

# GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: Capacity Building Initiative for Transparency



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## PART I: Project Information

Project Title:	<b>Strengthening Montenegro's Nationally Determined Contribution (NDC) and Adaptation Activities Transparency Framework</b>		
Country(ies):	Montenegro	GEF Project ID: <sup>1</sup>	
GEF Agency(ies):	UNDP	GEF Agency Project ID:	6225
Other Executing Partner(s):	Ministry of Sustainable Development and Tourism, Directorate for Climate Change	Submission Date:	March 6 <sup>th</sup> , 2018
GEF Focal Area(s):	Climate Change	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of parent program:	[if applicable]	Agency Fee (\$)	\$104,500

### A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES<sup>2</sup>

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(in \$)	
		GEF Project Financing	Co-financing
CBIT	CBIT	1,100,000	275,000
<b>Total Project Cost</b>		<b>1,100,000</b>	<b>275,000</b>

### B. INDICATIVE PROJECT DESCRIPTION SUMMARY

<b>Project Objective:</b> Strengthening Montenegro's national capacities through an improved MRV system to meet transparency related requirements under the Paris Agreement (PA)						
Project Components	Financing Type <sup>3</sup>	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Co-financing
<b>1. Strengthening active stakeholder engagement and embedding MRV of climate action and support within existing sectoral functions and sustainable development goals</b>	TA	1.1 Embed a proactive Climate Action Transparency Task Force (CATTF) within the existing Working Group for Climate Change of the National Council for Sustainable Development, Climate Change and Coastal Area Management	1.1.1. Strengthening governance, procedures and technical capacities of the CATTF;  1.1.2. A transparency Methodologies, Procedures and Guidelines (MPGs) for tracking NDC;  1.1.3. A transparency MPGs for tracking adaptation activities;  1.1.4. A transparency MPG for tracking climate finance.	CBIT	300,000	75,000
<b>2. Enhancing technical capacities</b>	TA	2.1. Enable national institutions to	2.1.1. Improve Montenegro's GHG	CBIT	270,000	100,000

<sup>1</sup> Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

<sup>2</sup> When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT guidelines](#).

<sup>3</sup> Financing type can be either investment or technical assistance.

<b>to implement an ambitious enhanced transparency framework</b>		implement the enhanced transparency framework	inventory and projections ensured and wider benefits of mitigation actions identified to support the Paris Agreement and EU Greenhouse Gas Monitoring Mechanism Regulation (MMR);  2.1.2. 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;  2.1.3. Relevant national institutions are enabled to mainstream gender into the enhanced transparency framework.			
		2.2. Adopt an enhanced coordination and information exchange on the enhanced transparency framework	2.2.1. The transparency portal is strengthened and made fully operative;  2.2.2. Public servants are trained to use the portal information to support decision-making;  2.2.3. Feedback on project implementation, results and lessons learned are shared through the Global Coordination Platform.	CBIT	281,000	100,000
		2.3. Develop a technical roadmap for the National Low Carbon Development Strategy (LCDS)	2.3.1. A technical draft LCDS is developed in line with the enhanced transparency framework.	CBIT	150,000	
	Subtotal				1,001,000	275,000
Project Management Cost (PMC) <sup>4</sup>			CBIT	99,000		
<b>Total Project Cost</b>			CBIT	1,100,000		

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ( )

<sup>4</sup> For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

**C. INDICATIVE SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE**

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Beneficiaries	EU – RIPAP (Regional Implementation of Paris Agreement – 7 countries)	In-kind	100.000
Recipient Government	Hungarian Government (support to the Ministry of Sustainable Development and Tourism)	In-kind	175.000
<b>Total Co-financing</b>			<b>275.000</b>

**D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS <sup>a)</sup>**

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) <sup>b)</sup>	Total (c)=a+b
UNDP	CBIT	Montenegro	Climate Change	(select as applicable)	1,100,000	104,500	1,204,500
<b>Total GEF Resources</b>					<b>1,100,000</b>	<b>104,500</b>	<b>1,204,500</b>

a) Refer to the [Fee Policy for GEF Partner Agencies](#).

**E. PROJECT PREPARATION GRANT (PPG)<sup>5</sup>**

Is Project Preparation Grant requested? Yes  No  If no, skip item E.

**PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS**

Project Preparation Grant amount requested: \$					PPG Agency Fee:		
GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee <sup>6</sup> (b)	Total c = a + b
(select)	(select)		(select)	(select as applicable)			0
<b>Total PPG Amount</b>					<b>0</b>	<b>0</b>	<b>0</b>

**F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS<sup>7</sup>**

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>Hectares</i>

<sup>5</sup> PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

<sup>6</sup> PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

<sup>7</sup> Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO <sub>2e</sub> mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries: 1</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries: 1</i>

## **PART II: PROJECT JUSTIFICATION**

**1. Project Description.** Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects; 3) the proposed alternative scenario, GEF focal area<sup>8</sup> strategies, with a brief description of expected outcomes and components of the project; 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

### ***1.) The global environmental problem and/or adaptation problems, root causes and barriers that need to be addressed***

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<sup>9</sup>. 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”<sup>10</sup>. 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.

Climate change is nowadays a central challenge to people and places around the globe. The costs of inaction are high, and smart solutions can propel economic opportunity, innovation, and greater energy reliability, which are the goals that all humans can embrace. Through the PA, the world as a whole agreed on a path forward. 196 nations signed the PA and for the first time the world has agreed on mutual action, which rocketed climate change to the top of the list of global issues.

<sup>8</sup> For biodiversity projects, in addition to explaining the project’s consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

<sup>9</sup> IPCC, 2014.

<sup>10</sup> Solomon et al., 2009.

As per the PA, 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. In addition, they can independently decide on how to lower their emissions. This is a significant improvement in comparison to the past actions, since previous attempts at a climate deal required that similar measures are adopted by all signing parties. However, because economies, cultures, and nations differ so greatly, a common denominator was hard to determine and, therefore, achieve. Allowing ratifying countries to determine the best way forward for them, individually, stimulated support for the agreement.

The Article 13 of the PA provides for an enhanced transparency framework aiming to build mutual trust and confidence and to promote effective implementation of the actions identified under the NDCs, i.e framework for transparency of actions. The transparency provisions and the transformational change approach may pose additional challenges to countries, including Montenegro. Thus, to address these potential challenges, Article 13 provides clear understanding of climate change action in light of the Convention objectives, includes built-in flexibility, which takes into account Parties' different capacities, and builds on collective experience, clarity and tracking of progress towards achieving NDCs, including good practices, priorities, needs and gaps.

This is further reinforced through the Article 4 of the PA, which highlights that, in communicating their NDCs, all Parties shall provide information necessary for clarity, transparency and understanding in accordance with decision 1/CP.21. Further, Article 4 requests for full, exhaustive, comparative and robust accountability of the measures and action, the progressions and achievements made determining that each country, except for least developed countries, shall report no less frequently than on a biennial basis their progress towards the implementation of their NDCs.

The PA 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. It 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 which 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.

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.

The MRV system will ensure Montenegro's climate actions compliment 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 maximises synergies between climate action (SDG 13) and the other SDGs is needed. This is only possible with an MRV system which provides stable and

increasingly transparent, accurate and complete national data and expert resource to use it to inform decision makers and international assessment of progress.

## ***2.) The baseline scenario and associated baseline projects***

Although Montenegro has set an NDC target and has presented two national communications and the first BUR, it has yet to formalise 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.

### **a. Institutional framework for climate change and MRV**

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.

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. The Second National Communication (SNC) was submitted in May 2015. The First Biennial Update Report (FBUR) was prepared and submitted to the UNFCCC Secretariat in January 2016. Furthermore, Montenegro prepared its first Technology Needs Assessment report (TNA) in 2012, which identified and assessed appropriate mitigation and adaptation technologies for the Montenegrin context. Information from the NC/BUR 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 SNC and FBUR used the technical reports produced, as well as experiences, in their relevant policy and planning process, to the extent possible.

Montenegro has also established a high level multi-institutional Council, chaired by the President of Montenegro, which focuses on sustainable development. The Council was established by the Government in 2008, marking a positive development in inter-institutional coordination and cooperation. The Council's 2013 reform strengthened its 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 Coastal Area Management (NCSDDCCAM – in further text Council).

Four working groups (WG) have been established as a support to the work of the Council:

- WG for Monitoring of Implementation and Revision of the National Sustainable Development Strategy;
- **WG for Climate Change Mitigation and Adaptation;**
- WG for Sustainable Resource Management; and
- WG for Coordinating Body for Integrated Coastal Management area.

**Working Group on Climate Change (WGCC)** meets between two and four times a year (prior to the sessions of the 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 Hydro-meteorology and Seismology and UNFCCC Focal Point. The group gathers representatives of national institutions (e.g. relevant ministries, ENPA), local authorities and NGOs. However, this working group needs to be strengthened with technical expertise to inform the Council's decision makers on Montenegro's progress and challenges on climate change actions and their links to other national strategies and sustainable development goals. Furthermore, WGCC needs to contribute to the definition and implementation of actions in its NDC and adaptation activities, and eventually inform the Council with regular, reliable and continuously improving information on Montenegro's progress with its NDC and adaptation activities.

## **b. Legislative and regulatory framework**

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 Biannual Update Report (BUR) and the Second National Communication to the UNFCCC.

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.

Additional climate change related policies include the 2016 National Strategy of Sustainable Development until 2030 (NSSD) and the National Strategy with Action Plan for Transposition Implementation and Enforcement of the EU ACQUIS on Environment and Climate Change 2016-2020 (NEAS). As key strategic document, climate change issues are articulated throughout the NSSD. The NSSD also introduced 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. 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.

Through the TNC support, Montenegro is currently preparing the Law on Climate Change, the very first legislative piece related specifically to climate change. The Law will encompass EU requirements in this area, i.e. it will be in line with EU acquis (e.g. ETS, MMR etc) and should be developed during 2018.

## **c. Country commitments**

Within the scope of the FBUR 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 (GWP) on a 100-year timescale in accordance with the IPCC's 2<sup>nd</sup> Assessment Report (AR2).

The following table shows the total GHG emissions/sinks expressed in CO<sub>2</sub>eq for the last year of inventory (2013), as published in the BUR, including percentage of each key sector in relation to total GHG emissions. As it can be seen from the table, energy sector is the most emitting sector contributing with 76% of total national GHG emissions. Most of the GHG in this sector comes from coal-fired power plant (cca. 75% of GHG 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. Considering the high level of data uncertainty, AFOLU sector data accuracy improvement is envisaged through the on-going TNC project.

Year	Energy		Industrial processes		Agriculture, without sinks		Sinks	Waste		Total emissions without sinks (100%)
	(Gg CO <sub>2</sub> eq)	%	(Gg CO <sub>2</sub> eq)	%	(Gg CO <sub>2</sub> eq)	%	(Gg CO <sub>2</sub> eq)	(Gg CO <sub>2</sub> eq)	%	(Gg CO <sub>2</sub> eq)
<b>2013</b>	<b>2,415.87</b>	76%	<b>282.93</b>	9%	<b>280.22</b>	9%	-2,221.61	<b>199.26</b>	6.3%	<b>3,178.28</b>

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.

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 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. Adaptation component is also not included into NDC, as Montenegro does not have any adaptation policy and/or strategic document, so far.

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.

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 (Aluminum Plant Podgorica (KAP)) and in the agricultural sector. Thus, the energy sector increased its share in total GHG emissions (excluding sinks) to 76% in 2013.

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.



It is important to note that, in the previous period, GHG emissions reduction was a result of overall economic decrease, especially in the metal industry sector, i.e. in the period of the so called "transitional recession" of the 90s in the twentieth century and its gradual and modest recovery since the beginning of XXI century to the present day.

The forecasted economic activity growth in the 2017-2030 period is based on the priority development projects in the field of: energy generation (hydro power plant (HPP), small HPPs, wind power plants, photovoltaic power plants, thermal power plant (TPP) Pljevlja II, energy efficiency programs, etc.), transportation (building highway and other projects), industry (especially metal industry), tourism (tourist resorts and hotels) and agriculture. Long-term projects are covered by special studies and sector strategies (Energy Development Strategy (EDS) until 2030 and the associated action plan 2016-2020), as well as by the National Sustainable Development Strategy of Montenegro (NSDS) until 2030 with action plan 2016-2020 and the National Climate Change Strategy until 2030 (NCCS). Medium-term projections of investments are given in the Development Directions of Montenegro, the Program of Economic Reform, Industrial Policy until 2020 and Manufacturing Industry Development Strategy 2014-2018.

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 fulfill its international obligation and make national contribution to reducing the negative effects of the GHG emissions in 2030 compared to 1990.

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

- energy efficiency measures;
- improvement of industrial technologies (primarily in the metal industry);
- increase in share of energy from renewable sources in gross final energy consumption up to 33%, until 2020; and
- modernization of the energy generation sector.

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

Montenegro launched in 2016 the activities for the preparation of the Third National Communication (TNC) and Second Biennial Update Report (SBUR). The SBUR is expected to be submitted by March 2019, and TNC by May 2020.

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 QA/QC plan and further capacity building in mitigation policies and measures.

The main element of proposed SBUR activities that are closely aligned with GEF-CBIT activities is 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 will include a clearly defined list of stakeholders and their roles and responsibilities including co-ordinators, data providers, policy decision makes

and other users of the MRV datasets on mitigation, adaptation and climate finance. For the purpose of this activity, pilot MRV data and information portal will be developed.

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.

Furthermore, the Socio-economic Analysis of Investments for the Ratification of the PA has been recently developed. The analysis covers 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. The main purpose of the socio-economic analysis was to explore whether the ratification of PA 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 mil. €, of which 91% will be derived from investors, while some 9% shall come from public funds.

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

- Along with the INC, 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;
- Within recently prepared NSDS (2016-2020), climate change issue is envisaged as cross-sector topic for each of the country development directions;
- 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 (WEM) and with additional measures (WAM). 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.

Montenegro participated in the Environment and Climate Regional Accession Network (ECRAN) project in 2016-2017. Financed by EU and managed by the European Commission, ECRAN assisted the beneficiaries in exchange of information and experience related to preparation for accession. ECRAN is 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.

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).

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.

Highly complementary to the MRV conceptual framework project, as well as GEF-CBIT activities, is also EU-financed on-going Regional Implementation of the PA in the Western Balkans and Turkey (RIPAP) project aiming to support capacity building for the PA implementation, as well as to support regional cooperation in the area of information and experience exchange. The project is on-going, with the due date September 2018.

Further, a recent project, funded by the Hungarian government, will develop a number of interventions on projections modelling and adaptation, using Geographic Information System (GIS). The project includes preparation of a framework for the establishment of a national system for policy and measures, TIMES (The Integrated MARKAL-EFOM System) energy sector model projections, and GIS for the assessment of vulnerable areas in Montenegro, based on which a study will be prepared for four areas: tourism, health system, impact on the drinking water pool, risk of forest fires.

In 2015, Montenegro appointed National Focal Point (NFP) 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 (RPS) development which will contribute to strengthening NFP 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.

Currently, the National Adaptation Plan (NAP), to be financed by the GCF, through its RPS programme, is in its development stage. 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.

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 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.

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 Program.

#### **e. Gender and climate change**

The MSDT initiated gender mainstreaming through its FBUR. This has been continued through current work on study to be developed on Gender and Climate Change in Montenegro through the SBUR. Through the work done so far, it became evident that Montenegro has not developed gender-disaggregated statistical data and indicators related to climate change, nor it targeted the gender-climate change related nexus in its policy-making.

Montenegro participated in a recent regional workshop, held in FYROM in December 2017 with the support of the GSP, 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). Major conclusions from the workshop will be used in further planning of gender mainstreaming into the climate change in Montenegro.

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 shall 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 programs 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 (finance, technology development and transfer, and capacity-building).

When it comes to gender statistics, the following constraints can be identified:

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

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 policymakers needed to support transformational change.

#### **f. Barriers, gaps and needs**

As stated above Montenegro made some progresses 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 a solid national system, for proper and qualitative monitoring, reporting and verification.

Within its FBUR, Montenegro recognized its major financial, capacity development and financial needs and gaps. Regarding capacity building needs, 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 MSDT, ENPA and all those directly addressing climate change (ME, MARD, MONSTAT, IHMS, IPH) need to possess and constantly develop expertise in this area.

With regard to further capacity building, Montenegro would also need the following:

- 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;
- 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;
- 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;
- 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 Actions (NAMA) projects, set the criteria for gathering information on mitigation projects, measure and quantify the GHG reduction measures, programs 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;
- Capacity building for the staff working in the relevant institutions to be involved in setting up and operation of the national MRV system;
- In order to assess the role of women, the national gender action plan with gender data and indicators is needed.

The technical analysis of the FBUR was prepared by the team of technical experts (TTE) within the first round of international consultation and analysis (ICA) in 2016. TTE summary report calls for enhanced reporting transparency:

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

Scientific institutions also need to assume an important role and take an active part in the activities concerning capacity building and assessment of technological capacities, information and notification. Their staff need to enhance their level of expertise and skills in the area of climate change.

In relation to GHG emissions, it is evident the inventory is not enough in order to evaluate the actions taken to reduce the climate change impacts. A broader analysis of the mitigation initiatives and a robust system to gather information about the implementation of the PA 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.

### ***3.) Proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project***

By the end of 2018 and with the support of the SBUR, Montenegro will have developed a conceptual framework for monitoring and reporting on its 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.

Having identified the potential organisational structures, pools of expertise and data sources, Montenegro needs to formalise these into a functional system quickly. This formalisation process needs 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.

The proposed CBIT project is focused on the following components:

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

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

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

This component will engage high level decision makers through the national Council (described in the baseline) to accelerate and monitor climate action in harmony with Montenegro's Sustainable Development Goals and wider National Strategies. The work will strengthen Montenegro's transparency instruments under the PA's transparency framework and integrate them within existing national functions where possible.

Under this component, strengthening and capacity building process to consolidate the Working Group on Climate Change (WGCC) is envisaged.

#### **Outcome 1.1. Embed a proactive Climate Action Transparency Task Force within the WGCC of the national Council**

The core task of the Working Group on Climate Change is to provide advise on both development and implementation of national policies in the area of climate change. Furthermore, it should improve cross-

sectoral cooperation contributing to the development and follow-up of the implementation of sectoral strategic documents, ensuring their consistency with climate change policy.

The specific tasks of the Working Group are to provide:

- 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;
- guidelines for Harmonization of National Legislation with the Energy-Climate Package EU within the process of Montenegro accession to the European Union.

WGCC was established in 2013 by the National Council (chaired by the President of Montenegro, and being advisory council to the Governemnt of Montenegro), and the funds for its functioning have been provided by the Ministry of Sustainable Development and Tourism<sup>11</sup> (which is also Secretary of the national Council). It comprises of 20 members from various institutions, including MSDT, ENPA, IHMS, MARD, ME, MIA, PE National Parks, Chamber of Commerce, universities, local authorities, NGO, UNDP and independent expert.

So far, its main task has been to review and provide opinion on the draft documents related to climate change and prepared for the presentation at the national Council sessions (held between two and four times a year).

However, as mentioned in the baseline, this working group needs to be strengthened 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. Furthermore, WGCC needs to contribute to the definition and implementation of actions in its NDC and adaptation activities, and eventually inform the Council with regular, reliable and continuously improving information on Montenegro's progress with its NDC and adaptation activities. Thus competent authorities consider that CBIT could be instrumental in enhancing the existing WGCC into a more effective climate Task Force who would support the Directorate for Climate Change, as well as to act as advisory body to the national Council.

#### ***Output 1.1.1. Streghtening governance, procedures and technical capacities of the CATFF***

The CBIT project will enhance the role and participation of the existing WGCC in order to become an effective Climate Action Transparency Task Force (CATTF). In order to make it fully functional and operational, procedural changes will be needed related inter alia to the working group membership, ways of functioning and responsibilities. In addition, this working group has to be strengthened especially in ways to monitor, report, and engage with the verification of its mitigation and adaptation actions. When it comes to membership, the TF would have to include more technical experts (not only civil servants from related ministries), as well as the representatives of academia and gender expert.

The Climate Action Transparency Task Force will act as technical support to the Directorate for Climate Change (MSDT) in monitoring climate action in accordance with the PA Transparency Framework and Sustainable Development Goal 13 (Climate Action). It would have its place within

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<sup>11</sup> As per 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**).

the national MRV system, and would help accelerating proactive climate change related communication and actions within the National Council.

The objectives of the Climate Action Transparency Task Force would be:

- To raise awareness at the highest level on the climate action needs and progress for Montenegro;
- To ensure that the implementation of actions to develop economically and to address sustainable development goals taken by Montenegro are sensitive to its climate strategies;
- Integrate sectoral leads, technical expertise and data suppliers into its evidence base on climate action.

This CATTF will enable the MSDT team to connect with sectoral policy leads and other decision makers for informing on climate action related issues. This will drive forward action and ensure suitable tracking of and reporting on the NDC and adaptation activities. It will also inform key decision makers on progress, gaps and the best future options. In addition this TF would support Montenegro in transparently tracking and evaluation of the PA implementation. The permanent TF, with defined roles and responsibilities, shall in addition to existing representatives from public administration offices, institutes, universities, NGOs also consist of members representing the technical expertise and data and focus on the prioritisation of activities for transparent MRV actions including:

- Provide technical support to the main climate change policy makers, primarily the MSDT, and its Directorate for Climate Change (DCC), as well as the national Council, to lead, plan, coordinate, implement, monitor, and evaluate policies, strategies, and programs to enhance transparency in the NDC and adaptation activities processes.
- Tracking the use, impact and effectiveness of landscape of climate finance and also support the identification of resource requirements, allocation and opportunities.

This project aims to enhance the CATTF capacities on the NDC and adaptation activities tracking. The CATTF members will be also trained on permanent basis and work on specific tasks in line with the MPG elaborated in outputs 1.1.2, 1.1.3 and 1.1.4.

Consequently, the strengthening will include improvements on governance/procedures, startup and operating costs analysis, institutional and legal arrangements and governance structure.

#### ***Output 1.1.2. A transparency Methodologies, Procedures and Guidelines (MPGs) for tracking NDC***

For the purpose of the CATTF work, a set of national transparency MPGs, referring to mitigation, adaptation and climate finance has to 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:

- Monitoring of trends, projections, scenarios, action, and wider impacts on SDGs;



- Reporting of information to decision makers (MSDT, national Council) 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;
- Verification of 1) methods data sources and assumptions used to compile data needed for informing stakeholders and reporting; 2) progress and determining if it is enough or more action is required.

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 CATTf 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 helpful tool in strategic decarbonization planning. Besides, reporting instruments according to the transparency framework under the PA will be also described.

#### ***Output 1.1.3. A transparency MPG for tracking adaptation activities***

This output encompasses development of another 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:

- Monitoring of vulnerability trends, climate change scenarios, action, and wider impacts on SDGs;
- 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;
- Verification of 1) methods data sources and assumptions used to compile data needed for informing stakeholders and reporting; 2) verification of progress and determining if it is enough or more action is required.

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 PA will be also described.

#### ***Output 1.1.4. A transparency MPG for tracking climate finance***

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. 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 investments will also be integral part of the transparency MPGs.

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

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 2.1. Enabled national institutions to implement the enhanced transparency framework**

Public authorities do not have yet 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 NCs and BURs, 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 goal and also adaptation goal, once it is set-up.

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.

These technical expertises are 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.

#### ***Output 2.1.1. Improving Montenegro's GHG inventory and projections ensured and wider benefits of mitigation actions identified to support the Paris Agreement and EU Greenhouse Gas Monitoring Mechanism Regulation (MMR)<sup>12</sup>***

In an effort to enhance reporting transparency, focal points in line ministries and other experts will need to be supported on implementing further improvements in the preparation of information related to GHG emissions and removals and actions to reduce emissions and increase removals. 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:

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 for the GHG inventory team (based in ENPA) to advance data collection process by defining a standardized questionnaire format for collecting annual

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

data. Aiming at necessary data gaining in a more efficient way, GHG inventory team needs support in setting up this format, that should be sent to the data providers (owners, holders and producers), in order to obtain necessary data for preparation of the annual GHG inventory and modelling projections on time. 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.

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.

Furthermore, ENPA will be assisted in the collection and data quality improvement, implementation of developed QA/QC procedures and conducting inventory uncertainty assessments.

GHG Projections: So far, through INC and ECRAN projects, energy projections modelling (the Long-range Energy Alternatives Planning System - LEAP) was organised for some institutions (ME, IHMS and the University of Montenegro). 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.

***Output 2.1.2. 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***

As mentioned earlier, the upgraded NDC (2020) should include adaptation activities, along with mitigation actions and goal. Except the adaptation chapters, providing preliminary assessment of adaptation priorities within INC, SNC and NCCS, 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 NAP is in development stage, and according to the Law on Environment Montenegro is obliged to develop NAP by 2020.

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 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.

Based on trends monitored by the IHMS, it is evident that the temperature in Montenegro increases, especially in the northern part of the country which 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.

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 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. In accordance with this article *Reporting on national adaptation actions*, Member States shall report to the Commission 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.

***Output 2.1.3. Relevant national institutions are enabled to mainstream gender into the enhanced transparency framework***

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.

GEF-CBIT can play an important role in developing gender action plan, including necessary data collection tools and method 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 programs is of utmost importance for encouraging gender-responsive climate action at the national level.

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.

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. The action plan would define which gender analyses and kind of gender-disaggregated statistics is needed, in order to be able to plan, implement and monitor programs and projects within the defined measures for climate change adaptation and mitigation, and which would take into account different needs and possibilities of both men and women.

The use of gender indicators in the enhanced transparency framework and in coordination with future NDCs, NCs and BURs, 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.

Thus, the project will also push forward inclusion of gender expert into the CATTF, in order to better ensure gender mainstreaming into climate change policies.

## **Outcome 2.2. Adopt an enhanced coordination and information exchange on the enhanced transparency framework**

In order to establish sustainable transparency system, one of the major tools to be applied will be MRV-related portal, that will be eventually 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.

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 fully operational domestic MRV system including:

- Visualising and establishing strong and resilient institutional arrangements;
- Building and maintaining national centres of technical excellence with strong links to international networks of experienced experts and mentors;
- Securing and improving data supply and data supplier engagement (data flows and support);
- 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);
- Implementing QA/QC and transparent documentation of estimates emissions/removals, projections, climate actions and their associated wider impacts (co-benefits);
- Efficient reporting (databases, data exchange formats, tables etc.) according to requirements;
- Highly engaging, effective and transparent communication of MRV outputs in support of climate action.

### ***Output 2.2.1. The transparency portal is strengthened and made fully operative***

A transparency portal will enable national experts to engage in providing transparent, complete, consistent, comparable and accurate data for MRV. The portal shall 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 shall 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.

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.

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 objective in providing 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.

So, 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 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.

This output will result in the following:

- development of the IT architecture of the MRV portal and its data interfaces;
- upload existing data;
- link to environmental IT infrastructure;
- give access to data providers.

#### ***Output 2.2.2. Public servants are trained to use the portal information to support decision-making***

The purpose of the portal shall 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 CATTF, 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.

The key activities of this output are training for data suppliers, portal users and other stakeholders on data insertion in accordance with their roles and access-level to the use of the portal, report generation, use of the portal information on decision-making, as well as guidelines development promoting the effective use of the centralized national climate information portal, that will be integral part of the transparency MPGs.

#### ***Output 2.2.3. Feedback on the project implementation, results and lessons learned are shared through the Global Coordination Platform***

This output will facilitate knowledge exchanges and lessons learnt by being actively engaged in the CBIT global coordination platform and by providing feedbacks on inter alia project implementation,

barriers, lessons learnt 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.

### **Outcome 2.3. Develop a technical roadmap for the National Low-Carbon Development Strategy (LCDS)**

Montenegro intends to use improved transparency data and methodologies to draft a technical roadmap for the national LCDS in accordance with UNFCCC requirements, the national Law on Environment and the EU climate-energy legislation, targets and ambitions. The goal of the outcome is to develop a technical roadmap of a cost-effective low-carbon economy and promote development pathway 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 cycle, industrial production growth, new businesses development, economy competitiveness and creating green jobs.

#### ***Output 2.3.1. A technical draft National LCDS is developed in line with the enhanced transparency framework***

The technical draft National LCDS (2020-2050) shall establish guidelines concerning:

- Goals and visions for accelerating a transition to a low-carbon economy;
- Priority measures addressing the decarbonisation challenge;
- Implementation instruments (regulation, incentives, quota and ETS, voluntary agreements, cross-sector cooperation and synergy, promotion to raise awareness, free market);
- The strategy development process;
- Indicators for implementation monitoring in line with the established enhanced transparency framework.

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 scenario and projections identification, multi-criteria analysis for the selected measures and evaluation shall be analysed.

#### **4 Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LCDF, CBIT and co-financing**

Montenegro has taken up significant national and international commitments with regard to climate change and the reporting of corresponding efforts in emission reduction. Internationally, Montenegro has committed to contributing to limiting global warming to 2°C by signing the PA and to reporting on its progress in fulfilling its NDC. Without support of the GEF-CBIT, necessary conditions for meeting PA objectives and complying with ETF would not likely be reached in developing countries. Although significant progress has been made at the national level, the necessary 2006 IPCC-compliant data for calculating emissions still have to be improved. Systematic archiving and reporting process for GHG emissions remains undeveloped, as well as major gaps and inconsistencies in data collection are likely to continue, due to limited capacities. Also, the lack of communication, coordination and IT innovation across institutions, hinders technical challenges in collection and interpretation of mitigation and adaptation data. So, institutional capacity gap on transparency will persist if Montenegro is not assisted in this process. Furthermore, in absence of GEF-CBIT funding, Montenegro will not be able to improve institutional arrangements, in determining degree of

transparency and magnitude of mitigation and adaptation actions impact, as the synergies between these actions.

With the GEF-CBIT support, country level capacity can be improved to prioritise the MRV development, to carry out critical climate-responsive contributions, set forth in NDC, in line with the PA and requirement under the EFT.

With an increased national capacity to measure, monitor and report on actions, identified in NDC, the country will be in a better position to enhance the transparency in reporting, and identify long-term mitigation potential.

## **5. Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);**

The Global Environmental Benefit of enhanced data generation and processing capacity as facilitated by the GEF funding can be neatly associated to 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 PA. 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 absence of the requested GEF funding, Montenegro will lack the capacity to take well-informed decisions on climate change-related public policies and, thus, will have a reduced capacity in reducing emissions.

Montenegro believes that the suggested actions to move from the baseline to the alternative scenario fit neatly under GEF's strategic area of support: CBIT.

## **6. Innovation, sustainability, and scaling up**

### **Innovation**

The proposed project is innovative in the light of the integration of the components below:

- creation and institutionalization of the CATTF;
- introduction of the transparency portal;
- inclusion of gender data;
- tracing long-term low-carbon development.

Through the present project, Montenegro will establish a new inter-sectoral body, championing integrated climate change action and transparency.

Montenegro will introduce an innovative 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. This transparency portal will provide a central focal point for evidence material (GHG inventories, projections, vulnerability assessments, climate actions, support, wider benefits) and administrative information for the MRV system. The system will make knowledge and archived data broadly available 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, phasing-out the personal appropriation of knowledge by individual staff members. Thereby, the loss in capacity through turnover will be avoided and, moreover, widen the range of public servants with the relevant capacities.



## Sustainability

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.

### Potential for Scaling Up

Montenegro has always made an effort to share its experiences within and across regions, and is consistent with its idea of becoming a world wide decarbonization laboratory. Sharing its experience with regard to the data generation and processing efforts supported by GEF-CBIT are of high interest to Montenegro. Therefore, Montenegro believes that the potential for scaling-up expands beyond the 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 PA. Multiplier effect of the project will ensure greater dissemination and wider adoption by information-sharing portal.

2. **Stakeholders.** Will project design include the participation of relevant stakeholders from [civil society organizations](#) (yes  /no ) and [indigenous peoples](#) (yes  /no )? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

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>• The Directorate for Climate Change is the focal point of the IPCC and UNFCCC and in charge of climate activities in Montenegro on behalf of the Ministry of Sustainable Development and Tourism. It is thus in charge of the elaboration of climate change policy, national adaptation plan, GHG inventory, MRV activities and the reporting to the UNFCCC. The role of the DCC will be the overall coordination of the activities defined by the project, responsible to coordinate the design of the transparency framework implementation and ensure the efficient communication with the other stakeholders. Therefore, it will take the leading role in the CATTFF work, be involved in all training activities, climate awareness and play a key role in the integration of the data, methodologies and tools generated through GEF-CBIT into portal. As the first user of the envisioned transparency portal, DCC technical experts will be key to making the platform user-friendly.</li> <li>• Environment and Nature Protection Agency (EPA), currently in MSDT, is in charge of the GHG inventory development. Thereby, its expertise will be important in designing, establishing and the work of the CATTFF under component 1. The role in the project will be part of the coordination system for public institution and they will be trained in the data collection and data quality improvement, implementation of QA/QC procedures and uncertainty assessments. The ENPA experts</li> </ul>

	<p>will be involved in standardizing format for data requesting development and setting up LCDS framework.</p> <ul style="list-style-type: none"> <li>• Sector in charge of environmental IT within MSDT will make part of the coordination system for public institutions that will 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>• Directorate for Waste Management and Communal Development is in charge of waste policy of the country. Thereby, its expertise will be important in designing, establishing and work of the CATTF under component 1, as well as through the work on 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, gender involvement in waste planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> <li>• Directorate for EU Integration and International Cooperation is in charge of climate finance of the country, GEF and GCF focal point. Thereby, its expertise will be important in designing, establishing and work of the CATTF under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation).</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 designing, establishing and work of the CATTF 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 energy sector, gender involvement in energy planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</li> <li>• Directorate for Industry and Entrepreneurship is in charge of industrial policy of the country. Thereby, its expertise will be important in designing, establishing and work of the CATTF 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 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>• Directorate for Agriculture is in charge of agricultural policy of the country. Thereby, its expertise will be important in designing, establishing and work of the CATTF under component 1, as well as through the work on component 2 the transparency portal development</li> </ul>

		<p>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 agriculture sector, gender involvement in agricultural planning and projects, evaluation, monitoring and reporting of mitigation and adaptation actions.</p> <ul style="list-style-type: none"> <li>• Directorate for Forestry is in charge of forest policy of the country. Thereby, its expertise will be important in designing, establishing and work of the CATTF 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		<p>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 gender database. They will be trained for data quality improvement and data processing for GHG inventory calculation, in the use of advanced gender data gathering tool, set-up gender indicators and establishment of gender database.</p>
Institute for Hydrometeorology and Seismology	for and	<p>Institution in charge of mostly adaptation activities. Its expertise will be important in designing, establishing and the work of the CATTF under component 1, as well as through the work on component 2 (the transparency portal development and the LCDS framework preparation). The IHMS experts will be trained in data quality improvement, evaluation, monitoring and reporting of adaptation actions, involvement gender in adaptation actions.</p>
Ministry of Internal Affairs		<p>Directorate for Emergency is in charge for Disaster Risk Reduction. Thereby, its expertise will be important in designing, establishing and work of the CATTF under component 1. The MIA experts will be trained in data quality improvement, evaluation, monitoring and reporting of adaptation actions.</p>
Institute for Public Health		<p>Institution in charge of public health. Thereby, its expertise will be important in designing, establishing and work of the CATTF 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, involvement gender in adaptation actions.</p>
Academia, universities, scientific institutions		<p>Institutions in charge of science. Its expertise will take important role in all activities concerning capacity building and participative process under both components. They will also be represented in the CATTF. So far, mostly</p>

	the University of Montenegro (UoM) has been involved in CC activities, but also The University of Donja Gorica (UDG) is involved within the Council. Besides, the UDG has recently established The Center for Climate Change, Natural Resources and Energy (CCCRNE).
NGO sector	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, which 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 CATTf and participative process under both components.

**3. Gender Equality and Women’s Empowerment.** Are issues on [gender equality](#) and women’s empowerment taken into account? (yes  /no ). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

On a national scale, serious efforts are made in meeting the needs of vulnerable population, including women, and 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 and published in recent years, such as 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 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 been established, and there is also an institute of Ombudsman. However, there is no ultimate political will to empower women and achieve gender equality, and 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 Montenegro, in collaboration with the Government of Montenegro, has identified the following priority areas for intervention that was clearly listed in Country Office Gender Strategy, which is aligned with the UNDAF for Montenegro.

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 CATTF will be able to take well-informed policy planning decisions that take into account the differences in gender and thus better inform climate action.

**4 Risks.** Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

Project Risk	Rating	Description and mitigation
Ministries have limited number of technical experts at their disposal	High	The CBIT proposal addresses directly the risk of limited capacity for a sustainable execution of the provided tools with the strengthening of the CATTF and by supporting capacity building in national institutions. This will guarantee a permanent local MRV-related capacity and enhance the technical and political priority of climate transparency
The institutional set up strengthened by CBIT will not be sustainable beyond the end of the project implementation period due to lack of financial and institutional support	Low	CBIT will avoid creating new institutions but rather focus on strengthening existing ones, who are already operative and budgeted for.
Imperfect retention of capacities in ministerial staff	Medium	The CBIT will ensure periodic training for wider groups of professionals/employees, so the technical knowledge provided by the project will be ingrained in the institutions. The CBIT proposal hedges this risk directly through the development of a transparency portal that ensures knowledge kept in the institutions regardless of professional staff turnover.
Poor project coordination and limited alignment among government agencies	Medium	On an inter-ministerial level, the CATTF working group will be strengthened and this will improve alignment and coordination. The CBIT proposal hedges this risk directly through the development of a transparency portal that ensures easier coordination and information exchange among government agencies.
Lack of abilities to gather, analyze and communicate data and limited cooperation on data and	Medium	Adequate tools and methodologies will be developed by the project and made available on the transparency portal for users. Moreover, trainings to use the platform and increase transparency awareness will play a considerable role in enhancing those abilities. Legal mandate is already in place for annual data collection plan.

information sharing		
Lack of political willingness to support the project activities and insufficient participation of key institutions	Low	If there is a lack of understanding about the country commitments and the project objectives there is a risk of not having the needed political support. If there is not enough time assigned to the project activities the outputs have the chance of not being completed. The sectoral institutions are currently involved in processes and activities related to climate change, the activities tending to build more capacities among public institutions are also thought to create awareness about the importance of transparency coordination and exchange of information.

**5. Coordination.** Outline the coordination with other relevant GEF-financed and other initiatives.

### Coordination

The proposed CBIT project is by design closely aligned and coordinated with a few ongoing 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.

Further as mentioned in the table below there are some other ongoing initiatives related to transparency as a whole or through components directed towards MRV. The DCC and the CATFF 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.

Initiative	Timeframe	Focus Area
GEF-UNDP The Third National Communication (TNC)	07/2016- 05/2020	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)	12/2018- 12/2021	Adaptation planning
EU/Klimapolitika - Human Dynamics Regional Implementation of the Paris Agreement (RIPAP)	11/2017- 12/2018	MRV in ETS
Hungarian government/Naturaqua Establishment of a national system for policy and measures The National Adaptation Geo-information System (GIS)	12/2017- 06/2018	Mitigation Adaptation

**6. Consistency with National Priorities.** Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes  /no ). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Montenegro's proposed actions to be funded by GEF-CBIT are in line with national strategies and plans, specifically its national development strategy. This proposal is aligned with the national priorities and needs explained in the FBUR and the SNC. Moreover, the capacity building needs identified in the ICA process of the FBUR were also taken into consideration to be addressed in the different component of this project. The

project is also aligned with the SBUR and TNC, as well as submitted NDC. These actions are also meant to improve reporting under the UNFCCC.

This document explains how the actions proposed through GEF-CBIT project will help transition the currently establishing MRV framework to an enhanced transparency framework, in line with the PA. 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. It 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 NSDS which mentions the fight against climate change as a cross cutting element. 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 BURs and NCs, 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 CATTF 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 BURs, NCs and in future communications, biennial reports and the national inventory reports under the PA.

**7. Knowledge Management.** Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

Knowledge management as reflected in the components 2.2.1. and 2.2.3. 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 CATTF cross-sectoral working group, and the transparency portal.

As part of the former, all relevant actors within the CATTF will convene regularly as part of the cross-sectoral working group, in order to share expertise, experiences, the MRV implementation advancements, challenges, etc. These fora of exchange between sectors have historically been missing in Montenegro and, thereby, the CATTF working group will close a significant gap.

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 shall 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.

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 CATTF; (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.

The country firmly believes that sharing these experiences through GEF-CBIT’s global activities, workshops, webinars, bilateral exchanges, etc. will support other developing countries in fostering their national MRV systems.


**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. Record of Endorsement<sup>13</sup> of GEF Operational Focal Point (s) on Behalf of the Government(s): (Please attach the [Operational Focal Point endorsement letter](#)(s) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

Name	Position	Ministry	Date (MM/dd/yyyy)
Mr. Igor Građević	Director of the Directorate for EU Integration and International Cooperation	Ministry of Sustainable Development and Tourism	02/28/2018.

- B. GEF Agency(ies) Certification

This request has been prepared in accordance with GEF policies<sup>14</sup> and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email
Adriana Dinu, UNDP GEF, Executive Coordinator		03/06/2018	Damiano Borgogno	0090 850 288 26 29	<a href="mailto:damiano.borgogno@undp.org">damiano.borgogno@undp.org</a>

- C. Additional GEF Project Agency Certification (Applicable Only to newly accredited GEF Project Agencies)

For newly accredited GEF Project Agencies, please download and fill up the required [GEF Project Agency Certification of Ceiling Information Template](#) to be attached as an annex to the PIF.

<sup>13</sup> For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

<sup>14</sup> GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT