



Montenegro
Ministry of Sustainable Development
and Tourism

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October 17th, 2019

To: Ms. **Naoko Ishii**
Global Environmental Facility (GEF)
Chief Executive Officer and Chairperson
1818 H Street, NW, Washington, DC 20433 USA

Subject: **Implementation modality of the project proposal 6225 CBIT**

Esteemed Ms. Ishii,

In relation to the project proposal 6225 "Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework" (CBIT) we would like to reconfirm that we envisaged this project to be implemented by UNDP Montenegro, through Direct Implementation Modality.

Our decision is entrenched in an agreement between Government of Montenegro and UNDP and recognized in UNDPs Country Programme Document (CPD) 2017-2020, where the direct implementation modality for all vertical funds, including GEF is entailed.

The reasons of such an agreement are stated in the CPD: "Montenegro has made a firm commitment to promote green growth and the eco-state concept. Over the past decade the country has made important steps to align its legal and policy frameworks with international environmental norms and standards, but challenges persist in implementation. These include lack of the administrative capacities and financial resources."

Apart from international commitments related to UNFCCC, before mentioned alignment of legal and policy frameworks relates to the process of accession of Montenegro to the European Union (EU), which is a main foreign policy priority and a principal driver of development and reforms within the country.

This task requires significant efforts, number of skilled public officers and relevant policies and procedures in place.

Thus, the analysis conducted within the *National Strategy with Action Plan for Transposition, Implementation and Enforcement of EU acquis on Environment and Climate Change 2016-2020*, which relates to capacities of the Government to respond to international commitments, recommends set of measures in the area of building administrative capacities. Some of them include the following:

- Improve institutional structure and intersectoral cooperation for efficient implementation of climate change policies,
- Strengthen capacities of the Ministry for Sustainable Development and Tourism, so that, till the end of 2020, there are 8 employees working on climate change issues,
- Strengthen capacities of the Environment and Nature Protection Agency, so that, till the end of 2020, there are 11 employees working in the area of climate change,

- Strengthen capacities of the Ministry of Economy, so that there are 4 employees working in the area of climate change, till the end of 2020,
- Establish proper organisation, strengthen capacities and working procedures of the inspection services in the area of climate change.

All those measures have been planned, but the implementation is still pending. One of the reasons is the ongoing public administration reform and human resources optimization process, due to which Government introduced the moratorium for the employment of new staff until this process is finalized.

Considering all the beforementioned we would use this project to strengthen national capacities and create the national system and structure which should respond to the forthcoming challenges in the area of climate change (through support to MRV and set of capacity building activities).

Having in mind significant international commitments and the EU accession process, as well as the need to strengthen the administrative capacities in the area of climate change, we would like to highlight once more importance of having UNDP as Implementing Partner for this specific project.

Evaluations confirmed that UNDP was a key government partner in the 2012-2016 country programme cycle and successfully contributed to addressing many of the challenges we are facing with. Thus, they have been chosen as reliable partner for further implementation of agreed country priorities, climate change being just one of them.

DIM modality will ensure risk-free, focused and efficient project execution, as has been precedent in the past fifteen years of work in GEF financed projects in Montenegro and consequently proved itself to be in line with financial and procurement standards required for the projects of such scope and nature.

Finally, I am using this opportunity to inform you that Ministry of sustainable development and tourism of Montenegro will practice two other modalities of implementation, NIM I and NIM II, after the above mentioned CPD cease to be effective.

Sincerely yours,

Mr. Pavle Radulovic
GEF Political Focal Point
Minister of Sustainable Development and Tourism

