03

KEY PROBLEMS, WEAKNESSES AND NEEDS
Problematic areas defined in regard to the ICZM Protocol are:

- assessment of the state of natural and cultural heritage, landscapes and resources of the coastal zone;
- assessment of the state of key economic activities and existing coastal zone management system, and assessment of the state of impact of natural hazards;
- identification of major pressures on the elements of natural and man-made environment and impacts caused by such pressures.

From such an overview of problematic areas, selection of the priority ones was made on the basis of assessment of the relevance of their impact on:

- endangering natural, landscape and cultural values;
- unsustainable use of coastal resources;
- inadequate prevention and reduction of damages from natural hazards;
- manifestation of the management system deficiencies with regard to the needs in the context of application of functional coordination mechanism for ICZM, use of results-oriented management practices and efficient continuous monitoring of coastal processes.

Further analysis led to determination of the cause and effect links and identification of driving forces that generate unfavourable processes and phenomena. Overview of the key driving forces, pressures, state and impacts, based on DPSIR method, is presented in Table 3-1. Certain causes refer to several problems and vice versa – certain problems have their roots in several indicated causes. A broader list of identified problems and causes is presented in tables in Annex 1.

Systematisation of problems and causes, assessment of the level at which certain groups of problems and causes make it difficult to achieve goals set out by the ICZM Protocol and worsen prospects for the long-term sustainable development of the coastal zone led to identification of the key problems, weaknesses and related needs, as presented in points 3.1 – 3.4.
### Table 3-1: Key findings of the Driving Forces, Pressures, State and Impacts analysis

<table>
<thead>
<tr>
<th>ELEMENTS OF NATURAL AND MAN-MADE ENVIRONMENT</th>
<th>CAUSES/DRIVING FORCES</th>
<th>PRESSURES</th>
<th>STATE</th>
<th>IMPACTS</th>
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<tbody>
<tr>
<td><strong>Biodiversity</strong></td>
<td>high demand and profitability in real estate business</td>
<td>inefficient control of building processes and interventions; preferences</td>
<td>lack of expertise bases on the distribution and state of habitats and species; limited capacities (especially managerial ones) in nature conservation system; inefficient control and supervision of activities endangering values of ecosystems and protected natural resources in the coastal zone; lack of awareness about significance of natural values and importance of their preservation; abandoning of agricultural and homogenization of landscapes</td>
<td>out of the total surface of the coastal zone, terrestrial protected natural areas account for only 0.8% and marine protected areas for 0% (estimated surface of potentially valuable terrestrial natural areas to be protected amounts to 18.8% in relation to the total surface of the coastal zone, and there are approximately 9,000 ha to be designated as marine protected areas)</td>
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</table>

| **Cultural assets**                           | unfinished systematic mapping and insufficient availability of expert baselines on the state of and conditions for conservation of cultural assets | illegal acquisition of cultural assets | insufficient system for cultural assets management and conservation, insufficient capacities | disclosure of cultural assets, particularly of the submarine ones |

| **Landscape values**                          | unsustainable spatial and tourism development | depopulation of rural areas; lack of instruments (legal ones, integration etc.) and capacities for landscape conservation | lack of awareness about importance of landscape values and the need to preserve them | high share of dispersed urban areas, overgrowing of cultural landscapes with vegetation |

### Notes

- **Biodiversity**: high demand and profitability in real estate business; inefficient control of building processes and interventions; preferences; lack of expertise bases on the distribution and state of habitats and species; limited capacities (especially managerial ones) in nature conservation system; inefficient control and supervision of activities endangering values of ecosystems and protected natural resources in the coastal zone; lack of awareness about significance of natural values and importance of their preservation; abandoning of agricultural and homogenization of landscapes.

- **Cultural assets**: unfinished systematic mapping and insufficient availability of expert baselines on the state of and conditions for conservation of cultural assets; illegal acquisition of cultural assets.

- **Landscape values**: unsustainable spatial and tourism development; depopulation of rural areas; lack of instruments (legal ones, integration etc.) and capacities for landscape conservation; lack of awareness about importance of landscape values and the need to preserve them; high share of dispersed urban areas, overgrowing of cultural landscapes with vegetation.
### Elements of Natural and Man-Made Environment

#### Causes / Driving Forces
- Urbanisation which is not aligned with sensitivities of surface water and groundwater; and is not accompanied by proper utility infrastructure.
- Out-dated technologies in shipbuilding and industry.
- Pronounced seasonality of tourism.
- Incomplete emergency interventions system.

#### Pressures
- Land-based sources of pollution - wastewater, waste, phytochemical products.
- Pollution from marine activities (from ports and vessels).
- Shipbuilding/overhaul, industrial activities.
- Overburdened communal infrastructure during summer months.
- Inadequate siting of aquaculture (Boka Kotorska Bay).
- Marine accidents.
- High water consumption.

#### State
- Excessive pollution at some locations (Boka Kotorska Bay, Ulcinj, and Budva and Bar to a lesser extent).
- Eutrophication of the sea.
- Occasional deviation in the quality of water of Bojana and Sutorina rivers compared to statutory norms.
- Impaired quality of certain water sources, deposits of peloids and sources of thermal mineral water.
- Reducing quantity and salinisation of groundwater.

#### Impacts
- Endangering the state of the marine ecosystem.
- Reducing sanitary quality of bathing water.
- Endangering state of the environment and change of hydrological properties of river water flows.
- Reducing sanitary quality of potable water.
- Loss of peloids and quality of thermal mineral water.
- Change of chemical and physical properties of groundwater.

### Soil

#### Causes / Driving Forces
- Insufficient investment and institutional technical support to agriculture.
- Unfavourable age and qualification structures of rural population.
- Lack of efficient support to sustainable agricultural practices.
- Inefficient system for control, prevention and mitigation of pollution.
- Urbanisation and development of infrastructure.
- Soil pollution at certain locations.

#### Pressures
- Insufficient regulations.
- Lack of technical capacities.
- Insufficient application of building standards.
- Construction land in the zones with high seismic risk.
- Insufficient inter-ministerial cooperation in harmonisation of environmental goals with other sectoral goals.
- Sea level rise.
- Storms, heavy rains, drought, fires.

#### State
- Unfavourable age and qualification structures of rural population.
- Soil pollution at certain locations.
- Inconsistent data on soil quality and agricultural areas.
- Loss of valuable agricultural land and ecosystems connected with agricultural and forest land.

#### Impacts
- Endangering human life and health.
- Endangering material resources.
- High rehabilitation costs.
- Loss of resource basis for tourism.
3.1 Endangering of natural, landscape and cultural values

In this group of problems, weaknesses and needs the crucial ones are the following:

- Ecosystem approach is not applied in planning the coastal zone activities even though it is prescribed by legislation and to some extent integrated in national and local policies and plans. Assessment of acceptability of actions and economic activities in the context of preserving ecological networks' integrity and ecologically significant sites is also envisaged under the Law on nature protection, but its implementation has not begun yet. Due to the lack of data on certain natural assets and areas, implementation of the regulation on conditions for nature protection has also not begun yet.

- One of the reasons significantly contributing such a situation is the lack of systematic mapping and expert baselines on the distribution and state of habitats and species. Combined with insufficient capacity, these deficiencies lead to public administration not responding properly to the pressures from high real estate demand (particularly in the most attractive locations), i.e. to pressures from in-intensive urbanisation and construction not adapted to the natural surroundings.

- Knowledge and information about values of ecosystem services are not sufficiently developed. Incentives for development of green economy activities which contribute to the preservation of ecosystem stability and are not developed either, which is why resource intensive activities continue to prevail (be that through pollution or consumption/take up of resources).

- Particularly important group of deficiencies is related to the protected natural areas. In accordance with the obligation laid down by law, the Public Enterprise for Public Maritime Domain Management formally took over management of protected areas in the narrow coastal strip. However, practical application of this solution is made difficult by a number of problems including incomplete information about boundaries and status of protected natural areas, incompatibility of earlier procedures for designation of protected natural areas with the newly prescribed protection categories, etc. This model of protected areas management is question-able from the perspective of preservation of integrity of protected areas that expand or will expand beyond boundaries of the public maritime domain. Particular concern is raised due to the fact that the existing protected areas system is not representa-tive, i.e. it was not established in a way to include all the valuable ecosystems (for example, marine protected areas are not designated) and that goals concerning designation of new protected areas are not achieved within the set time-limits. Protection measures for valuable ecosystems outside of protected areas are hardly ever implemented.

- Implementation of the European Landscape Convention is not satisfactory, while related harmonisation of legislation in the area of spatial planning, nature protection and cultural heritage has not been finalised. Moreover, landscape policy has not been adopted. There is a lack of landscape typology which serves to identify types of landscapes in the territory of Montenegro and to create basis for legal protection of outstanding landscapes. As a result of the lack of awareness, deficient regulations and inadequate expert baselines combined with urbanisation impacts, the quality of coastal...
Deficiencies in the system for protection of cultural assets are primarily due to weaknesses in implemen-
tation of legal provisions. For example, ‘assess-
ment’ of movable and immovable cultural assets in Montenegro has not been finalised, digital database on cultural heritage has not been set up, nor has monitoring of the state of cultural heritage been put in place. This is a prerequisite for its pro-
tection in the context of realisation of development and spatial planning documents.

Underwater cultural heritage is not properly physi-
cally protected nor mapped (except for three sites). Measures for in situ protection of cultural assets on land and in the sea have not been elaborated yet.

Sufficient funding is not allocated for protection of cultural assets. If the problems of degradation of natural, landscape and cultural values identified above persist over longer period of time, they might lead to considerable insta-

cility of ecosystems compared to the existing state and undermine development potentials of the coastal zone.

Economy of the coastal zone is not adjusted to its
identit of the Montenegrin coast have been con-
considerably impaired.

3.2 Unsustainable trends in spatial planning and natural resource management

In addition to sectoral regulations and policies, the most important practical regulations of the use of coastal re-
sources are spatial plans. In terms of integration of other ministries and sectors into the spatial planning process and facilitation of their coordination, the spatial plan-
ning system has primary responsibility. Ministries re-

sponsible for environmental protection and natural and cultural heritage are the most important sectors when it
comes to sustainability of coastal zone’s development. Nonetheless the spatial planning system, exposed to con-
tinuous pressures for land use conversions, failed to produce adequate responses to the existing unsustain-
able development patterns.

Among key problems and weaknesses of the spatial planning system predominantly caused by external fac-
tors, the following ones can be singled out:

- National economies in the region, affected by tran-
sition difficulties, after the expansion period in the

previous decades were exposed to global reces-
sion. Even though they are on a recovery path now, a range of problems they faced in the period of

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sion. Even though they are on a recovery path now,
- insufficiently objective analysis of the state and processes in space and lack of use of measurable indicators;
- limited cooperation and coordination between sectors in the planning process;
- lack of quality sectoral baselines;
- insufficient application of technical criteria and methods when making decisions on the use of space (primarily environmental ones);
- inadequate understanding of the participatory process.

Ultimately, the state described above has considerable impact on the quality of planning documents.

There are also evident deficiencies of regulations in terms of detailing norms for certain instruments whose application is important for putting an end to unsustainable forms of spatial development of the coastal zone:

- Linear coastal urbanisation is not explicitly regulated to a sufficient extent, even though recommendations to avoid linear urbanisation are sporadically incorporated into certain planning documents.
- Harmonisation of current regulations with the aim of determining coastal setback as the zone of substantial natural, landscape and agricultural values and on their protection from intensive urbanisation, i.e. the “open areas” concept is not implemented. Despite its importance for sustainable use of space in the coastal zone, this concept has so far not been sufficiently recognised in legislation and spatial planning documents. Significant deficiency is the fact that current spatial planning documents fail to sufficiently address conflicts i.e. incompatibility between various forms of using marine resources and marine space. Characteristics of marine and coastal environments are substantially different. Crucial difference is that marine areas, as a part of the public maritime domain, are defined as a public resource characterised in particular by the right of common use, i.e. non-ownership regime. That is why ownership boundaries are not an important element in maritime spatial planning as is the case with land. Major difficulty in maritime spatial planning and management is linked to continuity of marine environment and size of marine ecosystems. It is more difficult to apply the concept of boundaries on the sea than it is on the land, particularly due to the three-dimensional nature of the sea. Even though there are physical boundaries of the phenomena such as sea currents, sea temperature and salinity, these are not obvious to the observer as are boundaries on land. It is easier to define them on paper than in reality. Lack of physical boundaries enables free movement of both users and resources within the system. Openness of the marine system enables better connectivity compared to the land, while relatively unknown nature of marine environment makes its research more difficult and bio-geographical complexity makes marine system quite unpredictable. Even though maritime planning is necessary and required under the Directive of the European Union of 2014, legislation and practical instructions have not been adopted yet, nor was capacity for application of that concept developed.

Besides the spatial planning system that has a pronounced integrative role, other administrative systems also have important function for usage of coastal resources. Especially concerning are numerous weaknesses and deficiencies demonstrated by the systems for natural resource management and pollution control, where some of the following ones stand out:

- Degradation and excessive pollution of the sea, surface water and groundwater, soil and forests, as well as inefficient use of resources (e.g. of potable water, agricultural land etc.) have occurred at some locations. Waste and municipal waste water, maritime activities and out-dated polluting technologies that were used in shipbuilding and offshore are main causes of the current pollution for which proper prevention, reduction and/or control measures are not implemented.
- When adopting development plans and approving new projects, sufficient attention is not paid to sensitivity and vulnerability of the coastal zone environment and to the regulation and prohibition of certain activities.
- Weaknesses in the concessions granting system may gain in importance in the context of planned geological surveys in the coastal zone and intensification of existing activities based on exploitation of raw materials and use of natural resources. One of significant deficiencies is inadequate integration of environmental protection into sectoral policies. Laws regulating economic activities (tourism, agriculture, geological surveys, exploration and use of natural resources in the littoral belt, port activities) mainly contain provisions which in the forms of principles require that measures be undertaken to eliminate and/or mitigate negative environmental impacts; however, details on how to provide for efficient implementation of these principles are not elaborated.
- Responsible use of natural resources is also partly regulated in the form of general principles which are mainly characterised by inadequate implementation.

A similar situation is found with requirements to minimise consumption of natural resources which is not a responsibility of resource “consumers” only, but also of entities in charge of their preservation. Importance of such shared responsibility is particularly relevant in situations where efficient safeguard measures are not taken in a timely manner or when some competent entities fail to provide technical baseline necessary for the preparation of planning documents.

Exceptionally important group of deficiencies is caused by weaknesses in implementing environmental impact assessments (strategic or project based) which include: lack of information needed to undertake assessment, unsatisfactory capacity of entities undertaking assessments and administration bodies carrying out evaluation, undertaking assessments as purely formal procedures in preparing and adopting planning documents and in obtaining permits for implementation of project activities, insufficient consideration of objections raised by public (and sometimes by institutions that must be consulted) and others. These weaknesses have impact on the quality of planning solutions and success in implementation of specific
measures for mitigation or elimination of negative impacts of programmes and projects that are subject to environmental impact assessment.

- There is no monitoring of implementation of the measures for elimination and mitigation of negative environmental impacts that are identified in studies and reports from strategic and project level environmental impact assessments, while competence of the Environmental Protection Agency and Administration for Inspection Affairs (environmental inspection) are not precisely defined. Such a state implies the need to establish monitoring on successfulness and consistency in implementing the measures set out in impact assessments studies and reports. In this context, an important recommendation came from the participatory process conducted in the framework of preparation of this strategy. It refers to the need to eliminate deficiencies in monitoring cumulative environmental impacts of interventions in accordance with requirements set out by the Environmental Protection Agency in the impact assessment procedure, as well as deficiencies in monitoring state of the environment against reference (baseline) state by environmental inspection.

- After several years of implementation of environmental impact assessments, there is no critical evaluation of the use of these instruments that would serve as a basis to modify the existing practice and overcome current weaknesses.

3.2.2 Unsustainable trends in the coastal zone economy

The following problems and weaknesses characterise economy of the coastal zone, primarily tourism and maritime affairs and, to a lesser extent, fisheries and aquaculture:

- Economic activities are not adjusted to sensitivity and vulnerability of the coastal zone. In that regard, agriculture (from the perspective of pollution and resource use) is not a source of strong pressures, but on the other hand it does not make sufficient contribution to the balance of economic activities and improvement of the overall economic performance.

- There is a lack of efficient support to the diversification of economy, particularly through development of rural areas and use of clean and efficient technologies, and to development of green and blue economic activities.

- Insufficient quality of harmonising public and private interests is present to a certain extent (be that due to the lack of instruments or their inefficient use).

- There is evidently insufficient commitment to the proclaimed goals and lack of established indicators to monitor progress in achieving results; to a certain extent, prioritisation of short-term benefits over long-term sustainable development opportunities is present, as well as the conflict of interest.

- Despite the fact that the principle of pollution prevention is set out, either directly or indirectly, in a number of national regulations, implementation instruments (in cases when they are envisaged) are more of reactive than of preventive nature. Even though legal basis for internalising costs incurred by environmental pollution and use of natural resources exist, environmental pollution and use charges are ineffective. Their administration and collection are not efficient, nor are they established in a manner that reflects actual costs and damages caused by pollution, and stimulate change in polluters’ behaviour. In case of damages caused to the environment, polluters’ liability is used to be determined through misdemeanour and criminal procedures, while specific measures for restoring environment to the original condition and to compensate for the damaged natural resource were mainly not taken. The new Law on liability for environmental damage entered into force in 2015 and its application should ensure efficient rehabilitation and restoration of polluted sites to their original condition. However, implementation of this regulation will present a significant challenge.

3.3 Inadequate prevention and reduction of damages from natural hazards

Problems resulting from inadequate treatment and management of natural hazards in the coastal zone often become visible only after they reach certain cumulative proportions (for example, erosion on the road Cetinje–Dobra Voda in February 2015) or in the event of natural disasters such as earthquakes or floods. Such attitude towards natural hazards often increases the damage they cause.

In this group of problems, weaknesses and needs, the following are singled out as the key ones:

- There is a tendency to neglect potential damage from natural hazards or to omit measures for risk management of natural hazards in implementation of development and infrastructure projects and preparation of spatial plans. This is particularly pronounced due to the fact that these are not immediate and daily impacts.

- There is a lack of regulations and appropriate technical capacity to manage risk from natural hazards.

- Weaknesses regarding reduction of damages from natural hazards principally include lack of reliable data on the magnitude of risks and potential impacts, but also lack of awareness on how important it is to take these impacts into account. This is particularly relevant for coastal erosion and climate change, as well as for combined influence of several hazards (e.g. impact of storms and sea level rise in floods in the Bajina river basin).

- Climate change risk assessment is not integrated into spatial and development plans, which is particularly worrying.

- As for seismic risk (for which there are detailed assessments and categorisation of space for the entire coastal zone), weaknesses include insufficient control of application of the building standards related to seismic risk and designation of construction areas in highly risky zones.

- Maintenance of torrential flows is not satisfactory, which contributes to the occurrence of local floods on one, and on the other hand, in cases when water courses are modified or interrupted, it exacerbates problem with beach erosion.

- Fire protection is also not developed to the necessary level.

3.4 Limitations of the coastal zone management system

Necessary outcomes of adopted public policies are still not achieved due to, amongst other things, lack of...
harmonisation between goals and measures set out in sectoral policies, as well as due to insufficient focus of the public administration system on the achievement of results.

In the context of this strategy, public administration system includes ministries, administrative and autonomous administrative bodies90 competent for the implementation of sectoral policies relevant for coastal zone management and for conducting related administrative supervision, administrative procedures and functions of national importance, which are at the same time recipients of the budgetary funds. Public administration also includes public enterprises and companies founded by the Government of Montenegro, as well as local government authorities and public enterprises operating at the local level.

The most important limitations of the coastal zone management system are elaborated below.

3.4.1 Coordination mechanisms

The existing public administration system is complex in terms of both levels of administration (national and local) and sectoral competences assigned to numerous ministries and autonomous administrative bodies they coordinate, as well as to the local government authorities. Despite a significant number of established coordination bod-
ies at horizontal, but also on vertical (top down) level, inter-ministerial cooperation is not integrated into all processes and activities that are relevant for coastal zone management. Such a complex management system carries a risk from excessively complicated procedures, which result in a lack of harmonisation between them or in insufficiently harmonised implementation.

Insufficient degree of integration of economic, social, cultural and environmental goals in an effort to generate sustainable economic effects, together with insufficiently clear identification of implications for environment and social development, is another significant deficiency in the consultation process during the NS ICZM development, despite the fact that certain segments of public administration in Montenegro are already oversised.

Working conditions in the public administration system and related procedures for promotion and evaluation of achieved results are not based on valuation of outstanding abilities. As a result, staff with outstanding professional potential is not motivated sufficiently and they either leave or do not start working in public administration at all. That is why the management system in fact does not have the opportunity to strengthen integrity and professionalism.

3.4.2 Management that is insufficiently results-oriented

The management system is characterised by unsatisfactory level of specificity of goals and expected results of public policies, as well as by the lack of commitment to pursue the set goals. Goals of public policies are often not accompanied with clear indicators for measuring achieved results and outcomes, nor with responsibility for (non)achieved outcomes.

Actions of public administration are often characterised by insufficient transparency in the process of adoption and implementation of public policies. Regulations on how to conduct procedures are often unsatisfactory and are moreover subject to frequent adaptations on a case by case basis. The above-mentioned results in insufficiently informed and, consequently, insufficiently involved public. Active and effective public involvement in the processes of making decisions on the coastal zone is more an exception than a rule.

Without adequate capacity of the public sector to efficiently conduct affairs falling within its competence, development of institutions and organisational restructuring cannot have a sustainable outcome. As a matter of fact, lack of capacity primarily in human resources, has been recognised as a deficiency by several institutions in the consultation process during the NS ICZM development, despite the fact that certain segments of public administration in Montenegro are already oversised.

Scientific research is rare since it requires considerable technical and financial resources, and its results are even more rarely used in decision-making. Moreover, the scope of research in the context of monitoring the state of coastal and marine environments and coastal processes is insufficient. This weakness results in a lack of systematically gathered and comparable time series of data on important parameters of the state of environment, space, coastal processes and natural and anthropogenic hazards, thus complicating management and increasing risks of making wrong decisions. Besides, data are often not prepared and adjusted to be used in other sectors as well (e.g. in spatial planning). This reduces considerably their practical value.

Main shortcomings of this area also include mutual incompatibility between the existing databases and unsatisfactory communication and data exchange between numerous entities competent for coastal zone management. This refers primarily to the data at the disposal of public administration and scientific and professional institutions. There are still cases of data withholding and insufficient cooperation.

Causes that have led to such a situation include, first of all, lack of interest to devote more attention to this matter and insufficient capacities (technical, human, financial) of institutions responsible for data collection and keeping.
COASTAL ZONE OF MONTENEGRO IS RESILIENT AND HEALTHY, WITH RECOGNIZABLE IDENTITY AND AUTHENTICITY, PROVIDING FOR PRODUCTIVITY AND BENEFITS FOR CURRENT POPULATION AS WELL AS FOR FUTURE GENERATIONS

RESILIENT AND HEALTHY
- Areas with prominent landscape and cultural values are protected.
- Environment is healthy and preserved for future generations.
- Ecosystem services and amenities of nature protected and areas with preserved natural, cultural and landscape values are recognised and utilised in a sustainable way.
- Coastal area development is adapted to the needs of its natural resources protection.
- Coastal area is resilient to the impacts of natural hazards.

WITH RECOGNIZABLE IDENTITY AND AUTHENTICITY
- Natural specificities and physiognomy of traditional settlements and landscapes are preserved.
- Elements of natural and cultural heritage, as a basis of attractiveness, serve the purpose of coastal zone’s sustainable development.

PRODUCTIVE
- Coastal area has sustainable tourist offer based on a year-round tourist product with developed traditional rural component and preserved attractiveness basis.
- A satisfactory positioning of the Montenegrin coast as a tourist destination on the global market has been achieved, generating positive economic effects.
- Agricultural land and forests are key resources of rural areas that are utilised through ecological and autochthonous production; they represent an important segment in diversification of high quality tourism offer in the coastal area.
- Entrepreneurship based on protection of natural, landscape and cultural values is being developed.

FOR THE BENEFIT OF CURRENT POPULATION AND FUTURE GENERATIONS
- Best available knowledge and standards are applied.
- State and processes in the coastal zone are monitored to assess progress in achieving desired results.
- Participation of local population in making and implementing important socio-economic decisions is improved.
National strategy on integrated coastal zone management for Montenegro

05

STRATEGIC GOALS
Strategic goals of the NS ICZM, with corresponding measures and sub-measures, are defined in response to identified problems and weaknesses and with the overall aim to fulfil vision of integrated management of the coastal zone of Montenegro.

The approach taken in defining the NS ICZM goals was that implementation of the concept of integrated coastal zone management:

- takes into account, to the greatest possible extent, existing conditions and management structures in the country, while trying to improve them and avoid further complexities;
- does not require usage of complex problem solving mechanisms in cases when they can be successfully solved in individual sectors i.e. departments through application of their internal capacities and instruments;
- points out, by considering things in an integral manner, interdependencies and possible synergies to make sectoral strategies more effective and efficient;
- enables recognition of strategic themes that are (currently) neglected or are not given appropriate significance.

The NS ICZM strategic goals are focused on problems which require the following issues to be resolved:

- strategic and normative harmonisation of public policies and regulations;
- formulation of complex public policies by applying mechanism of inter-sectoral cooperation, i.e. implementation of public policies through fulfilment of strategic tasks by considering problems in an integral manner;
- coordinated cooperation of different departments and achievement of synergistic effects;
- acting on a priority basis given the fact that economic and social development of the coastal zone depend on the success in solving the problems;
- application of coordination mechanisms in resolving inter-sectoral conflicts on strategic (plans, programmes) and operational (project) levels;
- improvements in the spatial planning system as a markedly integrative department that will become a core of the future ICZM structure;
- higher efficiency, effectiveness and transparency in the governance system.

Having in mind vision and multi-sectoral nature of integrated management of the coastal zone of Montenegro, the strategic goals are structured within the following thematic areas:

- Preservation of nature, landscape and cultural assets
- Development of infrastructure for pollution prevention and remediation
- Spatial planning and sustainable spatial development
- Achievement of satisfactory performances of the coastal zone economic development
- Functioning of the coastal zone management system
- Strengthening of human resources and social cohesion

Strategic goals are set for the NS ICZM thematic areas for the period of up to 2030, which is the time horizon to which the Strategy applies. They are presented in points 5.1 to 5.5.
5.1 Preservation of nature, landscape and cultural assets

Issues related to preservation of natural, landscape and cultural values are among the most important strategic issues for managing the coastal zone of Montenegro. Low level of attention that has been paid to protection of these values so far, obligations from the process of Montenegro accession to the European Union and international standards accepted in the national context all require significant changes in behaviour patterns where protection of valuable ecosystems, cultural values and landscapes has been marginalised for the sake of ambitious, often unsustainable (but also not implemented) plans and activities.

Natural, landscape and cultural values of the coastal zone are a foundation upon which preservation of spatial identity and of way of living of population on Montenegro coast depends. That is why it is necessary that their preservation becomes a key and lasting element of development policies in order to provide for stability of ecosystems and services they provide, preservation of attractiveness of the coastal zone, well-being of people (population and tourists), as well as for preservation of abilities of society and nature to adapt to natural disasters and processes. Development difficulties that may be afflicting national economy should not question strategic approach to Montenegro coastal zone management defined in this way.

In line with previous assessments, the NS ICZM strategic goals for the thematic area “Preservation of nature, landscape and cultural assets” are:
- Protect nature, landscape and cultural assets efficiently;
- Manage protected natural assets, ecologically valuable habitats and ecosystems of the coastal zone sustainably.

5.2 Development of infrastructure for pollution prevention and remediation

Existing level of development of environmental infra-structure (outfalls and treatment of wastewater, lack of adequate port facilities to accept wastes from vessels, waste disposal and other) is not sufficient for preservation of sea, water, soil and air quality. Consequently, excessive environmental pollution occurs. Moreover, insufficiently developed environmental limits potential for socio-economic development.

That is why it is necessary to improve capacities and quality of the existing infrastructure with significant investments for development of infrastructural projects on land and minimisation of negative environmental impacts due to infrastructure development. In such a context, priorities are: remediation of existing locations with high pollution loads (‘hot spot’ locations), prevention of further increase in pollution loads as well as adequate siting of future infrastructure as to ensure it will not endanger sensitive ecosystems at sea and on land.

Under conditions of pronounced climate variability and climate change, coastal zones are directly exposed to natural hazards and their impacts. It is therefore necessary to provide reliable data on risks that might arise due to natural hazards impacts for spatial and development plans in order to enable optimal siting of infrastructure.

In line with previous assessments, the NS ICZM strategic goals for the thematic area “Development of infrastructure for pollution prevention and remediation” are:
- Achieve good environmental status of marine ecosystems;
- Contribute to safe arrangement, re-vitalisation and reclamation of areas polluted due to inadequate disposal and treatment of waste;
- Stimulate development of green infrastructure;
- Establish risk management system for natural and anthropogenic hazards.

5.3 Spatial planning and sustainable spatial development

Pressures on spatial and marine resources are pronounced, while adequate responses aimed at achievement of visible improvements in the existing spatial conditions are lacking.

A wide range of responsibilities of pertinent department for the overall sustainability of spatial and socio-economic development of the coastal zone stems from the very breadth of tasks and character of the spatial planning system. That is why it is necessary to analyse and resolve in and integrated manner issues related to unsatisfactory results in the area of spatial planning and in the area of sustainability of the coastal zone development.

In this way, rapprochement of the spatial planning system to the ICZM tasks and goals should be provided, in particular as application of the ICZM concept stresses importance of good planning and arrangement of space. In other words, the ICZM concept recognizes problems faced by spatial planners in their work and enables them to apply specific instruments that require strengthened powers the spatial planning department is currently not entrusted with (at least not to a necessary extent). Spatial planning system has to be strengthened through the application of instruments from the domain of other departments too, especially those from the areas of fiscal and land policies.

Key problems and weaknesses of the spatial development are partly caused by external factors. However, they to a large extent belong to a group of systemic problems in the area of spatial planning. In such a context, endeavours aimed at improvement and implementation of the existing laws that regulate spatial planning system are important as they should allow for integration of sectoral needs and aspirations, unconditioned protection of the most significant natural, cultural and landscape values, rational consumption and use of space, minimisation of conflicts between urbanisation and valuable vulnerable areas, and quality of the built environment. It will be also necessary to additionally regulate (through adequate norms) tasks of the spatial planning system that refer to providing balance between activities on land and sea through maritime spatial planning and strengthening of resilience of coastal structures to climate change.

Under the stated circumstances, strong political will and development of efficient and accountable public administration are of crucial importance for sustainable future of the coastal zone of Montenegro. That is why the NS ICZM strategic goals for the thematic area “Spatial planning and sustainable spatial development” are:
- Develop a system of sustainable spatial planning;
- Provide wider preconditions for the spatial planning system functioning.

5.4 Achievement of satisfactory performances of the coastal zone economic development

A striving to improve performances of economic development is at the core of integrated management of the coastal zone of Montenegro. It is based on the need related to overcoming of numerous weaknesses characterising existing state of the socio-economic development of the coastal zone, primarily of those caused by low level of diversification of economic activities and their negative impacts on the environmental quality.

Natural and landscape values of the coastal zone with
agricultural and forest land (especially in the hinterland) represent significant resources of the coastal zone with economic potential to improve the offer of high quality and diversified tourism as well as of autochthonous ecological agricultural production. At the same time, numerous negative environmental impacts of the development of economic activities are evident.

Coastal zone economy encompasses a small number of sectors. In other words, it is characterised by a low level of diversification of activities. As one of the most important sectors for economic development of the coastal zone and the entire country, tourism is characterised by a short summer season with bathing tourism as the most significant part of the offer. Positive changes are evident regarding the growth of foreign investments for development of tourist capacities. At the same time, real estate business played an important role in the coastal zone economy over the course of several years.

That is why priority needs in the context of attaining sustainable economic development of the coastal zone require, among other things, incentives for development of sustainable tourism, development of agriculture and utilisation of currently neglected rural areas as well as incentives for other activities that may contribute to preservation of the coastal zone resources and be labelled as a green or blue economy. Rural development is not just significant as an economic sector, but also because rural areas make a significant part of the overall tourism attractiveness and an important segment of the high quality tourism offer that contribute to creation of a year-round tourist product. Only tourist regions with developed rural hinterland and diversified tourism as well as of autochthonous eco-agricultural production. At the same time, numerous negative environmental impacts of the development of economic activities are evident.

Diversification of the coastal zone economy should provide for attainment of goals that are significant both from the aspect of integrated coastal zone management and in the context of contributing to some of the key priorities of socio-economic development of Montenegro – increase in employment, living standards and others. Furthermore, it is necessary to stimulate balanced development within the coastal zone i.e. within the region of Montenegro coast where two municipalities with significant potentials lag behind the national averages (Ulcinj significantly, Bar slightly).

Out of these, 12 million would be directly linked to rural tourism. Utilisation of this potential would mean an increase in employment in the coastal region of around 4% and estimated contribution to GDP growth from 3 to 4%

Such a form of development has a strong support from the EU pre-accession funds. Financial allocation for Montenegro through IPA component V for rural development (IPARD) for 2012 and 2013 was around 11 million euros. These funds will grow in the forthcoming period, and following Montenegro’s accession to the EU, they will be several times higher. Development of absorption capacity for the usage of these funds is a long-lasting process.

Efficient coordination and strengthening of institutions of capacities of human resources are of high priority, capacity building within public administration institutions.

Societies which value knowledge and skills, which manage to mobilise potentials of various social groups and provide for development benefits to reach all their members, are societies that on the sustainable development path. Available human resources – knowledge, skills and social capital (mutual links and cooperation among stakeholders) – represent one of the most significant development factors. Strengthening of human resources cannot be done in a good way without appropriate organisational restructuring and capacity building within public administration institutions.

Accordingly, improvements of the (coastal zone) management (institutional) system are not possible without investing at the same time into development of capacities of civil servants and experts to perform assigned tasks efficiently and effectively.

That is why strategic NS ICZM goals pertinent to strengthening of human resources and social cohesion are:

- Implementation of capacity building programme;
- Increasing awareness on the need to preserve and enhance coastal zone resources.

Due to the fact that capacity strengthening and public awareness raising on the importance of mobilising social potential are of high priority, capacity building has been paid special attention. However, due to the importance of targeted capacity strengthening and awareness raising activities, specific measures and sub-measures to implement them are identified under the other NS ICZM strategic goals.

5.5 Functioning of the coastal zone management system

Efficient coordination and strengthening of institutional capacities represents an urgent need of the existing management system. An important contribution to achieving sustainability of society’s development should be made through strengthening of cooperation and coordination between stakeholders, efficient inclusion of public into the decision-making processes and use of available knowledge.

That is why the NS ICZM priorities include public administration reform and establishment of a functional governance structure. Even though the NS ICZM focuses on the coastal zone, coastal zone management system does not function in isolation from the rest of the public administration system in Montenegro. Reform of the coastal zone management system may thus represent a demonstration case for reform in other segments of public administration. In this context, it is necessary to create conditions for implementation of the ICZM Protocol’s objective on achieving coherence in decisions from national and local levels as well as between public and private initiatives pertaining to the use of coastal zone resources.

Based on the assessments of national institutional and legal framework of significance for integrated coastal zone management and recommendations from the consultative process carried out in the framework of ICZM preparation, the NS ICZM goals for the thematic area “Functioning of the coastal zone management system” are:

- Establish functional coordination mechanism for integrated management of the coastal zone;
- Strengthen public administration capacities;
- Establish monitoring of the coastal processes
SPATIAL PLANNING SYSTEM AND SPECIAL PURPOSE SPATIAL PLAN FOR THE COASTAL ZONE
Protection of nature, landscapes and cultural assets is strategically important for sustainable management of the coastal zone of Montenegro. Despite the fact these values constitute a basis for preserving spatial identity and the way of living of the coastal zone population as well as the most important economic resource in the long run, they are endangered by spatial problems manifested through continuous expansion of construction areas. In addition to degradation of ecosystem value, landscapes and agricultural land, they also contribute to increasing pollution, as well as to transport and other types of problems, while contradicting very clear goals and directions set out in the SP MNE.

Current problems with the use of space are, amongst other things, a consequence of the fact that spatial planning system as an integrative platform failed to meet expectations. Among the factors causing these problems and reducing prospects for long-term sustainable development of certain parts of the coastal zone, the following ones stand out: limited implementation of spatial plans, particularly of strategic ones such as the SP MNE, and insufficiently controlled urbanisation processes, i.e. illegal and unplanned construction.

While the capacities of the spatial planning system were exhausted in the development of numerous planning documents, their quality and importance of their efficient implementation were neglected. Planning solutions deviated from adopted directions which, despite being properly set, were not achieved.

A part of problems with the spatial planning system is caused by social and economic transition. The set of instruments for spatial planning and development that had existed in the earlier system was not replaced by an integral and functional model that would suit the newly established circumstances. Transition restored authority of private ownership, while spatial plans became means for changing the economic value of land. Under such circumstances, the spatial planning system was often criticised as a relic of socialism that contradicts the principles of market economy.

On the basis of the problems with spatial development mentioned above, the following can be singled out as the key needs: sustainable planning of capacities in space in line with actual needs in terms of quantity and quality of built environment and establishment of the maritime spatial planning.

Even though the spatial planning system has major responsibility, it is worthwhile emphasising that the level of control it exercises is limited and does not include all the sectors whose contribution is important for the quality of planning documents and sustainability of spatial development. This is due to the fact that spatial plan, as a product of planners’ work, is implemented directly and makes planners directly responsible, as noted in introduction to the SP MNE:

“In development of the Spatial Plan, the problem of defining the boundary of competence between spatial planning as an inter-sectoral integrated approach and sectoral policies has been identified. The question is to what extent spatial planning may replace or even substitute sectoral policy if it does not exist or is deemed inadequate from the perspective of the principles and goals set out by the Spatial Plan.”

A part of response to the spatial development problems is provided through measures and sub-measures with strategic goals of the thematic area Spatial planning and sustainable spatial development presented in section 7.1.3. They emphasise and elaborate the role and potential of the spatial planning system as a core of the future ICZM structure. However, in addition to nec-
The fact that the SPSPCZ MNE was introduced into the system of planning documents and that it was developed represents the most concrete practical contribution to the implementation of the ICZM Protocol. Its implementation also requires considerable amendments to the current legal framework, including the Law on spatial planning and construction of objects, and Rulebook with more precise content and form of a planning document, land use criteria, urban regulations, unique graphic symbols (the Rulebook). Still, this is a less demanding step compared to development of a planning document which has both strategic and operational tasks to undertake. Strategic tasks include balancing and harmonisation of development and environmental protection interests. In a specific situation, this means reducing construction areas to realistic extent, while taking into account all the spatial values to be preserved in the long run and enabling implementation of important development projects at the same time. Operational tasks include development of mechanisms for implementation of the SPSPCZ MNE which should lay down clear and unambiguous obligations for the plans of lower order.

6.1 Role and task of the SPSPCZ MNE

It is not possible to perform an in-depth analysis of the entire spatial planning system in any of the planning documents, including the SPSPCZ MNE, in addition to definition of specific planning solutions. It is rightfully said that a spatial plan defines a desired picture of space within a specific time horizon, whereas management strategies stipulate operational process for establishing such desired picture of space and for its successful achievement. The SPSPCZ MNE is a spatial plan for an extremely valuable part of the Montenegrin territory which sets out how the most valuable land and marine resources will be used in the context of economic and other activities. The NS ICZM considers more broadly and in more detail the entire spatial planning system in any of the planning documents, as well as with the SP MNE as a planning document of higher order. That is why guidelines for the SPSPCZ MNE are elaborated in this chapter, based on the ICZM Protocol requirements and results from implementing CAMP activities.

6.1.1 The ICZM Protocol requirements

The ICZM Protocol requirements and guidelines for strengthening structures for integrated coastal zone management are presented in section 6.2 of this chapter. Based on the assessment of existing state in this document, mutually harmonised systemic measures have been formed CAMP team about the state in space, available data and baseline documents, as well as about results of the performed analysis. In the framework of its activities, CAMP team insisted on coordination and consequently it set up some kind of an informal, temporary coordination mechanism for the ICZM. Links between various sectors were established through the vulnerability and suitability assessments. At the same time, sectoral and synthesised (joined) databases were prepared serving also as baselines in the CASP development.

That is why one of the goals of the NS ICZM is to provide response to the question on how the temporary situation established during the CAMP project may be transformed into a permanent ICZM mechanism on the basis of which spatial planning methods and standards applied in CAMP activities and used in development of the SPSPCZ MNE may be formally incorporated into the spatial planning system and into legislation. Since some of the taken approaches are innovative and partly more demanding in technical terms compared to the previous practices (e.g. use of GIS technology and spatial software), such methods and techniques should be incorporated into continuous professional development programmes.
Coordination and integration mechanisms, use of indicators to assess implementation of strategies and plans.

In parallel to the development of the NS ICZM, the process of changing and amending important laws was taking place including, amongst other things, their harmonization with the ICZM Protocol requirements. Most of the necessary amendments are related to the Law on spatial planning and construction of objects and to the Rulebook.

6.1.2 Spatial Plan of Montenegro

Under the Law on spatial planning and construction of objects, the SP MNE is defined as a strategic document and a general basis for spatial organization and planning in Montenegro. As for the nature of the SP MNE, it is said that Spatial Plan cannot and should not replace sectoral strategies. In the period of rapid transition, Spatial Plan can only provide strategic framework and must ensure compliance of spatial planning with constitutional provisions and sustainable development. This may be achieved by formulating and setting goals, principles and guidelines which are strict enough as to guide and organise spatial planning. In that regard, SP MNE sets out targets which are strict enough as to guide and organise spatial planning system. Moreover, development goals and measures set out by the SP MNE indicate high level of awareness about spatial development problems and weaknesses in functioning of the spatial planning system. Moreover, development goals that have been set and guidelines for implementation of the SP MNE clearly show compliance with the contemporary principles of sustainable spatial planning. Despite difference in coverage between the SP MNE and the NS ICZM, there is an evident close link between their content and thematic coverage, as well as between important goals and the majority of measures. Nevertheless, two important conclusions may be drawn:

- Since the adoption of the SP MNE, the state in space has not improved, while in some segments it has even deteriorated despite clear directions and goals set out by the SP MNE (an example is continuous expansion of construction areas that are often in conflict with the existing natural and landscape values);
- All the so far barriers that have stood in a way to better functioning of the spatial planning system and achievement of directions and goals set out by the SP MNE in the coastal zone will also constitute barriers in implementation of the ICZM principles and mechanisms proposed by the NS ICZM.

6.2 Strategic guidelines on sustainable spatial development

Strategic guidelines on sustainable spatial development are defined by taking into account requirements of the ICZM Protocol and of the SP MNE as a planning document of higher order which the CASP must be harmonised with. Nevertheless, two important conclusions may be drawn:

- Regulating over-consumption of space;
- Providing for optimal land uses by minimising conflicts between use and vulnerability of space;
- Regulating construction in the narrow coastal strip – coastal setback;
- Preservation and development of open rural areas.

The planning tasks mentioned above are the usual themes found in any regional spatial plan. That is why the set of instruments for addressing these planning tasks is mainly familiar and verified.

Nevertheless, it should be emphasised that quality of the built-up space is a particularly relevant planning theme for the coastal zone of Montenegro. The theme itself, and in particular restoration and rehabilitation of inadequately urbanised areas, goes however beyond the tasks of the regional plan, except for the level of general goals.

The fact that planning of the development of infrastructural systems requires concrete and specialised baselines should be also pointed out. That is why this important segment is addressed by the NS ICZM to the extent needed for identification of possibilities for safe rehabilitation of infrastructural systems and prevention or mitigation of the pollution load which was assessed in detail and considered from spatial perspective on the basis of the coastal zone pollution and vulnerability model developed within CAMP. Accordingly, chapters 5 and 7 set out strategic goals and measures which address environmental infrastructure in line with this approach. Broader context of significant infrastructural solutions that consider the coastal zone as an integral part of national infrastructural systems is defined in the SP MNE and the CASP.
One of the most important tasks of spatial planning is to determine land uses and sining of various human activities and functions in space. Any conversion of land for the purpose of anthropogenic uses means additional consumption of natural space which is a non-renewable resource. Due to that, consumption of space is one of the best indicators of the sustainability of spatial development. Several quantitative indicators were developed in the framework of CAMP pointing in an objective manner to a highly pronounced over-planning of space in the coastal zone of Montenegro and excessive size of construction areas, particularly in the 1 km wide coastal belt. As a consequence of the over-planning, the degree to which the construction areas are developed i.e. utilised is quite low, which increases considerably costs of urbanisation and generates negative impacts on the environment, natural and landscape values.

In that regard, guidelines relevant for the CASP are:

- Spatial and development priorities should be primarily accommodated for the improved utilisation of already built-up areas;
- The trend of quantitative growth in consuming the space should be shifted towards increasing the value and quality of built-up areas and environment.
- Through the 3SFCZ MNE, baseline for a more precise legal regulation of the size of construction areas should be established based on the stated surfaces of developed and undeveloped parts of construction areas in the territory of different municipalities in line with the type of construction area (particularly for urban, rural and semi-urban construction areas in the settlements and for detached construction areas located outside of settlements).

Different land uses are compromises between various social and economic needs and environmental protection requirements. Decisions on land use are long-term commitments and giving up on them is difficult and costly. However, decisions are often made without proper prior analyses of their impact. Reforms of the EU agricultural, energy transport and cohesion policies are expected to create framework and incentives for proper administrations and land owners to overcome this deficiency. By 2020, EU policies are expected to be taken into account direct and indirect impacts on land uses, while as far the land conversion goal, it is maintained that there should be no net land take beyond 2050. (European Commission Communication (2011) 571, Roadmap to a Resource Efficient Europe).

6.2.1.2 Providing for optimal land uses by minimising conflicts between use and vulnerability of space

Conflicts between use and vulnerability of space constitute an important indicator of sustainability of spatial development. One of the main spatial planning goals is harmonisation between environmental protection goals and development interests. Knowledge of the overall vulnerability of space is an important tool in that endeavour. In order to provide for optimal selection of areas that will be developed, urbanisation processes are based on vulnerability assessment, directed to areas that are the least vulnerable i.e. to those where negative impacts will be the lowest. Optimising land uses is complementary with restricting consumption of space. The concept of consumption of space has exclusively quantitative dimension and it does not address in detail potential conflicting uses of converted land and its vulnerability. Low consumption of space does not necessarily mean there are no conflicts between planned land uses and vulnerability. Similarly, high consumption does not necessarily mean there is a high level of conflicting land uses in relation to vulnerability.

That is why both conditions – low and responsible consumption of space harmonised with real development needs, and minimisation of conflicts between anthropogenic uses and vulnerability of space must be met in order to ensure sustainable spatial development.

6.2.1.3 Regulating construction in the narrow coastal strip – coastal setback

Coastal setback is one of the ICZM Protocol requirements whose application demands dealing with matters which are competence of the national spatial planning system. In the framework of CAMP MNE, vulnerability of the narrow coastal zone was determined with regard to certain environmental elements and integrated vulnerability assessment was carried out for various segments of the coastline. This made it possible to identify areas in which conditions are in place for extension of the setback. The ICZM Protocol also provides for adaptations (exemptions from application) of the coastal setback (to less than 100 m) in the areas having particular geograph ical and other constraints and for projects of public interest which must be specified through a national legal act in accordance with the Protocol’s principles and goals.

Two groups of criteria were designed in order to ensure objective and uniform determination of the setback and conditions for its adaptation or extension. The first group includes anthropogenic criteria – land uses planned in the existing spatial planning documents and the state of built-up areas. The second group includes criteria dependent on natural and physical properties of the coastal zone which are grouped into four degrees of vulnerability. The matrix for consistent action in various typical situations was proposed on the basis of these criteria (Annex 3). Their application led to identification of high vulnerability areas (including vulnerability to di-
mate change impacts) in which conditions are in place, in accordance with the ICZM Protocol, to extend the setback zone.

It is important to accept the fact that setback in large planned tourism zones does not constitute a barrier to, nor restriction for investing. It is precisely these comprehensive tourism projects of higher standard that require the setback zone which should be free for development of public, green, recreational, beach and other similar amenities, while accommodation capacities should be built behind the coast line. As a rule, establishment of the setback is not favourable to businesses dealing with real estate (apartments, villas) for temporary housing. That is why criticism of the setback is a good indicator of investors’ intentions – whether they are interested in actual commercial tourism or in trading with real estate for temporary housing. A good principle of sustainable planning of the coastal zone entails siting of the zones for temporary housing within or next to settlements, but under no circumstances as exclusive land uses in valuable detached zones.

Related guidelines relevant for the CASP are:
- Define types of setback with the possibilities of adaptation and present them on a proper map together with the guidelines for application, as an obligation for lower level plans.
- Define zones for the extension of setback as an obligation for lower level plans.
- Criteria developed under the CAMP and confirmed by expert and concerned public should serve as a basis for implementation of the guidelines mentioned above (Map 6-1 and Table 6-1).

### Table 6-1: Total length and share of various setback types according to the state of detailed planning documents from August 2013

<table>
<thead>
<tr>
<th>Setback Type</th>
<th>Length (m)</th>
<th>Share %</th>
<th>Description of the Setback Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>70 018</td>
<td>29.2</td>
<td>Built-up coast - setback cannot be applied</td>
</tr>
<tr>
<td>2</td>
<td>51 862</td>
<td>21.6</td>
<td>No setback due to inherited rights – SLS, LLS, DUP and UP</td>
</tr>
<tr>
<td>3</td>
<td>7 795</td>
<td>3.2</td>
<td>Adaptation in partly developed CA - urban planning criteria</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>0.0</td>
<td>Adaptation in partly developed CA - urban planning criteria with additional measures</td>
</tr>
<tr>
<td>5</td>
<td>23 007</td>
<td>9.9</td>
<td>Adaptation for the projects of public interest</td>
</tr>
<tr>
<td>6</td>
<td>718</td>
<td>0.3</td>
<td>Adaptation for the projects of public interest with additional measures</td>
</tr>
<tr>
<td>7</td>
<td>3 977</td>
<td>1.7</td>
<td>Adaptation, priority to legalisation and rehabilitation</td>
</tr>
<tr>
<td>8</td>
<td>1 536</td>
<td>0.6</td>
<td>Adaptation, priority to legalisation and rehabilitation with additional measures</td>
</tr>
<tr>
<td>9</td>
<td>64 244</td>
<td>26.8</td>
<td>Adaptation, priority to legalisation and rehabilitation with additional measures</td>
</tr>
<tr>
<td>10</td>
<td>16 200</td>
<td>6.7</td>
<td>Conditions for extension</td>
</tr>
<tr>
<td>TOTAL</td>
<td>240 157</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### 6.2.1.4 Preservation and sustainable development of open rural areas

Potentials of rural hinterland of the coastal zone of Montenegro are important from two perspectives. On one hand, rural areas have numerous and diverse resources serving as a basis for rural development that can keep population in rural communities, reduce pressures on urban areas and in the narrow coastal zone, and facilitate achievement of balanced regional development. On the other hand, rural areas indeed have an important role for the intensive tourist development of the narrow coastal zone. A critical yet often forgotten fact is that the potential and the so far development of tourism in the coastal zone of Montenegro (as well as in numerous other regions worldwide) is first and foremost based on the value and the level to which natural environment and landscape are preserved. The state of preservation of natural environment and space of the coastal zone has direct impact on the quality of tourism development and positioning of Montenegro in the global tourism market. That is why selected parts of the coastal zone should be preserved for intensive tourism development and protection of Montenegro in the global tourism market.

For rural areas, it is especially important to identify open rural spaces in which environmental protection and stimulation of development interests are equally important. These areas with predominantly rural characteristics in which future construction should be exclusively linked to the existing traditional settle-
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That is why open rural areas should be identified on the basis of a detailed valuation of the resources they offer. The aim of the ICZM Protocol requirements and their intention is to protect these areas from intensive urbanisation that would endanger their values and character. That is why valuable open rural spaces are delineated and protected on a priority basis specifically in the areas that are relatively accessible and potentially exposed to development pressures.

An important task of the CASP is to recognise other opportunities which offer prospects for the development of diversified economy. It is precisely the potentials of rural, open areas and their resources that represent such kind of development opportunities. From the perspective of regulating spatial development of the coastal zone, construction pressures to which the narrow coastal zone is exposed can be at least partly alleviated in this way. Only tourist region with developed traditional rural agricultural offer may provide autochthonous events and experiences (gastronomic, oenologic, cultural ones...) expected by modern tourist.

Related to this, guidelines relevant for the CASP are:
- Spatially define land use categories that constitute rural open areas (Map 6-2 and Figure 6-1):
  1. Agricultural areas
     1.1. Intensive agricultural areas
     1.2. Other agricultural areas
  2. Natural areas
     2.1. Forests
     2.2. Other natural areas
     2.3. Water areas
- Spatially identify categories of protection and use conditions that apply to rural open areas (Map 6-2 and Figure 6-1):
  3. Landscape
     3.1. Valuable cultural landscapes
     3.2. Valuable natural landscapes
     3.3. Breaks/ interruptions in landscapes
  4. Biodiversity and nature protected areas
     4.1. Existing protected areas
     4.2. Potential protected areas, including marine ones
     4.3. Coastal forests and macchia, wetlands and river estuaries, dunes
     4.4. Estuary of the Bojana river
- For all the categories mentioned above it is necessary to define conditions for their use and protection at the level which enables direct implementation.

Protection of wetlands and estuaries, coastal forests and dunes as specific coastal ecosystems is regulated under Article 10 of the ICZM Protocol.
6.2.2 Establishment of a basis for maritime spatial planning

Complementary to the application of vulnerability assessment in determining optimal land uses for the terrestrial part of the coastal zone, application of the ecosystem approach in the analysis of marine environment serves as a basis for optimising various planned uses of the sea. Limitations and possibilities in the application of ecosystem approach in the context of future maritime spatial planning in Montenegro were shown for the Boka Kotorska Bay in the framework of CAMP activities. Conducted analyses show that Boka Kotorska Bay is one of the most vulnerable marine parts of the coastal area and that it is strongly affected by anthropogenic factors due to high population density in the narrow coastal zone, tourism development and related urbanisation, and to a lesser degree by industry (shipbuilding), maritime activities and more recently by significant growth of nautical tourism and cruisers sailing in. Map 6-3 shows the most important biodiversity sites and the most polluted areas (hot spots). High concentration of hot spots with high level of pollution in a relatively small area indicates that internal waters of the Bay are the most endangered ones. Map 6-4 with ranking of pollution impacts and distribution of biodiversity components points out to a similar conclusion.

Figure 6-1: Overview of the land use categories that constitute rural open areas and categories of protection and use conditions that apply to rural open areas.
Map 6-3: Integrated overview of the most important biodiversity components and of the most polluted areas

Map 6-4: Ranking of pollution impacts and distribution of biodiversity components
National strategy on integrated coastal zone management for Montenegro

With the above-mentioned in mind, it can be concluded that application of the ecosystem approach in development of the Maritime Spatial Plan for the Boka Kotorska Bay would be justified in order to enable protection of its particularly sensitive parts and rational use of its economic potentials.

Even though an optimal coverage of the maritime spatial plan would be entire marine part of the Montenegrin coastal zone, complementary to the coverage of the CASP a pragmatic approach would be to develop a plan for a pilot area prior to establishing the overall system of maritime spatial planning. In this way, it would be possible to gain a more detailed understanding about necessary data and in its availability, barriers and existing capacities for introduction of the maritime spatial planning. At the same time, a demonstration project could considerably improve planners’ knowledge on the principles, measures, methods and other specialised knowledge important for maritime spatial planning. Taking into account the relative availability of data on the Boka Kotorska Bay, the first demonstration maritime spatial plan could in fact be developed for the Bay and related part of the open sea.

Such a plan could be developed as a separate plan by the Ministry of Sustainable Development and Tourism in cooperation with municipalities that are located around the planning area of the Bay’s marine surface. It would be more detailed than the plan that would be developed at the national level, while as sea uses (‘ zoning’) would be determined for the area of maritime-transport routes and underwater installations. That is why decision on the scope of the maritime spatial plan should be made through a coordination mechanism for integrated coastal zone management.

6.2.3 Monitoring and evaluation

Evaluation is a complex activity, particularly when it comes to evaluation of implementation of planning documents such as the SFSPCZ MNE. Given the comprehensiveness and multi-sectoral nature of the planning goals, as well as a large number of processes affecting achievement of the results, evaluating implementation of the SFSPCZ MNE will be a difficult task that will encompass a broad range of issues.

When evaluating results achieved in the implementation of planning documents it is not easy to separate direct result of implementing the plan and planning solutions from the results of parallel implementation of other systemic measures in the spatial planning system. That is why indicators should be used in order to simplify the process of monitoring and evaluating implementation of the planning documents. These instruments contribute to the efficiency of implementation of planning documents since they help with:

- clear, measurable and comparable description of the state, and
- monitoring of implementation and achievement of results of the plan by measuring progress in achieving the goals.

Indicators are used in all phases of the planning process. They are important in analytical phase as they provide objective picture as they represent the state of the space. They are also used in setting the goals of strategic planning documents. Moreover, certain indicators are irreplaceable means for monitoring and evaluating progress achieved in the implementation of plans and other public policies. Monitoring of the state of space which includes preparation and update of baseline documents concerning space, preparation of reports on spatial planning, preparation and adoption of the spatial planning programmes and setting up and management of the information system cannot be imagined without the system of indicators.

However, indicators are still not used to a sufficient extent. This too is the case with the process of development of the SFSPCZ MNE. The deficiency was also identified by the SP MNE, which strongly emphasised the insufficient use of indicators for monitoring the state and changes in space, as well as for monitoring implementation of planning and relevant legal provisions.

Indicators to monitor implementation of the NS ICZM are described in chapter 8 and they contain specific groups of indicators pertinent to monitoring the implementation of the CASP.

6.2.4 Fiscal policy instruments for achieving the spatial planning goals

Fiscal policy instruments are usually not covered in the content of planning documents and they are also not within formal competence of the spatial planning system. At the same time, planning directions and spatial development goals at the coastal zone are not implemented to a satisfactory extent, with spatial planners facing demands for new land conversions and expansion of construction areas, particularly for development of real estate and related businesses.

That is why traditional spatial planning and spatial development policies and measures should be strengthened by additional instruments, primarily by fiscal policy ones. It is worthwhile to mention that these instruments must be part of a broader and consistent fiscal policy. That is why this strategy does not set out any specific recommendations and proposals to amend legislation regulating fiscal policy, instead it defines measures which encourage inter-ministerial consultations, the aim of which is to improve the tax system. Certain fiscal instruments are particularly important as ancillary means for achievement of the spatial planning goals.

Real estate (immovable property) tax is customary in the majority of countries, even though the way of collecting it and the tax rates are quite different. In most of the cases, this tax is entirely treated as local government revenue. As a rule, it replaces various communal taxes used to finance maintenance of local infrastructure and public areas and facilities. By imposing this ad valorem tax, the established tax rates are applied to the tax base which consists of the appraised market value of the real estate. Appraisal may be carried out by specialised services on the basis of established criteria or by application of simple formulas (e.g. surface area of the building is multiplied by the reduction coefficient due to age and coefficient of the location, i.e. zone in which the building is situated).

Differentiation of tax rates aims to direct tax burden more precisely in order to mitigate impact exerted on residents compared to that exerted on non-residents. As for residential units, different rates may apply to the first compared to all the next residential
units, while in terms of construction land rates may be different for the land brought to its planned use etc. Real estate tax rates may also be differentiated with regard to legal status of the building in terms of whether it has been constructed with or without the building permit, whether it has use permit etc. This is yet another model how this tax can be used to make efficient contribution to achievement of the spatial planning goals.

Importance of real estate tax for the spatial planning system is related to several facts:

- some parts of the territory of Montenegro, primarily the coastal zone, are considerably over-planned which is why there are large areas of the construction land that were not brought to their planned use,
- profitability of real estate business led to development of a large number of residential units for occasional use which consume valuable spatial resources on the coast and oftentimes unfairly, and also illegally, compete with commercial tourism.

Real estate tax (e.g. for residential buildings and premises of non-residents) at the rates of 1% and higher reduces demand for this type of real estate at source. In this way, ownership of a real estate becomes more expensive and unprofitable. Demand, i.e. interest to purchase real estate is reduced resulting in lower interest of investors in this type of projects.

The situation is similar with the tax on undeveloped construction land. From the perspective of spatial planning policy and goals, this is the most useful form of the real estate tax. This tax in particular deters demand for land conversion unless backed by a specific investment interest. It also deters land conversions which will, due to location, require a longer period for the provision of communal infrastructure, which is important for the rational use of space. Such distant sites in detached construction areas are the source of major potential threats to the existing natural and landscape values of the coastal zone. For this type of real estate, differentiated and increased tax rates would constitute an important complementary measure in elimination of pressures and preservation of values and potential of the coastal zone. Real estate tax may contribute to the spatial planning and development goals in a different manner as well, by establishing minimum rates or even by exempting agricultural land from taxation.

Real estate tax in Montenegro has existed for several years and falls within competence of local governments, with prescribed tax rates ranging between 0.10% and 1.00%. Under the law, for the construction land which is not brought to a planned use these rates may be increased by 150%. Norms set in this way enable efficient use of this tax for the purposes mentioned above, while decision-making powers on this matter are vested with local governments. Even though this is politically and socially delicate tax, current circumstances point out that in the long run this tax will be introduced with rates that will not be symbolic.