

COMMENTARIES ON THE BUDGET PROPOSAL OF MONTENEGRO FOR 2024

INTRODUCTION:

The proposal for the Law on Budget of Montenegro for 2024 was established at the seventh session of Government, on December 11, and was adopted by the Assembly on December 28, 2023.

On the revenue side, the Government expects to achieve growth in almost all items in 2024:

- taxes 1,883.5 million, growth 20%
- contributes 605.4 million, growth 19%
- payments 62.8 million, growth 37%
- loans 645.4 million, growth 29%
- other 281.30 million, a decrease of 18%

In the coming year, the state will spend more than in previous years in almost all fields:

- current expenses 1,161.40 million, growth 8%
- social protection 1,011.00 million, growth 21%
- capital expenditures 281.3 million, growth 14%
- repayment of debts 544.20 million, growth 49%
- other 480, 4 million, growth 8%^[1]

The analysis of budget of Montenegro for 2022, 2023 and 2024 shows that the percentage of gendered budgeted items is growing slowly^[2]:

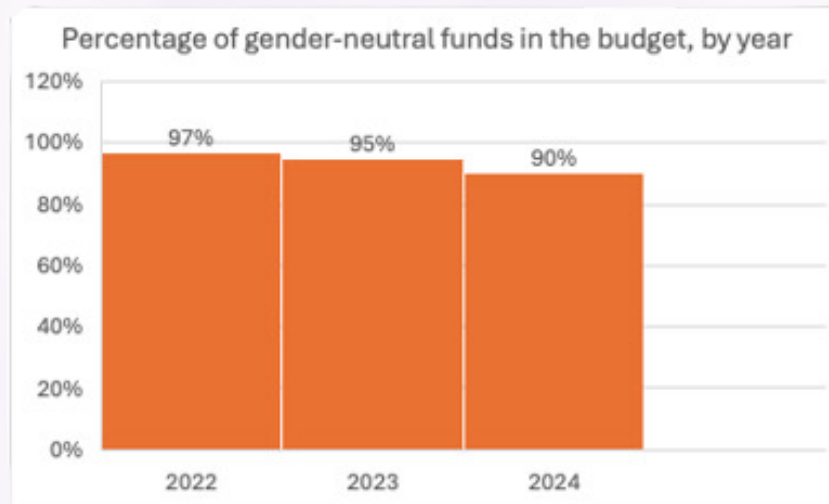
The total amount of funds where Gender sensitivity is indicated for the budget plan for 2024 in amount of €333,627,300.10 constitutes 23.89% of the total current budget, i.e. 9.59% of the total proposed state budget.

In 2023, only 24 consumer units indicated Gender sensitivity and amounts allocated for the activities of the Current Budget during the realization and fulfillment of the set goals. Through the prism of funds, this means: the total amount of funds in the amount of €128,046,853.83 constitutes 10.14% of the total current budget, that is, 4.49% of the total proposed state budget is gender sensitive.

[1] data from NGO Alternative Institute

[2] Parliamentary Budget Office, <https://pbk.skupstina.me/prikaz-predloga-zakona-o-budzetu-crne-gore-za-2024-godinu>

These are slightly higher funds compared to 2022, when the total amount of proposed funds was 7.47% of the current budget, i.e. 3.08% of the total proposed state budget is Gender sensitive. In relation to the adopted budget, the mentioned funds make up 7.59% of the Current Budget, that is, 3.11% of the total state budget are Gender sensitive.



Gender Responsive Budgeting (GRB) is basically an analysis of the impact of actual government revenues and expenditures on women and girls relative to men and boys. This budgeting is not a special budget for women, nor is it a means of increasing spending for special programs for women. Gender Responsive Budgeting helps governments through all phases of the budget cycle to reduce the pronounced inequalities that the budget leaves on women and men and specifically indicates how to allocate funds, so that policy budgets are democratic and fair.

When we dig deeper into the analysis of requests for budget funds and reports on budget execution, it is evident that program budgeting is not sufficiently developed, especially in the area of Gender Responsive Budgeting. This is indicated by the fact that for over 70% of the goals, the question of how they contribute to reducing gender differences is not answered. The fact that in the analyzed requests for budget funds, out of a total of 87 indicators, there are only 2 indicators that are gender responsive speaks of the insufficient gender balance of the budget[3].

The Ministry of Finance points out that there is a lot of room for improving the implementation of gender-responsive budgeting, but that after three years of its implementation, they are satisfied with what has been achieved, especially since it is the initial steps in this area.

[3] NGO Institut Alternativa, 23/11/2023, <https://institut-alternativa.org/ia-nije-se-mnogo-odmaklo-u-rodno-odgovornom-budzetiranju/>

Their position is that the budget proposal for 2024 is significantly more advanced in terms of gender-responsive budgeting, because they had intensive communication with budget units in this part, and the current budget draft recognizes numerous activities that are gender-responsive, corrected and better. As a problem, they recognize the insufficient number of budget analysts in the Ministry of Finance, who would monitor the quality of requests and reports of spending units, of which there are currently 15.

At the end of 2023, the State Audit Office published a report on the success of the implementation of gender-responsive budgeting[4], in which it was concluded that the key prerequisites for the successful implementation of gender-responsive budgeting have not yet been met, because, in general, it is not ensured that the implementation of programmatic (gender) budgeting in spending units sufficiently educated and motivated employees who have the necessary data classified by gender, age, etc., which are necessary for identifying existing gender inequalities, work. Also, in the analyzed spending units, a clear organizational structure for the development and management of budget (gender) programs, with precisely defined working methods, roles and responsibilities, has not been established.

COMMENTARIES

A) GENERAL COMMENTARIES

A1) LEGAL FRAMEWORK

Commentary 1: It is necessary to initiate amendments to the Law on Budget and Fiscal Responsibility, so that the provisions will ensure the introduction of the principle of Gender equality into the budget process are clearly prescribed. This activity should be implemented by the Ministry of Finance.

Reasoning: The Ministry of Finance has established an appropriate normative framework that prescribes the methodology and provides instructions for the implementation of all stages in the Gender Responsive Budgeting process.

The most important thing is missing - that the Law on Budget and Fiscal Responsibility ensures that Gender Responsive Budgeting is an obligation for spending units at all levels, therefore also at local level, which is of particular importance because local governments are closest to citizens of both sexes and their needs. At the same time, it is necessary to introduce the obligation to report according to program guidelines with the same amendments to the Law on Budget and Fiscal Responsibility.

[4]

[https://www.dri.co.me/doc/lzvještaj%20o%20reviziji%20uspjeha%20,,Uspješnost%20sprovođenja%20rodno%20odgovorno%20budžetiranja%20u%20Crnoj%20Gori".pdf](https://www.dri.co.me/doc/lzvještaj%20o%20reviziji%20uspjeha%20,,Uspješnost%20sprovođenja%20rodno%20odgovorno%20budžetiranja%20u%20Crnoj%20Gori)

Additionally, the Law on Gender Equality^[5] stipulates that state bodies, state administration bodies and local governments, public institutions, public companies and other legal entities exercising public powers, as well as companies, other legal entities and entrepreneurs are obliged to, in order to achieve Gender Equality, in all phases of planning, making and implementing decisions, as well as undertaking activities within their jurisdiction, assess and value the impact of those decisions and activities on the position of women and men.

A2) BUDGET PLANNING PHASE

Commentary 2: It is necessary to prepare a Gender Responsive Budget Statement at the Budget planning stage, so that it contains information on Gender Responsive programs and activities. This activity should be implemented by all spending units.

Reasoning: All spending units should objectively, completely and substantively fill out a GRB Statement, which will clearly show the spending unit's obligations related to vulnerable groups in society and their impact on both sexes. This obligation is defined in the Program Budget Manual, it is only necessary to implement it according to those instructions. From 2022, when only 3.2% of the total budget funds were designated as gender-sensitive, through 2023, when that percentage was 4.49, to 2024, when the mentioned share was 9.59%, it is clear that this process is moving too slowly, and it is necessary to increase the number of specific trainings on filling out the gender budget statement for representatives (women and men) of all spending units.

Commentary 3: Provide an open space for both of sexes of citizens to influence the content of the budget plan, according to their needs and interests through the e-platform "Budget tailored to both of sexes of citizens in Montenegro". This activity should be implemented by the Ministry of Finance.

Reasoning: We consider the absence of open and broad public discussion in process of adopting the Budget Plan for 2024, and absence of efforts to increase the participation of citizens in creation of budget policies of previous years and decades, to be worrying. Through interactive tools, such as proposed platform "Budget tailored to both of sexes of citizens in Montenegro", it would be easier to read and understand the Budget, not only for the population, but also for Budget spending units.

[5] Article 2 of the Law on Gender Equality ("Official Gazette of the Republic of Montenegro", no. 046/07, "Official Gazette of Montenegro", no. 073/10, 040/11, 035/15)

At the same time, this is an excellent opportunity to present all the advantages of Gender Responsible Budgeting to spending units and citizens, and to provide all other required information and data.

The e-platform should be posted on website of the Government and the Ministry of Finance, and distributed through electronic media and social networks, which is an effective way for the budget to finally become an example of transparency.

A2) BUDGET REPORTING PHASE

Commentary 4: Obligation for spending units to prepare a Report about realization of a Gender Responsive Budget, with a clearly described progress in achievement of goals through indicators of effect of programs and activities. This obligation applies to all spending units.

Reasoning: The analysis of part of reports on the realization of program budget of spending units shows that the reports do not contain clear Gender indicators, nor a description of their degree of realization, and thus a description of the achievement of the planned goals is also missing, and it is impossible to quality evaluate the Gender Responsive Budget. It is only necessary to follow the Guidelines for reporting on the implementation of Gender Responsive Program Budget, which stipulate that the Report must contain these important elements: statistics by Gender and analysis of these statistics, assessment of effect of the Program to women and men, through the implementation of activities of that program, the degree of realization of Gender Responsible Budget in relation to the plan.

B) SPECIFIC COMMENTS

Commentary 5: It is necessary during the planning phase and during the budget reporting phase to plan in detail and then report precisely on the funds in the Budget classification number 431, called Transfers to institutions, individuals and the non-governmental sector, which relate to correction of Gender inequalities and promotion of Gender equality. This obligation applies to the Ministry of Finance and all spending units.

Reasoning:

43	Transferi institucijama, pojedincima, nevladinom i javnom sektoru	415,069,088.12
431	Transferi institucijama, pojedincima, nevladinom i javnom sektoru	377,741,238.12
4311	Transferi za zdravstvenu zaštitu	203,830,372.96
4312	Transferi obrazovanju	47,946,813.00
4313	Transferi institucijama kulture i sporta	9,222,703.00
4314	Transferi nevladinim organizacijama	9,346,445.30
4315	Transferi političkim partijama, strankama i udruženjima	9,129,902.90

From the presented budget classification 4314, which refers to the transfer plan to non-governmental organizations for all spending units, the analysis concludes that most of them do not have planned funds for non-governmental organizations, especially there are no funds planned for non-governmental organizations whose activity is Gender equality. It is necessary to organize education for representatives of all spending units on the importance of improving the position of half of the Montenegrin and local population, and to give instructions on how to precisely define the means for this purpose.

Commentary 6: It is necessary to clearly define the programs and activities, and planned means for them, with specific goals and indicators related to promotion of Gender equality.

Reasoning: In the Budget Plan for 2024, for the program "Improvement and protection of human and minority rights and promotion of gender equality" no activity related to the promotion of gender equality is visible, except for the title of the Program. That is why it is necessary to precisely plan programs, activities, indicators and goals related to such activities. Until then, Gender equality will have a declarative treatment and Gender Budgeting will progress at the same slow and unsatisfactory pace till now.

Program 12 025		Unapređenje i zaštita ljudskih i manjinskih prava i promocija rodne ravnopravnosti	507,953.94
Potprogram 12 025 001		Zaštita ljudskih i manjinskih prava	507,953.94
Aktivnost 12 025 001 003		Promovisanje međuvjerskog i međureligijskog dijaloga	507,953.94
4		Izdaci	507,953.94
41		Tekući izdaci	107,953.94
411		Bruto zarade i doprinosi na teret poslodavca	72,091.85
0860	411-1	Neto zarade	53,632.99
0860	411-2	Porez na zarade	3,330.86
0860	411-3	Doprinosi na teret zaposlenog	10,448.97
0860	411-4	Doprinosi na teret poslodavca	4,179.37
0860	411-5	Opštinski prerez	499.66
412		Ostala lična primanja	13,000.00
0860	412-7	Ostale naknade	13,000.00
414		Rashodi za usluge	4,037.54
0860	414-1	Službena putovanja	4,035.74
0860	414-2	Reprezentacija	0.90
0860	414-9	Ostale usluge	0.90
419		Ostali izdaci	18,824.55
0860	419-1	Izdaci po osnovu isplate ugovora o djelu	1,266.55
0860	419-3	Izrada i održavanje softvera	2,700.00
0860	419-9	Ostalo	14,858.00
43		Transferi institucijama, pojedincima, nevladinom i javnom sektoru	400,000.00
431		Transferi institucijama, pojedincima, nevladinom i javnom sektoru	400,000.00
0860	431-5	Transferi političkim partijama, strankama i udruženjima	400,000.00



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