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## United Nations Development Programme

<b>Project title:</b> Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework		
<b>Country:</b> Montenegro	<b>Implementing Partner:</b> Ministry of Sustainable Development and Tourism	<b>Management Arrangements:</b> National Implementation Modality
<p><b>UNDAF/Country Programme Outcome:</b> Outcome 2: By 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change, and disaster-risk reduction.</p> <p>Outcome 4: By 2021, national, state and local institutions are more effective to carry out their mandates including strengthened normative frameworks that respect human rights and fundamental freedoms and ensure effective service delivery</p>		
<b>UNDP Strategic Plan Output:</b> Strengthening Montenegro's national capacities through an improved MRV system to meet transparency related requirements under the Paris Agreement		
<b>UNDP Social and Environmental Screening Category:</b> Exempt from SESP (GEF-CBIT project)		<b>UNDP Gender Marker:</b> GEN-2
<b>Atlas Project ID:</b> 00102063		<b>Atlas Output ID:</b> 00104253
<b>UNDP/GEF PIMS ID number:</b> 6225		<b>GEF ID number:</b> 10021
<b>Planned start date:</b> April 2021		<b>Planned end date:</b> April 2025
<b>Project Appraisal Committee meeting date:</b> TBD		
<p><b>Brief project description:</b> This project aims to enhance the efficiency of national climate change actions and the synergies with other related national actions, policies and measures, in order to achieve climate resilient and low-carbon development. The project will strengthen national capacities, institutional and technical, pursuing more efficient articulation to allow an enhanced enabling environment for transparency related activities, as well as adopting or improving methodologies and tools to enhance transparency as requested in Article 13 of the Paris Agreement. Through this strengthening, Montenegro will be more efficient in the definition, development and implementation of policies and measures, based on more timely and accurate information, monitoring and assessment of the instruments applied to face climate change. A gender- sensitive approach will be included in methodologies for assessing the adequacy, effectiveness and effects of adaptation actions and mitigation actions and policies effects. The expected results are a strengthened institutional mechanism to track nationally determined contributions and the development of a more robust transparency framework.</p>		

FINANCING PLAN	
<b>CBIT Fund</b>	US\$ 1,100,000
UNDP TRAC resources	US\$ 40,000
<b>(1) Total Budget</b>	US\$ 1,140,000

**PARALLEL CO-FINANCING** (all other co-financing that is not cash co-financing administered by UNDP)

Ministry of Sustainable Development and Tourism (in-kind)	US\$ 250,000
<b>(2)Total co-financing</b>	<b>US\$ 250,000</b>
<b>(3)Grand-Total Project Financing (1) + (2)</b>	<b>US\$ 1,390,000</b>

SIGNATURES		
Signature: print name below  <b>Director-General Ministry of Sustainable Development and Tourism</b>	Agreed by Government	Date/Month/Year:
Signature: print name below  <b>Resident Representative, United Nations Development Programme</b>	Agreed by Implementing Partner	Date/Month/Year:

**Project document signature:** within 25 days of GEF CEO endorsement

**First disbursement date:** within 40 days of GEF CEO endorsement

**Inception workshop date:** within 60 days of GEF CEO endorsement

**Operational closure:** within 3 months of posting of TE to UNDP ERC

**Financial closure:** within 6 months of operational closure

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## Acronyms and Abbreviations

AFOLU	Agriculture, Forestry, and Other Land Use
BUR	Biennial Update Report
CBIT	Capacity Building Initiative for Transparency
DCC	Directorate for Climate Change
ENPA	Environment and Nature Protection Agency
EU	European Union
ETS	(European Union) Emissions Trading Scheme
FBUR	First Biennial Update Report
FCCC	United Nations Framework Convention on Climate Change
GCF	Green Climate Fund
GEF	Global Environmental Fund
GHG	Greenhouse Gas
IHMS	Institute for Hydrometeorology and Seismology
INC	Initial National Communication
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
IPH	Institute for Public Health
LCDS	Low Carbon Development Strategy
MARD	Ministry of Agriculture and Rural Development
MMR	(European Union) Monitoring Mechanism Regulation
MONSTAT	State Statistical Office
MPGs	Methods, Procedures and Guidelines
MRV	Measurement, Reporting, and Verification
MSDT	Ministry of Sustainable Development and Tourism
NAP	National Adaptation Plan
NCCS	National Climate Change Strategy
NCSD	National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management
NDCs	Nationally Determined Contributions
NGO	Non-Governmental Organization
PIR	Project Implementation Report
QA/QC	Quality Assurance, Quality Control
SBUR	Second Biennial Update Report
SDGs	Sustainable Development Goals
TNC	Third National Communication
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
WGMA	Working Group on Mitigation and Adaptation



## **A. Development Challenge**

### **A.1 Development Context**

1. The Intergovernmental Panel on Climate Change (IPCC) projects a 2.6 to 4.8 degree Celsius increase in global average temperature by the end of the century, as well as precipitation fluctuations, frequent extreme weather events and sea-level rise of between 0.26 and 0.55 m above the 2005 level in 2100, for a +2 degree Celsius scenario (IPCC, 2014). Due to past emissions, even if greenhouse gas emissions are halted today, the world is already locked into “substantial irreversible commitments to future changes in the Earth geography” (Solomon et al., 2009). Mitigation remains a priority. However, as climate change is already happening and is irreversible, we have no choice but to adapt to the climate-related challenges that are causing economic disruption today.
2. As per the Paris Agreement, ratifying countries will aim to keep warming well below 2°C, and for the first time to pursue efforts to limit temperature increases to 1.5°C. Each country will independently decide how to lower its emissions. Article 13 of the Agreement provides for an enhanced transparency framework aiming to build mutual trust and confidence and to promote effective implementation of the actions identified under the Nationally Determined Contributions (NDCs), i.e., a set of nationally driven efforts that are demonstrably intended to mitigate as well as adapt to the impacts of climate change. The transparency provisions and the transformational change approach may pose additional challenges to certain countries, including Montenegro. To address these potential challenges, Article 13 provides a clear understanding of climate change action in light of the Convention objectives, includes built-in flexibility, which considers Parties’ different capacities, and builds on collective experience, clarity and tracking of progress towards achieving NDCs, including good practices, priorities, needs and gaps (UNFCCC, 2016).
3. Article 4 of the Paris Agreement highlights that, in communicating their NDCs, all Parties will provide information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21. The Paris Agreement also calls for Measurement, Reporting and Verification (MRV) infrastructure that provides information on the measures taken and the support received, provided or accounted for the NDC. Accelerating action to adapt to and mitigate the consequences of climate change is critical. Montenegro has set an ambitious GHG mitigation targets through its NDC. The Government is taking the need to reduce GHGs extremely seriously despite conflicting economically attractive opportunities of local coal and lignite availability and a flourishing tourist industry. Montenegro has a relatively pristine environment that is under threat from climate change. Building resilience through adaptation is a primary objective for Montenegro. Montenegro needs to build adaptation into its national sectoral strategies and development practices and needs to make sure these fit well with its mitigation strategies and its wider sustainable development goals. Montenegro is focused on delivering adequate mitigation and adaptation actions, and has yet to put the systems in place to monitor and report on their progress.
4. Montenegro is taking this opportunity to integrate the tracking and management of its mitigation and adaptation actions, as well as climate finance, alongside its sustainable development goals. This work requires engagement with a wide range of different stakeholders and to ensure an adequate level of data quality. To do this, Montenegro needs to establish an MRV system with reliable data flows and a robust evidence base for stakeholder engagement. This requires a transparent framework and structures for data exchange and the development of national Methods, Procedures and Guidelines (MPGs) for the appropriate consideration of climate action across all areas of government, private sector and civil society.
5. The MRV system will ensure Montenegro’s climate actions complement and avoid conflicts with its sustainable development goals. Montenegro has limited resources for implementing climate and other SDG actions. Well-informed transparent decision-making that maximizes synergies between urgent action to combat climate change and its impacts (SDG 13) and the other SDGs, for example SDG 7 that calls for ensuring access to affordable, reliable, sustainable and modern energy for all is needed. This is only possible with an MRV system that provides stable and increasingly transparent, accurate and complete national data to be used to inform decision-makers and for international assessment of progress.

6. The 2017-2021 Integrated Programme for Montenegro, which outlines the United Nations Development Assistance Framework for Montenegro, has as its strategic outcome the achievement of environmental sustainability. Specifically, the expectation is that by 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change, and disaster-risk reduction.

7. This project is also consistent with the UNDP Strategic Plan 2018-2021 that builds upon the 2030 Agenda for Sustainable Development (UNDP, 2017). A key area of collaboration of the UN development community is to address climate change, and more specifically to build capacities to prevent the negative impacts of climate change and strengthen climate resiliency (Signature Solution 3). Achieving gender equality is another key objective of the 2018-2021 Strategic Plan. This objective is included in the Plan's Signature Solution 1 entitled 'Keeping people out of poverty'.

## **A.2 Consistency with National Priorities**

8. Montenegro's proposed actions to be funded by GEF Programme Capacity Building Initiative for Transparency (GEF/CBIT) are in line with national strategies and plans, specifically its national development strategy. This proposal is aligned with the national priorities and capacity building needs identified outlined in the Second Biennial Update Report (SBUR) and the Third National Communication (TNC), as well as the report on the Nationally Determined Contributions (NDC). Indeed, Montenegro's priorities to improve reporting under the UNFCCC go further back to when the Initial National Communication to the UNFCCC and the First Biennial Report were prepared in 2011.

9. This GEF/CBIT project will help transition the currently established MRV framework to an enhanced transparency framework, in line with the Paris Agreement. The project is aligned with the commitments expressed in Montenegro's NDC and will be critical to ensure the trust and implementation of the targets and activities there included. The actions proposed in is expected that the actions proposed will greatly accelerate capacity building and the overall capability of Montenegro to generate biennial information that is transparent, consistent, complete and accurate. This proposal is aligned with the National Sustainable Development Strategy of Montenegro that mentions the fight against climate change as a cross-cutting element.

10. The established transparency system and enhanced capacities through this project will contribute in tracking the progress of implementation of the SDGs. By ensuring data quality of national and sectoral information, the national GHG inventory included in the biennial update reports and national communications, as well as the mitigation actions reported in the SBUR, will be more accurate and transparent. With these actions, Montenegro seeks to ensure high quality data that will be used by the Working Group on Mitigation and Adaptation to assess progress towards the NDC and for forecasting future emissions, also to assess potential gaps in climate change policy. Montenegro will be in a position to report biennially on the most important source categories at the national level through biennial update reports, with more complete information in the national communications as well as the latest available GHG indicators, trends, and projects in the NDC reports.

## **A.3 Challenges and Barriers**

11. As stated above Montenegro made some progress in relation to climate change related institutional set-up and capacities over the past years. However, it is still evident that there are serious needs, gaps and obstacles that impede further development of climate-related activities. Currently available financial, technical and capacity-building support still cannot meet the growing requirements related to the climate change challenge. The lack of consistent methodologies, monitoring of data, reporting and uncertainties in jurisdiction on specific matters still present significant barriers that have to be overcome in order to establish solid national system, for proper and qualitative monitoring, reporting and verification. Also, the publication of many technical materials in English represents an important barrier for a critical understanding and ability to reconcile best practices to the Montenegrin context.

12. The Second National Communication to the UNFCCC (2015) identified important technical and methodological limitations and gaps in regards to the greenhouse gas inventory, measures to address vulnerability and adaptation, and the estimation of the country's efforts to reduce greenhouse gas emissions. Through subsequent support from many development partners in the few years subsequent to the preparation of the Second National Communication<sup>1</sup>, a number of these weaknesses have been lessened (MSDT, 2015).

13. Notwithstanding, much more capacity building remains, in particular the expertise and skills required to implement both mitigation and adaptation measures have been identified as a very important factor. For the sake of efficient coordination of such activities, the staff of the Ministry of Sustainable Development and Tourism, Environment and Nature Protection Agency, and others directly addressing climate change (Ministry of Economy, Ministry of Agriculture and Rural Development, the State Statistical Office, Institute of Hydrometeorology and Seismology, and Institute of Public Health) need to possess and constantly develop expertise in this area. With regard to further capacity building, Montenegro would also need the following:

- a. Continuous training in policy and legislation drafting in line with the EU Regulation on climate change and the requirements under the Convention, by means of ensuring efficient coordination between national and local authorities;
- b. The technical team for development of GHG inventory needs constant assistance, administrative, technical and financial, in order to upgrade the inventory, calculate the country-specific emission factors, in order to guarantee integrity and ensure full sustainability and quality control of future inventory development;
- c. Strengthening of the capacities for drafting the Low-Carbon Development Strategy (LCDS), which will encompass all the relevant sectors and development of low-carbon economy at all levels, including companies;
- d. Experts from relevant institutions who are responsible for implementation of the intended measures need to establish better cooperation and acquire the necessary expertise and skills to design Nationally Appropriate Mitigation Action (NAMA) projects, set the criteria for gathering information on mitigation projects, measure and quantify the GHG reduction measures, programmes and projects, develop sectoral and inter-sectoral NAMA projects, apply new technologies, climate change financing through donor involvement, use various financial mechanisms under the Convention and access the growing pool of public and private funds supporting climate preservation projects;
- e. Capacity building for the staff working in the relevant institutions to be involved in setting up and operation of the national MRV system;
- f. In order to assess the role of women, the national gender action plan with gender data and indicators is needed.

14. The technical analysis of the First Biennial Update Report was prepared by the team of technical experts within the first round of international consultation and analysis in 2016 (MSDT, 2015). Their summary report calls for enhanced reporting transparency:

- a. In the relationship between institutions in terms of information and/or data exchange, their ability to meet the requirements for the preparation of national communications and biennial update reports on a continuous basis and future improvement plans;
- b. On the level of uncertainty associated with inventory data and their underlying assumptions;
- c. For each mitigation action of the underlying methodologies description, steps taken and/or envisaged, estimated outcomes and estimated emission reductions.

15. This assessment was further enhanced by the analyses undertaken in the recently completed Second Biennial Update Report in March 2019 (MSDT, 2019). For example, the estimated low level of GHG emissions (measured as CO<sub>2</sub> eq) in the agricultural sector is due in part to incomplete data. Scientific

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<sup>1</sup> See Section D.3



institutions are not sufficiently active in activities to assess and strengthen technological capacities, information and notification. The inventory is not sufficiently developed in order to evaluate the actions taken to reduce the climate change impacts. The general lack of data also is the main reason behind the difficulty in preparing the report on Nationally Appropriate Mitigation Actions and cost-benefit analyses regarding proposed measures to reduce greenhouse gas emissions. As a result, there is no national strategy to mitigate the effects of climate change on water resources, agriculture, and the coastal area.

16. While several modelling exercises and analyses of future energy and emission pathways were carried as part of the First Biennial Update Report, Montenegro still lacks the basic infrastructure for sustaining and reproducing projections and models.

17. Another challenge relating to climate finance is the lack of precise metrics and methodologies to calculate estimates of the considerable share of national co-financing (cash or in-kind) that contributing to climate action. A broader analysis of the mitigation initiatives and a robust system to gather information about the implementation of the Paris Agreement is needed. This would be useful not only to transparently inform the efforts taken by the country, but also to enhance the planning of future climate pledges.

#### **A.4 Baseline Initiatives and Projects**

18. Although Montenegro has set an NDC target and has presented two national communications and the first BUR, it has yet to formalize its NAP and does not have any formal MRV system for gathering data and monitoring or reporting on progress and gaps in implementation of mitigation and adaptation actions, nor the climate finance. Montenegro does not have the means to embed an understanding of national progress and gaps in climate action into its core national strategic functions or the data to inform on benefits and conflicts between its climate actions and its national development (including sustainable development) strategies. See section C.3 below for additional information on linkages with baseline initiatives and projects and other partnerships.

##### **A.4.1 Institutional framework for climate change and MRV**

19. Montenegro became a party to the UN Framework Convention on Climate Change (UNFCCC) by succession, after becoming independent in 2006, being a non-Annex I Party to the UNFCCC. The Ministry of Sustainable Development and Tourism (MSDT) is the main national entity responsible for the national environmental and climate change policy and the National Focal Point to the UNFCCC.

20. The institutional set-up and capacities of Montenegro showed some progress over the past years. Montenegro prepared and submitted its Initial National Communication (INC) in 2011. The report focused mainly on the preparation of a detailed inventory of GHG emissions and a general description of steps taken or envisaged to implement the Convention. Montenegro prepared its first Technology Needs Assessment report in 2012, which identified and assessed appropriate mitigation and adaptation technologies for the Montenegrin context.

21. The Second National Communication was submitted in May 2015 and the First Biennial Update Report (FBUR) was prepared and submitted to the UNFCCC Secretariat in January 2016. Information from the national communications and biennial update reports were used to some extent to integrate climate change issues into national sustainable development policy and planning. More specifically, the representatives of relevant ministries and agencies, particularly Ministry of Economy (ME), Ministry of Agriculture and Rural Development (MARD), Environment and Nature Protection Agency (ENPA), State Statistical Office (MONSTAT), Institute for Hydrometeorology and Seismology (IHMS), Institute for Public Health (IPH) that participated actively in the development of Second National Communication and FBUR used the technical reports produced, as well as experiences, in their relevant policy and planning process, to the extent possible.

22. The Second Biennial Update Report (SBUR) was completed in March 2019. In the process of its preparation, important learning-by-doing capacities were developed, in particular the setting up of important

organizational mechanisms for establishing the national Monitoring, Reporting and Verification System (MRV).

23. Montenegro has also established a high level multi-institutional Council, chaired by the President of Montenegro, which focuses on sustainable development. The Council was first established by the Government in 2002 in response to World Summit on Sustainable Development, marking a positive development in inter-institutional coordination and cooperation. Subsequent reforms resulted in the strengthening of the Council's mandate in the field of climate change, as a strategic priority of the Government towards the creation of a low-carbon society. In 2016, it became the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management (hereafter referred to as the National Council). Four working groups have been established as a support to the work of the Council:

- a. Monitoring and Review of the National Sustainable Development Strategy;
- b. Mitigation and Adaptation;
- c. Sustainable Resource Management; and
- d. Coordinating Body for Integrated Coastal Zone Management.

24. The Working Group on Mitigation and Adaptation (WGMA), for which the MSDT is the secretariat, meets about twice per year prior to the sessions of the National Council, and usually gives guidance and feedback on all strategic documents related to climate change. It is co-chaired by the director of Institute for Hydrometeorology and Seismology and the Director General of the Directorate for Climate Change and Mediterranean Affairs (also the UNFCCC Focal Point). Notwithstanding, new requirements under the Paris Agreement call for this working group to be strengthened. These new requirements are intended to better inform the Council's decision-makers on Montenegro's progress and challenges on climate actions and support and their links to other national strategies and sustainable development goals. The group gathers representatives of government agencies, local authorities, and NGOs.

#### **A.4.2 Legislative and regulatory framework**

25. Montenegro adopted the Law on Ratification of Paris Agreement in October 2017, confirming its INDC submitted to the UNFCCC in September 2015, with the goal of 30% GHG emission reduction by 2030 (compared to the 1990 reference year). Montenegro's key climate related documents are the National Climate Change Strategy by 2030, Nationally Determined Contribution (NDC), the First Biennial Update Report (BUR) and the Second National Communication to the UNFCCC.

26. The National Climate Change Strategy (NCCS) by 2030 is the key strategic outlook in the area of climate change in Montenegro until 2030. It provides guidance and direction for the climate change policies until 2030, as well as analysis of the mitigation policies measures and actions that will be implemented during this period to reduce GHG emission. The NCCS has a strong focus on harmonization with the EU climate change legislative framework, and it is relatively vague on adaptation to climate change.

27. Another important climate change-related policy is the 2016 National Strategy of Sustainable Development until 2030. As a key strategic document, climate change issues are articulated throughout the report, introducing the concept of resource efficiency and the need for a circular economy. These concepts are considered a significant contribution to the achievement of climate change policy goals for Montenegro.

28. The National Strategy with Action Plan for Transposition Implementation and Enforcement of the EU ACQUIS on Environment and Climate Change 2016-2020 (NEAS) is a critical aspect of establishing the needed actions to meet EU climate change requirements and the costs of full alignment with EU environmental and climate change requirements. It also provides a baseline against which the Government determines progress (MSDT, 2016).

29. Montenegro developed the Law on Protection Against Adverse Impacts of Climate Change, the very first legislative piece related specifically to climate change. The Law encompasses EU requirements in this

area, i.e. it is in line with the European Union's set of legislation, legal acts, and court decisions, in particular the EU's Emissions Trading System (ETS). The Law was adopted in December 2019.

### A.4.3 Country Commitments

30. Within the scope of the BUR project, submitted in 2016, methodologies from 2006 IPCC Guidelines for National Greenhouse Gas Inventories were used for the calculation of GHG inventory for the whole time series 1990-2013. The metric used for the GHG emissions is the Global Warming Potential on a 100-year timescale in accordance with the IPCC's 2nd Assessment Report.

31. The following table shows the total GHG emissions/sinks expressed in CO<sub>2</sub> eq for the years 2012-2015 of inventory, as published in the Second BUR, including percentage of each key sector in relation to total GHG emissions. As it can be seen from the table, the energy sector is the most emitting sector contributing 76% of total national GHG emissions. Most of the GHG emissions in this sector come from coal-fired power plants (ca. 75% of GHGs within energy sector). It is important to highlight the high level of CO<sub>2</sub> removals, due to large expanse of forests and forest areas. Sinks represent around 70% of the total national GHG emissions.

Sector	Greenhouse Gas Equivalent (Gg CO <sub>2</sub> eq)			
	2012	2013	2014	2015
Energy	2,747	2,474	2,373	2,528
Industrial processes	444	316	386	411
Agriculture and land-use, without sinks	333	337	343	351
Sinks	-1,481	-2,312	-2,151	-2,363
Waste	211	209	203	203
Total emissions without sinks (100%)	3,735	3,335	3,305	3,494

Table 1: Carbon Dioxide equivalent indicators (SBUR, 2019)

32. For the purpose of calculating the target under the Intended Nationally Determined Contribution (INDC), a technical background document was initially developed. Following decision 1/CP.19 and decision 1/CP.20, the Government of Montenegro submitted INDC in September 2015. Montenegro's contribution to the international effort to avoid dangerous climate change is expressed in 30% emission reduction by 2030, compared to the 1990 level. The INDC was adopted by the National Parliament (together with the Law on Ratification of Paris Agreement) in October 2017.

33. The 30% reduction is economy-wide absolute emission reduction target, covering all GHG, not controlled by the Montreal Protocol and includes the following sectors: energy, industrial processes, agriculture and waste. GHG removals from forestry and other land use are not included in the accounting, due to relatively high uncertainty of these data. Montenegro reserves its right to review its NDC until the end of 2020, upon the availability of more accurate data and improved technical studies regarding land use, land use change and forestry and include it in its updated NDC. The NDC is a measurement mechanism that serves to track the extent to which Montenegro is implementing efforts to reduce GHG emissions. Montenegro currently does not have any adaptation policy and/or strategic document, so far.

34. The level of emission of greenhouse gases from sectors included in the INDC amounted to 5239 kilotons of CO<sub>2</sub> eq in 1990. Montenegro is committed to reduce it by at least 1572 kilotons of CO<sub>2</sub> eq, a level that is lower than or equal to 3667 kilotons CO<sub>2</sub> eq by 2030.

35. As early as in 2013, there was a significant reduction in GHG emission by about 40% compared to 1990 levels, which was achieved primarily by reducing the activity in the sector of industrial processes (Aluminium Plant Podgorica) and in the agricultural sector. Thus, the energy sector increased its share in total GHG emissions (excluding sinks) to 76% in 2013.

36. Sinks were not included in the INDC due to a high uncertainty of the CO<sub>2</sub> sequestration from the AFOLU sector in the national inventory of GHG emissions, owing to the lack of necessary input data, the quality of existing data, and gaps in the methodological approach. During the transitional recession of the 1990s, GHG emissions reduction was a result of overall economic decrease, especially in the metal industry sector.

37. The forecasted economic activity growth in the 2017-2030 period is based on the priority development projects in the field of energy generation (e.g., hydroelectric power plants, wind power plants, photovoltaic power plants, thermal power plant), energy efficiency programmes, transportation, industry (in particular metallurgy), tourism, and agriculture. Long-term projects are covered by special studies and sector strategies (Energy Development Strategy until 2030 and the associated action plan 2016-2020), as well as by the National Strategy for Sustainable Development with action plan 2016-2020 and the National Climate Change Strategy until 2030 (MSDT, 2016). Medium-term projections of investments are given in the Development Directions of Montenegro, the Programme of Economic Reform, Industrial Policy until 2020 and Manufacturing Industry Development Strategy 2014-2018.

38. The projected GHG emissions reduction in 2030 compared to 1990 in the NCCS 2030 is 33.5%. In the period from 1990 to 2013, there was a reduction of almost 40% (primarily through the reduction of the overall economic activity in relation to the base year). In the forthcoming development period, which is followed by ambitious development projects in the above-mentioned sectors, the projected reduction of the GHG emissions in 2030 compared to the base year will be reduced to 33.5%. However, this still means that Montenegro will fulfil its international obligations and make national contribution to reducing the negative effects of the GHG emissions in 2030 compared to 1990.

39. In the 2017-2030 period, without jeopardizing the economic activities growth, measures to reduce the GHG emissions should be primarily realized through:

- a. Energy efficiency measures;
- b. Improvement of industrial technologies (primarily in the metal industry);
- c. Increase in share of energy from renewable sources in gross final energy consumption up to 33%, until 2020; and
- d. Modernization of the energy generation sector.

#### **A.4.4 Transparency and NDC activities under implementation or recently implemented**

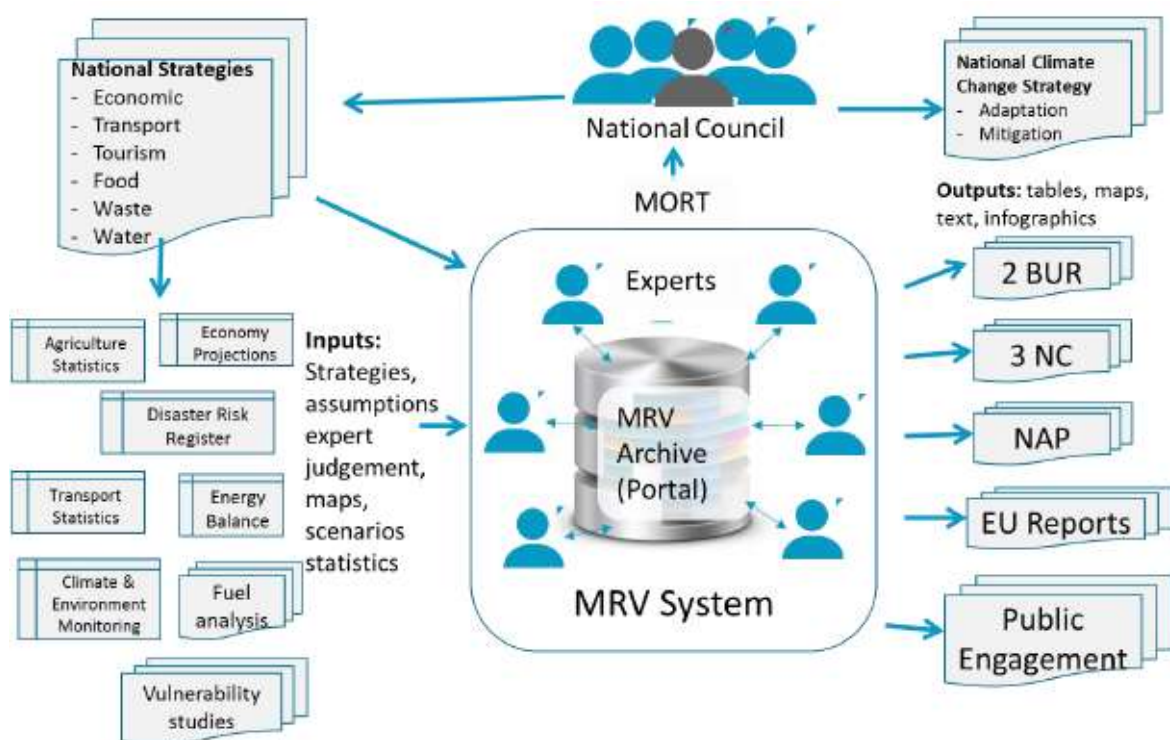
40. Montenegro launched in 2016 the activities for the preparation of the Third National Communication and Second Biennial Update Report. The SBUR was completed in March 2019 while the TNC is submitted to UNFCCC in October 2020.

41. The main elements of proposed TNC activities that correlate with GEF/CBIT activities are further capacity building in GHG data collection, improved data for AFOLU sector, development of the Quality Assurance/Quality Control plan and further capacity building in mitigation policies and measures.

42. The main element of Second BUR activities that are closely aligned with GEF/CBIT activities is the creation of a national MRV conceptual framework that can help decision-makers in Montenegro to implement climate actions on mitigation and adaptation, as well as climate finance. This includes a clearly defined list of stakeholders and their roles and responsibilities including coordinators, data providers, policy- and decision-makers, and other users of the MRV datasets on mitigation, adaptation, and climate finance.

43. A conceptual design of an MRV data and information portal was developed in 2018, which will gather data to inform and engage stakeholders on the ambition of and progress towards climate goals on adaptation and mitigation (Figure 1). The MRV portal was designed to address this and will act as a store for datasets, work plans, models, documented methods, processes (e.g., for engaging with stakeholders and updating datasets), systems (e.g., QA/QC, databases, models and tools) and an archive of key information (Aether, 2019). Building upon existing elements of the portal, this GEF/CBIT project will strengthen these towards the establishment of the MRV portal.

Figure 1: Conceptual design of the data flows, inputs and outputs for the MRV System in Montenegro (Aether, 2019).



44. Under the enabling activities of GEF, Montenegro has enhanced national capacities on GHG inventory development, mitigation options and exposure to vulnerability and adaptation options. However, accumulated capacities are hardly keeping pace with increasing threats and the growing issues and problems of climate change process. It is important for Montenegro to advance further its national capacities to cope with the existing and emerging issues and to communicate with UNFCCC parties in addressing climate change.

45. A socio-economic analysis of investments pertaining to the ratification of the Paris Agreement covered all the investments in three sectors (energy, industry and agriculture) needed to achieve NDC mitigation goal, as well as the sources and amounts of funding for each particular investment (Đurović, Perović, & Jablan, 2017). The main purpose of the socio-economic analysis was to explore whether the ratification of Paris Agreement would have a positive net contribution/effect for a wider community (in order to achieve long-term sustainability, including economic and wider social development) and that it is therefore worth being implemented. In line with this study, funding priority investment projects for period 2017-2030

amounts to € 1,754 million, of which 91% will be derived from investors and the remainder of 9% from public funds.

46. The following highlights outline a number of national documents, which specifies climate change as a major risk:

- a. Along with the Initial National Communication, several serious studies were developed: The Economic Impacts of Climate Change in Montenegro: A First Look, assessing Montenegrin water sector in light of climate change;
- b. Within recently prepared National Sustainable Development Strategy of Montenegro (2016-2020), climate change issue is envisaged as cross-sector topic for each of the country development directions;
- c. The NCCS 2030 and related Strategic Environmental Impact Assessment Study were adopted in September 2015. The NCCS provides methodology and detailed sectoral projections for key emission sectors, along with sensitivity and uncertainty analysis. The sectoral projections were done for two scenarios: with existing measures and with additional measures. Besides, potential GHG saving measures and respective costs, adaptation measures to climate change with respective costs, compliance with EU climate change legislation, action plan and investment planning and financing strategy implementation are also envisaged by this strategic document. National INDC Technical Paper is an integral part of the NCCS.

47. Montenegro participated in the Environment and Climate Regional Accession Network project in 2016-2017. Financed by EU and managed by the European Commission, this project assisted the beneficiaries in exchange of information and experience related to preparation for accession. This project is also strengthening regional cooperation between the EU candidate countries and potential candidates in the fields of environment and climate action and assists their progress in the transposition and implementation of the EU environmental and climate ACQUIS.

48. Montenegro is an active player in climate change, trying to assume voluntarily advanced reporting obligations and preparing for national contributions for the post-2020 period. The Government of Montenegro is already coordinating, at national level, different initiatives to reduce GHG emissions. Montenegro is implementing several EU Energy Community obligations to move towards a low-carbon economy, including the establishment of goals for increasing the share of renewable energy by final energy demand, improving energy efficiency, and reducing GHG emissions in electricity generation by reducing operational hours of the existing lignite-fired power plant. In the public buildings sector, the government is focused on improving energy efficiency and comfort conditions in targeted buildings (hospitals, health centres, elementary schools, high schools, special schools, kindergartens and dormitories). In the residential buildings sector, the government is focused on penetration of solar water heating systems, as well as heating systems on modern biomass and improving living and working conditions for households residing on summer pasture lands. In the transport sector, the government is mostly focused on improving infrastructure (highway, motorways).

49. As a main driver of Montenegro's economic growth and investment, the tourism sector is responsible (directly and indirectly) for the large share of GHG emissions from the transport, accommodation and other tourism-related activities. In April 2013, UNDP launched Towards Carbon Neutral Tourism Project ([www.lowcarbonmne.me](http://www.lowcarbonmne.me)), which will adopt a comprehensive approach to minimizing the carbon footprint of the most dynamic economic sector, with ultimate objective to reduce GHG emissions from tourism sector.

50. Highly complementary to the MRV conceptual framework project, as well as GEF/CBIT activities, is also EU-financed "Regional Implementation of the Paris Agreement Project" in the Western Balkans and Turkey (RIPAP) that aims to support capacity building for the Paris Agreement implementation, as well as to support regional cooperation in the area of information and experience exchange. The capacity building activities of this project served as an important baseline to help Montenegro improve awareness on the provisions and implications of the Paris Agreement, as well as introduced a pilot system for the MRV portal,

accompanied by support on GHG monitoring and reporting. An important benefit of this project was to help Montenegro identify opportunities for reconciling MRV requirements with the EU Emissions Trading System.

51. The Hungarian government, in partnership with the Global Green Growth Institute, has recently approved support to the Government of Montenegro to develop a number of interventions on projections modelling and adaptation, using Geographic Information System (GIS). The timing of this project and this CBIT project offer important synergies, with the Hungarian project providing support for the preparation of a framework for the establishment of a national system for policy and measures. This project will also provide learning-by-doing training on the use of the Integrated MARKAL-EFOM System (TIMES) energy sector model projections and GIS for the assessment of vulnerable areas in Montenegro. These will be focus on four targeted areas: tourism, health system, impact on the drinking water pool, and risk of forest fires.

52. In 2015, Montenegro appointed the MSDT as the National Focal Point for the Green Climate Fund (GCF) in order to have a clear strategic oversight of the Funds activities. In 2017, the country started activities on the GCF Readiness and Preparatory Support development that will contribute to strengthening the National Focal Point technical and coordination capacity, with a view to enhance country's access to adequate climate financing in order to address climate threats and implement the identified priorities for action. The programme will also facilitate the development of a list of country priority actions, through a stakeholder engagement process.

53. The National Adaptation Plan (NAP) will be financed by the GCF through its Readiness programme, currently at the development phase. Adaptation actions will be involved through the on-going MRV conceptual framework development and later on within updated NDC. Measuring the progress of the effectiveness of adaptation actions and the reduction of vulnerability and increase of the adaptive capacities is the biggest challenge, due to lack of metrics for tracking adaptation.

54. The second phase of the regional project in the field of adaptation named Climate Change Adaptation in Flood Risk Management Western Balkans (CCAWB II) is on-going. Project is implemented by the German development agency GIZ, together with the national partners: MSDT, IHMS, MARD, the Ministry of Internal Affairs (MIA) and the local government of Podgorica, Cetinje, Bar, and Ulcinj.

55. The Government has recently adopted the Strategy for Disaster Risk Reduction with the Dynamic Action Plan for the Implementation of the Strategy for the period 2018-2023. The strategy is a basic document aimed at highlighting the most important disaster risk reduction segments at the local and national levels. The key segment of the strategy is the prevention of new risks and the reduction of existing ones, through the implementation of integrated comprehensive economic, social, health, educational, environmental and other measures; prevention and reduction of the exposure and vulnerability of the society from the risk of disaster, increased readiness for reaction and renewal, and the stability of the society itself. The goals of the Strategy are in line with the Sendai Disaster Risk Reduction Framework, as well as the global efforts and demands of the international community, the European Commission and the United Nations Disaster Risk Reduction Programme.

#### **A.4.5 Gender and Climate Change**

56. Gender mainstreaming and updating Montenegro's Gender Strategy is the responsibility of the Ministry of Human Health, with the government having prepared an Action Plan for Achieving Gender Equality in Montenegro (2017 - 2021) (Ministry of Human and Minority Rights, 2017). This action plan builds on two previous such plans that seek to implement Montenegro's 2007 Law on Gender Equality. However, gender mainstreaming in the area of climate change was initiated as part of the First Biennial Update Report by the MSDT in 2011. This continued through the preparation of the report Gender and Climate Change in Montenegro, prepared as part of the recently completed Second Biennial Update (March 2019). Notwithstanding, Montenegro has not developed gender-disaggregated statistical data and indicators related to climate change, nor has it targeted the gender-climate change related nexus in its policy-making.

57. Montenegro participated in a regional workshop, held in the Republic of North Macedonia in December 2017 with the support of the CBIT Global Support Programme, aiming at supporting the integration of gender considerations into MRV/transparency processes in the Western Balkan Countries. The main goal of the workshop was to discuss the opportunities and the challenges to mainstream gender into the development process of national communications and biennial update reports, also in the light of the enhanced transparency framework established by the Paris Agreement and the Capacity Building Initiative for Transparency (CBIT). The workshop also provided an opportunity to develop a preliminary draft gender action plan that will be built upon during the CBIT project implementation. Major conclusions from the workshop will be used in further planning of gender mainstreaming into the climate change in Montenegro.

58. As Montenegro gears up to develop and implement mitigation and adaptation climate change actions, including women's contributions to these actions, expected results will decrease women's vulnerabilities and gender inequities. Both mitigation and adaptation actions will be country-driven, gender-sensitive, participatory and take into consideration vulnerable groups, communities and ecosystems, while being guided by the best available science. Achieving a gender perspective in climate change development programmes and plans depends on training and building a cadre of gender experts on gender-responsive policy, planning, and programming at the national level. Delivering gender-responsive climate action and policy is needed in all activities relating to mitigation and adaptation as well as implementation processes (e.g., finance, technology development and transfer, and capacity-building). When it comes to gender statistics, the following constraints were identified:

- a. Lack of commitment to gender statistics development
- b. Inadequate and insufficient advocacy for gender statistics

59. Montenegro needs to develop standards and approaches and have people in place for collecting national gender disaggregated data. It needs to identify corresponding finance, wider connections to SDGs and indicators in a concise and robust manner. These data are needed for supporting future action through forecasting scenarios and identifying strategic (economic, investment, technological, among others) information for policy-makers needed to support transformational change.



## **B. Project Strategy**

### **B.1 Project Approach**

60. This project falls under the Capacity-Building Initiative for Increased Transparency (CBIT), the programme outcome of which is increased transparency under Article 13 of the Paris Agreement under the UNFCCC. The project was designed to adhere to the CBIT strategy as outlined in the GEF's Programming Directions (Global Environment Facility, 2016). This includes putting in place an MRV system for emissions reduction for reporting verified data, strengthen timeliness of UNFCCC reporting, strengthening broader institutional capacities directed to transparency-related activities under Article 13 of the Paris Agreement, as well as catalyzing gender mainstreaming in climate change.

### **B.2 Global Environmental Benefits**

61. The Global Environmental Benefit of enhanced data generation and processing capacity as facilitated by the GEF funding is clearly associated with the ability to provide reliable data to track progress of the impact of climate change policies and measures aimed to achieve the objectives/targets included in its NDC under the Paris Agreement. As these new data sources and processing capacities will scale up the design of public policies with the objective of reducing emissions, the direct sustainable development benefit is the reduction of GHG emissions. Consequently, in the absence of the requested GEF funding, Montenegro will lack the capacity to make well-informed decisions on climate change-related public policies and, thus, will have a reduced capacity in reducing emissions.

62. With respect to socio-economic benefits, these are largely through the better information and decisions that are intended to result through improved transparency, reporting, and programmatic guidance to pursue low-carbon and climate resilient development. Importantly, the exchanges that will be facilitated by the CBIT Global Support Programme and other development partners such as the European Union, the socio-economic benefits of alternative mitigation and adaptation options will be promoted (See outputs 2.1, 2.2, 2.3, 3.3, and 4.1).

### **B.3 Theory of Change**

63. The project's strategy is in line with the UNDP country programme document for period 2016-2020 that calls for the programme to support the formulation of a national climate change policy and effective compliance with international agreements.

64. This CBIT project is presented as opportunity to strengthen Montenegro's capacities to meet new international obligations to monitor, report, and verify actions related to climate change. In the absence of this project, the country will likely be to still meet these obligations, but at a much slower pace, missing critical and important milestones necessary for the country to meet national sustainable development goals. For example, there is a commitment by the country to meet new transparency requirements under Article 13 of the Paris Agreement, which, in the absence of this project, could be seriously delayed, if not compromised. A parallel and complementary need is for Montenegro to strengthen their institutional and regulatory frameworks that are more aligned with the European Union's Monitoring Mechanism Regulation for Greenhouse Gas Emissions and Emissions Trading System.

65. Importantly, Montenegro benefits from a very good baseline of political commitment and well-established institutional mechanisms, as reflected by, among others, the Law on Climate Change, the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management (NCSO), and the working groups under the Council. The project will work closely with the government bodies and other associated members of the Council's Working Group on Mitigation and Adaptation in the form of technical capacity building as they seek to improve their capacities to apply new methodologies, procedures, and guidelines for tracking climate actions related to mitigation, adaptation, and climate finance. Consultations during the concept stage resulted in this project's design, recognizing that Montenegro's

institutional framework for improved transparency in keeping with the Paris Agreement and EU regulation is insufficient to comply with agreed or expected future obligations.

66. Through the process of preparing the Second Biennial Update Report, Montenegro developed a conceptual framework and pilot information system for monitoring and reporting on climate challenges, associated actions, their benefits, costs and associated financial and capacity building support, as well as links to the wider impacts of these actions on SDGs. This system will provide a backbone for Montenegro to start the process of collecting and processing data to inform its decision-makers on climate change related actions, as well as to report on the progress. Notwithstanding the expertise currently resident in Montenegro, there is still a lack of a coordinated team of support and climate finance expertise. A strategic approach by the project is to use the MRV portal as a means by which to catalyze a more coordinated team of expertise from the MSDT.

67. Having identified the potential organizational structures, pools of expertise and data sources, Montenegro needs to formalize these into a functional system quickly. This is based on the parallel commitments by the government to satisfy other related obligations, such as the formulation and implementation of the National Low-Carbon Development Strategy. Formalizing national processes to capitalize of existing expertise, experience gained through other related initiatives, will help maintain the momentum needed to enable the development of data flows, analysis and provision of useful data for decision-making and reporting associated with Montenegro's NDC and adaptation actions. This CBIT project is structured as a set of outputs and activities organized in two (2) complementary components, but with four (4) expected outcomes:

**Component 1: Strengthening active stakeholder engagement and embedding MRV of climate action within existing sectoral functions and sustainable development goals**

*Outcome 1: A strengthened institutional mechanism for increased transparency*

**Component 2: Enhancing technical capacities to implement an ambitious enhanced transparency framework**

*Outcome 2: Strengthened national institutions to implement enhanced transparency*

*Outcome 3: Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework*

*Outcome 4: A technical roadmap on low-carbon and climate-resilient development is formulated and adopted*

**Lessons Learned from Previous Experience**

68. In carrying out the recently completed Second Biennial Update report (March 2019), a number of important findings were either learned or those previously known were reaffirmed. The main lesson learned from this most recent experience was that, despite the good expertise and knowledge in Montenegro on climate science, as well as the political commitment to meet international obligations on climate action, there remains an important inadequacy of absorptive capacity. For example, while there are good data, there are important gaps in these data that are needed to complete the GHG inventory in keeping with Articles 4 and 12 of the UNFCCC and subsequent guidance from the COPs.

69. A second important lesson learned was that the existing databases and institutional structures that are currently in place to manage the GHG inventory are not sufficiently robust to be able to innovate and adopt the latest approaches that would allow the formulation of models and scenarios.

70. Although the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management, which is supported by four working groups, of which one deals with Mitigation and Adaptation, is a high-level mechanism for decision-making to support the implementation of the National

Climate Change Strategy 2030 and the National Sustainable Development Strategy 2030, the effectiveness of these two mechanisms are doubtful.

71. A good finding was that Montenegro is relatively advanced in its national policy to promote gender parity. Indeed, anecdotally, women are found to occupy a large space of the technical expertise in the field of climate science within government bureaucracies. The lesson learned from analyzing gender issues through the Second Biennial Update Report revealed that the CBIT project can make an important contribution to be innovative in how to improve further parity and benefits for women in science.

Figure 2: Theory of Change

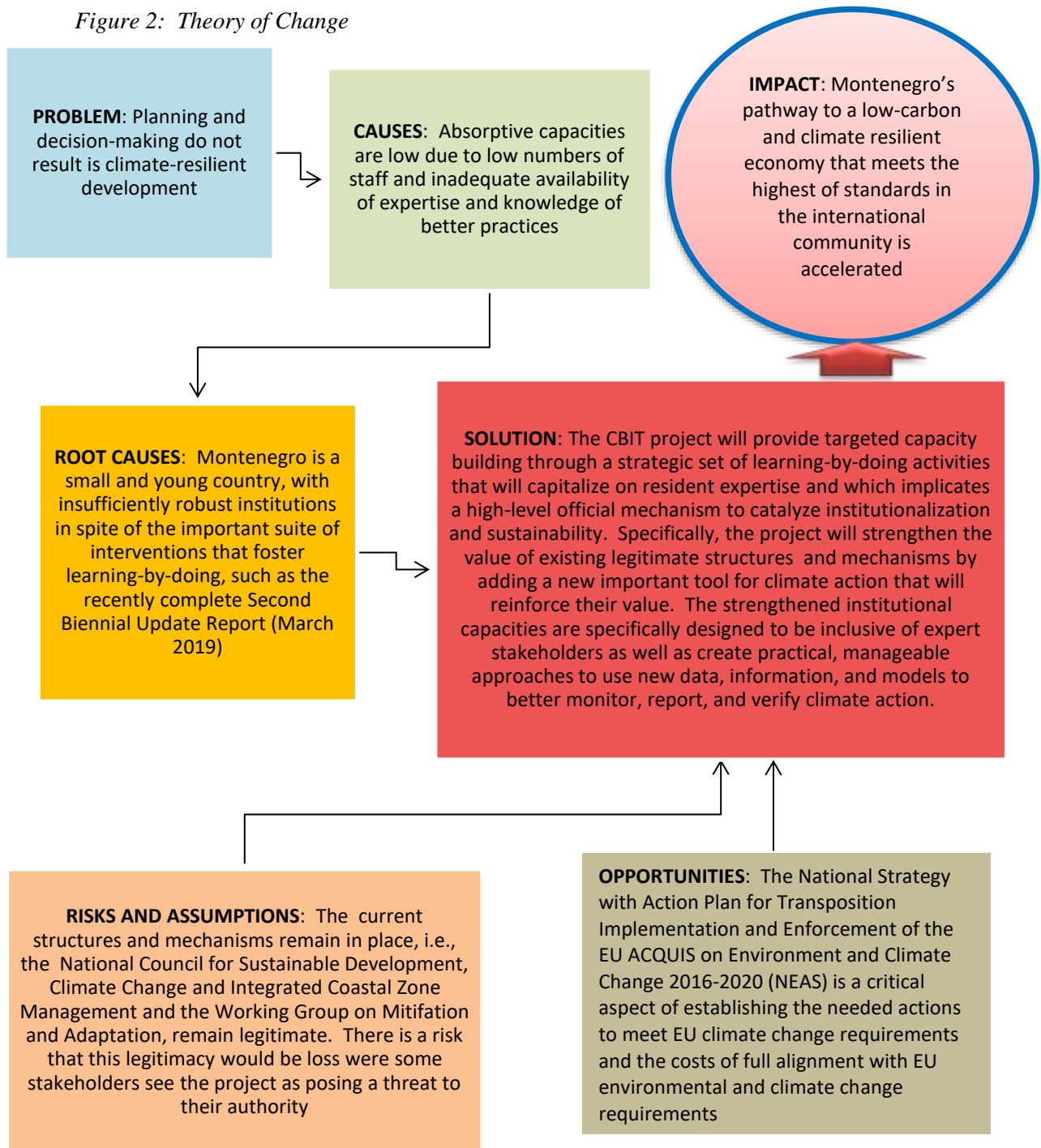
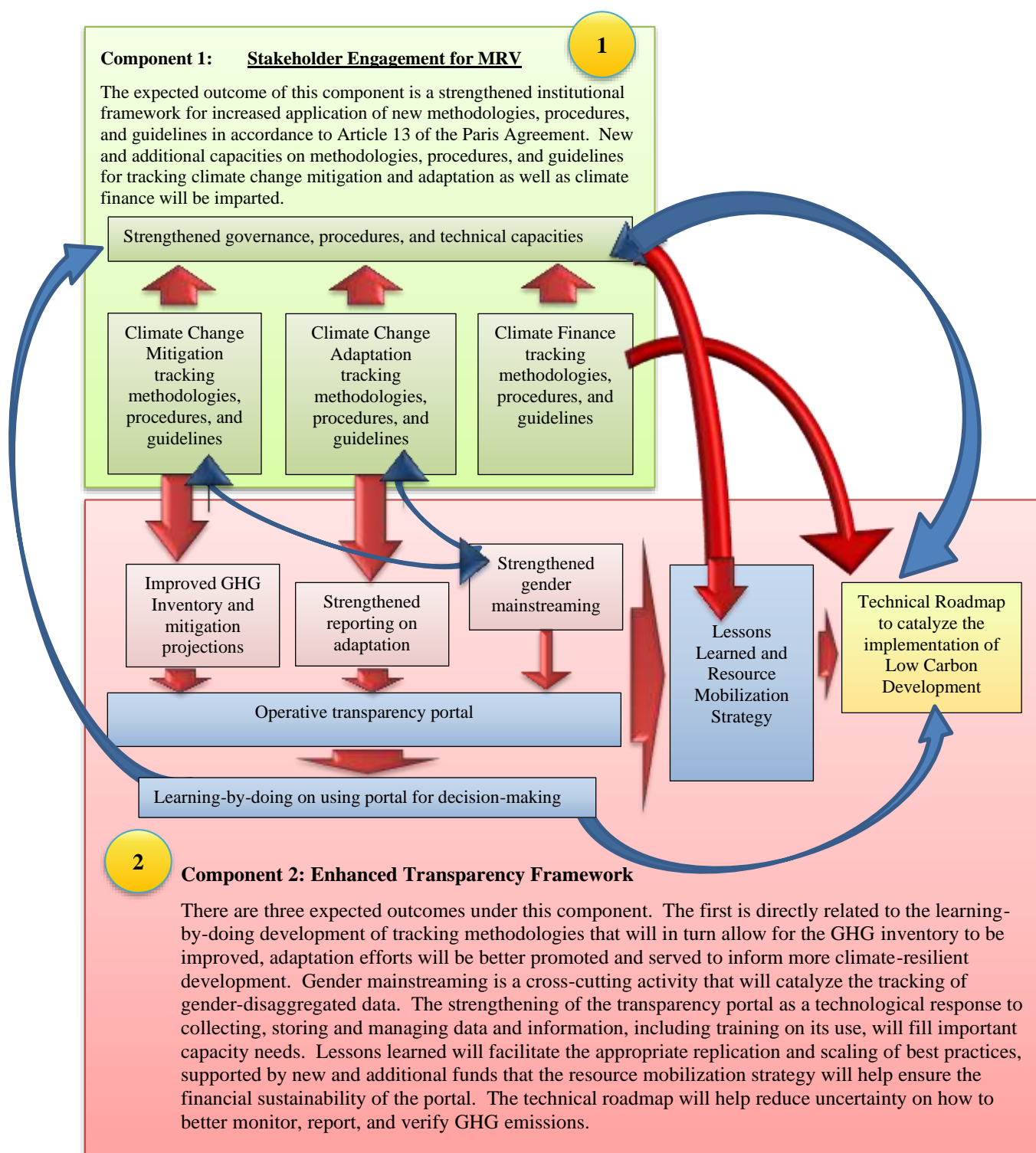


Figure 3: Inter-relationships between project outputs



72. A unique feature of this project's theory of change is to catalyze the mainstreaming of gender equality in the area of climate change. More specifically, the project will capitalize on the opportunity to include gender-disaggregated data, as appropriate, among the set of indicators that will be part of the improved GHG inventory and other MRV products. This exercise builds on a process of gender mainstreaming that began in Montenegro with the drafting of a gender action plan (See Annex F), and which the project will build upon.

73. The inter-connectedness of the project outputs reflect the need *not* to carry out each project component or output as separate discrete activities. Indeed, the work of one set of activities will inform others, creating not only synergies, but strengthening their rationale and helping to reinforce their resilience.

74. A central feature of the project's theory of change is the active engagement of stakeholders that are currently mandated within the relevant government bodies to track climate change indicators, manage the relevant inventories, and provide expert advice and material support to consultative mechanisms. Their active engagement throughout project implementation is reflected by the important in-kind contribution of the government to this project.

## **C. Results and Partnerships**

### **C.1 Expected Results**

75. The project is expected to strengthen national capacities, both institutional and technical, in order to achieve more efficient articulation to allow an enhanced enabling environment for transparency related activities, as well as adopting or improving methodologies and tools to enhance transparency as called for in Article 13 of the Paris Agreement. Through this strengthening, Montenegro will be more effective and efficient in the definition, development and implementation of policies and measures, based on more timely and accurate information, monitoring and assessment of the instruments applied to face climate change.

76. Regarding long-term impacts and benefits, the project will contribute to the improvement of local and global environmental conditions through enhancing transparency and broader stakeholders' participation and coordination, related to GHG emissions estimations and reporting, assessing of impacts of climate change and design and assessing of mitigation and adaptation measures in the country, as well as providing, where possible, information on the support needed and received by the country.

### **C.2 Project Components**

#### **C.2.1 Component 1: Strengthening Active Stakeholder Engagement and Embedding MRV**

77. The sets of capacity building activities under this component will help the Directorate for Climate Change as the main institution in charge of reporting on climate change and as well as the transparency framework. Activities under this component are directed towards identifying the particular needs that have arisen based on lessons learned, recent assessments, new national and international obligations, among others, all with the goal of helping more effectively fulfil their roles, responsibilities and obligations stemming from the new international requirements as they relate to climate change transparency. The expected results from the work that will be carried under this component are to accelerate and monitor climate action in keeping with Article 13 of the Paris Agreement towards the goal of meeting the EU's GHG Monitoring Mechanism Regulation and participation in the EU's Emissions Trading System, as well as to strengthen national transparency framework.

#### **Outcome 1: A strengthened institutional mechanism for increased transparency**

78. The core task of the Working Group on Mitigation and Adaptation is to provide advice and support to the development and implementation of national policies in the field of climate change. This includes facilitating cross-sectoral cooperation for the development and monitoring of sectoral approaches to adapt to the impacts of climate change, ensuring their consistency with climate change policy. The activities and

outputs under this outcome inform the best appropriate model for a strengthened institutional mechanism to catalyze national action to implement better practices to achieve low-carbon goals. The specific tasks of the Working Group are to provide:

- i) Guidelines for strategies, policies and measures that should contribute to success transformation to low-emission economic development and increasing resilience to negative impacts of climate change;
- ii) Guidelines for Harmonization of National Legislation with the Energy-Climate Package EU within the process of Montenegro accession to the European Union.
- iii) Guidelines on the process of implementation of the Paris Agreement, including monitoring the carrying out of the implementation of commitments under the Nationally Determined Contribution (NDC) to the Greenhouse Gas Emissions Reduction

79. The WGMA was established in 2013 by the National Council (chaired by the President of Montenegro, and being advisory council to the Government of Montenegro), and the funds for its functioning have been provided by the Ministry of Sustainable Development and Tourism<sup>2</sup> (which is also Secretary of the National Council). The WGMA is comprised of 20 members from various institutions, including MSDT, ENPA, IHMS, MARD, Ministry of Environment, MIA, PE National Parks, Chamber of Commerce, universities, local authorities, NGO, UNDP, and independent expert.

80. The learning-by-doing workshops under these outputs will call for active participation by key stakeholder and expert representatives at select regional and international technical meetings and workshops as determined in consultation with the CBIT Global Coordination Platform.

**Output 1.1: Strengthened governance, procedures, and technical capacities in order to respond to emerging transparency requirement under the Paris Agreement**

81. Building upon existing institutional arrangements, the activities under this output will serve to structure the improved institutional frameworks that would catalyze Montenegro's capacities to more informed decisions to mitigate and/or adapt to the impacts of climate change in light of new transparency requirements. The results of the work undertaken under this output will be followed up by three outputs, each of which will serve to institutionalize the new frameworks and organize a set of better approaches to mitigate and/or adapt to the impacts of climate change.

82. This project aims to explore institutional possibilities and options to better meet new transparency requirements under the Paris Agreement. The Working Group on Mitigation and Adaptation is already mandated to track progress towards meeting obligations under the Paris Agreement and as well as implementation of actions under Intended Nationally Determined Contributions. In light of the new transparency requirements, the project would provide opportunities to members of the WGMA to receive training, as needed, in line with the methodologies, procedures, and guidelines as outlined in outputs 1.2, 1.3, and 1.4. Consequently, the strengthening will include improvements on governance/procedures, start-up and operating costs analysis, institutional and legal arrangements and governance structure.

**Activities**

83. An in-depth and participatory SWOT and gap analysis of existing institutional and technical capacities will be carried out to inform decision-making on climate change mitigation and adaptation interventions. This analysis will aim to identify and recommend the most suitable approaches to more effectively allow decision-makers to implement and sustain relevant actions. The analysis will be informed by peer review that allows for an objective critique and validation of the recommendations.

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<sup>2</sup> "Decision on establishment of the National Council on Sustainable Development, Climate Change, and Integrated Coastal Area Management", (Official Gazette of Montenegro, No. 49/13 from 22.10.2013, 39/15 from 21.07.2015, 66/15 from 26.11.2015).

84. The project will organize a set of workshops to negotiate recommendations from the above mentioned analysis. The analysis will be followed by a series of workshops with representation from relevant government and non-governmental stakeholders. The organization and convening these workshops should inform and be informed by the workshops to develop methodologies, procedures, and guidelines. The drafting of these texts will be supported by external experts, which will include legal interpretation and implications of the technical aspects of these texts. The final texts would be validated by key decision-makers and endorsed by the Project Board.

85. Once the texts of the methodologies, procedures, and guidelines developed under outputs 1.2, 1.3, and 1.4 have been finalized and agreed to, further workshops will be convened to reconcile them with each other.

86. An additional activity is to negotiate inter-agency memoranda of agreement among partner institutions and agencies to cooperate on informed decision-making on best practice climate change actions, which include but are not limited to the collection, storage, and exchange of data, creation and calculation of new climate-related data, and shared interpretation of climate trends. These memoranda of agreements will serve to strengthen the legitimacy to cooperate on the institutionalization of the national monitoring, reporting, and verification system.

#### **Output 1.2: Transparency Methodologies, Procedures and Guidelines (MPGs) for tracking NDCs**

87. The activities under this output will follow those of output 1.1 and will be targeted to better approaches for tracking nationally driven efforts that are demonstrably intended to mitigate climate change, in particular greenhouse gas emissions. Together with outputs 1.2 and 1.3, these activities will serve to help Montenegro better outline and communicate their post-2020 climate actions, i.e., to better report on their National Determined Contributions in accordance to Article 4 of the UNFCCC Paris Agreement.

88. For the purpose of improving national transparency framework, a set of national transparency MPGs, referring to mitigation, adaptation and climate finance will be developed. The part of MPGs related to this output will contain mitigation data monitoring, methodological requirements, procedures, modalities and indicators for tracking NDC, providing a clear specification for the reporting of NDC outcomes and will include:

- a. Monitoring of trends, projections, scenarios, action, and wider impacts on SDGs;
- b. Reporting of information to decision-makers, in particular the MSDT and representatives of the national council, and for international reports: a) on the methods, data sources and assumptions used to produce data; and b) on the trends and progress in meeting targets and objectives;
- c. Verification of: a) methods data sources and assumptions used to compile data needed for informing stakeholders and reporting; and b) progress and determining whether it is enough or if more action is required.

89. The objectives of the MPGs for tracking NDC are focused on the implementation of actions and the development of key elements to help Montenegro comply with the international mitigation commitments, including transparent reporting and designing a long-term climate-resilient development strategy. The MPG will ensure institutionalization and will support the WGMA work. It will clearly define indicators to monitor and measure the progress of the country, as well as secure consistency and comparability of GHG emission projections. The MPG will combine both EU and UN requirements, so it can be a helpful tool in strategic de-carbonization planning. Besides, reporting instruments according to the transparency framework under the Paris Agreement will also be described.

#### **Activities**

90. Best practice texts would be collated with the support of external experts, who would then organize and facilitate learning-by-doing workshops to develop country-specific texts. Three workshops, each with at least 20 participants from various government agencies, will be organized to cover the thematic areas of sustainable development, climate change, and coastal area management. These three workshops would be



convened in parallel in order that there is cross-fertilization among the three thematic areas, ensuring that there are contradictory methodologies, procedures, and guidelines. Indeed, the cross-fertilization of the workshops would seek out opportunities for synergies and economies of scale to be achieved. The workshops will conclude with a consensus agreement of the final sets of methodologies, procedures, and guidelines. All of the workshops under outputs 1.2, 1.3, and 1.4 would ensure that gender equality indicators are appropriately included for tracking purposes. Participants for these workshops should include mid-level technical staffs that would be directly involved in the interpretation and application of the relevant approaches and policy guidelines.

### **Output 1.3: Transparency Methodologies, Procedures and Guidelines (MPGs) for tracking adaptation activities**

91. The activities under this output are similar to those of output 1.2, but are directed to developing better applicable practices for tracking Montenegro's efforts to adapt to the impacts of climate change. This output encompasses the development of a set of detailed country-specific MPGs containing adaptation activities data monitoring, data information flows, methodological requirements, procedures, modalities, guidelines and metrics/indicators for implementing the Enhanced Transparency Framework (ETF), providing a clear specification for the tracking and reporting of adaptation activities outcomes and will include:

- a. Monitoring of vulnerability trends, climate change scenarios, action, and wider impacts on SDGs;
- b. Reporting of information to decision-makers and for international reports: 1) on the methods, data sources and assumptions used to produce data and 2) on the trends and progress in meeting targets and objectives;
- c. Verification of 1) methods data sources and assumptions used to compile data needed for informing stakeholders and reporting; 2) verification of progress and determining whether it is enough or if more action is required.

92. The MPG will clearly define indicators to monitor and measure the progress of the country in implementation adaptation activities. Furthermore, reporting instruments according to the transparency framework under the Paris Agreement will also be described.

#### **Activities**

93. In much the same way that workshops will be organized for output 1.2, learning-by-doing workshops will be organized for developing methodologies, procedures, and guidelines for tracking adaptation activities. Once validated by participants and experts, the Project Board will endorse them for formal approval by the appropriate institutions.

### **Output 1.4: Transparency Methodologies, Procedures and Guidelines (MPGs) for tracking climate finance**

94. The global climate finance architecture is complex and evolving. Funds flow through multilateral channels, both within and outside of UNFCCC financing mechanisms, and increasingly through bilateral donors, as well as through regional and national climate change funds and the private sector. A major new fund, the GCF, has joined this landscape, and a growing range of financial instruments are being used to deliver finance (UNDP, 2011). Limited coordination among these many funds and channels makes this landscape difficult to navigate, but as volumes of finance grow, and as developing countries need increasing amounts of financial support to implement their NDCs and adaptation activities, there is a real need for all involved to understand the climate finance landscape. Instructions for using of funds in response to climate change, as well as private and public investments will also be integral parts of the transparency MPGs.

#### **Activities**

95. In much the same way that outputs 1.2 and 1.3 will develop better approaches to prepare and communicate Montenegro's NDC on climate change mitigation and adaptation efforts, the activities under this output will be targeted to identify and develop better approaches for Montenegro to track climate

finance. The identification and development of these approaches will be facilitated by experts and engagement of representatives from key ministries, agencies, and institutions. Participants should also include representatives from academia and non-state organizations. These include the institutes and agencies of the Ministry of Sustainable Development and Tourism: Institute of Hydrometeorology and Seismology; Environment and Nature Protection Agency; Directorate for Waste Management and Communal Development; and Directorate for EU Integration and International Cooperation. Representatives will also come from the following directorates of the Ministry of Economy: Directorate for Energy and Directorate for Industry and Entrepreneurship. The Directorate for Agriculture and the Directorate for Forestry from the Ministry of Rural Development and Agriculture will also be among the experts and representatives contributing to identifying and developing better approaches to track climate finance. Another important representative will come from the State Statistical Office (MONSTAT).

96. Among the non-state stakeholder experts that contribute to these outputs are the University of Montenegro (UoM) that has been the most involved in climate change activities and the University of Donja Gorica (UDG) that has also been involved with the National Council. From the NGO community, Coalition 27, which is a coalition of 20 NGOs, will be the main participating stakeholder.

### **C.2.2 Component 2: Strengthening Capacities to Implement an Enhanced Transparency Framework**

97. This component seeks to strengthen Montenegro's institutional memory and coordination of MRV activities across mitigation and adaptation with an online open data communication MRV system. Building on the work of FBUR and SBUR, and having in mind constant staff turn-over within the relevant ministries and national institutions, it is of an utmost importance to develop an automated electronic transparency portal, which would gather all relevant methodologies, data sets, reports, guidelines, laws and by-laws defining roles and responsibilities of all involved stakeholder etc., relevant for proper functioning of the MRV system.

#### **Outcome 2: Strengthened national institutions to implement enhanced transparency**

98. Public authorities do not yet have sufficient capacities for regular development of information to track progress with the NDC and adaptation activities (e.g., sectoral GHG projections, for the purpose of national communications and biennial update reports, were prepared mostly by the local consultants). Thus, there is a need to enhance capacities for developing datasets and analysis on a regular basis to properly evaluate the progress towards the target and objectives, and to assess whether the current mitigation and adaptation efforts are sufficient to meet the NDC and adaptation goals, once they are set-up.

99. Scarcity and lack of experience within public technical capacities is particularly relevant when it comes to adaptation activities planning and implementation, their integration into national and sectorial planning and more comprehensive and holistic assessment of climate risks, vulnerabilities and impacts. This technical expertise is particularly important to enable national institutions to produce qualitative NDC update by 2020 that will include what is now missing, both adaptation activities and CO<sub>2</sub> sinks.

100. The outputs under this outcome will build on the results of the outputs produced under outcome 1. Whereas the workshops under outcome 1 would be learning-by-doing to identify and develop appropriate methodologies, procedures, and guidelines, outputs 2.1, 2.2, and 2.3 would serve to apply them. During this first application period, the lessons learned would be used to make appropriate modifications to the methodologies, procedures, and guidelines under outcome 1. For this reason, the implementation of the activities under this outcome would overlap the activities of outcome 1 to allow for this feedback.

101. The learning-by-doing workshops for the three outputs will call for active participation by key stakeholder and expert representatives at select regional and international technical meetings and workshops as determined in consultation with the CBIT Global Coordination Platform.

#### **Output 2.1: Improved GHG inventory and projections**

102. In an effort to enhance reporting transparency, focal points in line ministries and other experts will need further training and awareness-raising to implement measures that will improve the preparation of information related to GHG emissions and removals as well as efforts to reduce emissions and increase removals. This will also help improve an awareness of the wider benefits of mitigation actions to support the Paris Agreement and EU Greenhouse Gas Monitoring Mechanism Regulation (MMR)<sup>3</sup>

103. The GHG inventory forms a key foundation to work on understanding mitigation activities. To the extent possible, customized trainings and technical support work will be delivered to selected institutions (ENPA, MSDT, MONSTAT, ME, MARD) officials for the data, GHG inventory and projections improvement, as follows:

104. GHG Inventory: Since the annual data collection plan has been recently developed and put in place for the first time, it is of an utmost importance that the GHG inventory team (based in ENPA) advance data collection process by defining a standardized questionnaire format for collecting annual data. Learning-by-doing workshops will emphasize more effective and efficient collection of high quality data<sup>4</sup>. These workshops will improve the ability of the GHG inventory and modelling teams to provide the owners, holders, and producers of data with the necessary tools and formats. The questionnaires will have to be placed through the environmental IT system of the ENPA and be sent automatically on requested date to the data suppliers. This upgraded data collection process will significantly ease the GHG inventory calculation and save time.

105. According to the recently developed annual data collection plan, MONSTAT is the main state statistics institution and at the same time the data supplier and generator of most of data for GHG inventory calculations. GEF/CBIT project will seek to provide an adequate backstopping to the MONSTAT staff, dealing with climate change related statistics by supporting them in enhancing understanding of data needs for various climate change reporting requirements, as well as on development of methodologies and training staff to collect identified data. The ENPA will be assisted in the collection and data quality improvement, implementation of developed Quality Assurance/Quality Control procedures and conducting inventory uncertainty assessments.

106. GHG Projections: So far, through the Initial National Communication and Environment and Climate Regional Accession Network projects, energy projections modelling (the Long-range Energy Alternatives Planning System - LEAP) were organized for some institutions (ME, IHMS and the University of Montenegro). An on-going initiative through Hungarian bilateral assistance will be partly focused on TIMES modelling for energy sector projections. Additional support (both for energy and non-energy sectors) will be needed for those who will be in charge of projections, once MRV institutional infrastructure is legally established.

107. The methodologies, procedures, and guidelines of output 1.1 will be used to prepare an improved GHG inventory and projections, and to do so in a collaborative manner with partner institutions, agencies, and other stakeholders. A key design feature of this, as with most other capacity building activity of the project, is to organize and implement the work through learning-by-doing workshops that will foster critical thinking among project participants that will be expected to carry out similar work once the project has concluded. An important component of the learning-by-doing workshops will be English training workshops that will be specifically targeted to improving the technical comprehension of stakeholders of relevant technical material that is only available in English. Similar English training will be undertaken as part of the learning-by-doing workshops of Output 2.2 and the awareness-raising exercises associated with the roadmap prepared under output 4.1.

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<sup>3</sup> Articles 5, 7, 8, 12, 13 and 14

<sup>4</sup> Accurate, completeness, precise, reliable, relevant, timely, and valid

## Activities

108. A first activity is to carry out an updated needs assessment, lessons learned, and accompanying recommendations to improve the GHG inventory and a preliminary identification of various mitigation interventions applicable to Montenegro. This analysis will inform the set of data that climate data needed to improve the GHG indicators that will be discussed through a series of consultations, with particular attention to identifying opportunities for new inventory data, which includes other types of related emissions (e.g., SO<sub>x</sub>, NO<sub>x</sub>, and NH<sub>3</sub>). This will be followed by a validation workshop that will result in a consensus of targeted GHG indicators and selected projected models to form the learning-by-doing trainings.

109. Based on the updated assessment, a key set of software<sup>5</sup> and online tools will be procured to best serve the purposes of calculating data and information for the GHG inventory and developing the appropriate models. They will be used in the learning-by-doing trainings that will be supported by experts from the wider region that have experience with a suite of relevant response and mitigation measures. The building of consensus and validation of the improved set of GHG indicators and models will be facilitated by including as broad a set of stakeholders as possible and their involvement in the process as early as possible. Experts will serve to objectively clarify the relevance and contribution of the indicators and models to both MRV and long-term development objectives. The learning-by-doing trainings will be carried out using real activity data and filling gaps in GHG and atmosphere emission calculations. The updated GHG assessment and subsequent discussions with government and experts will make the decision on the best appropriate software, tools, and models to procure and develop.

110. A parallel set of activities is to carry out a set of learning-by-doing trainings for participants to learn how to collect and calculate data and information, formulate appropriate projection models and scenarios, and to link these with appropriate response/mitigation measures. This will include learning-by-doing trainings to formulate mitigation project concept proposals and well as workshops to improve the awareness and critical understanding of senior decision-makers on the value of the GHG inventory in identifying best practice mitigation options. Participants will include individuals that could conceivably be involved in similar work in the near future in order to reduce the risk of institutional memory loss due to staff turnover.

### **Output 2.2: Selected public authorities and scientific institutions capacities are built for applying MPGs in the first reporting period on national adaptation actions under article 15 of the MMR**

111. While the activities of output 2.1 emphasize mitigation measures, the activities under this output emphasize adaptation measures. A critical feature of the activities of this output to critically explore opportunities to mitigate climate change in order to minimize the generally higher cost of adaptation measures. As a result, workshops will include providing training to identify and formulate adaptation project concept proposals that are directly linked. As with outputs 2.1 and 4.1, English training courses will be held to improve the critical understanding of key stakeholder and expert representatives of technical materials that are only available in English. However, this activity will be measured under output 4.1.

112. As mentioned earlier, the upgraded NDC (2020) should include adaptation activities, along with mitigation actions and goals. Except the adaptation chapters, providing preliminary assessment of adaptation priorities within Initial and Second National Communications and the National Climate Change Strategy, and previously mentioned adaptation activities through various international initiatives, Montenegro has not developed any adaptation policy and/or strategy so far. It is worth mentioning that the project proposal for the National Adaptation Plan (NAP) is in its development stage, and according to the Law on Environment, Montenegro is obliged to develop the NAP by 2020.

113. With the development of the NAP process, Montenegro will lay the groundwork for systemic and iterative identification of medium- and long-term risks, climate change adaptation priorities and specific

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<sup>5</sup> The Department for Environmental Protection and Monitoring has already identified the types of appropriate software options for further consideration in order to improve an integrated approach to data storage and calculation of GHG emissions.

activities that promote climate adaptive and resilient growth in its key sectors. Concurrently, as part of the localization of the Sustainable Development Goals (SDGs), the NAP process will contribute to the formulation of corresponding, climate-responsive targets.

114. Based on trends monitored by the IHMS, it is evident that the temperature in Montenegro increases, especially in the northern part of the country that relies on winter tourism (up to 1.4°C on average, while in some cities, e.g., Zabljak, it even reached 2°C). As part of the TNC, new scenarios will be developed and some broad activities will be proposed for the adaptation and vulnerability part of the TNC.

115. Through this GEF/CBIT output and in coordination with output 1.1.3., Montenegro will enhance capacities of selected public authorities and scientific institutions (MORT, ENPA, IHMS, IPH, MIA) to track adaptation, as well as to apply guidance on the first reporting period on national adaptation actions under Article 15 of the Regulation (EU) No. 525/2013 of the European Parliament on a mechanism for monitoring and reporting. To this end, Member States are to report information on their national adaptation planning and strategies, outlining their implemented or planned actions to facilitate adaptation to climate change every four years after 2015, aligned with the timings for reporting to the UNFCCC. That information should include the main objectives and the climate change impact category addressed, such as flooding, sea-level rise, extreme temperatures, droughts, and other extreme weather events.

### **Activities**

116. Workshops will be organized to raise awareness of senior decision-makers on the value of the GHG inventory to identify best practice adaptation options; b) learning-by-doing trainings to formulate adaptation project concept proposals; and c) improved reporting on adaptation measures. Organized and carried out once a year, these workshops would be similarly structured to those of output 2.1, but with an emphasis on adaptation. To the extent appropriate, as decided by consensus in the workshops, climate data produced from adaptation efforts would be collected through the improved information system that manages the GHG inventory. Both sets of workshops/trainings of outputs 2.1 and 2.2 will closely coordinated since there are likely to be shared and/or similar methodologies, procedures, and guidelines as well as other learning approaches that will allow for synergies and economies of scale.

### **Output 2.3: Relevant national institutions are enabled to mainstream gender into the enhanced transparency framework**

117. By defining national legislation and adopting international conventions related to climate change on one side, as well as legislation and conventions regulating gender equality on the other hand, it is to be concluded that the legislation offers the basic framework for linking gender equality and climate change. However, the specific policies and measures are still missing, due to the insufficient preparedness of institutions to develop gender sensitive policies, measures and monitoring, as well as due to lack of relevant sex-disaggregated data.

118. GEF/CBIT can play an important role in developing a gender action plan, including necessary data collection tools and methods for mainstreaming gender into climate change. Proper planning, i.e., understanding what kind of information are necessary to include gender considerations in climate change development programmes is of utmost importance for encouraging gender-responsive climate action at the national level.

119. In the forthcoming period, it is necessary to keep in mind that both men and women are equally involved in making decisions about climate change. It is also necessary to work on building the capacity of institutions to better understand the different needs of all actors in society, including men and women, as well as the needs of socially vulnerable groups, and to be prepared to act in accordance with climate change policies and the needs of the aforementioned social groups. On the other hand, it is necessary to work on raising awareness of climate change and their impact on all social groups, so that the total population of Montenegro can adapt to climate change in a timely manner and contribute to mitigating their activities.

120. For this purpose, it is necessary to develop a gender action plan with clear indicators and targets for monitoring and reporting based on sex-disaggregated data. This will build upon the preliminary draft gender action plan for climate MRV developed in December 2017 (see Annex F). The action plan would define which gender analyze and kind of gender-disaggregated statistics are needed, in order to be able to plan, implement and monitor programmes and projects within the defined measures for climate change adaptation and mitigation, and which would consider different needs and possibilities of both men and women.

121. The use of gender indicators in the enhanced transparency framework and in coordination with future NDCs, national communications and biennial update reports, will ensure that appropriate actions are targeted to women, youth and vulnerable groups. In addition, the gender action plan has to stress appropriate women participation in decision-making on the climate policies implementation. The project will also push forward inclusion of gender experts into the WGMA, in order to better ensure gender mainstreaming into climate change policies.

### **Activities**

122. A first activity under this output would be to prepare an updated assessment of gender-disaggregated data needs. The recommendations from this assessment would be reconciled with work to improve a key set of policies that will improve the mainstreaming of gender into climate change policies and procedures. This would be followed by workshops that negotiate the improvement of existing monitoring and compliance arrangements. This could include, for example, improved accountability of environmental impact assessments to monitor and track gender-related climate data. Workshops would also be subsequently organized to raise awareness of new and improved policies and approaches, with particular aim to help improve monitoring and compliance. These awareness-raising workshops would be organized in conjunction with the other awareness-raising workshops to achieve cost-effectiveness. Consultations under this output will also serve to catalyze long-term adoption of institutional improvements to mainstream gender-disaggregated data. Although negotiations to facilitate the adoption of gender-disaggregated data within existing institutional arrangements will take place during the early part of project implementation, these consultations should take place again towards the end of project implementation to ensure their long-term sustainability.

### **Outcome 3: Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework**

123. In order to establish a sustainable transparency system, one of the major tools to be applied will be a MRV-related portal that will eventually be embedded into the IT system of the MSDT. The portal will serve as the comprehensive interactive platform for transparency and accountability of the NDC and adaptation activities, including the provision of timely information on mitigation, adaptation, climate finance and co-benefits.

124. The portal will provide an efficient manner for sharing information among sectors related to mitigation, adaptation and climate finance, as well as disseminate climate information within different actors and audiences. The project will ensure a fully operational domestic MRV system including:

- i) Visualizing and establishing strong and resilient institutional arrangements;
- ii) Building and maintaining national centres of technical excellence with strong links to international networks of experienced experts and mentors;
- iii) Securing and improving data supply and data supplier engagement (data flows and support);
- iv) Improving the efficient selection and application of IPCC and other methods and approaches for estimating emissions/removals, projections, vulnerabilities, climate action impacts and their associated wider impacts (co-benefits);
- v) Implementing Quality Assurance/Quality Control and transparent documentation of estimates emissions/removals, projections, climate actions and their associated wider impacts (co-benefits);
- vi) Efficient reporting (databases, data exchange formats, tables etc.) according to requirements;

- vii) Highly engaging, effective and transparent communication of MRV outputs in support of climate action.

**Output 3.1: The transparency portal is strengthened and made fully operative**

125. A transparency portal will enable national experts to engage in providing transparent, complete, consistent, comparable and accurate data for MRV. The portal will be designed as the consolidated user-friendly, easy-access, easy-to-navigate digital database and will be hosted and administered by the Directorate for Climate Change, MSDT. It will provide a forum for improving the MRV activities and to exchange experiences and good practices, granting an access and allowing data providers, including private sector, to provide their data through the system, review and verify the data, inventory calculations, projections etc.

126. The transparency portal will have to integrate all MPGs tools, data sets, information on the GHG inventory (GHG emission levels and GHG emission reductions), climate actions and progress indicators into a useful MRV toolkit for sectoral expert leads and external peer review of methods data sources and assumptions. Furthermore, it will include all data gathered for enhanced transparency purposes such as that required for GHG inventory calculation, projections, mitigation and adaptation actions (and NAMA projects) and the problems they are designed to address, as well as indicators of progress for the sake of better project impacts overview.

127. For the purpose of this activity, pilot MRV data and information web-portal, which is under construction through SBUR work, has to be upgraded. This pilot MRV portal is currently under development, with the objective to provide support to the MSDT in tracking and engaging with stakeholders, datasets, draft climate actions and details of climate finance in a structured environment. The portal is based on tools using Microsoft Office 365 environments with a license for its use for the duration of the SBUR project. After the project is over, the pilot MRV portal will be migrated to the MSDT server. The housing of the MRV portal in the MSDT will ensure its sustainability since it has the official mandate for overseeing climate policy in Montenegro. In particular, the portal will be housed in the Institute of Hydrometeorology and Seismology since it is the focal point for both the IPCC and the UNFCCC. The capacities built under the project, including the strengthened coordination and collation among other partner institutions will reinforce the cost-effective and use of better practices for data and information collection and creation, including modelling and forecasting scenarios and trends.

128. The project will build on existing pilot MRV portal considering options for extension and full implementation of this prototype and link it to the environmental IT infrastructure and to the MONSTAT IT system. It will also support the uploading of information, the data-transfer methodologies, such as the procedures to anonymize the data, its periodicity and data formats.

129. This output will result in the following:

- i) Development of the IT architecture of the MRV portal and its data interfaces;
- ii) Development and testing of software for data input and management in the portal;
- iii) Link to environmental IT infrastructure; and
- iv) Give access to data providers.

**Activities**

130. The activities under this output will begin with the preparation of a detailed work plan that structures the upgrading of the pilot MRV portal and its eventual migration. This will be developed in partnership with the key institutions and agencies to ensure their long-term collaboration to upgrade and use the MRV portal. A procurement plan for the hardware and software requirements for developing the IT architecture of the MRV portal will be prepared and agreed to partnering institutions. Once the project has had experience in

the testing of the upgraded portal, and based on the lessons learned of output 3.3, the project will make a targeted set of technical improvements to portal in the last year of project implementation.

**Output 3.2: Trainings on the use of portal information to support decision-making**

131. The purpose of the portal will go beyond gathering information, and for this a special emphasis will be given to the use of the portal outputs by policy-makers to make informed decisions. The project will promote use of the portal by delivering easy to understand reports with infographics, training to decision maker technical supporters and by facilitating the information exchange between experts and policy-makers. To ensure the relevance and reliability of the information in the portal, data suppliers need to have the capacities to insert accurate data to the portal. In addition, this portal will be only useful if the WGMA, ministries and sectoral institutions actually consult the portal on a regular basis. Therefore, the technical representatives privileged with portal access will need appropriate training on portal proper use, complemented by the detailed guidance. This includes learning-by-doing trainings on the appropriate software and methodologies to use the portal. These trainings would be linked to the trainings provided under 2.1.2 on the use of software and online tools for calculating GHG inventory data and models.

**Activities**

132. A series of learning-by-doing training workshops will be organized for data suppliers, portal users and other stakeholders. They will learn how to apply improved approaches to collect and manage data in accordance with their particular roles and access level to the use of the portal, report generation, use of the portal information on decision-making, as well as guidelines for development promoting the effective use of the centralized national climate information portal that will be an integral part of the transparency MPGs. Under the output, the project will finalize the set of training material used for future trainings, in particular once the project has ended. This includes the training materials used for the learning-by-doing workshops on the methodologies, procedures, and guidelines of outputs 1.2, 1.3, and 1.4.

**Output 3.3: Feedback on the project implementation, results and lessons learned are shared through the Global Coordination Platform**

133. This output will facilitate knowledge exchanges and lessons learned by being actively engaged in the CBIT global coordination platform and by providing feedback on project implementation, barriers, lessons learned and other significant elements related to MRV and NDC. By participating in this platform, Montenegro is also interested in learning from others and in engaging in technical discussions with countries implementing similar efforts.

**Activities**

134. Based on Montenegro's experience with this project, lessons learned will be collated and discussed in a series of national workshops, after which the lessons learned report will be finalized. A workshop in Montenegro will be also organized to invite experts from around the region to share their experiences as they relate to MRV and NDC. This workshop will be coordinated with the CBIT Global Coordination Platform. Similarly, national experts will also travel to key meetings in the region to share experiences with other countries through the CBIT Global Coordination Platform.

**Outcome 4: A technical roadmap on low-carbon and climate-resilient development is formulated and adopted**

135. The National LCDS (2020-2050) will be drafted to integrate the various sets of best appropriate practices for Montenegro to realistically pursue low-carbon development. This will be based on improved transparency data and methodologies, with the LCDS structured as a roadmap that reconciles the various policy directions of existing strategies and action plans relevant to climate change mitigation and adaptation. The LCDS will be drafted in accordance with UNFCCC requirements, the national Law on Environment and the EU climate-energy legislation, targets and ambitions. The LCDS roadmap will reflect cost-effective pathways to reduce GHG emissions in accordance with binding international agreements and present and



projected GHG emission data. The strategy will open up opportunities to encourage investment cycles, industrial production growth, new businesses development, economy competitiveness and creating green jobs. The latter will be promoted through a series of awareness-raising workshops.

**Output 4.1: A technical roadmap for a National LCDS is drafted in line with the enhanced transparency framework**

136. The technical roadmap will guide programme implementation of the National LCDS 2020-2050, which will include the following:

- i) Realistic programme objectives for accelerating a transition to a low-carbon economy;
- ii) Priority measures addressing the challenge to pursue a low-carbon economy;
- iii) Implementation approaches and instruments (e.g., regulation, incentives, quota and Emission Trading System, voluntary agreements, cross-sector cooperation and synergy, awareness-raising, stakeholder engagement);
- iv) Indicators for implementation monitoring in line with the established enhanced transparency framework.

137. In coordination with the English technical trainings of outputs 2.1 and 2.2, English technical trainings will be conducted to improve the critical comprehension of key stakeholder and expert representatives of relevant material as many are available only in English.

**Activities**

138. This project will provide technical support in developing these guidelines through the participative process (workshops and expert discussions) of broader stakeholders (public authorities, research institutions, NGO, interested groups, business sector, media) where sectors and appropriate policies and measures, GHG scenarios and projections identification, multi-criteria analysis for the selected measures and evaluation will be analyzed. Representatives from key institutions and agencies will agree on the expected sets of guidelines as well as make appropriate commitments for their implementation and compliance. Once the technical roadmap has been approved, a workshop will be organized to disseminate it more widely. A companion document to the roadmap will be a resource mobilization strategy that outlines how implementation of the National LCDS will be financed. English technical trainings will complement to the awareness-raising workshops organized to promote the critical understanding, validation, and legitimacy of the National LCDS.

### C.3 Partnerships and Linkages with other Initiatives

139. The project will benefit from the experience of other projects and initiatives in the country, such as the enabling activities projects under execution to prepare NC and BUR, and from the institutional arrangements and cooperative environment to prepare the subsequent NDC, taking stock of the most transparent information provided in that official communications to the international community. The knowledge sharing information system to be implemented will help to improve the knowledge management related to all transparency initiatives including data, procedures, methodologies and assumptions used in the preparation of the NC, BUR, NDC and MRV system. Then, the project team and the WGMA will work closely with a stable and coordinated inter-institutional staff. It is envisaged that synergies could be developed, based on the shared objective of strengthening capacities related to transparency and enhancement of the MRV system.

140. The proposed CBIT project is by design closely aligned and coordinated with a few on-going initiatives. With regard to other GEF initiatives, the GEF/CBIT project will most likely start after the end of the GEF-SBUR project and will coordinate with the TNC and the third BUR.

Donor/Partner and Project	Timeframe	Focus Area
GEF-UNDP The Third National Communication (TNC)	07/2016- 10/2020	Reporting to the UNFCCC
GEF-UNDP The Second Biennial Update Report (SBUR)	11/2016- 04/2019	Reporting to the UNFCCC
GCF National Adaptation Plan (NAP)	12/2020- 12/2022	Adaptation planning
EU/Klimapolitika - Human Dynamics Regional Implementation of the Paris Agreement (RIPAP)	11/2017- 12/2018	MRV in Emissions Trading System
Hungarian government/Naturaqua Establishment of a national system for policy and measures The National Adaptation Geo-Information System (GIS)	12/2017- 06/2018	Mitigation and Adaptation

Table 2: Key complementary projects

141. Further, as mentioned in the table below, there are other on-going initiatives related to transparency as a whole or through components directed towards MRV. The Department of Climate Change in the MSDT and the WGMA will ensure that efficient use of resources across initiatives is ensured, alignment in activities and outputs guaranteed, and that potential future initiatives will fit neatly with the ongoing initiatives, thereby ensuring synergies and avoiding duplication. Additionally, since the MSDT is participating in all the projects as coordinator, there will be a constant check of the activities and the synergies that can be created among initiatives.

142. Montenegro was recently involved in a relevant project funded by the Hungarian government. This project will work with Klimapolitika (DPO-Hungary) on the preparation of a framework for the establishment of a national system for policy and projection policies that will apply to the energy and industrial sectors with the application of the Integrated MARKAL-EFOM System (TIMES) model, including electricity, heating in households, and industry; but it will not cover other sectors, such as waste, agriculture, transport, and forestry.

## C.4 Risks and Assumptions

Risk	Impact & Probability	Counter Measures / Management Response
Insufficient participation of key institutions	Despite the high political commitment to the issues covered by the project, to a limited extent, government departments operate in silos. The risk will be largely limited to slow down progress due to increased need and time to consult and reach consensus on key issues.	<ul style="list-style-type: none"> <li>• The project is designed to address the risk of government bodies taking a silo approach through the very first activity that will include, among others, an assessment of the challenges, opportunities, and propose recommendations to address insufficient engagement</li> <li>• The learning-by-doing activities of the project will create ample opportunities to engage the various sectoral institutions that are currently involved in processes and activities related to climate change. Through these, they will be better enabled to collaborate in strengthening the country's transparency framework for MRV.</li> </ul>
Poor project coordination and limited alignment among government agencies	Limited ability of government agencies to coordinate actions, delaying project implementation.	<ul style="list-style-type: none"> <li>• The project is specifically designed to support government, among other stakeholders as appropriate, in order build MRV capacities and the development of a transparency portal.</li> </ul>
Government bodies have a limited number of technical experts at their disposal. As a result, there is insufficient ability to carry out all the technical work that is needed, especially when new expertise is called upon.	Project implementation would be delayed in order to allow time for current staff experts to carry out the required work.	<ul style="list-style-type: none"> <li>• Working within existing parameters, the project will strengthen existing institutional mechanisms and technical capacities through learning-by-doing trainings in order that a greater number of current staff has more experience in applying methodologies, procedures, and guidelines for increased transparency in mitigation, adaptation, and climate finance.</li> <li>• The learning-by-doing trainings under the project are designed to facilitate the long-term adoption of the new technical tools and related knowledge by associated stakeholders.</li> <li>• The project will facilitate the signing of memoranda of agreements that is intended to enhance inter-agency coordination and collaboration, thus seizing opportunities to create cost-effective synergies in implementing best practice MRV</li> <li>• The project will mobilize support from regional partners to expand the pool of available expertise.</li> </ul>
The institutional set up strengthened by the project will not be sustainable beyond the end of the project implementation period due to lack of financial and institutional support	Delay in institutionalizing recommended reforms.	<ul style="list-style-type: none"> <li>• The project will avoid creating new institutional mechanisms but rather focus on strengthening existing ones, that already enjoy good political commitment</li> <li>• The WGMA is a key institutional mechanism that already has the mandate to monitor implementation of the Paris Agreement, with the project providing technical support to the secretariat staff as needed and as requested.</li> <li>• The project is specifically designed to support existing institutional arrangements that are most likely to have the necessary political and financial commitments.</li> <li>• Activity 3.3.3 specifically calls for a resource mobilization strategy to be prepared to support the financial sustainability of the transparency portal</li> </ul>

Change of implementation modality from DIM to NIM	Possible delays in project implementation due to lack of prior experience of MSDT officials in management of GEF funded projects	<ul style="list-style-type: none"> <li>Along with the project implementation, capacity building of designated officials in implementation of GEF projects should be organized.</li> </ul>
Impact of Covid 19 pandemics and post recovery	The project implementation might be slowed down due to the Covid 19 pandemics (e.g. on-line mode of work)	<ul style="list-style-type: none"> <li>On-line work is becoming more and more usual mode of work, government stakeholders are also getting used to this type of work. On-line work will be applied until circumstances allow for going back to business as usual. Thus, the situation will be closely monitored, so that adaptive measures can be implemented when the time comes.</li> </ul>

## **C.5 Stakeholder Engagement**

143. A number of consultations took place during the project document formulation phase. These consultations served to gain a more comprehensive understanding of the challenges and barriers that limit Montenegro's ability to collect and manage data and information in ways that sustainable development can be better informed by best practices to conserve global environmental values. That is, the limited capacities that currently define Montenegro's economy are informed by the various social actors and their work towards meeting the project's objectives. A number of government organizations and other institutions were consulted.

144. The engagement of the National Council offers an appropriate channel for the MSDT to highlight mitigation and adaptation related trends, challenges and priorities at a high political level. As a climate-change working group secretariat for this Council, the MSDT could take on responsibilities for producing regular updates on indicators and analysis to inform wider stakeholders and decision makers. The MSDT could develop communication and awareness-raising activities on mitigation and adaptation related trends, challenges and priorities at a high political level and to the public, as well as to public and private decision makers. Further engagement could focus on using climate data of relevance and of interest from the MRV system and linking climate actions to wider joint benefits (the economy, health, ecosystems, flood protection, water quality, energy security, etc.). A full descriptive list of their engagement in the project design and preparation is provided in Annex F.

145. Based on the experience in producing the national communications and biennial update report, it is understood that the most effective way to address climate change, is to ensure involvement of all stakeholders (academic sector, private sector, NGO sector and relevant Ministries and state agencies) in both design and implementation of the climate change related actions through focused discussion and working groups. The integration of the different sectors strengthens the institutional and technical capacity of different stakeholders and institutions and ensures the achievement of optimal sectoral coverage and relevance of the actions and enhances their sustainability. In addition to that, the national knowledge, and awareness of the different stakeholders have been increased, in particular those from the government, non-government, private and academic sector

## **C.6 Gender Equality and Empowering Women**

146. Since 2011, the GEF has had a policy on gender mainstreaming, which has evolved over the last several years on the basis of lessons learned and opportunities for catalyzing gender equality (GEF, 2013). The most recent policy guidance was approved by the GEF Council in May 2017, with policy and programme guidance subsequently published in October 2017 (Global Environment Facility, 2017). The underlying principle of the GEF's policy is for projects to promote shared power and control of resources and in decision-making. The 2017 GEF policy for mainstreaming gender in the projects that they finance call for three requirements to be met.

- a. Efforts to Mainstream Gender and promote Gender Equality and the Empowerment of Women are pursued in accordance with the decisions on gender under the MEAs that the GEF serves, and in recognition of related international and national commitments to gender equality and human rights
- b. Stakeholder Engagement and analysis are conducted in an inclusive and gender-responsive manner, so that the rights of women and men and the different knowledge, needs, roles and interests of women and men are recognized and addressed
- c. GEF-Financed Activities address and do not exacerbate existing gender-based inequalities
- d. GEF-Financed Activities are conducted, designed and implemented in an inclusive manner so that women's participation and voice are, regardless of their background, age, race, ethnicity or religion, reflected in decision-making, and that consultations with women's organizations, including Indigenous women and local women's groups, are supported at all scales.

- e. A Gender-Responsive Approach is applied throughout the identification, design, implementation, monitoring and evaluation of GEF-Financed Activities.
- f. Opportunities to address Gender Gaps and support the Empowerment of Women are seized in order to help achieve global environmental benefits.

147. The GEF also requires its agencies to have their own accredited gender policy. UNDP's 2018-2021 Strategic Plan calls for projects implemented by UNDP to meet high standards to meeting gender equality criteria. The UNDP Gender Strategy 2014 – 2017 provides guidance on how to integrate gender in all UNDP supported activities. Particularly in the promotion of biodiversity-based income generating activities, gender will be monitored in order to particularly concentrate on those activities most beneficial for the most vulnerable groups, such as women, youth, children, the elderly, and landless and displaced people. In the context of Free and Prior Informed Consent, attention will be given to the voice of these vulnerable groups in decentralized planning and consultation frameworks.

148. Gender sensitive indicators will be monitored as per good practice in order to ensure that gender does not become a marginalized issue (Demetriades, 2007; Moser, 2007; Global Environment Facility, 2017). A full description of the Montenegro specific gender action plan is outlined in Annex F.

## **C.7 South-South and Triangular Cooperation**

149. While the project will encourage and indeed emphasize self-reliance, which is a key criterion of sustainability, the particular nature of this project requires coordination with other states. As a Balkan country and past cooperation with other Balkan states in the region, this has featured prominently in the project design. This can be seen in the planned activities for Montenegro to participate in the regional workshops that the CBIT Global Support Programme will organize to share best practices and lessons learned through the CBIT Global Coordination Platform, global stocktaking meetings, and technical workshops. In this way, Montenegro can benefit from being able to pre-emptively address known problems, reduce the learning curve, and limit wasted resources by focusing efforts on proven techniques (thereby increasing cost-efficiency).

150. A very important feature of the MRV that will be considered is its standardization with other portals in the region as this will greatly facilitate the sharing of data and information that will in turn allow for more robust modelling and scenario formulation with a regional lens. The opportunity to work with expert non-state institutions also enhance the quality of the technical aspects of the project, in particular the strengthening of the GHG inventory.

151. During implementation, new regional initiatives may emerge that may offer Montenegro with opportunities for catalytic cooperation. In addition to learning from other projects, best practices and lessons learned from this project will be disseminated through the CBIT GSP.

## **C.8 Innovation**

152. The proposed project is innovative in the light of the integration of capacities not presently available or in use in Montenegro:

- i) Introduction of the transparency portal;
- ii) Inclusion of gender data; and
- iii) Tracking long-term low-carbon development.

153. Based on the assessments and consultations among government bodies, in particularly those associated with the National Council on Sustainable Development, this project will facilitate negotiations on the appropriate strengthening of the Working Group on Mitigation and Adaptation in order that this body is better enabled to meet new transparency requirements under the Paris Agreement. Notwithstanding the work already being carried out by the WGMA, the enhanced institutional capacities would help this body better champion a more integrated approach to climate action and transparency.

154. This will include the introduction of a new online knowledge sharing and MRV management system to support full and continual engagement of national stakeholders across different areas of government and the private sector. Otherwise known as a transparency portal, it will provide a centralized repository of evidence-based material, i.e., GHG inventories, projections, vulnerability assessments, climate actions, support, wider benefits, as well as administrative information for the MRV system. The system will facilitate the sharing of knowledge and archival data more broadly in the public sector through the provision of an easy-access, easy-to-navigate digital platform. The portal will centralize all relevant methodologies with regard to data generation and processing. This will help minimize the loss of institutional memory and a diminution of absorptive capacity that results from staff turnover.

### **C.9 Sustainability**

155. The project is designed to be sustainable in two ways: 1) It focuses on strengthening and utilizing the capacity of existing institutions rather than creating new structures; and 2) It shifts from a project-based model of MRV toward an institutionalization and full ownership of the enhanced transparency framework.

156. With respect to promoting environmental sustainability, this is fundamentally embedded within the learning-by-doing project approach. In so doing, the project will engage as many of the relevant project stakeholders in workshops to think critically about new and alternative approaches, or to scale up successful models on the collection and calculating of data, information, scenarios, and climate models, using the MRV portal as a new addition to the country's toolkits.

157. Another key feature of this project's contribution to sustainability is through output 4.1, which is targeted to facilitating Montenegro's implementation of their Low-Carbon Development Strategy, the formulation of which will run parallel to the implementation of this CBIT project. With this CBIT project facilitating international exchanges on other countries in the region, Montenegro will be able to gain a better appreciation of new and innovative development approaches that bode well for meeting environmental sustainability criteria. This would be measured through new metric, methodologies, procedures and guidelines that will catalyze the adoption of low-carbon climate resilient development options that are more sustainable because they also meet real socio-economic priorities.

### **C.10 Potential for Scaling Up**

158. Montenegro has always made an effort to share its experiences within and across regions, and is committed to the concept of becoming a world-wide carbon sequestration laboratory. Sharing its experience with regard to the data generation and processing efforts supported by GEF/CBIT are of high interest to Montenegro. Montenegro believes that the potential for scaling-up expands beyond national borders and could potentially serve other countries in their effort to set-up functioning domestic portals that could also inform the enhanced transparency frameworks required under the Paris Agreement. The multiplier effect of the project will ensure greater dissemination and wider adoption of the information-sharing portal. Two important activities will help ensure the sustainability of the portal. The first is the resource mobilization strategy prepared under output 3.3, the direct purpose of which is to finance the long-term operation and maintenance of the MRV portal. The second activity is the preparation of a technical roadmap that will serve as a practical tool to catalyze the implementation of Montenegro's Low-Carbon Development Strategy. The resource mobilization strategy will, for example, ensure that funds are leveraged to ensure full engagement of Montenegrin stakeholders in the appropriate GEF/CBIT workshops.

### **C.11 Knowledge Management**

159. Knowledge management constitutes a core element of Montenegro's GEF/CBIT project and reflects country's general approach to public policy-making. Montenegro will engage key stakeholders in a two-fold way: through the WGMA and the transparency portal.

160. As part of the former, all relevant actors within the WGMA will convene regularly as part of the cross-sectoral working group, in order to share expertise, experiences, the MRV implementation advancements,

challenges, etc. These exchanges between sectors have historically been missing in Montenegro and, thereby, the WGMA group will close a significant gap.

161. The transparency portal, extensively described in the alternative scenario, will play a key role in making available knowledge associated with data generation and analysis. The easy-to-use digital library of methodologies and models will be designed based on the notion of general access and accessibility, meaning that the knowledge will not only be available but also be useful to a broad audience. It can be envisioned that the transparency portal will be made accessible to the international audience as part of GEF/CBIT's global activities.

162. Montenegro through this project aspires to share its MRV framework and transparency, and specifically the GEF/CBIT project lessons, widely with the international community to foster the global knowledge base and facilitate cross-fertilization. As described in more detail before, Montenegro envisions producing outputs with exemplary character: (I) the WGMA; (II) the transparency portal for data generation and analysis methods and methodologies; (III) the introduction of big data to transparency, with particular attention to gender data; and (IV) the LCDS framework.

163. Montenegro believes that sharing these experiences through GEF/CBIT's global activities, workshops, webinars, bilateral exchanges, among others, will support other developing countries in fostering their national MRV systems.

## **D. Project Management**

### **D.1 Cost-effectiveness and Cost-efficiency**

164. The cost-effectiveness of this project is due to the capacity building activities of the project being built on an important baseline of past and on-going capacity building initiatives without duplicating these efforts. For example, the development efforts that Montenegro has embarked over the past several years with the support of the GEF and other donors has meant that for an investment of US\$ 1.1 million through the CBIT Fund, Montenegro should be able to install and see the early implementation of the MRV Portal as well as develop and institute robust methodologies, procedures and guidelines to effectively implement Article 13 of the Paris Agreement. In the absence of the past efforts, the investment need would be significantly greater as Montenegro would not have built important absorptive capacities. These are evident through the creation of the National Council on Sustainable Development and its four Working Groups, in particular the Working Group on Mitigation and Adaptation that meets regularly.

165. The cost-effectiveness of the project is also evidenced by the relatively low investment of US\$ 60,000 to further strengthen gender issues within the area of climate change, in particular in the area of mainstreaming. Montenegro has already made important policy and institutional strides in this arena, thus setting the stage for effective gender mainstreaming work that has a high likelihood of being institutionalized.

166. The cost-effectiveness of this project is also demonstrated in efficient allocation and management of financial resources. Another important indicator of cost-effectiveness is the very low percentage (9%) of the GEF grant being used for project management. UNDP's contribution of US\$ 40,000 to support project management increases this percentage to 12.19 of the total cash investment.

167. Cost-efficiency will be achieved through the procurement of companies to organize the lessons learned workshops as these will end up being at a lower cost if UNDP organized these in the scope of its support to the project implementation. Cost-efficiency will also be achieved when the Government of Montenegro organizes and convenes bilateral, focus-group, and one-on-one consultations through their in-kind contributions.



## **D.2 Project Operations**

168. The project will operate out of Podgorica, specifically the Directorate of Climate Change in the Ministry of Sustainable Development and Tourism, working with other key directorates/institutions such as the Institute of Hydrometeorology and Seismology and Environment and Nature protection Agency. As NIM project, the physical office for the project will be based at MSDT.

169. Coordination with other projects and initiatives (see Section C.3 above) will be ensured by the Working Group on Mitigation and Adaptation of the National Council for Sustainable Development, Climate Change and Coastal Area Management, which was established specifically to ensure inter-institutional coordination. Operationally, this coordination will work through the Project Boards of each project, whose membership are by and large the same focal points in the various government bodies.

## **D.3 Intellectual Property Rights, Use of Logo, and Disclosure of Information**

In order to accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy<sup>6</sup> and the GEF policy on public involvement.

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<sup>6</sup> See [http://www.undp.org/content/undp/en/home/operations/transparency/information\\_disclosurepolicy/](http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/)

## E. Project Results Framework

<b>This project will contribute to the following Sustainable Development Goal (s):</b> SDG 13: Take urgent action to combat climate change and its impacts					
<b>This project will contribute to the following country outcome included in the UNDAF/Country Programme Document:</b>					
<b>Outcome 2:</b> By 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change, and disaster-risk reduction.					
<b>Outcome 4:</b> By 2021, national, state and local institutions are more effective to carry out their mandates including strengthened normative frameworks that respect human rights and fundamental freedoms and ensure effective service delivery					
<b>This project will be linked to the following output of the UNDP Strategic Plan:</b> Output 1.4: Scaled up action on climate change adaptation and mitigation cross sectors which is funded and implemented.					
	Objective and Outcome Indicators	Baseline	End of Project Target	Means of Verification	Assumptions
<b>Project Objective</b> To strengthen Montenegro's national capacities through an improved MRV system to meet transparency related requirements under Article 13 of the Paris Agreement	<b>Mandatory Indicator 1:</b> IRRF 1.4.2 - Extent to which implementation of comprehensive measures, i.e., plans, strategies, policies, programmes and budgets to achieve low-emission and climate-resilient development objectives has improved. 1. Not adequately 2. Very partially 3. Partially 4. Largely  <b>Mandatory Indicator 2:</b> Number of direct project beneficiaries that increase their capacities to meet	<ul style="list-style-type: none"> <li>Existing coordination and formal mechanisms are inadequate. The many solutions to combat climate change and achieve the sustainable management of natural resources are only available within the construct of externally-funded projects. Thus, the baseline of this indicator is effectively one: not adequately.</li> <li>While a number of national stakeholders are benefitting from various climate change projects, the baseline is set at zero as the trainings under the project will provide new and expanded skills</li> <li>The existing institutional structures and mechanisms for data and information management are out of date and hinder by limited data sharing.</li> </ul>	<ul style="list-style-type: none"> <li>Institutional arrangements and inter-agency agreements on information management are negotiated</li> <li>One new cooperation mechanism is established, i.e., the National Council for Sustainable, Climate Change, and Integrated Coastal Zone Management, targeted to catalyzing Rio Convention mainstreaming at the directorate level among stakeholder agencies and organizations. Thus, coordination will have improved from a rating of 1 (not adequately) to 3 (partially).</li> <li>At least 420 different stakeholders have benefitted directly from project activities, of which 210 (or 50%) are women.</li> </ul>	<ul style="list-style-type: none"> <li>Meeting Minutes<sup>7</sup></li> <li>Working group and workshop reports and products<sup>8</sup></li> <li>UNDP quarterly progress reports</li> <li>Annual Project Implementation Reports</li> <li>Independent final evaluation report</li> <li>Resource mobilization strategy</li> <li>Training programme</li> </ul>	<ul style="list-style-type: none"> <li>Government ministries and authorities maintain political commitment to the project</li> <li>The project will be executed in a transparent, holistic, adaptive, and collaborative manner</li> <li>Non-state stakeholder representatives, in particular project champions, remain active participants in the project</li> <li>Policy and institutional reforms and modifications recommended by the project are politically, technically, and financially feasible</li> <li>There is a commitment of the relevant government agencies and their staffs to actively engage in project activities</li> <li>Non-state stakeholder representatives, in particular project champions, remain</li> </ul>

<sup>7</sup> Meeting minutes includes records of key meetings such as local, regional and national consultations regarding inputs on the design and implementation of the relevant output and associated activities. Meetings may be individual or group meetings, with government officials or non-state stakeholders.

<sup>8</sup> These will include a list of all workshop and working group participants

	enhanced transparency requirements.		<ul style="list-style-type: none"> <li>• Institutional and technical capacities to use data and information for planning and decision-making based on better climate models and information</li> </ul>		active participants in the project
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	Objective and Outcome Indicators	Baseline	End of Project Target	Means of Verification	Assumptions
<b>Outcome<sup>9</sup> 1: A strengthened institutional mechanism for increased transparency</b>	<p><b>Indicator 3:</b> Number of meetings of the institutional mechanism strengthened under output 1.1.</p> <p><b>Indicator 4:</b> Number of stakeholder institutions that actively participated in the learning-by-doing workshops</p> <p><b>Indicator 5:</b> Number of stakeholder institutions accessing or providing inputs to the knowledge sharing information system from transparency initiatives</p>	<ul style="list-style-type: none"> <li>• The National Council for Sustainable Development, Climate Change, and Integrated Coastal Zone Management was established in 2016, with four working groups to support work of the Council.</li> <li>• Although the working group dealing with climate change meets between two and four times per year, its technical expertise remains inadequate to inform decision-makers.</li> <li>• Montenegro ratified the Law on Ratification of the Paris Agreement in October 2017.</li> <li>• Staffs from key government agencies and stakeholder organizations are not adequately trained in transparency methodologies, procedures, and guidelines that are specific to Montenegro</li> <li>• While prior trainings relevant to the use of transparency methodologies, procedures, and guidelines have made an important impact in improving in-country technical expertise, their coverage could be significantly improved by involving more expert non-state organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Inter-agency memoranda of agreements are signed by month 24</li> <li>• Background material for the development of transparency methodologies, procedures, and guidelines for mitigation, adaptation, and climate finance specific to Montenegro have been collated and validated by stakeholders and officially approved by month 11</li> <li>• Transparency methodologies, procedures, and guidelines for mitigation, adaptation, and climate finance specific to Montenegro have been developed and approved by month 18</li> <li>• At least two representatives from all key stakeholders agencies and organizations actively participated in the learning-by-doing workshops</li> <li>• At least 100 unique stakeholders participated in the learning-by-doing workshops</li> <li>• An equal balance of gender in the learning-by-doing workshops of Outputs 1.1 to 1.4 should be approximated by</li> </ul>	<ul style="list-style-type: none"> <li>• SWOT and gap analysis report</li> <li>• Signed memoranda of agreements</li> <li>• Meeting minutes</li> <li>• Tracking and progress reports</li> <li>• Participant registration lists</li> <li>• Workshop reports</li> <li>• Annual Progress Reports</li> </ul>	<ul style="list-style-type: none"> <li>• The strengthened institutional mechanism is deemed legitimate, relevant, and valid among all key stakeholder representatives and project champions</li> <li>• The government remains politically committed to the strengthened institutional mechanism and facilitates its institutionalization</li> </ul>

<sup>9</sup>Outcomes are short- to medium-term results that the project makes a contribution towards, and that are designed to help achieve the longer term objective. Achievement of outcomes will be influenced both by project outputs and additional factors that may be outside the direct control of the project.

		<ul style="list-style-type: none"><li>• Montenegro is a parliamentary democracy where gender equality is recognized in its legal and policy framework as one of the main principles, reified by the 2007 Constitution of Montenegro</li></ul>	month 19		
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	Objective and Outcome Indicators	Baseline	End of Project Target	Means of Verification	Assumptions
<b>Outcome 2:</b> Strengthened national institutions to implement enhanced transparency	<p><b>Indicator 6:</b> Number of tools and methodologies applied in the framework of the domestic MRV system to track NDC implementation</p> <p><b>Indicator 7:</b> Inter-ministerial and inter-directorate communication, coordination, and collaboration is strengthened</p> <p><b>Indicator 8:</b> Non-state public consultative mechanisms developed and integrated into official planning and decision-making processes</p>	<ul style="list-style-type: none"> <li>The GHG inventory and projections in both the FBUR and SBUR are based on methodologies from the 2006 IPCC Guidelines.</li> <li>The 2016 National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management serves as the mechanism to catalyze inter-ministerial and inter-directorate communication and cooperation, which is supported by the Working Group on Mitigation and Adaptation.</li> <li>Montenegro is in the process of strengthening coordination processes to catalyze climate action. This includes the development of Modality Procedure Guidelines and the production of training material, method statements and regular outputs on indicators to monitor progress.</li> <li>English proficiency is an important limitation to understand and adopt better approaches to combat climate change.</li> </ul>	<ul style="list-style-type: none"> <li>New and updated models, tools, and methodologies for the GHG inventory and projects will be used to inform decision-making</li> <li>The Working Group is convened at least four times per year, beginning in month 7, with broad-based stakeholder and expert representation</li> <li>The National Council meets at least twice per year</li> <li>Recommendations for institutional improvements are adopted within 6 months of being considered by the National Council and instituted after another 6 months</li> <li>At least 60 unique stakeholders participate in training workshops each year</li> <li>Project models, scenarios, and adaptation project concept proposals developed as part of the learning-by doing trainings are independently determined to be of high quality</li> <li>Annual independent assessments determine that technical inputs from the Working Group are informing planning and decision-making</li> <li>At least 90 percent of gender mainstreaming recommendations from the Working Group are adopted by month 42</li> <li>At least six (6) sets of English technical training courses with at least 30 stakeholders participating in each course</li> </ul>	<ul style="list-style-type: none"> <li>Ministerial briefing notes</li> <li>Memoranda of agreements</li> <li>Working group minutes</li> <li>Project models, scenarios, and adaptation project concept proposals</li> <li>Annual progress reports</li> <li>Attendance lists</li> </ul>	<ul style="list-style-type: none"> <li>Non-state stakeholder representatives, in particular project champions, remain active participants in the project</li> <li>Institutional reforms and modifications recommended by the project are politically, technically, and financially feasible</li> <li>The experience of civil servants and other stakeholders in the learning-by-doing training will be sufficiently rewarding that further interest is generated for sustained and active participation in the long-term</li> <li>Lead agencies will allow their staff to attend all trainings</li> </ul>

	Objective and Outcome Indicators	Baseline	End of Project Target	Means of Verification	Assumptions
<b>Outcome 3</b> Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework	<p><b>Indicator 9:</b> The MRV Portal is strengthened and institutionalized as a unifying consultative and coordinating mechanism</p> <p><b>Indicator 10:</b> Stakeholders are trained on best practice skills to use the MRV portal for planning and decision-making on the global environment</p> <p><b>Indicator 11:</b> A long-term training programme is developed and institutionalized to use the MRV portal for planning decision-making</p> <p><b>Indicator 12:</b> A sustainable financing strategy is developed for the national environmental information system</p>	<ul style="list-style-type: none"> <li>Montenegro's MRV system is in its infancy, having supported the reporting on the national communications and two biennial update reports. However, Montenegro is pursuing a higher level of transparency that more approximates the European standards (EU 525/2013) and avoids conflicts between climate action (SDG 13) and other SDGs</li> <li>Data creation and management remains a major challenge for Montenegro</li> <li>Systems for data and information management are outdated and inadequate</li> <li>Decision-makers and government staff have limited technical skills</li> <li>There is limited availability of funding</li> <li>Existing government and private sector budgets to adopt cleaner energy and technologies and techniques to combat climate change are very limited</li> </ul>	<ul style="list-style-type: none"> <li>At least 150 stakeholders (at least 40% women) are trained on data management skills relevant to the MRV portal</li> <li>The upgraded MRV portal is fully operational by month 42</li> <li>Feasible resource mobilization strategy finalized by month 39</li> <li>At least 90% of financial resources deemed necessary to ensure the long-term viability of the MRV portal and supporting institutional and technical capacities identified in the Resource Mobilization Strategy are independently deemed accessible by month 44 (at the time of the independent terminal evaluation)</li> </ul>	<ul style="list-style-type: none"> <li>Training programme, curricula, materials and training modules</li> <li>Working group meeting minutes</li> <li>Memoranda of agreements</li> <li>Updated mandates and operational plans</li> <li>Annual Progress Reports</li> <li>Resource mobilization strategy</li> </ul>	<ul style="list-style-type: none"> <li>The improved MRV Portal is independently deemed to be politically, technically, and financially feasible</li> <li>The experience of civil servants and other stakeholders in the learning-by-doing training will be sufficiently rewarding that further interest is generated for sustained and active participation in the long-term</li> <li>Lead agencies will allow their staff to attend all trainings</li> <li>Institutions and working groups are open to change</li> </ul>

	Objective and Outcome Indicators	Baseline	End of Project Target	Means of Verification	Assumptions
<b>Outcome 4</b> A technical roadmap on low-carbon and climate-resilient development is formulated and adopted	<b>Indicator 13:</b> Raised awareness of the contribution of global environmental values to socio-economic development <b>Indicator 14:</b> Proactive management strategy and technical roadmap for the cost-effective and efficient pursuit of a low carbon economy.	<ul style="list-style-type: none"> <li>• Awareness of best practices for combating climate change limited, and stakeholders do not fully appreciating the value of conserving the global environment.</li> <li>• English proficiency is an important limitation to understand and adopt better approaches to combat climate change.</li> <li>• A number of strategies and action plans have been recently developed to address important policy directions to reduce greenhouse gas emissions and pursue green development. However, many of these are sectoral, and there is a need to reconcile them as well as organize an over-arching cost-effective approach to realistically them without compromising their individual legitimacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Roadmap drafted by month 38 and adopted by month 41</li> <li>• Three sets of private sector and media sensitization panel discussions held, one each year by the end of months 12, 24, and 36.</li> <li>• At least two (2) national and three (3) sub-national awareness workshops held, spread out in years 2, 3, and 4</li> <li>• At least 180 stakeholders will benefit from the English language courses by the end of the project.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting minutes</li> <li>• Awareness and sensitization workshop reports</li> <li>• Attendance lists</li> <li>• Brochures and articles</li> </ul>	<ul style="list-style-type: none"> <li>• The right representation from the various government ministries, departments, and agencies participate in the development of the roadmap</li> </ul>

## **F. Monitoring and Evaluation Plan**

170. The project results as outlined in the project results framework will be monitored at minimum annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.

171. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP and UNDP Evaluation Policy](#). The UNDP Country Office will work with the relevant project stakeholders to ensure UNDP Monitoring and Evaluation (M&E) requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the [GEF M&E policy](#) and other relevant GEF policies.

172. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point and national/regional institutes assigned to undertake project monitoring. The GEF Operational Focal Point will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Tracking Tools for all GEF-financed projects in the country, including projects supported by other GEF Agencies.

### **M&E oversight and monitoring responsibilities:**

173. Project Manager: The Project Manager is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The Project Manager will ensure that all project staff maintain a high level of transparency, responsibility and accountability in M&E and reporting of project results. The Project Manager will inform the Project Board, the UNDP Country Office and the UNDP/GEF RTA of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted.

174. The Project Manager will develop annual work plans based on the multi-year work plan included in Annex A, including annual output targets to support the efficient implementation of the project. The Project Manager will ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality. This includes, but is not limited to, ensuring the results framework indicators are monitored annually in time for evidence-based reporting in the GEF (Project Implementation Report) PIR, and that the monitoring of risks and the various plans/strategies developed to support project implementation (e.g., gender action plan, stakeholder engagement plan etc..) occur on a regular basis.

175. Project Board: The Project Board will take corrective action as needed to ensure the project achieves the desired results. At least twice a year, the Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year. In the project's final year, the Project Board will hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to highlight project results and lessons learned with relevant audiences. This final review meeting will also discuss the findings outlined in the project terminal evaluation report and the management response.

176. Project Implementing Partner: The Implementing Partner assumes overall responsibility for the project, which has two dimensions: i) responsibility for achievement of outcome, through output(s) and key activities; and ii) accountability to UNDP for use of programme or project resources. Furthermore, the project implementing partner is responsible for providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national



institutes, and is aligned with national systems so that the data used and generated by the project supports national systems.

177. UNDP Country Office: The UNDP Country Office will support the Project Manager as needed, including through annual supervision missions. The annual supervision missions will take place according to the schedule outlined in the annual work plan. Supervision mission reports will be circulated to the project team and Project Board within one month of the mission. The UNDP Country Office will initiate and organize key GEF M&E activities including the annual GEF PIR and the independent terminal evaluation. The UNDP Country Office will also ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality. This will be funded by UNDP cash contribution to the project.

178. The UNDP Country Office is responsible for complying with all UNDP project-level M&E requirements as outlined in the UNDP POPP. This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; that annual targets at the output level are developed, and monitored and reported using UNDP corporate systems; the regular updating of the ATLAS risk log; and, the updating of the UNDP gender marker on an annual basis based on gender mainstreaming progress reported in the GEF PIR and the UNDP ROAR. Any quality concerns flagged during these M&E activities (e.g., annual GEF PIR quality assessment ratings) must be addressed by the UNDP Country Office and the Project Manager.

179. The UNDP Country Office will retain all M&E records for this project for up to seven years after project financial closure to support *ex post* evaluations undertaken by the UNDP Evaluation Resource Center<sup>10</sup> (ERC) and/or the GEF Independent Evaluation Office (IEO).

180. UNDP/GEF Unit: Additional M&E and implementation quality assurance and troubleshooting support will be provided by the UNDP/GEF Regional Technical Advisor and the UNDP/GEF Directorate as needed.

181. Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies on nationally implemented projects.

### **Additional GEF monitoring and reporting requirements:**

182. Inception Workshop and Report: A project inception workshop will be held within two months after the project document has been signed by all relevant parties to, amongst others:

- i) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
- ii) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
- iii) Review the results framework and finalize the indicators, means of verification and monitoring plan;
- iv) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF Operational Focal Point in M&E;
- v) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; SESP, Environmental and Social Management Plan and other safeguard requirements; project grievance mechanisms; the gender strategy; the knowledge management strategy, and other relevant strategies;

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<sup>10</sup> The Evaluation Resource Center is housed in the Independent Evaluation Office of UNDP. Their website is <http://erc.undp.org>.

- vi) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and
- vii) Plan and schedule Project Board meetings and finalize the first-year annual work plan.

183. GEF Project Implementation Report (PIR): The Project Manager, the UNDP Country Office, and the UNDP/GEF Regional Technical Advisor will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework are monitored annually in advance of the PIR submission deadline so that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR.

184. The PIR submitted to the GEF will be shared with the Project Board. The UNDP Country Office will coordinate the input of the GEF Operational Focal Point and other stakeholders to the PIR as appropriate. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

185. A project initiation workshop will be conducted within the first two months of project start with the full project team, Project Board members, relevant government counterparts, co-financing partners, the UNDP Country Office, with representation from the UNDP/GEF Regional Coordinating Unit, as appropriate. Non-governmental stakeholders should be represented at this workshop.

186. A fundamental objective of this initiation workshop will be to further instill an understanding and ownership of the project's goals and objectives among the project team, government and other stakeholder groups. The workshop also serves to finalize preparation of the project's first annual work plan on the basis of the project's log-frame matrix. This will include reviewing the log frame (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalize the Annual Work Plan with precise and measurable performance (process and output) indicators, and in a manner consistent with the expected outcomes for the project. The log frame will be reviewed and, in consultation with the CBIT GSP recruited under the project, updated to include relevant gender equality indicators.

187. Specifically, the project initiation workshop will: (i) introduce project staff to the UNDP/GEF expanded team that will support the project during its implementation, namely the UNDP Country Office and responsible Project Management Unit (PMU) staff; (ii) detail the roles, support services and complementary responsibilities of UNDP Country Office and PMU staff with respect to the project team; (iii) provide a detailed overview of UNDP/GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the combined Annual Performance Report - Project Implementation Report (APR/PIRs), Project Board meetings, as well as final evaluation. The initiation workshop will also provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews, and mandatory budget re-phasing.

188. The initiation workshop will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for PMU staff and associated consultative and decision-making structures will be reviewed and clarified.

189. The initiation workshop will present a schedule of M&E-related meetings and reports. The Project Manager<sup>11</sup> in consultation with UNDP will develop this schedule, which will include tentative time frames for Project Board meetings. The schedule will also include the timing of near-term project activities, such as the in-depth review of literature, and project-related monitoring and evaluation activities. The provisional work plan will be approved in the first meeting of the Project Board.

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<sup>11</sup> See Annex D, Terms of References.

190. A project initiation report will be prepared immediately following the initiation workshop. This report will include a detailed First Year Work Plan divided in quarterly time-frames as well as detailed activities and performance indicators that will guide project implementation (over the course of the first year). This Work Plan will include the proposed dates for any visits and/or support missions from the UNDP Country Office, the UNDP/GEF Regional Coordinating Unit, or consultants, as well as time-frames for meetings of the project decision-making structures (i.e., Project Board). The report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months' time-frame.

191. The initiation report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation, including any unforeseen or newly arisen constraints. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in that to respond with comments or queries.

192. The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP Country Office and the UNDP/GEF Regional Technical Advisor, and will be approved by the Project Board.

193. Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyze and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

194. GEF Focal Area Tracking Tools: The tracking tool for this project is the Capacity Development Scorecard, which outlines a set of 15 indicators. The Capacity Development Scorecard will be used to monitor global environmental benefits. A baseline assessment of the scorecard was prepared by national stakeholders during a focus group, and annexed to the present project document. At the time of the terminal evaluation, the scorecard will be completed through stakeholder consultations and a focus group meeting. The terminal evaluation will include a comparative analysis of the baseline and end-of-project scorecards to make a number of appropriate inferences and conclusions. As a medium-sized project, there will not be a mid-term evaluation.

195. Periodic monitoring of implementation progress will be undertaken by the UNDP Country Office through the provision of quarterly reports from the Project Manager. Furthermore, specific meetings may be scheduled between the PMU, the UNDP Country Office and other pertinent stakeholders as deemed appropriate and relevant (particularly the Project Board members). Such meetings will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

196. Annual Monitoring will occur through the Project Board meeting. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Project Board meetings at least twice per year. The first such meeting will be held within the first twelve months following the initiation workshop. For each year-end meeting of the Project Board, the Project Manager will prepare harmonized Annual Performance Report / Project Implementation Report (APR/PIR) and submit it to UNDP Country Office, the UNDP/GEF Regional Coordination Unit, and all Project Board members at least two weeks prior to the meeting for review and comments.

197. The APR/PIR will be used as one of the basic documents for discussions in the Project Board year-end meeting. The Project Manager will present the APR/PIR to the Project Board members, highlighting policy issues and recommendations for the decision of the Committee participants. The Project Manager will also inform the participants of any agreement(s) reached by stakeholders during the APR/PIR preparation, on how to resolve operational issues. Separate reviews of each project output may also be conducted, as necessary. Details regarding the requirements and conduct of the APR/PIR and Project Board meetings are contained with the M&E Information Kit available through UNDP/GEF.

198. Terminal Evaluation: An independent terminal evaluation will take place upon completion of all major project outputs and activities. The terminal evaluation process will begin at least three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The Project Manager will remain on contract until the evaluation report and management response have been finalized. The terms of reference, the evaluation process and the final terminal evaluation report will follow the standard templates and guidance prepared by the UNDP Independent Evaluation Office for GEF-financed projects and made available on the website of UNDP IEO's Evaluation Resource Center. As noted in this guidance, the evaluation will have been deemed to meet the criteria of independent, impartial and rigorous. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the UNDP/GEF Directorate. The final terminal evaluation report will be cleared by the UNDP Country Office and the UNDP/GEF Regional Technical Advisor, and will be approved by the Project Board. The terminal evaluation report will be publicly available in English on the UNDP Evaluation Resource Center.

199. The UNDP Country Office will include the planned project terminal evaluation in the UNDP Country Office evaluation plan, and will upload the final terminal evaluation report in English and the corresponding management response to the UNDP Evaluation Resource Centre. Once uploaded to the ERC, the UNDP will undertake a quality assessment and validate the findings and ratings in the terminal evaluation report, and rate the quality of the terminal evaluation report. The assessment report will be sent to the GEF Independent Evaluation Office, along with the project terminal evaluation report.

200. Final Report: The project's terminal PIR along with the terminal evaluation report and corresponding management response will serve as the final project report package. The final project report package will be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

201. Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information: To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[1] and the GEF policy on public involvement[2].

## Mandatory GEF M&E Requirements and Budget:<sup>12</sup>

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget (US\$)		Time frame
		Total GEF grant	Total UNDP Co-financing	
<b>Inception Workshop</b>	MSDT	5,000	None	One workshop to be carried out within two months of project document signature
<b>Inception Report</b>	Project Manager	None	None	Within two weeks of inception workshop
<b>Standard UNDP monitoring and reporting requirements</b>	UNDP Country Office	None	None	Quarterly, annually
<b>Risk management</b>	Project Manager	None	None	Quarterly, annually
<b>Monitoring of indicators in project results framework</b>	Project Manager	None	None	Annually, before PIR
<b>GEF Project Implementation Report (PIR)</b>	Project Manager UNDP/GEF team	None	None	Annually
<b>Lessons learned and knowledge generation</b>	Project Manager	3,000	1,000	Annually (as part of project progress reports)
<b>Monitoring of environmental and social risks, and corresponding management plans as relevant</b>	Project Manager	None	None	On-going
<b>Stakeholder Engagement Plan</b>	Project Manager	None	None	On-going
<b>Gender Action Plan</b>	Project Manager UNDP GEF team	None	None	On-going
<b>Addressing environmental and social grievances</b>	Project Manager UNDP Country Office	None	None	On-going
<b>Project Board meetings</b>	Project Board UNDP Country Office Project Manager	None	None	Twice per year, financed through Government in-kind contribution
<b>Supervision missions</b>	UNDP Country Office	None	None	To be determined
<b>Oversight missions</b>	UNDP/GEF team	None	None	Troubleshooting as needed
<b>GEF Secretariat learning missions/site visits</b>	UNDP Country Office and Project Manager and UNDP/GEF team	None	None	To be determined
<b>Terminal GEF Tracking Tool to be prepared by independent final evaluator</b>	Independent Final Evaluation Consultant Project Manager	None	None	As part the terminal evaluation mission
<b>Independent Terminal Evaluation included in UNDP evaluation plan, and management response</b>	UNDP Country Office and Project team and UNDP/GEF team	None	20,000	At least three months before operational closure
<b>TOTAL indicative COST</b> Excluding project team staff time, and UNDP staff and travel expenses		<i>US\$ 8,000</i>	<i>US\$ 21,000</i>	

<sup>12</sup> These costs do not include project team staff time, or travel expenses, which may be charged to the GEF Agency Fee. For example, the cost of the Project Manager's contribution to these M&E tasks are covered by the budget allocated to his/her contract. A portion of these M&E tasks are allocated in the Project Management component of the project input budget.

## **G. Governance and Management Arrangements**

202. The project will be implemented according to the National Implementation Modality (NIM), with the Ministry of Sustainable Development and Tourism as Implementing Partner.

203. The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of the resources.

204. The Implementing Partner is responsible for:

- Upon review and recommendation of the Project Board, approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and
- Signing the financial report or the funding authorization and certificate of expenditures.
- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Risk management as outlined in this Project Document;
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;

Responsible Party: n/a

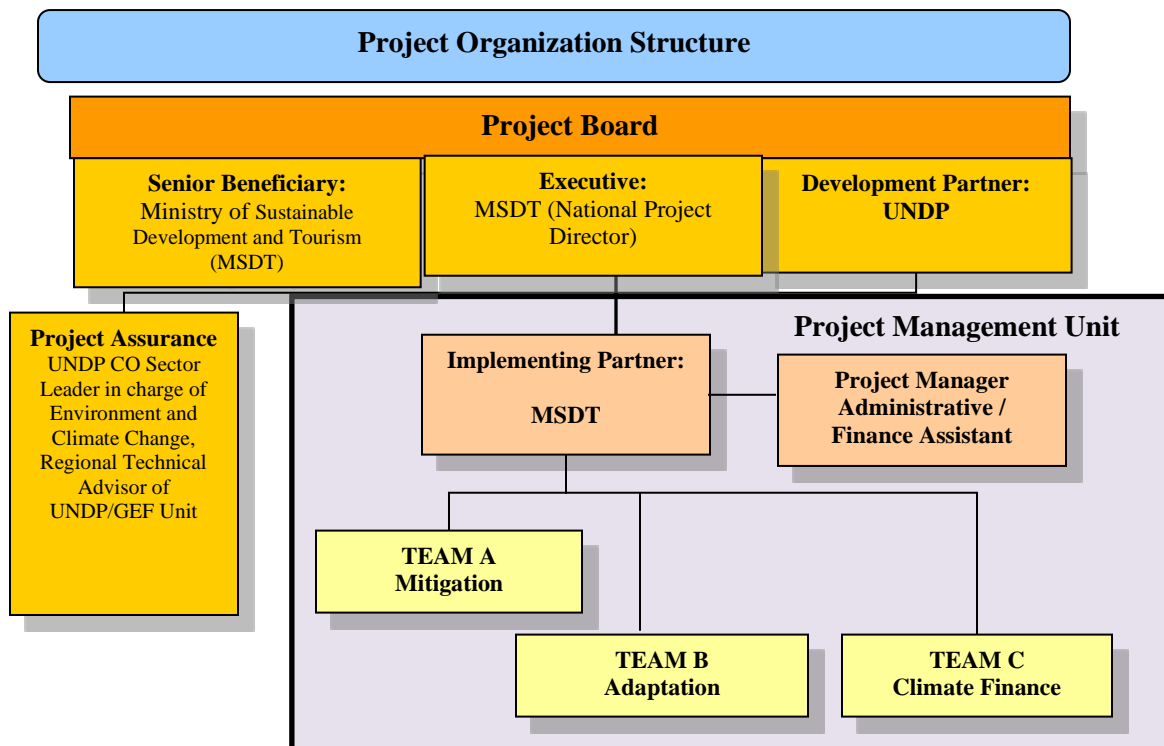
205. UNDP will be accountable to GEF for the implementation of this project. This will include oversight of project execution to ensure that the project is carried out in accordance with agreed standards and provisions. UNDP will be responsible for delivering GEF project cycle management services, comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP will have the Project Assurance role within the Project Board/Steering Committee.

206. UNDP will provide project cycle management oversight that will include, but not be limited to, the following:

- Overseeing financial expenditures against project budgets,
- Ensuring that activities including procurement and financial services are carried out in strict compliance with UNDP/GEF procedures,
- Ensuring that the reporting to GEF is undertaken in line with the GEF requirements and procedures,
- Facilitating project learning, exchange and outreach within the GEF family,
- Commissioning the project's final evaluation and triggering additional reviews and/or evaluations as necessary and in consultation with the project counterparts.

207. The MSDT will nominate a high level official who will serve as the National Project Director (NPD) for the project implementation. The NPD will chair the Project Board and other relevant stakeholder, sectoral and working groups under the project, and be responsible for providing government oversight and guidance to the project implementation. The NPD, in addition to the Project Board members will not be paid from the project funds, but will represent a Government in-kind contribution to the Project. The Directorate for Climate Change within the Ministry of Sustainable Development and Tourism will be in charge of future climate activities in the country.

208. The organizational structure for the implementation of the project is as follows:



209. The **Project Board** (PB) will be responsible for making management decisions by consensus when guidance is required by the Project Manager, including recommendations for Implementing Partner approval of project plans and revisions. PB is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure IP's ultimate accountability, decisions will be made in accordance with standards that will ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed. Project Board meetings will be organized at least twice per year, and if necessary on more frequent basis. The membership of the Project Board will be determined at the time of project implementation on the basis of their official nomination from the participating government bodies.

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;
- Agree on project manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
- Ensure coordination between various donor and government-funded projects and programmes;

- Ensure coordination with various government agencies and their participation in project activities;
- Track and monitor co-financing (all types, including in kind) for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Review combined delivery reports prior to certification by the implementing partner;
- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Approve the project Inception Report and Terminal Evaluation and corresponding management response;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.
- Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

210. The composition of the Project Board must include the following roles:

- a. **Project Executive:** Is an individual who represents ownership of the project and chairs the Project Board. The Executive is normally the national counterpart for nationally implemented projects. The Project Executive is: National Project Director (to be assigned by the IP)
- b. **Beneficiary Representative(s):** Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The main Beneficiary representative (s) is the Ministry of Sustainable Development and Tourism

In addition, the project will target other beneficiaries, like general public, through set of public awareness raising activities

- c. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is: UNDP
- d. **Project Assurance:** UNDP performs the quality assurance and supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed, and conflict of interest issues are monitored and addressed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. UNDP provides a three – tier oversight services involving the UNDP Country Offices and UNDP at regional and headquarters levels. Project assurance is totally independent of project execution.

211. The **Project Manager** will run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board. The Project Manager function will end when the final project report and documentation required by the GEF and UNDP, has been completed and submitted to UNDP (including operational closure of the project).

212. The Project Team will consist of Project Manager and Project Assistant, engaged by the MSDT.



213. Project extension: The UNDP Resident Representative and the UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the UNDP Country Office oversight costs in excess of the CO's Agency fee specified in the DOA during the extension period must be covered by non-GEF resources.

## H. Financial and Management Planning

214. The total cost of the project is US\$ 1,390,000. This is financed through a GEF grant of US\$ 1,100,000 through the CBIT Fund, with an additional US\$ 40,000 in cash co-financing from UNDP TRAC, for a total of US\$ 1,140,000. The TRAC allocation will be US\$ 40,000 in total, and will be used for monitoring and evaluation, i.e. terminal evaluation.

215. An additional US\$ 250,000 of in-kind resources is from the Government of Montenegro. This is estimated on the basis of the active engagement of government representatives throughout the four years of project implementation.

216. Co-financing: The actual realization of project co-financing will be monitored during the terminal evaluation process and will be reported to the GEF. The planned co-financing will be used as follows:

**Table 3: Project Co-financing**

Co-financing source	Co-financing type	Co-financing amount (US\$)	Planned Activities/Outputs	Risks	Risk Mitigation Measures
Government	In kind	250,000	<ul style="list-style-type: none"> <li>Stakeholder engagement in all project activities</li> <li>Hosting of some consultations and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient number of stakeholders participate in the project</li> </ul>	<ul style="list-style-type: none"> <li>Key Project Board members will be requested to mobilize stakeholder engagement in project activities</li> <li>The Project Manager, will undertake advance planning of the workshops. This will help select dates and times that are most convenient to a plurality of project stakeholders.</li> <li>Whenever possible, workshops and activities will be held at Government premises</li> </ul>
UNDP	Cash	40,000	<ul style="list-style-type: none"> <li>Monitoring and Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Cash does not materialize due to unforeseen needs of greater</li> </ul>	<ul style="list-style-type: none"> <li>UNDP's financial commitment is reinforced through strong tracking procedures</li> </ul>

				priority management	<ul style="list-style-type: none"> <li>• Advance planning and adaptive collaborative management will serve to minimize the impact of a delay in availability of project co-financing.</li> </ul>
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217. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the project board will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the Project Board. Should the following deviations occur, the Project Manager and UNDP Country Office will seek the approval of the UNDP-GEF team to ensure accurate reporting to the GEF: a) Budget re-allocations among components in the project with amounts involving 10% of the total project grant or more; b) Introduction of new budget items/or components that exceed 5% of original GEF allocation. Any over-expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g., UNDP TRAC or cash co-financing).

218. Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop.

219. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

220. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. Operational closure must happen with 3 months after posting the TE report to the UNDP ERC. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.

221. Transfer or disposal of assets: In consultation with the MSDT and other parties of the project (i.e., Project Board members), UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the Project Board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file<sup>13</sup>. The transfer should be done before Project Management Unit complete their assignments.

222. Financial completion: The project will be financially closed when the following conditions have been met: a) The project is operationally completed or has been cancelled; b) The Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP

<sup>13</sup> See

[https://popp.undp.org/\\_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP\\_POPP\\_DOCUMENT\\_LIBRARY/Public/PPM\\_Project%20Management\\_Closing.docx&action=default](https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default).

and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

223. The project will be financially completed within 6 months of operational closure or after the date of cancellation. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the BPPS/NCE Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

224. Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/GEF Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF Trustee.

## I. Total Budget and Work Plan

Atlas Project ID:	00102063	Atlas Output ID:	00104253
Atlas Award Title:	Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework		
Atlas Business Unit	MNE10		
Atlas Primary Output Project Title	Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework		
UNDP-GEF PIMS No.	6225		
Implementing Partner	MSDT		

GEF Component/Atlas Activity	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Total (USD)	See Budget Note:
<b>OUTCOME 1:</b> A strengthened institutional mechanism for increased transparency	MSDT	62181	GEF TF	71300	Local Consultants	80,000	113,000	-	-	193,000	1
				72100	Contractual Services: Companies	20,000	40,000	-	-	60,000	2
				75700	Training, Workshops and Conferences	-	2,000			2,000	3
					<b>GEF Sub-total Outcome 1</b>	<b>100,000</b>	<b>155,000</b>	<b>-</b>	<b>-</b>	<b>255,000</b>	
					<b>Total Outcome 1</b>	<b>100,000</b>	<b>155,000</b>	<b>-</b>	<b>-</b>	<b>255,000</b>	
<b>OUTCOME 2:</b> Strengthened national institutions to implement enhanced transparency	MSDT	62181	GEF TF	71300	Local Consultants	52,000	64,000	45,000	10,000	171,000	4
				72100	Contractual Services: Companies	20,000	43,000	50,000	15,000	128,000	5
				75700	Training, Workshops and Conferences	1,000	2,000	1,000	2,000	6,000	6
					<b>GEF Sub-total Outcome 2</b>	<b>73,000</b>	<b>109,000</b>	<b>96,000</b>	<b>27,000</b>	<b>305,000</b>	
					<b>Total Outcome 2</b>	<b>73,000</b>	<b>109,000</b>	<b>96,000</b>	<b>27,000</b>	<b>305,000</b>	

GEF Component/Atlas Activity	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Total (USD)	See Budget Note:
<b>OUTCOME 3:</b>				71300	Local Consultants	3,000	63,000	28,000	52,500	146,500	7
<b>Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework</b>				71600	Travel	9,000	14,000	9,000	9,000	41,000	8
				72100	Contractual Services: Companies	-	22,000	14,000	25,000	61,000	9
	MSDT	62181	GEF	75700	Training, Workshops and Conferences	500	2,000	2,000	2,000	6,500	10
				72800	Information Technology Equipment		40,000	10,000	11,000	61,000	11
					GEF Sub-total Outcome 3	12,500	141,000	63,000	99,500	316,000	
					<b>Total Outcome 3</b>	<b>12,500</b>	<b>141,000</b>	<b>63,000</b>	<b>99,500</b>	<b>316,000</b>	
<b>OUTCOME 4:</b>				71300	Local Consultants	8,000	8,000	8,000	37,000	61,000	12
<b>A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>	MSDT	62181	GEF	71600	Travel	9,000	9,000	9,000	9,000	36,000	13
				72100	Contractual Services - Companies	-	-	-	15,000	15,000	14
				75700	Training, Workshops and Conferences	500	500	1,500	2,500	5,000	15
					GEF Sub-total Outcome 4	17,500	17,500	18,500	63,500	117,000	
					<b>Total Outcome 4</b>	<b>17,500</b>	<b>17,500</b>	<b>18,500</b>	<b>63,500</b>	<b>117,000</b>	
<b>Monitoring and Evaluation</b>	MSDT	62181	GEF	72100	Contractual Services Companies	5,000	0	0	0	5,000	21
	MSDT	62181	GEF	71300	Local Consultants	0	0	0	3,000	3,000	22
					GEF Subtotal M&E	5,000	0	0	3,000	8,000	
	MSDT	4000	UNDP	71300	Local Consultants	0	0	0	1,000	1,000	22
	MSDT	4000	UNDP	71200	International Consultants	0	0	0	20,000	20,000	18
					UNDP Subtotal M&E	0	0	0	21,000	21,000	
					<b>Total M&amp;E</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>24,000</b>	<b>29,000</b>	

GEF Component/Atlas Activity	Responsible Party	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Total (USD)	See Budget Note:
PROJECT MANAGEMENT	MSDT	62181	GEF	71400	Contractual Services Ind.: Proj Mgr and Fin/Admin Asst	22,750	22,750	22,750	22,750	91,000	16
				74100	Professional Services - Audit	2,000	2,000	2,000	2,000	8,000	17
					GEF Sub-total Project Management	24,750	24,750	24,750	24,750	99,000	
	UNDP	4000	UNDP	71300	Local Consultants	3,500	3,500	3,500	6,500	17,000	19
				71600	Travel	500	500	500	500	2,000	20
					UNDP Sub-total Project Management	4,000	4,000	4,000	7,000	19,000	
					Total Project Management	28,750	28,750	28,750	31,750	118,000	
					GEF TOTAL	232,750	447,250	202,250	217,750	1,100,000	
				UNDP TOTAL	4,000	4,000	4,000	28,000	40,000		
				PROJECT TOTAL	236,750	451,250	206,250	245,750	1,140,000		

	<b>Budget Notes</b>
1	Preparation of materials and workshop facilitation by consultants
2	Three workshops for each of outputs 1.1, 1.2, 1.3, and 1.4 for a total of twelve (12) workshops
3	Meeting costs to negotiate memoranda of agreement(s)
4	Preparation of materials and workshop facilitation by consultants
5	Sub-contracting of company(ies) to organize learning-by-doing workshops
6	Bilateral and small focus group meetings
7	Preparation of materials and workshop facilitation by consultants
8	Travel for 6 individuals per year for 4 years or a total of 24 international travel budgeted at US\$ 1,500 each. Additional travel budget for 2 training-of-the trainers budgeted at US\$ 2,500 each
9	Sub-contract for organizing and servicing learning-by-doing workshops
10	Bilateral consultations, focus group meetings, and workshops
11	Procurement of information communication technology necessary to set up and operate the MRV Portal
12	Preparation of materials and workshop facilitation by consultants
13	Travel for 6 individuals per year for 4 years or a total of 24 international travel budgeted at US\$ 1,500 each.
14	Workshop venue costs
15	Bilateral and small focus group meetings
16	Project Manager and Finance /Admin Assistant
17	Audit
18	Independent final evaluation around six months prior to operational closure
19	National Consultant, for targeted trainings and capacity development of the MSDT staff, as well as a support to international independent evaluator
20	Local transportation for project supervision purposes
21	Sub-contract for organizing of Inception Workshop
22	National Consultant for compiling lessons learned and best practices from the project

#### Summary of Funds:

	Amount Year 1	Amount Year 2	Amount Year 3	Amount Year 4	Total
GEF	232,750	447,250	202,250	217,750	1,100,000
UNDP	4,000	4,000	4,000	28,000	40,000
Government	51,000	101,000	45,000	53,000	250,000
<b>TOTAL</b>	<b>287,750</b>	<b>552,250</b>	<b>251,250</b>	<b>298,750</b>	<b>1,390,000</b>

## **J. Legal Context**

225. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Montenegro and UNDP, signed on 15 December 2016. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

226. This project will be implemented by Ministry of Sustainable Development and Tourism as “Implementing Partner” in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Based on Article I, paragraph 2 of the SBAA, the UNDP’s assistance to the Government shall be made available and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of the UNDP’s Executive Board approved the new Financial Regulations and Rules and, along with them, the new definitions of ‘execution’ and ‘implementation’ enabling the UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG’s simplification and harmonization initiative.

227. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

228. The designation employed and presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

## **K. Risk Management**

229. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.

230. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

231. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).



232. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

233. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

- i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
- ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
- iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
- iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
- v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

- b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

234. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

235. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

236. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

237. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

238. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).

239. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

240. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit

and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

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

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

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

242. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

243. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

244. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

## **L. Annexes**

- A. Multi-Year Work Plan
- B. Output Budget
- C. GEF Tracking Tool (at baseline)
- D. Terms of References
- E. Stakeholder Engagement Plan
- F. Gender Analysis and Action Plan
- G. UNDP Social and Environmental Screening Procedure
- H. UNDP Risk Log
- I. UNDP Project Quality Assurance
- J. PCAT and HACT
- K. Co-Financing Letters
- L. References

## Annex A: Multi-Year Work Plan

\* The first three months of project implementation will be devoted to recruitment and setting up the project management unit

\*\* For the purposes of formatting, project outputs and activities have been abbreviated

Description		Year 1*											
		1	2	3	4	5	6	7	8	9	10	11	12
COMPONENT 1: Strengthening Active Stakeholder Engagement and Embedding MRV													
Outcome 1	A strengthened institutional mechanism for increased transparency												
Output 1.1	Strengthened governance, procedures, and technical capacities												
	Carry out an in-depth and participatory SWOT and gap analysis												
	Convene workshops to negotiate modifications to institutional arrangements												
	Negotiate and sign inter-agency memoranda of agreement												
Output 1.2	Transparency methodologies, procedures, and guidelines - Mitigation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.3	Transparency methodologies, procedures, and guidelines - Adaptation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.4	Transparency methodologies, procedures, and guidelines - Climate Finance												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
COMPONENT 2: Strengthening Capacities to Implement an Enhanced Transparency Framework													
Outcome 2	Strengthened national institutions to implement enhanced transparency												
Output 2.1	Improved GHG inventory and projections to demonstrate benefits of mitigation actions												
	Update needs assessment and recommendations on GHG inventory												
	Identification of various mitigation interventions applicable to Montenegro												
	Consultations and workshops for a consensus of targeted GHG indicators and models												
	Learning-by-doing trainings on the collection of data and information												
	Learning-by-doing trainings on the formulation of projection models and scenarios												
Output 2.2	Strengthened institutional capacity building for reporting on national adaptation activities												
	Updated identification and assessment of efforts to reporting on national adaptation												
	Consultations and workshops to debate the long-term impacts of adaptation efforts												
	Learning-by-doing trainings on the formulation of adaptation project concept proposals												
	Working groups to prepare improved national reports on adaptation efforts												
	Awareness-raising workshops on best practice adaptation efforts												
Output 2.3	Strengthened institutional capacity building to mainstream gender for enhanced transparency												

	Updated assessment of gender-disaggregated data needs			
	Awareness-raising and learning-by-doing workshops to mainstream gender-disaggregated data			
	Consultations to negotiate institutional improvements to mainstream gender			
<b>Outcome 3</b>	<b>Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework</b>			
<b>Output 3.1</b>	<b>Operative transparency portal</b>			
	Project formulation for structuring IT architecture of MRV portal			
	Procurement and installation of upgraded portal, including institutional linkages			
	Consultations to catalyze adoption of enhanced monitoring and compliance arrangements			
<b>Output 3.2</b>	<b>Trainings on using portal information for decision-making</b>			
	Collation and preparation of training materials to use portal			
	Learning-by-doing trainings on the use of the MRV portal			
	Preparation of final set of training and portal material			
<b>Output 3.3</b>	<b>Lessons learned and project results are shared</b>			
	International exchange and awareness-raising workshops			
	Lessons learned study prepared			
	Resource mobilization strategy for the long-term use of the portal			
<b>Outcome 4</b>	<b>A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>			
<b>Output 4.1</b>	<b>Technical roadmap Low Carbon Development Strategy is formulated</b>			
	Awareness-raising workshops on the best practices for low-carbon development			
	Draft roadmap prepared			
	Learning-by-doing workshops to finalize technical roadmap			
<b>Project Management</b>				
	<b>Project Board Meetings</b>			
	<b>Independent Terminal Evaluation</b>			

Description		Year 2											
		13	14	15	16	17	18	19	20	21	22	23	24
<b>COMPONENT A: Strengthening Active Stakeholder Engagement and Embedding MRV</b>													
<b>Outcome 1</b>	<b>A strengthened institutional mechanism for increased transparency</b>												
Output 1.1	Strengthened governance, procedures, and technical capacities												
	Carry out an in-depth and participatory SWOT and gap analysis												
	Convene workshops to negotiate modifications to institutional arrangements												
	Negotiate and sign inter-agency memoranda of agreement												
Output 1.2	Transparency methodologies, procedures, and guidelines - Mitigation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.3	Transparency methodologies, procedures, and guidelines - Adaptation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.4	Transparency methodologies, procedures, and guidelines - Climate Finance												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
<b>COMPONENT B: Strengthening Capacities to Implement an Enhanced Transparency Framework</b>													
<b>Outcome 2</b>	<b>Strengthened national institutions to implement enhanced transparency</b>												
Output 2.1	Improved GHG inventory and projections to demonstrate benefits of mitigation actions												
	Update needs assessment and recommendations on GHG inventory												
	Identification of various mitigation interventions applicable to Montenegro												
	Consultations and workshops for a consensus of targeted GHG indicators and models												
	Learning-by-doing trainings on the collection of data and information												
	Learning-by-doing trainings on the formulation of projection models and scenarios												
Output 2.2	Strengthened institutional capacity building for reporting on national adaptation activities												
	Updated identification and assessment of efforts to reporting on national adaptation												
	Consultations and workshops to debate the long-term impacts of adaptation efforts												
	Learning-by-doing trainings on the formulation of adaptation project concept proposals												
	Working groups to prepare improved national reports on adaptation efforts												
	Awareness-raising workshops on best practice adaptation efforts												
Output 2.3	Strengthened institutional capacity building to mainstream gender for enhanced transparency												
	Updated assessment of gender-disaggregated data needs												
	Awareness-raising and learning-by-doing workshops to mainstream gender-disaggregated data												

	Consultations to negotiate institutional improvements to mainstream gender	
<b>Outcome 3</b>	<b>Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework</b>	
<b>Output 3.1</b>	<b>Operative transparency portal</b>	
	Project formulation for structuring IT architecture of MRV portal	
	Procurement and installation of upgraded portal, including institutional linkages	
	Consultations to catalyze adoption of enhanced monitoring and compliance arrangements	
<b>Output 3.2</b>	<b>Trainings on using portal information for decision-making</b>	
	Collation and preparation of training materials to use portal	
	Learning-by-doing trainings on the use of the MRV portal	
	Preparation of final set of training and portal material	
<b>Output 3.3</b>	<b>Lessons learned and project results are shared</b>	
	International exchange and awareness-raising workshops	
	Lessons learned study prepared	
	Resource mobilization strategy for the long-term use of the portal	
<b>Outcome 4</b>	<b>A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>	
<b>Output 4.1</b>	<b>Technical roadmap Low Carbon Development Strategy is formulated</b>	
	Awareness-raising workshops on the best practices for low-carbon development	
	Draft roadmap prepared	
	Learning-by-doing workshops to finalize technical roadmap	
<b>Project Management</b>		
	<b>Project Board Meetings</b>	
	<b>Independent Terminal Evaluation</b>	



Description		Year 3												
		25	26	27	28	29	30	31	32	33	34	35	36	
COMPONENT A: Strengthening Active Stakeholder Engagement and Embedding MRV														
Outcome 1	A strengthened institutional mechanism for increased transparency													
Output 1.1	Strengthened governance, procedures, and technical capacities													
	Carry out an in-depth and participatory SWOT and gap analysis													
	Convene workshops to negotiate modifications to institutional arrangements													
	Negotiate and sign inter-agency memoranda of agreement													
Output 1.2	Transparency methodologies, procedures, and guidelines - Mitigation													
	Collation of background material and organization of workshops													
	Learning-by-doing workshops to negotiate texts													
Output 1.3	Transparency methodologies, procedures, and guidelines - Adaptation													
	Collation of background material and organization of workshops													
	Learning-by-doing workshops to negotiate texts													
Output 1.4	Transparency methodologies, procedures, and guidelines - Climate Finance													
	Collation of background material and organization of workshops													
	Learning-by-doing workshops to negotiate texts													
COMPONENT B: Strengthening Capacities to Implement an Enhanced Transparency Framework														
Outcome 2	Strengthened national institutions to implement enhanced transparency													
Output 2.1	Improved GHG inventory and projections to demonstrate benefits of mitigation actions													
	Update needs assessment and recommendations on GHG inventory													
	Identification of various mitigation interventions applicable to Montenegro													
	Consultations and workshops for a consensus of targeted GHG indicators and models													
	Learning-by-doing trainings on the collection of data and information													
	Learning-by-doing trainings on the formulation of projection models and scenarios													
Output 2.2	Strengthened institutional capacity building for reporting on national adaptation activities													
	Updated identification and assessment of efforts to reporting on national adaptation													
	Consultations and workshops to debate the long-term impacts of adaptation efforts													
	Learning-by-doing trainings on the formulation of adaptation project concept proposals													
	Working groups to prepare improved national reports on adaptation efforts													
	Awareness-raising workshops on best practice adaptation efforts													
Output 2.3	Strengthened institutional capacity building to mainstream gender for enhanced transparency													
	Updated assessment of gender-disaggregated data needs													
	Awareness-raising and learning-by-doing workshops to mainstream gender-disaggregated data													

Consultations to negotiate institutional improvements to mainstream gender		
<b>Outcome 3</b>	<b>Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework</b>	
<b>Output 3.1</b>	<b>Operative transparency portal</b>	
	Project formulation for structuring IT architecture of MRV portal	
	Procurement and installation of upgraded portal, including institutional linkages	
	Consultations to catalyze adoption of enhanced monitoring and compliance arrangements	
<b>Output 3.2</b>	<b>Trainings on using portal information for decision-making</b>	
	Collation and preparation of training materials to use portal	
	Learning-by-doing trainings on the use of the MRV portal	
	Preparation of final set of training and portal material	
<b>Output 3.3</b>	<b>Lessons learned and project results are shared</b>	
	International exchange and awareness-raising workshops	
	Lessons learned study prepared	
	Resource mobilization strategy for the long-term use of the portal	
<b>Outcome 4</b>	<b>A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>	
<b>Output 4.1</b>	<b>Technical roadmap Low Carbon Development Strategy is formulated</b>	
	Awareness-raising workshops on the best practices for low-carbon development	
	Draft roadmap prepared	
	Learning-by-doing workshops to finalize technical roadmap	
<b>Project Management</b>		
	<b>Project Board Meetings</b>	
	<b>Independent Terminal Evaluation</b>	

Description		Year 4											
		37	38	39	40	41	42	43	44	45	46	47	48
<b>COMPONENT A: Strengthening Active Stakeholder Engagement and Embedding MRV</b>													
<b>Outcome 1</b>	<b>A strengthened institutional mechanism for increased transparency</b>												
Output 1.1	Strengthened governance, procedures, and technical capacities												
	Carry out an in-depth and participatory SWOT and gap analysis												
	Convene workshops to negotiate modifications to institutional arrangements												
	Negotiate and sign inter-agency memoranda of agreement												
Output 1.2	Transparency methodologies, procedures, and guidelines - Mitigation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.3	Transparency methodologies, procedures, and guidelines - Adaptation												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
Output 1.4	Transparency methodologies, procedures, and guidelines - Climate Finance												
	Collation of background material and organization of workshops												
	Learning-by-doing workshops to negotiate texts												
<b>COMPONENT B: Strengthening Capacities to Implement an Enhanced Transparency Framework</b>													
<b>Outcome 2</b>	<b>Strengthened national institutions to implement enhanced transparency</b>												
Output 2.1	Improved GHG inventory and projections to demonstrate benefits of mitigation actions												
	Update needs assessment and recommendations on GHG inventory												
	Identification of various mitigation interventions applicable to Montenegro												
	Consultations and workshops for a consensus of targeted GHG indicators and models												
	Learning-by-doing trainings on the collection of data and information												
	Learning-by-doing trainings on the formulation of projection models and scenarios												
Output 2.2	Strengthened institutional capacity building for reporting on national adaptation activities												
	Updated identification and assessment of efforts to reporting on national adaptation												
	Consultations and workshops to debate the long-term impacts of adaptation efforts												
	Learning-by-doing trainings on the formulation of adaptation project concept proposals												
	Working groups to prepare improved national reports on adaptation efforts												
	Awareness-raising workshops on best practice adaptation efforts												
Output 2.3	Strengthened institutional capacity building to mainstream gender for enhanced transparency												
	Updated assessment of gender-disaggregated data needs												
	Awareness-raising and learning-by-doing workshops to mainstream gender-disaggregated data												

	Consultations to negotiate institutional improvements to mainstream gender	
<b>Outcome 3</b>	<b>Strengthened coordination and information exchange is institutionalized with an enhanced transparency framework</b>	
<b>Output 3.1</b>	Operative transparency portal	
	Project formulation for structuring IT architecture of MRV portal	
	Procurement and installation of upgraded portal, including institutional linkages	
	Consultations to catalyze adoption of enhanced monitoring and compliance arrangements	
<b>Output 3.2</b>	Trainings on using portal information for decision-making	
	Collation and preparation of training materials to use portal	
	Learning-by-doing trainings on the use of the MRV portal	
	Preparation of final set of training and portal material	
<b>Output 3.3</b>	Lessons learned and project results are shared	
	International exchange and awareness-raising workshops	
	Lessons learned study prepared	
	Resource mobilization strategy for the long-term use of the portal	
<b>Outcome 4</b>	<b>A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>	
<b>Output 4.1</b>	Technical roadmap Low Carbon Development Strategy is formulated	
	Awareness-raising workshops on the best practices for low-carbon development	
	Draft roadmap prepared	
	Learning-by-doing workshops to finalize technical roadmap	
<b>Project Management</b>		
	<b>Project Board Meetings</b>	
	<b>Independent Terminal Evaluation</b>	

## Annex B: Output Budget

<b>COMPONENT 1: Strengthening Active Stakeholder Engagement and Embedding MRV</b>	<b>255,000</b>	<b>60,000</b>	<b>315,000</b>
<b>Outcome 1: A strengthened institutional mechanism for increased transparency</b>	<b>255,000</b>	<b>60,000</b>	<b>315,000</b>
1.1: Strengthened governance, procedures, and technical capacities	75,000	15,000	90,000
1.2: Transparency methodologies, procedures, and guidelines - Mitigation	60,000	15,000	75,000
1.3: Transparency methodologies, procedures, and guidelines - Adaptation	60,000	15,000	75,000
1.4: Transparency methodologies, procedures, and guidelines - Climate Finance	60,000	15,000	75,000
<b>COMPONENT 2: Strengthening Capacities to Implement an Enhanced Transparency Framework</b>	<b>746,000</b>	<b>190,000</b>	<b>936,000</b>
<b>Outcome 2: Strengthened national institutions to implement enhanced transparency</b>	<b>305,000</b>	<b>100,000</b>	<b>405,000</b>
2.1: Improved GHG inventory and projections to demonstrate benefits of mitigation actions	120,000	40,000	160,000
2.2: Strengthened institutional capacity building for reporting on national adaptation activities	125,000	40,000	165,000
2.3: Strengthened institutional capacity building to mainstream gender for enhanced transparency	60,000	20,000	80,000
<b>Outcome 3: Strengthened Coordination and Information Exchange is institutionalized with an Enhanced Transparency Framework</b>	<b>321,000</b>	<b>60,000</b>	<b>381,000</b>
3.1: Operative transparency portal	131,000	25,000	156,000
3.2: Trainings on using portal information for decision-making	95,000	20,000	115,000
3.3: Lessons learned and project results are shared	95,000	15,000	110,000
<b>Outcome 4: A technical roadmap on low-carbon and climate-resilient development is formulated and adopted</b>	<b>120,000</b>	<b>30,000</b>	<b>150,000</b>
4.1: Technical roadmap Low Carbon Development Strategy is formulated	120,000	30,000	150,000
<b>PROJECT MANAGEMENT</b>	<b>99,000</b>	<b>40,000</b>	<b>139,000</b>
Project Management and Finance/Administrative Assistant	91,000		91,000
International Terminal Evaluation Consultants		20,000	20,000
National Terminal Evaluation Consultant and National Expert(s) for targeted training and capacity development of MSDT staff		18,000	18,000
Project Finance Audit	8,000		8,000
Travel		2,000	2,000
<b>PROJECT TOTAL</b>	<b>1,100,000</b>	<b>290,000</b>	<b>1,390,000</b>

## Annex C: GEF Tracking Tool

### Section A. General Data

	At CEO Endorsement	
Project Title	Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework	
GEF ID	10021	
GEF Agency	UNDP	
Agency Project ID	6225	
Country	Montenegro	
Region	RBEC	
Date of Council/CEO Approval	18 May 2018	
GEF Grant (US\$)	1,100,000	
Date of submission of the tracking tool	April 5, 2019	
Is the project consistent with the priorities identified in National Communications, Technology Needs Assessment, or other Enabling Activities (such as Technology Action Plans, Nationally Appropriate Mitigation Actions (NAMA) under the UNFCCC?		Yes (1)

### Section B. Quantitative Outcome Indicators: Target at CEO Endorsement

Indicator 1: Total Lifetime Direct and Indirect GHG Emissions Avoided (Tons CO <sub>2</sub> eq)		Identify Sectors, Sources and Technologies. Provide disaggregated information if possible. see Special Notes above
Lifetime direct GHG emissions avoided	N/A	N/A
Lifetime indirect GHG emissions avoided	N/A	N/A
Indicator 2: Level of investment mobilized and leveraged by GEF for low GHG development (co-financing and additional financing) of which		Expected additional resources imply resources beyond co-financing committed at CEO endorsement.
Public	US\$ 250,000	None expected
Private	0	None expected
Domestic	0	None expected
UNDP Montenegro	US\$ 40,000	None expected

### Section C. Qualitative Outcome Indicators

<b>Indicator 3: Quality of MRV Systems</b>	<b>Baseline Rating (1-10)</b>	<b>Target Rating (1-10)</b>	<b>Provide details of coverage of MRV systems - area, type of activity for which MRV is done, and of Reporting and Verification processes. Baseline indicates current status (pre-project), Target is the rating level that is expected to be achieved due to project support.</b>
<ul style="list-style-type: none"> <li>Output 2.1: Improved GHG inventory and projections</li> <li>Output 3.1: Transparency portal is strengthened and made fully operative</li> </ul>	3	4	Montenegro currently benefits from a rudimentary MRV system and a short complement of staff that are trained in collecting data for the GHG inventory and making projections. Through a number of donor funded projects, in particular the GEF, EU, and the Government of Hungary, capacities have been incrementally improving through learning-by-doing exercises to strengthen the GHG inventory, using a pilot MRV system, and preparing national communications (the Third currently under preparation) and biennial update reports (the Second recently completed) to the UNFCCC
<b>Indicator 4: Number of countries meeting Convention reporting requirements and including mitigation contributions</b>			<b>Please specify the dates of submission for each report (for a multiple country project, please specify reports by country)</b>
National Communications	Second National Communication		28 May 2015
Biennial Update Reports	First Biennial Update Report		13 January 2016
NDC	N/A		N/A
Other	Second Biennial Update Report		Completed March 2019, but formally submitted at the time of this project document formulation
Other	Third National Communication		Submitted to UNFCCC in October 2020
<b>Indicator 5: Qualitative assessment of institutional capacity for transparency-related activities</b>	<b>Baseline Rating (1-4)</b>	<b>Target Rating (1-4)</b>	<b>CBIT projects will monitor an additional indicator for qualitative assessment of institutional capacity built for transparency-related activities under Article 13 of the Paris Agreement. Baseline indicates current status (pre-project), Target is the rating level that is expected to be achieved due to project support.</b>
Directorate for Climate Change, Ministry of Sustainable Development and Tourism	2	3	The Government has designated a transparency institution and set up working mechanisms (e.g., Working Group on Mitigation and Adaptation) that provide advice to decision-makings. However, the staff complement is very small and whose absorptive capacities are stretched because of new and additional transparency requirements, among other evolving demands

## Annex D: Overview of Technical Consultancies

Consultant	Rate (per week)	Weeks	Tasks, Inputs and Outputs
For Project Management / Monitoring & Evaluation			
Local / National contracting			
Project Manager	500	97	A portion of the consultant’s time will be allocated to the overall management of the project, including the mobilization of all project inputs, supervision over project staff, consultants and sub-contractors. An Administrative/Finance Assistant will be recruited to provide part-time support to the Project Manager, including support to organizing meetings, procurement support, and financial reporting. An auditor will be recruited to carry an independent audit of the records once per year per UNDP procedures
Administrative/Finance Assistant	300	95	
Auditor	1,000	4	
International contracting			
International Evaluation Specialist	2,500	8	He/she will carry out an independent evaluation of the project within six months of project operational closure.
For Technical Assistance			
Outcome 1			
Local / National contracting			
Climate Change Mitigation Specialist	1,250	36.8	The CC Mitigation Specialist will provide technical support to various activities that will help strengthen an institutional mechanism for increased transparency, which includes carrying out a SWOT and gap analysis of best institutional practices, support negotiations to adopt improved institutional arrangements, facilitate learning-by-doing workshops to draft texts on methodologies, procedures and guidelines pertaining to transparency
Climate Change Adaptation Specialist	1,250	36.8	The CC Adaptation Specialist will provide technical support to various activities that will help strengthen an institutional mechanism for increased transparency, which includes carrying out a SWOT and gap analysis of best institutional practices, support negotiations to adopt improved institutional arrangements, facilitate learning-by-doing workshops to draft texts on methodologies, procedures and guidelines pertaining to transparency
Climate Finance Specialist	1,250	36.8	The CC Finance Specialist will provide technical support to various activities that will help strengthen an institutional mechanism for increased transparency, which includes carrying out a SWOT and gap analysis of best institutional practices, support negotiations to adopt improved institutional arrangements, facilitate learning-by-doing workshops to draft texts on methodologies, procedures and guidelines pertaining to transparency



Consultant	Rate (per week)	Weeks	Tasks, Inputs and Outputs
<b>Outcome 1</b>			
<b>Local / National contracting</b>			
Specialist on Gender and Climate Change	1,000	12.8	The CC Gender Specialist will play an important role to facilitate the mainstreaming of gender issues into all aspects of methodologies, procedures, guidelines for increased transparency, including institutional best practices and opportunities for gender equity through climate change action
Specialist on the Legal Implications of Climate Change Policy	1,250	24.8	The Legal Specialist will play an important to bring to bear issue of legal consequence and potential impact as they pertain to climate change. He/she will also support the legal consultations to structure agreed improvements as they pertain to institutional mechanisms for increased transparency
English Trainer/Interpreter/Translator	500	22.4	The English translator/interpreter will be critical during the learning-by-doing workshops and key meetings in order that the technical jargon association with climate change, in particular mitigation, adaptation, finance, and MRV are sufficient understood. In the absence of this technical support, the absorptive capacity throughout the project will be seriously limited due to the majority of best practice guidance being only available in English.
<b>Outcome 2</b>			
<b>Local / National contracting</b>			
Climate Change Mitigation Specialist	1,250	42	The Specialist will provide technical inputs to identifying options for improving the GHG inventory through improved data collection, as well as facilitating learning-by-doing workshops on various mitigation interventions and formulation of projections and scenarios
Climate Change Adaptation Specialist	1,250	49.2	The Specialist will provide technical inputs into the assessment and identification of efforts to improve reporting on adaptation as well as learning-by-doing workshops to formulation adaptation concept notes
Climate Finance Specialist	1,250	26.2	This Specialist will work with the Mitigation and Adaptation specialists to provide technical inputs to incorporate relevant aspects of climate finance into the work on mitigation and adaptation, as well as the learning-by-doing workshops
Specialist on Gender and Climate Change	1,000	17	The Gender Specialist will play an important role to catalyze the mainstreaming of gender within the context of the learning-by-doing workshops on training for the collection of data and information, formulation of projections, scenarios, and adaptation concept notes, and improved reporting on adaptation efforts
Specialist on the Legal Implications of Climate Change Policy	1,250	1	The Legal Specialist will provide some support to review relevant texts pertaining to the recommended institutional improvements to ensure coherence with existing legal instruments and policies.
English Trainer/Interpreter/Translator	500	12	The English translator/interpreter will be critical during the learning-by-doing workshops and key meetings in order that the technical jargon association with climate change, in particular mitigation, adaptation, finance, and MRV are sufficient understood. This particular outcome includes aspects of gender mainstreaming issues, technical aspects of data collection for the GHG inventory, formulation of projections and scenarios, and reporting.

Consultant	Rate (per week)	Weeks	Tasks, Inputs and Outputs
<b>Outcome 3</b>			
<b>Local / National contracting</b>			
Climate Change Mitigation Specialist	1,250	32.8	The Climate Change Mitigation Specialist will work with the Information Technology Specialist to structure the IT architecture of the MRV Portal so that it has a seamless interface with other management information systems that are being operated in MSDT.
Climate Change Adaptation Specialist	1,250	32.6	The Climate Change Adaptation Specialist will also work with the Information Technology Specialist to structure the IT architecture of the MRV Portal so that it has a seamless interface with other management information systems that are being operated in MSDT.
Climate Finance Specialist	1,250	12.4	The Climate Change Finance Specialist will provide some inputs to the work of the Information Technology Specialist to structure the IT architecture of the MRV Portal in order that it can accommodate the relevant climate finance data within the MRV Portal. He/she will also facilitate consultations to mobilize important financial resources to ensure the long-term operation and maintenance of the MRV Portal.
Specialist on Gender and Climate Change	1,000	3	The Gender Specialist will also provide input to the work the Information Technology Specialist in order that the MRV Portal can easily track gender issues in meaningful ways.
Specialist on the Legal Implications of Climate Change Policy	1,250	0	Not Applicable
English Trainer/Interpreter/Translator	500	3	The English translator/interpreter will be critical during the learning-by-doing workshops on the use of the MRV Portal
Information Technology Specialist	1,250	35.8	The Information Technology Specialist will take the lead in structuring the IT architecture of the MRV Portal in order that it connects seamlessly with other management information systems housed with the MSDT. He/she will also look further afield to, as appropriate; strengthen networks with other national institutions, thus allowing for increased synergy, improved partnerships, and awareness of key compliance measures.

Consultant	Rate (per week)	Weeks	Tasks, Inputs and Outputs
<b>Outcome 4</b>			
<b>Local / National contracting</b>			
Climate Change Mitigation Specialist	1,250	12.8	The Specialist will facilitate awareness-raising and learning-by-doing workshops to prepare a technical roadmap for the strategic and cost-effective implementation of Montenegro's low carbon development strategy currently under formulation
Climate Change Adaptation Specialist	1,250	12.8	The Specialist will facilitate awareness-raising and learning-by-doing workshops to prepare a technical roadmap for the strategic and cost-effective implementation of Montenegro's low carbon development strategy currently under formulation
Climate Finance Specialist	1,250	12.4	The Specialist will facilitate awareness-raising and learning-by-doing workshops to prepare a technical roadmap for the strategic and cost-effective implementation of Montenegro's low carbon development strategy currently under formulation
Specialist on Gender and Climate Change	1,000	5.4	The Gender Specialist will provide strategic inputs into the process of mainstreaming gender into the LCDS
Specialist on the Legal Implications of Climate Change Policy	1,250	5.6	The Legal Specialist will provide important inputs into the formulation of the roadmap to ensure that it remains compliant with existing policies and laws.
English Trainer/Interpreter/Translator	500	8.2	The English translator/interpreter will be critical during the learning-by-doing workshops to finalize the LCDS technical roadmap
Information Technology Specialist	1,250	0	Not applicable

## **Annex E: Terms of References**

At the start of project implementation, detailed terms of references will be prepared. The implementation of the project will be supported by the following institutional arrangements and personnel.

### **Project Board**

The Project Board will be constituted at the start of project implementation, at which time its membership will be confirmed. The Chair of the Project Board will be the Ministry of Sustainable Development and Tourism, with representation from other key government bodies (see Annex E). The constitution of the Project Board will take into account the membership of the Project board currently constituted for the UNDP/GEF Project that is preparing the Third National Communication to the UNFCCC as well as the membership of the Working Group on Mitigation and Adaptation in order that there is an appropriate amount of synergy between the two mechanisms.

The Project Board will be responsible for making management decisions by consensus when guidance is required by the Project Manager, including recommendations for Implementing Partner (IP) approval of project plans and revisions. In order to ensure IP's accountability, decisions will be made in accordance with standards that will ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. In the event that a consensus can not be reached within the Board, the final decision will rest with the UNDP Programme Manager. Project Board meetings will be organized at least twice per year, with additional meetings as necessary.

### **National Project Director**

The Government of Montenegro, through the Ministry of Sustainable Development and Tourism, will appoint a national project director for this UNDP-supported project. He/she will support the project and acts as a focal point on the part of the Government. This responsibility normally entails ensuring effective communication between partners and monitoring of progress towards expected results. The National Project Director is the party that represents the Government's ownership and authority over the project, responsibility for achieving project objectives and the accountability to the Government and UNDP for the use of project resources. In consultation with UNDP, the Office of the Environment, as the concerned department, will designate the National Project Director from among its staff at not lower than the Deputy Minister or Head of Department level. The National Focal Point will be supported by a Project Manager. The duties and responsibilities of the National Project Director include, but are not limited to:

The National Project Director will have the following duties and responsibilities:

- a. Facilitate the work of the Implementing Partner for the successful execution and implementation of the project, e.g., proving access and facilitating government active engagement in project activities
- b. Ensure that all Government inputs committed to the project are made available;
- c. Represent the Government institution (national counterpart) at the tripartite review project meetings, and other stakeholder meetings.

### **Remuneration and entitlements:**

The National Project Director may not receive monetary compensation from project funds for the discharge of his/her functions.

### **Project Manager**

From the strategic point of view of the Project, the Project Manager will report on a periodic basis to the Project Steering Committee (Project Board), based on the Project Director's instruction. Generally, the Project Manager will support the Project Director who will be responsible for meeting government obligations under the Project, under the National Implementation Modality.

The Project Manager will run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Project Board. The Project Manager will be responsible for the overall management of the Project, including the mobilization of all project inputs, supervision over project staff,

consultants and sub-contractors. He/she will oversee the organization and carrying out of various project activities as well as various monitoring and reporting obligations.

The Project Manager will perform a liaison role with the government, UNDP and other UN agencies, civil society, and project partners, and maintain close collaboration with other donor agencies providing co-financing. He/she will be supported by technical experts that will be recruited through the technical components of the project.

#### **Administrative/Finance Assistant**

This Assistant will be recruited to support the Project Manager in the carrying out of his/her duties. This will include collecting and compiling the necessary information for meetings, arrange meetings and take minutes/notes, and provide any necessary back-services for the project team. He/she will, among other functions, draft routine correspondence and communications, maintaining day-to-day communication with UNDP Operation as well as support the financial and administrative management of the project. He/she will support certain management duties as they relate to procurement, payments, and financial monitoring and reporting. The Assistant will help carry out those organizational and logistical tasks as they relate to project execution per UNDP guidelines and procedures.

#### **Climate Change Mitigation Specialist**

The Climate Change Mitigation Specialist will provide technical advisory services in the area of climate change mitigation, in particular the development of methodologies, procedures, and guidelines for mitigation and the technical facilitation of the learning-by-doing workshops to adapt these to the Montenegrin context. He/she will also help identify and support the collection and calculation of relevant indicators for the MRV portal. This specialist will undertake those sets of tasks related to identifying mitigation interventions applicable to Montenegro, new GHG indicators applicable to the new transparency framework, and facilitating expert and stakeholder consultations and workshops. The Specialist will also be responsible for drafting the technical roadmap of the low-carbon development strategy and finalizing it on the basis of his/her facilitation of expert and stakeholder consultations and workshops.

#### **Climate Change Adaptation Specialist**

The Climate Change Adaptation Specialist will provide technical advisory services in the area of best practice adaptation options from the impacts of climate change. He/she will facilitate learning-by-doing workshops to identify and formulate methodologies, procedures, and guidelines that are most relevant to demonstrate compliance to new transparency under the Montenegrin context. He/she will also contribute to the data and information needs that would help fill gaps in the GHG inventory, including other associated indicators that are not necessarily GHG emissions, for inclusion in the MRV portal. The Specialist will contribute to the drafting the technical roadmap of the low-carbon development strategy that will be led by the Climate Change Mitigation Specialist.

#### **Climate Finance Specialist**

Through a similar process to that of the two other Climate Change Specialists, The Climate Finance Specialist will provide technical advisory services for the activities that set out to identify and formulate new methodologies, procedures, and guidelines to track financial resources that contribute to the pursuit of a low-carbon and climate resilient economy. He/she will facilitate learning-by-doing workshops for stakeholders to collect and calculate appropriate indicators that can be tied to the impacts of climate change, and as appropriate, linked to GHG emissions by sector. This Specialist will also draft a resource mobilization strategy that will help improve opportunities for ensuring the financial sustainability of the MRV Portal and the long-term operability of the associated technology and training needs

#### **Specialist on Gender and Climate Change**

The Gender and Climate Change Specialist will play a key facilitating role in the implementation of Output 2.3 that will strengthen institutional capacities to mainstream gender for enhanced transparency. For example, he/she will provide inputs to the development and choices of methodologies, procedures, and guidelines as they relate to appropriately mainstreaming gender in mitigation, adaptation, and climate finance. The

Specialist will also provide technical inputs to the other project activities, including but not limited to the development of SMART indicators to be included in the GHG inventory. In consultation with the project management team, he/she will also help ensure that an appropriate balance of gender be reflected in the various learning-by-doing exercises of the project, in particular on the technical aspects of calculating new and improved climate indicators.

### **Specialist on the Legal Implications of Climate Change Policy**

An important specialist need of the project will be the recruitment of an individual with legal expertise with particular qualifications and experience in drafting and interpreting legal instruments pertaining to climate change. This individual should be able to provide specific guidance on the interpretation of national and international policy and law as they may inform the application of methodologies, procedures and guidelines in the pursuit of mitigation and adaptation options, the legal implications and opportunities of climate finance mobilization, and the long-term institutionalization of a robust MRV Portal. This support will include legal interpretation of the work under the project to meet new transparency requirements under Article 13 of the Paris Agreement as well as the EU's Monitoring Mechanism Regulation and Emissions Trading Scheme.

### **Information Technology Specialist**

An information technology specialist will be recruited to oversee the connectivity of the MRV portal with MSDT's existing information management systems. He/she will oversee the procurement of the technological hardware and software for its installation. Under the supervision of the Project Coordinator, he/she will work with Climate Change specialists, as well as with the relevant information technology managers in the different MSDT departments to network the MRV portal with their information systems. The specialist will apply technical expertise to the implementation, monitoring, and maintenance of the MRV portal. With at least five (5) years' of work experience, the specialist will have an advanced degree in information technology, including network analysis, system administration, security and information assurance, IT audit, database administration, and web administration.

### **English Trainer/Interpreter/Translator**

This Trainer is a key consultant to support the learning-by-doing workshops where many of the technical background documents are written in English. For each of the workshops, the Trainer will provide support for participants to better understand these technical papers through the use of specially made glossaries and materials.

### **Independent Terminal Evaluation Specialist**

The international evaluation consultant will be an independent expert that is contracted to assess the extent to which the project has met project objectives as stated in the project document and produced cost-effective deliverables. The consultant will make an assessment of progress achieved using the GEF Tracking Tool.

The Terms of Reference for the International Evaluation Consultant will follow the UNDP/GEF policies and procedures, and together with the final agenda will be agreed upon by the UNDP/GEF RCU, UNDP Country Office and the Project Team. The final report will be cleared and accepted by UNDP (Country Office and Regional Coordination Unit) before being made public.

## Annex F: Stakeholder Engagement Plan

The key stakeholders and brief description of their engagement in the project design and preparation is provided in the Table below.

Stakeholder	Role in CBIT project
Ministry of Sustainable Development and Tourism	<ul style="list-style-type: none"> <li>• Directorate for Climate change is the focal point of the UNFCCC, and, on behalf of the Ministry of Sustainable Development and Tourism, is responsible for overseeing activities related to climate issues in Montenegro. It is thus in charge of the elaboration of climate change policy, the national adaptation plan, the GHG inventory, MRV activities and reporting to the UNFCCC. The role of the DCC will be the overall coordination of the activities defined by the project, the design of the transparency framework implementation and ensuring efficient communication with the other stakeholders. For example, particular attention will be given to formalizing lines of communication between and among key and other relevant government agencies, namely the particularly Ministry of Economy (ME), Ministry of Agriculture and Rural Development (MARD), Environment and Nature Protection Agency (ENPA), State Statistical Office (MONSTAT), Institute for Hydrometeorology and Seismology (IHMS), Institute for Public Health (IPH). A number of workshops and roundtable discussions will be organized with parliamentarians, with the involvement of other stakeholders, such as Government agencies, academia, CSOs, journalists. This should result in improved integration of climate change considerations into other sectorial policies and plans and will lead to the improved implementation of the overall climate change policy. The MSDT will take the leading role in the WGMA work under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation), be involved in all training activities and climate awareness, and play a key role in the portal integration of the data, methodologies and tools generated through this GEF/CBIT. As the first user of the envisioned transparency portal, DCC technical experts will play a key role in making the platform user-friendly. Their experts will be trained in data quality improvement, evaluation, monitoring and reporting of adaptation actions, involvement gender in adaptation actions</li> <li>• The Environment and Nature Protection Agency (ENPA), currently in MSDT, is in charge of the GHG inventory development. ENPA's role in the project will be as part of the coordination system for public institutions. Members will be trained in data collection and data quality improvement, implementation of Quality Assurance/Quality Control procedures and uncertainty assessments. The ENPA experts will be involved in standardizing the format for data, requesting development and setting up the LCDS framework.</li> <li>• The sector in charge of environmental IT within MSDT will generate part of the coordination system for public institutions to be established under Outcome 2.1. The IT experts will be trained on how to insert, use and share data to the portal.</li> <li>• The Directorate for Waste Management and Communal Development is in charge of the country's waste policy. Its expertise will be important in designing, strengthening the functioning of the WGMA under component 1 and part of component 2 (the transparency portal development and the LCDS framework preparation). The waste experts will be trained in waste data quality improvement and supply, the use of tools for GHG projections in waste sector,</li> </ul>

	<p>gender involvement in waste planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</p> <ul style="list-style-type: none"> <li>• The Directorate for EU Integration and International Cooperation is in charge of climate finance of the country, the GEF, the GCF, and the focal point for the Adaptation Fund. Its expertise will be important for the work of the WGMA under component 1, as well as some work on component 2 (the transparency portal development and the LCDS framework preparation).</li> <li>• In addition to the specific government agencies mentioned above, the MSDT will pay particular attention to engaging representatives from Parliament, NGOs, local communities, local authorities, research institutions, international organizations, business community, women and youth groups, mass-media in order to catalyze stakeholders' active contribution to scientific, technological, and innovative initiatives.</li> </ul>
Ministry of Economy	<ul style="list-style-type: none"> <li>• Directorate for Energy is in charge of energy policy of the country. Thereby, its expertise will be important in the work of the WGMA the under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation). The energy experts will be trained in energy data quality improvement and supply, the use of tools for GHG projections in the energy sector, gender involvement in energy planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> <li>• The Directorate for Industry and Entrepreneurship is in charge of industrial policy of the country. Thereby, its expertise will be important in the work of the WGMA under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation). The industry experts will be trained in industry data quality improvement and supply, the use of tools for GHG projections in the industry sector, gender involvement in industrial planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> </ul>
Ministry of Rural Development and Agriculture	<ul style="list-style-type: none"> <li>• The Directorate for Agriculture is in charge of agricultural policy of the country. Thereby, its expertise will be important in the work of the WGMA under component 1, as well as through the work on component 2 the transparency portal development and the LCDS framework preparation). The agricultural experts will be trained in agriculture data quality improvement and supply, the use of tools for GHG projections in the agriculture sector, gender involvement in agricultural planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> <li>• The Directorate for Forestry is in charge of forest policy of the country. Thereby, its expertise will be important in the work of the WGMA under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation). The forestry experts will be trained in forestry data quality improvement and supply, the use of tools for GHG projections in forestry sector, gender involvement in forestry planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> </ul>



MONSTAT – State Statistical Office	<ul style="list-style-type: none"> <li>• The institution in charge of state statistics. Due to its significant reach to generate data on a national level, it will be the main partner to process and supply data for GHG inventory calculation and to develop the gender database. Staff will be trained in data quality improvement and data processing for GHG inventory calculation, in the use of an advanced gender data gathering tool, set-up gender indicators and establishment of gender database. During project implementation, discussions and negotiations will result in the best appropriate decisions on who and how MONSTAT will provide information to.</li> </ul>
Ministry of Internal Affairs	<ul style="list-style-type: none"> <li>• The Directorate for Emergency is in charge of Disaster Risk Reduction. Its expertise will be important in the work of the WGMA under component 1. The MIA experts will be trained in data quality improvement, evaluation, monitoring and reporting of adaptation actions.</li> </ul>
Institute for Public Health	<ul style="list-style-type: none"> <li>• The institution in charge of public health. Thereby, its expertise will be important in the work of the WGMA under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation). The IPH experts will be trained in data quality improvement, evaluation, monitoring and reporting of adaptation actions, and involvement of gender in adaptation actions.</li> </ul>
Academia, universities, scientific institutions	<ul style="list-style-type: none"> <li>• The expertise of these non-state actors will play an important role in all activities concerning capacity building and participative processes under both components. They will also be represented in the WGMA. To date, the University of Montenegro (UoM) has been most involved in climate change activities, whereas the University of Donja Gorica (UDG) has also been involved with the Council. The UDG recently established The Center for Climate Change, Natural Resources and Energy (CCCRNE), which is another important stakeholder.</li> </ul>
NGO sector	<ul style="list-style-type: none"> <li>• The Coalition 27 (20 associated NGOs) is conceived as an open platform for joint monitoring and participation of civil society organizations in the process of representation and promotion of European attainments in the field of environment and climate change in Montenegro. The coalition will contribute to the quality and transparency of the negotiation process through its activities, and in the long run, to institutional capacity building for those taking care of the environment. The aim of the coalition is to contribute to the quality, transparency and faster implementation of EU requirements under Negotiating Chapter 27. Its expertise will take important role in all activities concerning WGMA and participative processes under both components.</li> </ul>
Business sector	<ul style="list-style-type: none"> <li>• Being part of the WGMA, through representatives of Montenegro Business Alliance (MBA) and Union of Employers, business sector will be involved in the information exchange about all project outputs and activities.</li> <li>• In addition, Chamber of Economy will be involved in the design of relevant MPGs and relevant specific trainings, especially in the context of MRV and possible more ambitious NDC targets.</li> </ul>

## **Annex G: Gender Analysis and Action Plan**

On a national scale, robust efforts are being made to meet the needs of vulnerable populations, including women. The Action Plan for Achieving Gender Equality (2013-2017) was recently implemented. Besides the Action Plan, various studies related to the status of women in Montenegro have been produced in recent years, including the socio-economic status of women in Montenegro and women in politics.

Montenegro generally has a good legislative framework that ensures gender equality and equal access to opportunities. It also developed the appropriate institutional framework in order to promote gender equality, based on national legislation and the international instruments on human rights, as well as other legal documents of the UN, CoE, EU and other international organizations concerned with equality between women and men.

It is important to point out that the Gender Equality Committee of the Parliament of Montenegro and the Office for Gender Equality have both been established, and there is also an institute of the Ombudsman. However, there is no ultimate political will to empower women and achieve gender equality. The resources allocated are symbolic. There is still a lack of personal sensibility and existence of stereotypical gender regimes of skilled workers, judges, prosecutors and other responsible actors, which is caused by the continuous problem in the implementation of law.

In addition, the UNDP's Country Office in Montenegro, in collaboration with the Government of Montenegro, has identified the following priority areas for intervention that were listed in the Montenegro's Action Plan for Achieving Gender Equality 2017-2021.

A regional workshop held in the Republic of North Macedonia in December 2017 with the support of the CBIT Global Support Programme facilitating learning-by-doing integration of gender considerations into MRV/transparency processes in the Western Balkan Countries. This produced a preliminary draft gender action plan (See below).

Through the GEF/CBIT funds and in particular through output 2.1.3., Montenegro will establish long and short-term planning for integration of gender and climate considerations, build technical skills for gender data differentiation, improve statistical infrastructure (sampling frames, classifications, documented concepts, definitions and methods) and establish sex-disaggregated data management (archiving, analysis, and dissemination).

Based on high-quality, robust gender disaggregated data, the WGMA will be able to make well-informed policy planning decisions that consider differences in gender, and thus better inform climate action.

Preliminary Draft Gender Action Plan on Climate MRV (December 2017)

Objective	Activity	Responsible Institution	Timeframe	Budget Source	Indicator
Improve climate change (CC) related legislation framework with gender perspective	Mainstream gender into the draft Law on CC	Ministry for Sustainable Development and Tourism (MSDT) – Directorate for Climate Change (DCC), in cooperation with working group on law preparation and Ministry for Human Rights (MHR)	II quarter of 2019	DCC + UNDP + EU	Law adopted in National Parliament
	Mainstreaming gender into related by-laws to be developed	MSDT – DCC, in cooperation with MHR	Six months from law adoption – 2020/2021	CBIT?	By-laws adopted
	Mainstream gender into National Climate Change Strategy (NCCS) and Low Carbon Development Strategy	MSDT - DCC	Revision of NCCS planned for 2020.	CBIT + IPA	Revised NCCS mainstreamed with gender component
	Update National Gender Strategy with Climate Change related issues	MHR, in cooperation with DCC			CC mainstreamed within the National Gender Strategy
Strengthen national institutions to mainstream gender into the climate change transparency framework	Assessment of relevant national capacities and needs	DCC and UNDP	2021	CBIT?	Assessment with recommendations for improvements developed
	Set of trainings on CC and Gender (train DCC in gender issues and vice versa)	DCC, MHR, relevant NGOs from both sectors	2021	CBIT?	No. of training organized, no. of people trained and using both quantitative and qualitative indicators
	Nominate (educate/train) gender representative into the Working Group on Climate Change	MSDT – DCC + Secretariat of the National Council on Sustainable Development and Climate Change	2021	CBIT?	Gender person member of the working group on climate change

<b>Objective</b>	<b>Activity</b>	<b>Responsible Institution</b>	<b>Timeframe</b>	<b>Budget Source</b>	<b>Indicator</b>
Improve sex-disaggregated data in the context of climate change	Analysis of existing and needed data including recommendations for data to be collected	DCC and UNDP	2021	CBIT	Analysis developed
	Collect sex-disaggregated data related to specific mitigation and adaptation measures	DCC, MONSTAT	2020/2021	IPA/CBIT	Relevant data collected
	Use collected data for relevant policy making	MSDT - DCC	2021		Relevant national strategies and plans have taken into consideration collected data

## **Annex H: UNDP Risk Log**

<b>Risk Log Matrix</b>				
<i>Impact (I) – 6 highest, 1 lowest; Probability (P) – 6 highest, 1 lowest</i>				
	<b>Description</b>	<b>Category</b>	<b>Impact &amp; Probability</b>	<b>Counter measures / Management response</b>
	<b>Enter a brief description of the risk</b>		<b>Describe the potential effect on the project if this risk were to occur</b>	<b>What actions have been taken/will be taken to counter this risk</b>
1	Insufficient participation of key institutions	Political	Despite the high political commitment to the issues covered by the project, to a limited extent, government departments operate in silos. The risk will be largely limited to slow down progress due to increased need and time to consult and reach consensus on key issues. I = 2; P = 2	<ul style="list-style-type: none"> <li>• The project is designed to address the risk of government bodies taking a silo approach through the very first activity that will include, among others, an assessment of the challenges, opportunities, and propose recommendations to address insufficient engagement</li> <li>• The learning-by-doing activities of the project will create ample opportunities to engage the various sectoral institutions that are currently involved in processes and activities related to climate change. Through these, they will be better enabled to collaborate in strengthening the country's transparency framework for MRV.</li> </ul>
2.	Poor project coordination and limited alignment among government agencies	Operational	Limited ability of government agencies to coordinate actions, delaying project implementation. I = 2; P = 1	<ul style="list-style-type: none"> <li>• The project is specifically designed to support government, among other stakeholders as appropriate, in order build MRV capacities and the development of a transparency portal.</li> </ul>
3.	Government bodies have a limited number of technical experts at their disposal. As a result, there is insufficient ability to carry out all the technical work that is needed, especially when new expertise is called upon.	Operational	Project implementation would be delayed in order to allow time for current staff experts to carry out the required work. I = 4; P = 3	<ul style="list-style-type: none"> <li>• Working within existing parameters, the project will strengthen existing institutional mechanisms and technical capacities through learning-by-doing trainings in order that a greater number of current staff has more experience in applying methodologies, procedures, and guidelines for increased transparency in mitigation, adaptation, and climate finance.</li> <li>• The learning-by-doing trainings under the project are designed to facilitate the long-term adoption of the new technical tools and related knowledge by associated stakeholders.</li> <li>• The project will facilitate the signing of memoranda of agreements that is intended to enhance inter-agency coordination and collaboration, thus seizing opportunities to create cost-effective synergies in implementing best practice MRV</li> <li>• The project will mobilize support from regional partners to expand the pool of available expertise.</li> </ul>
4.	The institutional set up strengthened by the project will not be sustainable beyond the	Operational and Regulatory	Delay in institutionalizing recommended reforms. I = 4; P = 4	<ul style="list-style-type: none"> <li>• The project will avoid creating new institutional mechanisms but rather focus on strengthening existing ones, that already enjoy good political commitment</li> </ul>

	end of the project implementation period due to lack of financial and institutional support			<ul style="list-style-type: none"> <li>• The WGMA is a key institutional mechanism that already has the mandate to monitor implementation of the Paris Agreement, with the project providing technical support to the secretariat staff as needed and as requested.</li> <li>• The project is specifically designed to support existing institutional arrangements that are most likely to have the necessary political and financial commitments.</li> <li>• Activity 3.3.3 specifically calls for a resource mobilization strategy to be prepared to support the financial sustainability of the transparency portal</li> </ul>
5.	Change of implementation modality from DIM to NIM	Operational	Possible delays in project implementation due to lack of prior experience of MSDT officials in management of GEF funded projects	<ul style="list-style-type: none"> <li>• Along with the project implementation, capacity building of designated officials in implementation of GEF projects should be organized.</li> </ul>

## Annex I: UNDP Project Quality Assurance

PROJECT MONITORING QA ASSESSMENT GUIDANCE					
OVERALL PROJECT					
EXEMPLARY (5) ●●●●●	HIGH (4) ●●●●○	SATISFACTORY (3) ●●●○○	NEEDS IMPROVEMENT (2) ●●○○○	INADEQUATE (1) ●○○○○	
At least three criteria are rated Exemplary, and all criteria are rated High or Exemplary.	All criteria are rated Satisfactory or higher, and at least three criteria are rated High or Exemplary.	At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The SES criterion must be rated Satisfactory or above.	At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement.	One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement.	
DECISION					
<ul style="list-style-type: none"> <li><b>APPROVE</b> – the project is of sufficient quality to continue as planned. Any management actions must be addressed in a timely manner.</li> <li><b>APPROVE WITH QUALIFICATIONS</b> – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.</li> <li><b>DISAPPROVE</b> – the project has significant issues that should prevent the project from being approved as drafted.</li> </ul>					
RATING CRITERIA <sup>14</sup>					
STRATEGIC					
<b>1. Does the project's Theory of Change specify how it will contribute to higher level change? (Select the option from 0-4 that best reflects the project):</b> <ul style="list-style-type: none"> <li><b>4:</b> The project has a theory of change backed by credible evidence specifying how the project will contribute to higher level change through the programme outcome's theory of change. The project document clearly describes why the project's strategy is the best approach at this point in time.</li> <li><b>3:</b> The project has a theory of change, specifying how the project will contribute to higher level change through the programme outcome's theory of change, but this backed by relatively limited evidence. The project document clearly describes why the project's strategy is the best approach at this point in time.</li> <li><b>2:</b> The project has a theory of change describing how the project intends to contribute to development results, but it is not supported by evidence nor linked to higher level results through the programme outcome's theory of change. There is some discussion in the project document that describes why the project's strategy is the best approach at this point in time.</li> <li><b>1:</b> The project does not have a theory of change, but the project document describes in generic terms how the project will contribute to development results. It does not make an explicit link to the programme outcome's theory of change. The project document does not clearly specify why the project's strategy is the best approach at this point in time.</li> <li><b>0:</b> The project does not have a theory of change, and the project document does not specify how the project will contribute to higher level change, or why the project's strategy is the best approach at this point in time.</li> </ul>					Rating Score
					3
Evidence					
Section B.1 outlines the project's theory of change. The theory of change section is a narrative that outlines how the project strategy, e.g., the extensive learning-by-doing and targeted institutional reforms should they be deemed necessary, will facilitate larger scale and long-term changes. The project aims to remove the barriers identified in previous assessments, the most recent being the Second Biennial Update Report of March 2019, in order that Montenegro can collect better data on GHG emissions, make better projections, and take better decisions when it comes to choices in the pursuit of a low-carbon and climate resilient economy. This section also infers the assumption that the project will closely with existing key institutional mechanisms, such as the Working Group on Mitigation and Adaptation to strengthen the long-term legitimacy					

<sup>14</sup> Management Action or strong management justification must be given for scores of 0 or 1



<p>of the project activities and capacities developed, and indeed to facilitate their appropriate institutionalization. Further evidence is provided by the project's strategy being complementary to key development partners and other projects such as the European Union and the Hungarian-financed project that sets out to strengthen capacities to use the Integrated MARKAL-EFOM system.</p>	
<p><b>2. Is the project aligned with the UNDP Strategic Plan? (select the option from 0-4 that best reflects the project):</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> The project responds to one of the three areas of development work (1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building) as specified in the Strategic Plan; it addresses at least one of the proposed new and emerging areas (sustainable production technologies, access to modern energy services and energy efficiency, natural resources management, extractive industries, urbanization, citizen security, social protection, and risk management for resilience); an issues-based analysis has been incorporated into the project design; And the project's RRF includes at least one SP output indicator.</li> <li>• <b>3:</b> The project responds to one of the three areas of development work (1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building) as specified in the Strategic Plan; an issues-based analysis has been incorporated into the project design; and the project's RRF includes at least one SP output indicator.</li> <li>• <b>2:</b> The project responds to one of the three areas of development work (1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building) as specified in the Strategic Plan. The project's RRF includes at least one SP output indicator, if relevant.</li> <li>• <b>1:</b> While the project responds to one of the three areas of development work (1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building) as specified in the Strategic Plan, none of the relevant SP indicators are included in the RRF.</li> <li>• <b>0:</b> The project does not respond to one of the three areas of development work (1. Sustainable development pathways; 2. Inclusive and effective democratic governance; 3. Resilience building) as specified in the Strategic Plan</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>
<p><b>Evidence</b> This project responds to outcome 2 of the 2018-2021 UNDP Strategic Plan as stated on the cover page and Section A.1 of the project document, include the project results framework. The project's results framework includes the Strategic Plan's mandatory indicator IRRF 1.4.2 that responds to the number of countries that undertake measures to achieve low-emission and climate resilient development.</p>	
<p><b>RELEVANT</b></p>	
<p><b>3. Does the project have strategies to effectively identify and engage targeted groups/areas? (select the option from 0-4 which best reflects this project):</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> The target groups/areas are appropriately specified. The project has an explicit strategy to identify and engage specified target groups/areas throughout the project. Beneficiaries will be identified through a rigorous process based on evidence (if applicable.) The project plans to solicit feedback from targeted groups regularly through project monitoring. Representatives of the target group/area will be included in the project's governance mechanism (i.e., project board.)</li> <li>• <b>3:</b> The target groups/areas are appropriately specified. The project has an explicit strategy to identify and engage the target groups/areas throughout the project. Beneficiaries will be identified through a rigorous process based on evidence (if applicable.) The project plans to solicit feedback from targeted groups through project monitoring. Representatives of the target group, will contribute to the project's decision making, but will not play a role in the project's formal governance mechanism.</li> <li>• <b>2:</b> The target groups/areas are appropriately specified and engaged in project design. The project document is clear how beneficiaries will be identified and engaged throughout the project. Collecting feedback from targeted groups has been incorporated into the project's RRF/monitoring system, but representatives of the target group will not be involved in the project's decision making.</li> <li>• <b>1:</b> The target groups/areas are specified, but the project does not have a written strategy to identify or engage the target groups/areas throughout the project.</li> <li>• <b>0:</b> The project has not specified any target group/area that is the intended beneficiary of the project's results.</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>
<p><b>Evidence</b> The targeted stakeholders are identified in Annex E of the project document, which outlines their particular role in the project. Section E.1 of the project summarizes stakeholder engagement.</p>	

<p><b>4. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design? (select the option from 0-4 which best reflects this project):</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> Knowledge and lessons learned backed by credible evidence from evaluation, analysis and monitoring have been explicitly used, with appropriate referencing, to develop the project's theory of change and justify the approach used by the project over alternatives.</li> <li>• <b>3:</b> The project design references knowledge and lessons learned backed by credible evidence from evaluation, analysis, monitoring and/or other sources, but these references have not been explicitly used to develop the project's theory of change or justify the approach used by the project over alternatives.</li> <li>• <b>2:</b> The project design mentions knowledge and lessons learned backed by relatively limited evidence/sources, but these references have not been explicitly used to develop the project's theory of change or justify the approach used by the project over alternatives.</li> <li>• <b>1:</b> There is only scant mention of knowledge and lessons learned informing the project design. These references are not backed by evidence.</li> <li>• <b>0:</b> There is no evidence that knowledge and lessons learned have informed the project design.</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>
<p><b>Evidence</b> This project responds to Montenegro's various reports to the UNFCCC, with the most recent being the Second Biennial Update Report that was completed in March 2019.</p>	
<p><b>5. Does the project use gender analysis in the project design and includes special measures/ outputs and indicators to address gender inequities and empower women?</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> Gender analysis has been conducted on the differential impact of the project's development situation on gender relations, women and men, with constraints identified and clearly addressed in the design of gender-specific measures/outputs and indicators, where appropriate</li> <li>• <b>3:</b> Gender analysis has been conducted on the differential impact of the project's development situation on gender relations, women and men, with constraints identified but only partially addressed in the design of gender-specific measures/ outputs and indicators, where appropriate</li> <li>• <b>2:</b> Partial gender analysis has been conducted on the differential impact of the project's development situation on gender relations, women and men with constraints identified, but these have <u>not</u> been explicitly addressed in the design of gender-specific measure/outputs and indicators.</li> <li>• <b>1:</b> The project design mentions information and/or data on the differential impact of the project's development situation on gender relations, women and men but the constraints have <u>not</u> been identified and gender-specific intervention has not been considered.</li> <li>• <b>0:</b> No gender analysis has been conducted on the differential impact of the project's development situation on gender relations, women and men.</li> </ul>	<p>Rating Score</p> <p><b>3</b></p>
<p><b>Evidence</b> A gender analysis has been conducted and is included in the project document (D.2 and Annex E). There are specific indicators to address the identified gender issues, while others are expected to be identified and monitored during project implementation.</p>	
<p><b>6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national partners, other development partners, and other actors? (select from options 0-4 that best reflects this project):</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> An analysis has been conducted on the role of other partners in the area that the project intends to work, and <u>credible evidence</u> supports the proposed engagement of UNDP and partners through the project. Options for south-south and triangular cooperation have been considered, as appropriate.</li> <li>• <b>3:</b> An analysis has been conducted on the role of other partners in the area that the project intends to work, and relatively <u>limited evidence</u> supports the proposed engagement of UNDP and partners through the project. Options for south-south and triangular cooperation have been considered, as appropriate.</li> <li>• <b>2:</b> Some analysis has been conducted on the role of other partners in the area that the project intends to work, and relatively <u>limited evidence</u> supports the proposed engagement of UNDP and partners through the project. Options for south-south and triangular cooperation have <u>not</u> been explicitly considered.</li> <li>• <b>1:</b> No clear analysis has been conducted on the role of other partners in the area that the project intends to work, and relatively limited evidence supports the proposed engagement of UNDP and partners through the project. Options for south-south and triangular cooperation have <u>not</u> been considered.</li> <li>• <b>0:</b> <u>No analysis</u> has been conducted on the role of other partners in the area that the project intends to work to inform the design of the role envisioned by UNDP and other partners through the project.</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>

<b>Evidence</b> UNDP's mandate, relationship with government, and long-standing engagement in the area gives it a comparative advantage in facilitating government partnerships a special for GEF grant financed projects		
<b>MANAGEMENT &amp; MONITORING</b>		
<b>7. Does the project have a strong results framework? (select from options 0-4 that best reflects this project):</b> <ul style="list-style-type: none"> <li><b>4:</b> The project's selection of outputs and activities are an appropriate level and relate in a clear way to the project's theory of change. Outputs are accompanied by SMART, results-oriented indicators that measure all of the key expected changes identified in the theory of change, each with credible data sources, and populated baselines and targets, including gender sensitive, sex-disaggregated indicators where appropriate.</li> <li><b>3:</b> The project's selection of outputs and activities are an appropriate level and are consistent with the project's theory of change. Outputs are accompanied by SMART, results-oriented indicators, with specified data sources. Most baselines and targets populated. Some use of gender sensitive, sex-disaggregated indicators.</li> <li><b>2:</b> The project's selection of outputs and activities are at an appropriate level, but do not reference the project's theory of change. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources are not fully specified. Some use of gender sensitive, sex-disaggregated indicators.</li> <li><b>1:</b> The project's selection of outputs and activities are not at an appropriate level. Outputs are <u>not</u> accompanied by SMART, results-oriented indicators that measure the expected change, and have not been populated with baselines and targets. Data sources are not specified. No gender sensitive, sex-disaggregation of indicators is used.</li> <li><b>0:</b> The project's selection of outputs and activities are not accompanied by appropriate indicators that measure the expected change.</li> </ul>	Rating Score	<b>3</b>
<b>Evidence</b> Project outcomes will be measured through a mix of output, process, and performance indicators that have been constructed using SMART design criteria. These indicators were developed to coincide with each major project activity. A few gender sensitive indicators are included in the project, such as at least 90 percent of gender mainstreaming recommendations from the Working Group is adopted by month 42.		
<b>8. Is there a comprehensive and costed M&amp;E plan with specified data collection sources and methods to support evidence-based management and monitoring of the project?</b>	Yes (2)	No (0)
<b>9. Is the project's governance mechanism clearly defined in the project document, including planned composition of the project board?</b> <ul style="list-style-type: none"> <li><b>4:</b> The project's governance mechanism is fully defined in the project composition. Individuals have been specified for each position in the governance mechanism (esp. all members of the project board), and full terms of reference of the project board has been attached to the project document. A conversation has been held with each board member on their role and responsibilities, and all members agree on the terms of reference.</li> <li><b>3:</b> The project's governance mechanism is almost fully defined in the project document. Individuals have been specified for each position in the governance mechanism (esp. all members of the project board). While full terms of reference of the project board may not be attached, the project document describes the responsibilities of the project board, project director/manager and quality assurance roles.</li> <li><b>2:</b> The project's governance mechanism is partially defined in the project document; specific institutions are noted as holding key governance roles, but individuals have not yet been specified. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles, but full terms of reference are not included.</li> <li><b>1:</b> The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism.</li> <li><b>0:</b> The governance mechanism is not clearly defined in the project document</li> </ul>	Rating Score	<b>3</b>

<b>Evidence</b> The governance mechanism is almost fully defined in the project document. A terms of reference is included, but it is not a full terms of reference. See Annex D. The project document describes the responsibilities of the project board, project director/manager and quality assurance roles.		
<b>10. Have the project risks been identified with clear plans stated to manage and mitigate each risk? (select from options 0-4 that best reflects this project):</b> <ul style="list-style-type: none"> <li>• <b>4:</b> Project risks fully described in the project risk log, based on comprehensive analysis which references key assumptions made in the project's theory of change. Clear and complete plan in place to manage and mitigate each risk.</li> <li>• <b>3:</b> Project risks identified in the project risk log. Clear plan in place to manage and mitigate risks.</li> <li>• <b>2:</b> Some risks identified in the initial project risk log. While some general mitigation measures have been identified, they do not adequately and fully address all the identified risks.</li> <li>• <b>1:</b> Some risks identified in the initial project risk log, but no clear risk mitigation measures identified.</li> <li>• <b>0:</b> Risks not clearly identified. No initial project risk log included with the project document.</li> </ul>	Rating Score	
		<b>4</b>
<b>Evidence</b> An in-depth assessment of risks, assumptions, and measures to mitigate them based on an extensive set of consultations and review of the background documentation is described in Section M of the project document.		
<b>EFFICIENT</b>		
<b>11. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include using the theory of change analysis to explore different options of achieving the maximum results with the resources available.</b>	Yes (2)	No (0)
<b>12. Are plans in place to ensure the project links up with other relevant on-going projects and initiatives, whether led by UNDP, national or other partners, to achieve more efficient results (including, for example, through sharing resources or coordinating delivery?)</b>	Yes (2)	No (0)
<b>13. Is the budget justified and supported with valid estimates?</b>	Yes (2)	No (0)
<b>14. Is the Country Office fully recovering its costs involved with project implementation?</b>	Yes (2)	No (0)
<b>EFFECTIVE</b>		
<b>15. Is the chosen implementation modality most appropriate? (select from options 0-4 that best reflects this project):</b> <ul style="list-style-type: none"> <li>• <b>4:</b> The required implementing partner assessments (capacity assessment, HACT micro assessment) have been conducted, and there is evidence that options for implementation modalities have been thoroughly considered. There is a strong justification for choosing the selected modality, based on the development context.</li> <li>• <b>3:</b> The required IP assessments (capacity assessment, HACT micro assessment) have been conducted, and there is evidence that options for implementation modalities have been considered. There is justification for choosing the selected modality, based on the development context.</li> <li>• <b>2:</b> The capacity of the IP has been assessed, but the HACT micro assessment has not been done due to external factors outside of UNDP's control. There is evidence that options for implementation modalities have been considered. There is justification for choosing the selected modality, based on the development context.</li> <li>• <b>1:</b> The required assessments have not been conducted, but there is evidence that options for implementation modalities have been considered.</li> <li>• <b>0:</b> The required assessments have not been conducted, and there is no evidence that options for implementation modalities have been considered.</li> </ul>	Rating Score	
		<b>N/A</b>
<b>Evidence</b> This project will be executing through the National Implementation Modality (NIM) by MSDT as the Implementing Partner		
<b>16. Have targeted groups, including marginalized populations that will be affected by the project, been engaged in the design of the project?</b>	Yes (2)	No (0)
<b>17. Does the project have explicit plans for evaluation or other lesson learning, timed to inform course corrections if needed during project implementation?</b>	Yes (2)	No (0)

<p><b>18. The project budget at the output level reflects adequate financial investments contributing to the advancement of gender equality.</b> This can include outputs that have adequately mainstreamed gender (GEN2), and/or outputs for gender specific or stand-alone intervention (GEN3).</p> <ul style="list-style-type: none"> <li>• <u>4</u>: The project budget reflects outstanding financial investments contributing to gender equality as evidenced by 100% of the project budget at the output level with the gender marker score GEN2+GEN3.</li> <li>• <u>3</u>: The project budget reflects adequate financial investments contributing to gender equality as evidenced by at least 75% of the project budget at the output level with the gender marker score GEN2+GEN3.</li> <li>• <u>42</u>: The project budget reflects partial investments contributing to gender equality as evidenced by at least 50% of the project budget at the output level with the gender marker score GEN2+GEN3.</li> <li>• <u>1</u>: The project budget reflects limited financial investments contributing to gender equality as evidenced by at least 25% of the project budget at the output level with the gender marker score GEN2+GEN3.</li> <li>• <u>0</u>: The project budget reflects no financial investments contributing to gender equality</li> </ul>	Rating Score
	3
<p><b>Evidence</b></p> <p>Gender represents an important aspect of this project through output 2.3. An important baseline in Montenegro is the 2007 Law on Gender Equality, which subsequently allowed for Montenegro to be one of the earliest countries to address gender mainstreaming in climate change. Annex F of the project document includes a preliminary set of gender mainstreaming indicators that will be developed and negotiated further during project implementation. An allocation of US\$ 60,000 has been allocated for this output, which is deemed to be sufficient for the expected outcomes under the relevant exercises.</p>	
<p><b>19. Is there a realistic multi-year work plan and budget to ensure outputs are delivered on time and within allotted resources? (select from options 0-4 that best reflects this project):</b></p> <ul style="list-style-type: none"> <li>• <u>4</u>: The project has a realistic multi-year work plan and multi- year budget at the activity level to ensure outputs are delivered on time and within the allotted resources.</li> <li>• <u>3</u>: The project has a multi-year work plan at the activity level and multi-year budget at the output level.</li> <li>• <u>2</u>: The project has a multi-year work plan and a multi-year budget at the output level.</li> <li>• <u>1</u>: The project has an output level multi-year work plan, but not a multi-year budget</li> <li>• <u>0</u>: The project does not yet have a multi-year work plan.</li> </ul>	Rating Score
	4
<p><b>Evidence</b></p> <p>The project has a detailed multi-year work plan (and multi-year output budget, both of which are at the activity level.</p>	
<b>SOCIAL &amp; ENVIRONMENTAL STANDARDS</b>	
<p><b>20. Has the project ensured that both women and men have equitable access to project resources and comparable social and environmental benefits? (select from options 0-4 that best reflects this project):</b></p> <ul style="list-style-type: none"> <li>• <u>4</u>: Credible evidence that the project fully reflects a consistent strategy that provides equitable access to and control over project resources and social and environmental benefits (e.g., security, health, water, and culture) through project rationale, strategies and results framework.</li> <li>• <u>3</u>: Credible evidence that the project partially reflects a strategy that provides equitable access to and control over project resources and social and environmental benefits (e.g., security, health, water, and culture) through project strategies and the results framework.</li> <li>• <u>2</u>: Credible evidence that the project design includes a set of activities that provide equitable access to and control over project resources and social and environmental benefits (e.g., security, health, water, and culture) although project activities are not part of a consistent strategy.</li> <li>• <u>1</u>: Credible evidence that the project design includes some scattered activities that provide equitable access to and control over project resources and social and environmental benefits (e.g., security, health, water, and culture)</li> <li>• <u>0</u>: The project has no interventions to ensure a fair share of opportunities and benefits for women and men or reduce gender inequalities in access to and control over resources and social and environmental benefits (e.g., security, health, water, and culture)</li> </ul>	Rating Score
	3

<p><b>Evidence</b> Gender sensitivity and gender considerations have been taken into account in the formulation of the project. Every effort will be made to incorporate gender issues in the implementation of this project. Roles of men and women to participate in activities of the project will be equally assigned without any discrimination. The project also includes several validation measures and gender sensitive indicators to help ensure equal access and benefits</p>	
<p><b>21. Did the project apply a human rights based approach?</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> Credible evidence that opportunities to integrate human rights in the project and prioritize the principles of accountability, meaningful participation, and non-discrimination were fully considered. Any potential adverse impacts on enjoyment of human rights were rigorously assessed and identified with appropriate mitigation and management measures incorporated into project design and budget.</li> <li>• <b>3:</b> Partial evidence that opportunities to integrate human rights in the project and the principles of accountability, meaningful participation, and non-discrimination were considered. Potential adverse impacts on enjoyment of human rights were assessed and identified and appropriate mitigation and management measures incorporated into the project design and budget.</li> <li>• <b>2:</b> Limited evidence that opportunities to integrate human rights in the project and the principles of accountability, meaningful participation and non-discrimination were considered. Potential adverse impacts on enjoyment of human rights were assessed and identified and appropriate mitigation and management measures incorporated into the project design and budget.</li> <li>• <b>1:</b> No evidence that opportunities to integrate human rights in the project and the principles of accountability, meaningful participation and non-discrimination were considered. Limited evidence that potential adverse impacts on enjoyment of human rights were considered.</li> <li>• <b>0:</b> No evidence that opportunities to integrate human rights in the project were considered. No evidence that the potential adverse impact on the enjoyment of human rights have been considered.</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>
<p><b>Evidence</b> The project builds upon an existing strong momentum of stakeholder engagement that has been facilitated through the existing Working Group on Mitigation and Adaptation, and complementary climate change projects that include the preparation of the Second Biennial Update Report (recently completed operationally) and the Third National Communication (currently underway). Gender equality in climate change is a policy that has been embraced by Montenegro since as early as 2011, with more recent gender mainstreaming workshops having been held in support of on-going improvements of gender mainstreaming indicators in climate change (e.g., December 2017).</p>	
<p><b>22. Did the project consider potential environmental opportunities and adverse impacts, applying a precautionary approach?</b></p> <ul style="list-style-type: none"> <li>• <b>4:</b> Credible evidence that <u>opportunities to enhance</u> environmental sustainability and integrate poverty-environment linkages were fully considered. Identified opportunities fully integrated in project strategy and design. Credible evidence that potential adverse environmental impacts identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget.</li> <li>• <b>3:</b> Limited evidence that opportunities to enhance environmental sustainability and poverty-environment linkages were considered. Credible evidence that potential adverse environmental impacts identified and assessed and appropriate management and mitigation measures incorporated into project design and budget.</li> <li>• <b>2:</b> No evidence that opportunities to strengthen environmental sustainability and poverty-environment linkages were considered. Credible evidence that potential adverse environmental impacts assessed and appropriate management and mitigation measures incorporated into project design and budget.</li> <li>• <b>1:</b> No evidence that opportunities to strengthen environmental sustainability and poverty-environment linkages were considered. Limited evidence that potential adverse environmental impacts were adequately considered.</li> <li>• <b>0:</b> No evidence that potential adverse environmental impacts have been considered.</li> </ul>	<p>Rating Score</p> <p><b>4</b></p>
<p><b>Evidence</b> This project is consistent with Montenegro's current United Nations Development Assistance Framework (UNDAF) 2018-2021, and relates to national initiatives. The strengthening of capacities as they relate to mitigation, adaptation, and climate finance will indirectly help Montenegro make better decisions in the pursuit of low-carbon and climate resilient development. The strengthening of the MRV portal will be an important contribution to allow decision-makers to make better choices that reflect the precautionary approach through, e.g., better data that help produce better climate projections</p>	



that in turn provide better information on alternative development choices that better reflect climate resilient and low-carbon development.		
23. If the project is worth \$500,000 or more, has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks?	Yes	No
	exempt of SESP	
SUSTAINABILITY & NATIONAL OWNERSHIP		
24. Have national partners led, or proactively engaged in, the design of the project? (select from options 0-4 that best reflects this project): <ul style="list-style-type: none"><li>4: National partners have full ownership of the project and led the process of the development of the project.</li><li>3: The project has been developed jointly by UNDP and national partners, with equal effort.</li><li>2: The project has been developed by UNDP in close consultation with national partners.</li><li>1: The project has been developed by UNDP with limited engagement with national partners.</li><li>0: The project has been developed by UNDP with no engagement with national partners.</li></ul>	Rating Score	
	3	
Evidence The project was formulated in close consultations with national stakeholders, in particular the Ministry of Sustainable Development and Tourism and members of the Working Group on Mitigation and Adaptation. The PIF for this project reflected considerable thought about the challenges, opportunities and strategic directions for project formulation, the effort of which was energized by parallel stakeholder engagement that produced the recently completed Second Biennial Update Report and that continues with the preparation of the Third National Communication to the UNFCCC.		
25. Are key institutions and systems identified, and is there a strategy for strengthening specific/ comprehensive capacities based on capacity assessments conducted? (select from options 0-4 that best reflects this project): <ul style="list-style-type: none"><li>4: The project has a comprehensive strategy for strengthening specific capacities of national institutions based on a systematic and detailed capacity assessment that has been completed.</li><li>3: A capacity assessment has been completed, although it is not systematic or detailed. The project document has identified activities that will be undertaken to strengthen capacity of national institutions, but these activities are not part of a comprehensive strategy.</li><li>2: A capacity assessment is planned after the start of the project. There are plans to develop a strategy to strengthen specific capacities of national institutions based on the results of the capacity assessment.</li><li>1: There is mention in the project document of capacities of national institutions to be strengthened through the project, but no capacity assessments or specific strategy developments are planned.</li><li>0: Capacity assessments have not been carried out and are not foreseen. There is no strategy for strengthening specific capacities of national institutions.</li></ul>	Rating Score	
	4	
Evidence This project was formulated at the same time that the assessments were being carried out to prepare the Second Biennial Update Report (operationally completed in March 2019), and thus builds upon the most recent available assessment of challenges and opportunities pertaining to capacities needed to meet new transparency requirements. The project strategy is specifically designed to complement existing institutional arrangements that are already mandated to oversee compliance with new transparency requirements under Article 13 of the Paris Agreement. Notwithstanding, one of the very first exercises of this project is to undertake an updated assessment of relevant capacities in order to strengthen the long-term legitimacy of capacity building efforts and to catalyze their appropriate institutionalization.		
26. Is there is a clear plan for how the project will use national systems, and national systems will be used to the extent possible?	Yes (2)	No (0)
27. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilization strategy)?	Yes (2)	No (0)

## Annex J: Co-financing Letters



MONTENEGRO

MINISTRY OF SUSTAINABLE DEVELOPMENT  
AND TOURISM

To: **Pradeep Kurukulasuriya**  
Executive Coordinator  
UNDP-Global Environmental Finance  
Sustainable Development Cluster  
Bureau for Policy and Programme Support  
304 East 45<sup>th</sup> Street, NY 10017, USA

Podgorica, April 2, 2019

**Subject: Co-financing letter for the project "Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework"**

Dear Mr. Pradeep,

In the name of the Ministry of Sustainable Development and Tourism in the Government of Montenegro, I have the pleasure to confirm by the present letter that we will provide US\$ 250,000 towards the implementation of the above-mentioned project in form of in-kind co-financing. This important contribution will cover the real costs associated with government representatives' active engagement throughout the four years of project implementation. This includes the many learning-by-doing workshops that will improve the absorptive capacities of stakeholders to critically apply improved methodologies, procedures, and guidelines in the form of climate action towards low-carbon and climate resilient development.

The project's strategy is in line with the UNDP country programme document for period 2016-2020 that states the programme will support the formulation of a national climate change policy and effective compliance with international agreements. This project also represents a very important effort to support Montenegro's long-term goals of accession to the European Union.

Please accept the assurances of my highest consideration.

Sincerely,

Igor Gradjevic  
GEF Operational Focal Point  
Ministry of Sustainable Development and Tourism  
Montenegro



United Nations Development Programme

Pradeep Kurukulasuriya  
Executive Coordinator  
UNDP-Global Environmental Finance  
Sustainable Development Cluster  
Bureau for Policy and Programme Support  
304 East 45<sup>th</sup> Street, NY 10017, USA



*Empowered lives.  
Resilient nations.*

1 April 2019

Dear Mr. Pradeep,

**Subject: Co-financing letter for the project "Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework"**

UNDP Montenegro is pleased to confirm a contribution through TRAC resources to support the implementation of the above-mentioned project in the amount of US\$ 40,000 over the four year period of the project's implementation as grant contribution. US\$ 10,000 of UNDP's contribution will be allocated to the project management component. These resources will be complementing the important investments the Government and the GEF grant towards the effective management of the project.

The project's strategy is in line with the UNDP country programme document for period 2016-2020 that states the programme will support the formulation of a national climate change policy and effective compliance with international agreements.

UNDP looks forward to the approval of this project and its contributions as an important and strategic intervention in Montenegro's development portfolio.

Please accept the assurances of my highest consideration.

Name: Matilda Dimovska  
Resident Representative a.i.  
UNDP Montenegro

cc: Mr. Igor Gradjevic  
GEF Operational Focal Point  
Ministry of Sustainable Development and Tourism  
IV Proleterske brigade 19,  
Podgorica, Montenegro

## Annex K: References

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- Demetriades, J. (2007). *Gender Indicators: What, Why and How?*. BRIDGE.
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## Annex L: GEF budget table

Montenegro CBIT	Detailed Description	Component (USDeq.)							Total (USDeq.)	Respons ible Entity
		Component 1	Component 2	Component 3	Component 4		M&E	PMC		(Executi ng Entity receivin g funds from the GEF Agency)[ 1]
		Sub- component 1.1	Sub- component 2.1	Sub- component 3.1	Sub- component 4.1					
Goods	Procurement of information communication technology necessary to set up and operate the MRV Portal			61,000		61,000			61,000	MSDT
Contractual Services – Individual	Project Manager and Finance /Admin Assistant							91,000	91,000	MSDT
Contractual Services – Company	Three workshops for each of outputs 1.1, 1.2, 1.3, and 1.4 for a total of twelve (12) workshops	60,000				60,000			60,000	MSDT
Contractual Services – Company	Sub-contracting of company(ies) to organize learning-by-doing workshops		128,000			128,000			128,000	MSDT
Contractual Services – Company	Sub-contract for organizing and servicing learning-by-doing workshops			61,000		66,000	5,000		66,000	MSDT
Contractual Services – Company	Workshop venue costs				15,000	15,000			15,000	MSDT
Local Consultants	Preparation of materials and workshop facilitation by consultants	193,000				193,000			193,000	MSDT
Local Consultants	Preparation of materials and workshop facilitation by consultants		171,000			171,000			171,000	MSDT
Local Consultants	Preparation of materials and workshop facilitation by consultants			146,500		146,500			146,500	MSDT
Local Consultants	Preparation of materials and workshop facilitation by consultants				61,000	64,000	3,000		64,000	MSDT
Trainings, Workshops, Meetings	Meeting costs to negotiate memoranda of agreement(s)	2,000				2,000			2,000	MSDT
Trainings, Workshops, Meetings	Bilateral and small focus group meetings		6,000			6,000			6,000	MSDT
Trainings, Workshops, Meetings	Bilateral consultations, focus group meetings, and workshops			6,500		6,500			6,500	MSDT
Trainings, Workshops, Meetings	Bilateral and small focus group meetings				5,000	5,000			5,000	MSDT

Montenegro CBIT	Detailed Description	Component (USDeq.)							Total (USDeq.)	Responsible Entity
		Component 1	Component 2	Component 3	Component 4	Sub-Total	M&E	PMC		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	Sub-component 2.1	Sub-component 3.1	Sub-component 4.1					
Travel	Travel for 6 individuals per year for 4 years or a total of 24 international travel budgeted at US\$ 1,500 each. Additional travel budget for 2 training-of-the trainers budgeted at US\$ 2,500 each			41,000		41,000			41,000	MSDT
Travel	Travel for 6 individuals per year for 4 years or a total of 24 international travel budgeted at US\$ 1,500 each.				36,000	36,000			36,000	MSDT
Other Operating Costs	Audit							8,000	8,000	MSDT
Grand Total		255,000	305,000	316,000	117,000	1,001,000	8,000	99,000	1,100,000	