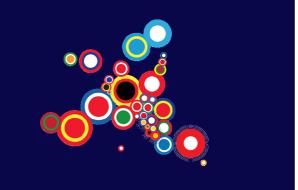


INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020





Action summary

This action will improve the level and quality of participation of civil society organisations throughout the Montenegrin policy-making processes.

This will be achieved through the promotion of an enabling and inclusive environment that is conducive to civil society activities and building their capacity to be credible, effective, accountable and independent actors.

The action shall contribute to strengthening civil society organisations' longterm strategic development and financial sustainability outside the framework of European Union accession funding.

The intervention will also improve the cooperation and dialogue between the civil society and the government, as well as reinforce inclusive civic participation in public policy processes. It will also give incentives toward fostering stable and transparent procedures in the area of decentralised management and give rise to improved conducive financial environment in the area of public funding.

These achievements will benefit Montenegrin citizens first, but also the civil society and the government on their European path as all are key stakeholders of the European integration process.

	Action Identification				
Action Programme Title	Civil Society Facility and Media Programme 2018 - 2019				
Action Title	Civil Society Facility Action for Montenegro 2018 - 2019				
Action ID	IPA 2018/040-646.06/CSF & Media/Montenegro				
	IPA 2019/040-647.06/CSF & Media/Montenegro				
	Sector Information				
IPA II Sector Regional and territorial cooperation					
DAC Sector	15150 – Democratic participation and civil society				
	15153 – Media and free flow of information				
	Budget				
Total cost	2018: EUR 1 100 000				
	2019: EUR 4 675 000				
EU contribution	2018: EUR 1 000 000				
	2019: EUR 4 250 000				
Budget line(s)	22.020401 – Multi-country programmes, regional integration an territorial cooperation				
	Management and Implementation				
Management mode	Direct management				
Direct management:	Delegation of the European Union to Montenegro				
Implementation responsibilities	N/A				
	Location				
Zone benefiting from the action	Montenegro				
Specific implementation area(s)	N/A				
	Timeline				
Final date for concluding Financing Agreement(s) with IPA II beneficiary	N/A				
Final date for concluding delegation agreements under indirect management	N/A				
Final date for concluding	IPA 2018: 31 December 2019				
procurement and grant contracts	IPA 2019: 31 December 2020				
Indicative operational implementation period	72 months from the adoption of this Financing Decision				

Final date for implementing the Financing Agreement (date by which this programme should be de- committed and closed)	N/A Policy objectives / Markers	s (DAC form)		
General policy objective		Not	Significant	Main
General policy objective		targeted	objective	objective
Participation development/good governance				1
Aid to environment		 ✓ 		
Gender equality (including Women In Development)		✓	 ✓ 	
Trade Development		 ✓ 		
Reproductive, Maternal, New born and child health		✓		
RIO Convention markers		Not targeted	Significant objective	Main objective
Biological diversity		 ✓ 		
Combat desertification		✓		
Climate change mitigation		 ✓ 		
Climate change adaptation		✓		

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

European Union (EU) support to Civil Society Organisations (CSOs) aims at building stronger democracies, improving accountability systems and ultimately achieving better policy and economic and social development. It seeks to empower civil society to fulfil the following key roles:

- Creating stronger links to citizens by engaging in public policy processes, reaching out to society as a whole including marginalized groups and grass-root communities and encouraging civic activism and public participation in policy-making across all areas;
- Becoming professional and reliable partners in the policy-making and reform process through evidence-based advocacy across all sectors and close monitoring of reforms;
- Contributing to enhancing responsible and inclusive leadership in the political, economic and social spheres and provide early warning in case of societal change,
- Strengthening economic development and create better links with business by promoting entrepreneurship, social innovation and job creation.

The EU provides the bulk of its financial and technical assistance to the Montenegrin civil society through the Civil Society Facility (CSF). Other sources of funding, which are used by a variety of local civil society organisations, include the cross-border cooperation IPA component.¹ In its various strategic and policy documents, the European Commission has continued to underline the importance of the role civil society actors can play in a participatory liberal democracy and particularly the added-value it brings to enlargement countries. The development of a thriving civil society remains a key dimension of pre-accession assistance, as CSOs continuously require support to strengthen their capacities, improve their professionalism and expand their networks within and beyond the Montenegrin borders. The number one priority is therefore to continue to support the establishment of a sustainable conducive environment that promotes CSO operations, in line with the European Commission guidelines for EU support to civil society in enlargement countries 2014-2020, as well as the guidelines for EU support to media freedom and media integrity in the enlargement countries 2014-2020.

At the time of drafting this document, the previous CSF programme (2016-2017) is to a large extent being implemented with technical assistance to the development of institutional mechanisms of cooperation between the Government and the CSO, as well as through a call for proposals providing financial support to a wide spectrum of Montenegrin CSOs with a particular focus on capacity building of smaller CSOs including through schemes for support to third parties (re-granting) in remote areas of the country.

The amendments on the law on Non-Governmental Organisations (NGOs) was adopted on 2 June 2017 with the aim to enhance the public funding legal framework, which failed to bring about the expected impact with the previously proposed mechanisms. Following an extensive lobbying of civil society representatives for an increase of public funds available to CSOs, a fixed percentage has been prescribed by the law, and more transparent procedures have been introduced regarding the programming of priorities and award of grants by ministries. Following the entry into force of the amended law on NGOs, on 17 July 2017, public debate on by-laws on criteria, standards and procedures of public funding of NGOs' projects/programs, as well as by-law on criteria for co-financing of the EU funded projects and programs, was opened by the Ministry of Finance. The adoption of all necessary by-laws is expected in by Q3-2018 in order to ensure timely capacity building of civil servants responsible for implementing new standards of public financing of NGOs in 2018.

¹ Additional funding on an annual basis is also provided through the European Instrument for Democracy and Human Rights.

Following the last parliamentary elections, the restructuring of the institutional framework for the Government-CSOs cooperation has been initiated. On 18 May 2017, the Government of Montenegro adopted the changes of the Act on internal organisation of the Ministry of Public Administration (MPA) which establishes the National Office for Cooperation with NGOs as a separate entity within the MPA, in charge of implementation of CSO related policies. At the same time, the Office for Cooperation with NGOs in the General Secretariat of the Government has been abolished and staff of the Office transferred in the MPA. On 28 July 2017, Minister of Public Administration appointed Head of the National Office for Cooperation with NGOs.

The Council for Development of NGOs, which is a consultative body for Government/CSO relations, still needs to take a decisive and more active role in the entire process, and the new Strategy for the Development of NGOs 2018-2020 is expected to provide clear guidelines on restructuring and strengthening capacities, mandate and visibility of this important mechanism for structured dialogue between the Government and NGOs in Montenegro. (*See Sector Approach Assessment for more details*).

It is not possible to estimate the exact number of active NGOs, but it is agreed by most stakeholders that only a fraction of the number of formally registered organisations regularly implement activities and lead relevant professional projects. As of September 2017, 4602 NGOs were registered in Montenegro, of which 4421 non-governmental associations, 170 foundations and 11 representative foreign NGO offices. Most of these are inactive, as illustrated by the fact that only 968 NGOs submitted obligatory financial reports to the Tax Administration in 2012². Moreover, there are still no available statistics with regard to employees and volunteers in the civil society sector. The Ministry of Public Administration is in charge of the formal registration of NGOs and keeping the NGO registry up to date, which can be accessed online³.

Montenegrin CSOs represent a significant diversity of organisations going from prominent, semiinstitution, mature, Podgorica-based professional organisations to much smaller, community-based, volunteering associations struggling with a chronic lack of financial and human resources³.

Networking amongst Montenegrin NGOs and operational partnerships are not yet a norm in the field. Previous IPA programmes have aimed at developing networking as an accepted model of collaboration, encouraging influential organisations to provide know-how and capacity building to smaller, community-based organisations. The stakeholders that participate in the tripartite social dialogue are the two trade unions in Montenegro – the Union of trade unions of Montenegro (SSCG) and the Union of free trade unions of Montenegro (USSCG), and the Union of Employers of Montenegro (UPCG) is a prime formal example. But, the coalition "By cooperation towards a goal" gathers over 100 NGOs. The "Natura2000" network gathers NGOs from the environmental sector, and "Our Initiative" gathers disability CSOs are other worthy examples. There is also a regional platform for culture called "Kooperativa" which includes a Montenegrin partners CSO, which has initiated networking among local NGOs in the area of culture and modern arts.

Funding remains a vital challenge for Montenegrin CSOs as they are largely dependent on a diminishing number of external donors. Following the relatively sudden exit of most international donors, the Montenegrin civil society now relies largely on either public funding or EU support as institutional funding sources. The effectiveness of the public funding procedures for support to NGOs (central and municipal level) is contested and considered controversial by most concerned actors. Moreover, the size of the corresponding envelope has been drastically reduced for various consecutive years, and a number of government-non-government collaborations were not subject to public transparent competitive processes.

As a result, the EU has recently become the single most important source of international funding for CSOs and media outlets and it is often incorrectly perceived as an alternative funding source, filling the public funding deficit. As such, genuine alternatives, such as Corporate Social Responsibility, Philanthropy,

² Cf. TACSO Needs Assessment 2014, p. 38.

³ http://www.dokumenta.me/nvo/

volunteerism, tax breaks, social entrepreneurship, membership fees are all key dimensions of a sustainable civil society that urgently need to be established and developed. This will bring Montenegro nearer other Western liberal democracies as well as address the over-dependence on public and external funding.

The Ministry of Finance has launched a procedure of developing the by-laws on criteria, standards and procedures of public funding of NGOs, as well as on criteria for co-financing of EU funded projects of NGOs. According to the drafts of these acts, the procedures will be harmonised with EU standards and practices.

As regards media, it is necessary to acknowledge the fact that Montenegro is a small media market with a population of approximately 625,000 people. The country has a very large number of media outlets. According to the Agency for Electronic Media, there are 15 commercial TV stations, 37 commercial radio stations, as well as a national public broadcaster with three channels and 17 local public service broadcasters (3 TV and 14 radio stations). There are 12 cable TV operators.

There are also four daily newspapers (Vijesti, Dan, Dnevne Novine and Pobjeda) registered in Montenegro, one weekly political magazine (Monitor) and one news agency (MINA). There are also four widely-read internet news portals (Vijesti, Café del Montenegro, RTCG and Portal Analitika). The Montenegrin media scene remains severely polarised and politicised. The dividing line is the editorial policy perceived as either pro-government or anti ruling party. Strong hostility exists among media, especially their editors and owners. Mutual accusations of working either for the Government or for the opposition, and the lack of trust and willingness to sit together to overcome common problems, contribute to the deterioration in professional standards of reporting. The lack of independence of the main public broadcaster is an area of concern.

The overall level of professionalism in the media landscape needs to be improved. In-depth knowledge on EU accession related issues in the field of the rule of law, human rights, economics and public administration reform are not very strongly developed.

Rules governing the transparency of media ownership, including media concentration, are set out in the law on electronic media. There are concerns about transparency and non-discrimination in state advertising. The precarious economic situation of journalists puts them at risk of editorial interference and possible self-censorship. The fact that many media outlets are not financially sustainable has a negative impact on the quality of reporting and professionalism. Security of investigative journalists has been an issue in Montenegro. The *ad hoc* commission to investigate attacks on journalists needs political empowerment while the public broadcaster needs to kept free from any undue political interference.

Fostering both investigative journalism and independence of journalists are vital issues for Montenegro's EU integration. The Montenegro 2018 report has noted that there was no progress in the area of freedom of speech in the reporting period. Media literacy is an area to be looked into in the light of growing concern of influence from political actors opposed to Montenegro's EU Integration.

OUTLINE OF IPA II ASSISTANCE

The Programme will focus on building the capacity of CSOs, media and media regulators to be professional, credible, effective and accountable independent actors; and on contributing to the establishment of an enabling financial environment, supportive of institutional sustainability of CSOs. This will be done through technical assistance to relevant institutional and non-institutional stakeholders and through action grants to CSOs and Montenegrin media.

The programme will seek to ensure that Montenegrin policies and standards are better observed and promoted throughout the country. In parallel, initiatives which aim to strengthen the role of civil society at local level will also be supported, in recognition of the added value of community-based associations in developmental processes. The programme will be divided into components to address each of the needs

developed above. This will ensure that the CSF will support a wide spectrum of Montenegrin civil society in its diversity and therefore better contribute to achieve some of the chapter 23 and guidelines objectives.

On the side of media support, the EU integration process and subjects such as fighting corruption, organised crime, elections, public administration reform, economic reform, and environmental issues will be at the core. The support will aim at raising the level of media professionalism, in turn resulting in a well-informed public on topics highly relevant for the integration process

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

Strengthening civil society and enhancing freedom of expression are core parts of the Political Criteria for accession. Various documents together provide the strategic focus for the EU assistance to civil society and media: The 2012 European Commission communication "*The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations*⁴"; the EU Enlargement Strategy of 2015⁵; the 2018 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on "*A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*⁶"; the Montenegro Annual Report⁷

as well as the 2011, 2013, 2015 and 2017 Speak-up! and media conferences advocating for media freedom and integrity of media

The IPA II Indicative Strategy Paper (ISP) for Montenegro refers to Civil Society as a crosscutting intervention, which constitutes part of all the sectors supported by IPA. The strategy states that in a participatory democracy, "an effective public administration needs to be complemented by well-developed and active CSOs, as well as an independent and professional media". The aid strategy foresees that they are supported in a "flexible, transparent, cost-effective and results focused manner across the sectors of the ISP". In order to reach this objective, the programme in subject will improve "the level of participation of CSOs in the policy-making process". This will be achieved through promoting an environment that is conducive to civil society and media activities and building their capacity to be effective and accountable independent actors. Another objective will be the improvement of the dialogue between civil society and the Government, a more professional and independent media as well as more effective civic participation in public policy processes. An initiative for review of ISP has been submitted by the Government's Office for Cooperation with NGOs (now transferred into National Office for Cooperation with NGOs within Ministry for Public Administration) in February 2017, with the aim of with the aim of introducing sub-sector "Civil Society" within Democracy and Governance Priority Sector.

The Enlargement Strategy 2015-2016 states that "a stronger role for civil society organisations and a much more supportive and enabling environment to foster their development is needed in the enlargement countries". In addition, the Strategy notes that it is "necessary to enhance political accountability and promote deeper understanding of accession related reforms." In particular, when it comes to promoting for good governance, the European Commission concluded that "there is a need to work even more closely with local civil society actors to anchor reforms across society." In line with the previous Enlargement

⁴ COM(2012) 492 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations

⁵ COM(2015) 611 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU Enlargement Strategy

⁶ COM(2018) 65 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A credible enlargement perspective for and enhanced EU engagement with the Western Balkans

⁷ COM(2018) 450 final. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 2018 Communication on EU Enlargement Policy

Strategy, it was once again stressed that "an empowered civil society is a crucial component of any democratic system. It enhances political accountability and social cohesion, deepening understanding and inclusiveness of accession-related reforms".

Concrete recommendations in the 2016 Report on Montenegro state that "Some progress was made in improving cooperation between the government and civil society organisations (CSOs). Civil society's active role in the accession process is now formally acknowledged, but full participation remains to be achieved. Additional resources and transparency are needed in government structures and procedures for collaboration with and consultation of CSOs."

Most importantly, the report emphasises that "Montenegro needs to establish a sustainable and efficient system of public funding for CSOs and an appropriate institutional and legal framework." The progress report directly targets the need for the amendment of the law on NGOs and the adoption of the necessary by-laws, which will determine the procedure for funding, monitoring, evaluation and audit of NGO projects.

The 2018 Report on Montenegro states that "some progress was made in improving the legal and institutional framework for cooperation between the government and civil society organisations, particularly on setting the legal basis for public funding of Non-Governmental Organisations. There is a general acknowledgement that civil society has an important role in the accession process, but beyond CSOs' formal participation in various working groups, the conditions for a genuine consultation process remain to be strengthened. Mechanisms are in place for government to consult CSOs but these mechanisms need additional resources, clear rules and genuine involvement on both sides."

As regards media, the 2018 Report on Montenegro indicates that Montenegro has some level of preparation on freedom of expression but that no progress was made in the reporting period. "There have been no notable developments on investigations into old cases of violence against journalists. Political interference in the national public broadcaster (RTCG) and the Agency for Electronic Media (AEM) are a matter of serious concern. The media scene remains highly polarised and challenges persist in understanding the role of free media. The number of defamation cases remains high, also due to weak self-regulatory mechanisms."

Another key policy document is the *Guidelines for EU support to civil society in enlargement countries* (2014-2020). It stipulates that support to civil society should be all-encompassing, and "focused on enabling and stimulating participatory democracy". It proposes to achieve this objective through an improved environment for CSO operation as well as supporting their capacity development. Most importantly, the document includes a detailed set of results and indicators, which will provide a measurement of progress achieved at country level. The European Commission has also issued the *"Guidelines on EU support to media freedom and media integrity in the enlargement countries 2014-2020"* which also serve as an important reference document for the planning of assistance for the media.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

A key lesson learned from the previous 2-year period, acknowledged by recent studies (cf. Technical Assistance to Civil Society Organisations (TACSO) 2016 Needs Assessment)⁸, is that EU funding has now become the most important international source for financial support to Montenegrin CSOs. At the same time, the quality and quantity of visible CSOs achievements, as well as submitted project proposals, has significantly increased over the years, which has made a competitive process even more demanding for potential applicants. Local media receive very little international funding. In contrast to the 1990s when the international donor community supported media across the Western Balkans, it has become increasingly difficult for local media to get international funding. This lack of targeted resources has been acknowledged during the evaluation Mid-term Evaluation of the Civil Society Facility for Montenegro.

⁸ TACSO Needs Assessment 2016 is available at: http://www.tacso.org/data/dokumenti/pdf/doc2016_nar_mn_eng.pdf

With regards to EU funding to CSOs, a reported challenge is the shared concern about the prescribed cofinancing, which is becoming increasingly difficult for CSOs to ensure. The amendments on the law on NGOs has tackled this issue by ensuring the allocation of at least 0.1% of State Budget for co-financing of the EU funded projects of NGOs. The adoption of the Government Decree on Criteria, Standards and Procedures of Co-Financing of EU funded projects of NGOs is expected for November 2017.

In addition, EU funding instruments have proved difficult for small, community-based organisations to benefit from, as required procedures favour institutionally mature organisations. That is one of the main lessons learned and a reason why financial support to third parties is a key feature under a national programme, where big organizations will be requested to transfer their know-how to the grassroots level.

In the recent past, IPA financial assistance has reflected an increased interest for the role of civil society in Montenegro. The IPA 2007 Programme (EUR 1 million) encouraged the networking of Montenegrin CSOs with EU counterparts and with local authorities in the areas of policy development and service delivery. The IPA 2009 Civil Society Development programme (EUR 2.2 million) aimed at enhancing the contribution of CSOs to the social, economic and political development of Montenegro and included sub-granting schemes. The IPA 2011 Civil Society Facility Programme (EUR 1.8 million) addressed the priority areas of relevance to Montenegro's accession process. IPA 2013 Civil Society Facility Programme (EUR 1 million) continued to focus on capacity building measures and strengthening service delivery. IPA 2014 was merged with IPA 2015 to launch a Call for Proposal (EUR 2.5 million) to support networking, advocacy, service development and capacity building. IPA 2016 Civil Society Facility Programme (EUR 2 million) explored financial support to 3rd parties as a delivery method.

In September 2017, the following recommendations pertaining to Montenegro were put forward in the framework of the Mid-term Evaluation of the Civil Society Facility for the Western Balkans and Turkey:

1. To support and encourage further consolidation of the institutional context in order to rapidly achieve a more enabling environment, enhance the effectiveness of the ongoing Technical Assistance (TA) project and optimize thereby the overall efficiency of the CSF.

2. In future call for proposals, to deliver support to larger CSOs in order for them to develop partnerships and support themselves the smaller CSOs (financially through sub-grants and non-financially through capacity building), (...) in order to ensure better alliance between thematic expertise and organizational/capacity building capacity, allow for/invite applications from consortiums of 2-3 larger CSOs which provide together this mix of assets and expertise.

3. To consider strengthening the CSF support to media and freedom of expression, with a particular attention to independent and investigative media not subordinated to Government's influence.

4. In the wider frame of the development of a new CSF Database, plan the participation of Montenegro in form of a pilot bottom-up action allying the EU Delegation to Montenegro, the Government and the NGO Council, with the support of the ongoing TA project.

5. In the specific situation of the CSF's planned decentralization (horizon 2018) in Montenegro, consider the need of gradual decentralization in order to maintain the politically sensitive thematic fields under centralized management (at least media and freedom of expression, human rights).

The Technical Assistance to Civil Society Organisations (TACSO), a regional project managed by Headquarters, has contributed to capacity building of CSOs and as well as promoted improved Government-NGOs dialogue. It is foreseen that parts of its role would be gradually transferred to a Montenegrin CSO to work as a resources centre for other interested organisations. From May 2016, an additional technical cooperation programme (national level, EUR 0.5 million) is being implemented with the aim of strengthening institutional mechanisms for the Government-CSOs cooperation in Montenegro. The programme has been extended for one year until October 2018. While TACSO was predominantly focused on building capacities of CSOs, this technical assistance project is expected to strengthen

capacities of government bodies for meaningful cooperation with NGOs, but also contribute to improving the overall legal, institutional and financial environment for NGO development.

Importantly, the consolidation of instruments to contribute to financial sustainability of civil society through transparent and effective public funds support must be ensured. With regards to CSOs' capacity and ability to contribute to public decision-making processes, including public policy monitoring and policy analysis, it is necessary to constantly work on CSOs' internal human resources development and strategic planning. Although improvements are evident, a number of CSOs need to further strengthen their professionalism and credibility in order to actively and effectively lobby or advocate for certain societal issues.

The European Commission considers freedom of expression a basic human right (Article 49 of the Lisbon Treaty) and a key indicator of a country's readiness to become part of the EU. It implies a commitment to democracy, good governance and political accountability. Political interference in the media, exacerbated by the economic crisis, leads to media concentration and various forms of harassment. As a complex and composite challenge, targeting identified challenges goes beyond transposition of EU rules: it calls for behavioural and cultural change in politics, the judiciary and media for which EU support remains further vital.

In this challenging and complex area, the CSF is able to cover only a smaller part of the needs in terms of media and freedom of expression. At the regional/ multi-beneficiary level, media support was directed to alignment with international standards in the media sector, media freedom and integrity, reform of public broadcasters, and prizes for investigative journalism. In Montenegro focus was put on fostering conditions for independence and professionalism in media – including for the development of investigating journalism and higher ethical standards. The first four projects supported under the CSF achieved good results in terms of relevance, effectiveness and impact. However, further efforts are needed in particular to increase the level of professionalism and the promotion of journalistic ethics and to foster the establishment of investigative journalism.

Finally, evidence indicates that civil society should not be supported in isolation, but as an integral part of every policy area. Civil society should therefore be regarded as cross-cutting issue and not as separate sector. In Montenegro, the EU is applying this approach by the EU Delegation to Montenegro upholding regular contacts and consultations with a broad array of Montenegrin CSOs across all policy areas.

Montenegro is often cited as a pioneer when it comes to the participation of civil society in the EU negotiation process. Civil society representatives have been selected as members of the working groups for each of the chapters under negotiation. Sector Working Groups for IPA have also been established, including civil society representatives selected for this purpose. Furthermore, the Decrees on the procedures for cooperation and conducting public debates between public administration bodies and NGOs determine the manner of consultation and cooperation between the government authorities and CSOs. The government has clearly recognised the importance of CSOs in the accession process and the role they can play to enhance political accountability, deepen understanding and support for accession related reforms. This holds particularly true for Montenegrin CSOs that monitor developments in areas such as the rule of law and respect for fundamental rights. These formal recognitions are regularly praised and encouraged although practise has not always followed.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
To strengthen participatory democracies and the EU integration process in Montenegro by empowering civil society to actively take part in decision making and by stimulating an enabling legal, institutional and financial environment for civil society and pluralistic media.	Quality assessment of existing legislation and policy framework Quality of structures and mechanisms in place for cooperation between CSOs/media and public Institutions	Credible independent assessments and Country report	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
 To build the capacity of CSOs, media and media regulators to be professional, credible, effective and accountable independent actors. To contribute to the establishment of an enabling financial environment, supportive of institutional sustainability of CSOs. 	Number of CSOs participating in common initiatives Number of CSOs participating in national and local coalitions Number of members of CSOs increased Number, size and duration of public grants to CSOs across all sectors	TACSO, Balkan Civil Society Development Network, Country report, TA reports, Government reports, European Union delegation to Montenegro monitoring findings, Resource Centre, Report on the implementation of measures from the government's NGO Strategy;	Government, line ministries and municipalities treat the civil society sector with respect, trust, in a spirit of mutually benefiting cooperation.
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
 Result 1: CSOs and media are recognised by the government and citizens as reliable partners in improving good governance, rule of law, human rights, environmental affairs policy-making procedures and social service implementation. Result 2: CSOs strengthened their strategic organisational development, their long-term financial and institutional sustainability; their capacities to participate in decision-making processes, deliver professional transparent and cost-effective service,; communicate effectively their activities to the public, and mobilise citizens to become engaged in their initiatives. Result 3: Public funding to CSOs is available and provided in a regular, transparent, accountable, fair and non-discriminatory manner; and the legal and institutional framework stimulate the promotion of alternative sources of funding (tax rebates, Corporate Social responsibility, social entrepreneurship, 	 R1: External perception of importance and impact of CSO activities. (4.2.a) R2: Percentage of NGOs that confirm their ability to raise funds in accordance with the strategic planning; (6.1.a) R2: Share of CSOs which have developed strategic plans including human resources development (5.1.a) R3: Volume of funds channelled to CSO from sources other than public or donor resources.(+/-6.2.a) 	Same as above	All stakeholders remain committed to fulfilling their obligations stemming from relevant laws, regulations, agreements and strategies. Civil society continues to effectively contribute to the democratisation process of the country and promoting EU values.

· · ·	
volunteering, etc)	R3: Ratio of amount sought vs. amount
	approved/disbursed annually through public
Result 4: Adequate national structure is established to cooperate with civil	funding to CSOs. 2/4a)
society.	
society.	
	R3: Quality of procedures of public funding of
Result 5: Improved quality and independence of information delivered by	NGOs. (+/- 2.4.c a)
traditional and social media. Increased trust and cooperation between national	
authorities and media; increased level of professionalism for journalists and self-	R3; Assessment of effective implementation of
regulatory bodies	NGO law and by-laws governing public funding;
regulatory boules	Not law and by-laws governing public funding,
	R3: Quality of state funding frameworks for
	CSOs (2.4.c).
	R4: Percentage of laws/bylaws, strategies and
	policy reforms effectively consulted with CSOs.
	(3.1.a)
	R4: Quality of structures and mechanisms in
	place for dialogue and cooperation between
	CSOs and public institutions. (3.1.b)
	coos and public institutions. (S.1.6)
	R4: Project Implementation Unit (PIU)
	following CSF matters is in place in the
	responsible Ministry.
	R5: Quality of media articles; Cooperation
	between national authorities and media
	(Indicators 4.1 and 4.2 media Guidelines)
	R5: Increased capacity and coherence of the
	media self-regulatory bodies (Indicators 4.4a-
	4.4.c Media Guidelines)
L	t.t.e Media Galdenies/

DESCRIPTION OF ACTIVITIES

Activity 1: Support to CSO activities in various sectors, including financial support to third parties (contributing to achieving result 1 and 2)

One action grant, with the main purpose of providing financial support to third parties, will channel support to a range of small and middle size organisations active in various sectors that cannot compete on equal footing with larger institutionalised ones. Thematic target areas to be targeted will be determined following a consultation process with all relevant stakeholders and will reflect the diversity of actors and interests in the country. The support will enhance civil society involvement in designing and monitoring public policies whose implementation require further upgrading of civil dialogue, stronger CSO contribution to policy and watchdog initiatives, improved CSO effectiveness, transparency and accountability, strengthened fight against corruption, and cooperation between municipalities and CSOs. The projects will foster partnership dialogue between CSOs from the region and their EU counterparts, public authorities and other stakeholders.

Activity 2: Resource Centre (contributing to achieving result 1 and 2)

The development of grass root organisations and other CSOs capacity will be ensured through the continuation of the support to the Resource Centre financed under CSF 2017, which will start in the third quarter of 2018. The support will include activities related to capacity building, information dissemination, networking, mentoring, support to management of sub-granting schemes etc. This component will need to ensure effective outreach to concerned public bodies so that effectively improved state and civil society relations are also supported. As such, the exact content of this component will be adapted in relation to the results achieved through the on-going technical cooperation intervention (funded under CSF 2016-2017). Adaptation to the state of play of decentralization of the CSF will be assessed at the time of launching the Call for proposals.

Activity 3: Support to free and professional media and to self-regulatory bodies (contributing to result 1 and 5)

Support will be provided through action grants to free and professional media partnering with CSOs, as well as to self-regulatory bodies. To build further capacities in the local media, capable national media organisations will be involved to play the role of the trainer, mentor and adviser.

The concept would be to launch one Call for Proposals with two lots. One lot will offer action grants to the media organisations of Montenegro in partnership with local civil society. In the same Call for Proposals a second lot will target international organisations, which will be given the role to facilitate coordination and synergies between the self-regulatory bodies of Montenegro and operate a scheme for support to third parties for the benefit of the self-regulatory bodies and other suitable third parties to foster journalistic ethics. One important reference for these grants is the overall guidelines for EU support to media freedom and media integrity in the enlargement countries 2014-2020.

Activity 4: Technical Assistance for the Government Office for CSOs (Contributing to result 3)

A new Technical Assistance programme will build upon the results of the CSF 2015-2016-funded TA project to support the National Office for Cooperation with NGOs. The new project will continue building the capacities of civil society, but will also promote a more enabling legal, institutional and financial environment for civil society development, helping the authorities in their readiness to take on the responsibilities of managing funds as a future EU Member State in EU and/or other programmes, such as the European Social Fund.

RISKS

One of the main goals to be achieved in the area of civil society development, as stated in the EU Guidelines as well as in the Strategy for development of NGOs, is to create an enabling environment for CSOs to operate. This requires explicit will and interest from a number of stakeholders as well as decision makers in various sectors of the public administration. A vital risk to this programme is a lack of pro-active collaboration and passive behaviour amongst the sector stakeholders, which would inevitably lead to partial or complete failure of envisaged capacity development gains. Both at central and municipality level, government authorities have the power to either intervene excessively in local CSOs operations or, inversely, not sufficiently support local CSOs initiatives. The consequences are similar in both cases, with hindered creativity and missed opportunities on the benefits of network governance, social contracting, citizen representation, civic activism and volunteering, etc..

With regards to supporting CSOs operations, the inherent risk is related to the maintenance of an environment where these organisations can operate. This means they are not subject to excessive government intervention.

It also implies that Montenegrin CSOs continually strengthen their capacity to remain competitive in the context of demanding tendering procedures. A significant risk is therefore that the current CSOs landscape continues to operate without a reflective approach about their own capacity gaps and ability needs. A regular observation is that CSOs representatives are critical towards the Government laissez-faire attitude, and yet they rarely consider their responsibility for the current limited government-non-government cooperation. The overall risk is therefore the continued absence of frank and objective dialogue on civil society development where all stakeholders' capacity, ability and responsibility are addressed, free of bias and activism. In addition, a substantial risk is related to still low capacities of the Government to conduct effective and meaningful policy dialogue, but also to design and implement grant schemes for public funding of NGOs' projects and programs, under the new procedures set by the amended law on NGOs and related by-laws. Monitoring of implementation of the amended law on NGOs, regarding national funding of NGOs projects and programmes, considered as contribution to realization of public interest will be a crucial feature.

The National Office for Cooperation with NGOs (NOC) of the Ministry of Public Administration coordinates the process of programming of public funding by assessing and supporting the ministries in developing sectoral analysis with proposals of priorities and amounts of funding of NGOs' programs and projects. The NOC is also preparing an Opinion on proposed priorities and amounts, which is going to be the basis for adopting The Decision on determining priorities and amounts of funding of NGOs' programs and projects. The decision is expected to be automatically incorporated into the Law on State budget.

Reporting in the local media will most likely continue to be as polarised as it is now. The funding of the EU will not change the editorial policies completely. However the level of quality of articles on EU integration vital issues and an additional layer of checks and balances in the overall policical setup can still be improved through the action grants foreseen. The already existing Code of Ethics needs to be further promoted.

CONDITIONS FOR IMPLEMENTATION

The conditions that need to be fulfilled for the successful implementation of the programme relate to the risks identified in the previous section. With regards to Government authorities, this implies continued political will and progress on the various related strategies and policies. With regards to civil society organisation, this implies continued will to strengthen capacities in the various sectors of intervention. Collectively, all stakeholders need to establish, within their own policy fields and sectors, a spirit of cooperation where they recognise the advantages of mutually benefiting relationships. The programme in subject is about achieving this objective and although all envisaged activities will support the process, proactive efforts from all stakeholders are vital to a successful implementation. There is already the example of how inefficient and insufficient implementation of vital legislation, such as the NGOs law in the area of public funding, may lead to stagnation, worsening relations between the state and civil society, as well as limit CSOs operations due to significant decrease in public funding. This experience should be treated as a serious lesson learned for all actors involved, especially considering the challenges of implementing the new

legal framework for public funding of NGOs (implying more advanced role of line ministries in funding NGOs projects/programs from their policy areas), but also the currently fragile dialogue (see Council for development of NGOs, for instance) and lack of trust between the Government and non-government representatives.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The main institutional stakeholder involved in the management and implementation process of the action is the Delegation of the European Union to Montenegro as the Contracting Authority. The Delegation will carry out the consultations, prepare the guidelines for the call for proposals and the Terms of Reference for the technical assistance contract, and carry out the procurement. The support of the local TACSO office, whose scope is still to be defined, will likely include the provision of short-term expertise as required for specific technical issues (legal, institutional, thematic, etc.). CSOs and the National Office for cooperation with NGOs in the Ministry of Public Administration will be involved throughout the process on the details of the proposed activities and priority areas for support. During implementation, the EU Delegation will seek to associate civil society organisations and national authorities to the preparation and the implementation of the action. In doing so, the EU Delegation will seek a balanced participation of stakeholders that is conducive to building trust and cooperation between them.

Participation of local authorities in selecting media grant beneficiaries is not foreseen.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

The implementation method is direct management

Activity 1 - Support to CSO activities in various sectors, including financial support to third parties: One grant contract will be awarded, following a call for proposals. Its main purpose will be financial support to third parties.

Activity 2 - Resource Centre: One action grant following a call for proposals.

Activity 3 - Support to free and professional media and to self-regulatory bodies: Several action grants following a call for proposals with two lots – one for media outlets partnering with CSOs, and one for self-regulatory bodies.

Activity 4 - Technical Assistance for CSO capacity building and the Government CSO Office: Service contract.

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union (TFEU).

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

Monitoring will be carried out by the Delegation of the European Union to Montenegro, possibly with the support of external consultants performing regular monitoring visits, as well as the Team of the Technical Assistance Project supporting the Government-CSO cooperation. The EU Delegation staff or assigned monitors will hold regular contacts and carry out monitoring visits to all grant beneficiaries.

Measuring results and impact will also be ensured through the system developed in the EU guidelines for support to enlargement countries 2014-2015 as a set of common indicators has been developed to benefit from the possibility of regional comparison and references. The monitoring and evaluation will include regular, yearly, regional meetings including CSOs representatives, in order to analyse the state of play and advancement towards the set targets. These findings shall also feed into the preparation of the yearly country reports.

In addition, the European Commission may carry out a mid-term, a final or an ex-post evaluation for this action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures.

INDICATOR MEASUREMENT

Indicator	Baseline (value + year)	Target 2020	Final Target 2022	Source of information
EU guidelines indicators (impact/outcome) (1)				
Outcome indicator linked to specific objective 2. Number, size and duration of public grants to CSOs across all sectors	EUR 4.7 million, 2010	90% of Government legal commitment to CSO funding	100% of legal commitment	Civil Society Resource Centre of Montenegro (future reference entity for CSO capacity building, as part of TACSO exit strategy)
<i>Outcome indicator linked to result 1</i> External perception of importance of CSO activities	13% of citizens believe NGOs to a large extent, 2012	30% increase on baseline	50% increase on baseline	TACSO survey, Resource Centre survey
Outcome indicator linked to result 4 Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions	Government decrees adopted Council development of NGOs operational National Office for Cooperation with NGOs in MPA operational	Government decrees implemented and respected Council provides quality recommendations to government National Office fully implementing its tasks of policy coordination in the area of Government-CSO cooperation	Dialogue and cooperation between CSOs and public authorities well- functioning	Reports issued by the Resource Centre, Government office for cooperation with NGOs
<i>Outcome indicator linked to result 3</i> Assessment of effective implementation of NGO law and by-laws governing public funding;	Public funding controversial, insufficient and with lack of transparent procedures	Public funding is regulated by the law and by-laws and implemented in fair and transparent manner	Clear procedures for CSO participation in all phases of public funding	Resource Centre

Outcome indicator linked to result 4 Adequate national structure is established to cooperate with management of funds	CSF directly managed by the EU Delegation	National structures strengthened	Improved coordination and cooperation with NGOs	Country report
Outcome indicator linked to result 5 Greater coherence and impact in the work of self- regulatory bodies	Fragmented bodies with little impact on journalistic quality	Through cooperation and PR work increased impact on the public	Unified body for Self- Regulation	Opinion polls, EU Delegation Reports
Output indicator linked to specific objective 2 Cumulative amount of public funds to CSOs (including financial supports from central and municipality public entities)	EUR 4.7 million	Achieve previous amount of 2010	Increase amount in line with inflation at least	Resource Centre
Output indicator linked to result 2 Percentage of NGOs that confirm their ability to raise funds in accordance with the strategic planning	21% of NGOs raised funds from private donors, 2013	30% increase	50% increase	Survey
Action process indicator for grants CfPs launched and subsequently grant contracts signed	-	Grants implemented		EU Delegation reports

5. SECTOR APPROACH ASSESSMENT

The prominent role of Montenegrin civil society has been instrumental in recent achievements related to democratisation, active citizenship, power redistribution, government accountability and other needs set out in chapter 23. These accomplishments are largely the result of the CSF and this instrument is pivotal in consolidating the recent gains in the sector.

In order to nurture an enabling environment for the development and flourishing of civil society as well as a partnership with the Government that is based on trust, it will be necessary to strengthen the institutional mechanisms for network governance. The National Office for Cooperation with NGOs (in the MPA), as well as the Council for development of NGOs, as the two current pillars of state and nonstate collaboration, need enhanced capacities to steer the process of improving the legal, financial and institutional framework related to network governance and social contracting. The Government and CSOs stakeholders need to establish a permanent and inclusive dialogue, based on transparent, evidence-based and structured communication, which presupposes a strengthening of the knowledge and the capacities of both camps on how this dialogue can be fruitful.

The implementation of the Government's "Strategy for the Development of NGOs in Montenegro 2014-2016" has been finalized, and the development of the new Strategy and Action Plan for the period 2018-2020 is under way. Financial sustainability of NGOs, together with creating a conducive environment for them to operate, as well as the focus on the development of volunteering and the necessity for creating reliable statistics and data on CSOs, are still issues that need to be tackled successfully. The Indicative Strategy Paper outlines the relevance of a thriving civil society, acknowledging that "Montenegro faces a range of challenges, especially in fields such as the rule of law, corruption, organised crime, the economy and social cohesion. Civil Society actors and organisations can make a substantial contribution to addressing many of these through their lobbying, advocacy and oversight activities at national and local level in every sector."

The amendments on the law on NGOs has introduced new standards, procedures and criteria of transparent and accountable public funding of NGOs by line ministries, which require very strong policy coordination of the National Office for Cooperation with NGOs, but also continuation of capacity building activities for the Office and line ministries. Moreover, the Council has not yet managed to develop its role as the main authority in the arena of government-civil society-relations. It is expected that the new Strategy for NGO Development for the period 2018-2020 will provide new guidelines in this direction, but also that the EU technical assistance contract will bring new incentives in this area, since it foresee capacity building measures and identification of best modalities for ensuring successful coordination between government institutions and civil society stakeholders, including international donors and the European Commission.

The European Commission has noted in the 2016 Progress Report that "Some progress was made in improving cooperation between the government and civil society organisations (CSOs). Civil society's active role in the accession process is now formally acknowledged, but full participation remains to be achieved. Additional resources and transparency are needed in government structures and procedures for collaboration with and consultation of CSOs. It is a matter of concern that smear campaigns and intimidation attempts continued against certain CSO activists. Conditions conducive to voluntary work, civic activism and social entrepreneurship need to be created".

The European Commission has also noted in its 2016 Report on Montenegro that the country should pay particular attention to solving older cases of violence against media, including a 2004 murder case, identifying not only the material perpetrators but also those behind the attacks and implementing recommendations issued by the *ad hoc* media commission set up to monitor attacks. It also recommends ensuring the independence of the public service broadcaster RTCG. Finally, it suggests providing guidance to the judiciary on aligning decisions with European Court of Human Rights case law on freedom of expression and to strengthen the self-regulatory bodies of the media.

6. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

In Montenegro, there is an inherent lack of women's participation in political life, as well as in entrepreneurship. Unfortunately, women are a minority in Parliament and underrepresented in the Government; similarly, only a small percentage of business owners are women. On the other hand, the civil society sector has shown to be a key area for women's leadership. It is a striking example that women lead many of the most influential and most developed CSOs in the country. This phenomenon clearly shows that civil society in Montenegro has a great potential to incite women to become active participants in the area of policy-making and advocacy, if they are given the opportunity to develop their capacities and engage in civic activism. Organisations active in these areas will be involved in the consultations for specific Call for proposals and will be targeted among the beneficiary of the capacity building components.

The European Instrument for Democracy and Human Rights (EIDHR) has priorities that are relevant to Montenegro. Gender equality as one of the key themes, namely fight against gender based violence, economic empowerment and political participation of women should tackle those recognized priorities.

The programme IPA 2018 – 2000 earmarks EUR 200 000 is planned for gender equality under the implementation of UNDP.

EQUAL OPPORTUNITIES

Equality between men and women is one of the fundamental principles of a democratic society. However in Montenegro, women and men do not enjoy the same rights (women earn 85% of men's salary on average and own less than 20% of cars and houses in the country). The criteria published in the Call for Proposals and the subsequent selection of CSOs projects will take specific account of the need for gender mainstreaming and the promotion of gender equality as well as the needs of disadvantaged and marginalised groups. Since poverty among women is the result of many forms of gender inequalities, for example in the workplace and in families, these inequalities need to be tackled across a wide range of areas through the proposed projects. Special efforts will be made to ensure that both women and men are fully included in the project activities and benefit from the project results. Organisations active in these areas will be involved in the consultations for specific Call for proposals and will be targeted among the beneficiary of the capacity building components.

MINORITIES AND VULNERABLE GROUPS

The various activities under the programme but particularly the Call for Proposals will encourage the submission of project ideas that aim at strengthening the capacities of CSOs that advocate for minority rights and increase the participation of vulnerable groups in the Montenegrin social and economic system. Although the CSF has always been open to all EU integration related areas of CSOs intervention, including minorities and vulnerable groups, it has been noticed over the years that lesbian, gay, bisexual, transgender, and intersex (LGBTI), Roma and women's rights CSOs are more likely to apply for grants awarded under EIDHR, rather than the CSF. The main reason for this circumstance is most probably the lower threshold for minimum grants and the less rigid co-financing requirements (5% instead of 10%). In order to mitigate the risk of minorities being excluded entirely from the CSF, regranting will remain a possibility for smaller CSOs to benefit from EU funding.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

This is the core of the action. Civil society representatives are systematically consulted when it comes to designing EU policy of direct and indirect relevance to the civil society sector. This includes the Country Strategy Paper, calls for proposals and modalities of decentralised management of EU funds, as well as all political reporting exercises. Specifically related to this programme, strategic decision will be consulted with CSOs partners.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Environmental and climate change considerations will be taken into account during the implementation of projects activities. All grant beneficiaries and contractors will be strongly encouraged to act in line with best practice and make responsible use of office materials, travel arrangements and energy efficient principles. In addition, action grants targeting environmental and climate change protection organisations will be proposed and encouraged through the implementation of the various activities.

7. SUSTAINABILITY

The sustainability of the action will result from the successful implementation of the grant contracts as well as the technical assistance, since its main objective will be the strengthening of the CSOs capacity to become financially sustainable, especially through their own fund-raising abilities, as well as through an established mechanism for transparent public funding and entrustment of management of EU funds to national authorities.

8. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the action. The bulk of the communication activities shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the Communication and Visibility requirements in force. All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through IPA II throughout all phases of the programme cycle.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process, as well as the benefits of the action for the general public. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

Visibility and communication aspects shall be complementary to the activities implemented by DG NEAR and the EU Delegations in the field. The European Commission and the EU Delegations should be fully informed of the planning and implementation of the specific visibility and communication activities.

Communication and visibility in line with common practice will be ensured through encouraging the establishment of partnerships between CSOs and media outlets, with a strong focus on online media targeting the younger population. All grant beneficiaries and contractors will be asked to design detailed visibility action plans at the beginning of their interventions. The Contracting Authority will encourage the beneficiaries to move away from stereotypical, formally prescribed media events, towards a more creative, flexible approach, which will raise awareness and attract the attention of the final beneficiaries, i.e. citizens of Montenegro.