



## **Development of the Fourth National Communication and the First Biennial Transparency Report of Montenegro to the UNFCCC**

### **Part I: Project Information**

**GEF ID**

10741

**Project Type**

EA

**Type of Trust Fund**

GET

**CBIT**

**CBIT No**

**Project Title**

Development of the Fourth National Communication and the First Biennial Transparency Report of Montenegro to the UNFCCC

**Countries**

Montenegro

**Agency(ies)**

UNDP

**Other Executing Partner(s)**

Ministry of Ecology, Spatial Planning and Urbanism

**Executing Partner Type**

Government

**GEF Focal Area**

Climate Change

**Taxonomy**

Focal Areas, Climate Change, United Nations Framework Convention on Climate Change, Enabling Activities, Climate Change Mitigation, Climate Change Adaptation, Stakeholders, Gender Equality, Capacity, Knowledge and Research

**Rio Markers**

**Climate Change Mitigation**

Climate Change Mitigation 2

**Climate Change Adaptation**

Climate Change Adaptation 1

<b>Type of Reports</b>	<b>Submission Date</b>	<b>Expected Implementation Start</b>	<b>Expected Completion Date</b>	<b>Expected Report Submission to Convention</b>
UNFCCC Biennial Transparency Report/ National Communication (BTR/NC)	7/19/2021	9/1/2021	3/31/2025	12/31/2024

**Duration**

43In Months

**Agency Fee(\$)**

49,115.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
CCM-EA	GET	517,000.00	100,000.00
		<b>Total Project Cost(\$)</b>	<b>100,000.00</b>

**B. Project description summary**

**Project Objective**

To assist Government of Montenegro in the preparation and submission of its Fourth National Communication and its First Biennial Transparency Report for the fulfillment of the obligations under the United Nations Framework Convention on Climate Change (UNFCCC).

<b>Project Component</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
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Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. National Circumstances, Institutional Arrangements, Description of NDC, Constraints, Gaps and Other Info	<p>1.1. Review on previous National Communications and overview of the current circumstances, policies and institutional arrangements relevant to the preparation of the Fourth National Communication and Biennial Transparency Report</p> <p>1.2. Progress towards mainstreaming of climate change considerations along with gender issues into key development strategies and sector-based policy frameworks</p> <p>1.3. Other relevant information described (research/systematic observation, technology transfer, education, public awareness, capacity building, constraints and gaps)</p>	<p>1.1.1 National circumstances relevant to the government structure, population, imports, exports, GDP, natural resources, climate and socio-economic features affecting climate change, sector specific key drivers for emission trends, as well as adaptive capacities, addressing gender dimension collected and updated, and appropriate measures to meet obligations under UNFCCC reviewed and explained;</p> <p>1.1.2 National development objectives, priorities and circumstances relevant to the climate change, mitigation of its adverse impacts and the specific needs and problems arising from climate change, how these might affect the way in which the country deals with climate change, sustainable development and gender issues in the long term estimated and described;</p> <p>1.1.3 Description of NDC, including national reference</p>	60,000.00	20,000.00

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. GHG Inventory	<p>2.1. The comprehensive national system for preparation of GHG emission inventories</p> <p>2.2. The national capacities enhancement for GHG inventory preparation and management</p> <p>2.3. Report on national sectorial inventories for emissions by sources and removal by sinks of all GHGs</p>	<p>2.1.1 National system for GHG Inventory, incl. procedures and arrangements for activity data collection, processing, storage, accuracy, completeness and gaps, as well as role of institutions involved in preparation of GHG inventory described;</p> <p>2.1.2 AFOLU and waste sector activity database improved, and new sub-categories identified and included into GHG inventory;</p> <p>2.1.3 National emission factors (EFs) for key source categories and electricity grid emission factor (GEF) reassessed and GHG emissions recalculated based on EFs adjustments;</p> <p>2.1.4 Quality Assurance and Quality Control plan developed, and QA/QC process implemented;</p> <p>2.2.1 National GHG inventory for the sectors: energy, IPPU, AFOLU and waste in accordance with 2006 IPCC Guidelines, 2019</p>	160,000.00	20,000.00

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Track Progress of NDC implementation and Achievement and Mitigation Actions	3.1. The analysis of policies and measures undertaken by the government to reduce GHG emissions by sector (energy, IPPU, AFOLU and waste) carried out	3.1.1 The national system for policies and measures, as well as projections described;	120,000.00	20,000.00
	3.2. The projections of GHG emissions up to 2040, under the Paris Agreement, in the main sectors and NDC roadmap 2025-2030 completed	3.1.2 The monitoring and analysis of the legal and strategical framework covering implemented, adopted and planned national climate change policies and measures and appropriate projections outlined, incl. recommendations to improve the legislation for GHG emission abatement forecast;		
	3.3. System for NDC tracking	3.1.3 The projections input data for BAU, WEM and WAM scenarios development updated;		
		3.1.4 The implementation of internal emissions trading system and emissions allocations to the stationary combustion operators investigated;		
		3.2.1 The GHG emission scenarios up to 2040 described and modeling techniques analysis		

Project Component	Expected Outcomes	Expected Outputs	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4. Climate change impacts and adaptation	<p>4.1. Climate scenarios, socio-economic scenarios climate change vulnerability assessment for priority sectors developed and plans and programmes proposing measures to facilitate adaptation prepared</p> <p>4.2. Gender dimension</p>	<p>4.1.1 Climate change risks and impacts on socio-economic development identified, and risk reduction opportunities described;</p> <p>4.1.2 Climate change scenarios using appropriate climate models revised;</p> <p>4.1.3 Proposal of relevant adaptation measures in the sectors not covered by NAP, with particular attention to the sectors not previously covered such as infrastructure, settlement/housing, rural areas, mountains, food security and hydro-electricity and identification of potential impacts such as those due to heat waves, water resources scarcity, flooding, forest fires, among others conducted;</p> <p>4.1.4 Updated adaptation measures along with risk assessment for the most vulnerable sectors, incl. cost-benefit analysis, loss and damage issues, synergy between mitigation and adaptation and plan for the effective implementation of measures to adapt to climate change</p>	90,000.00	20,000.00



<b>Project Component</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
5. Compilation, publication and submission of the NC/BTR report, Knowledge management, Monitoring and Evaluation	5.1. Compilation and submission of the 4NC/1BTR report	5.1.1 4NC/1BTR produced, consulted with relevant stakeholders, edited, reviewed, translated, published, approved and submitted to the UNFCCC Secretariat in by December 2024;	40,000.00	10,000.00
	5.2. Knowledge management	5.2.1 Regular workshops to discuss progress, exchange ideas and present findings of the NC process organized;		
	5.3. Monitoring and Evaluation	5.3.1 Inception workshop and closure workshop organized;  5.3.2 Project annual financial and progress reports, as well as periodic monitoring and evaluation (M&E) prepared;  5.3.3 End of project report incl. compilation of lessons learned and recommendations for future projects.		
<b>Sub Total (\$)</b>			<b>470,000.00</b>	<b>90,000.00</b>

**Project Management Cost (PMC)**

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	47,000.00	10,000.00
<b>Sub Total(\$)</b>	<b>47,000.00</b>	<b>10,000.00</b>
<b>Total Project Cost(\$)</b>	<b>517,000.00</b>	<b>100,000.00</b>

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**C. Source of Co-Financing for the Project by Name and by Type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Recipient Country Government	Ministry of Ecology, Spatial Planning and Urbanism ? Department for Climate Change through the project financed by GIZ	In-kind	Recurrent expenditures	100,000.00
			<b>Total Co-Financing(\$)</b>	<b>100,000.00</b>

**Describe how any "Investment Mobilized" was identified**

N/A

**D. GEF Financing Resources Requested by Agency, Country and Programming of Funds**

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
UNDP	GET	Montenegro	Climate Change	CC Set-Aside	517,000	49,115
<b>Total Gef Resources(\$)</b>					<b>517,000.00</b>	<b>49,115.00</b>

## **Part II. Enabling Activity Justification**

### **A. ENABLING ACTIVITY BACKGROUND AND CONTEXT**

Provide brief information about projects implemented since a country became party to the convention and results achieved

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

Montenegro 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 report updated the national GHG inventory using the year 1990 as a base year and presented a trend analysis of the period 1990-2003. The report also includes the mitigation analysis, a downscaling of global circulation models and an analysis of vulnerable sectors and possible adaptation measures. The Second National Communication (SNC) was prepared and submitted in May 2015. The report updated the national GHG inventory using the year 1990 as a base year and presented a trend analysis of the period 1990-2011. The SNC provides updated mitigation analysis, and updated analysis of vulnerable sectors and possible adaptation measures. The Third National Communication (TNC) was submitted to the UNFCCC Secretariat in October 2020. The communication updated the national GHG inventory with up-to-date recalculations for the period 1990-2017, in accordance with 2006 IPCC Guidelines. The update was prepared in line with the findings from UNFCCC Quality Assurance Workshop of the national GHG management system and national GHG inventory of Montenegro. Furthermore, the TNC comprehends updated chapters on Mitigation and Vulnerability & Adaptation Analysis as well as Constrains, Gaps and Needs Analysis.

The First Biennial Update Report (FBUR) was developed and submitted in January 2016. The Second Biennial Update Report (SBUR) was submitted to the UNFCCC Secretariat in May 2019. The FBUR updated the national GHG inventory for the whole series 1990-2013, using IPCC 2006 Guidelines, while through the SBUR further improvement of the national GHG inventory 1990-2015 was done. The SBUR also covers Climate Change Mitigation and Action Plan as well as Development of Conceptual Framework for Monitoring, Reporting and Verification (MRV). The Third Biennial Update Report (TBUR) is currently underway and its submission to the UNFCCC is planned for December 2021.

Montenegro is implementing several international 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 only lignite-fired power plant, as well as eco-upgrade of this power plant including the construction of the desulphurization and denitrification system, upgrade to the electro-filtering plant, construction of waste water treatment facility, and reconstruction of the internal system for transporting ash and slag that will significantly reduce all the air pollutants (SO<sub>2</sub>, NO<sub>x</sub>, PM<sub>2.5</sub>). The lignite-fired Thermal Power Plant (TPP) Pljevlja itself is envisaged as a heat source for the town of Pljevlja (envisaged heat removal from the turbine, heat exchangers, pumping station, and the auxiliary boiler room as the backup source).

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 subsidies on penetration of heating systems on modern biomass and improving living conditions through improved thermal insulation of household. Furthermore, the energy labeling and eco-design regulation for energy related products has been adopted. Over the last years, substantial investments have been made, and will continue to be made, into new renewable energy sources (wind generators, solar power plants and small hydropower plants (sHPPs), together with planned investments into solar power plants (SPPs), biogas-powered plants, and biomass cogeneration plants. In the transport sector, the government is mostly focused on improving infrastructure (roads, highway), on biofuels use as well as on alternative ways of mobility, such as e-vehicles.

The NCs and BTRs are a vital medium for the exchange of information on Parties' responses to climate change and UNFCCC process. Both reports allow the parties to highlight the issues, problems, gaps and constraints faced as well as technical and financial supports needed by the Parties. Information from the reports has been used to integrate climate change issues into national sustainable development policy and planning. More specifically, the representatives of relevant ministries and agencies, particularly Ministry of Capital Investments, Ministry of Agriculture and Rural Development, Environmental Protection Agency, Statistical Office ? MONSTAT, Ministry of Interior, etc. that participated in the SNC/TNC and the SBUR process used the technical reports, as well as experiences in their relevant policy and planning process.

As a result, Montenegro included climate change components into the national socio-economic policy and planning process. Under the GEF CC enabling activities, Montenegro has enhanced national capacities on development of GHG inventory, mitigation options and exposure to vulnerability and adaptation options. The 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.

On its path towards accession to EU, Montenegro has opened Negotiation Chapter 27 covering Environment and Climate Change. It will have to integrate into domestic legal framework numerous requirements of the EU climate policy and to align with climate acquis. The EU Report on Montenegro's progress (May 2019) in the accession process states that: "Limited progress has been made in further aligning legislation with the EU acquis. Montenegro should focus in particular on environment and climate change. Furthermore, Montenegro should in particular develop its National Energy and Climate Plan (NECP) in line with the Energy Community. Montenegro's level of alignment on climate change remains limited. On horizontal legislation, in June 2018, Montenegro adopted the 2018-2020 action plan for its national strategy to align with and implement the EU acquis on environmental protection and climate change. However, the lack of administrative capacity and financial resources at national and local level are delaying the strategy's implementation. Genuine dialogue between civil society and the government is required to achieve effective public participation and consultation in decision-making. The Fund for Environmental Protection was formally established in November 2018 and is now becoming operational. Montenegro has a Climate Change Strategy up to 2030 in place, but has to intensify its work to ensure consistency with the EU 2030 climate and energy policy framework and to ensure that its strategy is integrated into all relevant sectoral policies and strategies. Considerable efforts are still needed to align with the EU climate acquis".

Substantial efforts are also needed to fully integrate climate considerations into all relevant sectorial policies and strategies. Montenegro regularly associated itself with EU positions at international level. Regarding alignment with the climate acquis, the country's monitoring, reporting and verification capacity is strengthened.

The establishment of the National Council for Sustainable Development, Climate Change and Coastal Area Management (NCSDCCCAM) marks a positive development in inter-institutional coordination and cooperation. The Council needs to be strengthened further.

Montenegro participated in the Regional Implementation of Paris Agreement Project (RIPAP) which focused on capacity building and support for participating countries for implementing the 2015 Paris Climate Agreement. Support through RIPAP included support in preparing technical reports and documents, capacity building activities such as workshops and seminars, and ad hoc assistance. Outcomes included the upgrading of national GHG monitoring and reporting systems and practices and strengthening of MRV activities.

In August 2015, the Intended Nationally Determined Contributions document was submitted to the UNFCCC and the Government committed to the goal of at least 30% GHG emission reduction by 2030 (compared to the 1990 reference year). Montenegro adopted the Law on Ratification of Paris Agreement in October 2017, confirming its INDC submitted to the UNFCCC in September 2015. The updated NDC2 has been developed with UNDP support, and was submitted to the UNFCCC Secretariat, on 25 June 2021. In the updated NDC, the Government has raised the target of the INDC and committed to achieve at least 35% reduction in total national GHG emission (excl. LULUCF) by 2030 compared to the base year of 1990.

On the international level, although it does not have quantified obligations to reduce GHG emissions, Montenegro is an active player, trying to assume voluntarily advanced reporting obligations, prepare for national contributions for the post 2020 period, and support EU in advocating its ambitious targets and objectives.

The National Climate Change Strategy (NCCS) until 2030 and appropriate Strategic Environmental Impact Assessment (SEIA) were adopted in 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 with its belonging costs, adaptation measures to climate change with its belonging 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 integral part of the NCCS.

The development of three National Communications to the UNFCCC, two Biennial Update Reports and the Intended Nationally Determined Contribution (INDC) has contributed to the strengthening of climate mainstreaming processes in the country. They have also supported informing the international community on the actions taken by the country to address climate change issues. Country's institutional and policy frameworks to deal with climate change related issues have improved noticeably. Number of national documents that set policies for key sectors development has been adopted.

Since 2014, several relevant laws, regulations and strategies that incorporate climate change considerations have been adopted, such as the Energy Development Strategy until 2030, National Renewable Energy Sources Action Plan till 2020, the National Strategy for Sustainable Development up to 2030 (NSSD), the National Strategy with Action Plan for Transposition Implementation and Enforcement of the EU ACQUIS on Environment and Climate Change 2016-2020 (NEAS), the National Agriculture and Rural Development Strategy 2015-2020, the National Forestry Strategy, the



National Waste Disposal Strategy and the Strategy for Disaster Risk Reduction with the Dynamic Action Plan for the Implementation of the Strategy for the period 2018-2023, the Transport Development Strategy 2019-2035 with Action Plan 2019-2020, the Industrial Policy 2019-2023, as well as the new Action Plan on Energy Efficiency 2019-2021.

At the legislative level, the Law on Protection against Adverse Impacts of Climate Change was adopted by the end 2019, covering all the climate issues relevant for Montenegro. The law incorporates elements of the new EU policy set Clean Energy Transition for establishment of National Systems for GHG inventories and National Systems for PaMs and projections, carbon storage and ozone layer protection, obligations of the stationary plant and the aircraft operator as well as envisages Low Carbon Development Strategy (LCDS) and National Adaptation Plan (NAP) preparation. In March 2020, the Government adopted Regulation on Activities and Gases for Issuance of the Emission Allocation Allowances to the Stationary Plants Carrying out Activities Resulting in GHGs and currently prepares set of other bylaws (regulations and rulebooks) in accordance with abovementioned Law.

Under the auspices of the President of the Country, the NCS DCCCAM has four working groups; one from them is responsible for climate change. Four working groups (WG) as a support to the work of the Council are as follows:

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

Working Group on Climate Change Mitigation and Adaptation (WGCCMA) 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 General Manager of the Institute for Hydrometeorology and Seismology and UNFCCC Focal Point. The group gathers representatives of national institutions (e.g. relevant ministries, EPA), 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, WGCCMA 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. Other ministries with responsibilities related to climate change are the Ministry of Capital Investments and the Ministry of Agriculture and Rural Development.

On a local level, Capital of Podgorica has prepared Sustainable Development Action Plan and Local Adaptation Strategy, as well as Sustainable Urban Mobility Plan (SUMP). National and local authorities also have enhanced resilience at national and local levels to climate induced floods and other natural disasters through improved preparedness and early warning systems. With UNDP's support, significant progress has been made in addressing specific climate risks through mapping, cost benefit analyses and mitigation, including the planning, construction and maintenance of preventive infrastructure.

The representative of the MESPU and national mitigation expert participated in Regional Workshop on Nationally Determined Contributions (NDCs) in Tbilisi, organised under EU4CLIMATE project. The objective of the workshop was to support the development and the implementation of climate-related policies, which contribute to low emission and climate-resilient development, in line with the Paris Agreement (PA) goals on climate change. Focus of the workshop was on increasing ambition, using sound data to support decision making, promoting whole-of-government engagement, as well as budgetary alignment for climate action and addressing acceleration, through sectorial policies, as well as mobilization, by leveraging capital and creating societal ownership of climate targets.

Montenegro, with UNDP support, received funds from GCF for development of National Adaptation Plan (NAP). The implementation of the project started at the beginning of 2021. In addition, Montenegro participates in UNEP implemented Readiness and Preparatory Support project developing the capacities of Montenegro for an effective engagement with the Green Climate Fund (GCF).

The aim of the UNDP implemented project Growing Green Business in Montenegro is to create favorable business climate and conditions for private sector investment in low-carbon and other environmentally friendly businesses in Montenegro. The project objective is to promote private sector investment in low-carbon and green businesses. The project will use a combination of policy de-risking (implementation of favorable policy framework and provision of business support services) and financial de-risking instruments (improving access to finance for innovative green businesses and partnerships, in particular agriculture, tourism and energy sectors).

The European integration has been at the top of Government's agenda ever since the independence of the country and the membership of the European Union remains a strategic goal of the country. In the context of the EU accession process, the country also initiated harmonization of its EU and UNFCCC commitments. The EU integration agenda has generated momentum for political, economic and social reforms and contributed to consensus building on cross-sectoral policy. While EU accession poses great challenges in terms of human and financial capacity at the national and local levels, it also

provides opportunities for the creation of more integrated, crosscutting policies and better utilization of available resources.

The process of the National Communications and BURs development, evolved throughout the years, and significant progress has been noted in the quality of the GHG Inventories both in terms of activity data and emission factors, incorporating quality assurance and quality control (QA/QC), management of uncertainties, development of mitigation scenarios, modeling of relevant actions and measures, GHG projections, climate modeling scenarios and vulnerability and adaptation measures. However, there are still gaps that must be closed. Taking into consideration that the country is planning to develop the LCDS that will create an enabling environment for its implementation using EU pre-accession funding (IPA) and the NAP using GCF funding, the momentum for development of the comprehensive 4NC/1BTR is ideal as this document can provide significant input to LCDS. The 4NC/1BTR is planned to be finalized and submitted to UNFCCC in December 2024. The document shall be instrumental in identifying country's potential for raising ambitions within the 2050 LCDS cycle.

This project will build on findings and recommendations from previous NC and BUR work as well as recommendations resulting from the International Consultation Analysis (ICA) process for BUR. The Montenegrin Second Biennial Update Report underwent the process in 2019. Active participation in both ICA components and the technical analysis of the submitted BURs have been valuable and positive experience for the country.

The following advances and improvements in reporting have been made identified in the SBUR compared with that in the first BUR: Information on institutional arrangements, GHG inventories, mitigation actions and their effects reported in the second BUR demonstrates that the Party has taken into consideration the areas for enhancing transparency noted by the previous TTE in the summary report on the technical analysis of the Party's first BUR.

Regarding the areas for enhancing transparency noted by the previous TTE in the summary report on the technical analysis of the first BUR that were not addressed in the second BUR, Montenegro identified them as areas for enhancing national capacity.

Furthermore, the TTE noted that information on the methodological approaches is presented in the national inventory report at an aggregated level, but that, for the individual subcategories, the descriptions of the methodologies are not clear, as they do not always specify the tier level used for a particular source or sink category. Providing information on the methodologies and tiers used for specific source and sink categories could facilitate a better understanding of the methodological approaches used. Besides, concerning the sectoral reporting tables annexed to the Revised 1996 IPCC

Guidelines, the level of disaggregation by sector and subsector presented in the BUR is comparable for all sectors except for emissions from LULUCF. Finally, other emissions, including NOX, CO, NMVOCs and SOX, were not reported in the BUR. All above mentioned shortcomings will be covered by the 4NC/BTR project.

The following were the key conclusions of the ICA process:

a) reported information is mostly consistent with the UNFCCC reporting guidelines on BURs and information analysed is mostly transparent;

b) Montenegro reported information on the institutional arrangements relevant to the preparation of its BURs. It has taken significant steps to create institutional arrangements that allow for the sustainable preparation of its BURs. These include organizational improvements, development of a national MRV system and knowledge-sharing procedures to facilitate sectoral information transfer;

c) In its SBUR, Montenegro reported information on its national GHG inventories for 1990-2015. The inventory was developed on the basis of the 2006 IPCC Guidelines, although in some cases the IPCC good practice guidance or the IPCC good practice guidance for LULUCF was used. The key category analysis identified categories 2.C.3 PFC emissions from aluminium production, 1.A.1 CO<sub>2</sub> emissions from solid fuel combustion (lignite) for electricity generation and 1.A.3.b CO<sub>2</sub> emissions from fuel combustion in road transportation as the most important categories;

d) Montenegro reported information on mitigation actions and their effects, including how its national mitigation planning and actions are framed in the context of its national climate change strategy by 2030 and a technical document for its intended nationally determined contribution. Montenegro reported actions that are planned, ongoing or implemented, which occur within the energy, IPPU, AFOLU and waste sectors. Co-benefits were also outlined by the Party and included an increase in the country's employment rate, improved quality of life and reduction in air pollution;

e) Montenegro reported information on key constraints, gaps and related needs. The SBUR identifies the needs related to the sustainable preparation and reporting of its BURs. During the technical analysis, Montenegro provided additional information on key challenges and needs, such as a need for an efficient information exchange system and related technical and institutional capacity-building needs. Information on support received and needed was reported, including the information on technology needs and support;

f) The TTE identified the 16 capacity-building needs that aim to facilitate reporting in accordance with the UNFCCC reporting guidelines on BURs and participation in ICA in accordance with the ICA modalities and guidelines, taking into account Article 4, paragraph 3, of the Convention. All the above suggestions from the technical analyses shall be taken into consideration while implementing the 4NC/1BTR.

## **B. ENABLING ACTIVITY GOALS, OBJECTIVES, AND ACTIVITIES**

The proposal should briefly justify and describe the project framework. Identify also key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable. Describe also how the gender equality and women's empowerment are considered in project design and implementation

*This project is prepared in line with the GEF7 climate change mitigation objective CCM3: Foster Enabling Conditions to Mainstream Mitigation Concerns into Sustainable Development Strategies and following goals and objectives:*

The goal of the project is to assist the country in mainstreaming and integration of climate change consideration into national and sectorial development policies by giving continuity to the institutional and technical capacity strengthening process, initiated and sustained by the National Communications on Climate Change.

The immediate objective of the project is to assist the country in the preparation and submission of its Fourth National Communication (4NC) and the First Biennial Transparency Report on Climate Change to the Conference of the Parties to the UNFCCC for the fulfillment of its obligations to the Convention.

The Enhanced Transparency Framework (ETF) under the Paris Agreement builds on the current, measurement, reporting and verification (MRV) system. Reporting under the existing MRV framework including NCs, BURs and ICA form part of the experience drawn upon and contributed to continuous building of capacity and expertise in advance of the ETF. The current framework provided timeframes for improvements of capacity constraints and prepared roadmap to becoming ETF ready. The preparation of the 4NC/1BTR is an opportunity to continue to learn by doing, analyze gaps and needs, and to build the necessary institutions and processes for complying with the ETF.

With the 4NC/1BTR, Montenegro will be updating GHG Inventory for reporting year no more than two years prior to the submission of its national inventory report (x-2) which is in line with MPGs for BTR.

The project expected outcomes are:

1.1 Review on previous National Communications and overview of the current circumstances, policies and institutional arrangements relevant to the preparation of the Fourth National Communication/Biennial Transparency Reports;

1.2. Progress towards mainstreaming of climate change considerations along with gender issues into key development strategies and sector-based policy frameworks;

1.3. Other relevant information described (research/systematic observation, technology transfer, education, public awareness, capacity building, constraints and gaps);

- 2.1. The comprehensive national system for preparation of GHG emission inventories;
- 2.2. The national capacities enhancement for GHG inventory preparation and management;
- 2.3. Report on national sectorial inventories for emissions by sources and removal by sinks of all GHGs;
- 3.1. The analysis of policies and measures undertaken by the government to reduce GHG emissions by sector (energy, IPPU, AFOLU and waste) carried out;
- 3.2. The projections of greenhouse gas emissions up to 2040 under the Paris Agreement in the main sectors and NDC roadmap 2025-2030 completed;
- 3.3. System for NDC tracking;
- 4.1. Climate scenarios, socio-economic scenarios climate change vulnerability assessment for priority sectors developed and plans and programmes proposing measures to facilitate adaptation prepared;
- 4.2. Gender dimension;
- 5.1. Compilation and submission of the NC report;
- 5.2. Knowledge management;
- 5.3. Monitoring and Evaluation

### **Stakeholders involvement**

Stakeholder involvement and consultation processes are critical to the success of the project. An effective engagement of key stakeholders is envisaged during project preparation, implementation, monitoring and evaluation to enhance ownership of the NC process and makes the report more responsive to national needs. The project proposal intends to strengthen stakeholder's participation to collectively participate in addressing climate change issues and challenges in Montenegro. The stakeholders of the project are expected to come from a wide range of backgrounds, including line ministries and agencies, local communities, local authorities and NGOs, mass-media, research institutions, private sector and international organizations, with particular emphasis on related sectors.

The preparation process of three National Communications and two Biennial Update Reports to the Conference of the Parties of the UNFCCC, has contributed to the institutional strengthening of the MESPU, as competent institution for the application of the Convention as well as of other relevant institutions at national level. This project will additionally improve the sustainability for preparation of future NCs/BTRs/NDCs/NAPs and will facilitate the reporting requirements to the UNFCCC. Active participation by all stakeholders in the formulation of mitigation and adaptation policies and measures will be facilitated to ensure ownership and sustainability.

The project outcomes will facilitate the national mitigation and adaptation action and planning, will enable recognition of mitigation and adaptation efforts in the country, as well as will link the national climate action to international support. Moreover, the outcomes would support competent and informed policy making in the field of climate change and will enhance the positions of the country in the climate change negotiation process at international, as well as at European level.

Based on the so far experience, it is understood that the most effective way to address climate change, is to allow a real co-management of the issue, where all key stakeholders are involved, in particular in relation to the design and implementation of the mitigation and adaptation actions, in the framework of pursuing the wider objectives of sustainable development.

The integration of the different sectors strengthens the institutional and technical capacity of the different stakeholders and institutions, not limited to a reduced group of experts and decision makers from the governmental institution where lies the responsibility for the fulfillment of the national obligations to the Convention. Efforts will be made to take into consideration the needs of excluded and marginalized groups which are more affected by climate change and have less resource to adapt. For this purpose, the project team will use various tools, including design thinking, behavioral science, and foresight, thus creating a collaborative space where different stakeholders will join forces to design policies and actions that will contribute to mitigation of GHG emission and will enhance the resilience and adaptive capacities to climate change on national and local levels.

During the project implementation, Montenegro will explore the opportunities to benefit and build on the existing institutional and stakeholder engagement and consultation mechanisms such as the National Council for Sustainable Development, Climate Change and Coastal Area Management with its associated working groups. The NCSDCCCAM is the national ultimate authority of decision-making on the climate change issues. The Board, established by the President of the country hosts representation of all relevant public institutions, private sector and Civil Society Organisations (CSOs). The members of the NCSDCCCAM include i) Ministry of Ecology, Spatial Planning and Urbanism, ii) Ministry of Economy, iii) Ministry of Capital Investments , iv) Ministry of Finance and Labor and Social Welfare, vi) Ministry of Interior, vii) Environmental Protection Agency, viii) Institute for Hydrometeorology and Seismology, ix) Business Alliance, xi) Employers Federation, xi) Banks Association, xii) Chamber of Commerce, xiii) National Parks Authority, xiv) MONSTAT ? State Statistical Office, xv) Public Enterprise for Costal Area Management, xvi) local governments, xvii) academia representatives, xiii) CSO representatives and xix) independent experts.

The close collaboration and participation of wide range of stakeholders including ministries, agencies, local authorities, CSOs, scientific community, private sector, international organisations and media are critical for mainstreaming climate change considerations into national and sectoral development policies as well as for strengthening capacities and raising awareness of different stakeholders on climate change issues. Therefore, stakeholder engagement process to be adopted in all phases of project implementation will not be limited to specific groups of experts but will involve representatives of all relevant institutions, coming from a range of different backgrounds. This process is believed to ensure the ownership of the national institutions on the project outcomes and enhance inter-agency cooperation and coordination. Moreover, it will further strengthen the platform, established in NC

preparation activities, for exchanging information and experiences, formulating policies, building capacities and raising awareness through a participatory and inclusive approach.

The MESPU is expected to perform leadership and act in coordination with all relevant stakeholders, throughout the activities, for ensuring the achievement of results to be reported and communicated through the NC/BTR. The MESPU will take active part in stocktaking analysis, technical assessment, individual and institutional strengthening and capacity building activities. Other relevant stakeholders, CSOs, private sector and academia representatives will be included in the process through the participatory and inclusive approach planned within the project.

The Institute of Hydrometeorology and Seismology is responsible for climate research and systematic observation. The same Institute will be in charge and makes its contribution to the chapter relating to assessment of the expected impacts of climate change, vulnerability and development of adaptation measures in different sectors of the national economy. The Institute for Public Health and the University of Montenegro will be involved in preparation of the V&A chapter.

Independent national experts on climate change will be involved in preparation of the following chapters 4NC/BTR: projections and assessment of the total effect of policies and measures, education, training and public awareness on climate change.

Civil society organizations will take part in the 4NC preparation, especially the environmental and NGOs working on empowerment of women and marginalised groups.

Once the 4NC/BTR is completed, it will be posted on the [www.klimatskepromjene.me](http://www.klimatskepromjene.me) website, and all stakeholders, including NGOs will be able to evaluate them, make suggestions and recommendations.

<b>Stakeholder</b>	<b>Role</b>
Ministry of Ecology, Spatial Planning and Urbanism, Directorate for International Cooperation, EU Integration and Climate Change	The Department for Climate Change (DCC) is the focal point of the IPCC and UNFCCC and in charge of climate activities in Montenegro on behalf of the Ministry of Ecology, Spatial Planning and Urbanism,. It is thus in charge of the elaboration of climate change policy, national adaptation plan, 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 and ensure the efficient communication with the other stakeholders. Therefore, it will be involved in all activities and trainings taking the leading role in the 4NC/BTR work. DCC has also the key role in the project outcome 3.3 ? NDC tracking.



<p>Environment Protection Agency (EPA)</p>	<p>Environment Protection Agency (EPA) is in charge of the GHG inventory development, activity database, processing, storage and inventory reporting. Thereby, its expertise will be important preparation of the updated GHG inventory under component 2 (outcomes 2.1-2.3). Besides the inventory calculation, its role in the project will be in the data collection and data quality improvement, implementation of QA/QC procedures and uncertainty assessments. The EPA experts will be also involved in standardizing format for data requesting development in accordance with the Annual Data Collection Plan.</p>
<p>Ministry of Ecology, Spatial Planning and Urbanism,, Directorate for Waste Management and Communal Development</p>	<p>Directorate for Waste Management and Communal Development is in charge of waste policy of the country. Thereby, its expertise will be important in work under component 3, as well as through the work on components 2 and 4. The waste experts will be involved in waste data quality improvement and supply for the purpose of GHG projections in waste sector, gender involvement in waste planning and projects, stakeholder consultations and gender training, as well as setting up and reporting of mitigation and adaptation actions.</p>
<p>Ministry of Capital Investments, Directorate for Energy</p>	<p>Directorate for Energy is in charge of energy policy of the country. Thereby, its expertise will be important in work under component 3, as well as through the work on components 2 and 4. The energy experts will be involved in energy data quality improvement and supply for the purpose of GHG projections in energy sector, gender involvement in energy planning and projects, stakeholder consultations and gender training, as well as setting up and reporting of mitigation and adaptation actions.</p>
<p>Ministry of Economy, Directorate for Industry and Entrepreneurship</p>	<p>Directorate for Industry and Entrepreneurship is in charge of industrial policy of the country. Thereby, its expertise will be important in work under component 3, as well as through the work on components 2 and 4. The industry experts will be involved in industry data quality improvement and supply for the purpose of GHG projections in IPPU sector, gender involvement in industry and projects, stakeholder consultations and gender training, as well as setting up and reporting of mitigation and adaptation actions.</p>
<p>Ministry of Agriculture, Forestry and Waters, Directorate for Agriculture</p>	<p>Directorate for Agriculture is in charge of agricultural policy of the country. Thereby, its expertise will be important in work under component 3, as well as through the work on components 2 and 4. The agricultural experts will be involved in agriculture data quality improvement and supply for the purpose of GHG projections in agriculture sector, gender involvement in agricultural planning and projects, stakeholder consultations and gender training, as well as setting up and reporting of mitigation and adaptation actions.</p>

Ministry of Agriculture, Forestry and Waters, Directorate for Forestry	Directorate for Forestry is in charge of forest policy of the country. Thereby, its expertise will be important in work under component 3, as well as through the work on components 2 and 4. The forestry experts will be involved in forestry data quality improvement and supply for the purpose of GHG projections in forestry sector, gender involvement in forestry planning and projects, stakeholder consultations and gender training, as well as setting up and reporting of mitigation and adaptation actions.
Ministry for Human and Minority Rights	In charge of gender policy of the country. Thereby, its expertise will be important in work under component 1, as well as through the work on components 3 and 4. The gender experts will be involved in setting up and reporting of mitigation and adaptation actions, stakeholder consultations and gender training,
National Council for Sustainable Development, Climate Change and Coastal Area Management - NCSDDCCAM	Participatory platform aimed at providing high-level support and guidance for the overall climate change policies in the country. The council will follow the whole 4NC/1BTR process, thus being involved in all components, since it is in charge of progress and challenges on climate change actions and their links to other national strategies and sustainable development goals. Furthermore, the Council will contribute to the definition and implementation of mitigation and adaptation actions, as well as gender activities.
MONSTAT ? State Statistical Office	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. The statistics experts will be involved in data quality improvement and data processing for GHG inventory calculation, gender data gathering, as well as stakeholder consultations and gender training.
The Institute for Hydrometeorology and Seismology	Institution in charge of hydrology, meteorology, hydrography and seismology. In charge of mostly adaptation activities. Its expertise will be important in the work within the component 4. The IHMS experts will be involved in setting up and reporting of mitigation and adaptation actions, stakeholder consultations and gender training,
The Institute for Public Health	Institution in charge of public health. Thereby, its expertise will be important in the work within the component 4. The IPH experts will be involved in setting up and reporting of mitigation and adaptation actions, stakeholder consultations and gender training,

Academia, universities, scientific institutions	Institutions in charge of science and research. Institutions in charge of science. Its expertise will take important role in all activities concerning capacity building and participative process under components 3 and 4. So far, mostly 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 established The Center for Climate Change, Natural Resources and Energy (CCCRNE).
European Union	Key source of legislative and policy support for climate change action and source of financing.
Energy Community Secretariat	Source of legislative and policy support for energy and climate change action ? development of the National Energy and Climate Plan (NECP).
Donor Community	Bilateral donors form a significant source of support for climate change-related capacity strengthening activities and multilateral donors support capacity strengthening and investments in climate change mitigation and adaptation. The project will liaise with the donor community on a regular basis throughout orientation and will work with donors on the in-country reporting of financial resources received for climate change and on finance readiness and project pipelines screening.
Environmental NGOs	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 and participative process under the components 1-4.
NGOs working on empowerment of women and marginalised groups	NGOs working on empowerment of women and marginalised groups will take important role in all activities and participative process under the components 1-4.

A preliminary Stakeholder engagement plan envisage the following meetings:

? Inception workshop to discuss conceptual framework and design for each chapter and to highlight any prevailing challenges to data acquisition and sharing, monitoring assessment and reporting;

? Validation workshops to discuss results and validate accuracy of the analyses;

- ? Individual meetings with sector representatives;
- ? Group discussions to solicit ideas, create synergies and opportunities for networking, knowledge sharing and joint actions;
- ? Final dissemination workshop to discuss findings, raise awareness and reinforce collaboration and networking.

Stakeholder engagement plan will include measures in order to manage risks that the Covid-19 pandemic and the possible reinstatement of containment measures pose on the mobility and engagement of both project staff and stakeholders. Project will employ videoconferencing equipment/tools for virtual meetings and workshops, revise workplan, apply social distancing and provide personal protective equipment (PPE) to prevent exposure among project staff, stakeholders and participants as and when necessary. Budget will be included for IT support and PPE accordingly.

The impact of the Covid-19 on the project progress will be closely monitored and the adaptive management will be used to minimise, and address impacts it may have on the availability of technical expertise, capacity and changes in timelines. Project will focus on strengthening capacity and experience for remote work and online interactions as well as limited remote data and information access.

### **Gender dimension**

For several analysis included in the project (national circumstances, vulnerability assessment), gender-disaggregated data from national statistical office and international approved sources for the following topics: education level, employment by economy sectors and other sectors identified as GHG emitters, gender pay gap (general and by sectors), economic empowerment, and health among others will be included.

Women should have equal participation and active involvement in climate change related decision planning, implementation and policy making processes of all climate change related activities. Moreover, considering that climate change is human induced, strategies must consider the gendered patterns of production and consumption in order to be feasible and applicable. Understanding how the unique social and economic roles played by women is crucial to the effective implementation of sectoral and national projects and programmes to adapt and to mitigate climate change.

In this sense, the project team will adopt a human rights-based approach and ensure that gender equality and women's empowerment concerns are prioritized throughout project cycle management. Inclusive approach will be reflected in implementation of project activities, affirmative actions will be

taken to provide gender balance within all committees, meetings, trainings and equal opportunities and gender parity will be respected throughout recruitment and selection processes. The UNDP gender marker will be applied, and the project will be rated in terms of its gender relevance again during the inception phase. Since climate change affects women and men differently, this differentiation will be clearly reflected throughout project reporting as well as in project outcomes. The project will also ensure that data disaggregated by gender and wherever applicable by age is consistently included in all reports.

While the role of women in climate change strategies has still not received enough attention, the project will try to incorporate a gender perspective in the identification, description and analysis on adaptation actions where relevant. Attempts shall be made during the project inception work to clearly identify ways and means of engaging women in climate change actions implementation.

Furthermore, the project will ensure data collection and analyses disaggregated by gender, age, and socially disadvantaged to allow development of recommendations for specific gender targeted and inclusive policies, mainly related to adaptation dimensions of vulnerable communities. There is still a concern on discrepancy between policies on national level and adaptation interventions on community level, including gender specific vulnerability. The role of gender in adaptation activities, policy formulation and knowledge will be analysed. The expected findings will build recommendations for most of the project outcomes (V&A, Mitigation, etc.).

The SNCs and the FBUR did not deal with gender mainstreaming issues. However, the SBUR and TNC started the process, leaving more room for its improvement in the 4NC/1BTR. While preparing the SBUR, the first of this kind analysis Women and Climate Change in Montenegro was carried out. The main conclusions of the study were the following:

- 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 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.

- in the coming period, it is necessary to keep in mind that 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 public 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 conduct gender analyses and collect gender-disaggregated statistics 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 take into account different needs and possibilities of both men and women. Mitigation actions focused on reduction of greenhouse gas emissions, particularly targeting energy efficiency in residential and public sector, although not specifically targeting women, has positive health impacts on indoor comfort in homes and schools, reducing energy costs burden on family and public budgets. Similarly, the adaptation projects reducing climate risks contribute to economic wellbeing of rural communities and indirectly women and children.

Gender Equality Index was developed by MONSTAT in 2018/2019, upon the initiative of the Ministry for Human and Minority Rights. With the index value of 55 (out of maximum 100 points), Montenegro scored lower than the EU average of 67.4. At the national level, women in Montenegro are least equal when it comes to Power, followed sequentially by Time, Knowledge, Money and Work. Highest equality was observed in the domain of Health. Greatest differences between the EU countries and Montenegro were recorded in the domains of Money and Power.

Under the auspices of UNDP/UN Environment Global Support Program, the Third Regional Workshop on Supporting the Integration of Gender Considerations into MRV/Transparency Processes in the Western Balkan Countries and Lebanon was held in Podgorica / Montenegro, beginning 2020.

The 4NC/BTR project will incorporate a gender perspective in the evaluation and understanding how the different social roles and economic status of men and women affect and are affected differently by climate change adaptation and mitigation actions. In doing so the role of women will be considered not only as beneficiaries of climate change related activities but also in the decision-making process. During its inception phase<sup>[1]</sup>, project will prepare and finalize Gender analysis and Gender action plan<sup>[2]</sup> in line with the GEF SEC's policy on gender equality<sup>[3]</sup> and Guidance to advance gender equality in GEF projects and programs<sup>[4]</sup>. The gender indicators will be selected for evaluation of the gender dimension in climate change adaptation and mitigation, as well as in the process of the project implementation. Balance will be sought for all activities under the project. Efforts will be made to have acceptable gender representation in project management structures (committees, institutional

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frameworks, technical team) and capacity building actions (trainings, workshops). With regard to the technical team to be hired to implement the enabling activity, gender balance will be also considered. The project will also perform a study, analysing the role of gender in adaptation and mitigation activities, policy formulation and knowledge.

The guidance on gender integration through the NCs and BURs developed by the Global Support Programme (GSP) through UNDP and in collaboration with UNEP and GEF will be applied. An inclusion of stakeholders who understand gender issues in relation to their sectors ? will be conducted to assess and understand where deeper analysis and action is required. The areas where data and information on gender and climate change is not available will be identified with priorities and steps to fill gaps.

Gender analysis will follow the structure of five priority areas of UNFCCC Gender Action:

- ? Capacity building, knowledge sharing and communications
- ? Gender balance, participation and women's leadership
- ? Coherence
- ? Gender responsive implementation and means of implementation
- ? Monitoring and reporting.

The Project will provide capacity-building in relation to NC/BTR purpose and content, gender issues in environment and their role in the NC/BTR processes if necessary.

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[1] The GEF Enabling Activities and policy/strategy work 33. Enabling Activity projects provide financing for the preparation of a plan, strategy, or national program to fulfill the commitments under the Conventions that the GEF serves, including national communication or reports to the Conventions. Similarly, many GEF-financed medium- and full-size projects include activities that focus on developing and preparing national policies or strategies and, as such, do not work directly with beneficiaries on the ground. These plans and strategies provide an essential opportunity to recognize, build capacity, and to develop actions to advance GEWE. Some possible actions to include in these national documents include the following:

- ? request that gender experts review draft plans and strategies;
- ? ensure that any background and stocktaking exercises associated with development of the plans and strategies adequately account for the different roles for women and men;
- ? ensure that women are effectively engaged as members of stakeholder groups consulted during development of the strategies and plans;
- ? consider including gender-disaggregated data collection and/or gender-specific indicators; and

? consider how national gender policies can be incorporated into sectoral strategies and action plans.

[2]

Guide to Conducting a Participatory Gender Analysis and Developing a Gender Action Plan for projects supported by UNDP with GEF financing:

[https://intranet.undp.org/unit/bpps/sdev/gef/\\_layouts/15/WopiFrame.aspx?sourcedoc=/unit/bpps/sdev/gef/Gender%20Library/UNDP%20GEF%20Guidance.%20How%20to%20conduct%20gender%20analysis%20and%20gender%20action%20plan.pdf&action=default](https://intranet.undp.org/unit/bpps/sdev/gef/_layouts/15/WopiFrame.aspx?sourcedoc=/unit/bpps/sdev/gef/Gender%20Library/UNDP%20GEF%20Guidance.%20How%20to%20conduct%20gender%20analysis%20and%20gender%20action%20plan.pdf&action=default)

[3]

[http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.04\\_Gender\\_Policy.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.04_Gender_Policy.pdf)

[4]

[http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.Inf\\_.05\\_Guidance\\_Gender\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.Inf_.05_Guidance_Gender_0.pdf)

#### **C. DESCRIBE THE ENABLING ACTIVITY AND INSTITUTIONAL FRAMEWORK FOR PROJECT IMPLEMENTATION**

Discuss the work intended to be undertaken and the output expected from each activity as outlined in Table A

The project will be implemented under NIM modality where national implementing partner (executing entity) will be the Ministry of Ecology, Spatial Planning and Urbanism. The Project Implementation Unit (PIU) will be placed within the Department for Climate Change, and will act as executing and operational unit that will coordinate and implement the project activities for the preparation of the Fourth NC/First BTR.

The Government will support the project through the use of equipment and premises for the PIU. The Public relations officer within MESPU will provide support in all activities aimed at promoting and communicating the project results to the key stakeholders and general public.

The NCS DCCCAM will continue to be a participatory platform that will provide high-level support and guidance for overall climate change policies in the country. It comprises of representatives from the government bodies, academia, private sector and civil society organizations. The NCS DCCCAM will also strengthen the inter-institutional coordination and collaboration on climate change issues thus giving sustainability to the preparation process of national communications and biennial transparency reports.



The institutional structure of the project will be based on the existing institutional arrangements. Preparation processes of 4NC/1BTR will be closely coordinated by the UNFCCC National Focal Point in Montenegro. Day-to-day management of the project will be assured by the project manager, who will be responsible to set the project team, while the national focal point will monitor and verify the project results. The following thematic working groups will be formed to assist with the preparation of various components of the NC: (i) National Greenhouse Inventory, NDC Tracking and Mitigation Analysis (ii) Vulnerability and Adaptation; (iii) Research and systematic observation; and (iv) Education, training, public awareness and information and networking and Capacity-building. Each thematic working group will comprise of a number of experts drawing both from public and private sectors, communities, and NGOs, as appropriate.

The Project Steering Committee (PSC) will be the highest policy-level body, which will provide support and guidance to the implementation of the project and ensure that the project findings are disseminated to, and validated by, all relevant stakeholders.

UNDP will be accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is also responsible for the Project Assurance role of the Project Board/Steering Committee. UNDP performs the quality assurance and supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions.

#### **Narrative description of project activities:**

### **1. National Circumstances, Institutional Arrangements, Constraints, Gaps and Other Info**

Information on the national circumstances on natural resources, geography, population, GDP, climate and socio-economic conditions, including effects of the Covid-19 pandemic, affecting mitigation and adaptation capacity of the country will be updated. The national development objectives, specific needs and concerns related to climate change will be analyzed and taken into account. The national priorities, strategy and legislation relevant to climate change will be analyzed, taking into account their status and tendencies. Also, institutional arrangements relevant to the preparation of the 4NC/BTR will be analyzed and described. Similarly, the mechanism for stakeholder participation in preparation of the 4NC/BTR will be described. The list of stakeholders, along with the relevant government institutions, will include local administrations, private sector, academia, NGOs. The relevant studies, projects implemented and/or under implementation by the stakeholders and their findings and recommendations will be analyzed and taken into account.

The major GHG emitting sectors and those that are the most vulnerable to climate change will be analyzed. In addition, integrating climate change and energy policy will be added. During the data collection, the most updated information will be actively sought and taken into account.

Special attention will be given to description of NDC. The description of NDC will include information on the target, target type, reference points and period of implementation, the target's scope and coverage (e.g. sectors, categories, activities, sources and sinks, pools and gasses).

The attention will also be given to the detailed gender analyses as well as collection and analysis of gender data in relation to climate change. For this reason, special training will be provided to the MONSTAT employees, dealing with gender data, in order for them to better collect gender data, process and disaggregate them for the purpose of the gender study, the other 4NC/1BTR analysis and further reports. Gender disaggregated data will be collected and reported with special attention given to measures undertaken in the past to ease the impact of the climate change on women and helping them to adapt to it, especially in sectors in which women are especially involved, like health.

Finally, information on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, needs/constraints for mitigation and adaptation actions associated with the fulfillment of the national obligations under the UNFCCC will be assessed, supplemented with information to reflect on education and public awareness activities as well as involvement and mechanism for stakeholder participation to enable the national communications preparation. The study of financial, technological and capacity needs and constraints of institutions responsible for activities related to climate change will be updated through the collection, synthesis and analysis of existing information, individual or group discussions and stakeholder consultations. Information on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors and voluntarily provided to non-Annex I countries for activities related to climate change will be collected and updated. The progress in the field of climate system studies, modeling and prediction studies, researches on the impacts of the climate change, socio-economic analysis studies will be reported. Academic research and observations conducted by relevant institutions, institutes and universities will be compiled, reviewed and additional analysis will be carried out on the needed scientific research, if required. Education and training projects, public awareness activities, means of public access to information and public participation (ensuring engagement of local governments, private sector, non-governmental organisations) and international cooperation in the field will be explained with specific references to the achieved outcomes. In the context of the 4NC/BTR, initiatives, activities, projects and programmes targeting education, training and public awareness raising on climate change will be updated.

Summarizing, all the thematic and sectoral components that define the National Circumstances, Institutional Arrangements, Description of NDC, Constraints, Gaps and Other relevant Information will be updated and revised for their inclusion in the 4NC/BTR.

## **2. GHG inventory**

Under the previous national reports, compilation of full series of GHG inventories for the period 1990-2017 have been prepared, using 2006 IPCC Guidelines. The key sectors of GHG emissions are energy, IPPU, AFOLU and waste. High priority sectors for CC mitigation and adaptation are energy and AFOLU.

In the 4NC/1BTR the whole series of GHG inventories will be recalculated and also GHG inventories for 2020-2022 will be developed. For the purpose of the updated GHG inventory calculation, 2006 IPCC Guidelines will be used, along with the 2019 Refinement to the 2006 IPCC Guidelines to the extent possible. The key sectors of GHG emissions will be energy, IPPU, AFOLU and waste. Country specific emission factors for the key source categories that contribute more than 95% to the total GHG emissions of the inventory shall be updated, thus adding value to the quality of the national greenhouse gas inventory, as well as the national grid emission factor (GEF), due to many new renewable investments in electricity generation capacities. The Quality Assurance & Quality Control (QA/QC) procedures shall be enhanced through formalized process and improved QA/QC plan, already established in the country by recently adopted Law on Protection Against Adverse Impacts of Climate Change, along with reviews from the WGCCMA and relevant national institutions. AFOLU and waste sector should be particularly improved, both through the new activity data and sub-categories, with external expert support, strengthening local capacities for GHG calculations in these sectors.

Further enhance and strengthen the institutional arrangements to ensure a robust national inventory system that is effective and efficient and is able to deliver in accordance with the decision 1/CP.16 and 2/CP.17. It is envisaged that the enhanced institutional arrangement will be responsive to future GHG reporting requirement including reviews and verifications. The improved GHG inventory is achievable through the customized trainings and technical support work that will be delivered to institutions in charge of data generating and data processing within the Enhanced Transparency Framework under the PA. The progressive improvements in the GHG inventory national system are critical for the continuous, effective and timely generation of GHG inventory estimates for both international and national decision-making. Therefore, significant amounts of the 4NC/1BTR resources would be committed to improving the overall capability of the national system. Proper institutional coordination mechanism will be put in place and supported by continuous education and enhancing the expertise of the key staff that are involved in the inventory process.

Aside realignment of institutions involved in the GHG preparation, enough clarity will also be provided on the operational modalities and procedures needed to make the national system more efficient and permanent. Various stakeholders and partner institutions will dedicate more time to the inventory process on sustainable basis as well as make efforts to maintain and retain capacities within the institutions. The resources will also be invested in start-up data management infrastructure, software and operations, coupled with seamless access and upgrade capabilities.

The overall improvements in the GHG inventory are important to producing high quality estimates. The improvements are intended to come about as a result of implementing the clear procedures, to define and allocate specific responsibilities in the inventory development process, including those relating to choice of methods, data collection, particularly activity data and emission factors from statistical services and other entities, processing and archiving, quality control and quality assurance. By implementing QA/QC, the minimum standards of the inventory process and estimates will be guaranteed.

As much as possible, the existing GHG inventory database covering all the major sectors will be reviewed and updated with new data (activity data national emission factors and grid emission factor). This is to ensure that estimates are produced using methodologies and datasets that are transparent, robust and consistent with IPCC guidelines, with introduction of Tier II to the extent possible. The extension of the AFOLU and waste sectors are particularly necessary, in accordance with the UNFCCC peer review recommendations and conclusions.

During the 4NC/BTR preparation, input data from the previous GHG inventory will be revised and recalculated to better reflect any changes. GHG emissions by sources and removals by sinks up to 2022 will be completed and the uncertainties encountered in the previous inventory will be reduced.

The following methodological materials will be used: IPCC 2006 Guidelines; 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories; the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories; IPCC Good Practice Guidance on Land Use, Land-Use Change and Forestry. The Common Reporting Format (CRF) ? 2006 GHG inventory software and Inventory sectorial tables according to the 2006 IPCC Guidelines for reporting of inventory results will be used.

To sustain the GHG inventory working group, training opportunities will be created. The capacity building outputs of the project will be used to institutionalize the inventory process in the work of the relevant agencies and ministries. It is envisaged that this approach will promote ownership and participation among relevant agencies and will sustain the inventory process for Montenegro.

The NIR and GHG inventory represent an important part of the climate mitigation planning. It is expected to provide accurate baselines for the development of emission reduction interventions. Apart from providing the basis for designing mitigation analysis, GHG inventory would also be reliable monitoring indicator for tracking nationally determined contribution as well as assessing the effects of mitigation actions on emissions and other co-benefits. To make the emission relevant for climate mitigation action and planning, efforts would be made to produce the latest estimates within reasonable time series and to the extent possible, project the emission scenarios within a specified time horizon.

The process of GHG inventory preparation will comprise of the following:

1. Description of the national system for GHG inventory, incl. procedures and arrangements for activity data collection, processing, storage, accuracy, completeness and gaps, as well as role of institutions involved in preparation of GHG inventory;
2. Improvement of AFOLU and waste sector activity database and identification of new sub-categories into GHG inventory;
3. Reassessment of national emission factors (EFs) for key source categories and electricity grid emission factor (GEF) and GHG emissions recalculation based on EFs adjustments;
4. Improvement of the Quality Assurance and Quality Control plan and formalisation of the QA/QC process;
5. Preparation of the national GHG inventory for the sectors: energy, IPPU, AFOLU and waste in accordance with 2006 IPCC Guidelines, 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and 2003 GHG-LULUCF Guidelines, using IPCC software, with introduction of Tier II or Tier III to the extent possible for the years 2020-2022;
6. Use of GWP for GHGs from the IPCC Fifth Assessment Report (5AR IPCC);
7. Conduction of the uncertainty analysis and analysis of the key source categories? GHG emissions;
8. Establishment of the link to The Convention on Long-Range Transboundary Air Pollution ? CLRTAP (EEA/EMEP) inventory;
9. Production of the national inventory report (NIR) as a summary or as an update of the information contained in chapter III (National greenhouse gas inventories) of the annex to decision 17/CP.8.;
10. Revision of the constraints facing GHG inventories per sectors.

### **3. Track progress of NDC achievement and implementation and mitigation actions**

- For tracking progress on NDC implementation and achievement, information will be provided on the indicators for the reference points, including (levels, baseline, base year, targets. In addition, information on any recalculation of GHG emissions will be updated, as well as comparison to the reference values at the time of reporting. In addition to target and indicators values, the methodology will be described, including key parameters, assumptions, definitions, data sources, models used etc.

Through the proposed project, the country's potential to reduce greenhouse gas emissions will be assessed and updated, major GHG emission reduction opportunities will be identified and the policy framework and recommendations to enhance it will be proposed. The detailed description of system for PaMs and projections will be described. The analysis on national PaMs and specific estimates of their effects on GHG by sectors will be updated. The GHG emissions projections to 2040, as assessment of the combined impact of policies and measures with different scenarios: without measures (BaU/WOM), excluding all policies and measures implemented, adopted or planned; with existing measures (WEM) scenario, encompassing currently implemented and adopted policies and measures and with additional measures (WAM), encompassing planned policies and measures, after the year chosen as the starting point for this projection will be developed. Besides, the methodology description used for the submitted GHG emission projections will be mentioned. The mitigation analysis will built-on the analysis previously prepared under the SBUR and the TNC, as well as updated NDC2, integrated national energy and climate plan (NECP) and finally LCDS. For the first time, the mitigation actions will consider different role of women and men. This will be done on the basis of new gender relevant data and information collection and analysis with the subsequent scenario development and estimation. With this goal, the cost benefit analysis for mitigation actions will be conducted and advances in implementing mitigation measures undertaken in all sectors will be taken into account. The analysis shall also include early implementation of internal emissions trading system and emissions allocations to the stationary combustion operators, in line with new climate legislation. Finally, part of the resources will be invested in preparation of the technical analysis for the next nationally determined contribution revision (NDC3) target to reduce GHG emissions in period 2025-2030, along with the roadmap for NDC3 implementation, incl. adaptation component and measures. After 2018, especially in 2020 and the coming years, economic growth and also the GHG emission level will be strongly influenced by the global CoVID19 crisis. In terms of GHG, the crisis will have a short time beneficial effect. It depends on public and private decision makers to take this as a chance for a transformation of national economies and societies to allow for long-term sustainable growth towards a zero-carbon economy.

All works will be conducted in close communication among all stakeholders, so consultative workshops and seminars will be organized on policies and measures to mitigate the climate change, including gender awareness training.

The tracking progress toward the mitigation target is of utmost importance in the coming period, so appropriately maintained MRV system with precise metrics in line with the "Modalities, Procedures and Guidelines for the Transparency Framework" (MPG) from the Katowice climate package (Annex

to decision 18/CMA.1) is needed. The well-established NDC tracking will also attract international climate financing for domestic mitigation and adaptation actions. The national MRV system will be established through the *Strengthening Montenegro's Nationally Determined Contribution (NDC) and Adaptation Activities Transparency Framework* project, to be financed through Capacity-building Initiative for Transparency (CBIT) and executed with the 4NC/1BTR in parallel. While the transparency project is more focused on the strengthening governance, procedures and technical capacities, transparency MPGs for tracking mitigation and adaptation actions, its results will be shared and useful for better and more precise reporting under the 4NC/1BTR. So, these two projects are quite complemented since these projects activities are not duplicated. Following the concrete decision on dedicating the MRV activities at both sectoral and national level, policy framework for establishing the referred system will be enhanced. Also, the national MRV system should be linked to the binding annual GHG emission reductions and emission allocations national register. Finally, strong linkages will be established between low carbon benefits that will be derived from the implementation of the national climate change policy as well as any development policies or measures which will have tangible co-benefits for climate change mitigation and adaptation actions and vice versa.

#### **4. Climate Change Impacts and Adaptation**

Vulnerability Assessment, Climate Change Impacts and Adaptation Chapter of the 3NC covered an analysis with references to temperature and precipitation trends, climate scenarios, climate, temperature and precipitation projections. The chapter hosted sectoral assessments focusing on the expected impacts and vulnerabilities in water resources, agriculture, forestry, coastal areas, urban areas, marine ecosystems and fisheries and provided a compilation of the adaptation measures taken to address referred impacts and vulnerabilities.

When it comes to climate projections for the years 2011-2100, the RCP8.5 scenario results show that the temperatures will be risen by 2-3°C in average and the precipitation will reduce significantly. The sectoral assessments within the 3NC demonstrated that Montenegro will face water stress, decline in the agricultural yield and hydro electricity production, more often forest fires, ground temperature increase, increase in natural disasters and decrease in winter tourism as a result of the adverse effects of the climate change.

The sectorial coverage in the 4NC/1BTR will be extended to cover sectors that have not been covered previously, such as infrastructure, settlement/housing, food security, rural areas, mountains and hydro energy. In addition, previous assessment conducted in some of the sectors will be revised based on renewed results of modeled climate change projections in terms of covering also the extreme events, such as heat waves, water resources scarcity, flooding, forest fires, etc. to the extent possible.

The 4NC/1BTR will build on and update the above referred assessments and will highlight the impacts of climate change on key socio-economic sectors, natural environment, ecosystems and human health. A stocktaking exercise will be conducted to map out the most vulnerable sectors to climate risks in the country and to compile vulnerability and adaptation efforts including national/sectoral adaptation policies, strategies and measures. The analysis will be based on scientific studies and research and the assessments results will provide an opportunity to propose potential adaptation actions, policies and measures in priority sectors.

The economic assessment incl. cost-benefit analysis, loss and damage issues of the adaptation measures have barely been covered, so far. This thematic area will be fully revised and updated during the 4NC/1BTR preparation. Within the framework of preparing the 4NC/1BTR, this component will aim at undertaken improved assessment of climate change impacts on, and vulnerability of different socio-economic sectors, natural resources and ecosystems to climate change.

Based on and in line with NAP preparation process updated vulnerability assessment will be initiated.

The project team will carry out the analysis with a human-rights based and gender-sensitive approach throughout the vulnerability assessment and ensure that the compiled data will be disaggregated per age, gender, disability, to the extent possible. Besides, public engagement to understand the impact of climate change on public health and socio-economic conditions and to find the most equitable adaptation measures for different vulnerable groups will be also performed. Finally, the study analysing the different gender roles in adaptation interventions, policy formulation and decision-making process will be prepared, assessing different roles of women and men in adaptation measures and providing recommendations to ensure gender mainstreaming in planning and implementation of climate change adaptation measures. The study will also envisage vulnerability assessment and recommendations for greater resilience of women and men to climate changes and natural disasters caused by climate change. Once the study is drafted, consultation and workshop for stakeholders to increase their involvement and awareness including gender awareness training will be organised.

## **5. Compilation, publication and submission of the NC/BTR report, Knowledge management, Monitoring and Evaluation**

When the expected outcomes 1 to 4 and their respective outputs are completed the 4NC/1BTR document will be compiled according to the guidelines, requirements and formats established by the UNFCCC. Compilation and approval process will follow close consultation with all relevant national stakeholders. Once finalised, the document will be translated, edited and submitted to the UNFCCC



Secretariat for posting and dissemination. The 4NC/1BTR submission deadline is set for December 2024.

Activities will include the following:

- Organize regular workshops to discuss progress, exchange ideas and present findings of the 4NC/1BTR process;
- Compile the 4NC/1BTR, introduce it to the national stakeholders;
- Review 4NC/1BTR by stakeholders;
- Prepare the Executive Summary;
- Produce the 4NC/1BTR document in both English and Montenegrin;
- Submit the 4NC/1BTR to project steering committee for technical review;
- Publish the 4NC/1BTR;
- Submit the 4NC/1BTR to Executive Secretary of the UNFCCC;
- Distribute the 4NC/1BTR report to stakeholders;
- Analyse lessons learned and disseminate thematic studies and project results.

#### **D. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT**

Project will identify synergies with other on-going projects to increase cost-effectiveness and enhance consistencies with various national development priorities and programmes undertaken at national and local levels such as:

- \* Low-Carbon Development Strategy (LCDS)
- \* National Energy Climate Plan (NECP)
- \* NAP
- \* CBIT

The 4NC/1BTR outcomes will be used to better integrate climate change issues into national sustainable development policy and planning. The outcomes shall be also useful input for the preparation of the Low-Carbon Development Strategy (LCDS), National Energy Climate Plan (NECP) and NAP, the processes whose implementation is on-going. Finally, the *Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework* project, to be financed through Capacity-building Initiative for Transparency will be executed with the 4NC/1BTR in parallel. While the transparency project is more focused on the strengthening governance, procedures and technical capacities, transparency MPGs for tracking mitigation and adaptation actions, its results will be shared and useful for better and more precise reporting under the 4NC/1BTR. Thus, the two projects are quite complemented since projects activities supplement each other.

The CBIT project mainly focuses on building national system for Monitoring, Reporting and Verification (MRV). It will make sure to incorporate transparency as the main guiding principle into the methodologies, procedures and guidelines on major elements of national MRV system (GHG Inventory, mitigation actions, adaptation actions, climate finance). It further aims to strengthen the governance mechanisms, as well as the capacities and engagements of relevant national partners for transparency. Most of those national partners will contribute to the preparation of the 4NC/1BTR. By increasing their capacities, developing MPGs and setting up institutional arrangements as part of the CBIT, it is expected that data collection needed for 4NC/1BTR will be smoother, quality of data and analysis would be improved, while methodological and other gaps in the reporting process will be addressed. The project on 4NC/1BTR will be dealing with data collection, e.g. related to GHG emissions, where for example State Statistical Office (MONSTAT) and EPA will work together to collect data and calculate GHG emissions while trying to enhance data quality wherever possible (including reassessment of national EFs where applicable). This will be done by the MONSTAT and EPA experts and external expertise where needed.

Specific results of the CBIT project, like MPGs for climate actions, both mitigation and adaptation, as well as GHG inventory and climate finance, together with agreements to be made between various institutions on data collection, collation and quality control, in order to institutionalise and operationalise proper data flows, strengthened with the on-line tools for enhanced transparency in the reporting system, will significantly facilitate the process of development of 4NC/1BTR, but should also made a solid national system for future reporting on climate change.

Further to the above, various on-line meetings and consultations were organised primarily within the Ministry of Ecology, Spatial Planning and Urbanism (MESPU), i.e. Directorate for International Cooperation, EU Integrations and Climate Change, as the leading national institution in creating and implementing climate change policy in Montenegro. In order to find synergies with the existing proposal, various other projects and activities were discussed and the following was summarised:

- With the support of UNDP, MESPU submitted to GCF project proposal for development of National Adaptation Plan (NAP). The proposal was approved by the end of 2020. And the implementation of the project started at the beginning of 2021. The project will primarily deal with setting national policies and integrating adaptation into national and sectoral planning processes, targeting four priority sectors (tourism, agriculture, health and water resources).

- With the support of GIZ (German Development Agency), and in close cooperation with the Ministry of Capital Investments, the project is on-going on development of National Energy and Climate Plan (NECP). The project will inform national targets when it comes to energy sector, in line with the targets proposed by the Energy Community.

- With support of IUCN, Ministry will work on development of nature-based solutions in combating climate change.

#### **E. DESCRIBE, DESCRIBE THE BUDGETED M & E PLAN**

The project monitoring and evaluation will be carried out according to UNDP and GEF programming policies and procedures.

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

- a) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
- b) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
- c) Review the results framework and finalize the indicators, means of verification and monitoring plan;
- d) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;
- e) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; Environmental and Social Management Plan and other safeguard requirements; the gender strategy; the knowledge management strategy, and other relevant strategies;
- f) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the audit; and
- g) Plan and schedule Project Board meetings and finalize the first-year annual work plan.

The Project Manager will prepare the inception report no later than one month after the inception workshop. The inception report will be prepared in one of the official UN languages, duly signed by

designated persons, cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board.

**Annual progress:**

Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out once a year, in line with GEF and UNFCCC reporting requirements for NCs and BTRs.

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

**End of Project:**

During the last three months, the project team will prepare the End of Project Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results. The End of Project Report shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

**M&E workplan and budget**

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget[1] (US\$)		Time frame
		GEF grant	Co-financing	

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget[1] (US\$)		Time frame
		GEF grant	Co-financing	
<b>Inception Workshop</b>	IP	3,000	None	Within two months after First Disbursement
<b>Inception Report</b>	Project Manager	None	None	Within one month of inception workshop
<b>M&amp;E of GEF core indicators and project results framework</b>	Project Manager	None	None	Annually and at mid-point and closure
<b>Supervision missions</b>	UNDP Country Office	None[2]	None	Annually
<b>Project Terminal Report (End of Project Report)</b>	Project manager	None	None	At least three months before the end of the project
<b>TOTAL indicative COST</b>		<i>USD 3,000</i>		

[1] Excluding project team staff time and UNDP staff time and travel expenses.

[2] The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

**F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE)**

N/A

**Part III: Approval/Endorsement By GEF Operational Focal Point(S) And GEF Agency(ies)**

**A. Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):**

<b>Focal Point Name</b>	<b>Focal Point Title</b>	<b>Ministry</b>	<b>Signed Date</b>
Jovana Zaric	GEF Operational Focal Point	Ministry of Ecology, Spatial Planning and Urbanism	7/30/2021

## B. Convention Participation

Convention	Date of Ratification/Accession	National Focal Point
UNCBD	10/23/2006	Ana Pavicevic
UNFCCC	1/27/2007	Esef Husic
UNCCD	6/4/2007	Biljana Kilibarda
Stockholm Convention	3/31/2011	Dragana Raonic
Minamata Convention	9/24/2014	Jelena Kovacevic

## ANNEX A: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (USDeq.)								Total (US Deq.)	Responsible Entity
		Component 1	Component 2	Component 3	Component 4	Component 5	Sub - Total	M & E	PM C		(Executing Entity receiving funds from the GEF Agency)[1]
Equipment	Communications related expenses: acquisition of audio-visual equipment, land telephone charges, mobile telephone charges, e-mail subscription, postage	500					500			500	MESPU

<b>Equipment</b>	Communication s related expenses: acquisition of audio-visual equipment, land telephone charges, mobile telephone charges, e-mail subscription, postage			4,500			4,500			4,500	MESP U
<b>Equipment</b>	Communication s related expenses: acquisition of audio-visual equipment, land telephone charges, mobile telephone charges, e-mail subscription, postage			4,000			4,000			4,000	MESP U
<b>Contractual Services ? Individual</b>	These funds will be used to cover salary of the project staff (project manager and project assistant)								35,000	35,000	MESP U
<b>Contractual Services ? Company</b>	Local companies will be engaged to work on gender related data collection, as well as on relation with Covid 19 and its impacts	10,000					10,000			10,000	MESP U
<b>Contractual Services ? Company</b>	Local companies will be engaged to work on gender related data collection, as well as on relation with Covid 19 and its impacts	12,000					12,000			12,000	MESP U



<b>Contractual Services ? Company</b>	Local companies will be engaged to work on gender related data collection, as well as on relation with Covid 19 and its impacts	12,000					12,000		12,000	MESP U
<b>Contractual Services ? Company</b>	National institutions in charge of GHG Inventory: EPA, MONSTAT and possibly other stakeholders, producers of state statistics will provide input data and develop GHG Inventory and NIR for the period 2020-2022, and recalculation of previous time series as needed		70,000				70,000		70,000	MESP U
<b>Contractual Services ? Company</b>	National institutions in charge of GHG Inventory: EPA, MONSTAT and possibly other stakeholders, producers of state statistics will provide input data and develop GHG Inventory and NIR for the period 2020-2022, and recalculation of previous time series as needed		30,000				30,000		30,000	MESP U

<b>Contractual Services ? Company</b>	National institutions in charge of GHG Inventory: EPA, MONSTAT and possibly other stakeholders, producers of state statistics will provide input data and develop GHG Inventory and NIR for the period 2020-2022, and recalculation of previous time series as needed										MESPU
<b>Contractual Services ? Company</b>	National institutions in charge of GHG Inventory: EPA, MONSTAT and possibly other stakeholders, producers of state statistics will provide input data and develop GHG Inventory and NIR for the period 2020-2022, and recalculation of previous time series as needed		60,000				60,000			60,000	MESPU
<b>Contractual Services ? Company</b>	International company to provide support in tracking NDC			12,000			12,000			12,000	MESPU
<b>Contractual Services ? Company</b>	International company to provide support in tracking NDC			30,000			30,000			30,000	MESPU

<b>Contractual Services ? Company</b>	Engagement of local/national companies to develop chapter on V&A, together with the national/international consultants to be engaged for specific issues				12,000		12,000			12,000	MESPU
<b>Contractual Services ? Company</b>	Engagement of local/national companies to develop chapter on V&A, together with the national/international consultants to be engaged for specific issues				8,000		8,000			8,000	MESPU
<b>Contractual Services ? Company</b>	Finalization and submission of the 4NC/1BTR (design, pre-print and printing costs)					12,000	12,000			12,000	MESPU

<p><b>International Consultants</b></p>	<p>Short Term international consultant(s) to provide guidance and technical inputs in relation to the analysis of mitigation measures, NDC implementation and achievement and GHG emission projections (as a support to national consultants), app. 170 working days/300 USD, in the amount of 51,000 USD for a period of four years.</p>			7,000			7,000		7,000	MESPU
<p><b>International Consultants</b></p>	<p>Short Term international consultant(s) to provide guidance and technical inputs in relation to the analysis of mitigation measures, NDC implementation and achievement and GHG emission projections (as a support to national consultants), app. 170 working days/300 USD, in the amount of 51,000 USD for a period of four years.</p>			20,000			20,000		20,000	MESPU

<p><b>International Consultants</b></p>	<p>Short Term international consultant(s) to provide guidance and technical inputs in relation to the analysis of mitigation measures, NDC implementation and achievement and GHG emission projections (as a support to national consultants), app. 170 working days/300 USD, in the amount of 51,000 USD for a period of four years.</p>			<p>24,000</p>			<p>24,000</p>		<p>24,000</p>	<p>MESPU</p>
<p><b>International Consultants</b></p>	<p>Short term international consultants to work on V&amp;A, together with the national consultants? team and provide necessary trainings/coaching, app. 80 working days/300 USD, in total 24,000 USD for a period of three years.</p>			<p>24,000</p>			<p>24,000</p>		<p>24,000</p>	<p>MESPU</p>

<p><b>Local Consultants</b></p>	<p>Short term local consultants will be engaged for development of the National Circumstances Chapter, including revision of institutional, legal, strategic, technical and financial frameworks, as well as gender expert, app. 160 working days/150 EUR, which is 24.000 USD for a period of two years.</p>	<p>6,000</p>					<p>6,000</p>		<p>6,000</p>	<p>MESPU</p>
<p><b>Local Consultants</b></p>	<p>Short term local consultants will be engaged for development of the National Circumstances Chapter, including revision of institutional, legal, strategic, technical and financial frameworks, as well as gender expert, app. 160 working days/150 EUR, which is 24.000 USD for a period of two years.</p>	<p>8,000</p>					<p>8,000</p>		<p>8,000</p>	<p>MESPU</p>

<b>Local Consultants</b>	Short term local consultants will be engaged for development of the National Circumstances Chapter, including revision of institutional, legal, strategic, technical and financial frameworks, as well as gender expert, app. 160 working days/150 EUR, which is 24.000 USD for a period of two years.	10,000					10,000		10,000	MESP U
<b>Local Consultants</b>	Local consultants to work on NDC tracking/mitigation chapter (with the support/training/coaching from international consultant), app. 150 working days/150 USD, for a period of three years			5,000			5,000		5,000	MESP U
<b>Local Consultants</b>	Local consultants to work on NDC tracking/mitigation chapter (with the support/training/coaching from international consultant), app. 150 working days/150 USD, for a period of three years			8,000			8,000		8,000	MESP U

<p><b>Local Consultants</b></p>	<p>Local consultants to work on NDC tracking/mitigation chapter (with the support/training/coaching from international consultant), app. 150 working days/150 USD, for a period of three years</p>			<p>9,500</p>			<p>9,500</p>		<p>9,500</p>	<p>MESPU</p>
<p><b>Local Consultants</b></p>	<p>Local consultants to work on vulnerability assessment and adaptation measures (in cooperation with international consultant), app. 210 working days/150 USD for various sectors, for period of three years, in the amount of 31,500 USD</p>			<p>16,000</p>			<p>16,000</p>		<p>16,000</p>	<p>MESPU</p>
<p><b>Local Consultants</b></p>	<p>Local consultants to work on vulnerability assessment and adaptation measures (in cooperation with international consultant), app. 210 working days/150 USD for various sectors, for period of three years, in the amount of 31,500 USD</p>			<p>15,500</p>			<p>15,500</p>		<p>15,500</p>	<p>MESPU</p>



<b>Trainings, Workshops, Meetings</b>	Trainings, workshops, meetings for the purposes of knowledge sharing					17,000	17,000			17,000	MESPU
<b>Trainings, Workshops, Meetings</b>	Trainings, workshops, meetings for the purposes of knowledge sharing							3,000		3,000	MESPU
<b>Travel</b>	Travel expenses for related trainings, workshops and exchange of knowledge and experiences	500					500			500	MESPU
<b>Travel</b>	Travel expenses for related trainings, workshops and exchange of knowledge and experiences				2,000		2,000			2,000	MESPU
<b>Office Supplies</b>	Office supplies	1000			4,000		5,000			5,000	MESPU
											MESPU
<b>Other Operating Costs</b>	Communications related expenses: acquisition of audio-visual equipment, land telephone charges, mobile telephone charges, e-mail subscription, postage				4,500		4,500			4,500	MESPU
<b>Other Operating Costs</b>	Translation costs during various meetings, and/or necessary promotion/education material related to climate change					8,000	8,000			8,000	MESPU

<b>Other Operating Costs</b>	Anticipated audit fee								12,000	12,000	MESPU
<b>Grand Total</b>		60,000	160,000	120,000	90,000	37,000	467,000	3,000	47,000	517,000	