

Standard Summary Project Fiche – IPA centralised programmes
Project Fiche: 6

1. Basic information

- 1.1 CRIS Number: 2009/021-170
- 1.2 Title: **Development Strategy of Montenegro (2010-2015) and National Development Plan**
- 1.3 ELARG Statistical code: 02.22
- 1.4 Location: Montenegro

Implementing arrangements:

- 1.5 Contracting Authority: Delegation of the European Commission to Montenegro
- 1.6 Implementing Agency: N/A
- 1.7 Beneficiary (including details of project manager):

Government of Montenegro
Secretariat for Development
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Financing:

- 1.8 Overall cost: 1,300,000 EUR
- 1.9 EU contribution: 1,000,000 EUR
- 1.10 Final date for contracting: Two years from the date of the conclusion of the Financing Agreement
- 1.11 Final date for execution of contracts: Two years from the final date for contracting
- 1.12 Final date for disbursements: One year from the final date for execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Overall objective of the project is to ensure the long-term balanced socio-economic development of Montenegro based on established integrated development framework in accordance with the EU Strategic Guidelines.

2.2 Project purpose:

The project purpose is to prepare the Development Strategy of Montenegro 2010-2015, and the National Development Plan, including the establishment of financial and political basis, methodology and institutional structure for regional development planning.

2.3 Link with AP/NPAA / EP/ SAA

Stabilization and Association Agreement by its nature is closely relevant for realization this project. Namely it stipulates strategic priorities for Montenegro, which is directly related to the strategic priorities to be defined in the Country Development Strategy and the National Development Plan. Among the other points, at chapter VIII, Article 89 obliging Montenegro to cooperate with the Community in analyses of economic issues, including defining economic policies and instruments for its implementation. In line with that, Article 113 defining principles for strategic approaches toward regional and local developments. Montenegro is particularly encouraged to request support in the fields related to the adoption of the acquis. Montenegro should develop economic policies which gravitate toward functional market economy, stability, balanced economic growth and harmonization of its policies with European economic and monetary union. Based on Montenegrin request the Community obliges itself to support Montenegrin efforts to achieve these goals.

The European Partnership with Montenegro (SEC (2006 1388)) requiring Montenegro to develop different strategic documents, among which Country Development Strategy and National Development Plan are priorities.

The Country Development Strategy and National Development Plan are programming documents required for the use of IPA funds. The EP and the draft NPI are setting priorities for the first two IPA components (institution building and regional cooperation). For effective programming of remaining three components (regional development, human resource development and rural development) existence of National Development plan is necessary precondition.

The Beneficiary Country (in this case Montenegro) is requested to establish not only standards for implementation, management and financial control for IPA, but also to prepare a multi-annual strategy which defines general framework of the country's development. Implementation of the National Development Strategy should be achieved through both, national public funds and EU assistance; therefore it should aim toward achievement of national and EU development priorities and policies.

2.4 Link with MIPD

The Multi-annual Indicative Planning Document (MIPD) for Montenegro is recognizing a need to “improve the socio-economic situation of the country and its population by dealing with issues and sectors related to employment generation, education, social inclusion, health, business environment, SMEs, restructuring and competitiveness, fiscal and macroeconomic matters, as well as infrastructure and rural development”. It has been particularly stressed that introduction and implementation of the EU ‘Acquis’, so strengthening of Montenegrin administrative capacities to implement the SAA. Ownership of the Pre-Accession Instrument (IPA), the Decentralised Implementation System (DIS) and EU funds management should be developed as defined in this document.

Under Objectives of Pre-Accession Assistance, within Component I: Transition Assistance and Institution Building, in the area of Socio-Economic Requirements the attention will be given to “pursuing economic reforms, strengthening competitiveness, developing an appropriate business environment and social dialogue; human resources development, employment, education, and social inclusion; improving infrastructure in areas such as transport, energy, environment”.

By realising of this Project the Government of Montenegro is taking active participation in preparation main preconditions to develop next MIPD and MIFF, which are bases for first two IPA components. Although Montenegro is not requested right now to develop NDP before getting candidate status, it is highly recommendable, because the Country Development Strategy is setting comprehensive framework of social and economic national priorities, while NDP will be predominantly used for prioritization within the third IPA component (Regional Development) and in later stages for integrations in Structural funds.

Namely, Commission Regulation (EC) No 718/2007 of 12 June 2007 “Implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA)” defines following priorities within the third (Regional Development) Component:

- Transport infrastructure;
- Environment measures and
- Operations which enhance regional competitiveness and a productive environment.

All of that will be covered by the NDP Montenegro, so it will be strategic programming document for the third IPA component.

2.5 Link with National Development Plan

The project is aiming at developing National Development Plan 2010-2013 as an annex to the Development Strategy of Montenegro 2010-2015.

2.6 Link with national/ sectoral investment plans

According to the terms of references for drafting the Country Development Strategy of Montenegro 2010-2015 adopted by the Government of Montenegro, the Country Development Strategy will define long-term development goals, as well as, measures for its implementation. The Strategy as overall development document will encompass all priority sectors, i.e. already developed sector strategies, and it should be presented as coherent system of sectoral measures. In addition to that, Regional Development Strategy will be adopted during 2008. Balanced economic development has been defined as a main strategic goal of the Country Development Strategy, so adoption of Regional Strategy will be very valuable document for its development.

3. Description of project

3.1 Background and justification:

The National Programme for Integrations (NPI) of Montenegro foresees adoption of the Country Development Strategy in year 2010. Based on that obligation the Secretariat for Development of Montenegro prepared Terms of References for Drafting of the Country Development Strategy of Montenegro 2010-2015 (hereinafter the ToR for Strategy) which has been adopted by the Government of Montenegro on its session held on July 24, 2008. According to the ToR for Strategy, the Country Development Strategy 2010-2015 (hereinafter the Strategy) has to be in alignment with other relevant national strategies. It is particularly important to ensure coherence between sector strategies and national vision of development. In line to that goal, it is necessary to revise all sector strategies, defined priorities and its implementation plans. The ToR for Strategy prescribed that the Strategy should be developed by specialized institution (as defined: Elaborator – “obrađivač”), selected on public tender.

Overall process has its three main phases, plus one cross-cutting phase:

1. Phase/set of activities: Creation of the final proposal of the Development Strategy of Montenegro 2010-2015 (as defined in the ToR for Strategy)
2. Phase/set of activities: drafting of the plans for implementation of the Strategy (action and operational programmes)
3. Phase/set of activities: defining means for financing of the Strategy (relating action plans to different sources of public funds: local, regional, national, EU, bilateral grants, loans).
4. Phase/set of activities: capacity building phase, which as a main goal has enabling civil servants to participate efficiently in the process of development of strategic documents.

The first phase will be implemented through implementation of the ToR for Strategy, while the second and the third phase will be base for development of the National Development Plan and it is outside of the ToR for Strategy. As a consequence of that fact is that financial resources from the State Budget are anticipated only for the first phase and only partially for the one of activities in the second phase. Missing resources should be funded through other sources, i.e. through IPA 2009 funds.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

(i) The main impact of development of country strategic documents will enhance country's **competitiveness, catalyse public investment and ensure sustainable growth**. That will directly influence development of next generations of sectoral strategic documents, and harmonization of existing ones in line with defined framework on the State level. This will have significant positive impact on sustainable, balanced, and harmonized development of Montenegrin society and economy.

(ii) This, in turn, will **create positive environment for public investments**, not only from government budget funds, but from bilateral grants, loans and EU instrument for pre-accession. Efficient public investments encouraging **private investments** and having a catalytic effect on economic growth.

(iii) In line with point (ii) the National Development Plan, which is in line with EU requirements, will have a key impact and catalytic effect in delivery of a more **efficient, effective, transparent and sustainable support from EU funds**.

3.3 Results and measurable indicators:

Result 1: Current economic and social situation of Montenegro outlined and sectoral and regional development axes identified in compliance with the EC policies.

Measurable indicators:

- Macroeconomic, demographic and social development indicators collected
- Strength, weaknesses, opportunities and threats identified
- A set of priorities identified and agreed by stakeholders
- Objectives (indicators targets) established

Result 2: Operational framework for the implementation of the Strategy elaborated

Measurable indicators:

- Established implementation plans (incl. management, monitoring and evaluation indicators and procedures, financial management and control and technical assistance)

Result 3: Financial framework for the implementation of the Strategy elaborated

Measurable indicators:

- Financial tables prepared and donors/financial sources identified

Result 4. Improved strategic planning capacity of Montenegro

Measurable indicators:

- At least 50 public servants (employees of the Secretariat for Development or public institution responsible for development issues, Cabinet of Deputy Prime Minister in charge for economic policy of Montenegro) trained on strategic planning, economic analysis, identification and formulation of the projects, budgeting etc.,
- Number of training events organised.

3.4. Activities:

Activity 1: Drafting of the Development Strategy of Montenegro 2010-2015

This activity will be implemented through the national procedures and funds. Namely, Government allocated 300,000 EUR for elaborating the Development Strategy of Montenegro. Funds will be allocated to a specialized institution (Elaborator) through a procurement procedure. The Elaborator will be responsible for methodology and strategy development. The precise actions to be covered are:

- 1.1. Selection of a Development Strategy Elaborator through a procurement procedure
- 1.2. Establishment of a Group for Preparation of Development Strategy
- 1.3. Development of the methodology by the Elaborator
- 1.4. Verification of the methodology by the Coordination Team
- 1.5. Preparation of informational bases and definition of development priorities at national level (short situation analyses, overview of priorities as defined in existing sector and regional strategies)
- 1.6. Verification of defined priorities by the Coordination Team
- 1.7. Assessment of the development priorities from the perspective of the EU integrations process – by the Group for Preparation of Development Strategy and the Delegation of European Commission
- 1.8. Establishment of Sector Technical Groups to cover the agreed priorities
- 1.9. Preparation of situation analyses for priority sectors
- 1.10. SWOT workshops organized for priority sectors
- 1.11. Preparation of in-depth situation analyses for priority sectors (based on SWOT outcomes)
- 1.12. Adoption of the document which comprehend all in-depth situation analyses – the first draft of the Strategy

Activity 2: Drafting of the plans for implementation of the Strategy (action and operational programmes)

This activity will be funded through IPA 2009. It is of crucial interest to get the EC involved in the planning process as the Development Strategy and the National Development Plan will serve to programme national and donor resources, in particularly through the Instrument for Pre-Accession (IPA).

The following activities will be covered:

- 2.1. Establishment of ex-ante evaluators team
- 2.2. Drafting of operational programmes and action plans
- 2.3. Preparation of the joint framework document which comprises also the financial breakdown according to the measures and the financial tables
- 2.4. Identification of type of financial resources (grants, budget, loans, PPP, concessions, etc.) and potential sources by each national priority
- 2.5. Preparation of proposal for management and supervision of implementation of Operational Programmes i.e. Strategy
- 2.6. Public consultations/discussions
- 2.7. Preparation of the Strategy's second draft, belonging documents, institutional arrangement for its management, implementation, monitoring and evaluation
- 2.8. Proposing the Strategy's second draft to the Coordination Team on verification

Activity 3: Defining means for financing the Strategy (relating action plans to different sources of public funds: local, regional, national, EU, bilateral grants, loans).

- 3.1. Drafting of a financial plan for Strategy's realization
- 3.2. Preparation of the macroeconomic model to estimate impact of Strategy's implementation, as well as, impact of allocation of public finances for its realization
- 3.3. Compilation of the Strategy's third draft
- 3.4. Discussion of the draft with all stakeholders involved into the process
- 3.5. Revised **third draft of the Strategy** proposed to the Coordination Team on approval
- 3.6. Coordination Team and the Delegation of European Commission proposing to the Government to proceed the Strategy further, i.e. to send it to the Parliament for adoption
- 3.7. Implementation of promotional activities aimed at raising the awareness on the significance of the National development plan and strategic planning in general.

Activity 4: Capacity Development Activities

This activity will be funded through IPA 2009. Designed as a support net for above listed activities, it will cover.

- 4.1. Training Needs Assessment
- 4.2. Preparation and implementation of training and seminars for state officers in field of strategic planning in accordance to principles of structural funds, regional development, identification and formulation of projects which have national significance, etc.
- 4.3. Organisation of at least two study visits to EU countries with large experience in this field.

The activities will be implemented through two contracts:

- Contract 1: Service – funded by the national authorities – will cover Activity 1 and will provide also additional support for the other activities (without having the main responsibility)
- Contract 2: Twinning - funded by IPA – will cover Activities 2, 3 and 4.

3.5 Conditionality and sequencing:

The project success is dependent on a number of conditions:

- Political consensus on the need of a development strategy and national plan and on the viability of the development methodology used
- Political and experts' consensus on development process and on the methodology for drafting the Development Strategy of Montenegro 2010-2015 and the national Development Plan (NDP) and in consequence – on the results of the elaboration process (priorities and financial means identified). Further to this, the specialised institution selected through a tender should accept the EU methodological approach. To ensure consistency, all final deliverables need the approval of the Coordination Team appointed by the Government
- Appropriate involvement of all stakeholders in providing information and participation in the project activities. In this respect the national ownership and leadership of the project needs to be supported - in case of a Government reconstruction the responsibility for project activities and results should be maintained clear. The beneficiary institutions are expected to give full commitment and support including their readiness to establish and actively work within Technical Working Groups. It is expected that the Ministries will appoint the counterpart personnel who will be able and relevant to actively participate in the Strategy development, in capacity building and training activity in accordance with defined needs.
- The Government politically and financially supports the process and the outcomes. It shall commit itself to ensuring the funding needed to implement the national Development Strategy and this decision has to be reflected in the annual state budget.
- Public well informed and supportive
- Efficient cooperation among sectors established.
- Availability of reliable data.

3.6 Linked activities

Project is related to sectoral development strategies and activities and to Montenegrin path toward EU, i.e. key priorities of the European Partnership and the next steps in the Stabilisation and Association Process (SAP).

3.7 Lessons learned

The implementation of the Community assistance in Montenegro as defined in the Multi-annual Indicative Planning Document (MIPD) 2007-2009, as well as, the development of strategic documents outlined a number of issues to be taken into account for future strategic development processes and absorption of the assistance.

Particular focus has to be put on the following needs:

- To build upon the results achieved by now encompassing the development strategies for the different sectors elaborated so far. There is no database which encircles all existing strategies and priorities. It is necessary to create an integrated framework for future developments of Montenegro, which is the primary objective of this project. In this respect, view the fact that many of existing strategies are outdated, efforts have to be invested for their revision reflecting the new strategic orientation of Montenegro.
- To strengthen the institutional cooperation and establish development framework based on national ownership. Inter-institutional cooperation is in some cases on a very low level, so cooperation should be one of the highest priorities, particularly when developing Country strategic documents. Administration should be encouraged to develop a greater inter-sector cooperation relating to the utilisation of EU IPA funding. Dialogue between Government and social partners and civil society should be encouraged to generate greater support for the process.
- To plan activities corresponding to the beneficiary's absorption capacity. Positioning and staffing in the relevant institutions should be adequate. They should have sufficient capacities for preparation and management of programmes and projects.

Finally, to achieve long-term positive, projects should be properly defined and introduced in annual and mid-term programming. Only strategic approach can ensure donors coordination particularly on its drive towards European integration and introduction of the acquis.

4. Indicative Budget (amounts in €)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB	INV	EUR (a)=(b)+(c)+(d)	EUR (b)	%	Total EUR (c)=(x)+(y)+(z)	%	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	%
Activities 1 and partially 2												
contract 1 Service	X		300,000			300,000	100%	300,000				-
Activities 2, 3 and 4												
contract 2 Twinning	X		1,000,000	1,000,000	100%							-
TOTAL IB			1,300,000	1,000,000	77%	300,000	23%	300,000				
TOTAL INV												
TOTAL PROJECT			1,300,000	1,000,000	77%	300,000	23%	300,000				

Amounts net of VAT

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 2	Q3 2009	Q1 2010	Q3 2011

Contract 1 – Service Contract - financed by National Contribution, will be implemented according to the following timetable

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q2 2009	Q3 2009	Q4 2010

6. Cross cutting issues

6.1 Equal Opportunity

The promotion of social inclusion and social safety has been defined as one of cross-cutting issues within the Country Development Strategy, in areas such as education and training, lifelong learning and skills development, or community development. Social inclusion is a horizontal principle, which is to be embedded across all sections of the Strategy.

6.2 Environment

Sustainable development as a concept will be introduced as a overwhelming objective within all strategic priorities. Bearing in mind that the Tourism is one of the most important development sectors of Montenegro, the Ministry of Tourism and Environmental Protection will have significant role within the process, as well as institutes which are supervised by this Ministry: Hydro meteorological Institute, the Centre for Eco-toxicological Research and the National Parks of Montenegro. Apart from the Ministry for Tourism other institutions authorized for certain areas and environmental issues will be involved also: the Ministry of Agriculture, Forestry and Water Industry, the Ministry of Health, Labour and Social Welfare, the Ministry of Transport, Maritime Affairs and Telecommunications, the Ministry for Economic Development. The Strategy will aim to introduce stakeholders such as the Coastal Zone Management, the Water Management Administration, the Institute for Nature Protection, the Public Health Institute and others. During the Strategy development all existing strategic documents will be taken into the account, particularly: National Strategy for Energy Development by 2025, National Capacity Self-assessment for the Implementation of Global Environmental Conventions (adopted November 2007), Second UNECE Report of the State of the Environment in Montenegro (adopted August 2007), Republic Plan of Waste Management for the period 2008 – 2012 (adopted February 2008), Town and Country planning of Montenegro by 2020 (adopted March 2008), National policy for forest and forest land management (adopted May 2008), etc.

6.3 Minorities

Bearing in mind that finalisation of the project will ensure sustainable and harmonic regional development; the project will be sensitive to minority issues and will ensure access of all ethnic groups to participate in discussion forums on the National Development Strategy.

The project will assist beneficiaries in implementing mechanisms to ensure that in the process of drafting strategic documents the principle of equitable representation of ethnic minorities is taken into consideration.

ANNEXES

Annex 1- Log frame in Standard Format

Annex 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme

Annex 3 - Reference to laws, regulations and strategic documents:

Annex 4- Description of the Institutional framework

Annex 5- Details per EU funded contract

Annex 1- Log frame in Standard Format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Program name and number: Development Strategy of Montenegro (2010-2015) and National Development Plan : (2009/021-170)	
	Contracting period expires two years from the date of the conclusion of the Financing Agreement	Disbursement period expires one year from the final date for execution of contracts
	Total budget : 1,300,000 EUR	IPA budget: 1,000,000 EUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
To ensure the long-term balanced socio-economic development of Montenegro based on established integrated development framework in accordance with the EU Strategic Guidelines.	<p>GDP per capita in PPS growth, real GDP growth, Inflation and Labour productivity growth rate;</p> <p>Gross domestic expenditure on Research and Development trends</p> <p>Business investment and Foreign Direct Investment (FDI) trends</p> <p>Dispersion of regional employment rate</p> <p>Greenhouse gas emissions</p> <p>Energy intensity of the economy</p>	<p>MONSTAT reports (monthly, quarterly, annual) and data available through other statistics sources: Central Bank of Montenegro Reports Commission for Securities Reports Reports of the customs and tax administration and of the Ministry of Finances Business Court register Reports of the Ministry of the Economic development Reports of other public institution e.g. employment bureau, development fund, directorate for FDI promotion etc. European Commission Progress Report Analyses on economic policies progress (quarterly). Annual analyses on Development Strategy implementation progress</p>	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To prepare the Development Strategy of Montenegro 2010-2015, and the National Development Plan, including the establishment of financial and political basis, development of sound planning methodology and institutional structure	<p>Adopted strategic development documents of Montenegro with belonging annexes and implementation and financing plan</p> <p>Financial resources for the implementation of the Strategy and the Plan allocated</p>	<ul style="list-style-type: none"> • Decisions of the Montenegrin Government and the Montenegrin Parliament (Official Gazette of Montenegro) • Annual analyses on Development Strategy implementation progress 	<p>Implementation of the priorities settled in National plan by relevant institutions, within defined time framework</p> <p>Favourable world development framework</p> <p>Satisfactory dynamics of Montenegrin progress toward EU integrations</p>

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>Result 1: Current economic and social situation of Montenegro outlined and sectoral and regional development axes identified in compliance with the EC policies.</p> <p>Result 2: Operational framework for the implementation of the Strategy elaborated</p> <p>Result 3: Financial framework for the implementation of the Strategy elaborated</p> <p>Result 4. Improved strategic planning capacity of Montenegro</p>	<ul style="list-style-type: none"> • Collection of macroeconomic, demographic and social indicators • Strength, weaknesses, opportunities and threats identified • A set of priorities identified and agreed by stakeholders • Objectives (indicators targets) established • Established implementation plans (incl. management, monitoring and evaluation indicators and procedures, financial management and control and technical assistance) • Financial tables prepared and donors/financial sources identified • At least 50 public servants trained on strategic planning, economic analysis, identification and formulation of the projects, budgeting etc., • Number of training events organised. 	<p>Reports of the Coordination Team</p> <p>Project/contractors' reports</p> <p>Report of Civil Servants Directorate of Montenegro (Uprava za kadrove Crne Gore)</p>	<p>Political consensus on the need of a development strategy and national plan and on the viability of the development methodology used</p> <p>Public well informed and supportive</p> <p>The Government politically and financially supports the process and the outcomes. It shall commit itself to ensuring the funding needed to implement the national Development Strategy and this decision has to be reflected in the annual state budget.</p>

Activities	Means	Costs	Assumptions
<p>Activity 1: Drafting of country Development Strategy (DS) 2010-2015</p> <ul style="list-style-type: none"> 1.13. Selection of a DS Elaborator 1.14. Establishment of a Group for Preparation of DS 1.15. Development of the methodology by the Elaborator 1.16. Verification of the methodology by the Coordination Team 1.17. Preparation of informational bases and definition of development priorities 1.18. Verification of defined priorities by the Coordination Team 1.19. Assessment of the development priorities for compliance with the EU policies – by the Group for Preparation of DS and the DEC 1.20. Establishment of Sector Technical Groups to cover the agreed priorities 1.21. Preparation of short situation analyses for priority sectors 1.22. SWOT workshops organized for priority sectors 1.23. Preparation of in-depth situation analyses for priority sectors (based on SWOT outcomes) 1.24. Adoption of the document which comprehend all in-depth situation analyses – the first draft of the Strategy <p>Activity 2: Drafting of the plans for implementation of the Strategy</p> <ul style="list-style-type: none"> 2.1. Establishment of ex-ante evaluators team 2.2. Drafting of operational programmes and action plans 2.3. Preparation of the joint framework document which comprises also the financial breakdown according to the measures and the financial tables 2.4. Identification of type of financial resources and potential sources 2.5. Preparation of proposal for management and supervision 2.6. Public consultations/discussions 2.7. Preparation of the Strategy's second draft, belonging documents, institutional arrangement for its management, implementation, monitoring and evaluation 2.8. Proposing the Strategy's second draft to the Coordination Team on verification 	<ul style="list-style-type: none"> • Contract 1: Service – funded by the national authorities – will cover Activity 1 and will provide also additional support for the other activities (without having the main responsibility) • Contract 2: Twinning - funded by IPA – will cover Activities 2, 3 and 4. 	<p>National co-financing: 300 000 EUR – service contract</p> <p>IPA funding: 1.000.000 EUR – twinning contract</p>	<ul style="list-style-type: none"> • Political and experts' consensus on development process and on the methodology for drafting the Development Strategy of Montenegro 2010-2015 and the national Development Plan (NDP) and in consequence – on the results of the elaboration process (priorities and financial means identified). • Appropriate involvement of all stakeholders in providing information and participation in the project activities. • Efficient cooperation among sectors and institutions established. • Availability of reliable data.

<p>Activity 3: Defining means for financing the Strategy</p> <ul style="list-style-type: none"> 3.1. Drafting of a financial plan for Strategy's realization 3.2. Preparation of the macroeconomic model to estimate impact of Strategy's implementation, as well as, impact of allocation of public finances for its realization 3.3. Compilation of the Strategy's third draft 3.4. Discussion of the draft with all stakeholders involved into the process 3.5. Revised third draft of the Strategy proposed to the Coordination Team on approval 3.6. Coordination Team and the Delegation of European Commission proposing to the Government to proceed the Strategy further, i.e. to send it to the Parliament for adoption 3.7. Implementation of promotional activities aimed at raising the awareness on the significance of the National development plan and strategic planning in general. <p>Activity 4: Capacity Development Activities</p> <ul style="list-style-type: none"> 4.1. Training Needs Assessment 4.2. Training and seminars for state officers. 4.3. At least two study visits to EU countries. 			
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Annex 2- Amounts in EUR contracted and Disbursed per Quarter over the full duration of Programme

Contracted	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Contract 2	1,000,000							
Cumulated	1,000,000		0	0	0	0	0	0
Disbursed		Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q1 2012
Contract 2		533,333		150,000	150,000		66,667	100,000
Cumulated		533,333	533,333	683,333	833,333	833,333	900,000	1,000,000

Annex 3 - Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

- Constitution, articles 82 and 100;
- The Regulation on Organization and Way of Work of Public Administration, Article 31;
- Law on Territorial Organization of Montenegro,
- Law on Local Self-Government;
- Law on Local Self-Government Financing;
- Law on Personal Income Tax;
- Law on Corporate Profit Tax;
- Law on Spatial Planning and Development;
- Law on Control of State Aid and Support;
- Law on Ratification of the Framework Agreement between the Government of Montenegro and the European Community Commission on the rules for cooperation regarding the financial assistance of EC to Montenegro within implementation of the instrument for pre-accession assistance (IPA).

Reference to AP /NPAA / EP / SAA

- Stabilization and Association Agreement, Chapter 8 – Policies of Cooperation, Articles 88-98; 109-111; 118;
- National Program for Integration (NPI) 2008 – 2012: Chapter 3.22 Regional Policy and Coordination of Structural Instruments
- European Partnership (Council Decision on the principles, priorities and conditions contained in the European Partnership with Montenegro 5047/07) obliging Montenegro to work on following activities:
 1. Develop an overall environment protection strategy (water, waste, air).
 2. Adopt the Land Use Plan;
 3. Adopt the Sustainable Development Strategy and sectoral strategies (integrated coastal zone management, biodiversity, climate change).
 4. Strengthen environmental management administrative capacity.
 5. Complete and implement the Energy Development Strategy.
 6. Upgrade the Public Internal Financial Control strategy with references to short- and medium-term objectives.
 7. Strengthen the administrative capacity of the Ministry of Economy and other capacity building activities.

Reference to MIPD

Commission Decision C(2007)2269 of 01/06/2007 on a Multi-annual Indicative Planning Document (MIPD) 2007-2009 for Montenegro:
Strategic Approach to Development – Page 5:

“Improve the socio-economic situation of the country and its population by dealing with issues and sectors related to employment generation, education, social inclusion, health, business environment, SMEs, restructuring and competitiveness, fiscal and macroeconomic matters, as well as infrastructure and rural development. Some activities which will prepare the country for future structural funds may be funded under the second subcomponent.

Approximate to European Standards in sectors related to the introduction and implementation of the EU ‘Acquis’ in all areas, including the overall coordination of the European integration process. It will continue to strengthen Montenegrin administrative capacity to implement the SAA, to develop local ownership of the Pre-Accession Instrument (IPA), to prepare for the introduction of the Decentralised Implementation System (DIS) and to EU funds management. Participation to Community Programmes is also covered under this third sub-component.”

Partnership Principle – Page 14: “The Montenegrin Government is in the process of devising a strategy for cooperation between NGOs and the Government, with a goal to enhance cooperation in areas which are of crucial importance in the fulfilment of Copenhagen criteria. In the past indeed cooperation between the government and NGOs has not been free of problems.”

Capacity Building – Page 11:

“One of the key considerations in Montenegro is the limited **administrative capacity** as well as the existence of many actors with an independent role, who need to coordinate themselves.”

Annex 4- Description of the Institutional framework

The project is prepared by the Secretariat for Development.

The Secretariat for Development has two sectors: Sector for development and Sector for informatics. Sector for Development performs the following:

- Participating in drafting development strategies
- participating in creation of economic policy, strategies and policies of regional development
- preparing and evaluating justification for different developmental and investment programs that are of interest for Montenegro
- evaluating basic economic proportions and balances
- assessing and selecting measures for implementation of determined development policy as well as coordinating with other relevant state institutions
- providing expertise for drafting laws and sub-laws in the area of regional development
- developing methodology for monitoring the implementation of developmental and ongoing economic policy measures
- creating databases and developing IT systems necessary for economic analysis
- maintaining and statistical analysis of data on macroeconomic indicators

Sector for informatics has several departments including: department for planning, standardization, supervision, software development and education; department for hardware and systematic software; department for communication and security; department for support to projects and users; department for legislation implementation and European integration; and legal office.

Some of the above mentioned tasks of Secretariat for Development might be transferred to some other public administration authority, due to possible reorganization of Government.

Annex 5- Details per EU funded contract

The project will be implemented through 2 contracts.

Contract 2: Twinning Contract, financed by EU will cover the activities related to drafting of the plans for implementation of the Strategy (action and operational programmes), defining means for financing of the Strategy (relating action plans to different sources of public funds: local, regional, national, EU, bilateral grants, loans) and Capacity Development Activities.

A. Activities to be covered

More specifically this contract will ensure:

- Establishment of ex-ante evaluators' team;
- Drafting of operational programmes and action plans;
- Preparation of the joint framework document which encircle financial breakdown of measures and financial tables;
- Identification of type of financial resources to be engaged by national priority;
- Preparation of proposal for management and supervision of implementation of Operational Programmes i.e. Strategy;
- Public consultations/discussions;
- Preparation of the Strategy's second draft and proposing it to the Coordination Team on verification;
- Drafting of the proposal financial plan for Strategy's realization;
- Preparation of the macroeconomic model to estimate impact of Strategy's implementation, as well as, impact of allocation of public finances for its realization;
- Implementation of promotional activities aiming improvement of awareness regarding significance of National development plan and strategic planning;
- Preparation and implementation of training and seminars for state officers in field of strategic planning in accordance to principles of structural funds, regional development, identification of projects which have national significance, their formulation etc;
- Study visits to EU countries with most experience in this field.

B. Project management - the twinning contract will require: a Resident Twinning Advisor, a Project Assistant and Short-term Experts

Profile of the Resident Twinning Advisor (RTA) – 18 months

- a) A senior expert with at least ten years of professional experience, including some experience in the key areas covered by this assignment: Development of strategic documents, especially National Development strategy and National Development Plan.
- b) Experience and profound knowledge of EU standards and best practise related to activities

- c) Strong written, oral and inter-personal communication skills
- d) Excellent oral and written English
- e) Experience in drafting strategic documents
- f) Experience in similar technical and legal assistance assignments in third countries will be considered an asset.
- g) Experience in new EU member states (Eastern Europe countries)
- h) Experience in Western Balkans countries

Project Assistant will assist RTA (18 months) in coordination and implementation of the activities and exact profile will be decided at the level of detailed work programme.

Number of short term experts will have to cover relevant activities, but the exact profile will be decided at the level of detailed work programme.

In addition, the project envisages **Contract 1: Service** financed by National Contribution. The Contract will be tendered in a timely manner, in order to guarantee the finalization of the first phase of the project. It will cover the preparation of the final proposal of the Development Strategy of Montenegro 2010-2015.

Overall contribution of the EU is 1,000,000 EUR while national contribution is 300,000 EUR. In kind support will be provided as well to ensure training space, translation service and office for RTA and project assistant.