



GEF-6 REQUEST FOR Climate Change ENABLING ACTIVITY PROPOSAL FOR FUNDING UNDER THE GEF Trust Fund

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PART I: PROJECT IDENTIFIERS

Project Title:	Development of Montenegro's Second Biennial Update Report (SBUR) to the UNFCCC		
Country(ies):	Montenegro	GEF Project ID: ¹	9469
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5868
Other Executing Partner(s):	Ministry of Sustainable Development and Tourism, Environment Protection Agency, State Statistical Office	Submission Date:	5 May 2016
GEF Focal Area (s):	Climate Change	Project Duration (Months)	30
Type of Report:	Biennial Update Report (BUR)	Expected Report Submission to Convention	Dec 2018

A. PROJECT FRAMEWORK*

Project Objective: To enable Montenegro the preparation of its Second Biennial Update Report (SBUR) for the implementation of the obligations under the UNFCCC

Project Component	Project Outcomes	Project Outputs	(in \$)	
			GEF Project Financing	Confirmed Co-financing ²
National Circumstances and institutional arrangements	1. Information on national circumstances and institutional arrangements relevant to the preparation of the Second Biennial Update Report (SBUR) reviewed and updated, level of support received to enable the preparation of preparation of the SBUR described, and a chapter on National Circumstances and Institutional Arrangements prepared.	1.1. Updated information on all available national and sectoral strategies, plans, programmes, priorities, circumstances and studies relevant to the formulation of the SBUR, including the relevant sectors of national development analyzed; 1.2. Updated information on sociocultural and geographical characteristics including climate, forests, land use, marine and other environmental characteristics; 1.3. Updated information on population, economic activities and relevant sectors; 1.4. Updated institutional arrangements relevant to the preparation of National Communication and BUR;	10,000	5,000
National Greenhouse Gas Inventory	2. Summary report on National inventory of anthropogenic emissions by sources and removal by sinks of all GHGs not controlled by the	2.1. Updated GHG inventory by sector and by gas, summary table of previous inventories, key categories analysis, uncertainty analysis and QA/QC plan, all based on the 2006 IPCC Guidelines, prepared and GHGs verified. The new inventory years for the SBUR will be	70,000	

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submission.

² Co-financing for enabling activity is encouraged but not required.

	Montreal Protocol for the SBUR prepared	<p>2014 and 2015;</p> <p>2.2. Awareness on methods and references of inventory preparation for representatives of selected national institutions increased;</p> <p>2.3. Possibility of developing country-specific emission factors assessed, especially emission factor for lignite (used in TPP “Pljevlja”), in order to contribute to the improved estimation of national emissions, but also to the assessment of the possibility for introduction of specific emission factor for lignite into yearly statistical reports i.e. energy balances.</p> <p>2.4. Activities to reduce the level of uncertainties associated with inventory assessed;</p> <p>2.5. Support provided to the process of the Third National Communication undertaken in parallel in Montenegro;</p>		
Mitigation actions	3. Synthesis report on mitigation actions and their effects, including associated methodologies and assumptions prepared	<p>3.1. Governmental policies, activities, programs and progress on mitigation actions (which are developed or in process of execution) updated and institutional arrangements related to mitigation context described;</p> <p>3.2. Efforts and actions to mitigate climate change, specifically NAMAs, their coverage, objectives, implementation and impact on national development assessed, including National Climate Change Strategy and Montenegro’s INDC;</p> <p>3.3. NAMAs disaggregated by sectors (including ETS and non-ETS, and Renewable energy sector) and their mitigation contribution towards 2020 and 2030 time horizon assessed.</p> <p>3.4. Information on international market mechanisms provided, including market mechanisms mentioned in UNFCCC Paris Agreement.</p> <p>3.5. Study on capital investment and operational costs of sectorial mitigations actions policies and measures, including ETS and non-ETS, conducted.</p>	70,000	

MRV system	4. Updated information on national monitoring, reporting and verification (MRV) system.	4.1. National MRV system elaborated in regards to GHG emissions, mitigation actions and their effects, taking into account adaptation actions and their effects, and support for establishment of such system provided. 4.2. Analysis of legal and administrative requirements for establishment of such MRV system conducted, and support for concrete regulatory and legal actions that will reinforce its establishment. 4.3 Analysis of current and envisaged sector-level MRV needs, e.g. ETS, tourism etc., and integration with envisaged national MRV system. 4.4 Specific information on technical and methodological details related to MRV infrastructure analyzed and related capacity building needs for such an MRV system identified.	130,000	25,000
Financial, technical and capacity constraints, gaps and needs	5. Identification, assessment and updates of constraints, gaps and needs related to financial aid and technology transfer provided, including summary of support needed and received.	5.1. Country-specific level of support and required financial assistance for climate change mitigation and adaptation identified; 5.2. Financial constraints, technical needs and capacity building requirements to address mitigation and adaptation issues identified; 5.3. Financial constraints, technical needs and capacities and institutional set-up for identifying and reporting on needed and received support on continuous basis identified. Protocol on such national mechanism described with a view to strengthen national MRV system in this segment.	15,000	10,000
Production of the SBUR report and Monitoring and evaluation	6. Compilation, editing, translation and publication of the SBUR, including Executive Summary, Monitoring and evaluation conducted	6.1 The SBUR document produced, translated into English language, published and submitted to UNFCCC Secretariat, according to the guidelines contained in Annex III of Decision 2/CP.17. 6.2 SBUR edited, finalized and reviewed by stakeholders 6.3 Executive Summary prepared 6.4 Support provided for formal adoption by the Government. 6.5 Monitoring conducted; 6.6 Evaluation report produced; 6.7 Lessons learned analyzed, shared, and thematic studies and results disseminated.	25,000	12,000

Subtotal	320,000	52,000
Project Management Cost ³ (including Direct Project Services Cost: 5,000)	32,000	
Total Project Cost	352,000	52,000

* List the \$ by project components. Please attach a detailed project budget table that supports all the project components in this table.

B. SOURCE OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Government of Montenegro	Ministry of Sustainable Development and Tourism – Directorate for Climate Change	in-kind	30,000
UNDP CO	Centre for Sustainable Development	in-kind	22,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			52,000

C. GEF FINANCING RESOURCES REQUESTED BY AGENCY, COUNTRY AND PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
UNDP	GEETF	Montenegro	Climate Change	(select as applicable)	352,000	33,440	385,440
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
(select)	(select)		(select)	(select as applicable)			0
Total GEF Resources					352,000	33,440	385,440

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

³ This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or co-financing sources. For EAs within the ceiling, PMC could be up to 10% of the Subtotal GEF Project Financing.

PART II: ENABLING ACTIVITY JUSTIFICATION

<p>A. ENABLING ACTIVITY BACKGROUND AND CONTEXT (Provide brief information about projects implemented since a country became party to the convention and results achieved):</p>	<p>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.</p> <p>The Ministry of Sustainable Development and Tourism (MSDT) is the main national entity responsible for the national environmental and climate change policy and the National Focal Point to the UNFCCC. Montenegro prepared and submitted its Initial National Communication (INC) in 2011 (GEF/UNDP EA project). 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. Besides, the Second National Communication was prepared and submitted in May 2015. Currently, the First Biennial Update Report (FBUR) was recently prepared and submitted to the UNFCCC Secretariat in January 2016. Montenegro prepared its first Technology Needs Assessment report (TNA) in 2012, which identified and assessed appropriate mitigation and adaptation technologies for the Montenegrin context. Montenegro also completed its enabling activity for the National Capacity Self-Assessment for Global Environmental Management (NCSA), which determined national priorities for capacity development in the area of global environmental management specifically under the three Rio Conventions.</p> <p>As mentioned above, Montenegro prepared and submitted its Initial National Communication (INC) in 2011 (GEF/UNDP EA Project). 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 included a mitigation analysis, a downscaling of global circulation models and an analysis of vulnerable sectors and possible adaptation measures.</p> <p>Montenegro prepared and submitted its Second National Communication (SNC) in May 2015 (GEF/UNDP EA Project). 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 report also included a mitigation analysis, a downscaling of global circulation models and an analysis of vulnerable sectors and possible adaptation measures.</p> <p>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 existing lignite-fired power plant. In the public buildings sector, the government is focused on improving energy efficiency and comfort conditions in targeted buildings (hospitals, health centres, elementary schools, high schools, special schools, kindergartens and dormitories). In the residential buildings sector, the government is focused on penetration of solar water heating systems, as well as heating systems on modern biomass and improving living and working conditions for households residing on summer pasture lands. In the transport sector, the government is mostly focused on improving infrastructure (highway, motorways).</p> <p>The NCs and BURs are a vital instrument 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. The reports can form a two-way communication with the Convention in addressing climate change. Information from the reports have 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 Economy, Ministry of Agriculture and Rural Development, Environmental Protection Agency, Statistical Office etc. that participated in the development of SNC and FBUR used the technical</p>
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reports produced, as well as experiences, in their relevant policy and planning process. As a result, Montenegro has included climate change components into the national socio-economic policy and planning process.

Under the enabling activities of GEF, 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 EU accession, Montenegro will have to integrate into domestic legal framework numerous requirements of the EU climate policy and to align with climate acquis. The latest EU Report on Montenegro's progress in the accession process states that: "In the area of climate change, a comprehensive national climate policy and a climate change strategy need to be developed in line with the expected EU 2030 policy framework on climate and energy. Substantial efforts are also needed to fully integrate climate considerations into all relevant sectorial policies and strategies." In this respect Montenegro adopted National Climate Change Strategy and defined its Intended National Determined Contribution in September 2015. Montenegro regularly associated itself with EU positions at international level. Regarding alignment with the climate acquis, significant efforts are especially required to strengthen the country's monitoring, reporting and verification capacity.

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

Montenegro participated regularly in the Environment and Climate Regional Accession Network (ECRAN) project. Administrative capacity in the area of climate change needs to be significantly strengthened in order to address the need for enhanced climate action in a sustainable manner, beyond the project by project basis. Strengthening administrative capacity in the fields of environment and climate change needs to be a priority for the country.

On the international level, Montenegro is an active player, trying to assume voluntarily advanced reporting obligations and preparing for national contributions for the post 2020 period, and support EU in advocating its ambitious targets and objectives.

In 2015 Montenegro appointed National Focal Point (NFP) to the Green Climate Fund (GCF) in order to have a clear strategic oversight of the Funds activities. In 2016 country started activities on the development of the GCF Readiness and Preparatory Support which will contribute to strengthening country's technical and coordination capacity, with a view to enhance its access to adequate climate financing in order to address climate threats and implement the identified priorities for action. The programme will also facilitate the development, through a stakeholder engagement process, of a country programme, which will include programme priorities and programme/project concepts.

Access to GCF is a key step for Montenegro to ensure a better use of donor funds for climate action. As a main driver of Montenegro's economic growth and investment, the tourism sector is responsible (directly and indirectly) for the large share of GHG emissions from the transport, accommodation and other tourism-related activities. In April 2013, UNDP launched Towards Carbon Neutral Tourism Project, the project that will adopt a comprehensive approach to minimizing the carbon footprint of Montenegro's main and most dynamic economic sector, the tourism. Its ultimate objective is to reduce GHG emissions from tourism sector.

	<p>The Government is considering a 30% reduction as an internal target by 2030 (INDC), compared to 1990 level and is now evaluating and implementing mitigation options to meet this goal.</p> <p>The following highlights outlines a number of national documents which specifies climate change as a major risk:</p> <p>Along with the INC, several serious studies were developed: The Economic Impacts of Climate Change in Montenegro: A First Look, assessing Montenegrin water sector in light of climate change. Within currently prepared The Draft National Sustainable Development Strategy - NSDS (2016-2020), climate change issue is envisaged as cross-sector topic for each of the country development directions.</p> <p>The National Climate Change Strategy (NCCS) until 2030 and related Strategic Environmental Impact Assessment were adopted in September 2015. The NCCS provides methodology and detailed sectoral projections for key emission sectors, along with sensitivity and uncertainty analysis. The sectoral projections were done for two scenarios: with existing measures (WEM) and with additional measures (WAM). Besides, potential GHG saving measures 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.</p> <p>Montenegro has launched the activities for the preparation of the Third National Communication (GEF/UNDP EA project). The project will start its activities in early 2016. The FBUR was submitted to the UNFCCC in January 2016. The TNC is envisaged to be submitted to the UNFCCC in 2019. The termination and submission of Second BUR is anticipated for December 2018.</p>
<p>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 dimensions are considered in project design and implementation):</p>	<p>In order to improve climate change governance and meet the challenges that Montenegro will face as a results of climate change, there is a need to mainstream climate change concepts into national and sectoral development plans. This project builds on a broader level and as part of its ultimate and long term objectives, contributes into mainstreaming climate change concepts by strengthening the institutional capacity in parallel to the other projects running at the MSDT (especially the Third National Communication).</p> <p>The immediate objective of the proposed Enabling Activity Project is to assist the Government of Montenegro to perform the activities necessary to prepare the Second Biennial Update Report, and fulfil its obligations to the Convention as per decisions 1/CP.16 and 2/CP.17. The project objective will be achieved with the fulfillment of the outcomes, which are in line with the GEF’s climate change mitigation strategic objective under GEF-6: “CCM-3: Foster Enabling Conditions to Mainstream Mitigation Concerns into Sustainable Development Strategies, Programme 5: Integrate findings of Convention obligations and enabling activities into national planning processes and mitigation targets.”</p> <p>The main objective of this project is to enhance the capacity and efficiency of preparation of national communication and biennial update report in a continuous manner. The capacity building activities in Montenegro have yet to expand to reach government ministries/agencies to participate in the preparation process and enable them to prepare the documents on a more regular basis. Hence, the ultimate goal of this phase of EA is that the preparation of the SBUR would be mainly executed by the ministries and agencies responsible for the climate issues, in close collaboration with the UNFCCC national focal point.</p> <p>The project task forces will be coordinated by Climate Change Directorate within the MSDT as the UNFCCC focal point, in collaboration with the Environmental Protection Agency (EPA) and State Statistical Office - MONSTAT to undertake the GHG inventory process. The task forces would be supported by the national experts from academic and research institutes on relevant issues of climate</p>

change. The project will provide support to strengthen the capacities and coordination among these task forces, to ensure that Montenegro will have consolidated and systematized data collection and reporting process to effectively meet the requirements under the UNFCCC. The capacity building process on the SBUR will also be supported by the TNC, another parallel GEF project. The experiences gained from the

SNC process will be used to address the capacity-building and institutional arrangements for the SBUR. As the UNFCCC process is evolving and increasingly complex, capacity-building activities are even more important to both the TNC and the SBUR. The project will increase the existing capacity, and reduce technical gaps that have been identified during the climate-change-related projects, programmes and activities. The project will, furthermore, raise awareness about dynamics and relevance of the Climate Change Convention, especially in relation to the commitments and obligations under the Convention. Cooperation and coordination among public, private and civil society will also be promoted through workshops and public relations.

The project **outcomes** are:

1. Revised and updated national circumstances and institutional arrangements relevant to the preparation of the national communications and the biennial update reports;
2. National GHG inventory and report for the year 2014 and 2015;
3. A description of mitigation actions and the extent of GHG reduction achieved, including associated methodologies and assumptions;
4. Information on domestic MRV system and progress of implementation of any institutional arrangements and framework for domestic MRV;
5. A description on constraints, gaps and related needs to meet the objectives of the Convention, and the level of support received for the preparation and submission of the SBUR;
6. Publication and submission of the SBUR according to the guidelines contained in Annex III of decision 2/CP.17.;

In order to achieve the above mentioned, the project will work on the following outputs and activities:

1. Update information on Montenegro's geography, population, natural resources, climate and economy which may affect its ability to deal with mitigating and adapting to climate change;
2. Update information on Montenegro's national development objectives, priorities and circumstances, and the specific needs and concerns arising from the adverse effects of climate change;
3. Update information on the institutional arrangements relevant to the preparation of national communications and biennial update reports;
4. Update the GHG inventory by sector and by gas, including a summary table of previous inventories, key categories analysis, uncertainty analysis and QA/QC plan, all based on the revised 2006 IPCC Guidelines;
5. Compile information related to mitigation actions, coverage and objectives, including the extent of reduction achieved or projected to achieve;
6. Compile information on domestic MRV system and progress of implementation of any institutional arrangements and framework for domestic MRV;
7. Description of level of support received to enable the preparation of the SBUR and the third national communication undertaken in parallel;
8. Description of the general framework for mitigation, specifically for NAMAs and their implementation;
9. Information on international market mechanisms;
10. SBUR published and submitted according to the guidelines contained in Annex III of decision 2/CP.17.

The Ministry of Sustainable Development and Tourism has accrued a substantial level of experience and know-how on the national GHG inventory process, as both national communications (first and second) has been prepared and submitted by the same ministry in 2011 and 2015 respectively, same as The First Biennial Update Report, that was submitted beginning of 2016. The Ministry of Sustainable Development and Tourism is about to undertake the preparation of the Third National Communication.

The Ministry of Sustainable Development and Tourism has established a strong cooperation network among the different national actors from both governmental and non-governmental sector. The Ministry of Economy, the Ministry of Agriculture and Rural Development and the Ministry of Traffic and Maritime, Ministry of Interior - Directorate for Emergency Management, Environmental Protection Agency, Institute of Hydrometeorology and Seismology, State Statistical Office and Institute of Public Health are very much involved in the national process related to climate change, and specifically in GHG inventory process. The non-governmental sector and the academic sector shall be included as major partners when it comes to the validation and review of the GHG inventory results. This enabling activity will run in parallel with the Third National Communication, where resources will be maximized in order to attain the best possible results.

In order to maximize the benefits of the enabling activity, the platform www.unfccc.me will be used, through which the required information and mainstreaming will be conducted. The National Council for the Sustainable Development, Climate Change and Coastal Area Management (NCSDDCCAM) is headed by the State President and composed of the representatives from ministries of Economy, Sustainable Development and Tourism, Finance, Agriculture and Rural Development, Traffic and Maritime, Mayors, Banks' Association, Business Alliance, Union of the Employers, NGOs and the Academic sector. The mentioned institutions are the main **stakeholders** of this enabling activity, as well.

In addition to the NCSDDCCAM members, the national power utility (EPCG), the Industrialists' private sector (KAP, Iron Works, SMEs), The Institute for Forests (IfF) and Biotechnology Faculty (BF) are all part of the larger stakeholder circle. The civil society and the private sector will participate through the technical meetings/workshops, similar to the process adopted in the preparation of both 1st and 2nd National Communications, as well as the Technology Needs Assessment (TNA) report. As mentioned earlier, the NCSDDCCAM has dedicated a seat for a representative of NGOs (that is nominated by the various groupings of environmental NGOs) and will have a direct involvement in the activities envisaged for the preparation of the SBUR.

Climate Change impacts differ based on gender. Therefore, in terms of **gender dimension**, the national circumstances section of the SBUR will provide a deeper description of the different roles and economic status of both genders and how they might be affected by climate change within the Montenegrin context. This is important because gender-specific behaviors have impacts on both adaptation and mitigation actions, and therefore interventions for mitigation and adaptation have to be gender-sensitive in order to maximize their impacts.

The guidance on gender integration through the NCs and BURs developed by the Global Support Programme through UNDP and in collaboration with UNEP and GEF, will be applied.

<p>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).</p>	<p>Institutional framework: The objectives of the Project will be achieved with in-kind support of the Government of Montenegro and UNDP CO Centre for Sustainable Development (CSD), a Programme implemented jointly by the Government of Montenegro and UNDP, through the use of office equipment, premises for conference and meetings and the provision of office space. UNDP CSD will act as GEF Implementing Agency for the development of the Biennial Update Report project.</p> <ul style="list-style-type: none"> • UNDP Montenegro CSD will assist Montenegro for the entire project length to implement the activities set forth and will monitor and supervise the project. • On behalf of the Government of Montenegro, the Ministry of Sustainable Development and Tourism (MSDT), in its capacity of a UNFCCC National Focal Point and GEF Focal point will act as the Executing Agency to coordinate and implement project activities. • A Project Implementation team will consist of a Project Manager (PM) and Project Assistant along with the technical team responsible for the deliverables as specified in the project proposal. • The UNDP Country Office will monitor and support implementation of the project in line with standard procedures, while the Ministry of Sustainable Development and Tourism, through its Directorate for Climate Change, will have shared responsibility in overall project coordination and implementation. <p>The overall responsibility for the project implementation by the MSDT implies the timely and verifiable attainment of project objectives and outcomes. The MSDT will provide support to, and inputs for the implementation of all project activities. The MSDT will nominate a high level official who will serve as the National Project Director (NPD) for the project implementation. The NPD will chair the Project Steering Committee (PSC) and other relevant stakeholder, sectoral and working groups under the project, and be responsible for providing government oversight and guidance to the project implementation. The NPD, in addition to the PSC members will not be paid from the project funds, but will represent a Government in-kind contribution to the Project.</p> <p><u>Activities for project implementation:</u></p> <p>National Circumstances and Institutional Arrangements: Information on the national circumstances provided in the SNC/FBUR will be updated, considering the new emerging issues and taking into account all new data (projects and national plans, policies and activities) as appropriate.</p> <p>This outcome includes an update of the country characterization in terms of geography, demography, natural resources, climate and education, social and cultural aspects, as well as macroeconomic parameters, employment, income and services. It will also include the characterization of the specific sectors such as agriculture, forestry, and biodiversity, water resources, energy, waste, tourism, transport, industry and health. Montenegro’s national development objectives, priorities and circumstances will also be described.</p> <p>Also as part of this outcome, the information on the institutional arrangements relevant to the preparation of the national communications and the biennial update reports will be updated and will be another output for this component. To this end, review of existing and ongoing international, regional, national projects, legislation and strategic documents will be undertaken in close cooperation with different governmental institutions/agencies and NGOs. Socio-economic parameters and their relation to climate change will be analyzed, since this link was largely inadequate in the SNC/FBUR.</p> <p>In brief, all the thematic components that define the National Circumstances will be updated and revised for their inclusion in the documents that will be developed.</p>
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GHG Inventory:

Under the previous BUR, GHG inventories of emissions by sources and removals by sinks were prepared for the years 1990-2013, covering GHG emissions from the following sectors: energy, industrial processes and product use (IPPU), agriculture, forestry and other land-use (AFOLU) and waste.

The National Greenhouse Gas Inventory task is designated to the Environmental Protection Agency (EPA), which is also responsible for annual National GHG Emission Report preparation and its submission to UNFCCC. For this reason, the SBUR project seeks to close the gaps for the development of the GHG National Inventory. Following positive practice from the FBUR, EPA and State Statistical Office will be in charge of the preparation of the GHG inventory for Montenegro, including review and development of country emission factors and activity data as appropriate and establishing the data achieving system. The activities will emphasize the establishment and continuity of the national system to regularly prepare and update the national inventory.

Under the advice of the international/national experts, working group from the EPA and MONSTAT will be trained to collect data and prepare the updated national GHG inventory. They will review and develop their respective sectoral emission factors and activity data to enhance the accuracy and establish system to ensure sustainability of the process.

Besides, the GHG inventory team will conduct GHG inventory for 2014 and 2015 (energy, industrial processes, agriculture and land use, waste), where the following methodological guidance will be used: Revised IPCC Guidelines (2006); IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories (2000); IPCC Good Practice Guidance on Land Use, Land-Use Change and Forestry (2003). The Handbook developed by UNDP on “Managing the National Greenhouse Gas Inventory” (2005) will be followed while conducting the national inventory in order to identify recommendations for the design of an inventory management system. Finally, the software and GHG reporting tables developed by the UNFCCC Secretariat (Decision 17/CP.8) for archiving data and data reporting of inventory results will be used. Appropriate approaches to ensure the quality of the estimates will be adopted. The taskforce will also be responsible for developing data archiving system to facilitate the inventory process, especially in their respective sectors. Appropriate approaches to ensure the quality of the estimates will be adopted.

During preparation of the SBUR, input data from the initial GHG inventory will be revised and recalculated in order to reduce uncertainty.

Mitigation actions:

As specified within the First BUR, present situation in Montenegro in relation to GHG mitigation can be characterised by the following country specific issues:

- The majority of all of the national GHG emissions are produced by a very small number of stationary installations (only one coal fired LCP⁴ is in operation – TPP Pljevlja which has CO₂ emissions of up to 1,800 Gg, and there is one industrial installation – KAP – which has CO_{2 eq.} emissions varying from 216 Gg to 1,762 Gg). As the total annual national emissions of GHG (without removals) are at a level of 4,000 Gg of CO_{2 eq.}, it can be seen that emissions from TPP Pljevlja and KAP could each individually represent up to 45 % of the national total and that both together could represent up to 90 %.
- Montenegro’s total national emission balance contains a very high share of synthetic gases (F-gases) (depending of production levels at KAP Aluminium Works, Podgorica).
- There are very high levels of CO₂ sinks in comparison with CO₂ emissions (2,222 Gg compared with 2,440 Gg in 2013); this is caused by high levels of forest coverage in the country (69.8 % in 2013).

Having in mind the EU accession process two mitigation scenarios were proposed within the FBUR:

- **Scenario with measures (WM scenario)** which includes the measures that are laid down in national

and/or EU legislation and strategies.

- **Scenario with additional measures (WaM scenario)** which includes the original WM scenario extended by additional measures that are not required by EU legislation and/or measures for which EU legislation allows flexibility regarding certain quantified requirements.

The scenario with measures (WM) includes 14 measures, in the following sectors: Introduction of BAT⁵ in energy and industry installations (2 measures – TPP Pljevlje, KAP), Energy sector (4 measures), Transport (2 measures), Forestry (1 measure), Agriculture (1 measure), Waste management (1 measure), Tourism and services (1 measure), Horizontal (cross-cutting) issues (3 measures).

Scenario WaM = Scenario WM + 6 additional measures (2 in the energy sector, 2 in the transport sector, 1 in waste management and 1 in the tourism sector).

The WM and WaM scenarios do not include all of the possible measures that could lead to a reduction in the level of GHG emissions. Only the priority measures have been included, those for which a substantial reduction potential in GHG emissions can be expected.

Within the Second BUR, programmes that include mitigation measures to abate GHG emissions will be updated and revised. An important activity of this project will be the collection of data on mitigation actions or groups of actions, being developed in Montenegro and the development of, at least, one NAMA example. NAMAs will be disaggregated by sectors (including ETS and non-ETS, and renewable energy sector) and assessed their mitigation contribution towards 2020 and 2030 time horizon. Besides, analysis of mitigation measures shall be conducted in order to provide a description in tabular format that includes name, nature of the action, coverage, quantitative goals, progress indicators, associated methodologies and assumptions, objectives, steps taken or envisaged to achieve the action, progress of implementation and results achieved to the extent possible and based on national circumstances. Data collection will also be done on participation in international carbon market mechanisms. Table on actions to mitigate climate change should include the following info:

1. Name and description of the mitigation action including information on the nature of the action, coverage, qualitative goals and progress indicators;
2. Information on methodologies and assumptions;
3. Objectives of the action and steps taken or envisaged to achieve that action;
4. Information on the progress of implementation of the mitigation actions and the underlying steps taken or envisaged and the results achieved such as estimated outcomes and estimated emission reduction;
5. Information on international market mechanisms, including market mechanisms mentioned in UNFCCC Paris Agreement.

In addition, a study on capital investment and operational costs of sectorial mitigations actions policies and measures, including ETS and non-ETS, will be provided.

All of the above will result in synthesis report on mitigation actions and their effects, including associated methodologies and assumptions.

MRV:

As an EU candidate country, Montenegro is at the beginning of the process of developing its own MRV system. The FBUR 'introduced' this topic and the forthcoming obligations to various national stakeholders, proposing institutional arrangements for national MRV system in Montenegro, specifying five major steps in order to establish the system. The Second BUR has to build further on this initial proposal.

The development of the domestic monitoring, reporting and verification (MRV) system, including the developed guidelines, considering national circumstances and capabilities, taking into account the different nature of the mitigation actions will be provided, describing the progress of implementation of any such institutional arrangements.

⁴ LCP = Large combustion plant with a rated thermal input of 50 MW or more.

⁵ BAT = Best Available Technique

The SBUR will report on the assessment made of existing arrangements for domestic MRV and indicate ways for improvement for organizational and institutional arrangements, cross-sectoral approaches, technical and institutional capacity-building needs. Furthermore, it will describe support provided to the process of development of the national institutional arrangement and framework for domestic MRV, and progress of implementation of such institutional arrangements and framework. Due to the nature of these activities, Ministry of Sustainable Development and Tourism will be ultimately responsible for this project outcome.

Financial, technical and capacity constraints, gaps and needs

Information relevant to the financial, technical and capacity needs and level of support received will be compiled and updated. This will include information on financial resources and technical support provided by the GEF Parties included in the Annex I to the Convention, the Green Climate Fund and multilateral institutions related to climate change. Where appropriate, information on constraints and gaps and related financial, technical and capacity needs as well as proposed and/or implemented activities for overcoming the gaps and constraints will be elaborated.

Related to CC and description of information on nationally determined technology needs and on technology support received, the support received for the preparation and submission of the First Biennial Report as well as of the steps taken by Montenegro to integrate climate change considerations into relevant social, economic and environmental policies and actions will be taken into consideration. Any other information that the NAI Party considers relevant to the achievement of the objective of the Convention and suitable for inclusion in the SBUR should be included.

Besides, steps taken to integrate climate change considerations into national development and policy formulation, activities related to transfer of environmentally sustainable technologies, information on climate change research and systematic observation, information on climate change education, training, and public awareness, as well as information on capacity building activities, options and priorities and measures to promote information exchange and networking will be included, in line with the Decision 15/CP.18 - Doha work program on Article 6 of the Convention. In addition to workshops/seminars on different research topics, public awareness and capacity enhancement will be conducted as part of SBUR activities. To accomplish this component, the national experts will be summarizing the key findings of the SBUR for dissemination purpose and public awareness. The experts will synthesize the technical reports and review related documents and integrate into respective chapters of the SBUR. The draft SBUR will be translated into Montenegrin language for public consultation workshops.

The public consultation workshops will be organized to enhance public understanding, awareness, views and comments on SBUR related issues, including emerging mitigation instruments and mechanisms and development of mitigation efforts of the country. Stocktaking for the next BUR and TNC will also be included in the respective public awareness workshops. The results from public awareness and capacity enhancement will be integrated into the draft SBUR as appropriate.

The draft SBUR (Montenegrin and English) will be revised and disseminated to the stakeholders. The approved final SBUR (English) will be prepared for compilation, publication and submission. When the expected outcomes 1 to 5 and its respective outputs are completed the SBUR document will be compiled according to the guidelines contained in Annex III of decision 2/ CP.17 and it will be submitted to the Conference of the Parties in the United Nations Framework Convention on Climate Change according to the requirements and formats established by the UNFCCC Secretariat.

<p>D. DESCRIBE, IF POSSIBLE, THE EXPECTED COST- EFFECTIVEN ESS OF THE PROJECT:</p>	<p>The proposed enabling activity will run in parallel with other climate change projects at the Ministry of Environment, namely, the Third National Communication Project. In that respect, this project will contribute to a better understanding and improved capacity of the inventory process, but also in reviewing the domestic MRV system and identify any loopholes.</p> <p>This enabling activity contributes indirectly to Montenegro's achievements in the fight against climate change. The preparation process also ensures the best uses of the resources. The stocktaking exercises addressed the constraints and gaps and effectively mobilized the resources.</p> <p>The preparation of work programmes on capacity building and awareness raising for climate change is an essential step for strengthening national capacity to implement measures for climate protection, sustainable use of resources and climate resilience. As shown in the earlier national communications, the results of the works have been effectively integrated into the national sustainable development planning. It is expected that the outcomes from the BUR and the TNC will further strengthen Montenegro's capacity to address climate change.</p>
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<p>E. DESCRIBE THE BUDGETED M&E PLAN:</p>	<p>The project will be monitored through the following M&E activities.</p> <p>Project start: A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.</p> <p>An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.</p> <p>Quarterly: <input type="checkbox"/>Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical). <input type="checkbox"/>Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot. <input type="checkbox"/>Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.</p> <p>Bi-annual progress: <input type="checkbox"/>Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.</p> <p>Periodic Monitoring: A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.</p> <p>Day to day monitoring of implementation progress will be the responsibility of the Project Coordinator, Director or CTA (depending on the established project structure) based on the project's Annual Work plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.</p> <p>Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.</p> <p>End of Project: During the last three months, the project team will prepare the Project Terminal 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.</p>
<p>F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE):</p>	<p>N/A</p>

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):
(Please attach the [*Operational Focal Point endorsement letter\(s\)*](#) with this template).

NAME	POSITION	MINISTRY	DATE (Month, day, year)
Marija Vukcevic	Director General for EU Integration and International Cooperation	MINISTRY OF SUSTAINABLE DEVELOPMENT AND TOURISM	MARCH, 9, 2016

B. CONVENTION PARTICIPATION

CONVENTION	DATE OF RATIFICATION/ ACCESSION (mm/dd/yyyy)	NATIONAL FOCAL POINT	
UNCBD	23/10/2006	ANA PAVICEVIC	
UNFCCC	27/01/2007	DJORDJIJE VULIKIC	
UNCCD	04/06/2007	ANA PAVICEVIC	
STOCKHOLM CONVENTION	31/03/2011	DRAGANA RAONIC	
	DATE SIGNED (MM/DD/YYYY)	NATIONAL FOCAL POINT	DATE OF NOTIFICATION UNDER ARTICLE 7 TO THE MINAMATA CONVENTION SECRETARIAT
MINAMATA CONVENTION	24. SEPT 2014.	JELENA KOVACEVIC	N/A

C. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies ⁶ and procedures and meets the standards of the GEF Project Review Criteria for Climate Change Enabling Activity approval in GEF 6.					
Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	E-mail Address
Adriana Dinu, Executive Coordinator, UNDP-GEF		March, 28, 2016	Yamil Bonduki, Programme Manager UNDP (Green-LECRDs)	+1-212-906-6659	yamil.bonduki@undp.org

⁶ GEF policies encompass all managed trust funds, namely: GEFTF, UNCF, and SCCF