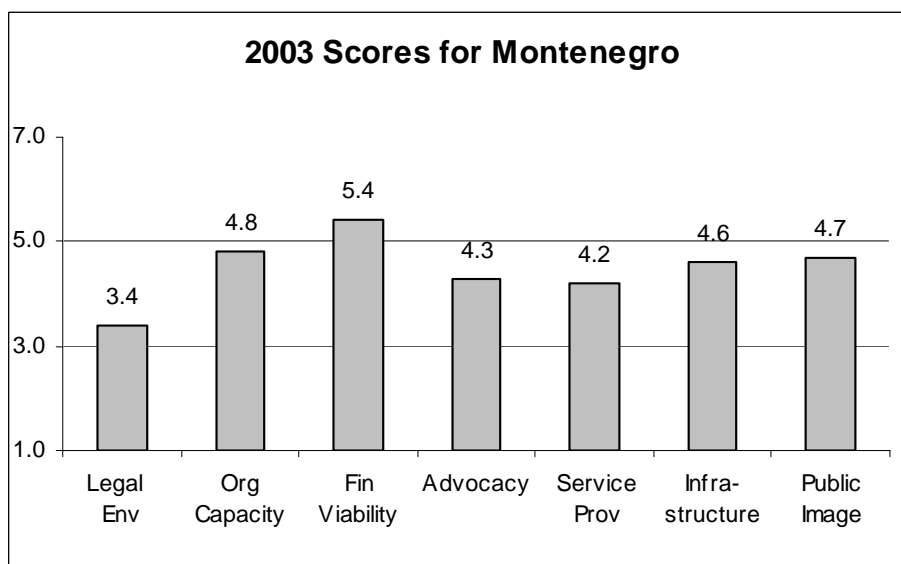


# MONTENEGRO



**Capital:**  
Podgorica

**Polity:**  
Parliamentary  
democracy

**Population:**  
650,000

**GDP per capita  
(PPP):** \$1,277

## NGO SUSTAINABILITY: 4.6

Montenegro's Index score improved slightly over the last year, indicating that 2003 saw few improvements in the sustainability of the NGO sector. The trend in 2003 can be partially explained

### NGO SUSTAINABILITY

2003	4.5
2002	4.6
2001	4.7
2000	4.6
1999	4.6

by the fact that donor funding for NGOs in Montenegro declined and assistance in general is moving away from humanitarian aid to more long-term development assistance. Many donors increasingly demand a higher level of accountability and organizational strength from their local NGO counterparts. The year represented, therefore, the beginning of a difficult transition for NGOs.

Despite the increased number and variety of training and technical assistance offered to Montenegrin NGOs by programs such

as the USAID/ORT Montenegro Advocacy Program and other programs, NGOs find it difficult to adopt and understand the need for internationally recognized best practice models of NGO management. Although an increased number of NGOs established Boards of Directors, it may be years until the new governance structures are truly followed and respected. NGOs still demonstrate a particular weakness and lack of capacity in the area of financial management.

The NGO sector continues to be donor and project driven, although there have been a very small number of NGOs that succeeded in diversifying their funding sources, through state-funded NGO grants programs and/or direct service-provision contracts with the Government of Montenegro.

The picture is not entirely negative, however. The USAID-funded Montenegro Advocacy Program, administered through

## 2003 NGO Sustainability Index

American ORT, provides training and technical assistance to NGOs that specifically focuses on strengthening the governance structure of NGOs, introducing strategic planning tools, and assisting NGOs to constitute Boards of Directors. The program has also established regional NGO resource centers in three different geo-political regions of Montenegro, thus allowing NGOs in regions outside of Podgorica to access communication and technical services, as well as advocacy and training resources.

Notably, there have also been several cases where NGOs successfully advocated for legislative changes at both the Republic and municipal level in 2003. One NGO, for example, proposed changes to the Law on Higher Education to allow for equal access for disabled students to higher education facilities, and these changes were incorporated into the final Law. The Law on Higher Education was subsequently adopted, thus securing for

disabled students legal provisions that protect their rights to gain equal access to higher education. In another success story, a women's protection NGO drafted and proposed a set of guidelines for police officers on how to deal with domestic abuse cases, which the Ministry of Interior has committed to incorporating into the draft Law on Police. The Akcija NGO Network continued to secure meaningful NGO participation in Montenegro's reform process, through several wide-scale, national public information and mobilization campaigns. Akcija NGOs cooperated closely with the Montenegrin Government on many of these campaigns, including the highly successful Farewell to Arms initiative, which resulted in over 2,000 citizens turning in 34,000 pieces of illegal weaponry and ammunition to the police, and also a 10 point increase in public trust in the police forces. Therefore, in 2003, it can be said that there was a significant increase in the quality of NGO-Government dialogue on reforms.

### LEGAL ENVIRONMENT: 3.7

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The NGO Law continues to provide simple registration procedures and allows NGOs

<b>LEGAL ENVIRONMENT</b>
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2003 3.4
2002 3.7
2001 3.7
2000 3.5
1999 3.5

to operate freely with no government threat of dissolution for political or arbitrary reasons. The Government does not systematically harass NGOs.

However, there continues to be a lack of understanding among government authorities, particularly at the local level, regarding the role of the NGO sector.

The NGO Law does not contain precise and easily understandable guidelines for forming an NGO organizational structure that includes a board of directors, management-staff relations with the board, and resolution of conflict of interest issues according to international standards.

There remains a scarcity of lawyers specialized in NGO Law and capable of offering pertinent legal advice to NGOs, as there is no incentive for lawyers to specialize in NGO-related legal issues. The few lawyers that do specialize in NGO Law are located primarily in Podgorica and only rarely in the secondary cities.

NGOs can earn income from the provision of goods and services, and receive tax exemptions on grants and profits less than \$4,000. However, the introduction of VAT in 2003 meant that prices for goods and services have risen, and since NGOs are not exempt from paying VAT, this can impact negatively on project-related costs. There are still no tax incentives for potential individual or corporate donors to give grants to NGOs.

The Procurement Law allows for any legal entity, including NGOs, to compete for

government contracts and procurements at both the local and central levels. One positive change in 2003 was the implementation of the Constitutional Court's decision to move the state grant-making function from the government to a committee in the Parliament. The parliamentary committee awards grants to NGOs using earmarked funds from the state budget. All regulations, information, and guidelines for these grants are posted in a timely and transparent manner on the Parliament website, thus accessible to all NGOs.

## **ORGANIZATIONAL CAPACITY: 4.8**

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It remains rare for NGOs to have a clearly defined mission to which they adhere, nor do many NGOs incorporate strategic planning techniques in their decision-making process.

While still uncommon, a few NGOs are beginning to build constituencies for their initiatives. NGOs typically still do not have a clearly defined management structure, including a recognized division of responsibilities between the Board of Directors and staff members. In the few NGOs where internal management structures exist, they exist only as a formality and do not serve to improve the organizational capacity of the NGOs.

Only a small number of NGOs have a permanent paid staff. Volunteer recruitment is dependent on specific project re-

quirements. Volunteers normally receive symbolic compensation in the form of travel costs, per diems, and meals. Significant improvements need to be made in the recruitment and involvement of volunteers within the sector.

Few NGOs have resources that allow for modernized basic office equipment, such as relatively new computers and software, functional fax machines, and Internet access. In 2003, through USAID funded Montenegro Advocacy Program, three regional advocacy centers were supported in secondary cities in order to allow NGOs access to communication facilities (Internet, fax, photocopying), as well as access to advocacy resources (information, training, advisement) which could improve NGOs' communication and constituency outreach capabilities.

## FINANCIAL VIABILITY: 5.5

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The process of allocating state and municipal grants funding to NGOs has improved measurably in the past year, with

FINANCIAL VIABILITY	
2003	5.5
2002	5.5
2001	5.5
2000	5.5
1999	5.5

the adoption and implementation, by the government, of clear regulations and transparent application guidelines. Furthermore, the grant-making committees

either contain NGO representation on the evaluation board or work closely with NGOs to obtain their input. The contracting, reporting, and monitoring requirements still need to be developed, although accurate reporting has

been introduced as a precondition for repeat grants funding.

In terms of other funding resources, NGOs in Montenegro typically continue to be dependent on one or a small number of international donors, which provides them with only short-term financial viability. As foreign donors will not remain in Montenegro forever, NGOs need to develop the skills and abilities to solicit funding from other sources. This will require training in community and constituency building, fundraising techniques, and financial management.

## ADVOCACY: 4.7

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In 2003, there were a few notable cases of

ADVOCACY	
2003	4.7
2002	4.7
2001	4.5
2000	3.5
1999	3.5

successful NGO advocacy and lobbying initiatives. For example, a disability rights NGO succeeded in getting the government to include several key provisions in the draft Higher Education Law pertaining

to better access to higher education for disabled students. Women's rights NGO wrote guidelines to regulate the Ministry of Internal Affairs' conduct in investigating and processing domestic violence cases. An elections monitoring NGO drafted and proposed two key pieces of political party reform legislation directly to parliament, and collected nearly 13,000 signatures from citizens to do so. Another NGO secured the participation of a hereto-

excluded sector of the population, persons with disabilities, in the World Bank PRSP process.

However, successful advocacy and lobbying initiatives, such as above, still tend to be isolated efforts in Montenegro. NGOs generally do not coordinate with each other, or join forces, to achieve an advocacy goal. The only large-scale, coordinated reform initiatives and campaigns in Montenegro are those that are completely donor driven, such as the Akcija "Reforms for a Healthy Society" Program. NGO members of the Akcija NGO Network organized and collaborated on several large-scale reform initiatives, such as the Farewell to Arms campaign, pension reform, Ombudsman, and political party legislation.

## SERVICE PROVISION: 4.2

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Provision of services to constituents and/or government, with the exception of

SERVICE PROVISION	
2003	4.2
2002	4.2
2001	4.0
2000	4.5
1999	4.5

disability membership organizations, is still an under-developed concept in Montenegro. Some cases of service provision, albeit rare and isolated, do exist however. For example, in 2003, two different women's rights NGOs provided issue-based training to police officers, following requests by the Ministry of Internal Affairs. Another NGO, a journalist association, was asked by the government to provide specific media monitoring services for the government. The national media working group, mentioned in this section in 2002, continued in 2003 to

work with the government on implementing key portions of the new media laws.

In comparison to 2002, 2003 saw a marked increase in awareness among NGOs of unexploited potential in the area of providing services to government and the private business sector. In particular, the reluctance of the donor community to fund service provision initiatives in the fields of social welfare and education has opened up a potentially rich source of engagement for Montenegrin NGOs. Service-providing NGOs that had been funded through humanitarian funds from international donors have ceased to operate, since this type of donor funding has dried up and the NGO programs no longer sustainable.

## INFRASTRUCTURE: 4.6

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INFRASTRUCTURE	
2003	4.6
2002	4.6
2001	5.0
2000	5.0
1999	5.0

While the range and quantity of basic training opportunities available to NGOs is generally good and even exceed-

ing local demand, NGO interest in trainings is judged to be significantly low. On the other hand, specialized training and resource materials can attract only a small portion of the NGO market, and are difficult to access for NGO representatives with poor English language skills.

## PUBLIC IMAGE: 4.8

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The media now dedicates significant time to the work of NGOs, but the resulting presentations in the media tend to reflect a lack of presentation skills and/or professionalism on the part of the NGOs. NGOs'

communications with the media and the general public are basic in nature and can often result in inaccurate reporting.

## 2003 NGO Sustainability Index

<b>PUBLIC IMAGE</b>	
2003	4.8
2002	4.8
2001	5.0
2000	5.0
1999	5.0

NGOs and the NGO sector as a source of alternative opinions and/or in-depth data analysis.

The good news is that organizations exist that can help address this shortcoming. For example, the Montenegro Media Institute (MMI), an NGO dedicated to improv-

Although open to cooperation with the NGO sector, the media still lacks the in-depth/investigative reporting skills and policies that would result in enhancing the public perception of

ing the professional skills of journalists and other media experts, has been working in cooperation with the Danish School of Journalism and soon with the University of Montenegro's Faculty of Law, on developing a multi-year accredited degree in journalism that among other things will hopefully ensure greater public perception of the NGO sector in the years ahead. MMI, in the meantime, organized 22 courses in 2003 in which 164 journalists participated, ranging from court room reporting to investigative reporting skills, to producing and editing stories utilizing state of the art radio and television digital technology.