

Data Sheet

USAID Mission:	Montenegro
Program Title:	Democracy and Economic Security
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	170-0211
Status:	New in FY 2006
Planned FY 2006 Obligation:	\$3,221,000 AEEB
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,267,000 AEEB
Year of Initial Obligation:	2006
Estimated Year of Final Obligation:	2012

Summary: This objective will address potential vulnerabilities such as ethnic tension throughout the republic, as well as systemic weaknesses that inhibit stability. The objective envisages primarily improving economic security in vulnerable areas, not only to reduce poverty but also to ensure that improvements are addressed fairly throughout the population and are sustainable. It will target crucial democratic structures and processes at all levels republic-wide to create continued support for democratic reforms, as well as a stronger check to the potential rise of non-democratic forces.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$1,749,640 AEEB). In FY 2006 activities will seek opportunities to promote development of and leverage funding for economic infrastructure projects to stimulate and support business development and investment. Investments may build on the successful results of the original Community Revitalization through Democratic Action (CRDA) and Good Local Governance (GLG) activities. Cooperative Housing Foundation (CHF) (prime).

Strengthen Civil Society (\$648,000 AEEB). In FY 2006, USAID will continue to work on civil society and media development. Assistance will be provided for improving the legislative framework for ensuring long-term sustainability of the non-governmental organization (NGO) sector and public perception of NGOs. Also, support will be provided for development of structured systems and practices for formal citizen participation and advocacy associations to watchdog transparency and protection of civic rights of citizens. Further technical assistance and training will be provided for successful transformation of Montenegro Radio/Television (RTCG) into a public broadcaster, implementation of Free Access to Information Law, and further decriminalization of libel. Limited support will be provided for economic reporting training to enhance quality of business writing and training/education on professional standards. Limited assistance will also be provided to political parties through party clubs, collegiums, and party caucuses within the parliament. Finally, technical assistance and a grant for domestic election monitoring will be provided to a competent, well established local NGO. The political party and election assistance component are a part of a larger Parliamentary Strengthening Activity notified strategic objective 170-0131. Principal partners: American ORT and National Democratic Institute (NDI).

Support Democratic Local Government and Decentralization (\$823,360 AEEB). In FY 2006 as one element of their activity, the CRDA-E North activity will continue to support strengthening of municipal economic planning and development capacity through Local Economic Development Councils, emphasizing realization of high potential municipal and regional scale projects with opportunity for quick economic results. In the economically depressed northern region of Montenegro, a public-private regional development agency is planned for launch, with multi- donor and local support, to improve the economic environment for development of competitive advantages of the north. Efforts will also remove municipal barriers to business (i.e. one stop shops) and institute incentives to attract investors, including from the Diaspora. Implementer: CHF (prime).

FY 2007 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$667,000 AEEB). Building on the foundation work accomplished under the CRDA-E and the Private Sector Development and Competitiveness Project, and the Revolving Investment Fund initiative, the Mission will design a new activity to support local economic development to foster small business growth and enterprise growth in the disadvantaged populations in Montenegro. It will seek to improve municipal and regional services and economic infrastructure in support of businesses and expansion of employment opportunities. While it is envisioned that this program will concentrate the bulk of its activities in the Northern region of Montenegro that has been identified as the most fragile, it will seek opportunities to work in other ethnically vulnerable communities in the Southern region as well. Implementer: TBD.

Strengthen Civil Society (\$600,000 AEEB). USAID will continue its civil society and media development activity that will implement activities directed to improve NGO sustainability and the capacity of NGO's to advocate and monitor on behalf of the citizens and bolster implementation of media reform and enhance investigative and economic reporting.

Performance and Results: Northern Montenegro is a disadvantaged region posing significant challenges and opportunities specific to its environment and population. This predominantly rural region is the poorest and most underdeveloped in Montenegro. Community level programs under this objective completed 83 projects in 13 municipalities valued at \$3,631,000 in 46 communities. Such activities included income generating projects such as a commercial fruit growing and value added processing. Two water supply projects to improve and extend municipal and village water systems and four road maintenance projects were completed to help local communities gain access to markets for local agricultural products. In addition, 6 agriculture projects supported municipal agriculture and producer association outreach to farmers to improve production practices and livestock care. Activities directed to the development of a vibrant civil society and independent media were highly successful in FY 2005. Draft figures for the 2005 NGO Sustainability Index indicate that the sector remains in mid-transition. Notable improvement in the advocacy and organizational capacity of civil society include but are not limited to: four national-level NGOs, succeeding to change or correct government policy making and draw public attention to the implementation of laws through watchdog work; five NGOs succeed in influencing public policy making in order to better reflect the needs and rights of constituents, members and citizens; and a total of 189 NGOs benefited from a wide range of training in organizational development, financial management, advocacy skills, watchdog skills, leadership skills, NGO budgeting, fundraising techniques and public relations techniques. Finally, substantial improvement was registered in the media sector according to the Media Sustainability Index with increases in three key areas: 1) the legal and regulatory indicator, 2) the professional journalism indicator, and 3) the media business management indicator. The media reform process as a whole is far from complete but is moving in the right direction. The Montenegrin National Broadcasting Agency has awarded frequencies to 40 radio and 16 television broadcasters under the first public tender for frequency allocations. Previously no frequencies had ever been granted through an open competition requiring stations to meet a set of minimum criteria. The Public Service Broadcaster Radio Television of Montenegro (RTCG) is unquestionably the leader in the market and has managed to keep a healthy distance from political and government pressures and is on the way to becoming an independent public service broadcaster.

The overall goal of the objective is to: strengthen mechanisms that allow for greater citizen participation in their government process and to increase citizen understanding of the reform process. The results of success would include a civil society with more confidence and engagement in the political process, through strengthened NGO advocacy, improved information, and better representation by political parties. In vulnerable areas, improvement in living conditions and heightened community integration and participation in local social, political, and economic processes is expected.

US Financing in Thousands of Dollars

Montenegro

170-0211 Democracy and Economic Security	AEEB
Through September 30, 2004	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2005	
Obligations	0
Expenditures	0
Through September 30, 2005	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2006 NOA	
Obligations	3,221
Total Planned Fiscal Year 2006	
Obligations	3,221
Proposed Fiscal Year 2007 NOA	
Obligations	1,267
Future Obligations	0
Est. Total Cost	4,488