Montenegro

INTEGRATED UNITED NATIONS PROGRAMME,
RESULTS AND BUDGETARY FRAMEWORK
(2010 – 2015)

FOR MONTENEGRO

JOINT RESOURCE MOBILIZATION AND PARTNERSHIP STRATEGY

MAY 2010

1 Introduction

This Joint Resource Mobilization Strategy is a living document, which will be built upon and improved as a result of the inception of the Integrated UN Programme and establishment of the UN Country Fund for Montenegro. The strategy will be reviewed on an annual basis in order to take stock of performance and tailor the strategy and related Action Plan to the country situation and global trends. The first elements of this Strategy and the Action Plan for 2010 (see Annex 1) were first prepared as part of the Integrated UN Programme, Results and Budgetary Framework (2010 – 2015) for Montenegro.

Being at the inception stage, and given that there will be a two year Transition phase for the Integrated UN Programme, developing and strengthening donor relations and building strong partnerships will be key objectives in 2010. Additionally, proving the value of the Integrated UN Programme and the UN Country Fund, as well as documenting results, will also be crucial.

2 Official Development Assistance and the contribution of the UN system

Following the restoration of independence in 2006, Montenegro has continued to register an annual inflow of Official Development Assistance (ODA) of around US$100m, despite its Middle Income Country status (according to WB criteria). The latest available data from the Organization for Economic Co-operation & Development (OECD) indicate that Montenegro received some US$106.3m in ODA in 2008 (see Table 1). Of this, US$72.9m came from bilateral donors, US$10.9m came from the EC and US$33.4m from multilateral agencies, including the UN system.

It is estimated that resident and some regionally-based UN organizations delivered some US$11.8m in programmes, projects and activities in 2008, representing over 10 per cent of total ODA grant assistance to Montenegro.

Table 1: Official Development Assistance (in millions of US$) to Montenegro (2006 – 2008)[1]

DONORS	2006			2007			2008		
	Grants	Loans	TOTAL NET	Grants	Loans	TOTAL NET	Grants	Loans	TOTAL NET
All Donors	78.07	17.44	95.50	83.93	24.26	105.76	73.05	40.81	106.3
Bilateral sources	58.74	3.43	62.16	47.52	16.52	61.61	56.54	23.95	72.93
Multilateral sources	19.33	14.01	33.34	36.41	7.74	44.15	16.51	16.86	33.37
EC	18.13	0	18.13	31.57	0	31.57	10.94	1.44	10.94

[1] Data extracted on 10 Dec 2009 15:06 UTC (GMT) from OECD.Stat

3 Donor analysis

The largest bilateral donors to Montenegro in 2008 were: Germany (US$14.9m), France (US$9.9m), U.S.A. (US$9.1m), Italy (US$5.8m) and Turkey (US$5.25m), but this picture is skewed by the loan facility data (see Table 2). In relation to grant assistance, however, it is clear that EU Member States, countries that have historical associations with Montenegro (such as Austria, Hungary and Turkey), as well as Norway, Japan and the USA, form a solid donor base for Montenegro. It will be important that these countries are given special attention in joint resource mobilization efforts for the Integrated UN Programme. Many of these potential donors to the UN Programme have resident diplomatic missions in Montenegro but, those that do not, have missions in a neighboring country but with responsibility for Montenegro.

Table 2: Largest bilateral donors to Montenegro (2007 and 2008)

DONORS	2007			DONORS	2008		
	Grants	Loans	TOTAL NET		Grants	Loans	TOTAL NET
USA	11.69	**	11.69	Germany	9.4	11.66	14.92
France	4.27	2.25	6.52	France	0.64	9.31	9.94
Sweden	5.58	**	5.58	USA	9.13	**	9.12
Norway	4.18	**	4.18	Italy	5.89	**	5.78
Japan	3.92	**	3.92	Turkey	5.25	**	5.25
Luxemburg	3.45	**	3.45	Luxemburg	4.89	**	4.89
Austria	2.97	**	2.97	Sweden	4.18	**	4.18
Germany	1.10	1.04	2.14	Norway	3.99	**	3.99
Italy	2.10	**	2.10	Austria	3.58	**	3.58
Turkey	1.19	**	1.19	Poland	0.02	2.98	3.00
Canada	1.06	**	1.06	Japan	3.14	**	1.85
Netherlands	1.03	**	1.03	Hungary	1.67	**	1.67

4 Funding patterns and partnerships of Participating UN Organisations

4.1 Core Resources

The Core or Regular Resources available to Participating UN Organisations[2] represent the essential foundations for most agency-specific programmes and projects, and are also used to cover many of the costs of maintaining a country presence. Core Resources are disbursed directly to the Participating UN Organisations and remain within the control of the agency. Nonetheless, by virtue of the Integrated UN Programme, these Core Resources function as a virtual fund within the Integrated Budgetary Framework and are applied in support of the Integrated Results Framework.

[2] The term Participating UN Organisations refers to all the UN programmes, funds and agencies, as well as IOM, which are engaged in the Integrated UN Programme for Montenegro

However, Core Resources contribute less than half of the budget for the Integrated UN Programme, making Non-core or Extra-budgetary Resources a critical component of the annual Planned Budget.

Table 3: Core Resources of Participating UN Organisations

YEAR	Planned Budget components:				TOTAL Planned Budget
	Core or Regular Resources	Core Resources as a percentage of Planned Budget	Non-Core or Extra-budgetary Resources	Funding Gap	
2008	**7.161.314**	**37.5%**	**7.274.563**	**4.724.000**	**19.159.877**
2009	**7.409.837**	**41%**	**6.829.247**	**4.115.000**	**18.354.184**
2010[3]	**8,627,337**	**20.5%**	**13,773,626**	**21,101,654**	**41,892,165**

4.2 Extra-budgetary Resources for Participating UN Organisations

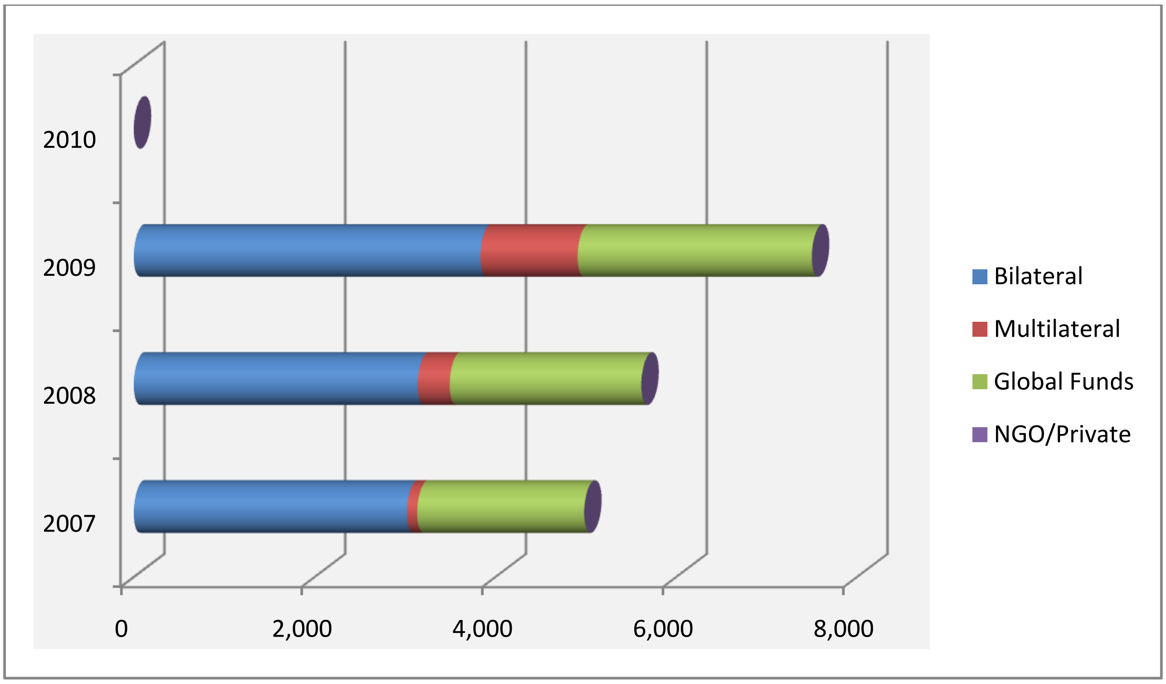
Extra-budgetary or Non-core Resources for UN programmes and projects can come from a variety of sources, but they can be grouped under four categories: (1) bilateral donors and country-specific development agencies; (2) inter-governmental bodies and multilateral institutions; (3) global funds and UN trust funds; and (4) civil society, including NGOs and the private sector.

Based on data for the last three years, it is apparent that the UN system in Montenegro has relied heavily on bilateral donors and global funds for the vast majority of Extra-budgetary Resources. In 2009, just over half of Extra-budgetary Resources came from bilateral donors and just over a third came from global funds and UN trust funds. However, there is clear evidence of the growing importance of multilateral donors to the UN system in the form of European inter-governmental bodies and European multilateral institutions. This seems understandable given the importance attached to the process of EU accession.

Table 4: Sources of Extra-budgetary Resources for the UN in Montenegro

Source of funding:	**2007**		**2008**		**2009**	
	US$	**%**	US$	**%**	US$	**%**
Bilateral donors	3,021	61	3,141	56	3,834	51
Multilateral donors	115	2	354	6	1,077	14
Global Funds / Trust Funds	1,847	37	2,120	38	2,591	35
NGO and Private Sector	0	0	0	0	0	0
	4,983	100	5,615	100	7,502	100

[3] Integrated UN Programme, Results and Budgetary Framework (2010 – 2015), *Phase I: 2010 – 2011.* Budgetary Framework – First Quarter (Q1) Revision, issued on 14 April 2010



4.3 Bilateral donors

There are only five bilateral donors that have contributed over half a million US dollars to the UN in Montenegro since 2007. Of these five, Sweden and The Netherlands have been the most consistent and reliable. The contributions of Norway and the UK seem to be growing, but those of Slovenia shrinking. It is worth noting that the diplomatic missions to Montenegro of Sweden, Netherlands and Norway are all in Belgrade, Serbia. It is also important to recognize that Sweden, The Netherlands, Norway and the UK are strong supporters of UN Reform and DaO, The Netherlands, Norway and the UK are contributors to the Expanded DAO Funding Window and all have a track record of putting Extra-budgetary Resources through One UN Funds in One UN Pilot countries.

Table 5: The top five bilateral donors to the UN in Montenegro

Donor:	2007	2008	2009	2007-09	2010	Location of Mission
Sweden	1,274	1,223	1,052	3,549	1,580	Belgrade, Serbia
The Netherlands	698	1,034	1,425	3,157	1,512	Belgrade, Serbia
Norway	0	224	212	436	675	Belgrade, Serbia
Slovenia	684	57	4	745	122	Podgorica, MNE
UK	38	199	325	562	0	Podgorica, MNE

4.4 Global Funds and UN Trust Funds

To date, global funds and UN Trust Funds have been important sources of funding primarily for UNDP in Montenegro. However, UNICEF has also been successful in accessing modest resources from its own Headquarters-administered global and thematic funds. Regionally-based and specialized agencies have also made use of global funds for specific activities in Montenegro, sometimes in the context of a regional programme or project.

Because of the processes of these Funds, resources allocated from them are often multi-year, which is very valuable and contributes to better funding predictability. However, some of these funds may become more difficult to access in the future due to Montenegro's Upper-Middle Income status.

Prior to the successful submission to the Expanded DAO Window, all previous resources received by UN organizations in Montenegro from global funds have been "vertical" or agency-specific in nature. With the creation of the UN Country Fund for Montenegro the arrangements for applying, receiving and reporting on such agency-specific resources is unchanged and these resources will not go through the Country Fund but function in parallel to it.

Table 6: Vertical Global and UN Trust Funds, by UN Organisation

Name of Fund:	2007	2008	2009	2010[4]	UN Org
UN Democracy Fund (UNDEF)	118	153	26	0	UNDP
Global Environment Fund (GEF)	0	148	512	758	
Global Fund to Fight AIDS, Tub. & Malaria[5]	1,476	1,421	1,201	723	
Sub-total for UNDP	**1,594**	**1,722**	**1,739**	**1,481**	
Global Environment Fund (GEF) (estimation - as part of sub-regional project)	0	0	0	100	UNEP
Montreal Protocol Fund	21	104	250	0	UNIDO
UNICEF Basic Education and Gender Equality	75	124	266	80	UNICEF
UNICEF Child Protection	71	73	116	128	
UNICEF Global Child Protection Thematic Funds	11	4	0	0	
UNICEF Global Girls Education Thematic Funds	0	18	42	0	
UNICEF Policy advocacy and partnership	0	0	43	95	
Sub-total for UNICEF	**157**	**219**	**467**	**303**	
UNAIDS – Programme Acceleration Fund (PAF)	75	75	125	75	UNRCO
UNAIDS – Regional Support Team (RST)	0	0	10	0	
TOTALS:	1,847	2,120	2,591	1,959	

4.5 Inter-governmental Bodies and Multilateral institutions

Given the over-riding goal of the Montenegro Government to join the European Union and the national priorities expressed in the National Programme of Integration to the EU, 2008-2012 (NPI), European inter-governmental bodies and multilateral institutions are of fundamental and growing importance to the UN in Montenegro, not simply as donors but also as strategic development partners. Since 2007, the European Commission (EC) has been the most consistent and significant multilateral donor to the UN, facilitated in part by the global Financial and Administrative Framework Agreement (FAFA) between the EC and

[4] As of 30 April 2010, based on information provided by Participating UN Organisations
[5] These allocations reflect Round 5 funding only. Successful application made to Round 9, but exact funding allocations of approx. US$4.7m (2010 – 2014) still pending.

UN[6], through which UN organization may manage EC contributions in accordance with their own regulations and rules. However, even more important than the FAFA has been the opportunity for UN agencies to be a channel for EC pre-accession funding as long as it is part of a government project that addresses a pre-accession priority and is approved by the EC. Nonetheless, such EC funding should not go through UN agencies to the detriment of national institutional capacity development efforts, whether governmental or non-governmental. On the contrary, the UN should be an advocate of direct EC support to strengthening of government, civil society and NGOs whenever possible. See Section 5.4.1 below.

Table 7: Montenegro: Multi-annual Indicative Financial Framework in

Name of Fund:	2007	2008	2009	2010[7]	UN Org
EUROPEAN COMMISSION	0	122	127	0	UNDP
EUROPEAN COMMISSION	95	64	0	0	UNHCR
EUROPEAN COMMISSION	0	74	135	85	
EUROPEAN COMMISSION	20	48	60	2	
EUROPEAN COMMISSION	0	46	306	262	UNICEF
OSCE	0	0	449	48	UNDP
TOTALS:	115	354	1,077	397	

4.5.1 Commission of the European Communities (EC)

Between 1998 and 2006 the EC committed over € 277 million to Montenegro. In January 2007, a revised European Partnership was approved for Montenegro[8], giving it the status of “potential candidate” and, in May 2007, the government adopted an action plan for implementation of the Partnership. The Instrument for Pre-Accession Assistance (IPA) is the Community’s financial instrument for the pre-accession process for the period 2007-2013.

A Multi-annual Indicative Planning Document (MIPD) is the strategic document for IPA.
It is established for a three year rolling period, with annual reviews. It follows the Multi-annual Indicative Financial Framework (MIFF) which allocates funds by country and by component.

Table 8: Montenegro: Multi-annual Indicative Financial Framework from 2007

Component	Amount (€ millions (current prices)[9]				
	2007	2008	2009	2010	2007-10
I. Transition assistance and institution building	27.5	28.1	28.6	29.2	**85.9**
II. Cross-border cooperation	3.9	4.5	4.7	4.8	**14.0**
Total	**31.4**	**32.6**	**33.3**	**34.0**	**99.9**

[6] Financial and Administrative Framework Agreement between the European Community, represented by the Commission of the European Communities, and the United Nations; 29 April 2003
[7] As of 30 April 2010, based on information provided by Participating UN Organisations
[8] Council Decision of 22 January 2007 on the principles, priorities and conditions contained in the European Partnership with Montenegro (2007/49/EC) (OJ L20, 27 January 2007)
[9] Instrument for Pre-accession Assistance (IPA), Multi-annual Indicative Planning Document (MIDP), 2008 – 2010, Montenegro

A key lesson learnt from the 5th enlargement process is that reforms in the judiciary and rule of law should be tackled at an early stage of the pre-accession process in order to produce results on time. On the assistance side, the main lessons learned from EC assistance to Montenegro are the need to ensure ownership of the beneficiaries and sufficient absorption capacity. This requires that: (i) projects are mature and well designed; (ii) staffing in the relevant institutions is adequate, and where institutions do not exist, they should be created and strengthened; (iii) there is a mobilization of the civil society and a political consensus on key reform activities; (iv) there is an efficient donor coordination system, based on strategic reform priorities and in particular on its drive towards European integration; (v) Montenegrin administration should be encouraged to develop a greater inter-sector awareness and cooperation relating to the use of EU co-funding.

These lessons from EC enlargement and assistance to Montenegro are of fundamental relevance to the UN system and should also help guide how and with whom we implement the Integrated UN Programme. The UN system's normative and operational roles, neutral positioning, convening power, policy expertise and technical capacity should be combined to complement and support IPA implementation over the coming years. In this regard, UN agencies should keep well informed on EC institutional issues including the implications of the Lisbon Treaty as well as emerging priorities in accession and future approaches to accession support.

4.5.2 The World Bank and other international financial institutions

The international financial institutions in general focus on investment in infrastructure projects, particularly the European Investment Bank (EIB). The European Bank for Reconstruction and Development (EBRD) supports environmental infrastructure but also supports small and medium business development. The World Bank (WB) in particular focuses on poverty reduction and, in the coming years, it will make a loan facility in support of rural development. The World Bank is a member of the UNCT in Montenegro. While the Bank is not an integral part of the Integrated UN Programme, on-going collaboration will be enhanced in the areas of capacity development, education, economic governance and environment.

4.6 Government cost-sharing, partnerships and joint programmes

4.6.1 Government cost-sharing

Since 2007, the formal contribution of the Government of Montenegro to UN programmes in the country has gone from zero to over US$ 1 million (see Table 9). These are monetized contributions to UNDP projects.

Table 9: Growth in government cost-sharing

	2007	2008	2009	2010
Government of Montenegro to UNDP (US$ million)	0	84	221	1,026

In the case of other UN agencies, as well as UNDP, the government contribution is represented in different ways, including human resources, use of buildings and other assets. Under the Integrated UN Programme, with the alignment of UN and government development priorities, cost-sharing can be expected to increase and there should be greater synergy between UN and government for the achievement of Outcomes.

4.6.2 Partnerships

The UN in Montenegro has already made some progress in establishing partnerships with other development partners working in the same Outcome areas. These will start to be mapped through the preparation of detailed Donor Profiles later in 2010.

Table 10: Existing Outcome area Partnerships

Outcomes:	Participating UN Organisations:	Development Partners:
To be mapped as part of Donor Profile preparations		

4.6.3 Joint Programmes

Within the framework of the UNDP-Government of Spain MDG Achievement Fund (MDG-F) a number of Concept Notes were prepared by various groupings of UN agencies in 2008 and 2009. These proposals will be recorded while preparing detailed Donor Profiles later in 2010. However, none of these proposals attracted funding.

4.7 Civil society, NGOs and the private sector

Partnership with the private sector is largely underdeveloped. Both UNDP and UNICEF have conducted surveys on the “market” and UNDP has some small scale experience of private sector partnership. UNICEF, too, through the School without Violence project had some dealings with the private sector, but it has not taken off. There are also agency specific standards that need to be taken into consideration (vis a vis corporate social responsibility) and an agreement within UNCT before a specific private sector partner is approached for potential support to the Integrated UN Programme.

5. Elements of the Joint Resource Mobilization and Partnership Strategy

5.1 Resource Mobilization for the Integrated UN Programme

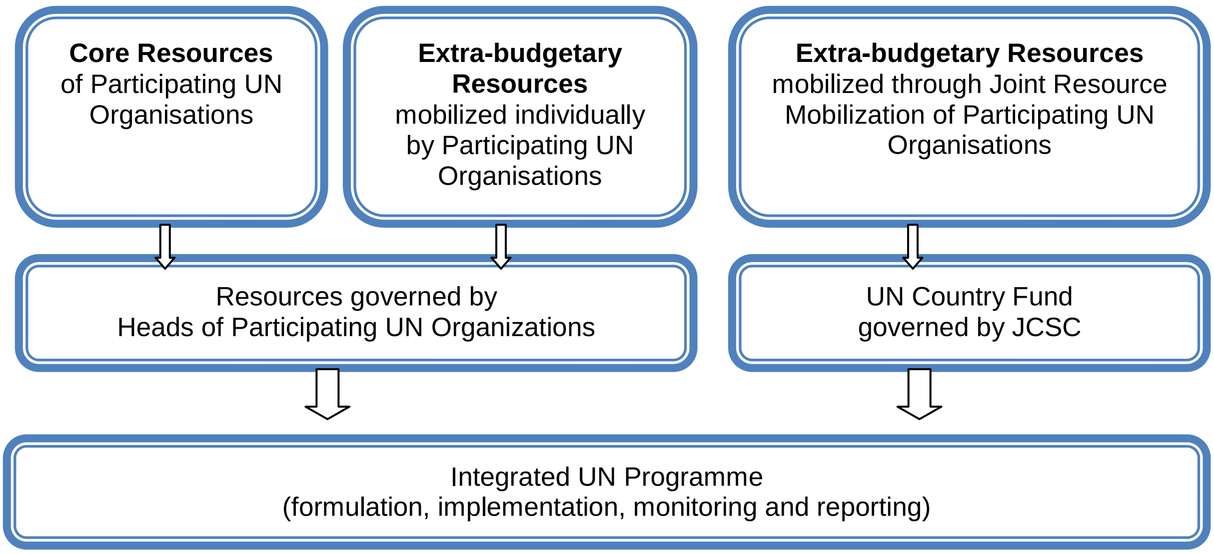
Guided by the goal of jointly achieving the Outcomes of the Integrated UN Programme, the UNCT has decided to address the current funding gaps through a combination of agency specific and joint UN resource mobilization, including through the establishment of a UN Country Fund for Montenegro.

Individual UN agencies have played, and will continue to play, a key role in mobilizing Extra-budgetary for Outcomes and Outputs within their mandate areas. This Extra-budgetary Resource funding together with the agencies' Regular Resources cover only part of the financial requirements to achieve the planned Outcomes, annual Results and specific Outputs. Therefore, the Participating UN Organizations under the RC's leadership will raise funds for the UN Country Fund from which additional support for priority Outputs can be allocated by the Joint Country Steering Committee.

The objective of joint resource mobilization is to secure funds for national priorities as indicated in the UN Annual Work Plan and Pillar Annual Work Plans, as approved by the Joint Country Steering Committee. Joint resource mobilisation should preferably seek donor contributions with a maximum of flexibility in planning and funds allocations. Therefore, multi-year un-earmarked contributions are to be encouraged. However, earmarked funding for a specific Pillar will also be welcomed.

The diagram below illustrates how the combination of funds (Core and Extra-budgetary Resources), managed by Heads of Participating UN Organizations, and jointly mobilised resources, managed by the Joint Country Steering Committee, all contribute to the implementation of the Integrated UN Programme.

Diagram 1: Funding of the Integrated UN Programme



Joint resource mobilization should have the following tangible benefits:

- a significant reduction in parallel resource mobilization efforts and competition for resources leading to a considerable reduction in transaction costs for both partners and Participating UN Organizations
- an increased ability of the UN-system to coordinate, align its efforts and mobilize the resources required to support national development priorities
- an improvement in funding predictability
- a funding channel for donor countries without a presence in Montenegro
- a reduction in transaction and outreach costs for the Government of Montenegro

If individual Participating UN Organizations, based on special relations with specific development partners, decide to mobilize resources directly, they will ensure that the donor approached is introduced to the principle of the UN Country Fund, as well as to the strategic programmatic framework provided by the Integrated UN Programme. All Participating UN Organizations will regularly share information on individual and joint resource mobilization initiatives and subsequent results. This will ensure that individual resource mobilization efforts are complementary rather than overlapping and competing, and contribute to a real time overview of the resource gap.

5.2 Funding Gap and Gap Analysis

Establishing an overview of the Funding Gap is the basis for resource mobilization. The Funding Gap is the difference between the total Planned Budget for each Outcome and the Resources (Core and Extra-budgetary) Committed to each one. The Participating UN Organizations are responsible for submitting the data for this mapping exercise and the Pillars Working Groups, together with key government counterparts, should validate the Funding Gap. The mapping provides the UNCT and the Pillars Working Groups with an overview of areas requiring additional efforts in resource mobilization and/or partnerships.

According to the Gap Analysis for 2010, a total of US$ 38.6 million is required to implement all the planned activities related to all three programme Pillars. Of this amount, half (50%) is already committed through the allocation of Core and/or Extra-budgetary Resources by Participating UN Organisations. However, the level of commitment is significantly higher in Democratic Governance (53%) and Social Inclusion (50%) than in the SEDEP pillar (39%), suggesting, perhaps, that the Planned Budget for SEDEP is overly ambitious.

The total Funding Gap for all three Programme Pillars in 2010 is US$ 20.9 million, representing slightly more (108%) than the total resources already committed by Participating UN Organisations by the end of March 2010. This is probably an unrealistic resource mobilization target. Such a high target can raise false expectations on the part of government and takes little account of implementation and absorption capacity. As a general rule, a realistic Funding Gap is not more than 50% of Resources Committed. Fortunately, the funding gap is not uniformly high across all the three Pillars. Again, the SEDEP pillar has a Funding Gap of over 150% of Resources Committed while the figures for Social Inclusion and Democratic Governance are below 100% (albeit still too high at 98% and 90% respectively).

Analyzing the Funding Gap at the Outcome level is also revealing. Relatively modest amounts of resources, for example, would completely fund Outcomes 2.1 (US$ 198,000) and 2.3 (US$ 439,752) in Democratic Governance. Slightly more significant sums would completely fund Outcome 3.2 (US$ 585,000) in SEDEP and Outcome 1.1 (US$ 632,500) in Social Inclusion. With less than US$ 1.9 million, four out of the nine Outcomes could be fully funded for 2010. **Therefore, UNCT proposes that for these more modest sums, agency-specific resource mobilization is recommended.**

Table 11: Gap Analysis for 2010

OUTCOMES / PILLARS	TOTAL Planned Budget for 2010[10]	Resources Committed for 2010[11]	Commitment as % of requirement	Funding Gap for 2010	Gap as % of committed
Outcome 1.1:	1,271,600	639,100	50	632,500	99
Outcome 1.2:	3,206,902	1,865,079	58	1,341,823	72
Outcome 1.3:	7,041,375	3,288,108	47	3,753,267	114
Social Inclusion	11,519,877	5,792,287	50	5,680,280	98
Outcome 2.1	734,771	535,971	73	198,800	37
Outcome 2.2	14,540,492	7,029,892	48	7,510,600	107
Outcome 2.3	1,953,995	1,514,243	77	439,752	29
Democratic Governance	17,229,258	9,080,106	53	8,149,152	90
Outcome 3.1	4,786,090	1,776,090	37	3,010,000	169
Outcome 3.2	1,472,481	887,481	60	585,000	66
Outcome 3.3	5,179,758	1,769,758	34	3,410,000	193
SEDEP	11,438,329	4,433,329	39	7,005,000	158
Total 2010	**38,577,013**	**19,306,022**	**50**	**20,881,742**	**108**

At the other end of the scale are the Outcomes with very significant Funding Gaps, including Outcome 2.2 (US$ 7.5 million), Outcome 1.3 (US$ 3.8 million), Outcome 3.3 (US$ 3.4 million) and Outcome 1.2 (US$ 1.3 million). These four Outcome areas were all given high priority by the respective Pillar or Sector Working Groups as they contain sub-programmes, projects and activities that are clearly perceived as responding to national development priorities, such as health sector reform and the fight against corruption in health services, as well as judicial reform (under Outcome 2.2), inclusive and durable solutions for the residents of Konik (under Outcomes 1.3), business and rural livelihood development in the north of Montenegro (under Outcome 3.3) and improving mental health policy (under Outcome 1.2). **The UNCT proposes that for these more ambitious, potentially controversial or risky sets of sub-programmes, projects and activities, a concerted approach is adopted by the UN through not only joint resource mobilization for the UN Country Fund but also the forging of robust partnerships with a broad range of stakeholders.** Within these

[10] Integrated UN Programme, Results and Budgetary Framework (2010 – 2015); *Phase I: 2010 – 2011.* Budgetary Framework – First Quarter (Q1) Revision, issued on 14 April 2010
[11] As of 30 April 2010, based on information provided by Participating UN Organisations

Outcome areas, priorities will be in accordance with the UN and Pillar Work Plans approved by the Joint Country Steering Committee.

5.3 Joint Resource Mobilisation for the UN Country Fund

There are three categories of Extra-budgetary Resources: (1) existing or "funded" allocations already supporting ongoing agency-specific commitments (some into 2011) but forming part of the Integrated UN Programme from 2010, (2) new resources for "unfunded" components of the Integrated UN Programme that come from "vertical funding sources" that are agency-specific sources (e.g. global and UN trust funds, UNICEF National Committees, etc.) for agency-specific activities, but forming part of the Integrated UN Programme, and (3) new resources for "unfunded" components of the Integrated UN Programme through allocations and contributions to the UN Country Fund. Through joint resource mobilisation efforts, Participating UN Organisations commit to focusing future resource mobilization efforts on attracting substantial new contributions to this third category, the UN Country Fund.

5.3.1 <u>**High quality information and communication materials and tools**</u>

It is important to keep existing donors informed and engaged as well as attract the attention for potential new donors.

- An up-to-date Briefing Note on the Integrated UN Programmme
- A high quality and regularly up-dated UN Montenegro web-site
- A high quality periodic UN Newsletter
- A comprehensive mailing list of donors (resident, non-resident in neighbouring countries and focal points in donor capitals) and stakeholders

5.3.2 <u>**Well researched, structured and presented Priority Proposals**</u>

Based on further consultations with government and joint meetings of the UN Pillar Working Groups with Sector Working Groups, a short-list of national priorities need to be agreed. For each of these Priority Proposals, full project and budget documentation must be prepared as a pre-requisite for effective joint resource mobilization. There should be a number of steps in the process of project formulation, including:

- Preparation of a Concept Paper for approval of the Pillar / Sector Working Group
- Preparation of a detailed funding proposal, multi-year budget and implementation plan that is approved by the Pillar / Sector Working Group and UNCT
- Official joint launch of the Priority Proposal by UN and government

5.3.3 <u>**Well prepared meetings with donor representatives in neighbouring countries**</u>

There is a recognized need for the UN in Montenegro to engage is some outreach to non-resident donors, some of whom are supporters of the UN and UN reform already and others who may need to be convinced about the needs of Montenegro.

- Meetings with existing donors in Belgrade, Serbia: Sweden, The Netherlands, Norway and Spain (as a EFW contributor)
- Meetings with potential donors in Belgrade, Serbia: Canada, Denmark, Japan and Switzerland

5.3.4 **Well prepared visits to selected donor capitals**

Whether the donor has a resident mission or not in Montenegro, there is much merit in engaging donors in their own donor capital. This is especially applicable to the Montenegro case as its upper-middle income status and progress towards EU accession is providing grounds for a contraction or closure of some bilateral cooperation programmes. Nonetheless, well prepared meetings in selected donor capitals can be used to explore options for support to Priority Proposals in the Integrated UN Programme through mechanisms available only in donor capitals, such as discretionary funds, regional support facilities and in-kind contributions (for example, direct short-term technical assistance, hosting visits to showcase best practices, etc.).

5.4 Partnership development

5.4.1 **Advocacy on behalf of Government**

In addition to mobilizing resources for the Integrated UN Programme on a joint or agency basis, the UN will also, jointly or individually, work towards leveraging resources for the government. This entails advocating for funds to support the government's contribution to achieving national development priorities through joint frameworks and multi-donor programmes. The UN should avoid creating competition for resources.

5.4.2 **Strengthened donor coordination in Montenegro**

Donor coordination is still in its infancy in Montenegro. First attempts to institutionalize coordination were initiated in 2008, under the auspices of the UN, OSCE and EC Delegation to Montenegro. More recently, the Prime Minister's Office has indicated a willingness to provide leadership. Building on this, a forum will be created through which donors resident in Montenegro will have the opportunity to learn about the design of the Integrated UN Programme and will be encouraged to have a funding role, especially through the UN Country Fund.

All resident diplomatic missions should be engaged, including non-traditional donors such as the Russian Federation and PR China. The former, for example, has a special relationship with Montenegro that should be explored thoroughly. However, these missions should not be confined to having a funding role. In relation to some Outcomes of the Integrated UN Programme there is a need to reach a common understanding on approach and to forge alliances on controversial issues. In this respect the UNRC and UNCT must show leadership and the UN must exploit its convening power.

5.4.3 **Strengthening Partnerships**

While attracting contributions to the UN Country Fund is an objective in itself, many of the Outcomes of the Integrated UN Programme will only be achieved through increasing synergies with other major development stakeholders, including the EC, the World Bank and other European and international financial institutions. These organisations will be encouraged to participate in planning the Integrated UN Programme beyond the Transition Phase (2010-11). In the Montenegro context, it is fundamental that, through the Integrated

UN Programme, the existing partnership of UN organisations with the EC is strengthened further. The linkages between many Outcomes of the Integrated UN Programme and EU accession are very clear and the UNRC, Heads of Agencies and Pillar Convenors will actively promote the added-value of the UN as a partner in the accession process.

5.4.4 **Bridging gaps until EU accession instruments come on-stream**

Specifically in the context of UN – EC partnership, there is a need to track and analyse the priorities put forward for IPA funding, together with projections for disbursement of funds and implementation. There is a considerable time lag between submission of proposal for IPA and their disbursement. There may be arguments for the UN to bridge the time lag with its own resources until IPA funding comes on-stream, so that national development priorities are addressed sooner rather than later, thereby contributing to Outcome achievement.

5.5 Joint Programmes

A Joint Programme (JP) is a set of activities contained in a common work plan and related budget, involving two or more Participating UN Organizations and national/sub-national partners. The work plan and budget forms part of a JP document, which also detail roles and responsibilities of partners in coordinating and managing the joint activities. The JP document is signed by all Participating UN Organizations and national/sub-national partners.

There are three fund management options for JPs (parallel, pooled and pass-through), though the options may also be combined. The decision to select one or a combination of fund management options for a JP is based on how to achieve the most effective, efficient and timely implementation, and to reduce transaction costs for national/sub-national partners, donors and the UN.

New UN mechanisms and donor preferences in the future may offer important opportunities for resource mobilization through the preparation of JP proposals. These opportunities should be carefully considered by the UNCT and Participating UN Organisations in a timely manner.

Annex 1

Joint Resource Mobilisation Action Plan – 2010[12]

Objective:	Activities:	Responsibility and deadline:
Provide funding gap overview	• Prepare overview of funding gap based on Pillar requirements, by Outcome, and based on up-dated, confirmed 'non-core resources' mobilized by Participating UN Organisation	UNCO & PWGs April 2010
Identify UN funding pattern in recent past	• Collect and analyze data on contributions received by all Participating UN Organisations since 2007.	UNCO & OMT April 2010
Strengthen partnerships	• Initiate partnership building meetings with EC Delegation and World Bank	RC, UNCT and Pillar Convenors May2010
Follow changes in donor priorities	• Prepare a set of donor profiles	UNCO – July 2010
Select priority donors	• Prepare detailed matching of Participating UN Organisations and potential donors • Prepare an Integrated UN Programme Resource Mobilization Kit	UNCO – August 2010
Strengthen bilateral relations	• Ensure donor representation on JCSC • Share relevant surveys, UN newsletters and Press Releases with selected potential donors • Develop a short and clear Briefing Note, to be shared with incoming missions to explain: national priorities and Integrated UN Programme, commitments and resource gaps and achievements to date.	Co-chairs of JCSC JCT and UNCO – throughout the year JCT and PWGs August 2010
Documenting results	• Describe results achieved and emerging needs based on up-dated Pillar and country context	UNCO & PWGs Sept. 2010 and March 2011 (Annual Review)
Updating the joint resource mobilization strategy	• Strategic review and planning of UN joint resource mobilization strategy for 2011	JCSC - Mid-year Review (Sept. 2010), UNCT & Participating UN Organisations

[12] This Action Plan is taken from Annex 12 – ***Joint Resource Mobilization Strategy*** of the approved Integrated UN Programme, Results and Budgetary Framework for Montenegro