particularly emphasizing the importance of activities aimed at the introduction of the green economy. In addition to the project part, an important component of the programming framework of the Centre for Sustainable Development will be related to the provision of expert assistance in terms of the effective introduction of relevant indicators of sustainable development into the national system of regular monitoring. By implementing such a defined program framework by 2020

the Center will build capacities that are prerequisite for a complete transformation into a national institution in 2021. The visibility of the Centre in the region of South East Europe will be continuously strengthened with the aim of encouraging high-quality partnerships and exchange of knowledge for sustainable development.

In order to achieve its programmatic framework through providing support to the National Council For Sustainable Development, Climate Change and Integrated Coastal Zone Management and the Ministry of Sustainable Development and Tourism (i.e. the unit in the system of administration which will be responsible for implementing policies for sustainable development in the period after the reform of the governance system for sustainable development), and through the coordination mechanisms of the National Council and other departments and entities with their respective responsibilities for the implementation of NSSD until 2030, the Centre for Sustainable Development will have the following key roles:

- **linking science and sustainable development policy in order to strengthen the system of governance for sustainable development** which entails providing support for more efficient and effective sustainable development policy and indirectly for? sectoral policy by relying on the quality information and credible results of scientific research; at the very core of this function of the Center will be corporative rules of functioning of the United nations under which the needs of a human being represent the motives for all our actions, and that support to developing the human and social capital must be a part of/integrated in all forms of socio-economic actions;
- **implementation of projects** from the priority areas of NSSD until 2030 with focus on the activities that represent priorities in the period until 2020 and comply with corporate rules of functioning of the United Nations, possibility of allocating necessary financial funds and launching functional partnerships in national and international contexts;
- **raising awareness and building knowledge on sustainable development** through support to the cooperation of the Government and UNDP with local governments, civil and business sector, academia, social partners (within the implementation of the mechanisms of vertical and horizontal institutional coordination of the National Council), strengthening the visibility in the international context and the promotion of education for sustainable development at all levels.

These roles of the Centre for Sustainable Development will be performed using the instruments for: the development and implementation of projects, research and innovation for informed sustainable development policy based on professional knowledge. In order to establish its program framework by the end of 2016 and in the first half of 2017, the Center will apply for a license to carry out scientific

research, and in cooperation with the members of the Steering Committee it will create protocols on: the joint management model of UNDP and the Government of Montenegro, reporting, communication and public presentation of the work of the Centre, partnerships and framework for funding (from the funds available to UNDP, as well as those from the budget of Montenegro). Based on these Protocols there will be prepared a Strategy for the medium-term operation of Centre until 2020 with a vision of a long-term integration into the national institutional system of governance for sustainable development, as well as with the related Study of the necessary capacity building of the Centre. Upon preparing and agreeing on the documents, amendments will be made to the Memorandum of Understanding in relation to establishment of the Centre for Sustainable Development signed by the Government of Montenegro and UNDP in December 2013.

Functioning of the Centre for Sustainable Development based on the model that was previously presented is a sub-measure within the NSSD measure "Strengthen professional and administrative level of implementation of sustainable development policies, SDG (16.6, 16.7, 16.8), SDG 17 (17.3, 17.6, 17.7, 17.8 , 17.9, 17.13, 17.14, 17.15, 17.16, 17.19), paragraphs 3, 5, 21, 39-41, 45-48,54-59, 60-91" defined in the context of achieving the strategic objective of NSSD until 2030 - **Implement the reform of the institutional organization of the governance system for sustainable development.**

### **3.2.6.3 Establishing a long-term sustainable system of financing for sustainable development**

**Financing for sustainable development** is an integral part of all phases of the creation, adoption and implementation of the NSSD until 2030. Funding for a long-term sustainable development of the society is based on the existing developmental and financial framework of Montenegro and goals of the United Nations Agenda for sustainable development until 2030, including SDG **17** "Improve the means to implement and revitalize the global partnership for sustainable development". Strengthening partnerships represent the core of the strategic goal of NSSD "**Establishing a long-term sustainable system of financing for sustainable development**". Therefore, the key principles of financing for sustainable development include:

- *integrated approach to financing for SD* - mobilizing domestic and foreign funds; mobilization of public and private sector;
- *the principle of cooperation* - funding for sustainable development will be achieved by cooperation and joint action of the Parliament, the Government and local governments, as well as all other participants, in order to ensure

environmental protection, within their respective competences and responsibilities; the Government and local governments, within their scope and financial resources, will jointly and in solidarity participate in protection of the environment, given their competences, in order to ensure the sustainable development of the economy on sound and sustainable grounds and to ensure implementation of effective measures for the protection of the environment on their territories;

- *the principle of fulfillment of international commitments and developing global partnerships* – the state ensures cooperation and solidarity in dealing with and the financing of global and transnational environmental issues, particularly through the ratification of international treaties, cooperation with other countries and the conclusion of appropriate agreements, as well as through informing other countries on cross-border impacts on the environment, on environmental accidents and through international exchange of environmental information.

**NSSD recognizes the importance of improved global partnership for sustainable development** as a mean to strengthen international cooperation for the implementation of the United Nations Agenda for sustainable development until 2030. In addition to domestic private and public sources of financing for sustainable development of Montenegro, **international public financial resources** will play an important role in complementing the efforts of countries to mobilize domestic public resources, and **international trade** will be the engine of inclusive economic development and poverty reduction that must contribute to promoting sustainable development. In the context of international trade, particularly important will be strengthening partnerships through **regional trade and interconnectivity**, which will promote inclusive growth and sustainable development. Regional integration of Montenegro through CEFTA, bilateral trade arrangements and the Stabilization and Association Agreement with the EU will contribute to reducing barriers to trade in the region and lead to faster economic reforms. At the same time this enables companies, including micro, small and medium enterprises, to integrate into regional and global supply channels.

Proceeding from the above, the strategic goal of NSSD until 2030 **"to establish a system of sustainable financing of environmental protection as a component of financing for sustainable development"** recognizes the following priority measures which integrate the need to build partnerships at different levels:

- 6.1.4 Mobilizing resources for improving the quality of infrastructure in the field of environment by combining economic instruments, incentives to foreign investment, loans and *mechanisms of development partnerships with*

*domestic and international partners* (public and private sector), SDG 12 (12.2, 12c), 17 (17.3, 17.14)

- 6.1.2.4 Further development of forms of allocated use of funds for environmental protection from the public sector and through partnerships with local and international private and public sources, SDG 17 (17.3, 17:14), SDG 12 (12.2).

It is also important to state that the strategic goal of NSSD pertaining to **facilitation of the introduction of the green economy by mobilizing resources for financing sustainable development** should be achieved by implementation of the measure 6.2.2.8 referring to the strengthening of public-private partnerships, SDG 17 (17.3, 17.7, 17:17).

### **3.3 Integration of economic, social and environmental dimensions**

One of the main obstacles to faster progress in achieving the goals of sustainable development in Montenegro<sup>20</sup> is an **unsatisfactory level of implementation of laws, policies and strategies**. There is a big discrepancy between the obligations arising from the adopted regulations and policies and their implementation as a result of several factors (changes in habits and attitudes of the competent authorities, the absence of an adequate institutional framework, etc.)<sup>21</sup>. In addition, the level of harmonization among sectoral strategies is not always sufficient, and the degree of integration of the environment into economic/sectoral policies, despite some advances, is rather low. Problems also arise from an inadequate assessment and lack of financial resources needed for implementation, an underdeveloped system for monitoring and evaluation of progress, etc.

Despite repeatedly expressed political commitment to sustainable development of society and established institutional framework for the functioning of the sustainable development governance system, in Montenegro, as well as in the majority of UN member states, the integration of the issues such as poverty reduction, human rights and environmental protection, as well as other priority issues in the field of social development and sustainable management of natural, social and human resources into the framework of planning economic development are still the main challenges on the way towards achieving

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<sup>20</sup> National Council for Sustainable Development, Analysis of the achievements and challenges of ecological state, 20 years of the ecological state of Montenegro, 2011

<sup>21</sup> Ibidem.

sustainable national development. However, compared to other forms of integration of the pillars of sustainable development, **the integration of environmental issues and sustainable use of natural resources continues to significantly lag behind.** Overview of national reports<sup>22</sup> on the implementation of sustainable development policy recognizes that countries have not positioned priorities for sustainable development as key elements of economic growth and development, but instead expect from sustainable development not to interfere with economic growth, while preservation of the environment is still not perceived as a precondition for a long-term sustainable economic growth and development.

**Problems of unsatisfactory implementation of priority programs and actions** represent the core issue of the non-compliance of stated political commitment and results in the implementation of policies for sustainable development of Montenegro. There is an evident gap between commitments to sustainable development and implementation of policies and programs for sustainable development, and achievement of the challenges in terms of integration, inclusion and coherence. Screening of the success in the implementation of the five-year Action Plan of NSSD in the period 2007-2012 shows good results with a percentage of the implemented measures of 53%, where the field of environment, to a certain extent, lags behind the performances of the economy, and to a slightly less extent behind the sphere of social development. Although this result corresponds to the aggravating circumstances which society faced in the period of transition of the overall socio-economic environment, it can be concluded that continuing unsustainable development trends are still in place. Translation of principles and goals of sustainable development into effective enforceable actions based on the integration of economic, social and environmental pillars, and an environmentally sustainable and socially equitable economic growth, still generates many problems. Replacing the fragmented approach with inclusive processes that combine numerous entities of horizontal and vertical levels of the organization of the sustainable development governance system is crucial to the success of implementation of confirmed political will and functionality of good governance for sustainable development in Montenegro.

**Therefore, the central issues of sustainable development in the period ahead of us are: strengthening a good governance, establishment and construction of a complex mechanism of accountability, and sustainable and intertwined valorization of national resources. The focal points of the development will**

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<sup>22</sup> UN, Synthesis of national reports on the implementation of sustainable development policies prepared in the framework of participation in the Rio+20 Summit, 2012

**be meeting individual needs, enabling active participation of all relevant social groups and building partnerships between different social structures. At the same time, the interests of citizens, businesses and the 'green' interests should be made compatible.**

**The linear dependence of economic development and utilization of natural resources**, that is the growing anthropogenic pressures on the environment, characterize both the economies in South-Eastern Europe, and economic development observed in a wider global context. Despite the trend of economic recovery, **the existing economic structure in Montenegro is not adapted to the demands of sustainable development**, because it is still, to a large extent, based on polluting industries and unsustainable exploitation of natural resources. In addition, the attractiveness of Montenegro as a tourist destination has led to rapid urbanization, conversion of agricultural land into construction land and a severe pressure on the coastal area. Despite certain legal solutions, most of the decisions on the implementation of development projects are still based on purely economic effects, while ignoring the social component and the effects on the environment. Therefore, it is important for Montenegro, from the perspective of improving productivity and resource management, to adopt optimal scenario which envisages an absolute reduction of resource use by 20% compared to the average from 2005-2012<sup>23</sup>. Its implementation will require further significant reforms to enable separation of the impact of resource use, economic activity and social well-being, and therefore the inversion in relation to environmental pollution.

### **3.3.1 NSSD instruments which specifically encourage the integration of economic, social and environmental dimensions of development**

As an umbrella and horizontal strategy that regulates long-term national development, NSSD strategic goals and measures were defined through a cross-sectoral review of the situation and needs, building upon the universal nature of SDGs. In this context, complex indicators considered essential for a comprehensive view of sustainable development of Montenegro were introduced. Improvement of results regarding selected indicators in the time horizon of the implementation of measures of NSSD until 2030 would be a clear signal that Montenegro is on the path of sustainable development, both as a part of the entire process and in the framework of individual thematic areas. Out of the ten indicators, six are already functioning in the framework of the implementation of the pilot projects carried out

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<sup>23</sup> UNDP, "National Report on Human Development 2014, Towards a resource-efficient economy", the Office of the United Nations Development Programme (UNDP) in Montenegro, Podgorica, 2014

for the purpose of drafting NSSD until 2030, or within the program activities of the United Nations Development Program:

1. **Ecological Footprint (EF)** - The indicator which is important because of the commitment of Montenegro to conceive its development on the concept of "ecological state";
2. **Human Development Index (HDI)** - Universal indicator that relocates development from a purely economic category;
3. **Gender Inequality Index (GII)** - Monitors gender (in)equality from the aspect of social development;
4. **Domestic material consumption (DMC);**
5. **Resource Productivity (RP)** - DMC and RP are the indicators of the circular economy, important for the assessment of the efficiency of resource use in the economy, or the conservation of the available limited natural resources;
6. **Land Consumption (LC)** - The indicator which measures the trend of sustainable consumption of land which is a non-renewable resource particularly exposed to growing anthropogenic pressures due to urbanization.

The following indicators will be taken into account in the process of NSSD monitoring until 2019: **Social Progress Index (SPI), Genuine Progress Indicator (GPI), Environmental Democracy Index (EDI), and Environmental Performance Index, (EPI).**

Except from DMC and RP, which are on the UN list of sustainable development indicators (SDG 8.4.2 and SDG 12.2.2), the indicators above are not on the UN list. However, they were introduced to the NSSD until 2030 based on the positive experiences with their application within the EU and certain international organizations given the fact that they strongly support integration of sectoral approaches and SDGs within measures for implementation of the NSSD. Thus, application of complex indicators of NSSD encourages integration of targets defined in the SDGs as follows:

- HDI: 3.1, 3.2, 3.6, 3.9, 4.1, 4.3, 8.1, 8.9, 10.1
- SPI : 1.4, 2.1, 3.1, 3.2, 3.3, 3.6, 3.9, 4.1, 4.3, 4.5, 4.6, 5.3, 5.b, 6.1, 6.2, 6.3, 10.2, 11.1, 12, 15.5, 16.1,16.5, 16.10, 16.a
- GII: 3.1, 4.5, 5.1, 5.4, 5.5, 5.a, 5.c, 8.5
- EF: 12.2 and 8.4 (when used as the ratio between Ecological footprint and GDP)
- DMC, RP: 8.4, 12.2
- LC: 11, 14
- GPI: 1b, 3.7, 3.8, 3.9, 4.3, 7.2, 8.1, 9.1, 10.1, 10.4, 12.2, 12.4, 13.2, 14.1, 15.1, 15.2, 15.3, 15.5, 16.1, 16.4
- EDI: 16.3, 16.10, 16.6, 16.7
- EPI: 3.9, 6; 7, 11, 12.4, 13, 14.1, 15.

## **Ecological footprint**

According to the results the application of the calculation of the ecological footprint in Montenegro for the period 2006-2015 shows a notable increase (+45%) in environmental footprint of Montenegro (2,7-3,9 gha per capita) compared to the almost constant biocapacity (2.70 to 2.67 gha per capita). Discrepancy between the ecological footprint and biocapacity of Montenegro indicates that demand for energy, fossil fuels and energy-intensive goods (i.e. carbon footprint component) accounts for about 45% of the footprint Montenegro, while forest ecosystems account for over 75% of the total biocapacity of the country. In 2015, the production from the biocapacity of the ecosystem represented 70% of the demand of population for renewable energy sources and services. Results also show that, during the observed period, the gap between the resources and services that Montenegro provides and resources that citizens of Montenegro use has increased, thus increasing the dependence from biocapacities imported from abroad<sup>24</sup>.

However, it was found that the biocapacity gap in Montenegro, in other words a negative balance of biocapacity, i.e. biocapacity deficit, is lower than in many other European countries. Further separation of the ecological footprint of Montenegro in each spending category indicates that the footprint of agricultural land, due to the consumption of *food and alcohol*, and the carbon footprint, because of the traffic, represent two main categories of the ecological footprint of Montenegro, making respectively almost 20 %, and 12 % of the total footprint of the country.

Finally, evaluation of the production efficiency of the Montenegrin economy in terms of renewable energy sources and services (expressed through the economic output or GDP generated by the spent global hectare of ecological footprint) has shown that there is a significant room for improving resource efficiency of economic activities. Improving the production efficiency of key sectors in the national economy and promoting the import of goods (such as food and fuel) from countries with environmentally-efficient production processes should be in the center of change of established behavior patterns.

The introduction of ecological footprint enabled the identification of "hot spots" in the separation of biocapacity and footprint and making appropriate potential interventions by implementing the NSSD measures to overcome unsustainable development trends. However, it is necessary to bear in mind that the calculation

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<sup>24</sup> More details available in the Study on the ecological footprint of Montenegro, Global Footprint Network, 2015

of ecological footprint tracks the key set of natural resources and services, i.e. renewable energy and carbon sequestration capacity, without taking into consideration human, social and economic resources. The common use of the Ecological footprint and Human Development Index (HDI) can provide a better picture of Montenegro's path towards the well-being and sustainability, by making them mutually supportive. The common use of the Ecological footprint and Domestic material consumption (DMC) can ensure monitoring of a wider range of sustainable use of natural resources.

### **Human Development Index (HDI)**<sup>25</sup>

The basic right of future generations to enjoy the same natural assets at our disposal today, and therefore the right to a long-term and secure access to ecological values reflects the necessity of maintaining the availability of natural resources and basic services of the ecosystem at least on the level of current availability. While environmentally realistic requirement for sustainability and life in the context of what nature provides can be assessed through complex system indicators such as ecological footprint, material well-being of people can be approximated using composite Human Development Index (HDI). According to UNDP, HDI of 0.71 or more is considered as a "high human development". In the period from 2006 to 2013, Montenegro experienced an increase in the HDI from 0.77 to 0.79 or the growth of + 3%. The questions are: how has this growth been achieved, whether it is sustainable in the long term and whether it provides the maintenance of natural resources and basic services of ecosystem for future generations.

Combining Human Development Index and Ecological Footprint in NSSD allowed comparative assessment of the macro-level progress of countries towards achieving a comfortable life within contemporary constraints. A small increase in HDI (+ 3%) of Montenegro was achieved at the expense of a noticeable increase in the ecological footprint (+ 30%), from 2.7 gha per person (in 2006) to 3.5 gha per person (in 2013). A small increase in the HDI, which leads to a far greater increase in ecological footprint, signals that the economic development of Montenegro took the resource-inefficient path. According to the analysis presented in the NSSD there is still a potential for a change in this unsustainable path and achievement of the long-term sustainable development of Montenegro, in line with the appropriate measures defined in NSSD Action Plan.

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<sup>25</sup> Human Development Index (HDI)

### **Gender inequality index (GII)<sup>26</sup>**

Gender inequality index (GII) reflects inequality in three dimensions: reproductive health, position in the system and economic activity. Since 2010, the GII is part of the Global Human Development Report. However, this indicator was calculated for Montenegro for the first time only in 2014 and its value at the time was 0.172. This result positions Montenegro at the 37th place, compared to the 155 countries that are included in this report. This also means that there isn't a drastic disparity between genders in Montenegro. For example, 17% of the seats in Parliament are held by women, 84% of the adult female population completed at least the high school (compared to 95% of men), and women's participation in the labor market is 43% (compared to 57% when it comes to men).

### **Domestic material consumption (DMC) and Resource Productivity (RP)**

Similar to ecological footprint, DMC is a complex system indicator for cumulative monitoring of sustainability trends. The process of determining the productivity of natural resources within the national economy reflects in the assessment of the aggregate indicator of domestic material consumption (Domestic Material Consumption, DMC), in absolute and relative terms. When the Gross Domestic Product (GDP) is divided by the absolute value of DMC, it results in Resource Productivity indicator (RP). Therefore, it is very important to monitor levels and dynamics of DMC and RP, in the framework of national economy and comparatively, as a part of regular statistical reporting.

The economical and efficient use of natural resources is a key component of NSSD until 2030. Consideration of sustainable development of Montenegrin society must take into account all aspects of effective management of natural resources which underlie the concept of circular economy. Efficient use of resources and the adoption of the principle of circular economy represent preconditions for smart growth and raising the competitiveness of the Montenegrin economy while reducing the environmental impact, and therefore means that can substantially contribute to the realization of the aspirations of the ecological state and the achievement of objectives in the process of accession to the European Union.

It is estimated that the construction sector has the largest share in the total consumption of material and amounts to 55%. It is followed by the energy (22%) and the manufacturing (10%) sectors. According to these estimations the agriculture and service oriented sectors have insignificant share in the total DMC.

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<sup>26</sup> Gender Inequality Index, GII

The analysis showed that the most intense material consumption has been identified in the construction sector, which consumes 71 tons of local materials to produce €1 of Gross Value Added. Also, this is the only sector, along with transportation, where has been identified a growth in material intensity in the period between 2006 and 2013 by 43%. High rates of material intensity have been recorded in the sectors of manufacturing industry and energy. However, these sectors experience a significant decline for this indicator in the reference period. The greatest resource productivity is witnessed in agriculture and fishery (€ 1.89 /t), followed by transportation. Productivity resources improved in agriculture, service-oriented and energy sector, while the construction and transportation productivity declined.

The calculated indicators have enabled the **assessment of separation of economic growth from the negative impacts on the environment (decoupling) in various sectors**. In the reporting period (2006-2013) the Gross Value Added of the service-oriented sector (wholesale and retail trade and hotels and restaurants) recorded a positive growth rate of 17.6%, with somewhat slower growth of domestic consumption of materials (mainly biomass) of 3.2 %. The manufacturing industry sector has also experienced relative separation, but in the opposite direction in relation to the service-oriented sector - the growth rates of Gross Value Added and DMC were negative. Gross Value Added of the manufacturing industry decreased by 17.7%, while of DMC by 61.3%. Gross Value Added for the transportation sector had been decreasing faster than Domestic Material Consumption - DMC has decreased by 16.2%, while Gross Value Added by 56.5%. In the construction sector, there was no decoupling, since the growth rate of Gross Value Added was approximately equal to the growth rate of the DMC for this sector. The growth rate of both indicators amounted around 29%.

The analysis of five possible scenarios of trends of the productivity of resources (from the assumed continuation of current practice i.e. "*business as usual*" scenario to the reduction in resource use by 50% until 2050) brings to conclusion that **an absolute reduction of resource use by 20% until 2020** compared to average in the period 2005-2012 represents the best framework for decision and policy-making to improve the productivity and therefore the management of resources. Reducing the consumption of natural materials<sup>27</sup> by 20% until 2020,

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<sup>27</sup> Material consumption is defined as the amount of material that is directly consumed by domestic or export sector and final consumers, and which includes, in accordance with the adopted methodology, biomass, fossil fuels, metals and minerals, in addition to air and water.

recommended by the National Report on Human Development in Montenegro (UNDP, 2014), was considered acceptable by the Government of Montenegro with the obligation of additional validation and translation into sectoral policies before incorporating it in the development of national policy for sustainable development until 2030. In order to translate this target into sectoral policies and measures, it was necessary to identify the main indicators of resource efficiency at the sectoral level. The basis for this calculation came from the MONSTAT data on the consumption of the four basic categories of materials (biomass, fossil fuels, metals and minerals) for the period 2006-2013.<sup>28</sup> According to these data, the largest share in the structure of Domestic Material Consumption belongs to non-metals (60%) and fossil fuels (24%). Also, during the observed period there have been improvements in resource productivity (0.1 percentage points) and reduction of material intensity (1.1 percentage points).<sup>29</sup>

**Distribution of reduction of total Domestic Material Consumption by 20% at the sectoral level is based on the sectors' percentage share in the total consumption of natural materials, participation of the sector in the total GDP and contribution to improving resource productivity of each sector. Based on these data, as well as the projection of DMC per sector by 2020, there were provided recommendations aimed at reducing DMC and increase of RP, and therefore increase of resource efficiency in key sectors by 2020.** Given the fact that there are large investment projects planned in these sectors in future the importance of careful design and implementation of sectoral policies and measures is of outmost importance. It is also very important to consider all available instruments to achieve the determined objectives, including economic, emission, promotional and tools based on research and development as well as on cooperation with big companies.

**Energy** - bearing in mind that the energy sector consumes over 20% of the total Domestic Material Consumption, certain procedures and measures which could improve resource efficiency in this sector are necessary. Also, the analysis showed

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<sup>28</sup> Statistical Office of Montenegro, MONSTAT, Indicators of material flows in Montenegro 2006-2013, Podgorica, 2014

<sup>29</sup> The resource productivity of a sector is calculated as the ratio of Gross Value Added and Domestic Material Consumption of the sector. Material intensity is reciprocal to the resource productivity and is calculated as the ratio of material inputs and economic outputs

that the indicators of resource efficiency are still unfavorable - material intensity is still high in the energy sector, although there was a decline of -23.1%, the productivity of resources is one of the lowest (it result in only € 0.07 GDP per ton of invested DMC), while metabolic rate (which reflects the consumption of domestic natural materials per capita) in this sector increased by 19.2%. However, given the still high rate of material, energy and emission intensity, the sector has the greatest potential for improving overall resource efficiency of the Montenegrin economy. Within the energy sector, the most consumed energy source is a key resource for carrying out economic activities. It is therefore of great importance to provide a safe supply of these resources to the users, having in mind their high emission intensity and adverse impacts on the environment. When it comes to energy consumption NSSD defines series of measures for efficient energy consumption.

**Construction** is a sector that has by far the largest share in Domestic Material Consumption, as well as poor efficiency, which is reflected in the increase of the indicator of material intensity by as much as 43%, reducing the resource productivity by 50%, and an increase in consumption of DMC of 25.4% per capita. Since the decrease in the Gross Value Added of construction sector was not accompanied by a drop in DMC indicators and it led to a significant deterioration of resource efficiency, this is one of the priority sectors for the improvement of resource efficiency.

It is necessary to enhance the spatial planning, improve the quality of construction works and the use of sustainable building products, raise standards in terms of energy efficiency and greater use of renewable energy in residential buildings etc. (Montenegro Development Directions, Construction Development Strategy of Montenegro, Housing Strategy). However, it is necessary to constantly monitor and improve the determined objectives and further alignment with international standards in this area.

**Service-oriented sector (tourism)** - in spite of the low rate of material intensity, there has been an improvement of resource efficiency in this sector by 57.4% in the previous period and an increase in metabolic rate of 26.7%. However, due to the high correlation between tourism and other services and sectors, small steps towards greening of tourism will have a dramatic impact on the greening of the entire economy. The tourism sector is a significant consumer of natural materials and producer of carbon footprint - directly or indirectly through the services of accommodation, transport, consumption of food etc.

**Agriculture** - the decoupling of gross Domestic Material Consumption (DMC) from the Gross Value Added (GVA) in this sector has not been recorded in the previous years, which points to an inefficient and unsustainable consumption. Although the material intensity decreased by 60%, GVA increased by 90% and neutralized the decrease. Given the importance of the agricultural sector in Montenegrin economy, along with organic farming, this sector should be one of priorities for resource efficiency. Therefore, when it comes to resource efficiency, additional measures and processes are necessary to establish certain standards in this sector.

**Transport and industry** - reduction of DMC in the transportation sector and the manufacturing industry would not lead to more significant results, given that the share of the transportation in the aggregate DMC indicator for Montenegro amounts to 1.9%, while for industry 9.7%, with RP reduction of 3,9%. In the scenario of the reduction of Domestic Material Consumption by 20%, resource productivity of the manufacturing industry would increase by only 9.7%, while the RP of transport would go down by 3.9%. When it comes to transportation, it is important to promote forms of transport that are more favorable to the environment, and to define and enforce incentive measures in this regard, as well as to apply instruments for minimizing the negative impact of transport on the environment. It is necessary to apply new technologies (vehicles with lower emissions, lower fuel consumption, alternative fuels), as well as to introduce the recycling of vehicles after expiry of their lifetime. The industry is treated in the context of the strategic objectives dedicated to the growth of competitiveness of the Montenegrin economy.

### 3.4 Situation on the various goals and targets

An overview of the level of translation of SDGs into the national context is given in the table 3-1 - out of 169 individual targets of sustainable development, structured in 17 sustainable development goals, 167 have been translated into measures defined in the action plan in accordance with national circumstances and future needs. A detailed overview of the recognition of UN targets in the priority areas of NSSD is given in Table 3-3. The penultimate column named "non-integrated targets" shows whether a target was recognized as irrelevant in the context of the specific goal of sustainable development of Montenegro, while the last column named "coverage" provides summary information on the number of priority areas of NSSD that recognize specific target of sustainable development as relevant.

**Table 3-3:** Overview of the recognition of UN targets in relation to the priority areas of NSSD.

<b>SDG 1: End poverty in all its forms everywhere</b>
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Targets	Human resources	Social resources	Natural resources	Economic resources	Governance for Sustainable Development	Financing for Sustainable Development	Non-integrated targets	Coverage
1.1		x					0	1
1.2		x					0	1
1.3		x					0	1
1.4		x					0	1
1.5		x	x				0	2
1.a		x					0	1
1.b		x					0	1
<b>SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</b>								
2.1		x					0	1
2.2		x					0	1
2.3				x			0	1
2.4			x	x			0	2
2.5				x			0	1
2.a				x			0	1
2.b				x			0	1
2.c				x			0	1
<b>SDG 3: Ensure healthy lives and promote well-being for all at all ages</b>								
3.1	x	x					0	2
3.2	x	x					0	2
3.3		x					0	1
3.4	x						0	1
3.5	x						0	1
3.6	x						0	1
3.7	x	x					0	2
3.8	x	x					0	2
3.9			x				0	1
3.a	x						0	1
3.b	x						0	1
3.c	x						0	1
3.d			x				0	1
<b>SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</b>								
4.1	x						0	1
4.2	x						0	1
4.3	x						0	1
4.4	x	x					0	2
4.5	x						0	1
4.6	x						0	1
4.7	x	x					0	2
4.a	x						0	1
4.b	x						0	1
4.c	x						0	1
<b>SDG 5: Achieve gender equality and empower all women and girls</b>								
5.1		x					0	1
5.2		x					0	1
5.3		x					0	1
5.4		x					0	1
5.5		x					0	1
5.6		x					0	1
5.a		x					0	1
5.b		x					0	1
5.c		x					0	1
<b>SDG 6: Ensure availability and sustainable management of water and sanitation for all</b>								
6.1			x				0	1
6.2			x				0	1

6.3			x	x			0	2
6.4			x				0	1
6.5			x				0	1
6.6			x				0	1
6.a			x		x		0	2
6.b			x	x	x		0	3
<b>SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all</b>								
7.1				x			0	1
7.2			x	x			0	2
7.3			x	x			0	2
7.a			x	x			0	2
7.b				x			0	1
<b>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>								
8.1		x		x			0	2
8.2		x		x		x	0	3
8.3	x	x	x	x		x	0	5
8.4			x	x			0	2
8.5		x		x			0	2
8.6		x					0	1
8.7		x					0	1
8.8		x					0	1
8.9		x					0	1
8.a				x		x	0	2
8.b		x					0	1
<b>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</b>								
9.1		x		x			0	2
9.2				x			0	1
9.3				x			0	1
9.4			x	x			0	2
9.5			x	x			0	2
9.a							1	0
9.b						x	0	1
9.c							1	0
<b>SDG 10: Reduce inequality within and among countries</b>								
10.1		x				x	0	2
10.2		x		x		x	0	3
10.3		x				x	0	2
10.4		x				x	0	2
10.5						x	0	1
10.6						x	0	1
10.7	x			x			0	2
10.a						x	0	1
10.b				x		x	0	2
10.c		x					0	1
<b>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</b>								
11.1		x	x				0	2
11.2		x	x				0	2
11.3			x				0	1
11.4		x	x				0	2
11.5			x				0	1
11.6			x	x			0	2
11.7			x				0	1
11.a			x				0	1
11.b			x	x			0	2
11.c			x				0	1
<b>SDG 12: Ensure sustainable consumption and production patterns</b>								
12.1			x	x			0	2

12.2			x	x		x	0	3
12.3				x			0	1
12.4			x	x			0	2
12.5				x			0	1
12.6				x			0	1
12.7				x			0	1
12.8			x	x			0	2
12.a				x		x	0	2
12.b				x		x	0	2
12.c				x			0	1
<b>SDG 13: Take urgent action to combat climate change and its impacts</b>								
13.1			x	x			0	2
13.2			x	x		x	0	3
13.3			x	x		x	0	3
13.a			x			x	0	2
13.b			x				0	1
<b>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</b>								
14.1			x	x			0	2
14.2			x	x			0	2
14.3			x				0	1
14.4				x			0	1
14.5			x	x			0	2
14.6				x			0	1
14.7			x				0	1
14.a			x				0	1
14.b			x				0	1
14.c			x	x			0	2
<b>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</b>								
15.1			x				0	1
15.2			x	x		x	0	3
15.3			x				0	1
15.4			x				0	1
15.5			x	x			0	2
15.6				x			0	1
15.7			x				0	1
15.8			x				0	1
15.9			x				0	1
15.a			x			x	0	2
15.b			x	x		x	0	3
15.c			x				0	1
<b>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b>								
16.1		x					0	1
16.2		x					0	1
16.3		x					0	1
16.4		x					0	1
16.5		x					0	1
16.6		x	x		x	x	0	4
16.7		x			x		0	2
16.8					x		0	1
16.9		x					0	1
16.10		x			x		0	2
16.a		x			x		0	2
16.b		x			x		0	2
<b>SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</b>								
17.1				x	x	x	0	3
17.2				x		x	0	2

17.3				x	x	x	0	3
17.4	x		x	x		x	0	4
17.5						x	0	1
17.6				x	x	x	0	3
17.7				x	x	x	0	4
17.8					x		0	1
17.9				x	x	x	0	3
17.10						x	0	1
17.11						x	0	1
17.12						x	0	1
17.13				x	x	x	0	3
17.14				x	x	x	0	3
17.15			x		x		0	2
17.16				x	x	x	0	3
17.17			x	x	x	x	0	4
17.18				x	x	x	0	3
17.19				x	x	x	0	3

### 3.4.1 Establishing a baseline for measuring progress on SDGs

Baseline for measuring progress on SDGs and related targets was established by defining measures and sub-measures within NSSD. As explained in 3.2, NSSD until 2030 is a key national strategy that defines the structure of the system for the monitoring of the implementation of policies for sustainable development of Montenegro in the period until 2030. In accordance with a detailed overview of the recognition of UN targets in the priority areas of NSSD in Table 3, the following review of the integration of sustainable development targets into priority areas of NSSD can be made:

- Targets 1.1, 1.2, 1.3, 1.4, 1.5, 1.a, and 1.b within **SDG 1**: End poverty in all its forms everywhere, are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society, while target 1.5 is relevant also for the NSSD priority area - preserving natural capital.
- Targets 2.1 and 2.2 within **SDG 2**: End hunger, achieve food security and improved nutrition and promote sustainable agriculture, are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society, target 2.4 is relevant for the NSSD priority area - preserving natural capital, and Targets 2.3, 2.4, 2.5, 2.a, 2.b and 2.c for the NSSD priority area - introducing a green economy.
- Targets 3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.8, 3.a, 3.b and 3.c within **SDG 3**: Ensure healthy lives and promote well-being for all at all ages are relevant for the NSSD priority area - Enhancing human resources and strengthening social inclusion, while targets 3.1, 3.2, 3.3, 3.7 and 3.8 are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important

for the sustainability of society, and targets 3.9 and 3.d for the NSSD priority area - preserving natural capital.

- Targets 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.a, 4.b and 4.c within **SDG 4**: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, are relevant for the NSSD priority area - Enhancing human resources and strengthening social inclusion, while targets 4.4 and 4.7 are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society.
- Targets 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.a, 5.b and 5.c within **SDG 5**: Achieve gender equality and empower all women and girls, are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society.
- Targets 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a, and 6.b within **SDG 6**: Ensure availability and sustainable management of water and sanitation for all, are relevant for the NSSD priority area - preserving natural capital, targets 6.3 and 6.b are relevant for the NSSD priority area - introducing a green economy, and targets 6.a, and 6.b for the NSSD priority area - governance for sustainable development.
- Targets 7.2, 7.3 and 7.a within **SDG 7**: Ensure access to affordable, reliable, sustainable and modern energy for all, are relevant for the NSSD priority area - preserving natural capital, while targets 7.1, 7.2, 7.3, 7.a and 7.b are relevant for the NSSD priority area - introducing a green economy.
- Target 8.3 within **SDG 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, is relevant for the NSSD priority area - Enhancing human resources and strengthening social inclusion, and targets 8.1, 8.2, 8.3, 8.5, 8.6, 8.7, 8.8, 8.9 and 8.b for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society, targets 8.3 and 8.4 for the NSSD priority area - preserving natural capital, targets 8.1, 8.2, 8.3, 8.4, 8.5 and 8.a for the NSSD priority area - introducing a green economy, while targets 8.2, 8.3 and 8.a are relevant for the NSSD priority area - governance for sustainable development.
- Sustainable development target 9.1 within **SDG 9**: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, is relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society, targets 9.4 and 9.5 for the NSSD priority area - preserving natural capital, targets 9.1, 9.2, 9.3, 9.4 and 9.5 for the NSSD priority area - introducing a green economy, target 9.b for the NSSD priority area - governance for sustainable development.
- Sustainable development target 10.7 within **SDG 10**: Reduce inequality within and among countries, is relevant for the NSSD priority area - Enhancing human resources and strengthening social inclusion, sustainable development targets 10.2, 10.7 and 10.b for the NSSD priority area -

introducing a green economy, while targets 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.1 and 10.b are relevant for the NSSD priority area – financing for sustainable development.

- Sustainable development targets 11.1, 11.2, 11.4 within **SDG 11**: Make cities and human settlements inclusive, safe, resilient and sustainable, are relevant for the NSSD priority area - supporting the values, norms and behavior patterns important for the sustainability of society, sustainable development targets 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.a, 11.b and 11.c for the NSSD priority area – preserving natural capital, while targets 11.6 and 11.b are relevant for the NSSD priority area – introducing a green economy.
- Sustainable development targets 12.1, 12.2, 12.4, 12.8 within **SDG 12**: Ensure sustainable consumption and production patterns, are relevant for the NSSD priority area – preserving natural capital, sustainable development targets 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.a, 12.b and 12.c for the NSSD priority area – introducing a green economy, and targets 12.2, 12.a, and 12.b for the NSSD priority area – financing for sustainable development.
- Sustainable development targets 13.1, 13.2, 13.3, 13.a and 13.b within **SDG 13**: Take urgent action to combat climate change and its impacts, are relevant for the NSSD priority area – preserving natural capital, sustainable development targets 13.1, 13.2, 13.3 for the NSSD priority area – introducing a green economy, and targets 13.3, 13.a and 13.b for the NSSD priority area – financing for sustainable development.
- Sustainable development targets 14.1, 14.2, 14.3, 14.5, 14.7, 14.a, 14.b and 14.c within **SDG 14**: Conserve and sustainably use the oceans, seas and marine resources for sustainable development, are relevant for the NSSD priority area – preserving natural capital, and sustainable development targets 14.1, 14.2, 14.4, 14.5, 14.6 and 14.c for the NSSD priority area – introducing a green economy.
- Sustainable development targets 15.1, 15.2, 15.3, 15.4, 15.5, 15.7, 15.a, 15.b and 15.c within **SDG 15**: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss, are relevant for the NSSD priority area – preserving natural capital, targets 15.2, 15.5, 15.6 and 15.b for the NSSD priority area – introducing a green economy, sustainable development targets 15.2, 15.a and 15.b for the NSSD priority area – financing for sustainable development.
- Sustainable development targets 16.1, 16.2, 16.3, 16.4, 16.5, 16.7, 16.9, 16.10, 16.a and 16.b within **SDG 16**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels, are relevant for the NSSD priority area – supporting the values, norms and behavior patterns important for the sustainability of society, target 16.6 is relevant for the NSSD priority area – introducing a green economy, sustainable development targets 16.6, 16.7, 16.8, 16.10, 16.a and 16.b for the NSSD priority area – governance for

sustainable development, while target 16.6 is relevant for the NSSD priority area – financing for sustainable development.

- Target 17.4 within **SDG 17**: Strengthen the means of implementation and revitalize the global partnership for sustainable development, are relevant for the NSSD priority area – Enhancing human resources and strengthening social inclusion, sustainable development targets 17.4, 17.15 and 17.16 for the NSSD priority area – preserving natural capital, sustainable development targets 17.1, 17.2, 17.3, 17.4, 17.6, 17.7, 17.9, 17.13, 17.14, 17.16, 17.17, 17.18, 17.19 for the NSSD priority area – introducing a green economy, 17.1, 17.3, 17.6, 17.7, 17.8, 17.9, 17.13, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19 for the NSSD priority area - governance for sustainable development, sustainable development targets 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.9, 17.10, 17.11, 17.12, 17.13, 17.14, 17.16, 17.17, 17.18, 17.19 are relevant for the NSSD priority area – financing for sustainable development.

### **3.4.2 Main trends across SDG areas**

**The trend to monitor the implementation of sustainable development targets will be established through the monitoring of strategic goals of NSSD 2030 which integrated targets. In relation to that, in the text which follows there is an overview of the manner of integration of sustainable development targets starting from the assessment of relevance and recognition of the targets in the SDG framework 17 presented under 3.4.1.**

#### **SDG 1: End poverty in all its forms everywhere**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal „**Stimulate employability and social inclusion**“ create the assumptions for the implementation of the following sustainable development targets: **1.1, 1.2, 1.3, 1.4, 1.5, 1.a and 1.b.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Enable symbiosis of the effects of the enhancement of the conditions of the environment and people’s health**“ create the assumptions for the implementation of the following sustainable development targets: **1.1 and 1.5.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Strengthening resilience, reduction of vulnerability and exposure to natural and anthropogenic hazards**” create the assumptions for the implementation of the target **1.5.**

#### **SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Stimulate employability and social inclusion**“ create the

assumptions for the implementation of the following sustainable development targets: **2.1 and 2.2.**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”, “Enable symbiosis of the effects of the enhancement of the conditions of the environment and people’s health”, “Mitigate the effects of natural and anthropogenic hazards” and “Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”,** create the assumption for the implementation of the targets **2.4.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the target **2.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development targets: **2.3, 2.4, 2.a, 2.b and 2.c.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the sustainable development targets: **2.3, 2.4 and 2.5.**

### **SDG 3: Ensure healthy lives and promote well-being for all at all ages**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enhance population health among all age groups and reduce inequalities in healthcare”,** create the assumption for the implementation of the sustainable development targets: **3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.8 and 3.c.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stimulate active relationship of the key stakeholders towards development sustainability”** create the assumption for the implementation of the sustainable development targets: **3.1, 3.2, 3.3, 3.7 and 3.8.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development target **3.9.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable symbiosis of the effects of the enhancement of the conditions of the environment and people’s health”** create the assumption for the implementation of the sustainable development target **3.9.**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Strengthening resilience, reduction of vulnerability and exposure to natural and anthropogenic hazards”** create the assumption for the implementation of the sustainable development target **3.d**.

#### **SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **„Ensure inclusive and high quality education and promote the opportunities for lifelong learning for all“**, create the assumption for the implementation of the sustainable development targets: **4.2, 4.3, 4.5, 4.6, 4.7 and 4.a**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stimulate employability and social inclusion”** create the assumption for the implementation of the sustainable development target **4.4**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Ensure inclusive and high quality education and promote the opportunities for lifelong learning for all”** create the assumption for the implementation of the sustainable development targets **4.2, 4.3, 4.5, 4.6, 4.7 and 4.a**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stimulate employability and social inclusion”** create the assumption for the implementation of the sustainable development target **4.4**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve the importance of culture as fundamental value of spiritual, social and economic development which enhances significantly citizens’ quality of life“**, **“Establish efficient and contemporary system of integral protection, management and sustainable use of cultural heritage and landscape”** create the assumption for the implementation of the sustainable development target **4.7**.

#### **SDG 5: Achieve gender equality and empower all women and girls**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stimulate active relationship of the key stakeholders towards development sustainability“**, create the assumption for the implementation of the sustainable development targets: **5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.a, 5.b and 5.c**.

#### **SDG 6: Ensure availability and sustainable management of water and sanitation for all**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural**

- resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development targets: **6.2, 6.3, 6.5 and 6.6.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable symbiosis of the effects of the enhancement of the conditions of the environment and people’s health”** create the assumption for the implementation of the sustainable development targets: **6.1, 6.2, 6.3 and 6.4.**
  - Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable resource efficient use of metallic and non-metallic”** create the assumption for the implementation of the sustainable development target **6.6.**
  - Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve the efficiency of managing renewable natural resources”** create the assumption for the implementation of the sustainable development targets: **6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a and 6.b.**
  - Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Strengthen environment management with the improvement of the application of environment protection tools”** create the assumption for the implementation of the sustainable development targets **6.a and 6.b.**

#### **SDG 7: Ensure access to affordable, reliable, sustainable and clean energy**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Enable efficient management of natural resources”** and **“Improve the efficiency of managing renewable natural resources”** create the assumption for the implementation of the sustainable development target **7.a**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Resolve the issues of unsustainable capacitating of space generated by unrealistic requirements with regards to quantity and low quality of built environment”** create the assumption for the implementation of the sustainable development targets: **7.2 and 7.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets: **7.1, 7.2, 7.3, 7.a and 7.a.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Resolve the issues of unsustainable capacitating of space generated by unrealistic requirements with regards to quantity and low quality of built environment”** create the assumption for the implementation of the sustainable development targets: **7.2 and 7.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets: **7.1, 7.2, 7.3 , 7.a and 7.b.**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enhance resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development targets: **7.1, 7.2 and 7.3.**

#### **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve demographic fluctuations and reduce demographic deficit”** create the assumption for the implementation of the sustainable development target **8.a.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stimulate employability and social inclusion”** **“Improve demographic fluctuations and reduce demographic deficit”** create the assumption for the implementation of the sustainable development targets: **8.1, 8.2, 8.5, 8.6 and 8.8.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Enhance the significance of culture as fundamental value of spiritual, social and economic development which considerably improves citizens’ life quality”**, and **“Establish efficient and contemporary system of integrated protection, management and sustainable use of cultural heritage and landscape”** create the assumption for the implementation of the sustainable development target **8.9.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Achieve more balanced socio-economic development of all local self-government units and regions based on competitiveness, innovation and employment with special emphasis on the development of Northern Region”** create the assumption for the implementation of the sustainable development target **8.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Enable resource efficient use of metallic and non-metallic”**, **“Reduce environment impacts to minimum and improve economic effects of exploitation of mineral resources”** and **“Support greening of economy through the development and application of operational instruments of sustainable consumption and production”** create the assumption for the implementation of the sustainable development target **8.4.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enhance resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development targets **8.3 and 8.4.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable sustainable management of resources of the**

**coastal area and foster blue economy”** create the assumption for the implementation of the sustainable development target **8.2**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the sustainable development targets: **8.1, 8.2, 8.3, 8.4, 8.5, 8.10**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable the introduction of green economy through mobilization of funds for sustainable development funding”** create the assumption for the implementation of the sustainable development targets: **8.2, 8.3 and 8.a**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the sustainable development targets: **8.1, 8.2, 8.3, 8.4, 8.5 and 8.10**.

#### **SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Achieve more balanced socio-economic development of all local self-government units and regions based on competitiveness, innovation and employment with special emphasis on the development of Northern Region”** create the assumption for the implementation of the sustainable development target **9.1**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development target **9.4**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **9.4 and 9.5**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets: **9.1, 9.2 and 9.5**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **„ Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the sustainable development targets: **9.2 and 9.3**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the assumption for the implementation of the sustainable development targets: **9.1 and 9.4.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development target **9.b.**

#### **SDG 10: Reduce inequality within and among countries, build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Improve demographic fluctuations and reduce demographic deficit”** create the assumption for the implementation of the sustainable development target **10.7.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Stimulate active relationship of key stakeholders towards development sustainability”** create the assumption for the implementation of the sustainable development targets: **10.2 and 10.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Develop value system in line with sustainable development objectives of the community”** create the assumption for the implementation of the sustainable development target **10.3.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, „Stimulate employability and social inclusion“** create the assumption for the implementation of the sustainable development targets: **10.1, 10.2, 10.3 and 10.4**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Achieve more balanced socio-economic development of all local self-government units and regions based on competitiveness, innovation and employment with special emphasis on the development of Northern Region”** create the assumption for the implementation of the sustainable development target **10.2.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Reduce the level of emissions of GHG until 2030 by 30% in relation to**

**the year 1990”** create the assumption for the implementation of the sustainable development target **10.b**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Improve resource efficiency in key economic sectors”, “Enable the introduction of green economy through mobilization of funds for sustainable development funding”** create the assumption for the implementation of the sustainable development targets **10.1, 10.2, 10.4, 10.b**.

#### **SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Stimulate active relationship of the key stakeholders towards development sustainability”, “Improve the importance of culture as fundamental value of spiritual, social and economic development which enhances significantly citizens’ quality of life”, “Establish efficient and contemporary system of integral protection, management and sustainable use of cultural heritage and landscape”, “Stop degradation of values of renewable natural resources: biodiversity, water, air, land”, “Enable efficient management of natural resources”, “Enable the symbiosis of the enhancement of the conditions of the environment and people’s health”, “Resolve the issues of unsustainable capacitating of space generated by unrealistic requirements with regards to quantity and low quality of built environment”, “Strengthening resilience, reduction of vulnerability and exposure to natural and anthropogenic hazards”, “Improve resource efficiency in key economic sectors” and “Improve waste management applying circular economy framework approach”** create the assumption for the implementation of the sustainable development targets **11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.a, 11.b, 11.c**.

#### **SDG 12: Ensure sustainable consumption and production patterns**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development target **12.2**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **12.1 and 12.2**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Reduce the level of emissions of GHG until 2030 by 30%”**

**in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets **12.2 and 12.5**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve waste management applying circular economy framework approach”** create the assumption for the implementation of the sustainable development target **12.2**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development target **12.2**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable resource efficient use of metallic and non-metallic”** create the assumption for the implementation of the sustainable development targets **12.1 and 12.2**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets **12.2 and 12.5**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve waste management applying circular economy framework approach”** create the assumption for the implementation of the sustainable development targets **12.2, 12.4, 12.5, 12.6 and 12.8**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable sustainable management of resources of the coastal area and foster blue economy”** create the assumption for the implementation of the sustainable development targets **12.2 and 12.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development targets **12.1, 12.2, 12.7, 12.8, 12.a and 12.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Support greening of economy through the development and application of operational instruments of sustainable consumption and production”** create the assumption for the implementation of the sustainable development targets **12.2, 12.7, 12.8 and 12.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Apply social responsibility in the practice of all sectors in line with positive European and international experiences”** create the assumption for the implementation of the sustainable development targets **12.2, 12.6 and 12.7**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs”** create the

assumption for the implementation of the sustainable development target **12.2**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Establish the system of sustainable funding of the environment”** create the assumption for the implementation of the sustainable development targets **12.2 and 12.c**.

### **SDG 13: Take urgent action to combat climate change and its impacts**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development target **13.1**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **13.1, 13.2 and 13.3**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Strengthening resilience, reduction of vulnerability and exposure to natural and anthropogenic hazards”** create the assumption for the implementation of the sustainable development targets **13.1, 13.2, 13.3, 13.a and 13.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goals **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets **13.1, 13.2 and 13.3**.

### **SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development target **14.c**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **14.1, 14.2, 14.3, 14.5, 14.7, 14.a, 14.b and 14.c**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **14.1, 14.2, 14.3, 14.5, 14.7, 14.a, 14.b, 14.c**.

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Resolve the issues of unsustainable capacitating of space generated by unrealistic requirements with regards to quantity and low quality of built environment”** create the assumption for the implementation of the sustainable development target **14.2**.

**SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Stop degradation of values of renewable natural resources: biodiversity, water, air, land”** create the assumption for the implementation of the sustainable development targets **15.1, 15.2, 15.3, 15.4, 15.5, 15.7, 15.8, 15.9, 15.a, 15.c**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable efficient management of natural resources”** create the assumption for the implementation of the sustainable development targets **15.1, 15.2, 15.3, 15.4, 15.5, 15.7, 15.8, 15.9, 15.a and 15.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Enable resource efficient use of metallic and non-metallic”**, create the assumption for the implementation of the sustainable development target **15.3**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development target **15.2 and 15.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve resource efficiency in key economic sectors”** create the assumption for the implementation of the sustainable development target **15.5**.

**SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Strengthen environment management with the improvement of the application of environment protection tools”** create the assumption for the implementation of the sustainable development targets **16.6, 16.7, 16.8, 16.10, 16.10, 16.b**.
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Implement reform of the institutional organization of**

**sustainable development governance system”** create the assumption for the implementation of the sustainable development targets **16.6, 16.7, 16.8, 16.b.**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Establish the system for the monitoring of national development sustainability including the monitoring of the implementation of sustainable development goals”** create the assumption for the implementation of the sustainable development targets **16.6, 16.7 and 16.b.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Strengthen environment governance with the improvement of the application of environment protection tools”** create the assumption for the implementation of the sustainable development targets **16.6 and 16.10.**

#### **SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve demographic fluctuations and reduce demographic deficit”** create the assumption for the implementation of the sustainable development targets **16.6 and 17.14.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Reduce the level of emissions of GHG until 2030 by 30% in relation to the year 1990”** create the assumption for the implementation of the sustainable development targets **17.2, 17.3, 17.7, 17.9, 17.14, 17.17.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Improve waste management applying circular economy framework approach”** create the assumption for the implementation of the sustainable development targets **17.3, 17.4, 17.14 and 17.2.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **„Support greening of economy through the development and application of operational instruments of sustainable consumption and production”** create the assumption for the implementation of the sustainable development targets **17.14 and 17.17.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal **“Apply social responsibility in the practice of all sectors in line with positive European and international experiences”** create the assumption for the implementation of the sustainable development targets **17.9 and 17.14.**

- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal „**Increase the level of competitiveness of Montenegrin economy for sustainable development and green jobs**” create the assumption for the implementation of the sustainable development targets **17.1, 17.3, 17.9 and 17.14.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Strengthen environment governance with the improvement of the application of environment protection tools**” create the assumption for the implementation of the sustainable development targets **17.9, 17.13, 17.14, 17.15, 17.18, 17.19.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Implement reform of the institutional organization of sustainable development governance system**” create the assumption for the implementation of the sustainable development targets **17.1, 17.3, 17.6, 17.7, 17.8, 17.9, 17.13, 17.14, 17.15, 17.16, 17.17, 17.19.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Establish the system for the monitoring of national development sustainability including the monitoring of the implementation of sustainable development goals**” create the assumption for the implementation of the sustainable development targets **17.9, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Establish the system of sustainable funding of the environment**” create the assumption for the implementation of the sustainable development targets **17.3, 17.9, 17.14, 17.18, 17.19.**
- Measures and sub-measures defined within the framework of the NSSD 2030 strategic goal “**Enable the introduction of green economy through the mobilization of funds for sustainable development funding**” create the assumption for the implementation of the sustainable development targets **17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.10, 17.11, 17.12, 17.13, 17.14, 17.16, 17.17, 17.18 and 17.19.**

### **3.4.3 Areas of success and milestones reached**

**NSSD 2030 implementation success should be perceived in relation to the overall period of the establishment of national sustainable development policy in Montenegro current stage of which refers to the period of drafting the NSSD 2030. The following key milestones stand out by their importance for the implementation of the national sustainable development policy of Montenegro:**

- Guided by the decision on the establishment of ecological state, Montenegro is among the first countries of the South-East European region **to have established strategic and institutional sustainable development framework** in line with the standards of the developed EU countries. Upon the successfully completed participation at the Sustainable Development Summit held in Johannesburg, Montenegro established the **National Council for Sustainable Development as an advisory body of the Government** aimed at strengthening the capacities for the implementation of sustainable development policy. The Prime Minister had chaired the Council in the period from 2002, and as of 2013 it has been chaired by the President of Montenegro.
- Parallel with the beginning of the implementation of sustainable development programmes and projects, the process had commenced of drafting the **National Sustainable Development Strategy which was adopted in 2007**. Special value of this document is its five-year action plan for the period 2007-2012, which defines the measures for reaching sustainable development goals in 24 priority sustainable development areas of Montenegrin society. The implementation of sustainable development policy resulted in significant progress with regards to the **awareness on the importance of sustainable development for society, as well as on the necessity of harmonizing sectoral approaches with the NSSD goals and measures**. The establishment of the institutional framework for the implementation of the NSSD 2030 is particularly important in the context of **generating broad participation of all relevant stakeholders at the national and local level of action**.
- This has enabled the development of the **system for objective monitoring of national development condition and the implementation of the evaluation of the progress achieved**, identification of problems and definition of responses for the determined problems. Namely, for successful implementation of sustainable development policy of Montenegro it is crucial to monitor and report on the results of its implementation within the framework of coordination mechanisms established within the framework of the functioning of the NCSD and its working groups in the period from 2007 until today. The stages in the process of monitoring and implementation of the NSSD are: 1) data collection, 2) reporting, 3) analysis of the obtained data, 4) drafting recommendations for the improvement of the document and 5) periodic NSSD review. This has resulted in the preparation of regular annual reports on the implementation of the NSSD, as well as in successful reporting towards the UN and relevant entities in regional and European context.
- Such model made it possible for **key issues of national development sustainability to be determined** in a timely manner, as well as for timely responses to be defined. Thus, by the intensity of impact, from the aspect of sustainable development governance system individual problems have been singled out and grouped as follows:

- Dissatisfactory efficiency of inter-sectorial coordination with insufficiently aligned sectorial policies, both mutually and with sustainable development policy;
- Insufficiently clearly divided or indeed overlapping competences of the entities responsible for the implementation of sectorial policies;
- There is an unsustainable relation of the key social actors towards development, caused by inadequate educational and value system, low trust in the institutions of the political system and rule of law, inappropriate organization culture and inadequate relation towards healthy lifestyle, culture and cultural heritage, as well as uneven regional development. The consequence of all this is low level of human and social capital, and social cohesion;
- Disharmony (to a greater or minor degree) between economic activities and sustainable development goals (forestry, hunting, energy, industry, exploitation of mineral raw materials, maritime economy, transportation, spatial planning, civil engineering, tourism), relatively high level of domestic material consumption (DMC) and low level of productivity of resources (PR);
- Inadequacy of existing legislation governing economic activities from the aspect of the application of environment protection instruments, including pollution reduction and reduction of damages from natural and anthropogenic hazards; they mostly stick to recognizing the vulnerability of environment and natural resources at the level of principles;
- Dissatisfactory capacities in public administration bodies for the implementation of sustainable development policy (insufficient number of employees with appropriate professional ability for the carrying out sustainable development tasks, most bodies (about 90%) have no officers competent for sustainable development tasks);
- Insufficient efficiency for the implementation of legislation, while the institutional framework for the application of legislation must be considerably enhanced;
- The development of environment management instrument has not been completed yet, while their application shows numerous problems and weaknesses.

In that way, objectively perceived problems resulted in the **decision on the implementation of NSSD 2007 review** and the drafting of the new one which defined the goals and measures for the improvement of sustainable development policy of Montenegro by 2030. New NSSD has established a comprehensive framework to respond to challenges standing on the path towards sustainable development of Montenegrin society do 2030, taking into account the results of the implementation of the previous NSSD and the requirements in the Montenegrin EU accession process.

In that context, key element of success to be emphasized is that the **new NSSD has completely taken over the UN sustainable development goals and targets and defined a reformed sustainable development governance and funding framework which is to enable successful implementation of sustainable development policy of Montenegro up to 2030.**

Key success to be emphasized is the fact that the new NSSD 2030, in line with the universal and inseparable nature of sustainable development goals, **umbrella, horizontal and long-term Montenegrin development strategy**, which is not related solely to environment and economy, but also to irreplaceable human resources and precious social capital which are to enable prosperous development. Positioned in this way, this strategy offers the response to: established unsustainable development trends; incompatible sectorial policies both mutually and with the NSSD, then with environment protection policy; institutional framework which is not harmonized with the needs for the implementation of sustainable development policy and the requirements of good governance, incompatibility of public finance system with the need for horizontal and vertical positioning of sustainable development priorities in national strategic policies, plans and programmes, and/or incompatibility of real actions with the expressed political support and official Montenegrin commitment to sustainable development.

#### **3.4.4 Areas of critical challenge and bottlenecks identified**

With a view to achieving sustainable development goals Montenegro needs to have adequate response to the **key problems** related to the use and management of national resources. Namely, comprehensive assessment of the condition pointed out to numerous factors leading to unsustainable trends in managing and using human, social, natural and economic resources, as well as with regards to governance for sustainable development. The overview of key drivers, pressures, conditions and impacts, following the DPCI(R) method (drivers-pressures-condition-impacts-responses), is presented in the Annex II in tables P II-6, P II-7, P II-8, P II-9 of the NSSD. Individual causes are related to several problems and vice versa – individual problems are rooted in several stated causes. The systematization of problems and causes, and the assessment of the extent to which certain groups of problems and causes hinder the achievement of sustainable development goals and weaken the chances for the long-term sustainable development of Montenegrin society, singled out key problems and weaknesses and related needs in the items 3.1 to 3.5 of the NSSD.

Starting from the determined problems and weaknesses in the implementation of the National Sustainable Development Policy, strategic objectives of the National Sustainable Development Strategy until 2030, with pertaining measures and sub-measures, are defined as the responses to such problems. In that way, the responses to the determined problems constitute at the same time national responses to the challenges in the context of the implementation of SDGs within the framework of NSSD 2030.

The third chapter of the NSSD establishes the problems which characterize sustainable development of Montenegro according to the following **structure of key unsustainable development trends and sustainable development needs until 2030**:

- 3.1. Key problems with sustainable management of human resources
- 3.2. Key problems with sustainable management of social resources
- 3.3. Key problems with the use and management of natural resources
- 3.4. Key problems with the use and management of economic resources
  - 3.4.1. Climate change mitigation
  - 3.4.2. Path towards resource efficiency
  - 3.4.3. Sustainable consumption and production

### **3.4.5 Emerging issues of importance**

Problems, weaknesses and shortcomings of sustainable development governance system

As it has been stated following a detailed assessment of the current condition and the determined key problems and shortcomings of Montenegrin sustainable development, determined challenges in the context of the translation of the SDGs and sustainable development targets into the national context, and following the requirements stated during the public consultation process and the consultative process and the NSSD, as well as in accordance with the assessments resulted from the consultations with relevant international entities, as it has been previously stated for enabling efficient implementation of the NSSD, the following priority sustainable development topics have been determined for Montenegro until 2030: improvement of the condition of human resources and strengthening social inclusion, support to values, norms and patterns of behaviour of importance for the sustainability of society, preservation of natural capital, introduction of green economy, sustainable development governance, funding for sustainable development. Within the framework of these priority topics of the NSSD, the issues of the reform of the system for the implementation of sustainable development

policy stand out by their importance, especially the issues of institutional organization and funding for sustainable development:

- **Establishment of optimal institutional organization for the implementation of the NSSD and/or the UN Sustainable Development Agenda 2030**
- **Inclusion of the Parliament of Montenegro in the implementation of the NSSD 2030**
- **Reform of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management**
- **Reform of the sustainable development funding system**
- **Reform of statistic monitoring of the progress in the implementation of the NSSD 2030**
- **Amendments of sectorial polices.**

These issues are addressed in more details in the chapters 3.6 and 4 of this report.

### **3.4.6 Actions taken to address existing gaps and challenges**

**The problems of the sustainability of Montenegrin development as defined in the Chapter 3 of the NSSD and briefly presented under 3.3.4 herein are at the same time key gaps and challenges in the implementation of 17 SDGs and related targets. The NSSD 2030 Action Plan defines the responses to the established problems and gaps through sustainable measures and sub-measures structured within the framework of the NSSD strategic goals.**

**Below is the overview of the NSSD measures that define national responses in the context of achieving NSSD strategic goals and/or 17 SDGs and 167 sustainable development targets in the time horizon until 2030. The overview of the tasks stated with individual measures does not include all the tasks related to a given measure, but only those of relevance for the observed sustainable development goal, so that it is possible for certain to be repeated on several occasions in case it integrates several sustainable development tasks.**

#### **SDG 1: End poverty in all its forms everywhere**

- Achieve the assumptions for self-sustainable and balanced economic development, which will reduce the rate of economically vulnerable population, SDG 1 (1.3, 1.5)
- Ensure social stability and reduce poverty rate, SDG 1 (1.1, 1.2, 1.3, 1.4, 1.a and 1.b )
- Reduce vulnerability of population to climate change, SDG 1 (1.5)
- Enhance resistance of humans, society and ecosystem to those aspects of climate change that cannot be avoided

- Invest in risk reduction and in enhancing the resistance of natural and social systems, SDG 1 (1.5).

### **SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

- Ensure social stability and reduce poverty rate, SDG 2 (2.1, 2.2)
- Improve the monitoring of the conditions of biodiversity, waters, sea, air and land, SDG 2 (2.4)
- Establish the mechanisms of inter-sectorial cooperation for the purpose of improving population health, SDG 2 (2.4)
- Reduce vulnerability of humans, natural and social systems to climate change, SDG 2 (2.4)
- Enhance resistance of humans, society and ecosystem to those aspects of climate change that cannot be avoided, SDG 2 (2.4)
- Build the capacities, improve education and raise public awareness of climate change and of mitigation measures, SDG 2 (2.4)
- Introduce low-carbon technologies in industrial facilities in accordance with best practices, SDG 2 (2.4)
- Promote resource efficiency and valuation of limited resources, SDG 2 (2.3, 2.4)
- Develop regulatory framework to support sustainable consumption and production, SDG 2(2.a, 2.b, 2.c)
- Foster research and development in the area of resource efficiency and development of human resources SDG 2 (2.a)
- Improve the quality of products and services in the context of establishing the space for the creation of green jobs, SDG 2 (2.3, 2.4, 2.5).

### **SDG 3: Ensure healthy lives and promote well-being for all at all ages**

- Enhance healthcare of mothers, new-born babies and other vulnerable and disadvantaged groups of population SDG 3 (3.1, 3.2 and 3.7)
- Increase the focus on the promotion of healthy lifestyle, prevention and disease control, SDG 3 (3.4, 3.5 and 3.6)
- Improve the efficiency of healthcare system and the quality of healthcare, SDG 3 (3.8 and 3.c)
- Provide preconditions for healthy development of individuals within their families, SDG 3 (3.1, 3.2, 3.7)
- Eliminate discrimination of LGBT population, SDG 3 (3.3)
- Eliminate discrimination of persons with disabilities
- Eliminate discrimination of elderly people, SDG 3 (3.8)
- Enable efficient protection of the protected areas of nature, environmentally valuable habitats, forest, ware and coastal ecosystems, protected species of flora and fauna, air and land, SDG 3 (3.9)

- Improve the monitoring of the condition of biodiversity, waters, sea and land, SDG 3 (3.9)
- Establish the mechanisms of inter-sectorial cooperation for the purpose of improving population health, SDG 3 (3.9)
- Strengthen institutional risk management framework, SDG 3 (3.d)
- Enhance the readiness to respond to disasters and renewal through recovery, rehabilitation and reconstruction, SDG 3 (3.d)

#### **SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

- Provide comprehensive, inclusive and high quality pre-school education, SDG 4 (4.2 and 4.a)
- Improve primary and secondary education, SDG 4 (4.2, 4.6 and 4.7)
- Improve educational and scientific component in higher education, SDG 4 (4.3)
- Improve the conditions for lifelong learning, informal education and education of adults, with the focus on vulnerable groups, SDG 4 (4.5)
- Ensure social stability and reduce poverty rate, SDG 4 (4.4)
- Strengthen the capacity of cultural institutions at all levels and establish sustainable funding system, SDG 4 (4.7)
- Strengthen informal, amateur, alternative, contemporary cultural practices, as well as cultural industries in Montenegro, SDG 4 (4.7)
- Foster cultural diversities through the strengthening of cultural activity of marginal and marginalized groups like the young, the elderly, women, LGBT persons, persons with disabilities etc., as well as provide tolerance for this cultural segment, SDG 4 (4.7)
- Enhance the capacity of cultural institutions at all levels and establish sustainable funding system, SDG 4, (4.7)
- Strengthen informal, amateur, alternative, contemporary cultural practices, as well as cultural industries in Montenegro, SDG 4 (4.7)
- Foster cultural diversities through the strengthening of cultural activities of marginal and marginalized groups like the young, the elderly, women, LGBT persons, persons with disabilities etc., as well as provide tolerance for this cultural segment, SDG 4 (4.7)
- Improve cultural heritage protection system at all levels, SDG 4 (4.7).

#### **SDG 5: Achieve gender equality and empower all women and girls**

- Provide preconditions for the healthy development of individuals within the framework of their families, SDG 5 (5.2, 5.3 i 5.6)
- Eliminate gender discrimination, SDG 5 (5.1, 5.4, 5.5, 5.a, 5.b i 5.c).

## **SDG 6: Ensure availability and sustainable management of water and sanitation for all**

- Enable efficient protection of the protected natural areas, environmentally valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, water and land, SDG 6 (6.2,6.3, 6.6)
- Improve the monitoring of the condition of biodiversity, waters, sea and land, SDG 6 (6.3, 6.5, 6.6)
- Establish the mechanisms of inter-sectorial cooperation for the purpose of improving population health, SDG 6 (6.1, 6.2, 6.3, 6.4)
- Reduce environment impacts to minimum and improve economic effects of the exploitation of mineral resources, SDG 6 (6.6)
- Enable resource efficient use of water resources, SDG: 6 (6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.a, 6.b)
- Strengthen the capacities for supervision over the implementation of legislation in the area of environment, SDG 6 (6.a, 6.b), SDG 16 (16.6, 16.7, 16.b), SDG 17 (17.13, 17.14, 17.15).

## **SDG 7: Ensure access to affordable, reliable, sustainable and clean energy**

- Enable resource efficient use of forest resources, SDG 7 (7.a)
- Enable the construction of new structures exclusively in accordance with the standards of sustainable architecture and civil engineering and improve the existing building stock, SDG 7 (7.2, 7.3)
- Build the capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 7 (7.a)
- Increase the share of renewable energy sources and promote rational use of energy, SDG 7 (7.1, 7.2, 7.3 and 7.a)
- Enable resource efficient use of forest resources, SDG 7 (7.a)
- Enable the construction of new structures exclusively in accordance with the standards of sustainable architecture and civil engineering and improve the existing building stock, SDG 7 (7.2 and 7.3)
- Build the capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 7 (7.a)
- Increase the share of renewable energy sources and promote rational use of energy  
SDG 7 (7.1, 7.2, 7.3 ,7.a, 7.b)
- Improve resource efficiency with the introduction of market oriented measures and/or economic tools in the key economic sectors, SDG 7 (7.1, 7.2, 7.3).

## **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- Prevent and mitigate the effects of population aging, SDG 8 (8.3)
- Achieve the assumptions for self-sustainable and balanced economic development, which will reduce the rate of economically vulnerable population, SDG 8 (8.1, 8.2)
- Ensure social stability and reduce poverty rate, SDG 8 (8.5, 8.6 and 8.8)
- Strengthen the capacity of cultural institutions at all levels and establish sustainable funding system, SDG 8 (8.9)
- Establish modern, efficient system for the creation and presentation of cultural activity, as well as the status of artist and creators in the society, and at the same time increase and educate the audience, SDG 8 (8.9)
- Strengthen informal, amateur, alternative, contemporary cultural practices, as well as cultural industries in Montenegro, SDG 8 (8.9)
- Strengthen the capacity of cultural institutions at all levels and establish sustainable funding system, SDG 8 (8.9)
- Establish modern, efficient system for the creation and presentation of cultural activity, as well as the status of artist and creators in the society, and at the same time increase and educate the audience, SDG 8 (8.9)
- Strengthen informal, amateur, alternative, contemporary cultural practices, as well as cultural industries in Montenegro, SDG 8 (8.9)
- Improve cultural heritage protection system at all levels, SDG 8 (8.9)
- Improve cultural heritage protection system at all levels, SDG 8 (8.9)
- Enhance sustainable use and management of cultural heritage, SDG 8 (8.3 and 8.9)
- Establish favourable social and socio-economic environment which is to prevent further negative demographic movements in the North of Montenegro, SDG 8 (8.3)
- Reduce environment impacts to minimum and improve economic effects of the exploitation of mineral resources, SDG 8 (8.4)
- Reduce environment impacts to minimum and improve economic effects of the exploitation of mineral resources, SDG 8 (8.4)
- Foster research and development in the area of resource efficiency, as well as the development of human resources, SDG 8 (8.3)
- Renew and preserve valuable rural areas, SDG 8 (8.2)
- Develop and promote sustainable consumption and production practices which support efficient use of natural resources and reduce the pressures on environment, SDG 8 (8.4)
- Foster competitiveness of Montenegrin enterprises through measures for stimulating resource efficiency and investments, SDG 8 (8.1, 8.2, 8.3, 8.5)
- Strengthen local entrepreneurial infrastructure and business environment for the development of SME entrepreneurship, SDG 8 (8.3, 8.4, 8.10)

- Initiate and implement stimulating funding programmes for the sake of enabling better availability, accessibility and access to finances for entrepreneurs and SMEs, especially for innovative and export oriented enterprises, SDG 8 (8.3, 8.10)
- Establish favourable regulatory framework for investments in green economy, SDG 8 (8.2, 8.3)
- Foster transparent, inclusive and non-discriminatory international trade, SDG 8 (8.a)
- Foster the competitiveness of Montenegrin enterprises through the measures for stimulating resource efficiency and investments, SDG 8 (8.1, 8.2, 8.3, 8.5)
- Strengthen local entrepreneurial infrastructure and business environment for the growth and development of entrepreneurship, SMEs and investments, SDG 8 (8.3, 8.4)
- Initiate and implement stimulating funding programmes for the sake of enabling better availability, accessibility and access to finances for entrepreneurs and SMEs, especially for innovative and export oriented enterprises, SDG 8 (8.3, 8.10).

**SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

- Improve transportation and other infrastructure as development prerequisites, SDG 9 (9.1)
- Enable efficient protection of the protected natural areas, environmentally valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, air and land, SDG 9 (9.4),
- Carry out remediation of the existing pollution and build the infrastructure for the processing of waste and wastewaters, SDG 9 (9.4, 9.5)
- Build the capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 9 (9.2)
- Introduce low-carbon technologies in industrial facilities, in line with the best practices, SDG 9 (9.2)
- Increase the share of renewable energy sources and promote rational use of energy, SDG 9 (9.1, 9.5)
- Foster the competitiveness of Montenegrin enterprises through measures for stimulating resource efficiency and investments, SDG 9 (9.2, 9.3)
- Improve resource efficiency with the introduction of market oriented measures and/or economic tools in key economic sectors, SDG 9 (9.1, 9.4)
- Offer financial support to the development of mechanisms and capacities for the introduction of green economy in ten priority sectors, SDG 9 (9b).

## **SDG 10: Reduce inequality within and among countries, build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

- Prevent and mitigate migration effects, SDG 10 ( 10.7)
- Eliminate national and religious discrimination, SDG 10 (10.2, 10.3)
- Eliminate discrimination of persons with disabilities, SDG 10 (10.3)
- Build multi-ethnic civil society with high degree of mutual trust and tolerance, SDG 10 (10.3)
- Ensure social stability and reduce poverty rate, SDG 10 (10.1, 10.4)
- Fight against social exclusion, SDG 10 (10.2, 10.3)
- Establish favourable social and socio-economic environment which is to prevent further negative demographic movements in the North of Montenegro, SDG 10 (10.2),
- Increase the share of renewable energy sources and promote rational use of energy, SDG 10 (10.b)
- Foster transparency, inclusive and non-discriminatory international trade (improvement of the access to market for less developed and insufficiently competitive countries) through greater access to credits, guarantees, insurance, factoring and innovative financial instruments, including the ones for micro, small and medium-size enterprises; also, in the framework of this measure, it is necessary to foster regional trade and inter-connectivity, SDG 10 (10.6)
- Strengthen policy coherence for funding sustainable development institutionally and organizationally, SDG 10 (10.6).

## **SDG 11 „Foster active relations of key stakeholders towards development sustainability“**

- Eliminate discrimination of persons with disabilities, SDG 11 (11.2)
- Strengthen the capacity of cultural institutions at all levels and establish sustainable funding system, SDG 11 (11.4)
- Establish modern, efficient system for the creation and presentation of cultural activity, as well as the status of artist and creators in the society, and at the same time increase and educate the audience, SDG 11 (11.4)
- Strengthen informal, amateur, alternative, contemporary cultural practices, as well as cultural industries in Montenegro, SDG 11 (11.4)
- Foster cultural diversity through the strengthening of cultural activity of marginal and marginalized groups like the young, the elderly, women, LGBT persons, persons with disabilities, etc., as well as provide tolerance for this cultural segment, SDG 11(11.4)
- Enhance cultural heritage protection system at all levels, SDG 11 (11.4)
- Enhance cultural heritage protection system at all levels, SDG 11 (11.4)
- Improve sustainable use and management of cultural heritage, SDG 11 (11.4)

- Enable efficient protection of the protected areas of nature, environmentally valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, air and land, SDG 11 (11.4, 11.6)
- Improve the monitoring of the condition of biodiversity, waters, sea, air and land, SDG 11 (11.6)
- Enable resource efficient use of water resources, SDG 11 (11.5)
- Establish the mechanisms of inter-sectorial cooperation for the purpose of the improvement of population health, SDG 11 (11.6, 11.c)
- Enhance the system of planning, physical planning and construction of objects by amending the Law on spatial planning and construction of objects, related laws and accompanying bylaws, thus increase the value of space and prevent uncontrolled and irrational space consumption, SDG 11 (11.3, 11.a)
- Introduce continuous monitoring of the change in the degree of space occupancy using centralized information system, SDG 11 (11.3, 11.a)
- Foster space optimization and quality of the built environment, SDG 11 (11.3, 11.7, 11.a)
- Improve the quality of life in the cities, SDG 11 (11.2, 11.3, 11.7, 11.a, 11.6)
- Improve the condition in the area of housing, SDG 11 (11.1, 11.3)
- Improve the understanding of risks from hazards, SDG 11(11.b)
- Invest in risk reduction and strengthen the resistance of natural and social systems, SDG 11 (11.5)
- Enhance the readiness to respond to disasters and renewal through recovery, rehabilitation and reconstruction, SDG 11 (11.5, 11.b)
- Reduce vulnerability of humans, natural and social systems to climate change, SDG 11 (11.b),
- Enhance resistance of humans, society and ecosystem to those aspects of climate change that cannot be avoided, SDG 11 (11.b)
- Improve resource efficiency through the introduction of market oriented measures and/or economic tools in key economic sectors, SDG 11 (11.6)
- Improve resource efficiency with the introduction of regulatory instruments, SDG 11 (11.1, 11.3)
- Foster the activities on the reduction of the quantity of waste being generated in the territory of Montenegro, SDG 11 (11.6).

## **SDG 12: Ensure sustainable consumption and production patterns**

- Identify and value of environmentally valuable habitats and ecosystems and undertake the review of the status of the existing protected natural properties, SDG 12 (12.2)
- Build capacities for integral management of natural properties, environmentally valuable habitats and ecosystems, SDG 12 (12.2)
- Reduce environment impacts to minimum and improve economic effects of the exploitation of mineral resources, SDG 12 (12.1, 12.2)

- Build the capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 12 (12.5)
- Introduce low-carbon technologies in the industrial facilities, in accordance with the best practices, SDG 12 (12.5)
- Improve the status of forests and plant additional forests, SDG 12 (12.2)
- Foster the activities on the reduction of the quantity of waste being generated in the territory of Montenegro, SDG 12 (12.5)
- As efficiently as possible conduct primary waste selection as a precondition for the achievement of clearly defined goals in the domain of reuse and recycling of the disposed materials (which comprises significant investments in the system of separate waste collection in the forthcoming period, accompanied by appropriate awareness raising programmes, SDG 12 (12.2, 12.5)
- Establish efficient waste selection and recycling<sup>30</sup> (collection, sorting, processing, reuse of recyclable materials, as well as the system for the prevention of waste generation - include impetuses for the development of recycling activities, foster secondary material market and demand for recycled materials), SDG 12 (12.2, 12.5)
- Develop a system for managing special types of waste (for example, waste batteries and car batteries, waste tyres, waste vehicles, waste electrical and electronic products, packaging waste, construction waste), biologically degradable waste, sewage sludge, veterinary waste, animal origin waste, medical waste, industrial waste, SDG 12 (12.2, 12.4, 12.5)
- While managing waste, gradually introduce circular economy approach (shift from the “system of landfills“ to circular waste management model) with the implementation of the measures to foster resource efficient use of raw materials in manufacturing, enabling the reduction of the quantities of waste being generated, especially the hazardous one, using waste as alternative energy-generating product, applying the approach based on the recognition of economic and environmental significance of waste, with the establishment

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<sup>30</sup> According to legally defined objectives, at least 50% of the overall quantity of the collected waste material, such as glass, paper, metal and plastic, should be prepared for reuse and recycling by 2020, while in the same period it is necessary to prepare for reuse at least 70% of non-hazardous construction waste. Legislation also envisages the provision of conditions in which the quantity of biologically degradable municipal waste disposed at a landfill will reach the level of 35% of the overall mass of biologically degradable waste generated in 2010.

of macro-analysis and sectorial analyses of the material flow – MFA and the introduction of the related circular economy indicators, SDG 12 (12.2, 12.5)

- Enhance the application of penal measures in the framework of waste management and raise public awareness of the importance and advantages of sustainable waste management (environmental knowledge, environmental behaviour, evaluation of environmental situation), 12 (12.6, 12.8)
- Preserve the attractiveness of the coastal area for sustainable tourism development, SDG 12 (12.2, 12.b),
- Renew and preserve valuable rural areas, 12 (12.2)
- Support sustainable valorisation and preservation of marine resources, SDG 12 (12.2)
- Improve resource efficiency with the introduction of market oriented measures and/or economic tools in key economic sectors, SDG 12 (12.b, 12.c)
- Improve resource efficiency with the introduction of regulatory instruments, SDG 12 (12.1, 12.2, 12.7)
- Foster research and development in the area of resource efficiency and human resource development, SDG 12 (12.1,12.a, 12.c)
- Improve the accessibility of information on the values of natural resources, use of resources, resource efficiency and gradually integrate the same in the systems for the calculation of economic success, SDG 12 (12.8, 12.a)
- Promote resource efficiency and valuation of limited resources, SDG 12 (12.2, 12.a, 12.b),
- Develop and promote practices and solutions of sustainable consumption and production which support efficient use of natural resources and reduce pressures on environment, SDG 12 (12.2), 17 (17.14), 11 (11.b)
- Develop regulatory framework to support sustainable consumption and production, SDG 12 (12.2, 12.7)
- Raise the awareness and enhance knowledge of sustainable production and consumption, SDG 12 (12.2, 12.8, 12.b)
- Promote the concept of social responsibility (SR) and raise the awareness of the values and importance of SR, and/or benefits of organizations from the aspect of SR implementation, SDG 12 (12.2, 12.6)
- Strengthen the application of the SR, SDG 12 (12.6, 12.7)
- Increase the number of enterprises which apply systematically the SR principles in their operations and report on the same on a regular basis, SDG 12 (12.6)
- Enhance the quality of products and services in the context of establishing the space for the creation of green jobs, SDG 12 (12.2)
- Introduce the system of programmed, dedicated annual budget planning for all budget users (spending units), with special emphasis on the planning of funds for the implementation of sustainable development programme activities (recognizing sustainable development programmes among all beneficiaries), SDG 12 (12.2)

- Establish the Eco-fund and promote the mobilization of funds for funding the environment through the efficient and financially sustainable environmental fund, with the inclusion of new economic tools in this area (green fiscal reform), 12 (12.2)
- Abolish subsidies which harm the environment including the rationalization of inefficient subsidies, SDG 12 (12.c)
- Mobilize the funds for the improvement of the quality of infrastructure in the area of environment, with the combination of economic tools, fostering of foreign investments, credits and mechanisms of development partnership with domestic and international partners (public and private sector), SDG 12 (12.2, 12.c)

### **SDG 13: Take urgent action to combat climate change and its impacts**

- Enable efficient protection of the protected areas of nature, environmentally valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, air and land, SDG 13 (13.1)
- Enable resource efficient use of forest resources, SDG 13 (13.1)
- Enable resource efficient use of water resources, SDG 13 (13.1, 13.2)
- Enable resource efficient use of forest resources, SDG 13 (13.1)
- Enable resource efficient use of water resources, SDG 13 (13.1, 13.2)
- Establish the mechanisms of inter-sectorial cooperation for the purpose of improving population health, SDG 13 (13.1)
- Reduce the vulnerability of people to climate change, SDG 13 (13.2, 13.3)
- Enhance the understanding of risks from hazards, SDG 13 (13.1, 13.3)
- Strengthen institutional framework for risk management, SDG 13 (13.2, 13.3)
- Enhance the readiness to respond to disasters and renewal through recovery, rehabilitation and reconstruction, SDG 13 (13.3)
- Reduce the vulnerability of humans, natural and social systems to climate change, SDG 13 (13.1, 13.2, 13.3, 13.a, 13.b)
- Increase the resistance of humans, society and ecosystem to those aspects of climate change which cannot be avoided, SDG 13 (13.1, 13.2, 13.3, 13.a, 13.b)
- Build capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 13 (13.2, 13.3)
- Introduce low-carbon technologies in industrial facilities, in line with the best practices, SDG 13 (13.2)
- Improve the status of forests and plant additional forests, SDG 13 (13.1, 13.2).

## **SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

- Improve the monitoring of the conditions of biodiversity, waters, sea, air and land, SDG 14 (14.c)
- Identify and evaluate environmentally valuable habitats and ecosystems and review the status of the existing protected natural properties, 14 (14.2, 14.5)
- Build the capacities for integrated management of protected natural properties, environmentally valuable habitats and ecosystems, SDG 14 (14.1, 14.2, 14.5, 14.7, 14.a)
- Establish integrated management of coastal area, SDG 14 (14.1, 14.2, 14.3, 14.5, 14.7, 14.a, 14.b, 14.c)
- Identify and evaluate environmentally valuable habitats and ecosystems and review the status of the existing protected natural properties, 14 (14.2, 14.5)
- Build the capacities for integrated management of protected natural properties, environmentally valuable habitats and ecosystems, SDG 14 (14.1, 14.2, 14.5, 14.7, 14.a)
- Establish integrated management of the coastal area, SDG 14 (14.1, 14.2, 14.3, 14.5, 14.7, 14.a, 14.b, 14.c)
- Enhance the system of planning, physical planning and construction of objects by amending the Law on spatial planning and construction of objects, related laws and accompanying bylaws, thus increase the value of space and prevent uncontrolled and irrational space consumption, SDG 14 (14.2)
- Foster space optimization and the quality of the built environment, SDG 14 (14.2)

## **SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

- Enable efficient protection of the protected areas of nature, environmentally valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, air and land, SDG 15 (15.1, 15.2, 15.3, 15.4, 15.5, 15.7, 15.8, 15.9, 15.a, 15.c)
- Improve the monitoring of the conditions of biodiversity, waters, sea, air and land, SDG 15 (15.1, 15.3, 15.4, 15.5, 15.8, 15.9, 15.a, 15.c)
- Identify and value of environmentally valuable habitats and ecosystems and undertake the review of the status of the existing protected natural properties, SDG 15 (15.1, 15.2, 15.4, 15.5, 15.9)
- Build capacities for integrated management of protected natural properties, environmentally valuable habitats and ecosystems, SDG 15 (15.1, 15.2, 15.3, 15.4, 15.5, 15.9)
- Enable resource efficient use of forest resources, SDG 15 (15.1, 15.2, 15.9, 15.a, 15.b, 15.5, 15.9)

- Reduce environment impacts to minimum and improve economic effects of the exploitation of mineral resources, SDG 15 (15.3)
- Build capacities, improve education and raise public awareness of climate change and relative mitigation measures, SDG 15 (15.b)
- Introduce low-carbon technologies in industrial facilities, in accordance with the best practices, SDG 15 (15.2)
- Improve the status of forests and plant additional forests, SDG 15 (15.b)
- Improve resource efficiency with the introduction of market oriented measures and/or economic tools in the key economic sectors, SDG 15 (15.5).

**SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

- Enhance the application of systemic environment management instruments, SDG 16 (16.6, 16.10, 16.10)
- Make the analysis of harmonization of sectorial policies with the requirements of the environment and integrate these requirements into sectorial policies and plans<sup>31</sup>, SDG 16 (16.6, 16.7, 16.8, 16.10, 16.b)
- Strengthen the capacities for the supervision over the implementation of the legislation in the area of environment, SDG 16 (16.6, 16.7, 16.b)
- Enhance political support to sustainable development policy, SDG 16 (16.6, 16.7, 16.8, 16.b)
- Strengthen professional-administrative level of sustainable development policy implementation, SDG (16.6, 16.7, 16.8)
- Enable continuous implementation of the programme for the translation of sustainable development goals into the national context and building national capacities for their efficient implementation in the forthcoming biennial, SDG 16 (16.6, 16.7, 16.b)
- Improve the application of systemic environment management tools, SDG 16 (16.6, 16.10, 16.10)
- Make the analysis of harmonization of sectorial policies with the requirements of the environment and integrate these requirements into sectorial policies and plans<sup>32</sup>, SDG 16 (16.6, 16.7, 16.8, 16.10, 16.b)

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<sup>31</sup> Measure also defined by the National Strategy for Integrated Management of the Coastal Area of Montenegro

<sup>32</sup> Ibidem.

- Strengthen the capacities for the supervision over the implementation of the legislation in the area of environment, SDG 6 (6.a, 6.b), SDG 16 (16.6, 16.7, 16.b)
- Enhance political support to sustainable development policy, SDG 16 (16.6, 16.7, 16.8, 16.b)
- Strengthen professional-administrative level of sustainable development policy implementation, SDG (16.6, 16.7, 16.8)
- Enable continuous implementation of the programme for the translation of sustainable development goals into the national context and building national capacities for their efficient implementation in the forthcoming biennial, SDG 16 (16.6, 16.7, 16.b)
- Enable continuous implementation of the programme for the translation of sustainable development goals into the national context and building national capacities for their efficient implementation in the forthcoming biennial, SDG 16 (16.6, 16.7, 16.b)
- Establish measurability of results of the work of public administration, SDG 16 (16.6, 16.7, 16.10, 16.b)
- Improve the application of systemic environment management tools, SDG 16 (16.6, 16.10, 16.10)

#### **SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development**

- Prevent and mitigate the effects of aging population, SDG 17(17.14)
- Build capacities, improve education and raise public awareness of climate change and related mitigation measures, SDG 17 (17.3, 17.7, 17.9)
- Increase the share of renewable energy sources and promote rational use of energy, SDG 17 (17.2, 17.9, 17.14, 17.17),
- Foster activities for the reduction of the quantity of waste being generated in the territory of Montenegro, SDG 17 (17.3, 17.4, 17.14),
- Develop and promote practices and solutions of sustainable consumption and production which support efficient use of natural resources and reduce pressure on environment, 17 (17.14), 11 (11.b),
- Raise the awareness and improve the knowledge of sustainable production and consumption, SDG 17 (17.7).
- Promote the concept of social responsibility (SR) and raise the awareness of SR values and importance, and/or benefits of the organizations from the aspect of SR implementation, SDG 17 (17.9, 17.14),
- Enhance SR application, SDG 17 (17.14),
- Foster competitiveness of Montenegrin enterprises through the measures that stimulate resource efficiency and investments, SDG 17 (17.1, 17.3, 17.9, 17.14)
- Improve the quality of products and services in the context of establishing the space for the creation of green jobs, SDG 17 (17.14)

- Enhance the application of systemic environment management tools, 17 (17.14, 17.18, 17.19)
- Make the analysis of harmonization of sectorial policies with the requirements of the environment and integrate these requirements into sectorial policies and plans<sup>33</sup>, 17 (17.9, 17.13, 17.14, 17.19)
- Strengthen the capacities for supervision over the implementation of legislation in the area of environment, SDG 17 (17.13 and 17.14,17.15)
- Enhance political support to sustainable development policy, SDG 17 (17.1, 17.3, 17.9, 17.13, 17.14, 17.15, 17.16, 17.17, 17.19)
- Strengthen professional-administrative level of sustainable development policy implementation, SDG 17 (17.3, 17.6, 17.7, 17.8, 17.9, 17.13, 17.14, 17.15, 17.16, 17.19)
- Enable continuous implementation of the programme for the translation of sustainable development goals into the national context and building national capacities for their efficient implementation in the forthcoming biennial, SDG 17 (17.9, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19)
- Establish information system to monitor the implementation of the NSSD, based on sustainable development goals and indicators, SDG 17 (17.9, 17.16, 17.18, 17.19)
- Introduce the system of programmed, dedicated annual budget planning for all budget users (spending units), with special emphasis on the planning of funds for the implementation of sustainable development programme activities (recognizing sustainable development programmes among all beneficiaries), 17 (17.3, 17.9, 17.14, 17.18, 17.19);
- Establish the Eco-fund and promote the mobilization of funds for funding the environment through the efficient and financially sustainable environmental fund, with the inclusion of new economic tools in this area (green fiscal reform), SDG 17 (17.3, 17.14)
- Abolish subsidies which harm the environment including the rationalization of inefficient subsidies, SDG 17 (17.3, 17.14);
- Mobilize the funds for the improvement of the quality of infrastructure in the area of environment, with the combination of economic tools, fostering of foreign investments, credits and mechanisms of development partnership with domestic and international partners (public and private sector), SDG 17 (17.3, 17.14);
- Offer financial support to the development of mechanisms and capacities for the introduction of green economy in ten priority sectors, SDG 17 (17.1, 17.3, 17.14, 17.16)

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<sup>33</sup> Measure also defined by the National Strategy for Integrated Management of the Coastal Area of Montenegro

- Establish favourable regulatory framework (including market mechanisms within the framework of the green package) for investment in green economy, 17 (17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.14, 17.17, 17.18, 17.19)
- Strengthen policy coherence for funding sustainable development institutionally and organizationally, SDG 17 (17.3, 17.10, 17.11, 17.12, 17.13, 17.14, 17.18 and 17.19)
- Foster transparency, inclusive and non-discriminatory international trade (improvement of the access to market for less developed and insufficiently competitive countries) through greater access to credits, guarantees, insurance, factoring and innovative financial instruments, including the ones for micro, small and medium-size enterprises; also, in the framework of this measure, it is necessary to foster regional trade and inter-connectivity, 17 (17.10, 17.11, 17.12);
- Manage public debt on the principles of inter-generation balance and sustainable development, SDG 17 (17.4, 17.13, 17.14, 17.18, 17.19).

### **3.5 Thematic analysis**

NSSD 2030 recognizes positive aspects of social policy related to vulnerable groups. These categories are entitled to the same rights to healthcare as the remaining part of the population, regardless of any feature (sex, nationality, religion, disability etc.). The scope of right to healthcare is defined by the basic package of services for all levels of healthcare. The availability of healthcare is regulated by the network, but it is necessary to work on the improvement of integrated healthcare. The state, pursuant to the principle of equality of men and women, provides equal availability and accessibility to healthcare. Health system recognizes special needs women have in relation to healthcare services, taking into consideration biological, socio-economic and psychological factors, which differ with men and women.

Also, NSSD recognizes a series of problems of relevance for socially endangered population and groups with special needs. The fact to be emphasized among the existing problems is the one that Montenegrin social policy is oriented to a significant degree towards marginalized social groups and the application of the so called ad hoc socio-political measures aimed at mitigating social problems and not towards systemic and preventive actions. The existing social welfare system does not structurally satisfy sufficiently the needs of vulnerable categories of population. Additionally, the system is inflexible and insufficiently adjusted to contemporary needs. Social institutions do not have at their disposal sufficient funds for the implementation of the activities harmonized with the standards. Insufficient decentralization of social welfare system conditions the problems related to recognizing the specificities of social issues at the local level. Practical

application of systemic solutions for the housing of socially vulnerable and groups with special needs is evident and insufficient.

No comprehensive analyses of the existing condition of women's health in the community are provided, identification of health problems and their needs. According to the research on population health from 2012, most of adult Roma members (82%) have their own GP, which is just slightly below Montenegrin average (89%). As much as 93% of elderly population, which also belongs to the most vulnerable population groups, have their own chosen doctor, which is above Montenegrin average (89%).

**In that respect, it is particularly significant for the NSSD 2030 to recognize the importance of the improvement of the health of citizens of all ages and the reduction of inequalities in health, which comprises the implementation of the following priority measures:**

- Improve the quality and reduce the inequality of access to healthcare for mothers, babies, children and adolescents, SDG 3 (3.1 and 3.2).
- Enable universal accessibility of services for the preservation and improvement of sexual and reproductive health, SDG 3 (3.7).
- Strengthen routine immunization programmes for the purpose of reaching minimum defined level of immunization scope.
- Improve the conditions which promote active and healthy aging, as the process of optimization of circumstances for better health, greater participation in the society and security of the elderly for the purpose of improving the quality of their lives.
- Improve the accessibility to healthcare services and programmes for the persons with disabilities.
- Strengthen sectorial policies and actions with the purpose of increasing the equality in health by acting on social determinants of health.
- Improve healthcare of mothers and babies and other vulnerable and disadvantaged population groups, SDG 3 (3.1, 3.2 and 3.7),

The NSSD defines as a priority measure resolving housing problems of young families, families with several children, persons with disabilities and other groups with special needs within the framework of social housing. The precondition for the achievement of the set social objectives (growth of GDP, employment, improvement of the standard of living etc.), and/or economic progress, is further continuous improvement of education through the raising of the quality of

learning and teaching. This is why the NSSD defines as mandatory professional development of teaching staff of all levels, the application of contemporary teaching practices, access to early education, as well as the inclusion of children from the most vulnerable groups and children with special educational needs, establishing active cooperation with parents and the local community, and securing higher standards of working and learning conditions.

Culture must be based on the principles of open society, tolerance, innovation, progress and multi-culturalism. Although there are positive moves with regards to the visibility and quantity of cultural activities of marginalized and/or vulnerable groups, the NSSD promotes the importance of the development of that kind of sub-culture as a significant element of contemporary cultural offer in Montenegro.

Furthermore, the NSSD recognizes the importance of encouragements for the development of private sector which respects **international standards and good practice in the labour market**, including also gender equality, rights of the persons with special needs and protection of children's rights. It is necessary to ensure equal rights and opportunities to **women**, not only in the political, but also in the economic life of the country, access to economic resources, ownership rights, right to work, equal pay for equal job, with the protection from all forms of discrimination in the labour market.

### **3.6 Institutional mechanism**

As it has been stated in the introductory part of this report, after Montenegrin participation at the Sustainable Development Summit in Johannesburg in 2002, the **National Sustainable Development Council** was established as an advisory body to the Government of Montenegro for the implementation of sustainable development policy, while the ministry competent for environment protection was entrusted with the implementation of sustainable development policy. That meant the beginning of the building of institutional framework for the implementation of sustainable development policy. Until 2002, the Council had been chaired by the Prime Minister, and as of 2013 it is the President of Montenegro who has been chairing it. The Sustainable Development Office was active in the period from 2006 to 2011. It had been established with the support of the United Nations Development Programme (UNDP) to offer administrative and technical support to the work of the National Council within the framework of the General Secretariat of the Government. In June 2011, the Office got integrated into the Ministry of Sustainable Development and Tourism, continuing to operate as a Department for the Support to the National Council, or rather as of September 2015, as the

Department for Sustainable Development and Integrated Management of the Coastal Area.

In relation to the established weaknesses and problems with the implementation of sustainable development policy, **the responses to the key challenges in the sustainable development governance system of Montenegro** are grouped through the application of the following **strategic approaches: integration, coherence, inclusion and implementation**. In this respect, **strategic NSSD goals in the context of the improvement of the system of sustainable development governance in the period until 2030 are as follows:**

- Strengthen sustainable development governance system
- Strengthen environment governance with the improvement of the application of environment protection tools
- Conduct the reform of the institutional organization of sustainable development governance system
- Establish the system of monitoring the sustainability of national development, including the shift from the monitoring of the millennium development goals to the monitoring of the implementation of sustainable development goals
- Establish long-term sustainable development funding system.

### **3.6.1 Allocation of responsibilities among levels of Government (national, local and other sub-national level) for implementation of the 2030 Agenda**

The adoption of Sustainable Development Agenda 2030 imposes the necessity of **consolidation of sustainable development institutional framework**. Besides the steps being undertaken at the international level, primarily through the strengthening of the functions of High Level Political Forum, true progress is possible only through the strengthening of national sustainable development systems. This can be achieved with the strengthening of the existing institutional capacities, especially those responsible for **central coordination**, including the **upgrade of the legislative and strategic framework** and translation of declarative political commitment into powerful mechanisms of political support to the fulfilment of sustainable development goals and targets.

Pursuant to the abovementioned and taking into consideration positive international practice and models of sustainable development governance, which have been established in certain countries, it is necessary to keep the organization of sustainable development governance system at **two levels: political and professional-administrative one**.

At the **political level** of action it is necessary to strengthen the implementation of the decisions of the **National Council for Sustainable Development, climate change and integrated management of the coastal area by means of strengthening the capacities of its expert bodies.**

At the professional-administrative level, the functioning of the National Council should be improved through the **strengthening of inter-sectorial cooperation and the activity of the Sustainable Development Coordination body.**

Compatible with the functioning of the Coordination body, expert **working groups of the National Council** should continue working in accordance with the mandate determined by the decision on their formation. In relation to the Coordination body, the working groups should act as expert bodies of the National Council closely focused on the support in the preparation of expert materials deliberated by the National Council, taking into account the recommendations and guidelines of the Coordination Body as a wider professional forum for sustainable development issues.

Priority measures for achieving the NSSD 203 strategic goal – **Conduct reform of the institutional organization of sustainable development governance system** are as follows:

- Political support to sustainable development policy, SDG 16 (16.6, 16.7, 16.8, 16.b), SDG 17 (17.1, 17.3, 17.9, 17.13, 17.14, 17.15, 17.16, 17.17, 17.19), Paragraphs: 5, 18, 21, 39-91,
- Strengthen professional-administrative level of the implementation of sustainable development policy, SDG (16.6, 16.7, 16.8), SDG 17 (17.3, 17.6, 17.7, 17.8, 17.9, 17.13, 17.14, 17.15, 17.16, 17.19), Paragraphs: 3, 5, 21, 39-41, 45-48, 54-59, 60-91.

### **3.6.2 Engagement of the highest levels of government and mechanism used to steer implementation**

Starting from the existing institutional organization, the NSSD 2030 defines the objectives and measures for further strengthening of sustainable development governance capacities. Following expert analyses and requests expressed during the public consultation process on the NSSD, the duty was established for the reform to be undertaken of the National Council for Sustainable Development, Climate Change and Integrated Management of the Coastal Area so that from and advisory Government body to be turned into a **State Council**. The National Council should enable more efficient:

- Mitigation or overcoming of the problems caused by the fact that the articulated institutional organization, rendered even more complicated with fragmented and insufficiently differentiated competences among individual sectors and/or institutions, is not followed by the appropriate structures and mechanisms of coordination and integration is of importance for the implementation of sustainable development policy,
- Application of the mechanisms of institutional coordination and unobstructed flow of information in the process of the development of public policies and determining guidelines for the proposal of legal acts of importance for the sustainable development of the society,
- Functional inter-sectorial horizontal coordination at the national level among Government sectors,
- Functional inter-sectorial horizontal coordination among local self-governments and vertical coordination between national administration level and local self-governments,
- Implementation of multidisciplinary approach to the development of plans, programmes and public policies.

Successful fulfilment of the stated functions will enable efficient steering to the National Council over the implementation of the NSSD and/or Sustainable Development Agenda 2030, and to fulfil its advisory support to the Government for the implementation of sustainable development policy in a functional way.

In the context of the strengthening of the political level of sustainable development governance, the NSSD recognizes the importance of the **inclusion of the Parliament of Montenegro in the implementation of the NSSD 2030**. This is why a new element has been introduced in the Montenegrin sustainable development governance system – informing the Parliament on the results of the implementation of the NSSD by the Government of Montenegro.

### **3.6.3 Mechanism used to integrate the views of different ministries, agencies and levels of Government**

In the period of drafting the NSSD and the conducting of the consultative process, the existing coordination mechanisms of the National Sustainable Development Council – **Coordination body and permanent expert working groups of the NCSD** enabled the participation of all interested parties at the national and local level. Likewise, in the period of the implementation of the NSSD 2030 special importance will be given to these mechanisms the application of which should enable further integration of various relevant entities at the national and local governance level. In this respect, at the professional-administrative level of sustainable development governance system **inter-sectorial cooperation will be strengthened through the activities of the Sustainable Development**

**Coordination Body.** This body should exercise its key functions successfully so that it:

- Acts as a “think-thank” discussion forum for the issues of importance for the sustainable development of Montenegro,
- Considers and assesses from a professional point of view documents, expert analyses, regulations, programmes and plans of importance for the implementation of sustainable development policy,
- Initiates the projects which enable practical application of the priorities in the implementation of sustainable development policy.

The above functions should strengthen the support of the Coordination Body to the National Council for Sustainable Development, Climate Change and Integrated Management of Coastal Area. The Coordination Body should be composed of **the representatives appointed on a professional level from all relevant sectors, professional institutions, civil sector and other relevant entities important for the sustainable development of the society.**

Compatible with the functioning of the Coordination Body expert **working groups of the National Council** should continue working in line with the mandate fixed in the decisions on their establishment. In relation to the Coordination Body, the working groups should act as the expert bodies of the National Council which are closely focused on the support in the preparation of expert materials considered by the National Council, taking into considerations the recommendations and guidelines of the Coordination Body as a broader professional forum for the issues of sustainable development.

Central position within sustainable development governance system belongs to **the unit which will be entrusted with sustainable development policy including the coordination of the implementation of the NSSD and/or sustainable development Agenda 2030.** Three possible scenarios have been analysed for the strengthening of that element of professional-administrative level of organization of sustainable development governance system:

**EXISTING SCENARIO – “BUSSINESS AS USUAL”:** improvement of the existing structure of the Department through the increase in the number of employees and the improvement of their references for carrying out expert tasks in the implementation of sustainable development policy;

**REALISTIC SCENARIO:** transformation of the Department into a special sector – Directorate General with the competences for the implementation of sustainable development policy;

**OPTIMAL SCENARIO:** functioning of the unit with the competences for the implementation of sustainable development policy in the Prime Minister Cabinet.

Since no sector offers adequate institutional capacity for the implementation of umbrella and horizontal policy like sustainable development one, the NSSD elaborated optimal scenario and suggested the **establishment of Sustainable Development Office or some other suitable for in the Prime Minister cabinet** as an optimal form of institutional organization (with at least 10 highly professional employees). The reform of sustainable development governance system must eliminate obvious lack of staff in public administration bodies. Thus, in all ministries and local self-governments at least one full-time employee should be hired to work on sustainable development tasks in the context of the implementation of the duties from the NSSD 2030.

At this level of the organization of sustainable development governance system the Centre for Sustainable Development will also play a significant role. The Centre should continue functioning as a programme jointly implemented by the UNDP Office to Montenegro and the Government of Montenegro according to the model of “close partnership” as presented under 3.2.6.2 concerning the partnership between the Government and the UNDP.

Also, the NSSD recognizes the importance of separating institutional organization for the implementation of sustainable development policy from the implementation of environment protection policy, both because of the horizontal broader context of sustainable development policy and because of very limited possibilities for the impact of environment protection sector on sectorial policies.

### **3.6.4 Mechanism used to engage various ministries (e.g. of planning, finances, sectoral ministries etc.)**

Functional systemic approach in the implementation of sustainable development policy and sectorial policies is found in the midst of the responses to the problems which characterize the existing sustainable development governance system. **Viewed globally, the problem of the lack of inter-sectorial coordination** is present to the extent which jeopardizes the chances for sustainable development<sup>34</sup>. Hence, the reform of the sustainable development governance system should eliminate the fragmentation of competences of public administration bodies, their inconsistency and overlapping in the area of crucial

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<sup>34</sup> UN, Synthesized overview of national reports on the implementation of sustainable development policy prepared within the framework of the participation at the Rio+20 Summit, 2012.

importance for the sustainable development of Montenegrin society. It is necessary to **strengthen the capacities of the institutions and more efficient cooperation at all levels of public administration system**, as well as between public administration and civil, business and private sector, and academic community for the purpose of integrated planning on the strategic (sectorial and horizontal strategies, plans, programmes) and operational level (projects), creating thus the conditions for the implementation of sustainable goals and targets. **Institutional coherence and alignment of sectorial policies and responses** should be interwoven into the everyday activities of competent bodies and institutions at the local and national level, as well as of the entities outside public administration system. There is a need for expedient employment of all relevant entities for the purpose of reaching the common goal – sustainable development of Montenegro. Thereat, active participation of local self-governments and civil society organizations has special significance for resolving the problems that impact citizens' lives.

Besides the participation within the frameworks of coordination mechanisms stated under 3.6.3, the participation of various sectors will also be enabled through **the amendments of sector policies and their alignment with the NSSD and/or Sustainable Development Agenda 2030**. In the period from 2017-2018 activities should be undertaken for the alignment of sector policies with the NSSD measures since unsustainable development trends have been established both qualitatively and quantitatively, which is the consequence of considerable inconsistency of sectorial policies, both mutually and with the sustainable development strategy. Detailed analysis of the strategies, programmes and plans in relation to the NSSD 2030 should be made starting from such problem identification.

Within the framework of the improvement of institutional organization for the implementation of sustainable development policy, it is particularly important to **enable stable sustainable development funding**. As budget planning, which is based on achieving results, constitutes one of the preconditions for efficient implementation of sustainable development policy, it is necessary to **strengthen the capacities of the Ministry of Finance**. According to the recommendations of the Regional UNDP Centre, having the seat in Istanbul, the NSSD suggested that at least one employee of the Ministry of Finance be entrusted with sustainable development funding in order for the budget planning and execution process to be improved from the point of view of organization and personnel, in accordance with the needs of the implementation of the NSSD 2030. Active participation of the sector will be particularly important in the establishment of the system for the

monitoring of the progress and reporting on the NSSD progress as stated under 3.6.6 and 5 herein.

### **3.6.5 Mechanism used to seek and integrate the views of non-governmental stakeholders**

So far, **civil sector** has taken active part in the work of the National Council by considering the most important questions the Council has been dealing with, with the presentation of its assessments and proposals, as well as with direct participation in the work of the Council. This approach will also be supported in the period until 2030, both through the participation of the NGOs in the work of the Council and through the Coordination mechanism and its expert working bodies.

### **3.6.6 Mechanisms used to review progress in implementing the SDGs**

Measuring and assessing the effectiveness of the measures implemented within the framework of the NSSD makes it possible to register changes which are the results of their implementation. Non-existence of the **functional system for the monitoring of the implementation of sustainable development policy** constitutes one of the key problems of sustainable development governance system. Although in the previous period of the monitoring of the implementation of the NSSD 2007 Action Plan numerous commitments had been established aimed at further development of the monitoring and reporting system, the planned progress has not been achieved. Thus, no weaknesses of the information system have been eliminated, especially in the context of the elaboration of the initial set of indicators of sustainable development; no new indicators have been introduced for which there had been no possibility of introduction in the 2007 monitoring system; no problems have been eliminated associated with the lack and/or unavailability of usable data and their use for monitoring the changes during the implementation of the defined goals, measures and actions and the assessment of the effects of their implementation; no knowledge and experience have been improved in the application of indicators as modern mechanisms of decision making based on elaborated and objective criteria and in accordance with them systematically collected and comparable time data series. Also, one of the key causes of such condition was not eliminated in the previous period – namely, mutual incompatibility of the existing databases and distasteful communication and data exchange among numerous entities with the competences for the implementation of the NSSD measures. This is primarily relevant for the existence of discord between the data published by the MONSTAT, as a competent institute for statistics, and the data published by individual sectors, public administration

bodies, public and scientific institutions, the data in the possession of public administration and scientific and professional institutions, as well as for the significant discord between the structure, content and methodology of collecting stated data groups with relevant international context, like the reporting systems within the framework of certain multilateral agreements with UN, European Environment Protection Agency, as well as EUROSTAT. Besides these, sectorial data are very often not prepared and adjusted to the needs of their use in other sectors which considerably undermines their practical utilitarian value.

For the purpose of overcoming of these problems, the NSSD 2030 lays down the structure of the system for the **monitoring of the implementation of Montenegrin sustainable development policy** in the period until 2030, as well as the measures for the improvement of the condition of **the information system and databases**. The Action Plan to the NSSD defines the **duties for the implementation of the NSSD measures** to be discharged by a large number of responsible entities at the national and local level, both within the public administration system and outside it.

The Chapter 7 to the NSSD brings the **platform for the translation of the UN sustainable development goals and indicators into the national context**. As it has been explained in the Chapter 5 herein the successfulness of the monitoring and reporting on the progress in the implementation of the NSSD will depend on the **reform of the statistical monitoring of the progress** in the implementation of the NSSD 2030. The process of the collection of data necessary for the application of the **integrated system of indicators** (indicators from the UN list, national indicators, cumulative indicators and indicators of international organizations) will be positioned in such a way as to provide comparable time series and data continuity, as well as gradual spreading of the programmes for the monitoring of sustainable development goals and indicators based on these. This job should be done by **8 official generators of statistical data** headed by the Institute for Statistics of Montenegro - MONSTATOM and other **17 administrative data generators**.

### **3.6.7 Plans to change in institutions to improve their functions, coordination and integration**

**Transformation of the existing governance capacities** for the implementation of sustainable development policy into a modern, efficient and responsible sustainable development governance system must be based on the measurability of results and effects of the work of public administration, continuous

improvement of employees' competences, enhancing of governance transparency and programme budgeting of sustainable development priorities.

**To define desired outcomes** in relation to the determined problems one should specify the priorities and related goals and responses for the purpose of the strengthening of sustainable development governance system. It is necessary to have continuous **objective monitoring of the expected effects** of the sectors, public administration bodies and institutions, their organizational units and sub-units, in relation to the set outcomes. Objectivity, simplicity and quantitative measurability of the achieved progress should be enabled. As the established goals need not necessarily produce satisfactory results and effects in practice, **monitoring of actual effects** is the most important mechanism for the assessment of the implementation of strategic policies and plans of importance for the sustainable development of the society.

**Responsibility for the achieved effect/failure** must also be in the centre of good sustainable development governance. The same applies to the foreseeability in the activities, observance of regulations and quality involvement of all relevant stakeholders. This approach must strengthen personal accountability for the achievement of the set objectives in relation to the work plans, as well as the duty of setting precise tasks, duties and expected results.

Concurrently, **assessment must be fair** and/or based on the application of justified, clear and unambiguous criteria. It is necessary to link the assessment system with the system of remuneration of the outstanding results of work and with the sanctioning of poor performance.

It is necessary to **enhance professionalism** in synergy with **the increase in the motivation of the employed**, amongst other things with the introduction of the system of competitive wages and career promotion based on results.

**Participation must be encouraged of all the stakeholders**, especially in an impartial manner. The participation of professional public in public consultation and planning processes of importance for the sustainable development of the society must be based on professionalism, satisfying social interest to the greatest possible degree.

It is particularly important to **improve governance transparency** through timely information of interested public and enhancing the possibilities for public to present their opinions and objections influencing thus on the work of public administration in the early stage of enacting and implementation of regulations, public policies, programmes and projects.

This is why the NSSD has defined as its strategic goal **the strengthening of sustainable development governance system** which should be achieved in the first place through the implementation of the following measures:

Establish the measurability of the results of work of public administration, SDG 16 (16.6, 16.7, 16.10, 16.b), 17 (17.9, 17.18, 17.19),

Strengthen the participation of interested and professional public in the enactment and implementation of decisions of importance for sustainable development, SDG 16 (16.6, 16.7).



## 4. MEANS OF IMPLEMENTATION

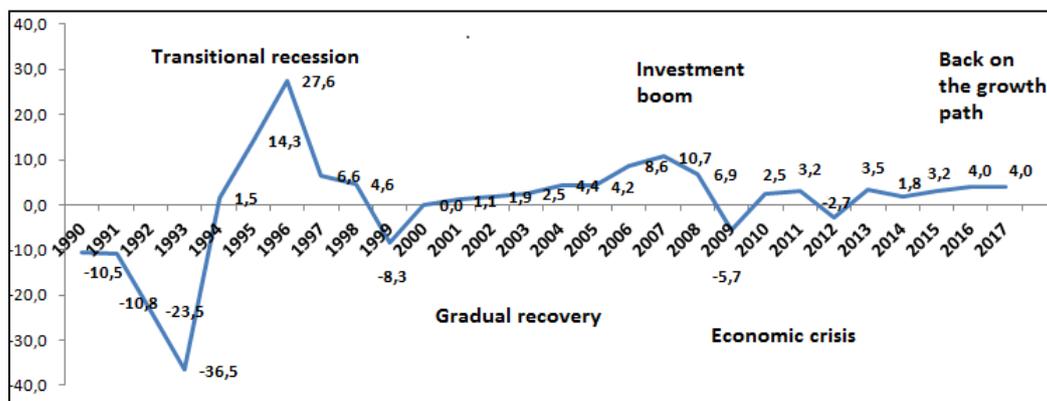
### MEANS OF IMPLEMENTATION OF NSSD 2030

#### 4.1 How means of implementation are mobilised

Access to mobilizations of means for the implementation of NSSD 2030

**The means for the implementation of the NSSD 2030 are mobilized from various funding sources**, and their available amount will depend, amongst other things, on the achievement of the projected macroeconomic trends of the national economy. The achievement of development projections of Montenegro on the principles of sustainable development – assumption which integrates the capacity of domestic sustainable development funding sources (public and private sources), country's position in international economic relations (international trade), as well as the capacity for the mobilization of funds from international public and private sources (FDI, credits, international development cooperation). In accordance with the recommendations of the Addis Ababa Action Agenda, the mobilization of funds for the financing of sustainable development is of crucial importance for the successful implementation of the NSSD 2030.

*Figure 4-1: Real GDP growth in Montenegro 1991-2014 and projections till 2017 (UNSTAT; MONSTAT; 2016)*



As shown in the above Graph 1, **twenty-five years of Montenegrin transition** have been marked by a decade of transitional recession (1990-1999), a period of gradual recovery up to the renewal of Montenegrin independence, followed by triennial period of investment boom, with average GDP growth rate of 9%, then six-year period of deep economic crisis and gradual recovery of economic activity. Real GDP from the year 1990 was reached only in 2007. In 2015 Montenegrin GDP reached € 3.595 mil, with GDP/pc 5.780 €.

- **Mid-term growth projections** (and development, which includes the change of economic structure) range around the average real growth rate of 4% per year until 2020, and/or **4.5%** per year in the NSSD implementation period, which means that Montenegrin **GDP might be doubled in 15 years' time**, which again coincides with the period of the implementation of the Strategy (2016-2030). In the option of constant population growth fertility until 2030, per capita revenue in 2030 would reach the level of € **11.440 (BDP/pc)**.
- Until 2030, the planned NSSD measures, especially in the area of economic resources, **population activity rate (15-64) might be increased from 63% to 69%**, rather from 86 to 95% in relation to the average population activity rate (15-64) in the EU.
- **Reduction of unemployment rate**, with the tendency of approaching the EU average, i.e. **single-figure unemployment**<sup>35</sup>.
- Following the projected rate of economic growth until 2030, **the employment rate in the age group 15-64 might be increased from 52.5% to 57.5%**, which would, with the proportionate growth of the working contingent 15-64, enable the creation of **more than 32.000 new jobs by 2030**.
- Starting from the projected investments in tourism and the estimates of the WTTC, employment in tourism will grow considerably faster than the overall employment, i.e. faster than the employment in other sectors, therefore from 10.3% in the current employment structure, it will increase its share to 13.8% by 2026, i.e. to 15% in the overall employment by 2030.
- **The structure of the Montenegrin GDP** will continue to be predominantly determined by services (up to 75%, including civil engineering, then industry with 15%, agriculture with 10% in the structure of the gross added value). The **revitalization of industry on**

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<sup>35</sup> At the end of 2015, Montenegro had **172.517 registered employees**, employment rate (age 15-64) of only 52.5%, and **around 40.000 registered unemployed**. The registered unemployed correspond to the number of persons who exercise their right to health insurance as the unemployed and they are registered with the Healthcare Fund.

**the principles of sustainable development might increase its share up to 20% of the gross added value**, reducing thus the exposure to sudden changes of external demand which have strong impact on the service sector.

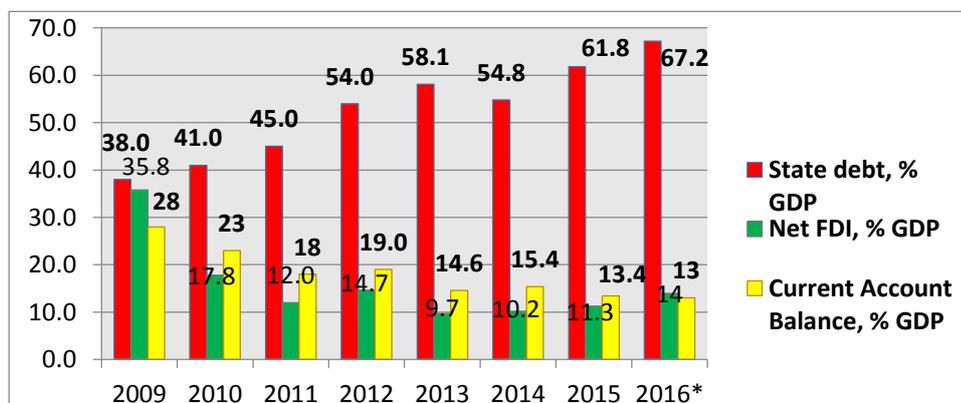
- **Projected economic growth and development, in accordance with sustainable development principles, might be achieved solely with the reduction of domestic material consumption (DMC)<sup>36</sup> by 20% until 2020** in relation to the average for 2005-2012 (through the objectives projected by sectors), raising resource productivity and achieving bio-capacity balance (difference between environmental footprint and bio-capacity)
- Planned projections also include **achieving outflow “balance” on the basis of the balance of current transactions and inflow on the basis of foreign direct investments (FDI)<sup>37</sup>** relative to the total GDP. By reducing import dependency and strengthening priority sectors of economy, positive trends can be expected in the reduction of trade deficit and/or reduction of current transactions account deficit.
- **The level of debt in Montenegro should be managed in accordance with legislation and the so called Maastricht criteria related to the Eurozone countries; starting ground for the future policy of state borrowing should be for the revenue achieved using these funds to be higher than the costs of borrowing; achieving public debt sustainability improves country’s credit rating, and responsible management and control of public spending, and the strengthening of capacities of revenue gaining institutions will enable credible mid-term planning and create the space for greater sustainable development budget.**

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<sup>36</sup> **Domestic material consumption** constitutes an indicator which measures overall value of the materials directly used in the economy and it is defined as annual quantity of natural material extracted in the national territory plus total physical import minus total physical export.

<sup>37</sup> Current transactions balance in 2015 was **13.4%** of the GDP, while the FDI inflow was **11.3%**. (GDP – € 3,595 billion).

**Figure 4-2 State debt<sup>38</sup>, Net FDI and Balance of current transactions in Montenegro - 2009-2016**



Selected economic indicators are presented in the **Annex I** of this report.

## **4.2 Challenges encountered in mobilizing means of implementation - Challenges related to the mobilization of funds for the implementation of NSSD 2030**

Measures which foster sustainable development must be sensitive to climate change, must have reasonable impacts on environment and must be based on respecting human rights.

**Main sources of sustainable development funding** should be state budget, but also the budgets of local self-governments and earmarked funds. Funds can also be secured through donations, credits, international assistance, as well as from the instruments, programmes and funds of the EU, UN and other international development partners Montenegro has.

**Domestic funding sources are generated by the achieved economic growth and development**, which include the change of economic structure and production and consumption patterns. For all countries, public policies and mobilization and efficient use of domestic resources, constitute central actions to be conducted on the principles of national ownership over management process, i.e. sustainable development funding. Improved social, environmental and overall economic policy, which includes counter-cyclical fiscal policy, good management on all levels and developed people friendly institutions – are necessary for achieving sustainable development goals. This primarily means strengthening fiscal policy tools and the ones of tax administration itself, in order to collect additional tax revenues at the level of the state and at the level of local self-

<sup>38</sup> State debt doesn't include debts of local self-governments and publicly owned companies.

governments, respecting the principle of fairness, transparency, efficiency and effectiveness of the tax system.

In order to achieve sustainable development goals by 2030 **additional domestic public sources are necessary**, which are supplemented by the appropriate **international support**.

In line with the UN sustainable development agenda 2030, Montenegro will continuously:

- **Implement fiscal consolidation, especially on the revenue side of the budget** (strengthening the capacities of revenue gaining institutions, strengthening tax base, implementation of measures for the integration of informal economy into legal economic flows, fight against tax evasion, active anticorruption policy, as well as anti-money laundering and terrorism funding policy),
- It is also necessary to introduce good practices and strengthen the capacities for **fair and transparent contracting of concession arrangements** and related control of revenues, with the monitoring of the execution of such contracts.
- On the expenditure side of the budget, **tax reliefs** are to be introduced for the investments in processing facilities that use domestic natural resources as their raw materials, in order to increase the degree of their processing, i.e. develop export product of higher processing stage (for instance, wood processing),
- Establish transparent framework for green public procurement and implement **competitiveness strengthening programmes through the development of green economy** – its key sectors which foster the creation of additional (green) jobs,
- Special attention is to be paid to the implementation of **the agreement on avoiding double taxation**, with the inclusion of the necessary clauses on the prevention of tax abuses in international financial transactions,
- **Additionally mobilize local revenues for sustainable development funding**. This should be followed by the model of sustainable funding of local communities and/or inclusion of local self-government units' debt management into the system of national public debt management; Concurrently, international sustainable development assistance must also be turning more towards local community, for the projects related to local infrastructure, preservation of environment and inclusive growth.

- **Innovative financial mechanisms for the funding of sustainable development:** using the funds from the games of chance, special fees, introduction of financial transaction tax, voluntary contribution etc., with clear purpose of these funds for the funding of sustainable development projects, actions related to climate change and in favour of general public wellbeing.
- Involve more strongly **regional development banks in sustainable development funding**, where commercial banks are not fully engaged, especially in providing credits for the projects of sustainable infrastructure, energy, agriculture, industrialization, sciences, technology and innovation, as well as to support the strengthening of the SMEs,
- Promote **the participation of Montenegro in international initiatives for the strengthening of the transparency of work, responsibility of state institutions and for the improvement of the quality of public services** (for instance, Open Government Partnership)
- Foster domestic development efforts **stimulating direct investments**, both domestic and foreign ones in Montenegrin economy (strengthening regulatory framework and dispersion of incentives, especially for the attraction of FDIs),
- Update national investment plan, unified **list of infrastructural development projects** in the area of attracting investments in infrastructural projects (Single Project Pipeline), which will enable integration of domestic public sources, EU pre-accession assistance and credit lines of international financial institutions and banks.
- Develop a **model of business behaviour** of the private sector which takes into consideration environmental and social impacts of their activity and investments (socially responsible behaviour),
- Foster **development partnerships** as an efficient instrument for the mobilization of human and financial resources, technology and knowledge (for instance, Global Environment Facility),
- Finally, but not less important, Montenegro will, in accordance with the Law on Budget and Fiscal Responsibility, strengthen **public debt management** on the principles of inter-generation balance; with the purpose of achieving the sustainability of public debt it is necessary to have higher quality monitoring and reporting on public debt, define and establish clear procedures related to debt management and analyses of indebtedness, cash management and realization of debt payment transactions; besides these, in order not to allow for public debt to grow more than it was envisaged and to secure its gradual

decrease, following the completion of the project of the construction of the priority section of the motorway Smokovac - Mateševo, it will be necessary to undertake further measures of fiscal consolidation, which would, beside macroeconomic fluctuations, lead to the **stabilization** of the fluctuation of public debt.

### **4.3 Additional means needed to implement 2030 Agenda - Strategic objectives and measures for funding sustainable development**

The NSSD 2030 defined two strategic goals and a whole series of measures for the establishment of adequate sustainable development funding system:

1. Strategic goal “**Establish the system of sustainable funding of environment as sustainable development funding component**”, it is necessary to achieve it by means of the following measures:
  - Introduce **the system of programmed**, dedicated annual budget planning for all budget users (spending units), with special emphasis on the planning of funds for the implementation of sustainable development programme activities (recognizing sustainable development programmes among all beneficiaries), SDG 12 (12.2), 17 (17.3, 17.9, 17.14, 17.18, 17.19);
  - Establish the Eco-fund and promote the mobilization of funds for funding the environment through the efficient and financially sustainable environmental fund, with the inclusion of new economic tools in this area (green fiscal reform), SDG 17 (17.3, 17.14), 12 (12.2);
  - Abolish subsidies which harm the environment including the rationalization of inefficient subsidies, SDG 12 (12.c), 17 (17.3, 17.14);
  - **Mobilize the funds for the improvement of the quality of infrastructure in the area of environment**, with the combination of economic tools, fostering of foreign investments, credits and mechanisms of development partnership with domestic and international partners (public and private sector), SDG 12 (12.2, 12.c), 17 (17.3, 17.14);

Measures defined in this way have significant impact on the achievement of sustainable development goals 12 and 17, while they are concurrently related to the Addis Ababa Action Agenda, which amongst other things established: domestic environment funding public sources (items 20-34), domestic and international private business and finances (items 35-49), international development cooperation (items 50-78), science, technology, innovations and capacity development (items 114-124), as well as the issues of data and further monitoring of the implementation of the strategy (items 133-125).

The overview of the revenue and expenditure side of sustainable development funding budget through the mobilization of domestic sources is presented in the **Annex 2**.

2. Strategic goal “**Enable the introduction of green economy through mobilization of funds for sustainable development funding**“ can be achieved by means of the following measures:

- **Offer financial support for the development of mechanisms and capacities for the introduction of green economy in ten priority sectors, SDG 9 (9b), 10 (10.1, 10.2, 10.4, 10.b), 12 (12.a, 12.c), 13 (13.3), 15 (15.a, 15.b), 17 (17.1, 17.3, 17.14, 17.16):**
  1. Sustainable agriculture and rural development (including: promotion of the areas with limited possibilities for agricultural production; preservation and sustainable use of genetic resources; organic production; and sustainable use of mountain pastures);
  2. Strengthening the links between tourism and agriculture;
  3. Development of green forms of tourism – diversification of tourist offering;
  4. Sustainable forestry;
  5. Development of sustainable renewable energy sources and reduction of emissions and pressures on environment;
  6. Energy efficiency (households, public sector, commercial sector, transportation, processing industry); make spatial planning and civil engineering green (further integration of energy efficiency requirements into spatial plans, but also with regards to the use of materials in civil engineering, enable the preservation of landscape and natural values in spatial plans; enable spatial planning which takes into consideration the impact of climate change);
  7. Sustainable production and consumption for efficient use of resources and strengthening competitiveness (processing industry, services, small and medium size enterprises);
  8. Natural capital (protected areas, preservation of ecosystem stability, especially of the vulnerable ones, preservation of landscape and spatial values; water resources, coastal area and land);
  9. Infrastructure which contributes to the preservation of environment (waste, waste waters, transportation, buildings), as well as green and climate change resistant infrastructure;
  10. Science and research, education (innovations and technological development, project co-funding).
- **Establish favourable regulatory framework** (including market mechanisms within the framework of the green package) for investments in green economy, SDG 8 (8.2, 8.3), 10 (10.2, 10.3, 10.b), 12 (12.2, 12.c), 13 (13.2, 13.a), 15 (15.2), 16 (16.6), 17 (17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.14, 17.17, 17.18, 17.19)

- **Strengthen the coherence of sustainable development funding policies both institutionally and organizationally**, SDG 10 (10.6), 17 (17.3, 17.10, 17.11, 17.12, 17.13, 17.14, 17.18 and 17.19), which includes particularly the following:
  - Make possible for at least one employee in the Ministry of Finance to be in charge of sustainable development funding in order for the process of budget planning and execution in Montenegro to be improved both organizationally and personnel wise. His/her task should be financial planning, monitoring and aggregation of current, but also capital expenditures of the spending units related to sustainable development funding, including the expenditures and investments for the sustainable development of human, social and economic capital of Montenegro.
  - Strengthening administrative capacities of local self-government units so as to be able to apply the same principle of monitoring the allocations for sustainable development funding at the local level.
  - Establishing control mechanisms within the framework of the Committee for Economic Policy and Financial System the application of which would disable the adoption of documents and regulations which are not in accordance with sustainable development priorities in Montenegro until 2030. The Ministry of Sustainable Development and Tourism (future organizational unit for the implementation of sustainable development policy) can issue opinion with regards to certain documents in the process of these being submitted to the Government for adoption;
- **Foster transparency, inclusive and non-discriminatory international trade** (improving the access to the market for less developed and insufficiently competitive countries) through greater accessibility of credits, guarantees, insurance, factoring and innovative financial tools, including those for micro, small and medium-size enterprises; also, within the framework of this measure, it is necessary to foster regional trade and interconnectivity, SDG 10 (10.6), 17 ( 17.10, 17.11, 17.12);
- **Public debt management on the principles of inter-generation balance and sustainable development**, SDG 17 (17.4, 17.13, 17.14, 17.18, 17.19).

Measures defined in such a way have significant influence on the achievement of the sustainable development goals 12 and 17. Also, the measures are directly linked to the Addis Ababa Action Agenda in which, amongst other things, environment funding sources have been recognized – domestic public sources for the funding of environment (items 20-34) and domestic and international private business and

finances (items 35-49); international development cooperation (items 50-78); fair international trade for all (items 79-91); level of indebtedness and public debt management (items 93-102); science, technology, innovations and capacity development (items 114-124); as well as the issues of data and further monitoring of the implementation of the strategy (items 133-125). Also, it can be assessed that national economy greening priorities, instruments and measures for the implementation of these are compatible with the possibilities and commitments in the context of the implementation of the Addis Ababa Action Agenda.



## 5. MONITORING AND REPORTING

For the future monitoring and reporting on the progress in the achievement of sustainable development goals in Montenegro very important is the strategic NSSD goal “**Establish the system for monitoring the sustainability of national development including the monitoring of the implementation of sustainable development goals**”. This goal comprises priority implementation of the following measures:

Enable **continuous implementation of the programme of translation of sustainable development goals into the national context and building national capacities for their efficient implementation in the forthcoming biennial**, SDG 16 (16.6, 16.7, 16.b), SDG 17 (17.9, 17.14, 17.15, 17.16, 17.17, 17.18, 17.19),

Establish the **information system for the NSSD implementation monitoring** based on sustainable development goals and indicators, SDG 17 (17.9, 17.16, 17.18, 17.19).

These measures, accompanied by the appropriate sub-measures will enable a functional system for the monitoring of sustainable development policy implementation until 2030 contributing to the wellbeing of the society and the quality of citizens' lives. Such methodology, besides the horizontal dimension of data collection and processing for the purpose of monitoring the NSSD strategic goals, has also got its vertical dimension – linking of Montenegro with the system of reporting on the implementation of the UN sustainable development goals.

### 5.1 National mechanisms used for monitoring progress and reporting on implementation

Without precise measuring of success in the implementation and the assessment of the effectiveness of sustainable development measures it is not possible to monitor the outcomes of the implementation of the NSSD. This is exactly the experience of Montenegro from the monitoring of the implementation and reporting on the implementation of the NSSD from 2007 to 2012. The following key weaknesses were identified on that occasion: 1) lack of comprehensive list of national sustainable development indicators which would comprise qualitative and precisely measurable quantitative indicators of the condition, process and outcome of the sustainable development of Montenegro; and 2) non-established functional information data processing system for the calculation of sustainable

development indicators, with the enabled compatibility of the existing databases and satisfactory communication of numerous entities with the competences for the implementation of the NSSD measures in the context of harmonization of data processing and their exchange. These weaknesses resulted in the impossibility of quantifying the trends in the implementation of the NSSD measures, and directing the reporting system solely towards the monitoring of the outcome, without a possibility of insight into the trends of the processes related to the implementation of sustainable development measures. This rendered impossible the derivation of thorough assessments as to how the processes had led to the achievement of the planned outcomes, or if not, why had it not been possible to achieve the planned outcomes.

With the purpose of creating conditions for measuring the sustainability of national development within the time horizon of the NSSD 2030, decisive step has been made towards overcoming the weaknesses from the previous stage of the NSSD implementation and establishing a functional system which enables precise measurability of the processes and outcomes, both planned - expected and the unplanned ones. This is crucial issue for the efficient monitoring and reporting on the implementation of sustainable development policy until 2030.

In order to establish the system for progress monitoring and for reporting on NSSD 2030 implementation, the analysis of 241 sustainable development indicators was made. The indicators had been laid down by the UN Statistical Commission at its 47<sup>th</sup> session held from 8<sup>th</sup> - 11<sup>th</sup> March 2016. Readiness and ability of national institutions to accept the indicators was being assessed in the first place, followed by the planning of the dynamics for the introduction of the indicators from the UN List into the national reporting system.

It is important to mention that the UN Statistical Commission did not define the methodology for the calculation of all indicators at its 47<sup>th</sup> session. As stated under chapter 3.2.2 there is still no methodology for 75 indicators (31.1% of the total number of 241 indicators), but the said UN commission assumed the responsibility to establish the missing methodologies in the forthcoming period. Besides, one should have in mind that certain indicators are not relevant for Montenegro, as well as that one part of indicators can be contrary to the fulfilment of other Montenegrin national and international commitments. In this way, we come to the figure of 180 SDG indicators the introduction of which needs to be planned. Framework year for the introduction of these indicators is 2024, when monitoring and reporting is planned to start for 180 SDG indicators (74.7% of the total number). The overview of the introduction of indicators from the UN List into the monitoring system in Montenegro is presented in the table 5-1.

**Table 5-1** Dynamics for the monitoring of indicators from the UN List in Montenegro

Indicators	Number	Share	Total monitored	Share
Number of indicators monitored by the name and content (2016)	27	11.2%	27	11.2%
Number of indicators for which there is an alternative according to the content (2016)	34	14.1%	<b>61</b>	<b>25.3%</b>
Number of indicators the introduction of which is planned until 2018	38	15.8%	99	41.1%
Number of indicators the introduction of which is planned until 2020	22	9.1%	121	50.2%
Number of indicators the introduction of which is planned until 2022	36	14.9%	157	65.1%
Number of indicators the introduction of which is planned until 2024	23	9.5%	<b>180</b>	<b>74.7%</b>
<b>Total number of indicators on the UN list</b>	<b>241</b>	<b>100%</b>		

Besides the indicators from the UN list for progress monitoring and reporting on the NSSD 2030 implementation, the integrated system of indicators consists of three more groups of indicators: relevant national indicators, selected indicators of relevant international organizations and selected cumulative indicators (refer to 5.4).

From the point of view of the inclusion of indicators to monitor the implementation of the NSSD measures, the approach was applied according to which certain indicators or group of indicators are defined as relevant for the monitoring of several measures and/or sub-measures with the framework of certain priority topics.

## 5.2 Establishing baseline and indicators

In the NSSD chapter dedicated to the analysis and assessment and assessment of the condition of national resources there is an account of the values of baseline indicators available in the national context for every area: human capital, social capital, natural capital, economic capital, sustainable development funding and governance. Some baseline indicators are specifically presented in the NSSD section dedicated to the analysis of key unsustainable trends applying the DPSIR methodology.

The Action Plan presents direct link between strategic goals, measures and sub-measures and the appropriate sustainable development indicators (including also

the proposed national indicators, some indicators of relevant international organizations, as well as cumulative indicators). Separate column shows targeted outcomes in 2020 and/or 2030 for progress to be achieved in the implementation of the NSSD measures with its qualitative and quantitative dimension.

In this way, clear link was established among the goals, baseline values of the indicators and targeted outcomes, which creates an assumption for the efficient progress monitoring system in the implementation of the NSSD.

### 5.3 Availability of disaggregated data, statistics, and indicators

Special attention is dedicated to the analysis of the administrative capacities of the institutions involved in the monitoring process, as well as to the clear division of competences – which institution can generate statistical and administrative data for the needs of NSSD reporting, and what kind of coordination and reporting mechanism needs to be developed.

Several consultative meetings were being held with all involved institutions. The table 5-2 shows the overview of the readiness of Montenegrin institutions to assume the generation of statistical data for the needs of reporting on the NSSD 2030 implementation.

**Table 5-2** *Overview of statistical data generators in relation to the status, number of indicators which institutions are competent for, and recommendations*

<b>Institutions – official statistics generators in Montenegro</b>		<b>Number of indicators from the UN List which these institutions are responsible for (105)</b>
1	Statistical Institute, MONSTAT	52
2	CBCG (Central Bank of Montenegro)	7
3	Health Insurance Fund	1
4	Public Health Institute	20
5	Ministry of Finance	19
6	Ministry of Science	3
7	Tax Administration	1
8	Customs Administration	1
<b>Institution which should apply for the status of official data generators</b>		<b>Number of indicators from the UN List which these institutions are responsible for (26)</b>

1	Environment Protection Agency	10
2	Ministry of Sustainable Development and Tourism	16
<b>Institutions so called administrative generators of statistical data (data need to be confirmed)</b>		<b>Number of indicators from the UN List which these institutions are responsible for</b>
1	Agency for Electronic Communications and Postal Services	1
2	Ministry of Agriculture and Rural Development	8
3	Ministry of Justice	1
4	Ministry of Education	7
5	Ministry of Labour and Social Welfare	2
6	Ministry of Transport and Maritime Affairs	1
7	Ministry for Human and Minority Rights	6
8	Ministry of Economy	5
9	Ministry of Health	3
10	Marine Biology Institute Kotor	4
11	Ministry of Foreign Affairs and European Integrations	2
12	Ministry of Interior	6
13	Ombudsman	1
14	Biotechnical Faculty	2
15	Public Procurement Directorate	1
16	Real Properties Agency	1

Besides eight official generators of statistics in Montenegrin statistical system, which will be included in the NSSD reporting mechanism (8), another 18 institutions have been recognized, so called administrative statistics generators, two of which have had the recommendations issued to enter into the system of official data generators.

Special indicator acceptance dynamics has been defined for every institution until 2024.

## 5.4 Use of other sources of information

Besides sustainable development indicators developed by the UN, Montenegrin NSSD 2030 also introduces:

- Selected **national indicators** for the monitoring of Montenegrin development sustainability – 281 national indicators (having in mind the specificities of national development, problems and needs which have been crystallized since 2007, giving the link between national indicators and sustainable development indicators from the UN List),
- List of **relevant indicators of international organizations**, which, although not being monitored in Montenegro, could be used as a supplement and/or alternative by the content for sustainable development indicators from the UN List. This should enable perceiving broader international context on the progress in the implementation of sustainable development policy.
- **Cumulative indicators** for the monitoring of sustainable development in Montenegro (which have been presented under 3.3.1).

**Table 5-3** NSSD Montenegro: Integrated monitoring framework per areas

	HUMAN RESOURCES	SOCIAL RESOURCES	NATURAL RESOURCES	ECONOMIC RESOURCES	UPRAVLJANJE ZA ODRŽIVI RAZVOJ	FINANSIRANJE ZA OR
<b>SDGs indicators (241)</b>	42 (17%)	61 (25%)	28 (12%)	35 (15%)	48 (20%)	27(11%)
<b>National indicators (273)</b>	50	66	52	97	8	-
<b>International indicators (33)</b>	4	7	8	3	7	4
<b>Cumulative indicators (10)</b>	Human Development Index (NHDI)	Gender Inequality Index Social Progress Index	Ecological Footprint DMC Land Consumption	Resource Productivity Genuine Progress Indicator	Environmental Democracy Index Environmental Policy Index	None

Comprehensive analysis of sustainable development indicators from the UN List, national indicators, international indicators and complex indicators resulted in the establishment of **integrated system for the monitoring of Montenegrin sustainable development trends** as presented in the Table 5-3.

This system enables:

1. **For sustainable development indicators** to be adequately translated into the national context, which, in turn, enables for sustainable development goals and targets from the UN Sustainable Development Agenda 2030 to be adequately translated into the national development plans, strategies and policies.

2. For issues which are of priority for Montenegro, and not covered by the UN indicators, to be monitored within the framework of the NSSD implementation applying relevant **national and international** indicators.
3. Monitoring of the overall progress achieved by Montenegro in the framework of thematic NSSD issues applying **complex indicators**, linking thus, on one side, scientific needs for systematic and inter-sectorial access to sustainability assessment, and, on the other side, practical monitoring which is necessary for the Government to be able to monitor the implementation of specific policies and activities.

Since the Statistical Institute of Montenegro (MONSTAT) is a public administration body competent for statistical tasks, leading institution and principal disseminator of statistical data, as well as responsible professional lead entity, organizer and coordinator of the system of official statistics and the institution which represents official statistics of Montenegro in the international statistical system, its role will be crucial in strengthening total capacities of all generators of statistical and administrative data in the context of the support to high quality reporting for the needs of the NSSD.

### **5.5 Challenges in monitoring and reporting – develop IT system for monitoring and implementation of Montenegro’s NSSD 2030**

Key stage for successful implementation of the NSSD, thus also for the achievement of sustainable development of Montenegro, is progress monitoring and reporting on the results of its implementation. The gaps of the implementation of the previous NSSD 2007 are related exactly to this stage. The same problem characterizes the processes of reporting on the implementation of other national strategic documents, so that it can be assessed that it concerns a systemic problem.

The implementation and evaluation process has got several stages, and every one of them is very significant in order for the entire process to constitute a functional unity. It is necessary for this process to be set in such a way that the duties and responsibilities of all the entities involved in the NSSD implementation are precisely defined, with specified procedures and form for the processing and exchange of data for the purpose of preparing the reports on the NSSD implementation, and/or Sustainable Development Agenda 2030. Also, it is necessary to avoid previous bad experiences when there were misunderstandings about the duties and tasks of the entities entrusted with the NSSD implementation.

On the occasion of drafting the **First pilot report on the implementation of the NSSD in 2019** it will be determined to what extent will have been achieved the progress in the introduction of the integrated system for the monitoring of sustainable development trends in Montenegro since by 2018. 42.3% of sustainable development indicators should be introduced into the system of statistical monitoring.

**The stages in the process of monitoring and implementation of the NSSD** are the following: 1) data collection, 2) reporting, 3) analysis of the obtained data, 4) drafting recommendations for the improvement of the document and 5) periodic NSSD review. The first three stages will be supported by the functional information system, the description which is to follow.

Starting from the dynamics of the evaluation of the NSSD implementation process presented in the table 5-4, in the initial implementation stage it is necessary to prepare a detailed programme of activities and templates for the drafting of the progress report, in order to facilitate and make more efficient the entire monitoring and implementation process until 2030 through methodological harmonization of individual stages. For every stage, the programme of activities should define precise guidelines on: methodology to be applied, on the form and content of the report, tasks of responsible entities, etc. This facilitates the analysis of individually collected inputs and enables comparability of the obtained data, improves the efficiency of the working process and produces high quality data which enable informed and substantiated passing of decisions important for the improvement of sustainable development policy. All collected data should in all stages be accessible to public.

The establishment of **functional information system and databases** constitutes the basis for successful measurement of the progress in the implementation of the NSSD 2030. It is very important when designing and developing this system to bear in mind that it should be at the service of the beneficiaries and facilitate input, inspection and analysis of the data, and not by any means to become a burden and a bottleneck of the system for the monitoring of this strategy. The established system should be straightforward, efficient and user friendly since its primary purpose is to facilitate the monitoring of the implementation in order for the NSSD to be implemented in a high quality manner, and not to be a cumbersome and inefficient system which will not have practical application.

**Table 5-4: Dynamics of the evaluation of the NSSD 2030 implementation process**

Stages	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Collection and processing of data	X	X	x	x	x	x	x	x	x	x	x	x	x	x	X
Introduction of NSSD implementation indicators	x	X	x	x	x	x	x	x	x	x					
NSSD implementation indicators introduced (official and administrative statistics generators)			x 42.3%		x 50.2%		x 65.1%		x 74.7%						
Drafting progress report			x	x	x	X	x	x	x	x	x	x	x	x	
Publishing progress report				x		x		x		x		x		x	
Analysis of collected data and of progress report				x	x	x	x	x	x	x	x	x	x	x	X
Drafting recommendations for improvement of NSSD implementation					x		x		x		x		x	x	X
NSSD AP review					x					x					X
NSSD review															X

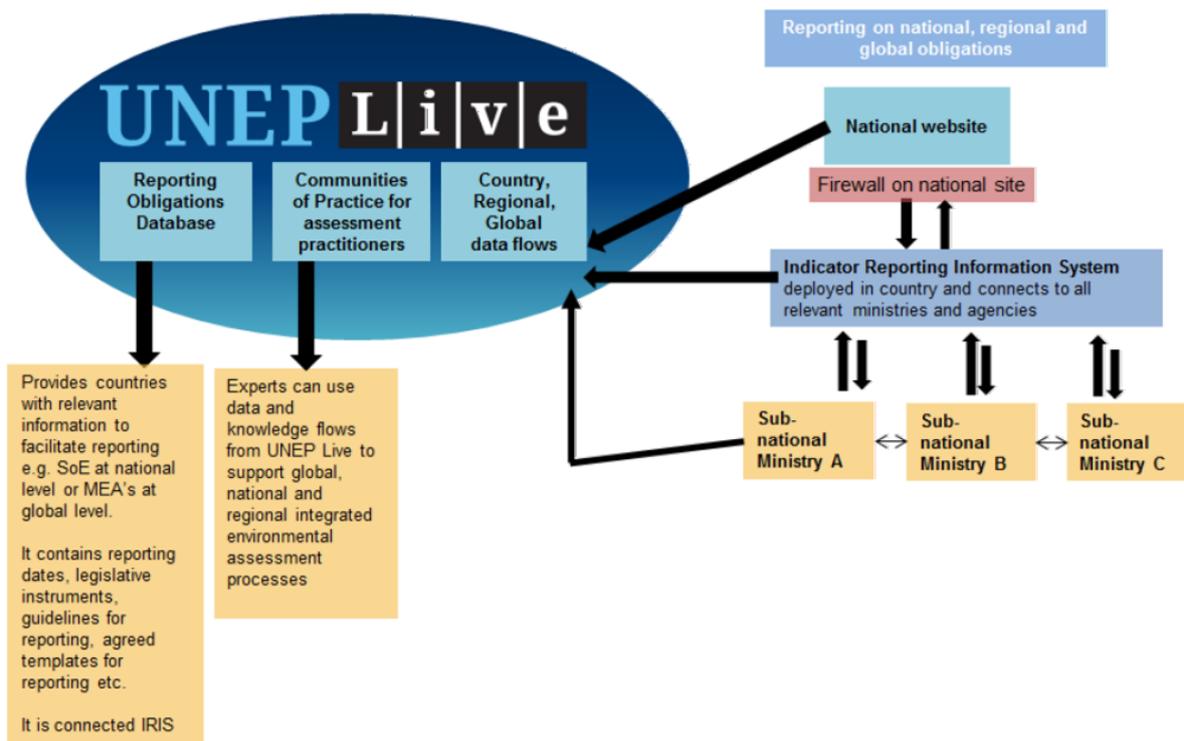
Functional information system organized in this way should enable not only simultaneous data collection by the entities responsible for the monitoring of individual sustainable development indicators, and/or NSSD measures, but also their archiving and further processing with the purpose of efficient national or international reporting.

There are several ways to organize and develop such an information system. One of the possibilities is to use for that purpose the existing online reporting system entitled IRIS (Indicator Reporting Information System). This system developed through the cooperation between UNEP and AGEDI (Abu Dhabi Global Environmental Data Initiative) enables data exchange among different entities with assigned authorities. In the specific case, these entities could be Montenegrin institutions, official and administrative statistics generators, which could simultaneously collect, analyse and publish high quality information through this system.

Following the establishment at the national level, IRIS could be linked with recently developed UNEP Live Platform, which supports dynamic, interactive assessment and reporting by UN member states on the processes at the international level through a series of analytical, visual and mapping tools. The possibility for linking and readiness of the UNEP to offer IRIS to Montenegro free of charge, are considerable advantages which recommend this online system for the monitoring of the NSSD implementation.

Following the installation, IRIS would be fully owned and under the control of Montenegro. It should be managed by the Ministry of Sustainable Development and Tourism, i.e. the unit which will be in charge of the implementation of the NSSD 2030, within the framework of the unified information system managed by the Ministry for Information Society and Telecommunications. All the entities responsible for the NSSD implementation will have access to such online system. The functioning of the IRIS is described below, with its graphic presentation on the Figure 5-1.

**Figure 5-1** SDGs - Indicator reporting & monitoring system



With the establishment of the IRIS the monitoring of the NSSD 2030 implementation will function through the following steps:

- In cooperation with the Ministry of Sustainable Development and Tourism, the UNEP is to adjust the IRIS to the needs of integrated NSSD monitoring.
- The access and access authorizations should be assigned to all entities entrusted with reporting on the NSSD implementation, administrative and official statistics generators. All responsible entities will input relevant data into the online system according to their tasks within the framework of the implementation of the NSSD using a simple application programming interface (API). Both official and unofficial statistics generators will input data in different ways, in accordance with the division of their powers.
- Irrespective of the status of the responsible data inputting entities (official and administrative statistics generators, other responsible entities), besides mere data, the system requires the inputting of the following: i) metadata, ii) formulas applicable for the processing of indicators, and iii) their links with the NSSD measures and/or sustainable development goals and targets.
- After inputting the data and indicators, relevant representatives of the responsible institutions should prepare appropriate analytical report which will serve as the input for reporting on the NSSD implementation by the Ministry of Sustainable Development and Tourism.
- Following the implementation of all the above steps, the data would be ready for publishing. Published data can be processed in the form of graphs and maps in order to facilitate national and international reporting.
- Published data could be used for reporting towards various institutions, both at the national and international level. The Ministry of Sustainable Development and Tourism will be competent for unified reporting on the implementation of the NSSD in the national context, and/or implementation of the Sustainable Development Agenda towards UN Economic and Social Council. In case the UN Statistical Commission should establish special reporting channel solely for sustainable development indicators for the competent official statistics generators, this task will refer to eight official statistics generators, with the coordination role of the Statistical Institute as key institution for international statistical cooperation (Article 62 of the Law on Official Statistics and the System of Official Statistics). This database can serve for reporting towards other numerous UN bodies and international organizations, and competent officially nominated authorities will be entrusted with this task.
- Prior to both national and international reporting on the implementation of the NSSD and/or Sustainable Development Agenda, it is necessary for draft reports to be consulted with the interested public.

Although IRIS is currently identified as the most adequate option, as this is a platform which is ready to be used, it is possible for an opportunity to arise in the future for additional upgrade of the information system for the monitoring of the NSSD implementation.

The analysis and drafting of the recommendations for the improvement of the NSSD implementation on the basis of the prepared progress reports is the next, very important, step in the implementation of the NSSD. Namely, exactly in this stage conclusions are made on the process and results achieved with the implementation of this strategy. Therefore, it is very important for the analysis not to be reduced solely to the necessary comparison of the achieved values of indicators. In order to react timely and adequately as well as correctively to the NSSD implementation process, the analysis must be well prepared so as to indicate that good results can be further improved and, at the same time, to recognize key reasons for poorer implementation of the other ones. Besides the extent of the achievement of the set goals, it is necessary to observe the effects of the inclusion of the entities with the duty to implement the NSSD, but also the reactions of all interested parties and the broadest public. All these suggestions and observations need to be recorded and used as the guidelines for further improvement of the document and the overall process of its implementation until 2030. The established online system should strengthen the application of responsibility mechanisms and enable undisturbed participation of citizens and all interested parties in the monitoring of the NSSD implementation, but also in the shaping of the process itself.



## 6. NEXT STEPS

Following the adoption of the NSSD 2030 by the Government of Montenegro commences the period of its gradual implementation.

Expected main challenges in the forthcoming NSSD implementation period are:

1. **Priority institutional issues** in accordance with the proposed model of the reform of sustainable development governance system:
  - **Reform of the National Sustainable Development Council** – from the advisory body of the Government of Montenegro to the **State Council** with additional participation of civil, business and scientific sector.
  - **Strengthening the role of the Parliament of Montenegro** in the implementation of the National sustainable development policy – inform the Parliament on the results of the implementation of the NSSD by the Government of Montenegro
  - Establishment of **sustainable development councils at the local level**, especially for the purpose of harmonizing municipal strategic development plans with the requirements of the NSSD.
  - Strengthening the capacities of the Central unit for the implementation of sustainable development policy: **Office for Sustainable Development / Prime Minister Cabinet**. At least one **employee in the Ministry of Finance should be entrusted with the issues of sustainable development funding and for the mobilization of the funds in accordance with the Addis Ababa Action Agenda**;
  - **Specifying the tasks** of at least one full-time **employee per sector (line ministries and agencies)** for the issues of sustainable development in the context of the implementation of relative commitments within the framework of the NSSD 2030 implementation. Harmonization of the professional level of monitoring the NSSD with the innovated political level monitoring of the NSSD.
  - **Strengthening administrative capacities at all levels** in line with the new sustainable development governance model, including the strengthening of the capacities of the Sustainable Development **Centre as a programme implemented jointly by the Government of Montenegro and the UNDP** in order to fulfil the tasks defined for the period until 2020, which would enable its full transformation into a national institution by 2021.
2. Introduction of **programme budgeting** which recognizes sustainable development programmes and projects
  - Growth of budgetary allocations for sustainable development (administrative expenditures and related programme activities).

- Gradual achievement of the set goal – **administrative expenditures for the governance of the NSSD and the part of programme activities related to sustainable use of natural resources show gradual growth in the budget of Montenegro: by 2020 1-1.5% of the total budgetary funds, and by 2030 1.5-2% of the funds.**
  - **Mobilization of all sustainable development funding sources, including also international assistance.**
3. **Strengthening NSSD monitoring mechanisms** – statistical data generators and coordination and reporting model
- **Building satisfactory capacities of the generators of statistical and administrative data**
    - ❖ **Generators of official statistics:** MONSTAT, CB, MF, Public Health Institute, Customs Administration, Tax Administration, Health Insurance Fund, Ministry of Science;
    - ❖ **16 new generators of administrative data,** including the setting up of the procedure to apply for data verification with the Statistical System Council (average duration of the procedure is around 3 years); following the approval by the Council, MONSTAT should have the duty to verify their data;
    - ❖ **New generators of official; statistics:** Environment Protection Agency and MSDT, to apply for the status in accordance with the provisions of the Law on Statistics/or amendments to the same, and for such status to be confirmed by the Official Statistics Programme (in exceptional circumstances prior to the expiry of the deadline of the current programme until 2018);
  - **Establishment of the information system for support to the system of reporting on the NSSD implementation/Agenda 2030;**
  - Official and administrative generators **produce data continuously and prepare reports** related to statistical processing of relevant data for the processing of indicators from the UN List, cumulative and national indicators;
  - **Ministry of Sustainable Development and Tourism / Sustainable Development Unit** – considers statistical reports and integrates them into the Report on the Implementation of the NSSD/Agenda 2030;
  - Ministry of Sustainable Development and Tourism / Sustainable Development Unit **is competent for reporting** in the national context and towards the UN.
4. **Harmonization of sectoral strategies with the NSSD 2030** – which requires full political and institutional support in all segments of Montenegrin national resources:
- **Human resources** – special focus on the affirmation of the population growth scenario through the implementation of the NSSD measures (pro-natality

policy as the response to the risk of depopulation, economic measures, etc.); strengthening the role of public health in accordance with the programme of structural reforms and continuous improvement of the educational system on all levels;

- **Social resources** – full political and any other support is necessary in the process of building the country governed by the rule of law; preservation of national identity, culture and cultural heritage; integration of the measures of employment growth: dignified work for all.
  - **Natural resources** – for this corpus of national resources it is of crucial importance for sectorial strategies to be aligned with fundamental principles, goals and measures of the NSSD 2030; beside the alignment of the policies, it is also important to harmonize the financial framework and/or implement the measures which reduce negative impact on environment; these measures must become part of sectorial policies and development strategies, funding models and sustainable development on the principle of inter-generation solidarity.
  - **Economic resources** – harmonization of key sectorial strategies and programmes of economic reforms of the Government of Montenegro with the NSSD in the context of the introduction of green economy, with the proposal of greater number of measures for the reduction of resource inefficient management of valuable and limited resources of Montenegro, reduction of material consumption of the resources, strengthening of green measures for sustainable development (criteria of resource efficiency, environmental tax reform, green subsidies, green public procurement etc.)
5. Successfulness of the implementation of the NSSD 2030 as a strategic framework that translated the UN Sustainable Development Agenda into the national context, will depend to a considerably degree on the efficiency of securing strong and integrated support of the UN system, especially in the context of creating conditions for the implementation of the targets relevant for SDG 17 – Enhance the means for implementation and renew Global Partnership for Sustainable Development. Also, the successfulness will be conditioned by enabling the compatibility of the process of the implementation of the NSSD with the priorities in the context of Montenegrin EU integrations, and the harmonization with relevant regional processes like the implementation of the Mediterranean Sustainable Development Strategy.

Everything stated so far has been elaborated in details through the Action Plan for the implementation of the NSOR, which comprises clear objectives, measures and sub-measures, indicators, target outcomes, as well as lead entities (lead entity and the entities involved in the implementation).



## 7. CONCLUSION

Montenegro is in the group of UN member countries which **officially adopted key development document** – National Sustainable Development Strategy until 2030, which follows the UN Agenda 2030.

Environmental, economic and social aspects of the development of Montenegro in recent decades have indicated that the needs of future generations might be endangered not only through qualitative and quantitative degradation of natural resources, but also ever so smaller availability of other resources (human resources as development assumption and economic capital). On the basis of the own experience and lessons learnt, and in relation to the duties towards future generations and from the experiences of key international actors which trace the path towards sustainability through global dialogue, in the period by 2030 it is necessary to establish four-dimension development concept based on access according to which the production of assets and delivering of services that are crucial for the improvement of material, mental and spiritual wellbeing of every generation requires **four fundamental, necessary resources: human, social, natural and economic**. These are key national resources which must be sustainable, preserving the “right to development” for every subsequent generation. The right to development is viewed in relation to the right of individuals, families and family values and broadest social groups in the framework of governance at the national level and at the level of local communities. Our responsibility towards future generations obliges us to the approach in according to which humans are in the centre of development which enables sustainable and mutually linked valorization of the four groups of national resources.

## Annex 1 Selected macroeconomic indicators in Montenegro 2007 – 2015

*Table A 1: Selected macroeconomic indicators in Montenegro 2007 – 2015  
(MONSTAT and CB of ME)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015 *
<b>GDP (mil. €)</b>	2.680,5	3.085,6	2.981,0	3.125,1	3.264,8	3.181,5	3.362,5	3.457,9	3595
<b>Real GDP growth rate (%)</b>	10,7	6,9	-5,7	2,5	3,2	-2,7	3,5	1,8	3,2
<b>GDP/pc (u €)</b>	4.282	4.908	4.720	5.045	5 265	5.126	5.413	5.561	5.779
<b>Inflation</b>	7,7	7,2	1,5	0,7	2,8	5,1	0,3	-0,3	1,5
<b>Industrial production (%)</b>	0,1	-2,0	-32,2	17,5	-10,3	-7,1	10,6	11,4	0,2
<b>Net FDI (mil €)</b>	524,9	567,6	910,9	552,0	389,1	461,6	323,9	353,9	619,3
<b>FDI as % of GDP</b>	21,2	18,9	35,8	17,8	12	14,7	9,7	10,2	11,3
<b>Current account balance, % of GDP</b>	40	50	28	23	18	19	14,6	15,4	13,4
<b>State debt as % of GDP</b>	27,5	29	38,3	40,9	46	54	58,1	54,8	61,8

## Annex 2 Framework for sustainable financing of environment and protection of natural capital

FRAMEWORK FOR SUSTAINABLE FINANCING OF ENVIRONMENT AND PROTECTION OF NATURAL CAPITAL	
FUNDING SOURCES (integrated approach, through the sources provided for by the Law on Environment Protection)	PURPOSE OF FUNDS (existing and new purposes)
<ul style="list-style-type: none"> <li>• <b>eco-charges</b> (polluter pays principle)               <ul style="list-style-type: none"> <li>- charges for polluting environment, i.e. for the emissions of polluting substances into the air, generation and disposal of hazardous waste</li> <li>- charges for legal entities which import substances that damage Ozone layer</li> <li>- charges for discharging polluting substances in waters (Law on waters and Law on Funding Water Management)</li> <li>- permits for the circulation of the sources of ionizing radiation and radioactive materials</li> <li>- charge for the control of radioactivity of goods during import, export and transit</li> <li>- consider the introduction of CO2 emissions taxation</li> </ul> </li> <li>• <b>use of natural resources, uncluding the valuation of natural capital and ecosystem services</b> (polluter pays principle, improvement of the methodology for the valuation of natural resources, as well as inclusion of the same in measuring successfullnes sof the economy)               <ul style="list-style-type: none"> <li>- utilizaton of waters</li> <li>- use of mineral raw materials</li> <li>- utilization of forests</li> </ul> </li> <li>• <b>revenues from the utilization of protected natural properties</b> (National parks), but with respect for ecosystem services</li> <li>• <b>part of the revenues from excise on fossil fuels</b> which would be used for remediation of negative effects arising from the burning of fossil fuels</li> <li>• <b>include additional tax revenues of imoportance for environment protection</b> (for instance, pesticides use tax, charge for the use of non-metallic mineral raw materials, charge for protection of trees, deposit for beverage packaging, taxation of plastic bags, charge for water pollution and taxation of natural resources)</li> <li>• <b>credits</b></li> <li>• <b>donations and international development assistance;</b> instruments, programmes and EU funds (including co-financing), UN and international organizations</li> <li>• and other sources, in line with legislation</li> </ul>	<p><b>PUBLIC ALLOCATIONS<sup>39</sup>:</b></p> <ul style="list-style-type: none"> <li>• funding the preparation of the implementation and development of programmes, projects and similar activities aimed at preservation, sustainable use, protection and improvement of environment, energy efficiency and renewable energy sources</li> <li>• implementation of environment protection goals and principles for the purpose of achieving integral and thorough preservation of the quality of environment, preservation of biological, geological and periodical diversity and rational use of natural properties and energy as basic sustainable development conditions</li> <li>• exercising citizens' right to healthy environment</li> </ul> <p><b>EXPAND ALLOCATION PURPOSES on:</b></p> <ul style="list-style-type: none"> <li>• subsidies for clean technologies, alternative fuels and transportation means, use of renewable energy sources and sustainable waste disposal; support to pollution remediation</li> <li>• sustainable forms of tourism based on nature, sustainable towns/cities,</li> <li>• stimulating measures for the introduction of green infrastructure, for green mobility, for research and innovations directed towards new technologies, as well as through pilot projects for the establishment of integrated system of sustainable transportation</li> </ul> <p><b>ABOLISH ALLOCATIONS:</b></p> <ul style="list-style-type: none"> <li>• subsidies harmful to environment, i.e. the ones which do not respect the principles of sustainable development governance</li> </ul>
<ul style="list-style-type: none"> <li>• <b>mobilization of private sector funds</b> <ul style="list-style-type: none"> <li>- foreign investments intended for environment protection</li> <li>- investments in green economy</li> <li>- private-public partnerships</li> </ul> </li> <li>• other forms of cooperation between <b>public and private sector</b></li> </ul>	<p><b>ALLOCATIONS IN INDUSTRY</b></p> <ul style="list-style-type: none"> <li>• commercial entities, including also the SMEs sector and entrepreneurs who implement green investments and create green jobs</li> </ul>
<ul style="list-style-type: none"> <li>• Revenues from principal activity, credits, technical support from international public sources</li> </ul>	<p><b>ALLOCATIONS OF SPECIFIC ENTITIES</b></p> <ul style="list-style-type: none"> <li>• allocations of specific polluters, including waste and waste water management costs</li> </ul>

<sup>39</sup> Budgetary allocation for the protection of environment amounted only to 0.3% in 2013, i.e. 0.016% of the GDP.