

PROJECT DOCUMENT
Montenegro

Project Title: Creative Montenegro - Economic Valorisation and Creative Industries**Project Number: 00112636****Implementing Partner: UNDP****Start Date: 14.06.2019****End Date: 31.12.2020****LPAC Meeting date: 13.06.2019.**

Brief Description

The Creative Montenegro Project will foster economic revitalization through the restoration of cultural heritage and the promotion of cultural and artistic creativity through the development of creative industries.

The overall objective of the Project is to support Ministry of Culture and municipalities in a process of economic revitalization through the reconstruction of cultural heritage and strengthening the links with tourist offer at the local level, based on the principles of sustainable development, for the affirmation of cultural-artistic creativity and further development of sustainable cultural tourism.

Expected Outcome(s)/Indicator (s):

- (1) Economic valorisation of cultural heritage and its sustainable use;
- (2) Development of creative industries and contemporary creativity - ideas and infrastructure;
- (3) Popularization and presentation of the natural and cultural heritage of Montenegro through the implementation of the European Cycling EuroVelo8 route and Cultural Route of Council of Europe

Contributing Outcome (UNDAF/CPD, RPD or GPD): National priority or Goal: Related to SDGs 8, 9, 11, 12 Indicative gender marker ² : GEN2	Total resources required (USD):	1,200,000.00
	Total resources allocated:	Donor:
		Government
		Government through programmatic GLOC
	Unfunded:	532,700.00

Agreed by (signatures)¹:

Government of Montenegro	Implementing Partner
Ministry of Culture Mr. Aleksandar Bogdanovic Minister	UNDP Montenegro Ms. Daniela Gasparikova Resident Representative
Date:	Date:

¹ Note: Adjust signatures as needed

² The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

I. DEVELOPMENT CHALLENGE (1/4 PAGE – 2 PAGES RECOMMENDED)

The aim of the cultural policy of Montenegro is to develop and promote contemporary cultural-artistic creativity, cultural activity and cultural life in general, to valorise cultural heritage, contribute to intercultural dialogue and preserve the peculiarities of different cultural identities, to help affirm the identity of Montenegro as a state, and promote cultural ties with other countries².

In accordance with Article 8 of the Law on Culture³, the Ministry of Culture has prepared a medium-term *Cultural Development Programme of Montenegro 2016-2020*, which specified the measures and activities for the promotion of the cultural sector at national and local level by 2020. This document sets out the strategic approaches of the Ministry's policy from 2016 to 2020 and the basic measures that the Ministry will implement in the further development of culture and affirmation of cultural identities.

In addition, in 2018, the Government of Montenegro adopted the Action Plan⁴ for the implementation of the Ministry of Culture's Programme titled "*Creative Montenegro: Identity, Image, Promotion 2017-2020*", which promotes new and integrated models of investment in culture, innovative development of cultural tourism and the new branding of macro and micro locations (countries, cities, localities, etc.), contributes to the quality of public policies and to development of intercultural dialogue projects through innovative practices.

Regional Development Strategy of Montenegro for the period 2014-2020, points in particular to the weaknesses such as: inadequate promotion of cultural heritage; bad state of cultural goods; inadequate equipment of culture facilities and insufficient investment in the creative industries sector, as well as low level of mutual cooperation between LGUs and lack of integrative activities at the regional level, while recognizing opportunities for valorisation and promotion of cultural diversity; revitalization of old crafts and domestic handicraft and entrepreneurship development⁵.

In accordance with evidence provided by the Directorate for the Cultural Heritage Protection, within the territory of Montenegro there are more than 1,000 protected unmovable monuments of

² Proposal for the Cultural Development Programme of Montenegro 2016-2020. (2016). Ministry of Culture of Montenegro, Cetinje, p.3.

³ Law on Culture of Montenegro, Official Gazette of Montenegro no. 49/08; 40/11; 38/12, Article 8

⁴ Creative Montenegro Programme: Identity, Image, Promotion 2017-2020. (2017). Ministry of Culture of Montenegro, Cetinje.

⁵ Regional Development Strategy of Montenegro for the period 2014-2020. (2014). Ministry of Economy of Montenegro, Podgorica, p. 35

culture. Over time there have been a variety of events that have caused damage of varying degrees to the historical core of Montenegrin towns; some damage has been minimal whilst on other occasions it has been devastating. In some cases, the needs of contemporary society have resulted in aggressive interventions such as the diminution of original spatial relations and the destruction of the original integrity and entirety of monuments.

On the other hand, the cultural and creative industries are among the fastest growing sectors in the world. With an estimated global worth of 4.3 trillion USD per year, the culture sector now accounts for 6.1% of the global economy. They generate annual revenues of US\$ 2,250 billion and nearly 30 million jobs worldwide, employing more people aged 15 to 29 than any other sector. The cultural and creative industries (hereafter referred to as: CCI) have become essential for inclusive economic growth, reducing inequalities and achieving the goals set out in the 2030 Sustainable Development Agenda.⁶

The creative industries make a unique contribution to the economic and cultural well-being of nations and individuals. At the heart of these industries — which generate US\$2,250b of revenues and create 29 million jobs — are the creators⁷. Therefore, the authors and creators in order to continue creating culture and promoting cultural diversity, they must be compensated fairly for the use of their works.

European Union also recognized importance and impact of creative industries. They estimated that creative and cultural industries are responsible for 3% of EU's gross domestic product and jobs. Still there is a lot of work to be done on identification, prioritization and promotion of creative industries in Europe. In the Commission Green Paper, creative industries are defined as “those industries which use culture as an input and have a cultural dimension, although their outputs are mainly functional.

Culture and creativity are important assets for the economy. Culture contributes directly to jobs, growth and external trade. EU cultural employment increased steadily between 2011 and 2016, when it reached 8.4 million. There is a EUR 8.7 billion trade surplus in cultural goods, and cultural and creative sectors are estimated to contribute 4.2% to EU gross domestic product. Innovative

⁶ The Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Source: <https://en.unesco.org/creativity/convention> (March 2019)

⁷ The first global map of Cultural and Creative Industries (December 2015), Cultural Times, p.28

economic sectors also need creativity to maintain competitive advantage. Urban and rural communities increasingly rely on culture to attract employers, students and tourists.

Culture, the arts, creativity and creative industries are interdependent. Combining knowledge and skills specific to cultural and creative sectors with those of other sectors helps generate innovative solutions, including in information and communication technology, tourism, manufacturing, services, and the public sector.

The Study Patterns of Creativity in Montenegro - Measuring potential of creative industries in Montenegro (2017) showed that creative industries could be strong driving force of innovation at national and regional level. Data on number of companies in creative industries per Municipalities has shown that specific creative industries tend to cluster in specific Municipalities as well as to co-locate with other creative industries.

Regarding available data for Montenegro, the state and impact of creative industries in Montenegro was not utterly analysed during past period. One of the attempts to identify and map creative industries in Podgorica was happened through the project *Creative industries in Podgorica*⁸ which presented the examples of activities in this industry on limited geographical area.

Available data shows that the creative industries have been shown to be very beneficial for development of innovation and creativity in Montenegro and their significance is reflected as well in high number of enterprises and employment. When it comes to Creative industries contribution in terms of number of companies and employees on local level, the highest concentration is in Podgorica which is holding 49.6% of total number of companies in creative industries and 58.3% of total number of employees employed by creative industries/companies.⁹

There is no reliable data for woman participation in creative industries and culture in Montenegro. In many developing countries and transition economies, women creators are more likely to be found in crafts and the visual arts. However, for a large percentage of countries — particularly those with weaker intellectual property frameworks — this sector is the least likely to have a functioning system of registered copyrights or designs, or strong institutional support. The result is often an unreliable source of income and no ability to claim attribution when works are appropriated by

⁸ British Council (2005), *Creative industries of Podgorica*, p. 12

⁹ *Patterns of Creativity In Montenegro - Measuring potential of creative industries in Montenegro* (2017), p. 13, UNIDO

third parties.¹⁰ In general, women face several barriers in urban life: institutional barriers prevent them from participating in local government and planning institutions; information barriers affect how they access opportunities and resources; the absence of gender-disaggregated data, especially at a city level, negatively affects how policy, plans and programmes address the respective needs of women and men. Creative industries tend to favor the participation of women compared with more traditional industries. Statistics compiled by the UK Government showed that women accounted for more than 50% of people employed in the music industry in 2014 (vs. 47% in the active population overall).¹¹

In many countries, creative industries tend to favor the participation of women compared with more traditional industries. For example, in 2014, women comprised 17% of all directors, writers, producers, executive producers, editors and cinematographers working on the top 250 (domestic) grossing films in the US. This is the same percentage of women working in these roles in 1998. Important issues include women's access to participation in the cultural and economic life of their society, access to credit and investment capital for their projects, and access to property rights.

A new series of public talks entitled *Create/2030* was launched in the framework of the European Committee in order to align its debates with the 2030 Agenda on Sustainable Development Goals. In 2019 four *Create/2030 Talks* were organized and one is directly connected with SDG 5: “You Are Next. Empowering women in the digital arts”.¹²

Creative activities contribute significantly to youth employment and careers in CCI are relatively open to people of all ages and backgrounds. In Europe, CCI sectors typically employed more people aged 15–29 years than any other sector (19.1% of total employment in CCI vs. 18.6% in the rest of the economy) in 2013. In Central and Eastern Europe, on average, young people account for 1.3 percentage point more jobs in the creative economy than in the economy as a whole.

CCI have always been fragmented, and creation driven by small businesses or individuals. For instance, more than half (53%) of Canadian gaming developers say they are independent operators. In the US, artists are 3.5 times more likely to be self-employed than US workers overall. The internet and digital technologies have lowered entry barriers, making it far easier for an individual to start a creative or cultural business, and gain a global audience and reputation.

¹⁰ The first global map of Cultural and Creative Industries (December 2015), Cultural Times, p.18-19

¹¹ The first global map of Cultural and Creative Industries (December 2015), Cultural Times, p.8

¹² Creative Talks 2030 <https://en.unesco.org/creativity/events/create-2030>, (April 2019), Source: <https://en.unesco.org/creativity/governance/statutory-meetings/intergovernmental-committee/12th>

The creative industries are one of the important local economic development generators. Cultural and Creative Industries (CCI) are undoubtedly strong pillars of the economy, but fragile if not taken care of. Governments worldwide are awakening to the true economic value of CCI, but challenges to their growth abound. CCI need more structuring, supportive policies and robust protection of creative content. To boost their economic potential, the balance between creation, access (distribution) and care of cultural heritage is a must. CCI are also a significant driver for urban development: cultural heritage, activities and events are accelerators of growth and attractiveness. Creators are entrepreneurs too: in the US, they are 3.5 times more likely to be self-employed than US workers overall.¹³

II. STRATEGY (1/2 PAGE - 3 PAGES RECOMMENDED)

The *Creative Montenegro- Economic Valorisation and Creative Industries* Project (hereafter referred to as: The Project) will build on the results of previous and ongoing activities in this area - the projects *Beautiful Cetinje* and *Strengthening the Cultural Heritage Management System* and will support sustainable socio-economic development of Montenegro in accordance with the principles of sustainable development, restoration of cultural heritage in selected municipalities and creation of conditions for achieving their full development potential. The *Beautiful Cetinje* Project focused on the restoration of cultural heritage and was aimed at retrofitting with energy efficiency measures. After a while, the program expanded to rebuild cultural and tourist sites, provide professional training for the unemployed, infrastructure development, and public space utilization through reconstruction. *Beautiful Cetinje* contributed to a wider urban revival, which opened the door to further economic valorisation of cultural heritage and stimulated the development of tourism as well as employment growth. The aim of the project *Strengthening the Cultural Heritage Management System* is to improve the cultural heritage management system through the establishment of a of the information system of the Directorate for the Protection of Cultural Heritage, improvement of legislation framework and the development of cultural tourism through the restoration of cultural heritage.

The Project will support the implementation of the *Regional Development Strategy of Montenegro for the period 2014-2020*¹⁴, especially the priority area 3.2.3 *Culture and Tourism and Cultural*

¹³ Ibid.

Development Programme 2016-2020, with reference to the area 3.1.6 *Cultural and Artistic Creativity* and area 3.2 .1. *Protecting Immovable Cultural Heritage*, strongly supporting creative industries and public-private partnerships, enabling the re-use of cultural heritage facilities and its environments. This will help integrate urban development through sustainable cultural tourism and efficient local economic development.

Further one, the Project will support the implementation of the Ministry of Culture's Programme "*Creative Montenegro: Identity, Image, Promotion 2017-2020*, and Action Plan and will propose new activities to build on existing Government interventions. These activities will ensure the sustainable management of the cultural heritage of Montenegro with the aim of developing cultural tourism through economic revitalization of cultural heritage and launching the development of cultural-artistic creativity.

The Project is aligned with already existing initiatives led by various national and international actors involved in this area. The Project will demonstrate through concrete initiatives how the use of cultural heritage and the development of cultural-artistic creativity improves the quality of life, links culture and tourism and supports local economic development.

Considering that the project will support involvement of youth and women through the development of creative industries, the Project will foster equal footing of women and men in all project activities. This will be mainly done by ensuring active involvement of women and youth in the Innovation Hubs activities. The project, especially activities under second component, will support women's entrepreneurship and artistic works by creating the enabling conditions for their joint creative work in Innovation Hubs in partner municipalities.

The Project will support sustainable economic development through: advocacy and policy advice for development of micro, small and medium sized enterprises (SMEs) in sector of culture and cultural industries; promotion of local SME creative industry cluster development; creation of an enabling environment for women's entrepreneurial development and stronger partnerships of artistic creativity with the private sector; and promoting better employment opportunities and development of skills both for individuals and entrepreneurs, youth and people suffering from long-term unemployment in sector of cultural artistic creativity.

Additionally, by supporting the local government units, with special attention to enterprisers in cultural and tourism sectors and young artists in North municipalities, this project will directly contribute to achieving the main results of the economic development pillar.

Additional added value of this project will be sustainable re-use of cultural heritage buildings and its promotion and popularisation through development of European cycling route and Cultural route of Council of Europe.

The Project is the basis for affirming Montenegro's new creative industries brand and touristic offer in terms of economic revitalization through the restoration of cultural heritage and the promotion of cultural creativity through the development of creative industries. This project will help setting up clear sustainable cultural and cultural artistic policies and thus promote creators works and place their products at market and become driver of sustainable economic development. This will be achieved through the implementation of the following project components:

- (1) Economic valorisation of cultural heritage and its sustainable use;
- (2) Development of creative industries and contemporary creativity - ideas and infrastructure;
- (3) Promotion of the natural and cultural heritage of Montenegro through the implementation of European Cycling EuroVelo8 route and Cultural Route of Council of Europe.

Component 1. Economic valorisation of cultural heritage and its sustainable use

As immovable cultural assets are recognized as an important factor of cultural identity and long-term resources for sustainable development, and as such a priority of all modern national policies, it is necessary to continuously carry out activities related to their protection and preservation, improvement of the status and importance of cultural heritage, and establishment of an ambient for understanding cultural heritage and its role as a driver, especially for the cultural, tourist and economic development of the state.

The project component will focus on improving cultural heritage assets in selected municipalities and therefore, the main tasks of this project component are:

- Linking cultural and tourist offer on national and local level
- Supporting innovation in the protection of cultural heritage and the development of creative hubs
- Better and sustainable use of cultural potential for attracting investment

- Reconstruction and adaptation of existing cultural heritage assets and their re-use

Component 2. Fostering the creative industries and contemporary creativity - ideas and infrastructure

In 2018, the Ministry of Culture conducted the first competition to support creative industries, supported by artists who, in synergy with entrepreneurs, created and produced the first 10 products in this field. This further confirms that there is a strong development potential in this sector that needs to be valorised. It is a program that brings together the creative sector (art) with the entrepreneurial sector, with the aim of creating market-oriented and competitive products.

The Ministry of Culture has started with activities to create conditions for the development of creative industries through the creation of creative hubs. Activities in establishing the hubs in Kotor and Bar are ongoing, while documents for establishing hubs in Podgorica and the northern region are being prepared. Bearing this in mind, through the Project, it is planned to implement the activities to promote concept of hub development, as well as on the establishment of hubs in the north of Montenegro.

Since the data for the woman participation in creative industries in Montenegro at all levels of cultural work is not existing, the analysis and research will be implemented in order to explore current state and opportunities for wider women`s culture work and art more recognizable and increase the financing of female initiatives: creation, production, distribution and participation.

Within this segment, the project will focus on the development of creative industries and contemporary forms of cultural-artistic creativity. Therefore, the main tasks of this project component are to:

- Encourage the synergy of the creative and entrepreneurial sector
- Encourage the equal footing of all women and men in creative industries
- Create the conditions for the work of artists and the fields of creative industries
- Support innovative solutions in the valorisation of cultural heritage
- Create new contemporary forms of cultural artistic creativity.

Component 3. Promotion of the natural and cultural heritage of Montenegro through the implementation of the European Cycling EuroVelo8 route and Cultural Route of Council of Europe

The cultural routes are a program of the Council of Europe¹⁵, which has been implemented since 1987, with the main goal of establishing cultural cooperation between European countries. Sustainable development, social cohesion, the importance of European unity, history and culture and the discovery of lesser known destinations through tourism promotion are the main ideas of this program. In 2011, Montenegro joined the Extended Partial Agreement (EPA) within the Cultural Route program, which enabled institutions and organizations from our country to join the initiative. The program is mostly based on the promotion of cultural tourism, through the obtaining of the "Cultural Council of Europe" certificate awarded by the European Institute for Cultural Routes¹⁶. In the past, 33 cultural routes, passing through more than 50 countries, received this certificate. The European Institute for Cultural Route has over 1600 members, organizations and institutions.

Activities under this project component will refer to the support of creative businesses in the areas of cultural routes and the signalling of cultural routes while linking them with the European cycling route, through:

- Further promotion of the specific tourist products related to cultural tourism development at these routes
- Promotion of Montenegrin cultural heritage and cultural artistic creativity through the development of cyclo-tourism in the north of Montenegro and European EuroVelo8 Mediterranean route on the coast, while working on development of new Cultural Routes of Council of Europe

The description of the project by components, results and indicators, is presented in the section Results and Partnerships, below.

III. RESULTS AND PARTNERSHIPS (1.5 - 5 PAGES RECOMMENDED)

Results of the project will strongly contribute UNDAF and CPD Output no. 4. *By 2021, people of Montenegro benefit from an enabling institutional and regulatory framework for sustainable and*

¹⁵ Cultural Routes Program, <https://www.coe.int/en/web/cultural-routes>. The aim of the program is to demonstrate, through travel through space and time, how the heritage of different countries and cultures of Europe contributes to a common cultural heritage

¹⁶ The European Cultural Institute provides logistic support and promotes cultural routes that have been awarded by the Council of Europe. The Institute coordinates the work of the network of universities dealing with cultural routes and cultural tourism issues. As part of the above, student mobility programs have been established from universities that are an integral part of the network, which, among other things, include visits to sites that are an integral part of the certified routes. The European Cultural Institute has its headquarters in Luxembourg and has been established by the Ministry of Foreign Affairs of Luxembourg and the Secretary General of the Council of Europe.

inclusive economic growth based on innovation, entrepreneurship and competitiveness (RSP Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for poor and excluded people) and goals related to SDGs 8 and 9.

The overall objective of the Project is to support Ministry of Culture and municipalities in a process of economic revitalization through the reconstruction of cultural heritage and strengthening the links with tourist offer at the local level, based on the principles of sustainable development, for the affirmation of cultural-artistic creativity and further development of sustainable cultural tourism.

Component 1. Economic valorisation of cultural heritage and its sustainable use

The main results of the Component 1:

- *Linking cultural and tourist offer on national and local level*
- *Supporting innovation in the protection of cultural heritage and the development of creative hubs*
- *Better and sustainable use of cultural potential for attracting investment*
- *Reconstruction and adaptation of existing cultural heritage assets and their re-use*

Given that cultural heritage contributes to people's well-being, as well as to social cohesion, inclusion and openness towards a multicultural society, access to cultural heritage must be improved by launching research and innovation. Promoting cultural heritage through an innovative approach to management to foster integration, inclusiveness and cohesion will directly contribute to the development of cultural tourism and the economic valorisation of cultural heritage.

This approach will strengthen capacities in many phases of cultural asset management such as drafting technical documentation, identifying conservation measures and implementing conservation, restoration and other measures on protected buildings using innovative models and modern approaches.

The project seeks to begin with activities that involve moving from a traditional way of protection, which implies the implementation of cultural protection measures, to the establishment of a contemporary model of cultural property management. First of all, through the purposeful designation of purpose when individual cultural goods are concerned, and in complex structures, cultural and historical ensembles, on interventions that will contribute to improvement of

functioning and local economic development. Certainly, sustainable use of cultural goods has to be carefully considered in such a way that at no time the integrity of cultural goods is compromised. This is to ensure the economic valorisation of this significant resource. Because, although the story of cultural and historical heritage seems to be a story of the past, contemporary models of valorisation and heritage management are a powerful challenge and a story about the future.

Therefore, a large number of activities will be focused on previous consultative meetings, while cooperation with international organizations and bodies such as UNESCO, ICOMOS (International Council for Monuments and Landmarks) will be strengthened, ICCROM (International Center for the Study of Cultural Heritage Protection and Restoration), IUCN (International Union for the Conservation of Nature and its Resources), etc.

Also, special attention of the project will be focused on the established List of Potential Cultural and Natural Goods, the so-called Tentative List. For now, this list includes Cetinje Historic Core, Old Town Bar, Doclea, Biogradska Gora National Park and Stećci - medieval tombstones. The list of potential assets may be updated at any time, and it is again reviewed and submitted at least every ten years in accordance with the Operational Guidelines on the Application of the World Heritage Convention.

In addition, in January 2018, it was proposed to change the boundaries of the Boka Kotorska Cultural Heritage listed on the World Heritage List. This proposal for some minor changes to the boundaries concerns the Montenegrin component "The Fortified City of Kotor" (MNE-02), the serial World Heritage asset "Venetian Works of Defense between the 16th and the 17th Century: Land Estates (Stato da Terra) – Western Maritime Estates (Stato da Mar)", entered on the World Heritage List in 2017.

During development and quality check and verification of project designs and technical documentation, the special attention will be paid to gender aspects.

Activities under this Component:

- **Proposing new approaches for the integral protection of cultural heritage and its re-use** (preparation of detailed studies of identifiable immovable cultural assets for which the

Directorate for the Protection of Cultural Property has to issue Decisions on immovable cultural property with its identified protected environment¹⁷, renewal and reuse)

- **Supporting development of an innovative management of cultural heritage through the proposal of three investment models** (private-public partnership, concession and national/local investment)
- **Supporting the development of technical documentation** necessary for the implementation of conservation measures and reconstruction of facilities.
- **Supporting reconstruction** / adaptation of cultural goods whose use is being identified
- **Strengthening the system of conservation, restoration and valorisation of cultural heritage**, through innovative popularisation, exchange of knowledge and smart specialization – (supported by international and local experts, academic community).

Indicators of success:

- At least three investment models proposed for Innovative management of cultural heritage
- Technical documentation prepared for at least one cultural heritage building to be reused
- At least one cultural or industrial heritage building reconstructed including conservation and other construction works

Component 2. Fostering the creative industries and contemporary creativity - ideas and infrastructure

The main results of this project component are:

- *Encourage the synergy of the creative and entrepreneurial sector*
- *Encourage the equal footing of all women and men in creative industries*
- *Create the conditions for the work of artists and the fields of creative industries*
- *Support innovative solutions in the valorisation of cultural heritage*
- *Create new contemporary forms of cultural artistic creativity.*

With the aim to effectively promote culture with emphasis on innovation, this Component shall include cultural and artistic creativity through the creation of necessary conditions for their

¹⁷ In 2013, the Ministry of Culture of Montenegro started the process of revalorization of all cultural goods in Montenegro. The task of revalorization was the verification of the value of the cultural goods of Montenegro, that is, the professional and scientific assessment of the characteristics, features and significance of all cultural goods, both immovable and movable, which had this status according to earlier regulations, since the establishment of institutional and legislative protection of cultural goods in 1948. This implied that for each cultural good, through interdisciplinary research, studies had to be prepared which, among other things, contained historical genesis and description of the cultural good, reasoned expert opinion on the cultural value and the category of cultural goods, the established state and proposal of measures and the regime of protection. The immovable cultural property included a graphical representation of the basis for cultural property, the boundaries of the cultural property and its protected environment and the facilities in it, with cadastral marks and movable items which, together with immovable cultural heritage, make up an artistic, historical, visual of functional whole. So far, no decision has been issued by virtue of which the immovable cultural assets have acquired their status together with a protected environment, and this project will strongly support the process of revalorization of all immovable cultural goods in Montenegro.

encouragement (encouraging creativity of independent artists for the development of creative industries and contemporary forms of cultural events).

Development of creative industries represents a segment that has great potential in generating local economic development. Montenegro has made the first steps towards achieving creative achievements of Montenegrin artists. Through the Ministry of Culture's competition, the first 10 products from the field of creative industries through the Creative Montenegro project were given. This is a product that represents the fulfilment of what is the synergy of the creative ideas of Montenegrin artists and the dedicated work of our entrepreneurs. This encourages, but also obliges us to valorise the potentials of our artists through an even stronger support to creative innovations.

The Project will work on establishing at least three creative hubs, which will be an inspiration to many Montenegrin artists for creating products in the field of creative industries. Creative Hubs will be the entrepreneurial core of Montenegrin creativity, which should contribute to the development of the concept of a market-oriented artist.

The Project will, in addition explore the potential of creating virtual platforms as the tools whose development will enable Montenegrin artists, especially those in creative hubs, to communicate with their focus groups and their customers.

Digital technologies play an important role in this intangible economy as they provide new forms of social exchanges and contribute significantly to new expression of creativity. Of course, cultural production (such as music, publishing and movies) makes new technology more relevant to consumers, enables the development of new markets and contributes to digital literacy.

It therefore becomes an imperative for industry to meet and to create new kinds of demand that are not based merely on the functionality of a product but are instead rooted in individual and collective aspiration.

Innovative hubs / creative centres will be established on the coast and in the North that will have physical headquarters / location in some of the renovated / revitalized cultural heritage facilities, based on a model proposed by engaged experts in consultations with the local community, the academic community and the involvement of the economic and civil sector that aim to contribute to the promotion of cultural heritage.

Today's approach to practices in the field of cultural artistic creativity requires a change of mind that has affected all the structures of contemporary society. On one hand, much has changed in the

art itself, from the fact that many artists today create in some new forms, to the fact that the expectations of the consumers of art are different from a few decades ago. All this imposes serious activities of creating contemporary models in culture and art, which must overcome obsolete, atrophied, and unrealistic and provincial forms of art presentation.

The project aims to motivate creators in general and creators of artistic and cultural activities towards a more innovative and efficient concept.

It is also planned through the project to provide space for the work of traditional artists in several municipalities in Montenegro, which will enable their smooth creation. There is also the idea of "open studio" planned in cooperation with the Association of Artists of Montenegro, with the aim to valorise the spaces for creation through their availability, but also through mapping and promotion.

Activities under this Component:

- Programming infrastructural development of creative hubs with focus on woman and youth
- Supporting development of new artists and creators' network through development of Art On Line Market platform
- The analysis and research will be implemented in order to explore current state and opportunities for wider women`s participation in creative industries, culture work and art
- Supporting organisation of at least one conference or event that promotes cultural industry products and artistic creativity
- Supporting organisation of competitions for innovative ideas in the field of creative industries

Indicators of success:

- Number of the artists and creators of creative industries networked through the On-line Art Market platform
- At least two creative hubs are established
- At least one conference or event that promotes the cultural and artistic creativity organized
- Women creative industry contribution promoted

Component 3. Promotion of the natural and cultural heritage of Montenegro through the implementation of the European Cycling EuroVelo8 route and Cultural Route of Council of Europe

The main results of this component are:

- *Further promotion of the specific tourist products related to cultural tourism development at these routes*
- *Promotion of Montenegrin cultural heritage and cultural artistic creativity through the development of cyclo-tourism in the north of Montenegro and European EuroVelo8 Mediterranean route on the coast, while working on development of new Cultural Routes of Council of Europe*

Activities under this project component will refer to the support of creative businesses in the areas of cultural routes, signing of EuroVelo8 route and international promotion of the cultural and natural sites of Montenegro through web-based promotion.

In December 15, 2011, the European Parliament gave significant support to EuroVelo, the European cycle route network in its response to the European Commission White Paper on Transport: "EuroVelo, the European long-distance cycle route network, should be included in the TEN-T network"¹⁸. A reference to cycling and EuroVelo has been included in the TEN-T Guideline by for the first time in 2014. Several Member States would like to use this opportunity and the coordination of the implementation needs coordination from the European institutions¹⁹.

With regard to bike-sharing, 524 schemes are currently operating in Europe.²⁰ Building on current success, bike sharing is still undergoing significant investment and changes in business models.

Cycling and bike sharing can play an important role in the multi-modal transport system, in particular as a first- and last-mile feeder function for public transport. This can dramatically increase the catchment area of public transport, which is especially relevant in rural areas. In the Netherlands, about 40% of all train users arrive by bicycle at the railway station²¹.

Within the project *Towards Carbon Neutral Tourism in Montenegro*²², the UNDP Office, through the Polycentric Plan for Sustainable Urban Mobility (PolySUMP BokaCet 2020)²³, has proposed within the set of measures related to the promotion of non-motorized transport modes the

¹⁹ EU Cycling Strategy (2017), str 22.

²⁰ MetroBike, LLC, 2016

²¹ Ministerie van Infrastructuur en Milieu (2015). Document from Dutch Ministry of Infrastructure and Environment.

²² Low Carbon Spatial Planning, <http://lowcarbonmne.me/en/Low-Carbon-Spatial-Planning>

²³ PolySUMP BokaCet 2020 (2017), retrieved on 19.02.2019. from <https://lowcarbonmne.me/files/UNDP%20-%20PolySUMP%202017%20MNE.pdf>
ECF, EuroVelo8 Mediterranean route, retrieved on 19.02.2019. from <http://www.eurovelo8.com/>

development of the Mediterranean bike route EuroVelo8²⁴ that passes through Montenegro, but also the introduction of a bike-sharing system²⁵ in municipalities.

In the plan of the network of EuroVelo corridors that extends across Europe, the indicative route of EuroVelo 8 routes, including a border section with Croatia to the border with Albania, is shown. The EuroVelo network of bicycle corridors represents the basis for determining routes throughout Europe.

Feasibility of the implementation of the EuroVelo8²⁶ route through Montenegro, which passes through two national parks Lovcen and Skadar Lake, with the aim to develop cycle-tourism, are also reflected in the economic benefits for the local community, as well as the popularization of the natural and cultural heritage of Montenegro at the international level.

In addition, the Ministry of Culture has developed a Study on "Promotion and Valorization of Cultural Heritage through the Accessibility Model by bike sharing system" (Case study: Bar, Cetinje, Niksic, Mojkovac), so the first pilot projects related to bike sharing system development will therefore be presented throughout the Montenegro.

The participatory approach throughout this process will be encouraged, in order to ensure that the project responds to the needs of all members of the community. Youth, women and men, those from more rural and more urban areas - they all have different needs in terms of infrastructure. In addition, from the perspective of economic development of the community, and having in mind that the women along the Route in municipalities and surrounding area are mostly involved in agriculture and handicrafts industry as their primary source of income for the family, having the infrastructure that will support their entrepreneurial activities will directly lead to the improved quality of their products and expansion of the market. The effects of such investment will be multiple, not only for their families but the entire community.

For the selected section as the first phase of the implementation of the route, the total number of kilometres travelled annually after the implementation of the complete section of the EuroVelo 8 route, Kamenari (Lepetane) - Tivat - Trojica, amounts to around 2.6 million in the pessimistic scenario, 5 million in the baseline scenario and about 4.4 million in the optimistic scenario. The total social benefits arising from the implementation of the investment concerned, including benefits arising from reduced number of traffic accidents, reduced operating costs, environmental

²⁴ ECF, EuroVelo8 Mediterranean route, retrieved on 19.02.2019. from <http://www.eurovelo8.com/>

²⁵ PolySUMP (2017), M.Popović, N.Tselenti, S.Lazarević, str 130-132

²⁶ Studija opravdanosti za implementaciju Eurovelo 8 rute kroz Crnu Goru (2018), UNDP, <http://lowcarbonmne.me/en/Low-Carbon-Spatial-Planning>

protection costs (air pollution, climate change, noise), positive effects on fitness and health, reduction of traffic jam, parking burden, "barrier effect" and "chauffeur", amounts to 1,145,317 EUR for the pessimistic scenario, in the baseline scenario 1,537,424 EUR and in the optimistic scenario 1,950,949 EUR, in the prices for 2017.

According to the model of the EuroVelo8 route²⁷, the implementation of which will be presented the natural and cultural heritage of the Montenegrin coast to cycle tourists, the project will support the promotion of cycle tourism in the northern region of Montenegro, especially through World Heritage Sites (WHS) such as Durmitor and the Tara River Basin.

Outstanding Universal Value of this area is that it is still in relatively good conditions, however number of potential threats/pressures could be identified:

- The development of tourism results in over-visitation and development pressures around Black Lake as well as in the planned significant extension of a ski-centre inside the World Heritage
- Infrastructure development projects and business initiatives focused on extraction and use of natural resources (transport, tourism, agriculture, energy production).

Development of the cultural routes could help better promotion of the natural resources and smarter reuse of already built but devastated sites in the natural parks. This will increase the number of tourists and will help strengthening local economies through development of cultural tourism across the country.

Activities under this Component:

- Supporting the cycle tourism development and bike-sharing system in selected municipalities
- Workshops, meetings with the partners and local communities including woman and youth
- Promoting the protected cultural heritage of Montenegro at the EuroVelo8 route and
- Initiating protection and popularisation of natural and cultural heritage in the area of Tara Canyon or initiating development of the new Cultural route of Council of Europe.

Indicators of success:

- Bike sharing system established in at least two municipalities

²⁷ PolySUMP (2017), M. Popović, N. Tselenti, S. Lazarević, str 124

- EuroVelo8 route signing in at the least two municipalities Natural and cultural heritage site promoted internationally, at least two natural and cultural heritage sites promoted through the European Cycling Federation network

Resources Required to Achieve the Expected Results

The project is the result of joint collaboration between the Government of Montenegro/ Ministry of Culture and the United Nations Development Programme team.

As described in the paragraph Expected Results, the project results, according to the chosen theory of change, will be achieved through the realisation of three different, but compatible components of the project where the Ministry of Culture of Montenegro is the main partner. Apart from the Ministry of Culture, Montenegrin municipalities will be directly involved into project, working closely with all other partners at the project. They will secure its financial contribution, what will provide additional sustainability of project.

These activities will be conducted in close cooperation with the relevant institutions which are members of the Project Steering Committee, which will result in a strong partnership capable of achieving all the expected results. Progress reports, both, in terms of financial and operational progress, will be presented at meetings of the Project Steering Committee for the entire budget associated with the activities carried out.

Semi-annual and annual Action Plans will be adopted on the steering committees and will define the detailed dynamics of realization of project activities co-financed by municipalities and other donors. Part of the project activities can be realized through competitions and donor grants to achieve the objectives defined by the components of the project.

Risks and Assumptions

#	Description	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1	Lack of donor interest	Strategic (donors, partnerships fail to deliver)	Resources will not (or not sufficiently) be mobilised to cover the costs of the activities. Law likelihood/medium	Efforts should be made to secure sufficient resources for all project components;	UNDP, Government/ Ministry of Culture / Municipalities

			impact		
2	Poor quality of reports and technical documentation for the execution of construction works (background papers, studies)	Organisational (execution capacity)	The project would suffer from poor quality of existing technical documentation prepared by other parties Law likelihood/medium impact	Extensive quality assurance to ensure that prepared technical documentation is of a satisfactory level. Extensive quality assurance through stakeholder meetings and core team meetings as well as internal cross-practice engagement	UNDP, Government/ Ministry of Culture/
3	Problems with data collection and background papers, studies and poor data quality and lack of existing data about unmoveable cultural assets and cycling studies	Organisational (execution capacity)	Project may be affected by poor data collection and quality or lack of existing data; Law likelihood/medium impact	Extensive quality assurance to ensure that collected data is of a satisfactory level; full engagement of project team and engaged Consultant for Anthropology and experts in cycling tourism.	UNDP, Government/ Ministry of Culture Municipalities/ Cultural Heritage Properties Authority
4	Problems with data collection or non-existing data about creative industries in Montenegro	Organisational (execution capacity)	Project may be affected by poor data collection and quality or lack of existing data; Law likelihood/medium impact	Extensive quality assurance to ensure that collected data is of a satisfactory level; Full engagement of external resources and already engaged Consultant for Cultural and Arts Policies	UNDP, Government/ Ministry of Culture/

Stakeholder Engagement

The Project will integrate all the stakeholders relevant for the achievement of the overall objective including Ministry of Sustainable development and tourism, Ministry of Economy, Local self-government units, local business centres, local women’s groups working on cultural issues and entrepreneurship, youth organisations, etc.

Knowledge

Because this project will be implemented under the Economic Governance Cluster and that special attention will be given to establishment of creative innovation hubs through the revalorisation of cultural heritage facilities, while promoting cultural creativity, it is expected that additional effort

will be made regarding the preparation of the research analyses and the preparation of different kinds of publications. Under Component number 2, roundtables, events and trainings in the field of cultural creativity and creative entrepreneurship will be organised. Under Component number 3, a set of the promotion activities have been planned.

Sustainability and Scaling Up

One indirect impact arising from the project will be the creation of enabling framework for creation of new jobs in the tourism industry, particularly in the areas of sustainable cultural and responsible tourism. These types of tourism minimise the negative economic, environmental, and social impacts of the tourism industry, whilst generating greater economic benefits for local people and enhancing the well-being of host communities.

In this way, the conservation of cultural heritage will be further improved, and more enjoyable experiences will be provided for tourists through meaningful connections with local people.

Cultural heritage requires treatment that exceeds common categories to keep it within the margins of economic development; it is important to establish an authentic tourist offer that strengthens natural resources with cultural ones. Combining the two creates the opportunity for a holistic approach and creates connections between commerce and culture, and between economic benefits and the needs of the local community. Further motivation for creating functional, mutually beneficial connections between capital and culture can be seen in the ever-improving traffic infrastructure of Montenegro. That is why the special attention will be paid to development of the cycle tourism, at both South and North of Montenegro. Any such connection must be based on clearly and professionally defined norms of cultural heritage preservation to avoid any possible type of degradation.²⁸

IV. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)

Cost Efficiency and Effectiveness

Cost efficiency and effectiveness will be achieved through the following approaches:

- i) Using the theory of change analysis to explore different options to achieve maximum results within available resources
- ii) Using a portfolio management approach to improve cost effectiveness and to leverage activities through partnerships with other initiatives/projects

²⁸ Potential of Montenegrin Cultural Heritage, Economic Valorization, Ministry of Culture, 2017

- iii) Monitor activities on a regular monthly basis and to hold at least two steering committee board meetings per year to review the Action plan and Procurement plan of the project agreed with project partners.

Project Management

On behalf of the Government of Montenegro, the project holder will be the Ministry of Culture, while UNDP will be responsible for all direct aspects of implementation.

All three project components will be managed and implemented by UNDP CO Montenegro under the authority of Direct Implementation (DIM), in line with the UNDP Programming for Results Management User Guide. UNDP CO will act as the project's implementing partner and executing agency according to DIM. A Project Board will be established and will consist of a UNDP representative, a representative from the Ministry of Culture and a representative from the Administration for the Protection of Cultural Properties. The Programme manager for Urban Development and Infrastructure (Programme manager) will be responsible for the day-to-day management of the project together with the project support team.

The responsibilities of the Steering committee are:

- To ensure that project objectives are achieved
- To deciding on the implementation of certain phases of the project,
- To ensure that problems are resolved on time,
- To ensure that the relevant stakeholders are actively involved in the implementation of the project,
- To monitor the quality assurance of the project,
- To present and disseminate the information to public.

Within the domain of implementation, UNDP will engage a project team that will have a Programme manager, Project Coordinator and Administrative Assistant, while local and international consultants and companies will be engaged for performing services and works according to the plan activities and procurement plan.

All the duties of day-to-day management will be performed by the Programme manager who will be engaged by UNDP, and who will report to the UNDP management. The primary role of the Programme manager will be responsible for the administrative, financial and overall management of the implementation of the project; to make detailed project work plans including plans showing the structural dynamics of all project activities; to initiate public relation campaigns and government campaigns; to work in accordance with the agreed reporting plan; to create a classification system for the purpose of organising internal / external information and knowledge;

to prepare necessary expert and other activity plans in accordance with the work plan of the project and personnel needs; to identify experts / research based on the requirements of the project, and according to the nature and subject of the research / field of activity; to develop partnerships with relevant institutions and government bodies at all levels for the implementation of the defined components of the project; to organise and facilitate stakeholder discussions; to manage the budget; to carry out any other activities to ensure the smooth functioning of the project.

Project coordinator and one administrative/financial assistant will be engaged for the day-to-day operation of the project and support in above mentioned duties. When additional activities are commenced from within the current project portfolio, one more staff member (technical officer) will be engaged.

Additionally, considering the synergy between this project and *Strengthening the Cultural Heritage Management System* project, common external expertise in the field of cultural heritage preservation, cultural and arts policies, and event management will be provided during first year of implementation of the project.

The RRF reflects the project outputs and corresponds to the outcomes of CPD. This project will be effectively monitored by assessing progress against qualitative and quantitative indicators (and sex disaggregated data) as outlined in the Results Framework. A schedule of project review meetings will be developed by the project management team, in consultation with project partners. The day-to-day monitoring of the implementation progress will be the responsibility of the project team, based on the project's Annual Work Plan and its indicators. The Programme manager will submit an annual monitoring progress report to the UNDP DG and EE cluster Team Leader / Project Board at the end of year, accompanied by a financial report.

Project communications approach

This project will follow an already established communication component within the Project: Strengthening cultural heritage management system. To keep the targeted audiences constructively and interactively involved in the project progress and for the purpose of sustaining commitment of beneficiaries and stakeholders, the Project Team will further build on the successes of the previous communications and advocacy tools from that particular project. This includes continued strategic usage of UNDP web-site, newsletters, media releases, videos, feedback surveys, etc.

In addition, the project purpose and results will be communicated to the wider public through web stories and blog posts, published at the UNDP and Ministry of Culture websites and social media

outlets. UNDP will also use regional communication platforms, such as www.eurasia.undp.org, where blog posts about the project results and impact will be featured.

V. RESULTS FRAMEWORK²⁹

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:								
By 2021, the people of Montenegro will benefit from the sustainable management of natural resources, combating climate change and disaster risk reduction.								
By 2021, people of Montenegro benefit from an enabling institutional and regulatory framework for sustainable and inclusive economic growth based on innovation, entrepreneurship and competitiveness.								
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:								
Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for poor and excluded people.								
Applicable Output(s) from the UNDP Strategic Plan:								
Project title and Atlas Project Number: Creative Montenegro - Economic Valorisation and Creative Industries / Project ID 00112636								
EXPECTED OUTPUTS	OUTPUT INDICATORS ³⁰	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value (USD) ³¹	2019	2019	2020	FINAL	
OUTPUT: Creative Montenegro - Economic Valorisation and Creative Industries								
Component 1 <i>Economic valorisation of cultural heritage and its sustainable use;</i> <i>Gender marker: 1</i>	<i>I.1 At least three investment models proposed for Innovative management of cultural heritage</i>		45,500.00	0		3	3	
	<i>I.2 Technical documentation prepared for at least one cultural heritage building</i>	<i>Ministry of Culture and Centre for Conservation and Archaeology of Montenegro Municipalities</i>	45,500.00	0	2		2	<i>Problems with data collection and background papers, poor data quality and lack of existing data about cultural assets</i>

²⁹ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

³⁰ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

³¹ Note: 7% Project Management Costs not included

	<i>1.3 At least one cultural or industrial heritage building reconstructed including conservation and other construction works.</i>	<i>Ministry of Culture Administration for Protection of Cultural Properties</i>	185,000.00	0		2	2	<i>Poor quality of reports and technical documentation for the execution of construction works (background papers, studies) provided by final beneficiaries</i>
Component 2 <i>Fostering the creative industries and contemporary creativity - ideas and infrastructure</i> <i>Gender marker:2</i>	<i>2.1 At least two creative hubs are established</i>	<i>Ministry of Culture</i>	145,000.00	0		2	2	<i>Lack of interest of Municipalities to co-finance activities</i>
	<i>2.1 No. of artists and creators networked through development of the Art On-Line Market platform</i>	<i>Ministry of Culture</i>	25,000.00	0	0	50	50	
	<i>2.3 Organisation of at least one conference or event that promotes the development of cultural and artistic creativity</i>	<i>Ministry of Culture</i>	40,000.00	0	1		1	
	<i>2.4 No. of women artists and creators involved in creative industries sector</i>	<i>Ministry of Culture</i>	10,000.00	6	10	25	25	<i>Poor quality of existing data on woman participation in culture and arts.</i>
Component 3 <i>Promotion of the natural and cultural heritage of Montenegro</i>	<i>3.1 Bike sharing system established in at least two municipalities</i>	<i>Ministry of Culture Municipalities</i>	70,000.00	0	1	1	2	<i>Resources will not (or not sufficiently) be mobilized by Municipalities to cover the costs of the activities.</i>

<i>through the implementation of the European cycling route EuroVelo8 – and Cultural route of Council of Europe</i> <i>Gender marker:2</i>	3.2.1. EuroVelo8 route signed in at least two municipalities and endorsed by ECF	<i>Ministry of Culture UNDP</i>	55,000.00	1	1	1	2	<i>EuroVelo8 route would not be included in national spatial plan by MORiT</i>
	3.2.2 No of km of marked route	<i>Ministry of Transport and Maritime Affairs Ministry of Tourism and Sustainable Development (MORiT)</i>		0	0	50	50	<i>National Coordination EuroVelo 8 office not established.</i>
	3.3 No of announcements /blogs on the websites / social media / newspapers	<i>Ministry of Culture, Ministry of Sustainable Development and Tourism, Municipalities,</i>	6,500.00	0	20	50	70	<i>Resources will not (or not sufficiently) be mobilized to cover the costs of the activities.</i>

VI. MONITORING AND EVALUATION

UNDP has introduced results-based management that represents an approach similar to business management that systematically measures and improves performance at the level of developing goals and quantifying results. Thus, monitoring and evaluation are key factors for improving performance and achieving results. Monitoring and evaluation are carried out by analysing results based on quantitative and qualitative indicators that are stated within the expected program results and budget allocation table.

The objective of monitoring at project level is to provide a systematic assessment of the impact and course of the activity in terms of achieving the desired results. For this reason, UNDP will document achievements through annual activity reports. The steering committee will define the key control points of the project, and the project manager will be responsible for producing regular reports on the status of the project.

The basic tools for organisational monitoring include a set of central documents that define targeted qualitative and quantitative success indicators - more precisely:

- Planned Results and Resources Framework (RRF)
- The Annual Work Plan (AWP)

In accordance with previous UNDP practice, the project will prepare annual reports which show all of the project's achievements and results along with its defining goals for the next period.

Furthermore, at least once a year, the project will prepare an annual project review, which will give all stakeholders detailed information on all relevant aspects of its implementation, the results it has achieved and its next steps.

In terms of project evaluation, UNDP will monitor the effectiveness, sustainability and relevance of project objectives within the context of this project. In order to improve the quality of activities, the collection of qualitative results is an important reflective task of the UNDP. The Programme manager will develop annual work plans based on a multi-year work plan that is included in Section VII of this Project Document. It includes annual output targets to support the efficient implementation of the project.

Project requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ³² (US\$)		Time frame
		Government	Co-financing	
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	None	Quarterly, annually
Monitoring of indicators / activities implemented in project results framework by UNDP MNE	Programme Manager	None	None	Annually
Knowledge management	Programme Manager	None	None	On-going
Site missions/site visits	Programme Manager, Project Coordinators and external Consultants	10,000 per year	None	To be determined.
Final report to be submitted to Government and project partners	UNDP Country Office and Project team	None	None	At least two months before operational closure
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		10,000	None	

³² Excluding project team staff time and UNDP staff time and travel expenses.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual	Annually, and at the end of the project (final report)			

	targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.				
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

VII. MULTI-YEAR WORK PLAN ³³³⁴

EXPECTED OUTPUTS Output:	PLANNED ACTIVITIES	PLANNED BUDGET per YEAR			RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1/2019	Y2/2020	Y3		Funding Source	Budget Description	Amount (USD)
Component 1: <i>Economic valorisation of cultural heritage and its sustainable use</i> <i>Gender marker 1</i>	1.1 <i>Development of an Innovative management of cultural heritage through the proposed three investment models</i>	10,000.00	5,000.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	15,000.00
		10,000.00	15,000.00				International Consultants (71200)	25,000.00
	1.2 <i>Preparation of technical documentation for the execution of the works, different studies</i>	3,000.00	2,000.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	5,000.00
		25,000.00	10,000.00				Contr.Companies (72100)	35,000.00
	1.3 <i>Execution of conservation and other construction works.</i>	50,000.00	135,000.00		UNDP	Government - Ministry of Culture	Contr.Companies (72100)	185,000.00
1.4. <i>Travel</i>	5,000.00	6,000.00		UNDP	Government - Ministry of Culture	Travel (71600)	11,000.00	
		103,000.00	173,000.00				276,000.00	
Component 2: <i>Fostering the development of creative industries and contemporary creativity - ideas and infrastructure</i> <i>Gender marker:2</i>	2.1 <i>Technical support in establishing Innovation Creative Centres/Hubs</i>	30,000.00	10,000.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	40,000.00
		30,000.00	65,000.00				International Consultants (71200)	95,000.00
	2.2. <i>Development of the Art On-Line Market platform</i>	3,000.00	2,000.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	5,000.00
15,000.00		5,000.00		Contr.Companies (72100)			20,000.00	

³³ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

³⁴ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	<i>2.3 Organisation of conference / event that promotes the development of cultural and artistic creativity</i>	40,000.00			UNDP	Government - Ministry of Culture	Contr.Companies (72100)	40,000.00	
	<i>2.4 Analysis on woman participation in culture and arts</i>		5,000.00				Contr.Companies (72100)	5,000.00	
			5,000.00				International Consultants (71200)	5,000.00	
	<i>2.4. Travel</i>	5,000	5,000		UNDP	Government - Ministry of Culture	Travel (71600)	10,000.00	
		123,000.00	97,000.00					220,000.00	
Component 3: <i>Promotion of the natural and cultural heritage of Montenegro through the implementation of the Mediterranean route EuroVelo8 – cycle tourism and bike-sharing</i> <i>Gender marker: 2</i>	<i>3.1 Bike sharing system established in two municipalities</i>	50,000.00	15,000.00		UNDP	Government - Ministry of Culture	Contr.Companies (72100)	65,000.00	
	<i>3.2 EuroVelo8 route signed in two municipalities and endorsed by ECF,</i>		6,000.00	4,000.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	10,000.00
			13,400.00	21,700.00				International Consultants (71200)	40,000.00
	<i>3.3 Promotional activities</i>	1,000.00	5,500.00		UNDP	Government - Ministry of Culture	Local consultants (71300)	6,500.00	
	<i>3.4. Travel</i>	5,000.00	5,000.00		UNDP	Government - Ministry of Culture	Travel (71600)	10,000.00	
			75,400.00	51,200.00					126,600.00
Project Management	General Management Support 4%	12,000.00	13,600.00				(71400)	25,600.00	
	GMS 3%	9,100.00	10,000.00				Facil. & Admin. (75100)	19,100.00	
		21,100.00	23,600.00					39,800.00	
TOTAL Government		255,800.00	300,300.00					556,100.00	

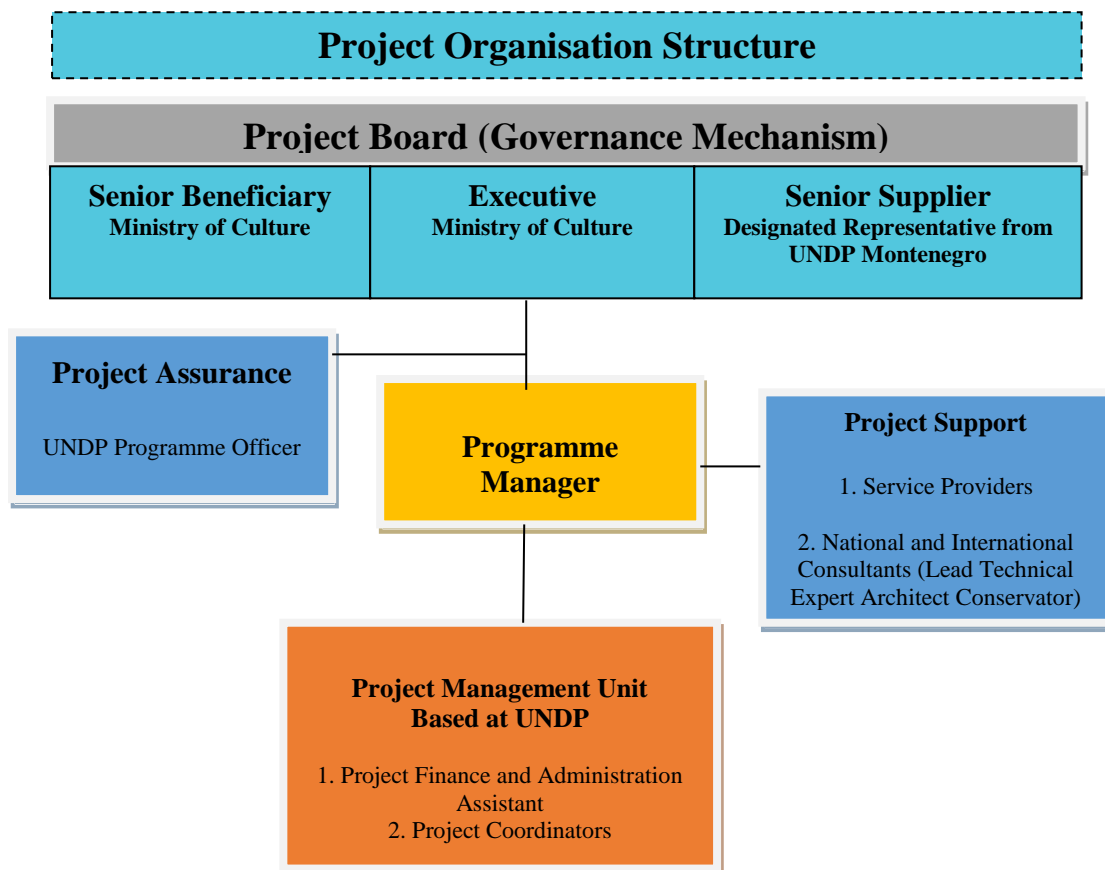
TOTAL Government through programmatic GLOC		66,700.00	44,500.00					111,200.00
TOTAL		322,500.00	344,800.00					667,300.00

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will have a steering committee, headed by a representative from the Ministry of Culture, and will also include representatives from the Administration for the Protection of Cultural Properties and UNDP. The project steering committee will have at least two meetings per year.

The reports about progress, both, in terms of financial and operational progress will be presented at the project steering committee meetings for the entire budget connected with realized activities. The final reporting will be submitted to the Ministry of Cultural at the end of the project implementation.

In the table below the project organisation Structure is presented.



On behalf of the Government of Montenegro, the project holder will be the Ministry of Culture, while UNDP will be responsible for all direct aspects of implementation.

All three project components will be managed and implemented by UNDP CO Montenegro under the authority of Direct Implementation (DIM), in line with the UNDP Programming for Results Management User Guide. UNDP CO will act as the project's implementing partner and executing agency according to DIM. A Project Board will be established, and will consist of a UNDP representative, a representative from the Ministry of Culture and a representative from the Administration for the Protection of Cultural Properties. The Programme manager for Urban Development and Infrastructure (Programme manager) will be responsible for the day-to-day management of the project together with the project support team. For the purpose of technical support an external local and international consultant (individuals and legal entities) will be engaged.

Progress reports, both in terms of both financial and operational progress, will be presented at meetings of the Project Steering Committee for the entire budget associated with the activities carried out.

The administrative and technical conditions and administrative support necessary for the work of the SC, as well as the direct aspects of the implementation of project activities are in charge of UNDP.

Semi-annual and annual Action Plans will be adopted on the steering committees and will define the detailed dynamics of realization of project activities co-financed by municipalities and other donors. Part of the project activities can be realized through competitions and donor grants to achieve the objectives defined by the components of the project. The final reporting will be delivered to the Ministry of Culture at the end of the project implementation.

IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This document, together with the CPAP signed by the Government and UNDP, constitutes a Project Document as referred to in the SBAA and all CPAP provisions apply to this document. The CO will play the role of implementing partner/executing agency and the overall project will be executed in DEX modality within existing UNDP internal rules and procedures by the CO.

- The overall project execution, implementation and the project administration;
- Maintaining the project's conceptual clarity and comparable standards regarding data collection, monitoring, project evaluation at different stages etc.;
- Exchange of information, knowledge codification and application;
- Consultancy and expert support necessary at phases of the project implementation;
- Maintaining working contacts with the partners;
- Application of the commonly agreed standards and procedures regarding data collection;
- Regular monitoring and reporting;

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP agrees to undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aa_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the

Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
7. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]³⁵ [UNDP funds received pursuant to the Project Document]³⁶ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
8. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
9. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
10. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
11. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

³⁵ To be used where UNDP is the Implementing Partner

³⁶ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors'

and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. Choose one of the three following options:

Option 1: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, mutatis mutandis, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XI. ANNEXES

1. Project Quality Assurance Report