

## BUILDING INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT IN MONTENEGRO

by

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*There are many proofs confirming the importance of sustainable development for Montenegro. Shared international challenges, global economic crisis, and, particularly, the country's natural characteristics emphasize that sustainable development is the only way ahead. In 2002 Montenegro formed the National Council for Sustainable Development; in 2005 the Office for Sustainable Development was established, and the National Strategy of Sustainable Development was adopted in 2007.*

*With these developments, Montenegro created the most advanced institutional basis for sustainable development in its region. After carefully observing the functioning of national sustainable development institutions, however, the Office for Sustainable Development embarked upon the process of their reform in 2008. As a result, the Council was fundamentally reformed, having its membership downsized and composition transformed. Two Annual Reports on the Implementation of the Sustainable Development Strategy have been completed and the process of defining sustainable development indicators commenced in co-operation with the United Nations.*

*This paper critically examines the evolution of the set-up of the Montenegrin sustainable development system, presents the advantages and disadvantages of the government-anchored Council. Based on the lessons learnt, it presents recommendations for policy makers on promoting and enforcing sustainable development. The paper argues that only by effectively co-ordinating all segments of society and ensuring genuine participation of outside-government stakeholders, the countries can ensure that sustainable development principles are incorporated in national and local policies. The independence and pro-activeness in approach of sustainable development institutions is essential in ensuring the supremacy of sustainable practices in decision-making.*

*Considering the similarities in historic, economic and social developments of the former socialist countries, the recommendations put forward by this paper could be of particularly relevance for the countries of Southeast, Central, and Eastern Europe. The findings of this paper could also contribute to the wider debate on sustainable development institutional models.*

**Key words:** *institutions, sustainable development, council, strategy, national best practices*

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### **Sustainable development in Montenegro – international policy context and definition**

Today there are many variations of the definition of sustainable development (SD), as each country is defining the specific scope of what sustainable development encompasses with regards to its unique geographical, political, social, cultural, and economic conditions. Despite these specific interpretations, however, the concept of sustainable development is globally accepted as harmonized development and equilibrium between the economic, social, and ecological sector within a society. Within this concept, sustainable development issues have been a subject of many academic and policy-analysis studies and recommendations.

In most cases, though, the authors writing in this area center their discussions on very narrow and specific topics within one of the three pillars. For a significant part of such studies, the focus are the potential legal remedies for solving environmental problems or addressing cross-cutting issues between environmental and economic pillars, such as introducing precautionary principle or polluter pays into the mainstream legal framework of the countries concerned. For others, the debate is about proper management of particular natural resources (forests, water, waste), or about small grass-roots initiatives in particular area. There is also a wide discussion about the rightness of the course the global sustainable development system and initiatives have taken on over the last two decades.

All of them regardless of the individual topics elaborated, nonetheless, agree that a radical change is needed in the way the nations today organize their institutions and management system in all three pillars of sustainable development in order to achieve the goal of socially and environmentally balanced economic growth. Within this framework, this paper aims to contribute to the overall debate about the need for overhaul institutional changes by presenting a specific case study of an emerging management model of sustainable development initiatives and policies from the top-down in the youngest UN member state.

Montenegro, which has gained independence in May 2006, has not yet developed its own definition of sustainable development. Instead, it has based its approach on the internationally accepted principles and definitions postulated in the Rio Declaration and Agenda 21, Johannesburg Declaration and Implementation Plan, as well as on the principles of the UN Millennium Declaration and Millennium Development Goals. Based on these, the National Strategy of Sustainable Development adopted by the Government of Montenegro in April 2007 defines five visions of sustainable development for Montenegro [1, p. 20]:

- (1) *Economic development vision*, which stipulates the need to incorporate sustainability and environmental concerns into the efforts to accelerate economic growth,
- (2) *Social vision*, based on the prospect of Montenegro as equitable and prosperous society,
- (3) *Environmental vision*, which, within the intra-generational context, calls upon the harmony of economic development and environmental needs of the society,
- (4) *Ethical vision*, which promotes dialogue, co-operation, sharing, and solidarity within the multi-stakeholder approach in decision and policy-making, and
- (5) *Cultural vision*, envisaging harmony of existence of different cultures and identities as tools for achieving wider societal cohesion.

## **Evolution of sustainable development thought in Montenegro**

### ***First proclaimed ecological state in the world***

The ecological concerns in Montenegro developed rather early, even prior to there being a global consensus on the necessity of following the principles and standards of sustainable development. As a result to the country's physical and geographical riches and unspoiled nature, on September 20, 1991 the Parliament of Montenegro adopted *Declaration on Montenegro as an Ecological State*. The Declaration called upon the "wisdom of people to prevent the looming ecological catastrophe" [2], embodying the strategic commitment of the then Montenegrin leadership that the long-term development of Montenegro would rest upon the sustainable development principles.

The Declaration, unfortunately, came at the time when the new Balkan wars were starting, as the Socialist Federalist Republic of Yugoslavia began its violent dissolution. Within this context, the text of the Declaration was, to a large extent, an appeal for an environmental unity of the Montenegrin multi-ethnic population in the times of social and political collapse of the state. The Declaration put the "interests" of nature and environment above the individual and group interests of different peoples in Montenegro. It postulated that "no difference among us is as great as the changes our natural environment is exposed to. Regardless of our national, religious, political and other convictions and feelings, we know and accept that the dignity and the sacredness of a human being are organically connected to the sacredness and the purity of nature" [2].

This environmental commitment was further confirmed a year later, in the Constitution of the Republic of Montenegro, which defined Montenegro as a "democratic, social and ecological state," and established "the right to healthy environment and the duty to protect and improve it" as constitutional principles for all citizens [3, articles 1 and 19]. It was a bold statement and a unique proclamation, making Montenegro the first country in the world with a constitutional determination to develop itself as an ecological state (although many others had long histories of environmentally-focused and geared development).

The 1991 Declaration and the 1992 Constitutional provision offered a new vision and development goals for the Montenegrin government and population. However, the international environment changed very soon after these proclamations. After the war in Bosnia and Herzegovina erupted, Montenegro, the only former Yugoslav Republic to remain in a common state together with Serbia, was faced with international political and economic sanctions. As a result of the conflicts and turbulences of the 1990s, the ensuing deprivation and deterioration of living standards, political, and economic instability and a severe degradation of social values, the ecological concerns and the idea of ecological state were put aside until the imminent physical dangers passed.

### ***Return of environment in policy-making***

As a result of the turbulent period of the 1990s, the idea of ecological state did not come to its realization for a decade following its proclamation. In March 2001, the Government of Montenegro adopted a strategic document *Directions for the Development of an Ecological State*. While the 1991 Declaration was a political proclamation of the willingness of Montenegro to base its future development on environmental bases, this new document,

adopted 10 years later, provided the operational basis for the implementation of the vision outlined in the original Declaration.

The Document is based on the principles of “local entrepreneurship, maximal protection of environment under the vigilant eye of science, quality of life based on the traditional and human values of the Montenegrin population and continuous changes of production modes and patterns” [4]. The development of Montenegro is seen as an integral element of global processes, and, in particular, the trends of environmental protection and sustainable development in the Mediterranean region. Despite its strengths and detailed elaborations of the core visions and principles of long-term sustainable development, the Document arrived already at the time of “environmental fatigue” in Montenegro. The post 2000 period brought new complex political, economic, and regional security environment. Although the impetus for the implementation of the concept of sustainable development in Montenegro was not as resilient to the changing context as initially hoped for, the adoption of the key strategic Document *The Directions for the Development of an Ecological State* had long-term positive effects. Most importantly, it provided the basis for the institutional changes that from 2002 onwards open doors for key changes in the role sustainable development began having in Montenegro.

In the year preceding its independence, Montenegro adopted a set of key strategic documents in the field of environment and nature protection. In 2005, the Law on Integrated Pollution Prevention and Control (IPPC) as well as Laws on Strategic Environmental Assessment (SEA), and Environmental Impact Assessment (EIA) were adopted (the latter two entered into force on January 1, 2009). Some of the key changes came in 2008, with the adoption of the Law on Nature Protection and the Law on Environment, which for the first time introduced concepts such as polluter and user pays principles, precautionary principle into the legal framework, defining, at the same time, the mechanisms for the enforcement of these measures as well as legal sanctions for the incompliance. However, considering their recent adoption, their implementation has only begun and the effectiveness of the process will be largely influenced by the overall changes and progress in the legal system of Montenegro.

During the post-2002 period, Montenegro signed and ratified many international environmental conventions, adopting its provisions into its national body of law. Among the key missing elements in the national legal system of environmental protection is the ratification of the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, that is the Aarhus Convention. Montenegro, for a long time, lacked the necessary conditions for the implementation of the Aarhus Convention; however, the process is currently in its final stage, pending the finalization of the post-electoral formation of the Parliament of Montenegro’s internal working bodies for the ratification of the Convention. Hitherto, the access of the public to the information was partially addressed through a series of related laws (Law on Free Access to Information, Public, Law on General Administrative Procedure, Law on Administrative Disputes and Criminal Code), which include environmental references in their respective fields of jurisdiction.

In 2007 the National Strategy of Sustainable Development was adopted, which represents one of three key elements of the sustainable development institutional system in Montenegro (along with the National Council for Sustainable Development and the Office for Sustainable Development) and as such is elaborated in detail in the subsequent chapter of this paper.

## **Institutional changes**

### ***The national council for sustainable development***

Within the preparations for the Earth Summit in Johannesburg, the Government of Montenegro decided to form The National Council for Sustainable Development as its advisory body for the wide spectre of issues of sustainable development. In 2002, the National Council for Sustainable Development (NCSD) was composed of 21 members and chaired by the Prime Minister. In terms of the composition of members in the Council, in the first period after its establishment the NCSD was a body mostly comprising of the representatives of the Government and public scientific institutions (with the exception of one of the first environmental non-governmental organization, whose president was also a member of the Council). The Ministry for Environment and Physical Planning performed the duties of a Secretariat for the Council, linking the Council primarily to that Ministry.

With the creation of the NCSD, Montenegro became the first country in the region to adapt its internal institutional structure the need for long-term growth based on sustainable development principles. As a result, when addressing the international community at the World Earth Summit in Johannesburg in September 2002, the President of Montenegro, argued that “the conditions for the realization of the idea of Montenegro as an ecological state are finally in place, reiterating that Montenegro took on an obligation that ecology and environment as well as the idea of sustainable development will be its highest priorities” [5].

Over time, the structure of the NCSD expanded so as to include a wider range of actors and interest groups. In the period from 2006 to 2008, the Council grew to 45 members, including the representatives of all societal structures and stakeholders. It continued to be chaired by the Prime Minister of Montenegro, while the vice chair was the Deputy Prime Minister for Economy. The Head of Office for Sustainable Development served as the Secretary General of the Council, transforming the nature of the Council from a body linked to one particular ministry (*i. e.* the Ministry of Environment and Physical Planning) to a multi-stakeholder body serving the Government as a whole. The remaining 42 members included representatives of the following sectors:

- (1) *Government* = 10 (Ministers of Environment, Health, Economy, Tourism, Agriculture, Labor and welfare, Education and science, Foreign affairs, External economic relations and European integration, and Secretary of the Secretariat for development),
- (2) *Municipalities* = 4 (mayors of three municipalities and Head of the Union of Municipalities),
- (3) *Scientific institutions* = 8 (heads of scientific environmental institutes, research centers and protected areas management enterprises),
- (4) *Academia* = 3 (University of Montenegro and two Academia of Arts and Sciences),
- (5) *Businesses* = 11 (heads of major businesses and business associations operating in Montenegro),
- (6) *NGOs* = 5 (presidents of environmental NGOs), and
- (7) *Independent expert on environment*.

### ***Reform of the Council***

During November 2006 – January 2007, the United Nations Development Program (UNDP) and the Government of Montenegro conducted an external review on the role, results

and procedures of the NCSO and the Office for Sustainable Development (OSD). This review proposed an enhancement and strengthening of the OSD and downsizing and restructuring of NCSO to enhance the effectiveness and efficiency of its deliberations. In February-May 2008, a supplemental review of the NCSO/OSD was conducted in parallel with a comparative research on sustainable development institutional system in the Western Balkans (WB) and the EU.

The comparative research showed that sustainable development was only at its onset in the WB, and that no other country in the region has started to institutionalize sustainable development processes. Montenegro was first to start with the changes in its governmental structures and introduce new bodies and agencies with a primary focus on sustainable development. At the time of the reform of the Montenegrin system, three other countries (Croatia, Macedonia, and Serbia) had begun drafting their national sustainable development strategies; however, as these processes were at their beginning, at that stage there were no implications for the overall government institutional setting.

On the other hand, the EU member states offered a variety of experiences and sustainable development institutional designs and models. These ranged from independent advisory SD Council with respect to the affiliation of its members to the Government as it is the case in Germany or the UK's SD Commission, which has a "watch-dog" mandate over the Government's SD policies, to the entirely internalized government bodies functioning within the Ministries of Environment in most of the Central and Eastern European countries. As a result of the strong tradition of government-anchored advisory councils and commissions in Montenegro, which exist for all issues of strategic importance, the specific model, elaborated below, has been chosen. The new NCSO structure and mandate recognizes the traditional position of the consultative bodies in Montenegro, but, at the same time, it incorporates provisions that allow the new Council to exercise a significantly higher degree of independence and space for pro-activeness in its approach. Important arguments supporting the specific model chosen were found in the approaches taken by two other former-socialist countries, Slovenia and Estonia, which, the research showed, shared many similarities with respect to their hitherto state and institutional development.

On the bases of the new Report, as well as consultations with national stakeholders and comparative international best-practices, the OSD proposed a comprehensive reform of the Council to the Government. Within the second half of 2008, The Government adopted *The Decision establishing the National Council for Sustainable Development* [6], which defined the new structure of the Council and its revised mission and goals. On the basis of this decision, several key changes were made in the functioning and the composition of the Council:

- the number of NCSO members was reduced to 23,
- a category of independent personals/experts in the area of sustainable development was introduced,
- the organization of the Council was reformed by introducing the working groups, and
- the creation of local councils for sustainable development was envisaged in nearby future.

With the 2008 reform of the Council, the NCSO members have a three year renewable mandate. The NCSO is chaired by the Prime Minister (as it was elected at the inaugural session of the Council). The Minister of Urban Planning and Environment is the deputy chair, while the Head of the Office for Sustainable Development has the role of the Secretary of the Council.

The reform of the NCSO introduced the possibility of establishing *working groups* (WG), to enable the Council to carry out more detailed research or to in-depth consider specific issues. They are limited in scope and duration, and with clear and agreed terms of reference. At

least one member from each of the different structures represented in the Council participates in each of the WG. The WG report only to the NCSD. If necessary, they can request expertise from outside of Council, or from abroad.

In 2009, before the reform was completed, an *ad hoc* group on Energy was created to give review of the Government's Action Plan for the Energy Strategy. The WG met several times before giving its final recommendation and advice, which was sent to the line-Ministries, after which the Group was dismembered. Since the inaugural session of the Council (December 2009), four WG have been formed for priority topics identified by the Council for this year. The WG meet regularly in between the Council meetings.

#### *Mission and tasks of NCSD*

The main mission of the reformed NCSD, as the multi-stakeholder body representing various sectors of Montenegrin society, is to give policy advice to the Government of Montenegro on the issues of sustainable development. In particular, the NCSD assesses Government's strategic and long-term development policies and strategies developed within the three pillars of sustainable development defined in the National Strategy of Sustainable Development (NSSD).

Moreover, the NCSD has a mission to promote the concept of sustainable development so as to help policymakers and citizens better understand and monitor progress towards achieving the full implementation of the sustainable development principles in Montenegro.

Within this mission, the main tasks of the NCSD, as postulated in the Decision establishing the NCSD are to:

- monitor the adoption and implementation of the NSSD of Montenegro, as well as the implementation of the tasks from the “Directions of Development of Montenegro as an Ecological State,” as basic strategic documents for sustainable development of Montenegro,
- consider development policy documents, strategies and priority investment programs with regards to their compliance with the NSSD of Montenegro,
- support participation of the civil sector, together with the state institutions, in the process of establishing and implementation of the policy and the NSSD of Montenegro,
- support cooperation of Montenegro and relevant subjects within the international community in terms of defining and implementation of the policies and the program of sustainable development and goals of ecological state,
- provide assistance to the Government of Montenegro in the:
  - implementation of the policy of the Commission for Sustainable Development of the United Nations and the EU policy in the field of sustainable development; documents adopted at the UN conferences referring to sustainable development, and global agreements and conventions,
  - development and implementation of legislation, policy, measures, and indicators of sustainable development harmonized with the European and international norms,
  - the adoption and implementation of other pertinent documents in the area of sustainable development,
  - international engagement in implementation of sustainable development policy, and
  - realization of the activities aimed at the enhancement of sustainable development in Montenegro [6].

*Members of NCSD*

As presented in tab. 1, apart from the Deputy Prime Minister for Economy, four Ministers are members of the Council, while the Head of the Office for Sustainable Development

**Table 1. Composition and structure of the NCSD**

Members	Backgrounds
Chair: Deputy Prime Minister for economy	Government
Vice Chair: Minister for economic development	
Minister for tourism and environment	
Minister for agriculture, forestry and water management	
Minister of transport, maritime management and telecommunications	
Secretary of the Council: Head of the Office for sustainable development	
Mayor of Ulcinj (a coastal municipality in the south of Montenegro)	Local municipalities
Mayor of Andrijevica (northern municipality)	
Mayor of Bijelo Polje (northern municipality)	
Representative of the University of Montenegro	Academia
Representative of the University of Mediterranean (second university in Montenegro)	
President of the Chamber of Commerce of Montenegro	Business sector
President of the Trade Union of Montenegro	
Vice president of the Union of Employers	
Managing director of the Montenegro Business Alliance	
President of NGO "Expeditio"	NGO
President of NGO "Green Home"	
President of NGO "Production of healthy food"	
President of the NGO "Young ecologists of Niksic"	
Princ Nikola Petrović, former head of Montenegrin Mission in Paris and initiator of many important activities in the field of urban development, arts, and architecture	Independent persons/experts in the area of SD
Branko Lukovac, first head of Office for Sustainable Development, former diplomat and Minister of Foreign Affairs	
Miodrag Burzan, architect, former Minister of Ecology in the Government of Montenegro	
Duško Vuković, journalist and former Coordinator of the Media Institute of Montenegro	

serves as the Secretary general of the Council. The Government nominated Ministers for Economic Development, Tourism and Environment, Agriculture, Forestry and Water Management, and Transport, Maritime Management, and Telecommunications as its representatives.

The underlining framework guiding the reform was the multi-stakeholder approach, and as a result, the following groups of actors are also represented in the Council: local municipalities, academia, business, and NGO. There are also four independent persons/experts in the area of SD. The Government Decision on Establishing the NCSD gave mandate to the OSD to conduct the necessary consultations with relevant stakeholders in order to determine composition of the Council. Following these consultations, the Board of the Union of Municipalities selected three mayors to the Council, the two Universities each appointed a member, and the Chamber of Commerce, the Trade Union and two largest business associations nominated their representatives. The NGO were selected through an open call for proposals, while the independent persons/experts were agreed to consensually through a process of wide social consultations co-ordinated by the OSD.

### ***The Office for Sustainable Development***

The OSD was established at the end of 2005, with the financial and organizational assistance of UNDP during the first year of its work. The OSD functions as an organizational unit within the General Secretariat of the Government of Montenegro, and it reports directly to the Prime Minister, the Chair of the NCSD until the 2008 reform of the Council.

The three main roles the OSD performs are:

- (1) secretariat to the Council,
- (2) coordination of actors working in the various areas of sustainable development, and
- (3) international cooperation with organizations and networks dealing with SD issues and fostering of bilateral relations in these spheres.

The OSD co-ordinates the process of monitoring the implementation of the NSSD, but the line Ministries as well as other stakeholders (public institutions, local governments, NGO, *etc...*) are in charge of the NSSD implementation. The OSD also coordinates the process of drafting of the NSSD annual implementation reports on the NSSD. The Annual reports are submitted for deliberations to the Council and, pending its approval, forwarded to the Government for the final adoption.

### ***Challenges in NCSD and OSD functioning***

The main challenge that the NCSD and OSD have been faced since their respective establishment is its organization position within the system of Government's decision-making process.

The *Council* is an advisory body to the Government, and the hitherto practice was for the NCSD to give advice on the strategic policies and strategies of the line Ministries or relevant state institutions. On the basis of the Government's Annual Plan of Work, at the last session of each year, the Council used to choose topics for its deliberation for the following twelve-month period. The conclusions of the NCSD were sent to the line Ministries or the Government as advices and non-mandatory recommendations. While it was not possible for the Council to engage in the development of all policies and strategies from their inception, the nature of the re-

lation that existed until now between the Council and the line Ministries often meant that the Council used to get the strategy/policy drafts in their last stages of preparation. Often this was too late for making any fundamental changes to the text proposed. The inability of the Council to substantially affect the outcome in several instances had negative effects on the public perception about the effectiveness of the Council itself.

It is expected that with the reform of the NCSD, the Council will begin exercising the right to its own initiative in developing advisory papers and studies on specific topics that would be sent for the Government's consideration and public dissemination. In this regard, the Council would have a chance to significantly affect the decision-making process by offering studies with long-term visions and sectoral policies for sustainable development of Montenegro. The new organization of the Council, which presupposes formation of working groups for key issues of Council's deliberation, is another element of the reform that is likely to increase the efficiency of the Council and, at the same time, allow its members to more actively participate in the process of drafting and developing of strategic documents at the national level.

The *Office for Sustainable Development* faces similar institutional challenge as the NCSD. The OSD is technically a part of the General Secretariat of the Government, which has had twofold effects on the functioning of the Office. On the one hand, this position allowed the OSD to act as a body with an overarching mandate, co-ordinating the individual activities of the line Ministries without being perceived as being biased towards one pillar or area of sustainable development. It also strengthened the reputation of the OSD as an impartial body, increasing its credibility with the outside government actors, such as NGO, research institutes and international agencies and institutions working in Montenegro and abroad.

On the other hand, by being a part of the Government's General Secretariat, which primarily deals with technical and administrative issues, the OSD has not been a part of the general decision-making structures and processes in the Government of Montenegro. The Head of the OSD has not been participating at the Government's sessions. The solution proposed by the Government was to include the OSD in all Government's deliberations, but as a result of the small capacity of the Office, this was not feasible. The OSD and the Government are currently working on setting in place a screening mechanism, which would allow the Office to only receive the documents of its primary interest, which it could then actively follow. This would allow the OSD to become more proactive and integrated into the decision-making process.

### ***The national strategy of sustainable development***

The drafting and developing of the NSSD of Montenegro was formally initiated at the end of 2005 under the United Nations Environmental Program – Mediterranean Action Plan with the support of the UNDP program in Montenegro and the Ministry of Environment and Territory of the Republic of Italy. At the national level, the process was coordinated and led by the Ministry of Environmental Protection and Physical Planning. At the Johannesburg Summit, it was recognized that the Mediterranean Commission for Sustainable Development was the appropriate regional framework for SD policy realization in the Mediterranean, which includes Montenegro. As a result, the national SD strategy was done under the framework of implementation of recommendations and action plans of the Mediterranean Strategy of Sustainable Development at the national level.

A wide range of stakeholders of the Montenegrin society as well as all relevant ministries in the Government of Montenegro were involved in the process of NSSD drafting. Firstly, the expert working groups for the areas of economic development, environment, and social development met four times during a six month period (September 2005 – March 2006). Secondly, the working team was formed that was in charge of drafting the Strategy. The team consisted of the representatives of public administration, expert institutions, academia, NGO and consultants. Apart from preparing the Document, the team had a mandate to ensure that public consultations were done in the most transparent manner and that public concerns, comments and suggestions were incorporated into the Strategy. At the final stage of the Strategy's preparation, the text was deliberated by the NCSD, finalizing the wide process of consultations.

The Government of Montenegro adopted the NSSD in April 2007, together with the Action plan (AP) for the period 2007-2012. The Strategy was never deliberated in the Parliament, as it has been a practice in some other countries.

Although most measures prescribed in the NSSD are directed at the relevant national institutions, the AP, nonetheless, also contains measures that address some of the local sustainable development issues. For these measures, the AP lists local governments as primary bearers. Within this context, several municipalities have started preparing documents with the visions for their future sustainable development; however, no municipality has yet prepared a comprehensive local sustainable development strategy. The new Government Decision on the Establishment of the NCSD from August 2008 envisages direct relationship between the NCSD and the municipalities in the future process of forming local councils for sustainable development.

### *Principles of sustainable development in Montenegro*

The NSSD outlines eight basic principles of sustainable development in Montenegro [1, p. 11]:

- balanced and equitable economic development that can be sustained over the time,
- poverty reduction, through empowerment and ensuring better access of the poor to necessary services and resources,
- participation of all the stakeholders in decision-making (central and local governments, NGO, private/business sector, professional organizations, unions) while building dialogue and trust, and developing social capital,
- careful management and preservation (to the greatest possible extent) of non-renewable resources,
- rational/sustainable use of energy and natural resources (water, land, forests, *etc.*),
- minimization of wastes, effective pollution prevention and control and minimization of environmental risks,
- enhancing education and health systems, and improving gender balance, and
- safeguarding cultural identities.

In the definition and implementation of these principles, Montenegro attaches particular attention to the EU Sustainable Development Strategy and related policy measures as well as environmental protection and sustainable development measures defined by the United Nations Economic Commission for Europe.

### **Monitoring the NSSD implementation and progress in sustainable development**

The main institution in charge of the process of NSSD evaluation and review is the OSD. The Strategy envisages that the basic cycle for the monitoring of implementation is one-year period, while detailed assessment of the Strategy implementation is planned for every 5 years. The OSD has prepared two Annual reports on the NSSD implementation (adopted by the Government in October 2008 and in December 2009, respectively).

Detailed report on the progress of implementation and the changes and amendments of the AP for the remaining two years of the first implementation period is mandated to be prepared three years into the Strategy's implementation. The OSD and a special WG of the NCSD formed for the process of the revision of the NSSD AP as two lead bodies have started this process in February this year (2010). The Revised AP of the NSSD is planned to be adopted by the Government in December 2010. These activities will contribute to the preparations for the Third World Summit on Sustainable Development. Detailed evaluation and review of the Strategy is planned for the end of the first implementation period, *i. e.* the end of 2012.

The main problem in the NSSD monitoring has from the onset been the scarce availability and poor quality of data at the national level, which are necessary for the definition of sustainable development indicators and evaluation of the progress made in the implementation of the NSSD AP. The core sustainable development indicators defined by the NSSD proved not all to be measurable in the first two evaluation cycles. As a result, the OSD and the Ministry for Tourism and Environment have implemented a project together with the UN DESA, the goal of which was revising the core sustainable development indicators. One of key findings was that there is an unequal distribution of indicators among the five visions/pillars of sustainable development defined by the NSSD. While the economic and ecological pillars of sustainable development were found to be well defined; the social and, in particular, the cultural and ethnical indicators were evaluated as insufficiently represented. The revised list is presented in tab. 2 [7].

The reform of the statistics system and the EU accession process will have a great impact on both of these factors – the methodology and the types of indicators relevant for NSSD.

### ***Progress achieved in the implementation of sustainable development of Montenegro***

The two annual Progress reports on the Implementation of the NSSD of Montenegro give an assessment and recommendations for further process of NSSD implementation. One of their conclusions is that, at this stage, it was not possible to give a detailed assessment whether and to what extent the NSSD implementation contributed to the realization of sustainability goals in the previous year. However, the reports clearly distinguish a certain number of positive developments and concerns that should be of concern to the Government.

Among the positive developments, it is important to note [7]:

- visible progress achieved in the ratification of international conventions and contracts, in particular in the field of environment, but also in the area of social issues,
- implementation of the Stabilization and Association Agreement within the planned dynamics,

**Table 2. The revised core NSSD indicators and the link with general goals**

NSSD goals	NSSD goal indicator
Accelerate economic growth and development, and reduce regional development disparities	GDP per capita ( <i>in current prices; in million of Euros</i> )
	<i>Real GDP growth [%]</i>
	GDP by regions
	Unemployment rate
	Contribution of SME to GDP
	Trade deficit
	Foreign direct investments and ODA
	Annual investments in infrastructure
	International revenues from tourism Total revenues from tourism <i>Contribution of tourism to GDP</i>
	Share of beds not located in the coastal region in the total number of tourist beds
	Public and private expenditures for research and development as a % of GDP
	Energy consumption per capita
	Energy consumption per GDP unit (total and by sectors)
	Share of energy generation from renewable sources in the total energy generation
Reduce poverty; ensure equitable access to services and resources	Poverty rate and inequality indicators (Gini coefficient, deciles ratio), total and by regions and vulnerable groups
	Enrolment rate in primary school
	Literacy for 15-24 age group
	<i>The level of tobacco use</i> (Institute for Public Health)
	<i>The number of people who finished high school or the Number of people who finished higher education</i>
	Infant mortality rate (for 1000 live births)
	Children under 5 mortality rate (for 1000 live births)
Women unemployment rate	
Ensure efficient pollution control and reduction, and sustainable management of natural resources	Percentage of the territory protected to preserve biodiversity
	Area of marine protected and coastal zones
	<i>The eutrophication level of the sea water of the Bay of Kotor</i>
	Water consumption per capita
	Share of wastewater being treated
	<i>Soil pollution – Pb (ppm) and PAH (ppm) concentrations (in Podgorica)</i>
	Territory under forests
	Tourism density at the coast
	CO <sub>2</sub> emissions per capita
	Air pollution – smoke and soot in the air [ $\mu\text{gm}^{-3}$ ] (in Pljevlja)
Consumption of substances damaging the ozone layer	
Improve governance system and public participation; mobilize all stakeholders, and build capacities at all levels	Share of tax revenues of local governments expressed as the share of total tax revenues
	<i>Average duration of judicial proceedings</i>
	<i>Trust of citizens in institutions</i>

- significant steps forward in the legal framework for environmental pollution reduction made with the beginning of the implementation of the Law on Integrated Prevention and Pollution Control,
- starting of the work of the Environmental Protection Agency,
- positive effects both on the increased level of citizens' awareness and the education of all actors within the project *Year of Energy Efficiency*,
- a positive trend in the increasing number of activities aimed at the quality improvements of agricultural product as well as promotion of the "brand of Montenegro" at the domestic and international fairs, and
- some advances, although limited made in reducing the regional differences within Montenegro (economic as well as social and cultural).

Among the negative developments that represent the reason for concern, and direct us to the actions that need to be undertaken in the future period, the following were identified:

- loss of microeconomic stability in Montenegro and the lowering of the growth rates as a result of the world economic and financial crises,
- limited and slow progress in the development of their administrative and management capacities,
- insufficiently developed administrative and technical capacities at the national level (in particular weak statistical capacities),
- no clear and consistent division of jurisdictions in the area of environment monitoring,
- no adequate progress in the implementation of the Strategic environment assessment two years after its adoption,
- still no sufficient progress in this area or in building the necessary infrastructure for the adequate solution to this problem,
- no sufficiently expressed readiness of the decision makers to promote alternative solutions to some of the vital problems Montenegro is facing, such as energy and transport,
- the lack of a satisfactory level of integration of environmental protection goals in sectoral policies,
- the lack of controlled urbanization in many of the local self-governments and the use of agricultural land for the purposes other than those designated,
- insufficiently developed programs for encouraging the rights and equality of vulnerable groups, minorities and people with disabilities and significant imbalances between men and women at the labor market,
- no efforts to ensure domestic or international funds to finance the NSSD implementation in this reporting period, and
- no visible advances in the consensus making on sustainable development and the strengthening of co-operation among different sectoral (private, public, civic) in the implementation of sustainable development goals.

What creates special concerns was the lack of a more significant progress in the development of capacities of the institutions, especially the ones responsible for environmental management, water management, and spatial planning, at the national and local level. The slow progress in the area of governance and participation are also causing concerns when it comes to NSSD implementation and the prospects for sustainable development in general.

### ***Future steps for Montenegro's sustainable development***

Despite the recognized limitations in the use of methodology, some weaknesses in the process and a relatively short time available (as well as limited resources in the sense of the number of people working on this report and the time they could spend to do this), the First Progress Report on NSSD implementation gave a picture of the existing situation in the reporting period that can serve as a good basis for future monitoring of the process and improvements in the use of principles, realization of goals and tasks and implementation of NSSD measures. On the basis of the previous deliberations, the following recommendations were done [7]:

- (1) Efforts should be made to define more precisely the key problems in NSSD implementation (that is, to check/confirm the ones that have already been identified), in order to be more successful in the attempt to overcome them during the upcoming year. It is also necessary to decide on possible corrections of the AP.
- (2) For the next report, and towards the planned review of the AP in 2010, it is necessary to establish a continuous system for monitoring and assessment of NSSD implementation.
- (3) Having in mind that the reform of the statistical system and establishment of adequate monitoring structures and databases represent long-term processes, it is necessary to define a number of indicators of sustainability in the key sectors and to increase the efforts to monitor them in a systematic manner.
- (4) It is necessary to increase the efforts in the areas that were recognized in this chapter of the Report as the ones where small progress has been made, that is, regarding the issues that were assessed as concerning from the aspect of Strategy implementation and achievement of sustainable development goals.
- (5) It is necessary to reorganize the Sustainable Development Council and to secure necessary resources for the work of the OSD, having in mind the key role of this body/institution in the process of NSSD implementation; it is necessary to develop further the mechanisms for co-ordination and integration of sustainability principles into sector policies.
- (6) NSSD communication activities should be intensified in the upcoming period.

### **Lessons learnt and policy recommendations**

The last two decades in the history of Montenegro have been marked by many and frequent changes in its political, administrative, economic, social, and cultural structures. Since the early 1990s, the Government of Montenegro enshrined the idea of environmental protection as one of the core values and principles of the country's development into its Constitution, a commitment kept until today. The idea of developing Montenegro as an ecological state induced enthusiasm both domestically and internationally. However, as a result of the mentioned context that marked the last decade of the 20<sup>th</sup> century in the Balkans, the actual implementation of the proclaimed environmental principles was slowed down.

With the preparations for the World Summit in Johannesburg, the concept of sustainable development and environment protection returned to Montenegrin policy-making, giving it impetus for major policy and institutional changes. Over the course of past six years, the National Council and the OSD were established, the NSSD was adopted by the Government and the process of monitoring of the NSSD has successfully commenced. With the changing political and organizational setting of the state, the structures established went through a process of

reformation, adapting their functioning to the new circumstances. As a result, in 2009, Montenegro has a stronger and more efficient institutional basis for sustainable development.

The hitherto reforms have highlighted that the demand for more structural changes is ever-present. For this reason, Montenegro is continuously working on strengthening its mechanism for ensuring that the measures and principles envisaged in the AP of the NSSD are fully respected and that the economic progress and growth is followed by equally high social and environmental standards. This last section of this study summarizes the lessons learnt and experience gained in the process of institutional set-up of sustainable development system in Montenegro that are transferable and could be generally applicable outside the national context.

### ***Strategy for sustainable development***

#### *Drafting NSSD*

In drafting the Strategy for Sustainable Development, it is crucial to foster the participatory approach in order to ensure that the final Document is widely accepted and will not be challenged by certain groups of society at the later stages of its implementation. It is of equal importance that the NSSD is owned by the citizens, and not solely by the Government and the expert teams who are preparing the Strategy. In order to achieve this goal, it is advisable to hold wide consultations, public hearings on both local and regional as well as the national level. In addition, having a public liaison officer during the drafting period could strengthen the visibility of the process and the Strategy itself.

#### *Strategy in the parliament*

The NSSD is a key document for a long-term development of a country. As a result, in addition to its adoption by the Government, the text should be discussed and finally endorsed by the Parliament. This would give the mandate to the entire population to oversee the Strategy's implementation, and introduce more transparency and stronger system of checks-and-balances at the later stages of the NSSD implementation. In this regard, stronger links between the body dealing with sustainable development within the Government and the relevant committee with the Parliament is necessary to ensure smooth parliamentary deliberation of the Document and its later implementation.

#### *Monitoring the NSSD*

Establishing the system of monitoring at the time of the adoption of the Strategy is essential for a successful and timely implementation of the NSSD provisions. One of the proposals could be to retain the government representatives participating in the drafting of the NSSD as focal points for reporting in the NSSD monitoring system. The monitoring team needs to have regular meetings throughout the year (preferably at least quarterly), in order to assess the level of NSSD implementation and applicability of the measures and processes defined in the NSSD and its AP. The AP needs to contain concrete measures for a limited period of time; advisably, a period shorter than one covered by the Strategy.

In order to avoid personalized descriptions and evaluations of the progress achieved in the NSSD implementation, it is necessary to create guidelines, questionnaires, and indicators that would more objectively measure the progress. In this regard, one of the most important steps in ensuring the successful NSSD implementation is to realistically define the indicators, in particular, the quantitative ones, which depend on the level of development of the statistical system in a country. As the countries' institutional settings and capacity levels are constantly changing, it is necessary to incorporate the obligation for periodic reviews of the AP as well as the Strategy itself into the very text of the Document.

### ***Establishing Council and the Office for Sustainable Development***

#### *Composition of the Council*

As with the process of the NSSD drafting, ensuring representativity of the members of the Council, so as it includes all the stakeholders in a society, is key in forming a body with a capacity and aptitude to substantially influence the policy-making process in the area of sustainable development.

#### *Relation to the Government*

There are many models of Council formation in terms of its relations with and levels of independence from the Government. While the Councils whose membership have a strong governmental character are sometimes less likely to produce more critical studies and opinions, their closeness to the decision-making process often guarantees that the voice of the Council is heard and respected. On the other hand, higher level of independence, even though it sometimes brings more distance from the Government, fosters more systemic rethinking of the development approaches and policies, leading to creative and innovative solutions and proposals. Each model at the same time has many benefits and less advantageous characteristics. As a result, the choice of the concrete NCS model depends on the specific institutional, social and political circumstances and culture that exists in different countries.

#### *Type of advise*

Regardless of the model chosen, the Council needs to ensure its right to produce independent and proactive advice on the long-term development visions for the country and specific sectors. In addition to its role of critical observers on the policies and plans of the line Ministries, both the Office and the Council need to develop themselves as active participants. Fostering corporate/group identity of the Council is an effective tool for bringing cohesion into the work of the Council.

#### *Organizational structure and positioning*

The Council requires an effective secretariat (usually Office/Committee/Commission for Sustainable Development), which needs to have strong capacity that would allow it to successfully coordinate and guide the work of the Council. In this regard, the integrative organiza-

tional position of the new institutions created to deal with the issues of sustainable development and their incorporation into the existing policy and decision-making structures is essential.

### ***Principle of subsidiary in sustainable development***

As for many other issues, the concerns about the environmentally balanced and socially equitable economic development are best determined at the level closest to the citizens who are directly affected by the changes and pressures of growth. The National Strategy and the Council for Sustainable Development are indispensable elements of national policy-making and implementation of sustainable development principles. However, in order to ensure that each community is fully aware and knowledgeable about the commitment taken by the national government, it is crucial to encourage development of local strategies or visions for sustainable development and establishment of local bodies/councils in charge of ensuring the implementation of the SD policy in their respective environment.

### ***Strong public component of the sustainable development project***

Together with the adoption of strategic documents and establishment of the advisory SD bodies, an equally essential element of the SD system is a forceful communication strategy that would aim at promoting the SD concepts and structures and ensuring their proper understanding by public. Having a vibrant society and citizens who are aware of the dangers of environmental degradation and social exclusion and inequality as well as pressures of rapid economic growth is a precondition for the success of the implementation of all national and/or local plans for sustainable development. The only way to achieve the long-term equilibrium of economy, social, and environmental sector is the incorporation of sustainable development principles into the every-day practices and activities of all stakeholders in a society.

### ***International co-operation***

In today's world of global inter-dependencies, the challenges for SD most often surpass the borders of individual countries, and, in addition to the strong domestic commitment, the successful tackling of these problems requires strong and committed international cooperation. In this regard, great and invaluable support and assistance can be gained from international experience and networks. The experience of Montenegro showed that the first step is establishing durable regional contacts in the area of sustainable development area, as the problems for sustainable development are, in most situations, directly shared cross-borderly.

Moreover, as most transitional countries gravitate toward the EU, either aspiring to join or establish durable partnerships with the Union, the EU Sustainable Development Strategy and the work of the EU Social and Economic Committee, and, in particular, its Sustainable Development Observatory, could be viewed as the key anchors for the activities at the national level. Finally, participating at the global SD venues such as the annual sessions of the UN Commission for Sustainable Development and joining international networks such as European Environment and Sustainable Development Advisory Councils (EEAC) and European Sustainable Development Network (ESDN) increases visibility to the SD process domestically and increases the international expert and knowledge support for domestic processes.

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