REQUEST FOR CLIMATE CHANGE ENABLING ACTIVITY
PROPOSAL FOR FUNDING UNDER THE GEF Trust Fund

PART I: PROJECT IDENTIFIERS

<table>
<thead>
<tr>
<th>EA Title:</th>
<th>Montenegro's First Biennial Update Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country(ies):</td>
<td>Montenegro</td>
</tr>
<tr>
<td>GEF Agency(ies):</td>
<td>UNDP (select)</td>
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<tr>
<td>GEF Project ID:</td>
<td>5635</td>
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<tr>
<td>GEF Agency Project ID:</td>
<td>5209</td>
</tr>
<tr>
<td>Other Executing Partner(s):</td>
<td>Ministry of Sustainable Development and Tourism</td>
</tr>
<tr>
<td>Submission Date:</td>
<td>2014-01-21</td>
</tr>
<tr>
<td>GEF Focal Area (s):</td>
<td>Climate Change</td>
</tr>
<tr>
<td>Check if applicable:</td>
<td>NCSA [ ] NAPA [ ]</td>
</tr>
<tr>
<td>Agency Fee ($)</td>
<td>33,440</td>
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A. EA FRAMEWORK*

**EA Objective:** To assist Montenegro in the preparation of its First Biennial Update Report (FBUR) for the fulfillment of the obligations under the United Nations Framework Convention on Climate Change (UNFCCC)

<table>
<thead>
<tr>
<th>EA Component</th>
<th>Grant Type</th>
<th>Expected Outcomes</th>
<th>Expected Outputs</th>
<th>Grant Amount ($)</th>
<th>Confirmed Co-financing ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. National circumstances and institutional arrangements relevant to the preparation of the national communications on a continuous basis</td>
<td>TA</td>
<td>1. National circumstances and institutional arrangements relevant to the preparation of the national communications updated</td>
<td>1.1 Updated information on features of the population, natural resources, climate and economy which may affect its ability to deal with mitigating and adapting to climate change. 1.2 Description of national development objectives, priorities and circumstances, and the specific needs and concerns arising from the adverse effects of climate change. 1.3 Description of institutional arrangements relevant to the preparation of the national communications and biennial update reports on a</td>
<td>10,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

1 Project ID number will be assigned by GEFSEC.
1.4 Mechanisms for stakeholder involvement and participation to enable the preparation of national communications and biennial update reports.

| 2. The national Inventory of Antrophogenic emissions by sources and removal by sinks of all GHGs, including a national inventory report | TA | 2. GHG inventory for 2011-2013 prepared | 2.1 Activity data collected for 2011 and 2013 as per 2006 IPCC Guidelines.  
2.2 Improved activity data collected in the agriculture, waste and transport sectors.  
2.3. GHG inventory for period 2011-2013 updated using latest NAI software  
2.4. Support given to the process of inclusion of GHG inventory in the national environment information system  
2.5. Cross-sector collaboration for preparation of GHG Inventory strengthened. | 115,000 | 30,000 |
### 3. Mitigation actions and their effects.

| TA | 3. Mitigation actions and their effects, including associated methodologies and assumptions, and progress of implementation are described. | 3.1. Analytical work carried out in order to assess the mitigation potential of the country, considering all relevant aspects – technical, environmental and economic
3.2. Participatory process initiated, aimed at analyses and setting of nationally appropriate and feasible emission reduction and limitation targets.
3.3. Appropriate criteria for prioritization of the mitigation measures developed and mitigation measures evaluated against the agreed criteria
3.4 Support for national capacity building for continuous analysis of mitigation potential, assessment of future economy-wide GHG emissions and for identification of mitigation actions in Montenegro.
3.5. Identified national institutional arrangement for integrated and continuous mitigation action in the country | 90,000 | 15,000 |
<table>
<thead>
<tr>
<th>4. Financial, technology and capacity building needs and support received</th>
<th>TA</th>
<th>4. Constraints and gaps identified; related financial, technology and capacity building needs assessed; and recommendation for addressing the needs provided</th>
<th>4.1 Technology, financial and capacity needs for mitigation assessed. 4.2. Information updated on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change. 4.3. Information on national resources allocated for climate change upon ratification of the UNFCCC collected.</th>
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<th>2,000</th>
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<tr>
<td>5. Domestic Measurement Reporting and Verification.</td>
<td>TA</td>
<td>5. Establishment of domestic Measurement, Reporting and Verification arrangements supported.</td>
<td>5.1 Options and possibilities for establishment of a domestic MRV system analyzed 5.2 Support given to the process of development of national institutional and legal frameworks for establishment of domestic MRV.</td>
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<td>15,000</td>
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<tr>
<td>7. Monitoring and evaluation</td>
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<td>7. Monitoring, reporting, and preparing of financial audits</td>
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### Subtotal

<table>
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</thead>
<tbody>
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### EA Management Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($)</th>
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<tbody>
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### Total EA Cost

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</thead>
<tbody>
<tr>
<td>Total EA Cost</td>
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* List the $ by EA components. Please attach a detailed project budget table that supports all the EA components in this table.

### B. Co-financing for the EA by Source and by Name

<table>
<thead>
<tr>
<th>Sources of Co-financing</th>
<th>Name of Co-financier</th>
<th>Type of Co-financing</th>
<th>Amount ($)</th>
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<tr>
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<tr>
<td>National Government</td>
<td>MONSTAT</td>
<td>In-kind</td>
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</tr>
<tr>
<td>National Government</td>
<td>Environment Protection Agency</td>
<td>In-kind</td>
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</tr>
<tr>
<td>(select)</td>
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### Total Co-financing

<table>
<thead>
<tr>
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</thead>
<tbody>
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<td>Total Co-financing</td>
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* 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.
### C. Grant Resources Requested by Agency, Focal Area and Country

<table>
<thead>
<tr>
<th>GEF Agency</th>
<th>Type of Trust Fund</th>
<th>Focal Area</th>
<th>Country Name/Global</th>
<th>EA Amount (a)</th>
<th>Agency Fee (b)²</th>
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<td>Climate Change</td>
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<tr>
<td><strong>Total Grant Resources</strong></td>
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<td>352,000</td>
<td>33,440</td>
<td>385,440</td>
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### D. EA Management Cost

<table>
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<th>Cost Items</th>
<th>Total Estimated Person Weeks/Months</th>
<th>Grant Amount ($)</th>
<th>Co-financing ($)</th>
<th>EA Total ($)</th>
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<tr>
<td>International consultants*</td>
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<tr>
<td>Office facilities, equipment, vehicles and communications*</td>
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<td>10,000</td>
</tr>
<tr>
<td>Travel*</td>
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<td>Specify &quot;Others&quot; (3)</td>
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<td><strong>Total</strong></td>
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<td>32,000</td>
<td>10,000</td>
<td>42,000</td>
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</table>

* Details to be provided in Annex A.  **For Others, to be clearly specified by overwriting fields (1)-(3)

**Additional Information for Table D, if applicable:**

If costs for office facilities, equipment, vehicles and communications, travels are requesting for GEF financing, please provide justification here:
## 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 ratified the United Nations Framework Convention on Climate Change (UNFCCC) by succession in 2006, thus becoming a member of the Convention as a Non-Annex 1 Party on 27 January 2007. The Kyoto Protocol was ratified on 27 March 2007, so that Montenegro became its member as a non-Annex 1 country on 2 September 2007. Having ratified the UNFCCC and Kyoto Protocol, Montenegro joined the countries that share concerns and play an active role in international efforts to identify the solutions to the problems of climate change. The Council for Clean Development Mechanism (performing the function of the Designated National Authority) was established on 5 February 2008.

Under its status as a non-Annex 1 party to the UNFCCC, Montenegro is obligated to undertake the following reporting activities:

- Calculate annual GHG emissions using a defined methodology and reporting to the Conference of Parties (CoP) of the Convention;
- Introduce and implement measures to mitigate the consequences of climate change by regulating anthropogenic emissions and adaptation measures to climate change;
- Cooperate in the development and transfer of technology, methods and processes that lead to limits, reductions and stabilization of GHG emissions;
- Cooperate in the preparation of protection measures for areas exposed to drought and floods, as well as protection measures for water resources;
- Include an assessment of climate change impacts and appropriate strategies and economic development policies that aim to minimize negative consequences of climatic changes for the economy, the environment, and the health of the population;
- Conduct systematic observation and research, data exchange and information sharing on climate and climate change with the aim of improving scientific findings on the causes and consequences of climate change.

Responding to the obligations towards the UNFCCC the country prepared and submitted the Initial National Communication on Climate Change in 2010. The INC completed in 2010 represents a true milestone for Montenegro. Over 40 individuals and numerous institutions were involved in its preparation. In 1991, Montenegro declared itself an “Ecological State” and has worked to incorporate ideas of sustainable development into various pieces of its development plans. Furthermore, Montenegro is working to become an EU Member State which would entail even more obligations related to climate change.

The preparation of the Second National Communication is underway and is expected to be finalized by the mid-2014. Preparation of the National Communications has been supported by the GEF, and implemented by UNDP.

The Ministry of Sustainable Development and Tourism is the key governmental body responsible for development of climate change policies. The Ministry is also acting as
a Designated National Authority for endorsement of CDM projects. The first CDM project has been registered in January 2013. Other institutions that have responsibilities related to climate change are: Ministry of Agriculture and Rural Development, Ministry of Economy, Ministry of Transport and Maritime affairs and Environmental Protection Agency.

Accession to the European Union is at the core of the development goals of the country and the main driving force. The European Union integration agenda generates the necessary momentum for political, economic and social reforms and contributes to building consensus on important policy issues across the sectors. The EU accession poses great challenges in terms of the human capacities on national and local levels, financial means for investments in the key sectors, but at the same time it provides opportunities for creation of more integrated, cross-cutting policies and better utilization of available resources. In this context, the country has already imitated the process for harmonization of its approach towards its commitments to the UNFCCC and the respective Climate Change Aquis.


Energy Development Strategy of Montenegro until 2025, sets out basic guidelines for energy progress and sustainable development, such as: (i) increase energy efficiency; (ii) greater use of renewable energy sources; (iii) rehabilitation of existing and construction of new power plants; (iv) achieving balance between energy development and environmental protection.

The ongoing process for preparation of the Second National Communication to the UNFCCC (SNC) aims to strengthen the information base, analytical and institutional capacity of the key national institutions to integrate climate change priorities into country development strategies and relevant sector programs. The process for development of the SNC shall further strengthen the dialogue, information exchange and cooperation among all relevant stakeholders including governmental, nongovernmental, academic, and private sectors. It is expected that this will result in achieving national consensus on the actions and measures that need to be undertaken to address the climate change related issues relevant for the country on a short and long term. The Second National Communication will be submitted to the UNFCCC by mid 2014.

Recognizing the important steps forward taken for the institutionalization of climate change issues and the mainstreaming of climate change in the national and sectorial development policies, the Second National Communication is expected to contribute to strengthen these integration processes as well as to inform the international community on the actions taken by the country to address climate change issues.

In order to fulfill the obligations arisen from Cancun and Durban COP decisions related to the submission of national communications and biennial update reports, support from
the Global Environment Facility is needed to continue to develop and consolidate the existing technical and institutional capacity and to continue the efforts of integrating climate change into national policies, plans and programmes.

Montenegrin First Biennial Update Report will build on the findings and recommendations of Second National Communication, as well as the outcomes of the ongoing complementary projects in the country, and will be submitted to the UNFCCC by December 2014. Additional two months will be used for project results dissemination purposes.

**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.)

| Outcome 1 | 1.1 Updated information on features of the population, natural resources, climate and economy which may affect its ability to deal with mitigating and adapting to climate change.  
1.2 Description of national development objectives, priorities and circumstances, and the specific needs and concerns arising from the adverse effects of climate change. |
| --- | --- |

| The **goal** of the project is to assist the country in mainstreaming and integrating climate change considerations into national and sectorial development policies by giving continuity to the institutional and technical capacity strengthening process, partly initiated and sustained by the National Communications. |
| The **immediate objective** of the project is to assist the country in the preparation and submission of its First Biennial Update Report to the Conference of the Parties to the UNFCCC for the fulfillment of its obligations to the Convention under Dec. 1/CP. 16 par. 60 and Dec 2/CP. 17 par. 41 and it’s Annex III. |
| The **project outcomes** are contributing to the achievement of the project objective, are in line with the GEF’s climate change mitigation strategic objective (SO-6) under GEF-5: Enabling Activities: Support enabling activities and capacity building under the Convention. The outcome is: Completed climate change enabling activities under the UNFCCC. These outcomes are: |
| 1. National circumstances and institutional arrangements relevant to the preparation of the national communications updated;  
2. GHG inventory for 2011-2013 prepared;  
3. Mitigation actions and their effects, including associated methodologies and assumptions, and progress of implementation are described  
4. Constraints and gaps identified; related financial, technology and capacity building needs assessed; and recommendation for addressing the needs provided;  
5. Establishment of domestic Measurement, Reporting and Verification arrangements supported;  
6. Compilation, consolidation of information in tabular format and publication of the First Biennial Update Report;  
7. Monitoring, reporting, and preparing of financial audits. |

The **project outputs** are:
1.3 Description of institutional arrangements relevant to the preparation of the national communications and biennial update reports on a continuous basis.
1.4 Mechanisms for stakeholder involvement and participation to enable the preparation of national communications and biennial update reports.

Outcome 2

2.1 Activity data collected for 2011 and 2013 as per Revised 1996 IPCC Guidelines.
2.2 Improved activity data collected in the agriculture, waste and transport sectors.
2.3 GHG inventory for period 2011-2013 updated using latest NAI software.
2.4 Support given to the process of inclusion of GHG inventory in the national environment information system.
2.5 Cross-sector collaboration for preparation of GHG Inventory strengthened.

Outcome 3.

3.1 Analytical work carried out in order to assess the mitigation potential of the country, considering all relevant aspects – technical, environmental and economic.
3.2 Participatory process initiated, aimed at analyses and setting of nationally appropriate and feasible emission reduction and limitation targets.
3.3 Appropriate criteria for prioritization of the mitigation measures developed and mitigation measures evaluated against the agreed criteria.
3.4 Support for national capacity building for continuous analysis of mitigation potential, assessment of future economy-wide GHG emissions and for identification of the mitigation actions in Montenegro.
3.5 Identified national institutional arrangement for integrated and continuous mitigation action in the country.

Outcome 4

4.1 Technology, financial and capacity needs for mitigation assessed.
4.2 Information updated on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change.
4.4 Information on national resources allocated for climate change upon ratification of the UNFCCC collected.

Outcome 5

5.1 Options and possibilities for establishment of a domestic MRV system analyzed.
5.2 Support given to the process of development of national institutional and legal frameworks for establishment of domestic MRV.

Outcome 6

Outcome 7

7.1 7.1 Project financial and progress reports prepared and submitted.

The preparation process of the INC and SNC to the Conference of the Parties of the UNFCCC, has contributed to the institutional strengthening of the Ministry of Sustainable Development and Tourism, as competent institution for the application of the Convention at national level. The Ministry of Sustainable Development and Tourism will act as Implementing Partner and coordinating body of the Project. In addition to that, the national knowledge, concerns and awareness of the different stakeholders have been increased, in particular those from the government, non-government, private and academic sectors.

Based on the National Communication 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 the above mentioned stakeholders are involved, in particular in relation to the design and implementation of the mitigation and adaptation actions, in the framework of pursuing the more wide 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.

The Ministry of Sustainable Development and Tourism, through its Climate Change Unit should perform a leadership and coordination role for the development of actions needed to fulfill the obligations to the Convention and its formal communication to the international community, acting in coordination with the other stakeholders, integrating climate change in the ongoing national activities for the achievement of results to be reported and communicated through the National Communications and Biennial Update Reports.

Environment Protection Agency and National Statistical Office (MONSTAT), as well as relevant sectorial Ministries, such as the Ministry of Agriculture, Economy, play a key role in the elaboration of the National GHG Inventories, as they are responsible for the estimation of the respective sectorial emissions according to the IPCC guidelines and under the guidance and coordination of the Climate Change Unit.

The Ministry of Sustainable Development and Tourism will take part in capacity building activities for identification, preparation and implementation of mitigation actions for GHG emissions in key economic sectors. Relevant sectorial Ministries and bodies will participate in capacity building and strengthening activities aimed at the identification, preparation and implementation of mitigation actions for GHG emissions in key economic sectors. Other relevant bodies, such as the National Sustainable Development and Climate Change Council, Faculties, Montenegrin Academy of Sciences and Arts among others, will also participate in training activities, given their role of fostering science, technology and innovation initiatives. Private sector will be included through the Chamber of Commerce, building on the excellent cooperation established within the process for preparation of the Second National Communication.
Other stakeholders will be included in the process through the participatory approach planned within the project.

With respect to the gender dimension, women are meaningfully involved, not only as beneficiaries but also in the decision-making process of climate change related activities. Understanding how the different social roles and economic status of men and women affect, and are affected differently by climate change will improve actions taken to adapt and to mitigate climate change. In this sense, and for this specific project, the update of the national circumstances chapter of this Biennial Update Report will consider this gender dimension in order to better understand how the different roles of men and women in social and economic circumstances may affect Macedonia’s ability to deal with mitigating and adapting to climate change.

The role of women in the climate change mitigation strategies has received little attention, as actions have been perceived to be either technical or scientific in nature. However, as climate change is partly the result of human behavior and affects all people, mitigation strategies must consider the gendered patterns of energy use in order to be effective. In this sense, the project will incorporate a gender perspective in the identification, description and preparation of mitigation actions when relevant.

With regard to the technical team to be hired to implement the enabling activity, gender balance is considered.
## C. Describe the Enabling Activity and Institutional Framework for Project Implementation

### Institutional framework

The project will be implemented under partially NIM, with UNDP as implementing agency, responsible for overall management of the project, but with certain activities, will be implemented under NIM through Ministry for Sustainable Development and Tourism, Environment protection Agency and MONSTAT.

The Government will give support to the project through the use of equipment and premises for conference and meetings.

UNDP Montenegro will act as GEF Implementing Agency for the project and will assist the country for the entire project length to implement the activities set forth and will monitor and supervise the project on behalf of the GEF.

The UNDP country office will monitor and support the implementation of the project in line with standard procedures.

### Narrative description of the planned activities

#### National circumstances

The information on the national circumstances provided in the Second National Communication (SNC) will be updated taking into account all new studies, projects and research developed since the preparation of the SNC.

This outcome includes an update of the country characterization in terms of 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 water resources, energy, waste, transport. In particular, it will be analyzed how the national circumstances described may affect country’s ability to deal with mitigating to climate change. Special attention will be paid to new information and data related to those sectors that are largest contributors to the GHG emissions.

National development objectives, priorities and circumstances will also be described, including the specific needs and concerns arising from the adverse effects of climate change.

Also, the information on the institutional arrangements and the mechanisms for stakeholder’s involvement relevant to the preparation of the national communications and the biennial update reports.

#### GHG National Inventories

Under the previous National Communication, GHG Inventory of emissions by sources and removals by sinks for direct and indirect GHGs for the period 1990-2009 were prepared, using the methodology described in the Revised 1996 Guidelines for National Greenhouse Gas Inventories of the Intergovernmental Panel on Climate Change (IPCC) and applying the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories and the IPCC's Good Practice Guidance for Land Use, Land-Use Change and Forestry (LULUCF) (2003).
There is no regulatory framework in Montenegro that proposes a standardized methodology for GHG inventory preparation. Also, obligations of relevant institutions/subjects and procedures for data collection are not subjected to a regulatory framework. To date, inventory work has been done according to relevant international procedures and regulations, and all institutions (mostly MONSTAT) provide relevant data on a voluntary basis to the Environment Protection Agency.

In addition, the Ministry for Sustainable Development and Tourism, as the responsible institution, is working on a Monitoring Mechanism Directive / Regulation (MMD/R), which will define a methodology for inventory work as well as instruments and procedure for data collection. This system is already functional, and all inventories so far have followed the proposed methodology, even though it has so far not been backed by national regulation. The above methodology will therefore be used to collect activity data for the years mentioned in the PIF.

Furthermore, the BUR report will provide information on the data collection procedures to support the inventory work.

National emission factors were developed under the SNC for the key sectors as win-win-win measure proposed in the “Roadmap for adoption of national emission factors and recommendations for harmonization of emission factors between UNFCCC and CORINAIR methodologies and reporting guidance”, enhancing capacities of the Ministry of Environment and Physical Planning and enabling using Tier 2 for key sectors.

In addition, an assessment for introducing the 2006 IPCC Guidelines for National Greenhouse Gas Inventories has been carried out, and upon consultation with GHG expert recommended by NCSP, it was decided to use the 2006 IPCC Guidelines for the preparation of the new Inventory. Moreover, a member of the GHG Inventory team of the Ministry of Environment has actively participated in finalization of the 2006 IPCC software and the guidelines, which gives assurance for successful accomplishment of this task.
More specifically, under this component, the project will focus on the following:

- Data collection/interaction with data providers for preparation of inventory for 2011-2013 according to 2006 guidelines
- Revision of inventory for period 1990-2009 according to 2006 guidelines
- Review of the proposed data collection and management system according to requirements from 2006 guidelines
- Strengthen of the institutional arrangements with other institutions/Ministries for data collection and management
- Incorporation of good practices for improving sustainability of the process
- Revision of nationally adopted emission factors on annual bases, if needed
- Provision of input for preparation of relevant laws and regulations for institutionalization of the GHG inventory
- Preparation of working sheets and summary tables, uncertainty estimation and management
- Preparation of graphics, tables and analysis of results
- Publication of GHG Inventory report.

**Mitigation actions**

The mitigation assessment will focus on clearly defined objectives and emphasize implementation. The results will facilitate the national mitigation action and planning, will enable recognition of the mitigation efforts in the country, as well as will link the national mitigation action to international support.

The scope of the sectoral mitigation assessments will include an analysis of related legislation, policies and programmes that facilitate the rapid implementation of mitigation technologies and practices, as well as – to the extent possible – the macro-economic impact of the mitigation options (including possibilities for green job creation). The EU approximation process and international requirements deriving from UNFCCC as guiding principles for development will be taken into consideration while doing the analyses within the FBUR.

The basic steps will include: Analytical work in order to identify/revise the mitigation potential of the country, considering all relevant aspects – technical, environmental and economic using participatory approach to ensure connection with governmental priorities and to ensure implementation of recommended measures; adoption of appropriate criteria for prioritization of the mitigation measures; evaluation of the mitigation measures against the adopted criteria; National capacities for GHG mitigation potential including analyses for potential targets for emission limitation/reduction strengthened.

In particular, technical support will be given through this project to the activities of training and awareness rising to the sectors with mitigation potential in the framework of the UNFCCC. Support will also be needed to the process of identification of different types of financing and co-financing needed.
Financial, Technology and capacity building needs and support received.

These activities as part of the FBUR should closely link the process and outcomes of the SNC to relevant planning and decision making processes. A study of financial, technological and capacity needs and constraints of institutions responsible for activities related to climate change will be conducted through the collection, synthesis and analysis of existing information, individual interviews or group discussions, site visits, among others.

Information on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change will be collected. Also, information on national resources allocated for climate change upon ratification of the UNFCCC will be collected.

Domestic Monitoring, Reporting and Verification

In 2010 in Cancun, the COP, through Dec. 1/CP 15, decided that internationally supported mitigation actions will be measured, reported and verified domestically and will be subject to international measurement, reporting and verification in accordance with guidelines to be developed under the Convention. In addition to that, it was decided that domestically supported mitigation actions will be measured, reported and verified domestically in accordance with general guidelines to be developed under the Convention.

In 2011, in Durban, the COP, through Dec. 1/CP.17, requested the Subsidiary Body for Scientific and Technological Advice to develop general guidelines for domestic measurement, reporting, and verification (MRV) of domestically supported nationally appropriate mitigation actions.

In this international context, the FBUR should support the establishment of a domestic MRV system for the national appropriate mitigation actions in accordance to the guidelines to be developed under the Convention.

Under the project, an assessment will be conducted regarding the different options and possibilities for the domestic MRV according to the guidelines to be developed, considering national circumstances and capabilities, as well as taking into account the different nature of the mitigation actions. In addition to that, technical support will be given to the process of development of the national institutional and legal frameworks for establishment of domestic MRV.

Compilation, Publication and Submission of the First Biennial Update Report

When the expected outcomes 1 to 5 and its respective outputs are completed the First Biennial Update Report document will be compiled according to the guidelines contained in Annex II of Dec. 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.
### D. Describe, if possible, the expected cost-effectiveness of the project:

This enabling activity will not produce GHG emissions reductions directly but will contribute to better understanding and improved capacity for implementation of country’s climate policy.

### E. Describe the budgeted M&E plan:

The project will be monitored through the following M&E activities.

**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.

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.

**Quarterly:**

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- 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).
Based on the information recorded in Atlas, a Project Progress Report (PPR) can be generated in the Executive Snapshot.

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.

Bi-annual progress:
Status Survey Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.

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.

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.

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.

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.

Audit clause:
Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.
Learning and knowledge sharing:
Results from the project will be disseminated within and beyond the project intervention zone 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 project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Communications and visibility requirements:
Full compliance is required with UNDP’s Branding Guidelines. These can be accessed at [http://intra.undp.org/coa/branding.shtml](http://intra.undp.org/coa/branding.shtml), and specific guidelines on UNDP logo use can be accessed at: [http://intra.undp.org/branding/useOfLogo.html](http://intra.undp.org/branding/useOfLogo.html). Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: [http://www.thegef.org/gef/GEF_logo](http://www.thegef.org/gef/GEF_logo). The UNDP logo can be accessed at [http://intra.undp.org/coa/branding.shtml](http://intra.undp.org/coa/branding.shtml).

Full compliance is also required with the GEF’s Communication and Visibility Guidelines (the “GEF Guidelines”). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF_%20final_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF_%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

<table>
<thead>
<tr>
<th>F. EXPLAIN THE DEVIATIONS FROM TYPICAL COST RANGES (WHERE APPLICABLE):</th>
<th>N/A</th>
</tr>
</thead>
</table>
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 country endorsement letter(s) with this template).

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>MINISTRY</th>
<th>DATE (Month, day, year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andro Drecun</td>
<td>GEF Operational Focal Point and Convention focal point for UNFCCC</td>
<td>MINISTRY FOR SUSTAINABLE DEVELOPMENT AND TOURISM</td>
<td>10/24/2013</td>
</tr>
</tbody>
</table>

B. CONVENTION PARTICIPATION

<table>
<thead>
<tr>
<th>CONVENTION</th>
<th>DATE OF RATIFICATION/ ACCESSION (mm/dd/yy)</th>
<th>NATIONAL FOCAL POINT</th>
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</thead>
<tbody>
<tr>
<td>UNCBD</td>
<td>06/01/2006</td>
<td>ANA PAVICEVIC- MINISTRY OF SUSTAINABLE DEVELOPMENT AND TOURISM</td>
</tr>
<tr>
<td>UNFCCC</td>
<td>01/01/2007</td>
<td>ANDRO DRECUN- MINISTRY OF SUSTAINABLE DEVELOPMENT AND TOURISM</td>
</tr>
<tr>
<td>UNCCD</td>
<td>03/01/2007</td>
<td>ANA PAVICEVIC- MINISTRY OF SUSTAINABLE DEVELOPMENT AND TOURISM</td>
</tr>
<tr>
<td>STOCKHOLM CONVENTION</td>
<td>03/01/2011</td>
<td>TATJANA DJURCEVIC, ENVIRONMENT PROTECTION AGENCY</td>
</tr>
</tbody>
</table>

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for Climate Change Enabling Activity approval.

<table>
<thead>
<tr>
<th>Agency Coordinator, Agency name</th>
<th>Signature</th>
<th>Date (Month, day, year)</th>
<th>Project Contact Person</th>
<th>Telephone</th>
<th>E-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adriana Dinu</td>
<td></td>
<td>January, 21, 2014</td>
<td>Mr. Yamil Bonduki, Sr. Programme Manager, UNDP (Green-LECRDs)</td>
<td>+1 212 906 6659</td>
<td><a href="mailto:yamil.bonduki@undp.org">yamil.bonduki@undp.org</a></td>
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## ANNEX A

### CONSULTANTS TO BE HIRED FOR THE ENABLING ACTIVITY

<table>
<thead>
<tr>
<th>Position Titles</th>
<th>S/ Person Week</th>
<th>Estimated Person Weeks</th>
<th>Tasks to be Performed</th>
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<tbody>
<tr>
<td>For EA Management</td>
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<tr>
<td>Local</td>
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<tr>
<td>Project Manager</td>
<td>430</td>
<td>52</td>
<td>1. Ensures the Implementation of the Project Goals &amp; delivery of different aspects of the same; 2. Day-to-day implementation and management of the project by maintaining the delivery of appropriate technical, operational, financial and administrative outputs and tracking the progress of the project by monitoring and reporting 3. Ensure provision of policy advice services to the Government and relevant ministries, local authorities and other stakeholders, and facilitation of knowledge building; 4. Ensure creation of strategic partnership and support implementation of the resource mobilization strategy 5. Maintain and establish additional liaisons and connections with other national and international programs and projects relevant for the project implementation. 6. Follow the process of international negotiations in the UNFCCC and respective decisions related to reporting of non-Annex I Parties: the Registry, MRV and BURs. 7. Ensure gender mainstreaming within the project</td>
</tr>
<tr>
<td>Project Assistant</td>
<td>300</td>
<td>32</td>
<td>1. Perform financial duties related to implementation of the project activities; 2. Assist with organizing operational and administrative processes for project needs and provides support to office maintenance; 3. Support implementation of project strategies focusing on achieving the project results; 4. Manage the project documentation in an appropriate and satisfactory manner; 5. Support knowledge building and knowledge sharing across Unit’s projects, particularly in finance and administrative/ATLAS matters.</td>
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<tr>
<td>International</td>
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<thead>
<tr>
<th>For Technical Assistance</th>
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<tbody>
<tr>
<td>Local</td>
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<tr>
<td>Climate Change policy consultant (Nat. Circumstances)</td>
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</table>
|  | Collection and analysis of information related to national circumstances  
|  | - Analysis of country's specific needs and concerns arising from the adverse effects of climate change in the context of national development objectives, priorities and circumstances.  
|  | - Collection of information and description of institutional arrangements relevant to the preparation of the national communications and biennial update reports on a continuous basis, and description of level of support received to enable the preparation of the FBUR  
|  | - Propose best mechanisms for stakeholders involvement and participation to enable the preparation of national communications and biennial update reports. |
| GHG inventory consultants | 1,000 | 50 |
|  | Collect and analyze activity data for 2011-2013 as per 2006 IPCC Guidelines.  
|  | • Recalculate GHG inventories for period 1990-2009 as per 2006 IPCC Guidelines  
|  | • Coordinate activities with key partners for specific sectors (Agriculture, LULUCF, Energy)  
|  | • Coordinate the necessary activities for the update of National Emission Factors for key source categories.  
|  | • Prepare Worksheets, summary tables, uncertainty management for 2011-2013 GHG national inventory.  
|  | • Prepare the inventory report containing the description of the contribution of different sectors to GHG emissions, procedures and arrangements for collection and activation of data and role of institutions involved in the preparation of the GHG inventory.  
|  | • Prepare updated summary information tables of previous inventories.  
|  | • Provide an overall technical review of the draft chapter on inventories to be used in the BUR.  
<p>|  | • Identify specific training needs for enterprises or government agencies and provide recommendations on training. |</p>
<table>
<thead>
<tr>
<th>Position</th>
<th>Hours</th>
<th>Days</th>
<th>Description</th>
</tr>
</thead>
</table>
| Data collection consultant / Statistician                              | 1,000 | 50   | • analysis of the relevant information in order to identify/revise data collected from agriculture, waste and transport sectors  
  • provide recommendation for improvement of the existing methods, procedures and processes for above data collection  
  • Improve data collection in the agriculture, waste and transport sectors through identification and development of standard procedures and data collection techniques.  
  • formal procedures for improved data collection established |
| Climate Change Mitigation consultants                                 | 1,000 | 50   | • Collection and analysis of relevant information in order to identify/revise the mitigation potential of the country, considering technical and environmental relevant aspects  
  • Initiate participatory process, aimed at analyses and setting of appropriate and feasible emission reduction/limitation targets.  
  • In cooperation with other mitigation consultants, propose appropriate criteria for prioritization of the mitigation measures.  
  • Give technical support to the process of identification of mitigation potential in different sectors, and also identify the different types of financing and co-financing needed |
| Economic Analyses of Climate Change consultants                        | 800   | 15   | • Review available methodologies and tools for economic assessment of climate change mitigation measures with an aim to identify the most suitable methodology/tools for the country  
  • Analyze the economic aspects related to implementation of the identified mitigation actions in the country  
  • Prepare guidelines for mainstreaming climate change mitigation into policy planning process |
| Measurement, Reporting and Verification Consultants                    | 1,000 | 30   | • Identify options and possibilities for establishment of a domestic MRV system  
  • Provide analysis of the proposed MRV system  
  • Provide support to the process of development of national institutional and legal frameworks for establishment of domestic MRV  
  • Provide analysis for establishment of the emission trading system in the country |
<table>
<thead>
<tr>
<th>Consultant Type</th>
<th>Fee</th>
<th>Duration</th>
<th>Description</th>
</tr>
</thead>
</table>
| Climate Change mitigation consultant (financial, technological and capacity needs) | 800 | 15       | • Conduct a study of financial, technological and capacity needs and constraints of institutions responsible for activities related to climate change through the collection, synthesis and analysis of existing information, using participatory approach  
  • Update information on financial resources, technology transfer, capacity building and technical support received from bilateral and multilateral donors, IFCs, etc. for activities related to climate change.  
  • Provide information on national resources allocated for climate change upon ratification of the UNFCCC |
| Writer and Compiler                                  | 1,000 | 6       | • Compile, consolidate, harmonize information from different consultants and experts, and elaborate the BUR report according to the guidelines contained in Annex II of Dec 2/CP.17 |
| International                                        |     |          |                                                                                                                                                                                                            |
| International Mitigation consultant                 | 3,000 | 6       | • Provide recommendations for incorporation of potential targets for GHG emission limitation/reductions in the mitigation scenarios (Carbon tax and CO2 cap for example).  
  • Assess economic implications of introduction of limitations on emissions  
  • Propose most appropriate economic instruments as a tool for national authorities to promote the climate change mitigation action |
| International MRV consultant                        | 3,000 | 10      | • Conduct a study for the identification and assessment of the different options and possibilities for the domestic MRV according to the guidelines to be developed by the UNFCCC, considering national circumstances and capabilities, as well as taking into account the different nature of the mitigation actions.  
  • Give technical support to the process of development of the national institutional arrangements and framework for domestic MRV.  
  • Prepare a report describing the progress of implementation of such institutional arrangements and framework |
| Evaluation consultant                                | 2,000 | 5       | Conduct an independent technical evaluation of the BUR                                                                                                                                                     |
OPERATIONAL GUIDANCE TO FOCAL AREA ENABLING ACTIVITIES

Biodiversity
- GEF/C.7/Inf.11, June 30, 1997, Revised Operational Criteria for Enabling Activities
- GEF/C.14/11, December 1999, An Interim Assessment of Biodiversity Enabling Activities
- October 2000, Revised Guidelines for Additional Funding of Biodiversity Enabling Activities ( Expedited Procedures)

Climate Change
- GEF/C.15/Inf.12, April 7, 2000, Information Note on the Financing of Second National Communications to the UN Framework Convention on Climate Change
- GEF/C.22/Inf.15/Rev.1, November 30, 2007, Updated Operational Procedures for the Expedited Financing of National Communications from Non-Annex I Parties

Persistent Organic Pollutants
- GEF/C.39/Inf.5, October 19, 2010, Guidelines for Reviewing and Updating the NIP under the Stockholm Convention on POPs

Land Degradation

National Capacity Self-Assessment (NCSA)

National Adaptation Plan of Action (NAPA)
Annex C

ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY

Name of Proposed Project: First Biennial Update Report (Montenegro)

A. Environmental and Social Screening Outcome

☒ Category 1. No further action is needed

☐ Category 2. Further review and management is needed. There are possible environmental and social benefits, impacts, and/or risks associated with the project (or specific project component), but these are predominantly indirect or very long-term and so extremely difficult or impossible to directly identify and assess.

☐ Category 3. Further review and management is needed, and it is possible to identify these with a reasonable degree of certainty. If Category 3, select one or more of the following sub-categories:

☐ Category 3a: Impacts and risks are limited in scale and can be identified with a reasonable degree of certainty and can often be handled through application of standard best practice, but require some minimal or targeted further review and assessment to identify and evaluate whether there is a need for a full environmental and social assessment (in which case the project would move to Category 3b). See Section 3 of the Review and Management Guidance.

☐ Category 3b: Impacts and risks may well be significant, and so full environmental and social assessment is required. In these cases, a scoping exercise will need to be conducted to identify the level and approach of assessment that is most appropriate. See Section 3 of Review and Management Guidance.

B. Environmental and Social Issues (for projects requiring further environmental and social review and management)

NOT REQUIRED

C. Next Steps (for projects requiring further environmental and social review and management):

NOT REQUIRED

D. Sign Off

___________________________________
Project Manager: maude.veyret-picot - Signed Date: 2013-11-5
ENVIROMENTAL AND SOCIAL SCREENING CHECKLIST

Name of Proposed Project: First Biennial Update Report (Montenegro)

QUESTION 1

Has a combined environmental and social assessment/review that covers the proposed project already been completed by implementing partners or donor(s)?

Answer to Question 1: . . . . . . No

QUESTION 2

Do ALL outputs and activities described ONLY fall in the Project Document fall within the following categories?

1. Procurement (in which case UNDP’s Procurement Ethics and Environmental Procurement Guide need to be complied with)
2. Report preparation
3. Training
4. Event/workshop/meeting/conference (refer to Green Meeting Guide)
5. Communication and dissemination of results

Answer to Question 2: . . . . . . Yes