



United Nations Development Programme

Annotated Project Document template for NAP/Readiness projects financed by the Green Climate Fund

Project title: Enhancing Montenegro's capacity to integrate climate change risks into planning		
Country: Montenegro	Implementing Partner: UNDP	Execution Modality: Direct Implementation Modality (DIM)
UNDAF/Country Programme Outcome: UNDAF Strategic Outcome - By 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change and disaster-risk reduction; CPD Outcome 4: By 2021, national, state and local institutions are more effective to carry out their mandates including strengthened normative frameworks that respect human rights and fundamental freedoms and ensure effective service delivery		
UNDP Strategic Plan Output: 2.3.1 Data and risk-informed development policies, plans, systems and financing incorporate integrated and gender-responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation, and prevent risk of conflict		
UNDP Social and Environmental Screening Category: Low risk. SESP Screening Annexed	UNDP Gender Marker GEN1	
Atlas Project ID: 00100486	Atlas Output ID: 00103426	
UNDP- PIMS ID number: 6079	GCF ID number: MNE-RS-002	
Planned start date of the Implementation Period: 29.11.2020	Expected Duration of the R&P Support: 36 months Planned end date of the Implementation Period: 28 October 2023	
PAC meeting date: <i>this is defined as the actual project appraisal committee meeting date (to be added before DOA issuance).</i>		

Brief project description: *Briefly (no more than 200 words) describe the overall development challenge and the expected results of the project* Climate change poses significant risks to its long-term development and consequently the Government of Montenegro (GoM) has taken several foundational steps to develop a long-term adaptation planning process that is anchored in the National Climate Change Strategy by 2030 and Montenegro's National Communication.

While these foundational steps provide a starting point, the GoM has identified several gaps that inhibit effective adaptation planning. These gaps include:

- An underperforming coordination framework,
- A lack of institutional capacity,
- insufficient information and lack of finance to fund adaptation investments, and
- a private sector that has a low capacity to understand and respond to climate vulnerabilities and risks.

With the GCF support, Montenegro will strengthen its institutional coordination framework, expanding the technical capacities of those responsible and involved in adaptation planning, enhance the evidence base required for effective decision making, and define a resource mobilization strategy.

The main beneficiaries of the project are ministries and institutions responsible for issues of sustainable development and tourism, agriculture and rural development, health, economy and finance and the Institute of Hydrometeorology and Seismology of Montenegro.

FINANCING PLAN

GCF grant	1,721,932 USD
(1) Total Budget administered by UNDP	1,721,932 USD

SIGNATURES

Signature: print name below	Agreed by UNDP	Date/Month/Year:
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Disbursement: The UNDP CO is aware of the conditions of disbursement ascribed to the first and subsequent tranches of the GCF funding as specified in the FWA (and in particular Clause 4 of the FWA). To the extent that these obligations reflect actions of UNDP, UNDP must ensure that the conditions are met and there is continuing compliance, as well as understanding that availability of GCF funding is contingent on meeting all conditions listed in the FA.

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II. DEVELOPMENT CHALLENGE

General country profile

Located in the Western Balkan geographic area of South-Eastern Europe, Montenegro is a small, predominantly mountainous country, with a land area of 13,812 km². It is part of the Mediterranean geographical region with 293 km of coastline along the Adriatic Sea. Approximately 70% of Montenegro's territory is located at an altitude between 500 m and 1,500 m. It has a highly diverse relief, including the Tara River Canyon (the deepest canyon in Europe), large karst areas in the central and western parts of the country, and the coastal lowland plains. Montenegro has a population of 642,550 with a density of 45 inhabitants per km². It has an ageing demographic trend that by 2020 will have 15% of the population be aged 65 and older.

Montenegro has largely transitioned to a market economy since the fall of communism with approximately 85% of all companies being private. The service sector accounts for around 70% of the country's GDP, with tourism being a particularly large sub-sector. In terms of industry, the main sectors are steelmaking, aluminum production, and various consumer goods, while tobacco, citrus fruits, olives and grapes are important agricultural sub-sectors. All of these sectors are very water dependent. The economy is vulnerable to external shocks as it relies heavily on capital inflows from abroad to stimulate economic growth.

Due to its small population and diverse terrain, the costs of developing and running national institutions are comparatively high and compounded by a limited capacity to exploit economies of scale in the provision of public goods and services.

Climate risk country profile

Owing to its proximity to the Adriatic and Mediterranean Seas, Montenegro primarily has a Mediterranean climate. However, due to its diverse topography, it also features a sub-alpine climate creating two distinct climatic regions. Additionally, there are numerous micro-climates across the country that are a result of drastic changes in reliefs and the presence of large water bodies. At a regional level, the Mediterranean ecosystem (of which Montenegro is a part) was identified by the IPCC AR5 as "highly vulnerable to climate change" and one of the most impacted regions that will result in multiple stresses and systemic failures. According to Montenegro's Third National Communication, the period between 2011 and 2020 will be the warmest decade on record in Montenegro, with increase in each decade since 1970s. The decadal view of the change in mean annual precipitation for the period 1951–2017 shows that the decade 2011–2020 is expected to have a lower average annual precipitation compared to the previous decade, primarily due to hydrological droughts during 2011, 2012, 2017, 2018, and 2019. However, the increased temperatures led to increased climate variability resulting in extreme weather events like heavy and destructive floods that affected approximately half of the country's territory. These floods damaged transport, urban and agriculture infrastructure as well as private properties. As temperatures continued to rise, as predicted, the frequency and intensity of many types of extreme events, including floods, droughts, wildfires, and intense storms are also expected to rise. According the World Bank Group's Climate Change Knowledge Portal (CCKP)¹ climate projections for Montenegro indicate the following:

- Mean annual temperature will rise by 2.22°C (1.04°C to 3.65°C) in 2040-2059
- Annual precipitation will decrease by -26.95mm (-293.92mm to 148.69mm) in 2040-2059
- Annual Cooling Degree Days will rise by 320.65mm (88.35mm to 0.00mm) in 2040-2059
- Annual Maximum 5-day Rainfall (25-yr RL) will rise by 6.22mm (-21.68mm to 44.52mm) in 2040-2059

The above future scenarios will lead to increased frequencies and intensities of floods and droughts, water scarcity, and intensification of erosion, sedimentation, snowmelt, sea level rise, as well as damage to water quality and ecosystems

Current state, Challenges and Barriers

Relying on conducted consultations with national stakeholders and a stocktaking exercise to inform the development of an adaptation process the GoM concluded that water, agriculture, tourism and health were the initial sectors that

¹ <https://climateknowledgeportal.worldbank.org/country/republic-montenegro/climate-data-projections>

the GoM would like to focus on, and remained priority intervention sectors to this date. Identified sectors were prioritized due to importance for Montenegro's development and high level of vulnerability.

Agriculture plays an important role in Montenegro's economy, playing a particularly large role in the rural parts of the country. The agricultural sector is highly vulnerable to climate change due to its dependence on specific temperature conditions and water availability, and it is also exposed to climate hazards such as droughts or floods. A large part of the agricultural areas in Montenegro are in lowlands, which makes them particularly prone to regular floods. Adaptation measures in the agricultural sector should focus on planning and capacity-building measures, as well as technology and information-oriented responses.

Water resources in Montenegro drain into two basins: the Adriatic Sea and the Black Sea. There are significant differences in the distribution and abundance of water resources ranging from arid karst areas to areas rich in both surface and ground water. Data shows that water levels in all river basins are reducing. The expected decreases in rainfall and snowfall will significantly affect the availability of surface water leading to cascading impacts, especially agriculture. Adaptation measures should focus on applying an integrated approach to water resources and systems management, and a strengthening of cross-sector planning and activities.

Tourism in Montenegro has increased substantially in the last decade with notable increases in the number of visitors and investments in tourism infrastructure. As such, tourism has become one of the main sectors of the economy. A report from the World Tourism and Travel Council (WTTC), which analyses and ranks the impact of tourism on GDP, employment, exports, and investment, and covers 184 countries, estimated that tourism will be 28% of GDP by 2028. As such, and in accordance with the GoM commitment to sustainable development and environmental protection, the concept of the development of green/responsible tourism on the principles of low-carbon development is considered vital and that adaptation measures must be taken to protect this sector.

Good public health depends on safe drinking water, sufficient food, secure shelter, and good social conditions, which may all be affected by a changing climate – and are particularly important in the context of economies in transition, such as Montenegro's. It is important to consider that climate change could affect the capacity of health services to deal with emergencies. Adaptation measures in the health sector should focus on the strengthening of existing institutional capacities, information dissemination, resilience of health infrastructure, and monitoring systems to better understand the impacts of climate change on human health in Montenegro.

In the context of existing gaps and barriers, despite the actions taken and progress made so far in prioritizing adaptation planning within its policy and institutional frameworks, there is still the problem of the absence of a functioning and effective adaptation planning process. The key barriers preventing the establishing of this desired adaptation planning process are:

- The coordination framework for adaptation planning and action are partially established and not performing. The Inter-ministerial coordination mechanism, the Working Group on Mitigation and Adaptation to Climate Change, is not performing as designed. This is due to a lack of an effective organizational design, clear roles and responsibilities, as well as a lack of capacity (technical and functional) and information. Additionally, institutional arrangements have not been designated for mainstreaming climate change into work-programmed at the sector level.
- Limited institutional and technical capacity at the national and sectoral level to address climate change through adaptation. Technical capacity to collect, generate, use and disseminate climate information and services is limited in government agencies. The Ministry of Sustainable Development and Tourism (the NDA), the National Council for Sustainable Development, the Working Group on Mitigation and Adaptation to Climate Change, as well as other Ministries and agencies lack the required technical and human capacity, tools and approaches to identify, assess, prioritize risks and implement adaptation actions. Additionally, there is limited specialized capacity at the national government level to implement adaptation projects and monitor success. All of this results in climate vulnerability scenarios and adaptation measures not being adequately mainstreamed into policies and plans.
- Adequate information required for conducting informed and effective adaptation planning and investments is unavailable. It is difficult to accurately gauge and cost adaptation options at national and sectoral levels without relevant information on climate impacts, vulnerabilities and adaptive capacity in a medium to long-

term perspective. In Montenegro, information required for comprehensive risk-informed adaptation investment planning is, in most cases, not available. Information that is available is limited and, where generated, it is not consolidated. This is due, in part, to a lack of a designated coordination mechanism but also in part due to the ad-hoc nature of the information development. Analyses of climate impacts, and of the adaptive capacity of communities and institutions for each major vulnerability have not been conducted due to technical capacity gaps, a lack of a structured process, and of prioritized dedicated resources for undertaking longer-term assessments.

- National and alternative sources of finance to fund adaptation investments are not optimized as the full costs of adaptation are not yet known. However, the broadly understood scope of climate risks and the estimated costs of adaptation are substantial and beyond the GoM budgetary capabilities given its demographic and fiscal realities. Alternative sources of funding and co-investment have not been explored, nor has a strategy to incentivize investments for adaptation been formulated.
- Following the disintegration of Yugoslavia, Montenegro was also subject to international sanctions. This had the effect of limiting the flow of new ideas, new educational and training opportunities, and new development funding, from the West into Montenegro. As a result, the analytical capacity to develop and implement natural resource and environmental planning and management tools and the institutional capacity to use these results in planning and management decisions in the public and private sector was not developed in any systematic way. Consequently, private sector actors (financial as well as product and services-based companies) have low capacity to understand and respond to climate vulnerability and risk. Specifically, they lack the capacity to conduct climate risk and vulnerability assessments in the areas that affect their business, nor are they capable of integrating the findings of such assessments into their business planning and or investment decisions.

This proposal is aligned with the National Sustainable Development Strategy of Montenegro that prioritizes the fight against climate change as a cross-cutting element and will contribute to the establishing more transparent system and enhanced capacities and will contribute in tracking the progress of implementation of the SDGs. By ensuring data quality of national and sectoral information data collection and tracking will be more accurate and transparent. With these actions, Montenegro seeks to ensure high quality data that will be used by the Working Group on Mitigation and Adaptation to assess progress towards the NDC and for forecasting future emissions, also to assess potential gaps in climate change policy.

III. STRATEGY

This project is designed to contribute to a new normal in which an effective adaptation planning process increases Montenegro's resilience and lowers its vulnerability to the effects of climate change.

The project brings together national and sectoral level officials and bodies as well as representatives from civil society and the private sector in an effort to achieve its specific goals while at the same time building the long-term capability of the stakeholders to mainstream adaptation considerations into planning and decision-making processes across these different groups.

The overarching objective of this project is to improve Montenegro's institutional capacity for long term adaptation planning. To achieve this, the proposal is focused on (i) improving the institutional coordination framework and increasing institutional capabilities, (ii) increasing climate information and identifying potential adaptation responses/measures, and (iii) identifying financial requirements and resources to fund adaptation investments.

The design and sequence of the project activities have been made in a manner to create efficiencies and be effective. By building enabling institutional, planning and programming environments for adaptation at the national and sectoral level, Montenegro will be able to identify climate-induced risks, and vulnerabilities, and use that information to inform adaptation planning process and to explore appropriate adaptation responses.

The sequencing is designed to initially focus on developing/improving the coordination framework and building the capabilities of those involved in the coordination framework. Then, as the coordination framework is strengthened, actions will be taken to improve the information base by determining climate risks and using those as the basis to identify and assess appropriate measures (investments, projects, programmes etc).

The focus is both at the national level and across four sectors. These sectors have been selected for this project to align with existing government policy. This project will help Montenegro lay the groundwork for systemic and iterative adaptation planning through the identification of climate risks and adaptation options for the purposes of having a well-established planning process that leads to improved resiliency growth in four of its key sectors. This strategic approach will, inter alia, boost Montenegro's position vis-a-vis its development partners, international funding sources and the private sector as it relates to the provision of financial resources.

It is foreseen that this project will also strengthen the awareness and capacities for adaptation planning of multiple stakeholder groups which will create a better environment for learning and iterative adaptation planning and action.

This proposal is the first stage (Phase I) of what is intended be a two-staged approach for utilizing the support of the GCF for adaptation planning. The second stage (Phase II), while not clearly defined at this stage, will build on Phase I to, amongst other things, integrate other sectors into the adaptation planning process, further integrate the private sector and more fully develop financing strategies and tracking of adaptation finance.

The Theory of Change, presented below, illustrates how the proposed outcomes and associated sub-outcomes will enable the GoM to overcome these barriers and achieve the outcomes.

Goal Statement	IF Montenegro builds an enabling institutional, planning and programming environment for adaption at the national and sectoral level, THEN it will be able to identify and address climate-induced risks, by designing and implementing adaptation investments in line with national priorities, BECAUSE knowledge of key risks and vulnerabilities will be generated and shared, feeding into effective coordination mechanisms and investment plans for resilience
Project Objective	Montenegro has improved institutional capacity for long term adaptation planning
Outcomes	Adaptation planning governance, institutional coordination, and technical capacity strengthened
	An enhanced evidence base for designing gender-sensitive adaptation solutions
	An adaptation finance mobilization strategy developed
Barriers	The coordination framework for adaptation planning and action are partially established but not performing
	Limited institutional and technical capacity at the national and sectoral level to address climate change through adaptation
	Adequate information required for conducting informed and effective adaptation planning and investments is unavailable.
	National and alternative sources of finance to fund adaptation investments are not optimized as the full costs of adaptation are not yet known.
Problem	The absence of a functioning and effective adaptation planning process.
	Assumptions: The GoM will remain actively engaged in the process of accessing NAP funding; The GoM will provide adequate and appropriate core staffing during the implementation of this project; Qualified international and national consultants will be identifiable and procurable; The GCF will disburse funds in a timely manner; There will be adequate and sustained GoM support for adaptation planning.
	Risks: This proposal faces a relatively low level of risk. The political situation in Montenegro is considered stable and sufficiently supportive to design and implement the NAP proposal. National and sub-national adaptation

Assumptions & Risks	<p>mechanisms need strengthening but are strong enough to track the proper and appropriate utilization of funds.</p> <p>The primary risks are: Potential for delays in implementation at start-up possibly from the procurement project staff, consultants and other elements. Other delays could arise from inadequate institutional coordination and or participation of stakeholders.</p> <p>A risk that data collection is constrained and is insufficient due to a lack of involvement and cooperation of government stakeholders. This will result in an incomplete data set and make sub-optimal decision making.</p> <p>Lack of cooperation between government stakeholders with regards to establishing institutional coordination framework. This may lead to a coordination framework that is ineffective in delivering on its mandate.</p> <p>Lack or low political will to support the project and adjust governance frameworks. This will constrain the development and sustainability of the project.</p> <p>A lack of qualified human resources within the government may lead to delays and constraints in the implementation and completion of the project.</p> <p>Local stakeholders are not fully consulted and or included in the planning and implementation. This will result in adaptation planning process that does not properly or adequately reflect the vulnerabilities, needs and or concerns of affected communities.</p> <p>An Inability or difficulty in contracting national and international consultants. This may result in delays in implementation and exciting the project with sub-optimal talent and therefore possibly ineffective adaptation planning.</p> <p>A potential lack of interest and willingness by the private sector to adopt business models which will be presented under the private sector strategy. The Covid-19 pandemic leads to delays in the start-up as well as the performance of activities and deliverables.</p>
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IV. RESULTS AND PARTNERSHIPS

The overarching objective of this project is to improve Montenegro's institutional capacity for long term adaptation planning. To achieve this, the proposal is designed around three main outcomes, which are achieved via interconnected and complementary sub-outcomes and activities, as described in this section.

OUTCOME 1: Adaptation planning governance, institutional coordination, and technical capacity strengthened.

This outcome will set the foundation for adaptation planning throughout the country. This will be achieved by establishing an institutional coordination mechanism with a clear and strong mandate, defining the roles of the participating institutions, and assessing and enhancing the capacity of these institutions. Following this effort, outcomes 2 and 3 will combine to enable adaptation options to be appraised and prioritized based on climate

vulnerability rankings for integration into a NAP document and ongoing process. Activities 1.1.1 – 1.1.3 will be conducted by the same international service provider with appropriate experience, track record and qualifications. Activity 1.1.4 will be delivered by a separate international service provider.

Sub-outcome 1.1 Institutional capacity for adaptation planning assessed and enhanced.

1.1.1 Undertake a detailed assessment of the capacities of the key institutions responsible for adaptation planning. The assessments will be broad and comprehensive and will include the developing of an understanding of individual and institutional capability to comprehend and use climate information to integrate risks and adaptation measures into planning. It will also focus on understanding capabilities for conducting appraisals and prioritization exercises of risks and adaptation options, as well as project development, implementation, gender mainstreaming, stakeholder engagement and communications, amongst other things. Institutions to be included in the capacity assessments include the ministries responsible for sustainable development and tourism, economy, agriculture and rural development the Working Group on Mitigation and Adaptation to Climate Change, the Agency for the Protection of Nature and the Environment, the Institute of Hydrometeorology and Seismology of Montenegro, and the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management and the priority sectors. A capacity gap report that presents the findings of the assessments will be produced, circulated with the stakeholders, and inform and guide the capacity building training efforts.

1.1.2 Based on the results of 1.1.1, develop and deliver a training programs to increase the capacity of government officials within the relevant government entities involved in the NAP, to understand climate risks and vulnerabilities to understand climate risks, the vulnerabilities, and how to integrate adaptation into existing policies and planning. The training will include 8 two-day workshops and target a total of 75 individuals from the same stakeholder groups of 1.1.1 with 50 percent of the participants being women.

1.1.3 Deliver a capacity development program uniquely designed for the private and civil society sectors to improve their understanding of climate risks and vulnerabilities faced by their stakeholders as well as to provide them with a rich pool of knowledge on how integrate adaptation into business planning and operations. The training will target at least 50 people per workshop and will be conducted quarterly via a 1-day workshop in years two and three. The training will target at least 75 people each session with 50 percent of the participants being women.

1.1.4 Train IHSM staff on how to effectively use their mobile climate data collection units. Currently use of these data collection units is compromised by a lack of knowledge on how to properly and fully deploy these units and how to best use the data that is collected. These units allow IHSM to collect data from existing mechanical stations until all stations are upgraded to WMO standards. This information is key for understanding risks and for informing the adaptation planning and processes. The training is envisioned to be delivered both in a classroom as well as in the field. The training will target at least 25 participants from IHSM, with 50 percent of them being women. Additionally, the training will be open to a small group (up to 10) of university students who are studying a related field. This training will be delivered by an international service provider with expertise in the use of the equipment.

Sub-outcome 1.2 Institutional coordination to support adaptation planning strengthened. This sub-outcome will assist MSDT in engaging key stakeholders in the NAP process. In addition, it will establish an information sharing platform to support the coordination of adaptation planning and actions.

1.2.1 Update the mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change as it relates to adaptation in order to enhance action, coordination, and accountability. Define the governing processes and institutional arrangements for oversight and coordination of adaptation related issues. Define a multi-stakeholder coordination mechanism for the NAP that includes the private sector, women and other vulnerable groups. Define the frequency and timeframes of the NAP planning cycles and of the related monitoring and evaluation systems. Develop Standard Operating Procedures for coordination of adaptation plans and activities between sectors and agencies as well as among working groups at national and municipal levels. The SOPs will be approved by the government in line with the law on Climate Change – Jurisdiction and Obligations.

OUTCOME 2: An enhanced evidence base for designing gender-sensitive adaptation solutions.

Under this outcome, existing information will be reviewed and appraised and additional assessments within the priority sectors will be undertaken, gender-sensitive adaptation options will be identified and prioritized, and a NAP policy document will be produced. The compilation of existing vulnerability information and new vulnerability studies will provide the institutional coordination mechanism, national and sector planners to make informed and better decisions with respect to climate change adaptation. Additionally, this evidence base will be key in any efforts to build a case for the allocation of national budget and for seeking and acquiring climate finance from international sources such as the GCF.

Sub-outcome 2.1: Gender-specific climate change-driven risks and vulnerabilities in priority sectors identified, broad goals and potential adaptation measures developed.

2.1.1 A service provider will conduct a comprehensive review, consolidation and synthesis of available climate-driven risks and vulnerabilities that relate to or are specifically focused on the 4 priority sectors. A report will be produced that presents the consolidated information and provides analysis on the findings. This report will be circulated with sector planners and the NAP team to inform planning. The report will inform Activity 3.1.1.

The service provider will then conduct gender-sensitive climate change risks assessments of the water resources, public health, agricultural and tourism sectors addressing any gaps in knowledge identified in the review, consolidation and synthesis of the existing sectors. The assessments will include an examination of the impacts on both public and private sectors assets and systems. This activity will also include a prioritization exercise that produces a ranking of climate change driven risks and vulnerabilities within the 4 sectors that will inform the directions of the first NAP cycle. These risks should be prioritized according to their impacts to various social groups and organized by associated development priorities/SDGs and co-benefits as well as sectoral priorities.

2.1.2 Based on the results of 2.1.1 an international consultant working with four national consultants (1 with specialized expertise for each sector) will develop gender-sensitive adaptation goals, targets and indicators for the four priority sectors. This activity will inform the design of the M&E framework under activity 2.2.3. The team will produce a report/document that presents the prioritized gender-sensitive adaptation goals, targets and indicators for each sector. The report/document will be circulated with sector planners and the NAP team to inform planning as well as more broadly through government as relevant and is intended to serve as a model for other sectors. Reports will be made published online available to the public.

2.1.3 Review sectoral (priority sectors) development policies, plans and strategies to identify entry points for integrating gender-specific climate risks and adaptation measures. The results of this activity will be a report that will enhance the information base and inform adaptation decision making and action. This work will be informed by consultations with private sector and women groups and aligned with the results of 2.1.1 and 2.1.2. This work will be conducted by the same IC and NC's (4) of 2.1.2

Sub-outcome 2.2 National Adaptation Planning processes established.

2.2.1 Informed by Activities 2.1.1, 2.1.2 and 2.1.3 establish a team of multidisciplinary national/international expert consultants to draft the National Adaptation Plan. This activity will involve identifying and hiring the team (a NAP team) to formulate the NAP policy document. This team will work in close coordination with Working Group on Mitigation and Adaptation to Climate Change, the National Council for Sustainable Development, the Agency for the Protection of Nature and the Environment, the Institute of Hydrometeorology and Seismology of Montenegro. This team will be responsible for drafting the initial NAP in this activity and will produce a finalized version in activity 2.2.5. The NAP will be informed by sub-outcome 2.1. and incorporate gender dynamics and input from stakeholders including women, vulnerable groups and the private sector.

2.2.2 Develop a 3-year work-plan for implementation of the NAP. This work plan, developed according to the NAP draft, will identify the steps necessary for implementing mid- and long-term adaptation programmes. As part of this activity, the NAP team will develop a process for reviewing the NAP and updating priority actions iteratively, beyond the project's 3-year time horizon.

2.2.3 Establish a monitoring and evaluation framework for adaptation planning and its effectiveness, the framework will be informed by the activities of sub-outcome 2.1 and initially adaptation activities within the 4 priority sectors. This framework will include clear indicators and targets for monitoring and evaluation based on sex-disaggregated data. This M&E framework will be an integral part of the implementation of the NAP.

2.2.4 Develop a Gender Action Plan to ensure gender mainstreaming features explicitly in the design and implementation of the NAP. The Gender Action Plan will mirror the project outputs and will be an integral part of NAP design. The Gender Action Plan will address issues of gender inclusion and facilitate women's involvement in governance, planning and implementation and will map to the outputs of the NAP. The Gender Action Plan will address gender issues and facilitate women's involvement in adaptation planning and implementation. Additionally, a Communications Plan will be produced to support and complement both the NAP document and the Gender Action Plan and to ensure that stakeholders are aware of the NAP process, plan and associated actions.

2.2.5 Coordinate review of the draft version of the NAP. Public and expert consultations are critical to ensuring that the NAP represents Montenegro's needs. This activity will facilitate a NAP public and peer review process. The NAP will be posted online and social media platforms for review and comment from experts and the public. Feedback from this process will be taken into consideration and as appropriate incorporated into the final iteration of the NAP document. Finalize the NAP document based on the peer review and public comments. Deliver a final draft to the Working Group on Mitigation and Adaptation to Climate Change for their review, then present it to the Ministry of Sustainable Development and Tourism for endorsement.

2.2.6 A public awareness communications campaign to communicate Montenegro's medium- to long-term adaptation priorities will be conducted. This activity will provide a view to stakeholders, including the private sector and civil society of what the country's priorities are for investments in adaptation as well as outlines the policy and regulatory frameworks to support public and private investments in adaptation actions. An aim of this activity is to make the NAP process open and transparent helping all implicated stakeholders understand the role they can play in improving resilience. A multi-media approach will be taken with video, case studies and printed materials that will be used to inform the public more broadly but will also support workshops and other types of events. This activity will be carried out by a service provider.

OUTCOME 3: An adaptation finance mobilization strategy developed.

This outcome will equip Montenegro with an enhanced understanding of the landscape of climate financing available for adaptation planning and enhance the evidence base that supports private investment in low-emission and climate-resilient development. In sub-outcome 3.1 sources of funding available for financing adaptation projects will be explored including national and international sources. Additionally, sub-outcome 3.2 will engage the private sector by identifying the barriers and drivers to investing in adaptation. A private sector engagement strategy will be developed that will inform adaptation planning policy and the resulting decision-making processes of the institutional coordination mechanism as well as national and sector planners. Additionally, this outcome will identify and appraise potential adaptation options through the development of Concept Notes.

Sub-outcome 3.1 Mechanisms for funding adaptation investments identified.

3.1.1 Conduct a preliminary cost-benefit analysis for the sector-based adaptation goals (that were developed in 2.1.2). This will develop a general understanding of the total estimated budget needed to achieve adaptation goals in those sectors. Included in this activity will be an examination of alternative cost options and an exploration of public-private partnerships. A report detailing the preliminary costs for achieving the prioritized adaptation goals of the four sectors will be produced and utilized in government planning. This activity will inform the development of the NAP in Activity 2.2.1.

3.1.2 Develop a financing strategy that maps to the prioritized adaptation goals and that identifies and considers the barriers that prevent private sector stakeholders (business, industry, banking, microfinance sectors) from engaging in low-emission and climate-resilient development. This activity will identify sources of environmental finance including domestic budgets, bilateral and multilateral partners, and the private sector. This activity will require both research and consultations and will result in a report that informs and supports securing finance for adaptation planning

3.1.3 Informed by Activities 2.1.1, 2.1.2, 2.1.3 and 2.2.1, Produce four adaptation-focused Concept Notes that respond to the identified and prioritized climate risks and respond to the identified adaptation options of each sector. These Concept Notes will be Informed by Activities 2.1.1, 2.1.2, 2.1.3 and 2.2.1 and be evaluated by the Directorate of Climate Change and the NDA with the support of development partners to determine if they merit being submitted to external donors for consideration and full proposal development. Representatives of the private sector will be consulted in the development of these Concept Notes.

Sub-outcome 3.2 Private sector engagement in adaptation strengthened.

3.2.1 Develop a strategy and road map to increase the engagement of the private sector in investing for adaptation. This strategy and roadmap will be Informed by Activities 3.1.1 and 3.1.2 and include identifying the sectors and areas that would be of most interest and appropriate to the private sector and exploring various business models that create attractive returns. This activity and final output will be informed by stakeholder consultations with representatives of companies and industry in the four sectors as well as generalized business groups such as the Chamber of Commerce, the banking sector, academia and others.

3.2.2 Deliver workshops with private sector actors including representatives from major companies, industry associations, banks and academia, to explore and present strategies and opportunities for investing in adaptation projects as well as real or potential government incentive schemes aimed at encouraging investment. This activity will be Informed by Activities 2.1.1, and 3.2.1. This activity will help develop and enhance the interest of the private sector to invest in adaptation projects or companies but also contribute to learning by all those involved. Workshops will be conducted quarterly and commence in the second year of the project. A minimum of 50 attendees are targeted for each workshop. Both 3.2.1 and 3.2.2 will be conducted by an international consultant in collaboration with two national consultants. The national consultants will complement each other in that they have different sectoral expertise.

Partnerships

The project will be implemented in cooperation and synergy with other activities and projects implemented by ministries and organizations responsible for and working on issues related to sustainable development and tourism, agriculture and rural development, health, economy and finance. The project will also work closely with the Institute of Hydrometeorology and Seismology of Montenegro. While the list of partners and activities will be updated during the project lifecycle to reflect the circumstances, this proposal builds off the active adaptation-related projects, which combine to strengthen Montenegro's adaptation capabilities and overall resilience. An effort has been made to avoid duplication of efforts. The below table summarizes synergies with other partners working on related projects and initiatives.

Project Details	Project Objectives	Complementarity/Synergy
<p>GCF Readiness – <i>NDA Strengthening and Country Programming support for Montenegro through UNEP.</i> \$300,000</p>	<p>This project has the following objectives/indicators:</p> <ol style="list-style-type: none"> 1.1. Identify the appropriate institutional structure for the NFP that will support ongoing collaboration between the Government and the GCF, and facilitate multi-stakeholder engagement 1.2. Create a NFP dissemination mechanism with relevant information regarding GCF and Montenegro's involvement, responsibilities and possibilities 1.3. Identify, support and strengthen knowledge and capacity of the NFP coordination team and other relevant stakeholders for engagement with the GCF 1.4. Establish and implement the no objection procedure as per the Fund's Initial no-objection procedure; 2.1. Prepare a country programme including Montenegro's development priorities with respect to the Green Climate Fund, consistent with the country's 	<p>As of June 2020, the first Readiness project has resulted in an advanced draft of Montenegro's GCF Country Programme that includes a list of climate change priority projects. Based on the selection criteria defined by the NDA, which consisted of national and GCF eligibility requirements, nine project ideas were submitted to the NDA: 4 adaptation, 2 cross-cutting, 2 mitigation, and 1 that is unclear. The focus of these project ideas span, amongst others, energy efficiency in buildings and heat supply, low-carbon transport, agriculture, land-use and forestry.</p> <p>This proposed NAP project builds on this first Readiness project in that the adaptation and cross cutting project ideas will inform the development of adaptation goals (2.1.2). aspects of the NAP (2.2.2), the development of preliminary cost-benefit analysis for prioritized CCA investment options, (3.1.1), and will be considered for development into Concept Notes (3.1.3).</p> <p>Additionally, this proposed project builds off the NDA strengthening work of the UNE Readiness project in that a strong and capacitated NDA is a basic requirements for an effective NAP process.</p>

	<p>national environmental, waste management, industrial, agricultural and energy strategies,</p> <p>3.1 Identify and establish mechanisms to facilitate the communication of nominations of prospective public and private sector entities seeking accreditation with the Fund</p>	
<p>UN Environment - Enhancing Environmental Performance and Climate-proofing of Infrastructure Investments in the Western Balkan Region from an EU integration perspective</p> <p>2016-2020</p> <p>EUR 1,500,000</p>	<p>The implementation of this project will result in increased technical capacities of the relevant national authorities in the field of climate change adaptation, specifically targeting climate proofing of road infrastructure, green infrastructure and evidence-based policy development. Furthermore, it will result in raised awareness of the relevant government officials in the Western Balkans concerning climate change impacts and need for increased resilience of road infrastructure, while also including cross-cutting issues like public participation and gender equality.</p>	<p>This GCF supported development of a NAP process will complement this project by focusing on increasing capabilities in related but separate government entities. Knowledge produced by both initiatives will be shared and be placed in one single repository under the MSDT.</p>
<p>EU-World Bank/GFDRR - Instrument for Pre-Accession Assistance (IPA II) 2014-2020</p> <p>EUR 3,000,000</p>	<p>This project addresses a mix of IPA II policy areas to enhance the capacities of IPA II beneficiaries in the Western Balkans for disaster risk reduction (DRR) and will identify options for a regional framework for understanding and sharing disaster risk information as well as promoting Disaster Risk Management (DRM).</p> <p>The program is primarily intended for agencies and institutions that are responsible for civil protection and disaster risk management activities. In Montenegro, working with the support of the United Nations Office for Disaster Risk Reduction (UNDRR), the Sendai Damage Database was established and the process of developing a national disaster risk assessment was initiated.</p>	<p>This proposed GCF supported project will complement the work of the IPA II by conducting climate change vulnerability assessments in areas where the IPA has not focused.</p>
<p>GIZ - Adaptation to Climate Change through Transboundary Flood Risk Management in the Western Balkans</p>	<p>This project is focused on the development of integrated water resource management and implementation of adaptation strategies in Albania, Kosovo, Republic of North Macedonia, Montenegro. The project, now in its final year of execution, aims to mitigate the impacts of climate change in the Drin River Basin (Western Balkans) by focusing on flooding and drought risk management as well as strengthening regional cooperation as it pertains to the management of water resources. In Montenegro, to date, flood risk management plans have been drawn up for the municipalities in the basin in a participatory process, and local capacities for their effective implementation have been developed. This has significantly reduced the vulnerability of the area's inhabitants to the risks of flooding. Furthermore, precipitation and stream gauging networks have been extended to measure real-time data for transboundary flood forecasting. This now enables floods to be predicted and the population in the relevant areas to receive early warnings.</p>	<p>The results of these activities may provide the opportunity to scale up and to develop additional adaptation measures, perhaps Concept Notes, in the water sector which will feed into the adaptation process being developed in this GCF supported project.</p>
<p>GoM - Montenegro's Third National Communication Under development</p> <p>USD 500,000</p> <p>Drafted but not yet adopted or submitted to the UNFCCC.</p>	<p>This report includes an update to the 2010 GHG emissions inventories and the results of the new GHG inventories for 2017, as well as a general description of the measures formulated, adopted, and implemented by Montenegro for the management and planning of GHG emissions reductions.</p> <p>The TNC presents the country's climate profile, highlighting the sectors and regions that are most vulnerable to climate change impacts, while providing an analysis of the potential adaptation measures. Finally, the report summarizes information on the processes related to capacity building at the national</p>	<p>This proposed project will build on the TNC by integrating the information that highlights the sectors and regions that are most vulnerable to climate change impacts, as well as the analysis of potential adaptation measures. Additionally, the project will be informed and build on the processes related to capacity building at the national level and the promotion of investments and financing</p>

	level and the promotion of investments and financing mechanisms in the country, among other relevant issues.	
GEF - Strengthening Montenegro's Nationally Determined Contribution and Adaptation Activities Transparency Framework USD 1,390,000 Concept approved, not yet being implemented.	The project will support the development of frameworks for tracking climate finance and measuring the progress on the implementation of adaptation activities in Montenegro.	This proposed project will complement the NDC project by providing information and data, as well as actionable projects via Concept Notes. These two projects strongly support each other as the adaptation planning project ultimately sets up a process for planning and implementing adaptation activities that will be identified in the revised NDC.
SIDA - ADAPT: Nature-based Solutions for resilient communities in the Western Balkans November 2019 – October 2022 EUR 2,480,202	This project aims to increase ecosystem and community resilience to climate change and environmental degradation in the Western Balkans. This regional initiative works with the six Western Balkan economies and regional and local partners to: <ol style="list-style-type: none"> 1. Increase the knowledge and awareness of nature-based disaster risk reduction solutions among decision makers, natural resource managers and local communities; 2. Integrate Nature-based Solutions and equitable climate-smart planning into adaptation and disaster reduction policy; and 3. Implement Nature-based Solutions for disaster risk reduction and their scale-up. 	This project can serve as an initiative to increase awareness and knowledge of the value of approaches and tools that make nature an integral part of disaster risk reduction and climate change adaptation policies, planning and action.

Stakeholder engagement

Several consultations took place during the project document formulation phase. These consultations served to gain a more comprehensive understanding of the challenges and barriers that limit Montenegro's ability to collect and manage data and information in ways that sustainable development can be better informed by best practices to conserve global environmental values. That is, the limited capacities that currently define Montenegro's economy are informed by the various social actors and their work towards meeting the project's objectives. Several government organizations and other institutions were consulted.

Based on the experience in producing the national communications and biennial update report, it is understood that the most effective way to address climate change, is to ensure involvement of all stakeholders (academic sector, private sector, NGO sector and relevant Ministries and state agencies) in both design and implementation of the climate change related actions through focused discussion and working groups. The integration of the different sectors strengthens the institutional and technical capacity of different stakeholders and institutions and ensures the achievement of optimal sectoral coverage and relevance of the actions and enhances their sustainability. In addition to that, the national knowledge, and awareness of the different stakeholders have been increased, those from the government, non-government, private and academic sector.

As the NAP process evolves, a Gender Action Plan and Communication Plan will be developed and implemented. Stakeholders will represent government institutions, financial and technical partners, local civil society, international and national non-governmental organizations, as well as groups and communities that will be affected by the project, especially women and other vulnerable groups.

In general, engagement activities will focus on increasing stakeholder ownership, ensuring gender equity and building awareness and knowledge of the risks of climate change to the lives of everyday citizens and the country's long-term development, as well as the critical role adaptation plays in addressing climate change vulnerabilities.

South-South and Triangular Cooperation

While the project is primarily domestic, focusing on Montenegro's National Adaptation Plan development and the enabling environment around this, the project has scope for collaboration with other countries. The project will benefit from information exchange with other countries that are currently developing their NAP. This process will be guided and supported by UNDP structures and information exchange channels as well as through ones provided by GoM and NDC. UNDP is presently supporting 43 countries with the development of their NAPs, and this project will benefit from the south-south cooperation and learning opportunities this provides. Among the countries being supported are neighboring and nearby countries, including Serbia, Moldova and Albania, which can be leveraged to provide highly relevant knowledge, guidance and support.

V. PROJECT RESULTS FRAMEWORK

This project will contribute to the following Sustainable Development Goal (s): 13				
This project will contribute to the following country outcome included in the UNDAF/Country Programme Document:				
UNDAF Strategic Outcome - By 2021, the people of Montenegro are benefiting from sustainable management of cultural and natural resources, combating climate change and disaster-risk reduction;				
CPD Outcome 4: By 2021, national, state and local institutions are more effective to carry out their mandates including strengthened normative frameworks that respect human rights and fundamental freedoms and ensure effective service delivery				
This project will be linked to the following output of the UNDP Strategic Plan:				
2.3.1 Data and risk-informed development policies, plans, systems and financing incorporate integrated and gender-responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation, and prevent risk of conflict				
Outcomes	Baseline	Targets	Activities	Deliverables
Outcome 1: Adaptation planning governance, institutional coordination, and technical capacity strengthened.				
Sub-Outcome 1.1: Institutional capacity for adaptation planning assessed and enhanced	There is insufficient technical capacity within the relevant institutions to understand climate information in the context of climate change and impacts, nor to effectively assess, prioritize and monitor adaptation investments.	Capacity gaps have been identified and addressed through capacity building programmes resulting in a cadre and network of skilled and capable of driving and managing a NAP process, building national and sectoral resilience and addressing adaptation issues	Activity 1.1.1 Assess capacity of key stakeholders involved in the NAP process to determine individual and institutional capacity gaps that are key for integrating climate risks and adaptation into planning (e.g. climate information and risks, tools for integration, appraisal and prioritization of adaptation project options, project development, implementation, gender mainstreaming, etc.). Stakeholders include representatives from the NAP team, WGMACC, MSDT, the Agency for the Protection of Nature and the Environment, the Institute of Hydrometeorology and Seismology of Montenegro, the line ministries dealing with issues of sustainable development, tourism, economy, agriculture and rural Development, health, water issues the NCS and the targeted priority sectors.	Deliverable 1.1.1 A capacity gap report that serves as the basis for capacity building efforts. Report informs training programs of 1.1.2 and is circulated and utilized with relevant stakeholders for a larger and long-term capacity building beyond the NAP.
			Activity 1.1.2 Based on the results of 1.1.1, develop and deliver a training programs to increase the capacity of government officials within the relevant government entities involved in the NAP, to understand climate risks and vulnerabilities to understand climate risks, the vulnerabilities, and how to integrate adaptation into existing policies and planning. The training will target a total of 75 individuals from the same stakeholder groups of 1.1.1. with 50 percent of the participants being women.	Deliverable 1.1.2 Eight 2-day capacity building workshops delivered quarterly starting in the fourth quarter of the 1 st year. Study materials will be distributed and a findings report from the organizing team will be shared with relevant stakeholders.
			Activity 1.1.3 Deliver a capacity development program uniquely designed for the private and civil society sectors to improve their understanding of climate risks and vulnerabilities faced by them and their stakeholders as well as to provide them with a rich pool of knowledge on how integrate adaptation into business planning and operations. The training will target at least 75 people each session with 50 percent of the participants being women.	Deliverable 1.1.3 Eight 1-day capacity building workshops conducted quarterly starting in the fourth quarter of the 1 st year. Study materials will be distributed and a findings report from the organizing team will be shared with relevant stakeholders.
			Activity 1.1.4 Train IHSM staff on how to effectively use their mobile climate data collection units. These units allow IHSM to collect data from existing mechanical stations until all stations are upgraded to WMO standards. This information is key for understanding risks and for informing the adaptation planning and processes. The training will target at least 25 participants from IHSM, with 50 percent of them being women. Additionally, the training will be open to a small group (up to 10) of university students who are studying a related field.	Deliverable 1.1.4 A one-week long training program targeting 25 representatives from IHSM. A small and select number of Interested people from Academia will be invited/encourage to participate as well.
Sub-Outcome 1.2: Institutional coordination to support adaptation planning strengthened	The Working Group on Mitigation and Adaptation to Climate Change within the National Council for Sustainable Development does not have a formalized and codified mission,	The Working Group on Mitigation and Adaptation to Climate Change has a codified document (reviewed, approved and adopted) that articulates its mission, mandate,	Activity 1.2.1 Update the mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change in order to appropriately include issues related to adaptation in order to enhance action, coordination, and accountability. Define the governing processes and institutional arrangements for oversight and coordination of adaptation related issues. Define a multi-stakeholder coordination mechanism that includes the private sector as well as women and other vulnerable groups. Define the frequency and timeframes of the NAP planning cycles and of the related monitoring and evaluation systems. Develop Standard Operating Procedures for coordination of adaptation plans and activities between sectors and agencies as well as among working groups at national and municipal levels.	Deliverable 1.2.1 A formal set of recommendations and guidelines that establishes the mandate of the Working Group on Mitigation and Adaptation to Climate Change as it relates to adaptation prepared.

	mandate, governing processes and SOP's thus preventing effective adaptation planning.	governing processes, defined multi-stakeholder coordination mechanism, and SOP's for adaptation investments. Thereby enabling an adaptation planning framework.		
Outcome 2: An enhanced evidence base for designing gender-sensitive adaptation solutions.				
Sub-Outcome 2.1: Gender-specific climate change-driven risks and vulnerabilities in priority sectors identified, broad goals and potential adaptation measures developed.	There is limited and scattered information on Montenegro's climate vulnerabilities, impacts, and adaptation priorities. Little to no insight on the most pressing climate change driven risks and vulnerabilities within the four sectors. This hinders/prevents informed adaptation planning. No existing process for developing, analyzing and evaluating options. Investment decisions are made on an ad-hoc basis, without a structured methodology frequently leading to sub-optimal outcomes. There is a lack of a pipeline of well-designed relevant adaptation projects.	Gender-sensitive climate risks, vulnerabilities as well as adaptation priorities have been identified within the 4 priority sectors. Options for adaptation investments for the NAP and other plans have gone through a careful review and prioritization process resulting in a comprehensive and prioritized list of adaptation ideas for investments in the priority sectors.	Activity 2.1.1 Undertake a comprehensive review and consolidation of available climate risks assessments within or related to the four priority sectors that includes an examination of the impacts on both public and private sectors assets and systems in the assessments. Then conduct gender-sensitive climate risk assessments of the 4 priority sectors (i.e. water resources, public health, agricultural and tourism) focusing on filling the gaps in information that were identified from the review and consolidation exercise that also includes a prioritization of the climate-driven vulnerabilities as they relate to gender-disaggregated impacts.	Deliverable 2.1.1 A report that presents a consolidation and synthesis of available information of climate risks noting the areas where there are gaps of information. Gender-sensitive climate risks assessments of the four sectors. Both reports will be made available to the public and circulated with relevant government officials and stakeholders including sector planners, the NAP team other government departments. These deliverables will inform the first National Adaptation Plan and planning more broadly.
			Activity 2.1.2 Develop gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors. The resulting report will be circulated with sector planners and the NAP team to inform planning and is expected to serve as a model for other sectors. Reports will be made published online available to the public. This activity will inform the design of the M&E framework under activity 2.2.3.	Deliverable 2.1.2 A report presenting the prioritized gender-sensitive adaptation goals for the four priority sectors produced and circulated with sector planners and the NAP team to inform planning. The document will be made publicly available online.
			Activity 2.1.3 Review and analyze sectoral development plans and policies (water, agriculture, public health and tourism) to identify entry points for integrating gender-sensitive climate adaptation measures.	Deliverables 2.1.3 A report identifying entry points and opportunities for integrating gender-sensitive adaptation measures into sector plans and policies. Report is circulated with planners including the NAP team, WGMACC, sector planners and other relevant stakeholders.
Sub-Outcome 2.2: National Adaptation Planning processes established.	The NAP process is in an early development stage and is not advancing. There is essentially no public awareness about the GoM adaptation concerns and aspirations.	A NAP process is established, functioning and continuing to evolve with a first NAP document guiding initial measures and the public informed	Activity 2.2.1 Informed by Activities 2.1.1, 2.1.2 and 2.1.3 this activity will establish a team of multidisciplinary national and international experts to formulate and draft a National Adaptation Plan. This first draft will include the identification of priority risks, specific adaptation actions to be taken, and identify entry points for mainstreaming gender into the NAP scope of activities. Feedback from stakeholders and public will be reviewed and analyzed to inform the final version of the NAP.	Deliverable 2.2.1 NAP team recruited and operating. A first draft of a NAP is circulated amongst relevant stakeholders and published online for feedback.
			Activity 2.2.2 Develop a work-plan for implementation of the NAP process over a 3-year period. This workplan, developed according to the draft NAP (2.2.1), will identify the steps necessary for implementing mid- and long-term adaptation programmes. As part	Deliverable 2.2.2 A workplan for implementing the NAP process. This plan will be circulated

		about the process and priorities.	of this activity, the NAP team will develop a process for reviewing the NAP and updating priority actions beyond a 3-year time horizon.	amongst relevant stakeholders and published online.
			<p>Activity 2.2.3</p> <p>Establish a monitoring and evaluation framework for adaptation planning and its effectiveness. This monitoring and evaluation framework will include indicators and targets for monitoring and evaluation based on sex-disaggregated data.</p>	<p>Deliverable 2.2.3</p> <p>A M&E framework document for implementing activities of the NAP process produced. This framework will be utilized in the NAP process.</p>
			<p>Activity 2.2.4</p> <p>Develop a Gender Action Plan to ensure gender is explicitly featured in the design and implementation of the NAP. Following the Gender Action Plan will be the development of a Communications Plan to ensure that stakeholders are aware of the NAP process, plan and associated actions.</p>	<p>Deliverables 2.2.4</p> <p>A Gender Action Plan. A Communications Plan.</p> <p>Both plans will be circulated to relevant stakeholders and published online and will be part of the NAP process.</p>
			<p>Activity 2.2.5</p> <p>Coordinate a public and expert review process of the NAP. Public and expert consultations are critical to ensuring that the NAP represents Montenegro's needs and reflects stakeholder's concerns. This activity will facilitate a NAP public and peer review processes. The NAP will be posted online including various social media platforms for review by experts and the public. Feedback from this process will be taken into consideration, and as appropriate, incorporated into the final iteration of the NAP document.</p> <p>Finalize the NAP document based on the peer review and public comments. Deliver a final draft to the Working Group on Mitigation and Adaptation to Climate Change for their review, then present to the Ministry of Sustainable Development and Tourism for endorsement.</p>	<p>Deliverable 2.2.5</p> <p>A public and peer review of the NAP is conducted, feedback is consolidated and shared in a document.</p> <p>A government-endorsed NAP document is produced, circulated among relevant stakeholders and published online.</p>
			<p>Activity 2.2.6</p> <p>A public awareness communications campaign to communicate Montenegro's medium- to long-term adaptation priorities will be conducted to provide stakeholders a view of the governments priorities for investments in adaptation and the related/supportive policy and regulatory frameworks.</p>	<p>Deliverable 2.2.6</p> <p>A public awareness campaign executed with digital and print material.</p>
Outcome 3: An adaptation finance mobilization strategy developed.				
Sub-Outcome 3.1 Mechanisms for funding adaptation investments identified.	There is a lack of clarity on the costs of addressing the adaptation needs in the four priority sectors.	GoM will have a good estimate of the required budget to execute multi-sector adaptation investments over the mid-to-long-term.	<p>Activity 3.1.1</p> <p>Conduct a preliminary cost-benefit analysis for prioritized CCA investment options. This activity will determine an estimated high-level budget for the sectoral adaptation goals that were developed in activity 2.1.2 to create a general understanding of the total estimated budget needed. Included in this activity will be an examination of alternative cost options, cost-benefit analysis and exploration of public-private partnerships. This activity will inform the development of the NAP in activity 2.2.1.</p>	<p>Deliverable 3.1.1</p> <p>A report detailing the preliminary costs of each of the prioritized adaptation investments. Report circulated with relevant stakeholders and published online. Report will inform prioritization and NAP</p>
			<p>Activity 3.1.2</p> <p>Develop a financing strategy that maps to the prioritized adaptation goals and that identifies and considers the barriers that prevent private sector stakeholders from engaging in low-emission and climate-resilient development. This activity will identify sources of environmental finance including domestic budgets, bilateral and multilateral partners, and the private sector. This activity will inform and support the securing finance for adaptation planning</p>	<p>Deliverable 3.1.2</p> <p>A financing strategy document that presents suitable and best options for financing each of the prioritized adaptation goals and identifies and considers barriers to investment by the private sector. Report circulated with relevant stakeholders and published online. Report will inform prioritization and NAP.</p>
	Additionally, there is a lack of understanding of the financing options available for adaptation including within GoM budgets but also international sources.	GoM will have an in-depth understanding of the financial resources available from international/external sources	<p>Activity 3.1.3</p> <p>Informed by Activities 2.1.1, 2.1.2, 2.1.3 and 2.2.1, four Concept Notes will be developed that address the prioritized risks and respond to the identified adaptation options of each sector. These Concept Notes will be evaluated by the Directorate of Climate Change and the NDA with the support of development partners to determine if they merit being submitted to</p>	<p>Deliverable 3.1.3</p> <p>Four Concept Notes, one for each sector, that address the highest prioritized adaptation measure for each sector.</p>

			external donors for consideration and full proposal development. Representatives of the private sector will be consulted in the development of these Concept Notes.	
Sub-Outcome 3.2 Private sector engagement in adaptation strengthened.	The private sector is not engaged in investing in adaptation projects and activities. They lack knowledge of the risks and costs to their businesses/sectors as well as the options and opportunities that adaptation presents.	The private sector is informed about the challenges and impacts of climate change on their businesses and sectors, as well as the opportunities of investing in adaptation activities.	Activity 3.2.1 Informed by Activities 3.1.1 and 3.1.2, define a sustainable finance sector investment strategy and roadmap to increase the private sector's interest and engagement in adaptation. Part of the strategy will include identifying and presenting costs resulting from a lack of resilience, investment themes and areas that are of the most interest to private investors, exploring business models, and packaging and promoting these opportunities.	Deliverable 3.2.1 A strategy and roadmap report for engaging the private sector, including the identification of barriers and drivers to private investments in adaptation.
			Activity 3.2.2 Informed by Activities 2.1.1, and 3.2.1, deliver workshops with private sector actors including representatives from major companies, industry associations, banks and academia, to explore and present strategies and opportunities for investing in adaptation projects as well as real or potential government incentive schemes aimed at encouraging investment. This activity will help develop and enhance the interest of the private sector to invest in adaptation projects or companies. Workshops will be conducted quarterly and commence in the third quarter of the first year of the project.	Deliverable 3.2.2 A report that presents the initial opportunities for engaging the finance sector in adaptation. The report will inform the delivery of eight workshops with private/finance sector actors to further explore the challenges and opportunities for businesses to invest in adaptation.

VI. MONITORING AND EVALUATION (M&E) PLAN

The project results as outlined in the project results framework will be monitored and reported bi-annually and evaluated periodically during project implementation to ensure the project effectively achieves these results. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP](#) and [UNDP Evaluation Policy](#). The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, risk management, and evaluation requirements. Additional M&E requirements will be undertaken in accordance with the [GCF initial approach to monitoring and evaluation policy and other relevant GCF policies](#).

In addition to these mandatory UNDP and GCF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

M&E oversight and monitoring responsibilities:

Project Manager: The Project Manager is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The Project Manager will ensure that all project staff maintain a high level of transparency, responsibility and accountability in M&E and reporting of project results. The Project Manager will inform the Project Board, the UNDP Country Office and the UNDP-NCE Regional Technical Advisor of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted.

The Project Manager will develop annual work plans to support the efficient implementation of the project. The Project Manager will ensure that the standard UNDP and GCF M&E requirements are fulfilled to the highest quality. This includes, but is not limited to, ensuring the results framework indicators are monitored annually in time for evidence-based reporting in the Bi-Annual Project Report, and that the monitoring of risks occur on a regular basis.

Project Board: The Project Board will take corrective action as needed to ensure the project achieves the desired results. The Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year. In the project's final year, the Project Board will hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to highlight project results and lessons learned with relevant audiences. This final review meeting will also discuss the findings outlined in the project terminal evaluation report and the management response.

Project Implementing Partner (UNDP): The UNDP CO, as the Implementing Partner for the project, is responsible for providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary and appropriate. The UNDP CO will strive to ensure project-level M&E is undertaken effectively, and is aligned with national systems so that the data used by and generated by the project supports national systems.

UNDP Country Office: The UNDP Country Office will support the Project Manager as needed, including through annual supervision missions. The annual supervision missions will take place according to the schedule outlined in the annual work plan. Supervision mission reports will be circulated to the project team and Project Board within one month of the mission. The UNDP Country Office will initiate and organize key M&E activities including the Annual Project Report, the independent terminal evaluation. The UNDP Country Office will also ensure that the standard UNDP and GCF M&E requirements are fulfilled to the highest quality.

The UNDP Country Office is responsible for complying with all UNDP project-level M&E requirements as outlined in the [UNDP POPP](#). This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; the regular updating of the ATLAS risk log; and, the updating of the UNDP gender marker on an annual basis based on gender mainstreaming progress reported in the Bi-Annual Project Report and the UNDP ROAR. Any quality concerns flagged during these M&E activities (e.g. Annual Project Report quality assessment ratings) must be addressed by the UNDP Country Office and the Project Manager.

The UNDP Country Office will support GCF staff (or their designate) during any missions undertaken in the country and support any ad-hoc checks or ex post evaluations that may be required by the GCF.

The UNDP Country Office will retain all project records for this project for up to seven years after project financial closure in order to support any ex-post reviews and evaluations undertaken by the UNDP Independent Evaluation Office (IEO) and/or the GCF.

UNDP - Nature, Climate and Energy Unit (UNDP-NCE): Additional M&E and implementation oversight, quality assurance and troubleshooting support will be provided by the UNDP-NCE Regional Technical Advisor and the UNDP-NCE Directorate as needed.

Additional GCF monitoring and reporting requirements:

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

A project inception workshop will:

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

The Project Manager will prepare the inception workshop report no later than one month after the inception workshop. The inception report will be cleared by the UNDP Country Office and the UNDP-NCE Regional Technical Adviser and approved by the Project Board.

GCF Bi-Annual Project Interim Progress Report (due no later than 60 days following respectively 30 June (in relation to the period of 1 January to 30 June) and 31 December (in relation to the period from 1 July to 31 December) for each year of project implementation): The Project Manager, the UNDP Country Office, and the UNDP-NCE Regional Technical Adviser will provide objective input to the bi-annual interim progress reports covering the 6 months in the calendar year for each year of project implementation. The Project Manager will ensure that the indicators included in the project results framework are monitored annually in advance so that progress can be included in the report.

The Bi-Annual Interim progress Report will also be shared with the Project Board. The UNDP Country Office will coordinate the inputs of other stakeholders to the report as appropriate. The quality rating of the previous year's report will be used to inform the preparation of the subsequent report.

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

Final Independent Evaluation Report: A final independent evaluation report will be completed by [27 July 2023]. The final evaluation will take place upon completion of all major project outputs and activities. The final evaluation process will begin at least three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability.

The Project Manager will remain on contract until the final evaluation report and management response have been finalized. The terms of reference, the evaluation process and the final evaluation report will follow the standard templates and guidance prepared by the UNDP IEO available on the [UNDP Evaluation Resource Center](#). As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Additional quality assurance support is available from the UNDP-NCE Directorate. The final evaluation report will be cleared by the UNDP Country Office and the UNDP-NCE Regional Technical Adviser and will be approved by the Project Board. The final evaluation report will be publicly available in English on the UNDP ERC.

The UNDP Country Office will include the planned project evaluations in the UNDP Country Office evaluation plan and will upload the evaluation reports in English and the corresponding management response to the UNDP Evaluation Resource Centre (ERC).

Final Project Completion Report²: The project's final Bi-Annual Project Report along with the final independent evaluation report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Mandatory GCF M&E Requirements and M&E Budget:

GCF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ³ (US\$)		Time frame
		GCF grant	Co-financing	
Inception Workshop	UNDP Country Office	None	None	Y1/Q1
Inception Report and baseline assessments	Project Manager	None	None	Y1/Q1
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	None	Quarterly, annually

² A completion report to be submitted no later than six (6) months after the end of the Implementation Period of the project.

³ Excluding project team staff time and UNDP staff time and travel expenses.

GCF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ³ (US\$)		Time frame
		GCF grant	Co-financing	
Risk management (including Atlas Risk logs)	Project Manager Country Office	None	None	Quarterly, annually
Monitoring of indicators in project results framework	Project Manager	Per year: USD 10,000 Total: 30,000 USD	None	Annually
GCF Bi-Annual Project Report	Project Manager and UNDP Country Office and UNDP-NCE Unit	None	None	Bi-Annually as per FA
Audit of Project as per UNDP audit policies	UNDP Country Office	Per year: USD 3,000 9000 USD	None	As per UNDP Audit policies
Lessons learned, case studies, and knowledge generation	Project Manager	None	None	Annually
Project Board meetings	Project Board UNDP Country Office Project Manager	None	None	At minimum annually
Supervision missions	UNDP Country Office	None ⁴	None	One per year
Oversight missions	UNDP-NCE Unit	None	None	Troubleshooting as needed
GCF learning missions/site visits	UNDP Country Office and Project Manager and UNDP-NCE Unit	TBC	None	To be determined.
Final independent evaluation and management response	UNDP Country Office and Project team and UNDP-NCE Unit	USD 12000	None	TBC
Translation of evaluation reports into English	UNDP Country Office	USD 2000	None	As required. GCF will only accept reports in English.
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		<i>USD 53000</i>	<i>None</i>	

VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Roles and responsibilities of the project's governance mechanism:

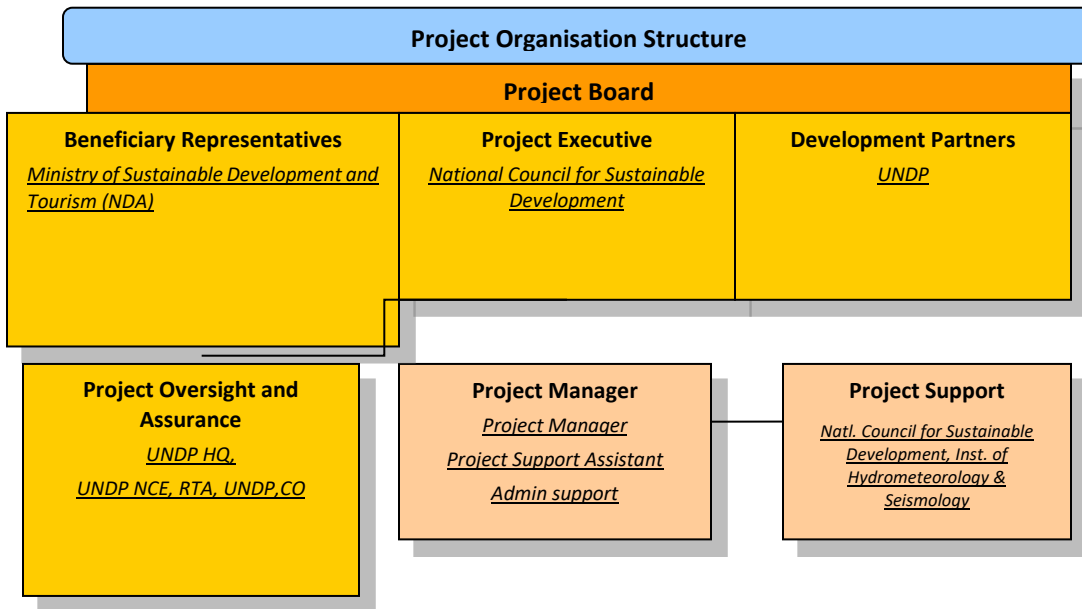
The project will be implemented following UNDP’s direct implementation modality, in accordance with the terms of conditions set forth in the Second Amended Readiness and Preparatory Support Grant Framework agreement between UNDP and the GCF.

Implementing Partner: The Implementing Partner for this project is UNDP. UNDP, through the CO, is therefore responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of UNDP resources. UNDP is responsible for:

- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

A strict firewall must be maintained between UNDP oversight services funded by GCF DP Fee and execution services provided by personnel funded by GCF project budget

The project organisation structure is as follows:



Project Board: The Project Board will provide overall guidance and quality assurance for the project, ensure adherence to the DIM guidelines and ensure compliance with GCF and UNDP policies and procedures. The Project Board is responsible for making, by consensus, management decisions when guidance is required by the Project Manager. Project Board decisions will be made in accordance standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. This accountability only extends to the execution of approved activities and budget resources under the project (as approved by the NDA). The Project Board will meet twice a year. Representatives of local governments and independent third parties, such as international or national NGOs, can attend the augmented Project Board meetings as observers.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;

- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
- Assess and decide to proceed on project changes through appropriate revisions.

The composition of the Project Board must include the following roles:

Project Executive: The Project Executive is an individual who represents ownership of the project who will chair the Project Board. This role can be held by a representative from the Government Cooperating Agency or UNDP. The Project Executive is: representative from the National Council for Sustainable Development as the Executive with key national governmental and non-governmental agencies.

The Project Executive is ultimately responsible for the project, supported by the Beneficiary Representatives and Development Partners. The Project Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Project executive has to ensure that the project gives value for money, ensuring cost-conscious approach to the project, balancing the demands of beneficiaries (represented by the Beneficiary Representative) and the Development Partners.

Specific Responsibilities: (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organization structure and logical set of plans;
- Set tolerances in the AWP and other plans as required for the Project Manager;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organize and chair Project Board meetings.

Development Partner: The Development Partner is an individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Development Partner's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Development Partner role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role. The Development Partner is UNDP.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management;
- Ensure that the supplier resources required for the project are made available;
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

Beneficiary Representative: The Beneficiary Representative is an individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Beneficiary Representative's primary function

within the Board is to ensure the realization of project results from the perspective of project beneficiaries. The Beneficiary Representative role is held by a representative of the government or civil society. The Beneficiary Representative is: Ministry of Sustainable Development and Tourism (NDA) *who will represent the Beneficiary Representative for the project.*

The Beneficiary Representative is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Beneficiary Representative role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Prioritize and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Specification of the Beneficiary's needs is accurate, complete and unambiguous;
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target;
- Impact of potential changes is evaluated from the beneficiary point of view;
- Risks to the beneficiaries are frequently monitored.

Project Manager: The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

UNDP, in its capacity of Implementing Partner (GCF Delivery Partner) appoints the Project Manager, who should be different from the Implementing Partner's representative in the Project Board.

Specific responsibilities include:

- Provide direction and guidance to project team(s)/ responsible party (ies);
- Liaise with the Project Board to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Plan the activities of the project and monitor progress against the project results framework and the approved annual workplan;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications, and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation;
- Prepare the annual workplan for the following year; and update the Atlas Project Management module if access is made available.
- Prepare the Bi-Annual Project Report and submit the final report to the Project Board;
- Based on the Bi-Annual Project Report and the Project Board review, prepare the AWP for the following year.
- Identify follow-on actions and submit them for consideration to the Project Board;
- Ensure the final evaluation process is undertaken as per the UNDP guidance, and submit the final evaluation report to the Project Board;

Project Assurance: UNDP provides a three – tier supervision, oversight and quality assurance role – funded by the delivery partner fee – involving UNDP staff in Country Office and at regional and headquarters levels. Project Assurance must be totally independent of the Project Management function. The quality assurance role supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. This project oversight and quality assurance role is covered by the delivery partner fee provided by the GCF.

Changes to the Approved R&P Support Proposal: Any modification or proposed changes to the approved readiness proposal which could reasonably constitute a major change shall require prior approval of the GCF. Prior to a final Project Board decision to approve and effect such modifications or proposed changes, UNDP will inform the GCF in writing and seek the GCF’s instructions on the necessary steps to effect such changes. Upon GCF approval, these changes would signed by the Delivery Partner, the GCF and the NDA.

Project Extensions: The UNDP-NCE Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GCF project budget cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will need to be covered by non-GCF resources; the UNDP Country Office oversight costs during the extension period must be covered by non-GCF resources.

As a Delivery Partner to the GCF, UNDP delivers the following GCF-specific oversight and quality assurance services: (i) day to day project oversight supervision covering the start-up and implementation; (ii) oversight of project completion; and (iii) oversight of project reporting. A detailed list of the services is presented in the table below.

Function	Detailed description of activity	Typical GCF fee breakdown
Day-to-day oversight supervision	<ol style="list-style-type: none"> 1. Project start-up: <ul style="list-style-type: none"> • In the case of readiness proposals, if needed assist the NDA and/or government partners prepare all the necessary documentation for approval of a readiness grant proposal • Prepare the Project Document with the government counterparts • Technical and financial clearance for the Project Document • Organize Local Project Appraisal Committee • Project document signature • Ensure quick project start and first disbursement • Hire project management unit staff • Coordinate/prepare the project inception workshop • Oversee finalization of the project inception workshop report 2. Project implementation: <ul style="list-style-type: none"> • <u>Project Board</u>: Coordinate/prepare/attend annual Project Board Meetings • <u>Annual work plans</u>: Quality assurance of annual work plans prepared by the project team; issue UNDP annual work plan; strict monitoring of the implementation of the work plan and the project timetable according to the approved readiness proposal • <u>Prepare GCF/UNDP bi-annual project report</u>: review input provided by Project Manager/team; provide specialized technical support and complete required sections • <u>Portfolio Report (readiness)</u>: Prepare and review a Portfolio Report of all readiness activities done by UNDP in line with Clause 9.02 of the FWA. • <u>Procurement plan</u>: Monitor the implementation of the project procurement plan • <u>Supervision missions</u>: Participate in and support in-country GCF visits/learning mission/site visits; conduct annual supervision/oversight site missions • <u>Risk management and troubleshooting</u>: Ensure that risks are properly managed, and that the risk log in Atlas (UNDP financial management system) is regularly updated; Troubleshooting project missions from the regional technical advisors or management and 	70%

Function	Detailed description of activity	Typical GCF fee breakdown
	<p>programme support unit staff as and when necessary (i.e. high risk, slow performing projects)</p> <ul style="list-style-type: none"> • Project budget: Provide quality assurance of project budget and financial transactions according to UNDP and GCF policies • Performance management of staff: where UNDP supervises or co-supervises project staff • Corporate level policy functions: Overall fiduciary and financial policies, accountability and oversight; Treasury Functions including banking information and arrangements and cash management; Travel services, asset management, and procurement policies and support; Management and oversight of the audit exercise for all GCF projects; Information Systems and Technology provision, maintenance and support; Legal advice and contracting/procurement support policy advice; Strategic Human Resources Management and related entitlement administration; Office of Audit and Investigations oversight/investigations into allegations of misconduct, corruption, wrongdoing and fraud; and social and environmental compliance unit and grievance mechanism. 	
Oversight of project completion	<ul style="list-style-type: none"> • Initiate, coordinate, finalize the Project Completion Report, Final Independent Evaluation Report and management response • Quality assurance of final evaluation report and management response • Independent Evaluation Office assessment of final evaluation reports; evaluation guidance and standard setting • Quality assurance of final cumulative budget implementation and reporting to the GCF • Return of any un-spent GCF resources to the GCF 	10%
Oversight of project reporting	<ul style="list-style-type: none"> • Technical review of project reports: quality assurance and technical inputs in relevant project reports • Quality assurance of the GCF bi-annual project interim progress reports and portfolio reports • Preparation and certification of UNDP annual financial statements and donor reports • Prepare and submit fund specific financial reports 	20%
	TOTAL	100%

Governance role for project target groups:

Building upon existing institutional arrangements, the project activities will serve to structure the improved institutional frameworks that would catalyse Montenegro's capacities to more informed decisions in the context of adaptation to the impacts of climate change. The results of the work undertaken under this output will be followed up by outputs, each of which will serve to institutionalize the new frameworks and organize a set of better approaches to adapt to the impacts of climate change.

This project aims to explore institutional possibilities and options that will contribute to countries to better meet new targets under the Paris Agreement. The Working Group on Mitigation and Adaptation is already mandated to track progress towards meeting obligations under the Paris Agreement and as well as implementation of actions under Intended Nationally Determined Contributions. The project would provide opportunities to members of the WGMA to receive training, as needed, in line with the methodologies, procedures, and guidelines. Consequently, the strengthening will include improvements on governance/procedures, institutional and legal arrangements and governance structure.

Agreement on Intellectual Property Rights and use of logo on the project's deliverables and disclosure of information:

To accord proper acknowledgement to the GCF for providing grant funding, the GCF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GCF will also accord proper

acknowledgement to the GCF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy⁵ and the relevant GCF policy. See also [GCF Branding Guidelines](#).

⁵ See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

VIII. FINANCIAL PLANNING AND MANAGEMENT

The total cost of the project is USD 1,721,932. This is financed through a GCF grant. UNDP, as the GCF Delivery Partner, is responsible for the oversight and quality assurance of the execution of GCF resources.

GCF Disbursement schedule: GCF grant funds will be disbursed in accordance with the terms and conditions set out in the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement. The Country Office will submit an annual work plan to the UNDP-NCE Unit and comply with the GCF milestones in order for the next tranche of project funds to be released. All efforts must be made to achieve 80% delivery annually. Disbursement requests will be managed at portfolio level by UNDP-NCE Unit in NY, as agreed in the Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement” between GCF and UNDP. Under Clause 4 of said Second Amended and Restated Framework Readiness and Preparatory Support Grant Agreement, the Delivery Partner shall inter alia be required, when submitting Requests for Disbursement, to provide confirmation or evidence that at least 70% of the aggregate amounts previously disbursed by GCF have been committed and/or expended for Eligible Expenditures.

An Indicative Disbursement Schedule is provided below for reference.

Month	6 months	12 months	18 months	24 months	30 months	36 months
Amount in USD	150,071	298,561	356,498	388,263	268,192	260,347
Total Project Outcomes in USD	1,721,932					
DP Fee in USD	146,364					
Total Project Budget in USD	1,868,296					

UNDP Support Service Costs: UNDP will provide operational support services, according to UNDP policies on GCF funded projects. UNDP Support Services are over and above the project cycle management services, and its costs are those incurred by UNDP for the provision of services that are execution driven and can be traced in full to the delivery of project outcomes and activities. Eligible Support Services costs should not be charged as a flat percentage.

As is determined by GCF requirements, operational support service costs are assigned as Project Management Cost and identified in the project budget as UNDP Support Services. They should be calculated on the basis of estimated actual or transaction-based costs and should be charged to the Direct Project Costs account code: “64397 – ‘Services to projects - CO staff’”]

UNDP Support Services costs charges shall not exceed the capped amount approved by the GCF. Any additional UNDP Support Service costs after GCF approval of the proposal needs to be submitted to the GCF Secretariat for re-approval.

Budget Revision and Tolerance: 20% of the total overall projected costs can be reallocated among outcomes. No changes are allowed in the PMC. Any budget reallocation involving a major change in the project’s scope, structure, design or objectives or any other change that substantially alters the purpose or benefit of the project requires the GCF’s prior written consent.

As outlined in the UNDP POPP, the project board will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project

budget amount for the year without requiring a revision from the Project Board (within the GCF requirements noted above). Should such deviation occur, the Project Manager and UNDP Country office will seek the approval of the UNDP-NCE Unit.

Any over expenditure incurred beyond the available GCF grant amount will be absorbed by the Country Office using non-GCF resources (e.g. UNDP TRAC or cash co-financing).

Audit: The project will be audited according to UNDP Financial Regulations and Rules and applicable audit policies on DIM implemented projects.

Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP.⁶ On an exceptional basis only, a no-cost extension beyond the initial duration of the project will be sought from in-country UNDP colleagues and then the UNDP-Global Nature, Climate and Energy Executive Coordinator.

Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Final Independent Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. The UNDP CO through a Project Board decision will notify the UNDP NCE Unit when operational closure has been completed.

Transfer or disposal of assets: In consultation with the other parties of the project, UNDP programme manager (UNDP Resident Representative) is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file⁷.

Financial completion: The project will be financially closed when the following conditions have been met: a) The project is operationally completed or has been cancelled; b) UNDP CO has closed the accounts for the project; c) UNDP CO has certified a final Combined Delivery Report (which serves as final budget revision).

The project is required to be financially completed within 12 months of operational closure or after the date of cancellation. Between operational and financial closure, the UNDP CO will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the UNDP-NCE Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

Refund to GCF: Unspent GCF resources must be returned to the GCF. Should a refund of unspent funds to the GCF be necessary, this will be managed directly by the UNDP-NCE Unit in New York.

⁶ see <https://info.undp.org/global/popp/ppm/Pages/Closing-a-Project.aspx>

⁷ See

https://popp.undp.org/layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

IX. TOTAL BUDGET AND WORK PLAN

TOTAL BUDGET AND WORK PLAN			
Atlas [1] Proposal or Award ID:	00100486	Atlas Primary Output/Project ID:	00103426
Atlas Proposal or Award Title:	<i>Enhancing Montenegro's capacity to integrate climate change risks into planning</i>		
Atlas Business Unit	MNE10		
Atlas Primary Output/Project Title	<i>Supporting Montenegro's NAP</i>		
PIMS No.	6079		
Implementing Partner	UNDP		

GCF OUTCOME/Atlas Activity	Sub-Outcome	Responsible Party/[1]	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Year 1	Year 2	Year 3	Total (USD)	See Budget Note:
		(Atlas Implementing Agent)									
Outcome 1: Adaptation planning governance, institutional coordination, and technical capacity strengthened.	Sub-Outcome 1.1 Institutional capacity for adaptation planning assessed and enhanced	UNDP	66001	12526	71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					71300	Individual Consultant - Local	36,000	19,500	19,500	75,000	2
					71200	Individual Consultant - International	32,000	32,000	32,000	96,000	3
					71600	Travel	14,426	14,428	14,426	43,280	4
					75700	Workshop/Training	14,400	28,800	28,800	72,000	5
					74200	Audio Visual & Printing	3,600	7,200	7,200	18,000	6
	74500				Miscellaneous	1,093	1,092	1,092	3,277	25	
	Sub-Outcome 1.2: Institutional coordination to support adaptation planning strengthened				71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					71300	Individual Consultant - Local	10,000	10,000	10,000	30,000	7
					71300	Individual Consultant - Local	40,000	0	0	40,000	7
					71200	Individual Consultant - International	60,000	0	0	60,000	8
					71600	Travel	12,640	0	0	12640	9
					74500	Miscellaneous	554	554	552	1,660	25
	TOTAL GCF OUTCOME 1										498,657
Outcome 2: An enhanced evidence base for designing adaptation solutions.	Sub-Outcome 2.1: Climate change-driven risks and vulnerability in priority sectors identified, broad goals and	UNDP	66001	12526	71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					72100	Contractual services - Companies	61,667	123,333	0	185,000	10
					71300	Individual Consultant - Local	13,333	26,667	0	40,000	11
					71200	Individual Consultant - International	32,000	64,000	0	96,000	12
					71600	Travel	12,640	12,640	0	25280	13

	potential adaptation measures developed.				74500	Miscellaneous	1,232	1,232	1,233	3,697	25
	Sub-Outcome 2.2: National Adaptation Planning processes established.				71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					71300	Individual Consultant - Local	0	40,000	40,000	80,000	14
					71200	individual Consultant - International	0	60,000	60,000	120,000	15
					72100	Contractual services - Companies	15,000	15,000	15,000	45,000	16
					71600	Travel -	0	22,187	9093	31280	17
					74500	Miscellaneous	998	999	1,000	2,997	25
					TOTAL GCF OUTCOME 2						676,054
Outcome 3: An adaptation finance mobilization strategy developed.	Sub-Outcome 3.1: Mechanisms for funding adaptation investments identified	UNDP	66001	12526	71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					71300	Individual Consultant - Local	0	25,000	25,000	50,000	18
					71200	Individual Consultant - International	0	36,000	36,000	72,000	19
					71200	individual Consultant - International	0	33,334	66,666	100,000	19
					71600	Travel	0	7,320	0	7320	20
					74500	Miscellaneous	843	842	842	2,527	25
	Sub-Outcome 3.2: Private sector engagement in adaptation strengthened.				71400	Contractual services - Individuals	7,800	7,800	7,800	23,400	1
					71300	Individual Consultant - Local	0	15,000	15,000	30,000	20
					71200	individual Consultant - International	0	36,000	36,000	72,000	21
					75700	Workshop/Training	0	12,000	12,000	24,000	23
					74200	Audio Visual & Printing	0	3,000	3,000	6,000	6
					71600	Travel	0	13,324	13,326	26,650	24
					74500	Miscellaneous	606	607	608	1,821	25
					TOTAL GCF OUTCOME 3						439,118
Total Outcome Budget										1,613,829	
PMC Project management unit[3]	Percentage of PMC requested: 6,7%	UNDP	66001	12526	71400	Contractual services - Individuals	15,600	15,600	15,600	46,800	26
					64397	Services to Project - CO	8,850	8,852	8,851	26,553	27
					73100	Rental & Maintenance - Premises	3,600	3,600	3,600	10,800	28
					71600	Travel	2,500	3,750	1,250	7,500	29
					72500	Office Supplies	500	500	500	1,500	30

				72800	IT Equipment	3,350	0	0	3,350	31
				72400	Communications and Audio-Visual Equipment	1,400	600	600	2,600	32
				74100	Professional services	3,000	3,000	3,000	9,000	33
				TOTAL GCF Project Management					108,103	
				TOTAL GCF					1,721,932	
				TOTAL PROJECT COST EXCLUDING DP FEE					1,721,932	

Budget notes:

Budget Note	Detailed Description
1	Service Contracts - Individual: Combined annual costs of Project Manager and the Project Support Assistant. See below for breakdown of costs by role. Together these total \$62,400 equally divided equally across all three sub-outcomes. Service Contract - Individual: Project Manager @ \$25,740 p/a which is equal to 75% of annual salary of \$34,320. Split over Outcomes 1, 2, & 3 with the remaining 25% in the PMU. This portion of the PM's salary is to cover their technical contributions to the project. Service Contract - Individual: Project Support Assistant (PSA) @ \$21,060 p/a which is equal to 75% of their annual salary of \$28,080. Split over Outcomes 1, 2, & 3. with the remaining 25% in the PMU . This portion of the PSA is to cover their technical contributions to the project which will include follow up, logistics, organization of meetings, and tasks which are relevant to the execution of the outcomes.
2	1.1.1 Two national consultants to work with an IC to conduct capacity gap assessment of key government stakeholders. 60 days per NC @ \$250 per day. 1.1.2 and 1.1.3 Two national consultants working with an IC to design and deliver a capacity development activities. 80 days per NC @ \$250 per day. 1.1.4 A national consultant will support an IC to train Hydromet staff on how to use mobile climate data collection units. 20 days @ \$250 per day.
3	1.1.1 International consultant to work with NC's to conduct capacity gap assessments of key government stakeholders. 60 days @ \$600 per day 1.1.2 and 1.1.3 An international consultant working with two NC's to design and deliver a capacity development activities. 80 days per IC @ \$600 per day. 1.1.4 An international consultant working with support from an NC will train Hydromet staff on how to use mobile climate data collection units. 20 days @ \$600 per day.
4	Travel: 1.1.1 - cost of 1 intl return flight @ \$2,000 + DSA of 60 days @ \$133. Travel: 1.1.2 and 1.1.3 - 9 intl return flights @ \$2,000 ea. Plus a total of 90 days of DSA @ \$133. Travel 1.1.4 - 1 intl ticket @ \$2,000 plus 10 days of DSA @ \$133.
5	Workshops/Training: Expenses for renting facilities, food etc. for 24 days of workshops (1.1.2 and 1.1.3). At least 50 attendees expected per workshop. Cost per day @ \$3,000.
6	Audio Visual Printing: AV equipment, printing and translatin services. \$750 per day.
7	1.2.1 A national consultant / Legal Advisor to support the Directorate with legal analysis of proposed interventions as well as policy development. \$10,000 per annum x 3 years. 1.2.1 Two national consultants working with the IC to conduct an institutional review and redefine the mission and mandate of the WGMACC as it relates to adaptation in order to enhance coordination, roles, and accountability. Total of 80 days per consultant @ \$250 per day.
8	1.2.1 An international consultant working with a NC to conduct an institutional review and redefine the mission and mandate of the WGMACC as it relates to adaptation in order to enhance coordination, roles, and accountability. Total of 80 days @ \$600 per day. An international consultant to conduct a Terminal Evaluation. 20 days @ 600/day.
9	Travel 1.2.1 - 1 intl ticket for IC @ \$2,000. Plus 80 days of DSA @ \$133.
10	2.1.1 A Service Contract - Company : A service provide will review and consolidate available climate risks assessments within or related to the water resources, public health, agricultural and tourism sectors \$25,000. Then, based on findings the findings conduct additional high-level climate vulnerability assessments in these sectors . Produce a prioritized ranking of CC risks and vulnerabilities within the sectors to inform and be addressed by the NAP. \$40,000 per sector x 4 = a total of \$160,000. Total cost of this activity \$185,000.
11	2.1.2 Four national consultants (1 with specialized expertise for each sector) working with a IC will develop adaptation goals, targets and indicators for the four priority sectors. 20 days per sector/consultant = 80 days @ \$250. 2.1.3 Four national consultants working with an IC to identify entry points for adaptation measures into sectors plans and policies. 20 days per sector/consultant = 80 days @ \$250.

12	2.1.2 An international consultant working with four NC's (1 with specialized expertise for each sector) to develop adaptation goals, targets and indicators for the four priority sectors. 20 days per sector = 80 days @ \$600.
	2.1.3 An international consultant working with the four NC's (1 with specialized expertise for each sector) to identify entry points for adaptation measures into sectors plans and policies. 20 days per sector = 80 days @ \$600.
13	Travel: For IC 2.1.2 & 2.1.3 - 2 intl flights @ \$2,000. Plus 160 days of DSA @ \$133
14	Two national consultants working with an IC to deliver 2.2.1 & 2.2.2 2.2.5 a National Adaptation Plan (draft through review processes to finalization, as well as the workplan). 120 days per consultant @ \$250
	2.2.3 National consultant working with an IC to design a monitoring and evaluation framework to track adaptation activities. 40 days @ \$250
	2.2.4 National consultant will support an IC to develop a Gender Action Plan. 40 days @ \$250
15	An international consultant working with two NC's to deliver 2.2.1, 2.2.2 2.2.5 - develop a NAP (draft through review processes to finalization as well as the workplan). 120 days @ \$600.
	2.2.3 International consultant working with the support of an NC will design a monitoring and evaluation framework to track adaptation activities of the NAP process. 40 days @ \$600.
	2.2.4 International consultant working with the support of an NC will develop a Gender Action Plan. 40 days @ \$600.
16	2.2.6 Service Contract - Company : A service provider develop and deliver a communications plan and campaign. \$15k per annum.
17	Travel for ICs for 2.2.1, 2.2.2, and 2.2.5. A total of three intl return flights @ \$2,000 each. Plus a combined total of 120 days of DSA @ 133.
	Travel for ICs 2.2.3 and 2.2.4. A total of two intl return flights @ \$2,000. Plus a combined total of 40 days of DSA.
18	3.1.1. and 3.1.2 national consultant to work with IC to develop a preliminary budget for the prioritized adaptation investment options and a financing strategy – 120 days x \$250
	3.1.3 A national consultant to support the team of IC's in the development of four Concept Notes (one for each of the priority sectors). 20 days per CN for a total of 80 days @ \$250
19	3.1.1 and 3.1.2 International consultant working with NC to develop a preliminary budget for the prioritized adaptation investment options and a financing strategy – 120 days x \$600
	3.1.3 Team of international consultants to develop four Concept Notes (one for each of the priority sectors) \$25k ea x 4 = \$100k. Inclusive of two return intl flights and 10 days of DSA per concept note)
20	Travel costs: 1 return intl flights for IC to develop preliminary budget @ \$2,000 USD with 40 days of DSA @ \$133 = \$7,320.
21	3.2.1 national consultant to work with IC to conduct consultations and develop a strategy and road map for private sector engagement. 60 days @ \$250
	3.2.2 national consultant to work with IC to conduct 8 workshops with the private sector. 60 days @ \$250
22	3.2.1 international consultant to work with NC to conduct consultations and develop a strategy and road map for private sector engagement. 60 days @ \$600
	3.2.2 international consultant to work with NC to conduct 8 workshops with the private sector. 60 days @ \$600
23	Workshops/Training: Expenses for renting facilities, food etc for 8 days of workshops . At least 50 attendees expected per workshop. Cost per day @ \$3,000.
24	Travel costs: 1 intl flight for IC 3.2.1 and 9 flights for IC 3.2.2. @ \$2,000. Plus 50 days of DSA @ \$133 .
25	Misc: Expenses included are contingency costs calculated at 1% of the total programmatic activities and split across the six sub-outcomes.
26	Service Contract - Individual: Project Manager 25% of annual salary of \$34,320 = \$8,580 to oversee day-to-day operational aspects of the project. The remaining 75% is in budget note line 1 for contributing to the technical aspects of the implementation of the project.
	Service Contract - Individual: Project Support Assistant (PSA) 25% of annual salary of \$28,080 = \$7,020 to oversee day-to-day operational aspects of the project. The remaining 75% is in budget note 1 and is for contributing to the technical aspects of the implementation of the project.
27	Services to Project: Budget to cover costs for various project management functions provided by UNDP Country Office that include finance, human resources, administrative and procurement services, payroll management, payments, travel services, consultant recruitments, procurement of goods and services, etc. Procurement Associate \$5,900 per annum and HR Associate \$2,951 per annum. Costs have been calculated and will be charged based on the UNDP Universal Price List.
28	Costs of office rental including utilities \$3,600 a year.
29	Travel costs are for domestic travel of PM and or PSA. Assumed quarterly trips to various parts of the country where the project is being implemented \$2,500 per year.
30	Office supplies for project management team \$500 per year.
31	Information technology equipment for PM and PSA. 2 Laptops with docking stations @ \$1,250, each 2 mobile phones @ \$300 each, 1 printer @ \$250. Total of \$3,350.
32	Communications equipment for PM and PSA - 2 mobile phones @ \$400 each, and expenses for mobile phone and internet service @ \$300 pa per person. Total of \$2,600.
33	Professional Services to conduct annual audits of the project @ \$3,000 p/a. This budget will be utilized only if the GCF project receives an external audit conducted by a third-party auditor (excluding UN Board of Auditors), or otherwise reprogrammed towards the achievement of the approved activities, in consultation and agreement with the Project Board and GCF.

X. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Montenegro and UNDP, signed on 15 December 2006. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its Financial Regulations and Rules, practices, procedures and financial governance to ensure best value for money, fairness, integrity, transparency, and effective international competition.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

XI. RISK MANAGEMENT

UNDP (DIM)

- UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
- UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]⁸ [UNDP funds received pursuant to the Project Document]⁹ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
- Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
- UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
- In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

⁸ To be used where UNDP is the Implementing Partner

⁹ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
- UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
 - In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.

- Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

XII. MANDATORY ANNEXES

The following documents are mandatory annexes and must be included as part of the final Project Document and not as separate documents.

Annex A: GCF approved Readiness and Preparatory Support Proposal

Annex B: GCF notification of approval letter

Annex C: Procurement plan

Annex D: Terms of Reference for Project Board and Project Team

Annex E: UNDP Risk Log

Annex F: UNDP Project Quality Assurance Report (to be completed in UNDP online corporate planning system, does not need to be attached as separate document)

Annex A: GCF approved Readiness and Preparatory Support Proposal

Provided separately, due to the file size.

Annex B: GCF notification of approval letter



GREEN
CLIMATE
FUND

Mr. Esef Husic
Director General for Climate Change
Ministry of Sustainable Development and Tourism
19, IV Proleterske St.
Podgorica
Montenegro

COUNTRY PROGRAMMING

Date : 29 October 2020
Reference : DCP/2020/353
Page : 1 of 1

Subject: Notification of Approval of Readiness and Preparatory Support Programme Proposal for the Green Climate Fund - [Grant Reference Number MNE-RS-002]

Dear Mr. Husic,

I am pleased to inform you that the Green Climate Fund (GCF) Secretariat has approved the Readiness Proposal for Montenegro, initially submitted on 31 July 2017, for "Enhancing Montenegro's capacity to integrate climate change risks into planning", in accordance with the terms of the Framework Readiness and Preparatory Support Grant Agreement (Framework Agreement) between the GCF and the United Nations Development Programme (UNDP), dated 2 September 2016, as amended by the amended and restated Framework Agreement dated 6 March 2018, as amended by the second amended and restated Framework Agreement dated 22 July 2020.

The above-mentioned proposal was approved on 23 October 2020 for the amount of USD 1,868,296. A copy of the proposal is attached for your reference.

Kindly note that UNDP will send a request for disbursement to the Secretariat so you will be able to begin the implementation.

Please contact us if you have any other questions about your approved proposal or next steps.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Pa Ousman Jarju".

Mr. Pa Ousman Jarju
Director

Annex C: Procurement plan

Item	Item Description	Estimated Cost (US\$)	Procurement Method	Thresholds (Min-Max monetary value for which indicated procurement method must be used)	Estimated Start Date	Projected Contracting Date
Goods and Non-Consulting Services						
Professional services 2.1.1	Hire a firm to consolidate available climate risks assessments and conduct climate vulnerability assessments.	185,000	Competitive process. Advertisement in international media	US\$150,000 and above	Y1/Q4	Y1/Q4 – Y3/Q2
Professional services 2.2.6	Hire a firm to develop and deliver a communications plan and campaign \$15k pa	45,000	Competitive process. Desk review.	US\$10,000 - US\$99,999	Y1/Q2	Y1/Q3 – Y3/Q4
Workshops	Expenses for daily renting of facilities, food etc to hold workshops.	96,000	Direct procurement	Below US\$10,000	Y1/Q3	Y1/Q3 – Y3-/Q4
Audio Visual & Printing	AV equipment, printing and translation services for workshops.	24,000	Direct procurement	Below US\$10,000	Y1/Q3	Y1/Q3 – Y3/Q4
Office Supplies	Office supplies for project management team	1,500	Direct procurement	Below US\$10,000	Y1/Q1	Y1/Q1 – Y3/Q4
IT Equipment	Information technology equipment for PM	3,350	Direct procurement	Below US\$10,000	Y1/Q1	Y1/Q1 – Y3/Q4

	and PSA. 2 Laptops with docking stations					
Communications and Audio-Visual Equipment	2 mobile phones and expenses for mobile phone and internet service	2,600	Direct procurement	Below US\$10,000	Y1/Q1	Y1/Q1 – Y3/Q4
Sub-Total (US\$)		357,450				
Consultancy Services						
National Consultants 1.1	National consultants to conduct capacity gap assessment of key government stakeholders, design and deliver a capacity development activities, and to train Hydromet staff.	75,000	Competitive process. Desk review.	US\$10,000 - US\$99,999	Y1/Q4	Y1/Q1 – Y3/Q4
National Consultants 1.2	National consultant to support with legal analysis of proposed interventions as well as policy development.	30,000	Competitive process. Desk review.	US\$10,000 - US\$99,999	Y1/Q2	Y1/Q1 – Y3/Q4
National Consultants 1.2	National consultants conduct institutional review	40,000	Competitive process. Desk review.	US\$10,000 - US\$99,1000	Y1/Q3	Y1/Q1 – Y3/Q4
National Consultants 2.1	National consultants to develop adaptation goals, targets and indicators for the four priority sectors and then identify entry points for adaptation measures	40,000	Competitive process. Desk review.	US\$10,000 - US\$99,1000	Y1/Q3	Y1/Q1 – Y3/Q4

	into sectors plans and policies.					
National Consultants 2.2	National consultants to develop a monitoring and evaluation framework.	10,000	Competitive process. Desk review.	US\$10,000 - US\$99,1001	Y1/Q4	Y2/Q1 – Y3/Q4
National Consultants 2.2	National consultants to develop a Gender Action Plan.	10,000	Competitive process. Desk review.	US\$10,000 - US\$99,1001	Y1/Q4	Y2/Q1 – Y3/Q4
National Consultants 2.2	Two national consultants to develop a NAP and workplan.	60,000	Competitive process. Desk review.	US\$10,000 - US\$99,1001	Y1/Q4	Y2/Q1 – Y3/Q4
National Consultants 3.1	National consultant to support development of a preliminary budget for the prioritized adaptation investment options and a financing strategy, as well as Concept Notes	50,000	Competitive process. Desk review.	US\$10,000 - US\$99,1001	Y1/Q4	Y2/Q1 – Y3/Q4
National Consultants 3.2	National consultant to conduct consultations and develop a strategy and road map for private sector engagement, and conduct workshops.	30,000	Competitive process. Desk review.	US\$10,000 - US\$99,1001	Y2/Q4	Y2/Q1 – Y3/Q4
International Consultants 1.1	National consultants to conduct capacity gap assessment of key government stakeholders, design and deliver a capacity	96,000	Competitive process. Desk review.	US\$10,000 - US\$99,1004	Y1/Q4	Y1/Q1 – Y3/Q4

	development activities and to train Hydromet staff.					
International Consultants 1.2	International consultant conduct institutional review	48,000	Competitive process. Desk review.	US\$10,000 - US\$99,1005	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 1.2	International consultant to conduct a Terminal Evaluation.	12,000	Competitive process. Desk review.	US\$10,000 - US\$99,1006	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 2.1	International consultants to develop adaptation goals, targets and indicators for the four priority sectors and then identify entry points for adaptation measures into sectors plans and policies.	96,000	Competitive process. Desk review.	US\$10,000 - US\$99,1007	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 2.2	International consultants to develop a monitoring and evaluation framework.	24,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 2.2	International consultants to develop a Gender Action Plan.	24,000	Competitive process. Desk review.	US\$10,000 - US\$99,1009	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 2.2	International consultants to develop a NAP and workplan.	72,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y1/Q4	Y1/Q1 – Y3/Q4
International Consultants 3.1	International consultant to development a preliminary budget for adaptation investment options	72,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y1/Q4	Y1/Q1 – Y3/Q4

	and a financing strategy					
International Consultants 3.1	International consultants to develop Concept Note 1	25,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q2	Y2/Q2 – Y3/Q4
International Consultants 3.1	International consultants to develop Concept Note 2	25,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q2	Y2/Q2 – Y3/Q4
International Consultants 3.1	International consultants to develop Concept Note 3	25,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q2	Y2/Q2 – Y3/Q4
International Consultants 3.1	International consultants to develop Concept Note 4	25,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q2	Y2/Q2 – Y3/Q4
International Consultants 3.2	International consultant to conduct consultations and develop a strategy and road map for private sector engagement	36,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q1	Y2/Q2 – Y3/Q4
International Consultants 3.2	International consultant to conduct 8 workshops with the private sector.	36,000	Competitive process. Desk review.	US\$10,000 - US\$99,1008	Y2/Q1	Y2/Q1 – Y3/Q4
Sub-Total (US\$)		961,000				

Annex D: Terms of Reference for Project Board, Project Team

Terms of Reference for Key Project Staff

Project Manager

Background

The Project Manager (PM) will be appointed by the project implementing partner. The PM will be responsible for the overall management of the Project, including the mobilisation of all project inputs, supervision over project staff, consultants and sub-contractors.

Duties and Responsibilities

- Manage the overall conduct of the project.
- Plan the activities of the project and monitor progress against the approved workplan.
- Execute activities by managing personnel, goods and services, training and low-value grants, including drafting terms of reference and work specifications, and overseeing all contractors' work.
- Monitor events as determined in the project monitoring plan, and update the plan as required.
- Provide support for completion of assessments required by UNDP, spot checks and audits.
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports.
- Monitor progress, watch for plan deviations and make course corrections when needed within project board-agreed tolerances to achieve results.
- Ensure that changes are controlled, and problems addressed.
- Perform regular progress reporting to the project board as agreed with the board, including measures to address challenges and opportunities.
- Prepare and submit financial reports to UNDP on a quarterly basis.
- Manage and monitor the project risks – including social and environmental risks - initially identified and submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation.
- Prepare revisions to the multi-year workplan, as needed, as well as annual and quarterly plans if required.
- Prepare the inception report no later than one month after the inception workshop.

- Ensure that the indicators included in the project results framework are monitored annually in advance of the GCF bi-annual report submission deadline so that progress can be reported in the GCF Interim Progress Reports and portfolio reports.
- Prepare the GCF bi-annual report;
- Assess major and minor amendments to the project within the parameters set by UNDP-NCE;
- Monitor implementation plans including the gender action plan, stakeholder engagement plan, and any environmental and social management plans;
- Support the Terminal Evaluation process.

Required skills and expertise

- At least 5 years of demonstrable project/programme management experience.
- At least 5 years of experience working with ministries, national institutions that are concerned with natural resource, climate and/or environmental management.

Competencies

- Strong leadership, managerial and coordination skills, with a demonstrated ability to effectively coordinate the implementation of large multi-stakeholder projects, including financial and technical aspects.
- Ability to effectively manage technical and administrative teams, work with a wide range of stakeholders across various sectors and at all levels, to develop durable partnerships with collaborating agencies.
- Ability to administer budgets, train and work effectively with counterpart staff at all levels and with all groups involved in the project.
- Ability to coordinate and supervise multiple Project Implementation Units in their implementation of technical activities in partnership with a variety of subnational stakeholder groups, including community and government.
- Strong drafting, presentation and reporting skills.
- Strong communication skills, especially in timely and accurate responses to emails.
- Strong computer skills, in particular mastery of all applications of the MS Office package and internet search.
- English and local language.

Project Assistant

- Under the guidance and supervision of the Project Manager, the Project Assistant will carry out the following tasks:
- Assist the Project Manager in day-to-day management and oversight of project activities;
- Assist the M&E officer in matters related to M&E and knowledge resources management;
- Assist in the preparation of progress reports;

- Ensure all project documentation (progress reports, consulting and other technical reports, minutes of meetings, etc.) are properly maintained in hard and electronic copies in an efficient and readily accessible filing system, for when required by the Project Board, Technical Advisory Committee, UNDP, project consultants and other PMU staff;
- Provide PMU-related administrative and logistical assistance.

The Project Assistant will possess minimum following qualifications:

- At least three years of work experience preferably in a project involving biodiversity conservation, natural resource management and/or sustainable livelihoods. Previous experience with UN project will be a definite asset;
- Very good inter-personal skills;
- Proficiency in the use of computer software applications especially MS Word and MS Excel.
- English and in local language

Project Board:

The Project Board will provide overall guidance and quality assurance for the project, ensure adherence to the DIM guidelines and ensure compliance with GCF and UNDP policies and procedures. The Project Board is responsible for making, by consensus, management decisions when guidance is required by the Project Manager. Project Board decisions will be made in accordance standards that shall ensure management for development results, best value for money, fairness, integrity, transparency and effective international competition. This accountability only extends to the execution of approved activities and budget resources under the project (as approved by the NDA). The Project Board will meet twice a year. Representatives of local governments and independent third parties, such as international or national NGOs, can attend the augmented Project Board meetings as observers.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed. *(do not edit or delete this sentence!)*

Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;

- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
- Assess and decide to proceed on project changes through appropriate revisions.

The composition of the Project Board must include the following roles:

Project Executive: The Project Executive is an individual who represents ownership of the project who will chair the Project Board. This role can be held by a representative from the Government Cooperating Agency or UNDP. The Project Executive is: a representative from the National Council for Sustainable Development as the Executive with key national governmental and non-governmental agencies..

The Project Executive is ultimately responsible for the project, supported by the Beneficiary Representatives and Development Partners. The Project Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Project executive has to ensure that the project gives value for money, ensuring cost-conscious approach to the project, balancing the demands of beneficiaries (represented by the Beneficiary Representative) and the Development Partners.

Specific Responsibilities: (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organization structure and logical set of plans;
- Set tolerances in the AWP and other plans as required for the Project Manager;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organize and chair Project Board meetings.

Development Partner: The Development Partner is an individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Development Partner's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Development Partner role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role. The Development Partner is UNDP.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management;
- Ensure that the supplier resources required for the project are made available;
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes;

- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

Beneficiary Representative

The Beneficiary Representative is an individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Beneficiary Representative's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. The Beneficiary Representative role is held by a representative of the government or civil society. The Beneficiary Representative is: Ministry of Sustainable Development and Tourism (NDA) *who will represent the Beneficiary Representative for the project.*

The Beneficiary Representative is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Beneficiary Representative role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people.

Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Prioritize and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Specification of the Beneficiary's needs is accurate, complete and unambiguous;
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target;
- Impact of potential changes is evaluated from the beneficiary point of view;
- Risks to the beneficiaries are frequently monitored.

ANNEX E: UNDP Risk Log

#	Description	Date Identified	Risk Category	Impact & Probability	Risk Treatment / Management Measures	Risk Owner	Status
1	Potential for delays in implementation at start-up possibly from the procurement project staff, consultants and other elements. Other delays could arise from inadequate institutional coordination and or participation of stakeholders.		Political Organizational Operational	Text P = 3 I = 3	The procurement process will be carefully monitored by the project team through the conducting of internal meetings related to implementation of the project and regular meetings with operations unit and UNDP management. The project will have procurement plan which will be regularly updated upon changing circumstances. Where necessary, UNDP management interventions will be made order to speed up the process. Additionally, the UNDP Country Office will ensure that adequate allocation of staff from UNDP and the government are provided and in a timely manner. The CO has significant experience in successfully managing complex projects As a precautionary measure, activities in the first quarter of the project are kept to a minimum.	UNDP	
2	Data collection is constrained and is insufficient due to a lack of involvement and cooperation of government stakeholders. This will result in an incomplete data set and make sub-		Operational Political	P = 2 I = 3	A clear commitment will be obtained from government agencies involved in the project at the out start to contribute to data collection and dissemination will hopefully be enough to prevent this from happening. However, if it does, the matter will be escalated to the appropriate senior level officials in each entity including, if necessary, the NDA.	UNDP	

	optimal decision making.						
3	Lack of cooperation between government stakeholders with regards to establishing institutional coordination framework. This may lead to a coordination framework that is ineffective in delivering on its mandate.		Operational Political	P = 2 I = 4	Special attention will be given to government stakeholder engagement ensuring that parties clearly understand roles and the authority structure. Additionally, a timeline and communication mechanism will be developed for the NAP process to provide early alerts of any issues that arise. A monitoring process will help identify and respond to challenges identified during implementation so that appropriate corrective measures can be taken.	UNDP	
4	Lack or low political will to support the project and adjust governance frameworks. This will constrain the development and sustainability of the project.		Political	P = 2 I = 4	The project will provide support to the government to organize consultations on project development and progress at key stages in order to maintain government ownership and interest in the project. Actions will be taken to develop awareness of the importance of the project among the key decision-makers. Also, efforts will be made to coordinate this project with other projects so as to build integrated support.	UNDP	
5	A lack of qualified human resources within the government may lead to delays and		Operational	P = 2 I = 2	A major aspect of the project is to strengthen institutional capacity starting in the first year. As such, there is an element of learning through doing expected.	UNDP	

	constraints in the implementation and completion of the project.						
6	Local stakeholders are not fully consulted and or included in the planning and implementation. This will result in adaptation planning process that does not properly or adequately reflect the vulnerabilities, needs and or concerns of affected communities		Operational	P = 2 I = 3	The project team will conduct real-time monitoring and evaluation of engagement activity with stakeholders to ensure that these processes are fully inclusive. Budgets and work plans will be adjusted if affected stakeholder groups are preventing from engaging in the process.	UNDP	
7	An Inability or difficulty in contracting national and international consultants. This may result in delays in implementation and exciting the project with sub-optimal talent and therefore		Operational	P = 2 I = 4	In the event that the project team faces these difficulties the UNDP Regional HQ will provide support services to the Country Office and project team as needed.	UNDP	

	possibly ineffective adaptation planning.						
8	A potential lack of interest and willingness by the private sector to adopt business models which will be presented under the private sector strategy.		Operational	P = 3 I = 3	The project team will have this risk in mind while delivering private sector focused activities in an effort to make sure that new business models / ideas / approaches are developed in alignment with the private sector so as to reduce this risk. Nevertheless, should this occur then efforts will be made to revise the models and or continue to work with the private sector in a manner that gets their buy-in early on.	UNDP	
9	The Covid-19 pandemic leads to delays in the start-up as well as the performance of activities and deliverables.		Operational	P = 3 I = 3	The GoM and UNDP, as well as other development partners are keenly aware of the risks that Covid-19 poses to all activities, including this project. Accordingly, the GoM and UNDP are monitoring the ongoing situation very closely in order identify potential delays early on and look at creative ways to achieve the deliverables in this uncertain time.	GoM and UNDP	

Please note that a Social and Environmental Screening has been provided separately in Annex G

Annex F: UNDP Project Quality Assurance Report

Online form

Annex G – Social and Environmental Screening Template

Project Information

Project Information	
1. Project Title	Enhancing Montenegro's capacity to integrate climate change risks into planning.
2. Project Number	PIMS 6079
3. Location (Global/Region/Country)	Montenegro
4. Project stage (Design or Implementation)	Design (prodoc not yet signed)
5. Date	February 2021

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project fully aligns with Montenegro **Country Programme Document Outcome 4**: By 2021, national, state and local institutions are more effective to carry out their mandates including strengthened normative frameworks that respect human rights and fundamental freedoms and ensure effective service delivery. The project brings secondary human rights benefits in through strengthened capacity at the national government level to plan adaptation actions that will reduce the risk of climate change impacts that can affect people's human rights. It also strengthens' rights and equality for women, as outlined below

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

Gender is mainstreamed throughout the project. All training events implemented by the project (which has a heavy focus on capacity building) will target 50% female participants. The project's Sub-outcome 2.1 is Gender-specific; climate change-driven risks and vulnerabilities in priority sectors identified, broad goals and potential adaptation measures developed. This includes activities on gender-sensitive climate risk assessments of the 4 priority sectors (water resources, public health, agricultural and tourism), gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors and reviews of existing plans in those four sectors to identify entry points for integrating gender-sensitive climate adaptation measures. These activities will generate new knowledge regarding the integration of gender-specific targets in the aforementioned sectors.

Briefly describe in the space below how the Project mainstreams environmental sustainability

As a project funded by the Green Climate Fund, the project is fundamentally related to environmental sustainability and climate change resilience. The project is designed for full alignment with Montenegro's National Strategy for Sustainable Development, a key policy goal for the country. The project also involves the National Agency for the Protection of

Nature and the Environment and the Public Enterprise for Coastal Zone Management as key stakeholders. The project will build the capacity of these stakeholders to, *inter alia*, align environmental and climate change resilience policy goals and actions.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.
Risk 1: The project could reproduce exclusion of or discrimination against women through any of its policy or strategic plan-related activities Principle 2, Q2	I = 2 P = 1	Low	The project’s focus is capacity building and policy/plan development and therefore it only has a low risk of causing impact as no physical, tangible works will not take place under the project. While plans and concept notes are foreseen under the project, they will be subject to their own safeguarding process to ensure (<i>inter alia</i>) that they don’t marginalize women. Because numerous steps have been built into the design of the project to ensure the comprehensive engagement of women (through, or example engagement targets), the probability of impact is very low. However, if these measures are not implemented properly, or are implemented without adequate	.

			oversight, there is a risk that the project could sustain or reproduce pre-existing inequalities.	
<p>Risk 2 The project could inadvertently lead to consequential development activities that would have negative social or environmental effects or generate other cumulative impacts</p> <p>S1 Q11</p>	<p>I = 2 P = 1</p>	<p>Low</p>	<p>The project particularly targets risks in four sectors: tourism, health, water and agriculture, which are sustainable economic development priorities for the country. However, if environmental and social considerations and safeguards are insufficiently mainstreamed into these plans, negative environmental impacts could occur.</p> <p>For example, proposed/planned adaptation actions in agriculture could promote maladaptive actions, such as increased use of chemical fertilizers or crops that are less well-suited in normal years and thus reduce incomes. Tourism can become unsustainable for various reasons relating to 'overtourism', which can have numerous negative effects, including damaging local culture and heritage, environmental pollution related damage, or driving up prices in touristic locations in a way that 'prices out' local people.</p> <p>However, while the impact of these has been scored 2, the probability is 1 because the project does not undertake tangible activities in these sectors. While concept notes will be prepared directly by the project, they are not expected to be funded during the project's implementation period, and therefore any actions proposed in these projects will be re-screened upon preparation. Moreover, government representatives of the four sectors will be engaged as key stakeholders throughout the project.</p>	
<p>Risk 3 The project may exclude certain stakeholders, whose engagement is important to the success of the project</p>	<p>I = 2 P = 1</p>		<p>The project design has comprehensive to ensure that a broad range of stakeholders are engaged throughout the project. Activities under Component 1 engage a broad range of government stakeholders and will form a working group on climate change adaptation that will engage stakeholders from across government, the private sector, and representatives from women and</p>	

			potentially marginalized groups. The project also contains a provision to have public consultations on the draft version of the NAP, allowing anyone to provide inputs. Finally, there is a provision in the project (and budget) to systematically engage the private sector.	
[add additional rows as needed]				
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)			Comments	
	<i>Low Risk</i>	<input checked="" type="checkbox"/>	<p>All of the project’s activities involve training, policy or normative work. All training programmes contain provisions in the project for the equal inclusion of women. The project has an entire sub-outcome dedicated to the advancement of women’s equality in relation to climate change adaptation. The activity around developing concept notes will not directly lead to the implementation of potentially risky actions without those proposed actions being further screened for environmental and social risks. Therefore, the risks identified should be seen as very low, and safeguards are already built into the project. If the project is implemented as written, and monitored effectively, the likelihood of impact for the risk identified is negligible.</p> <p>Moreover, Montenegro is a comparatively high capacity country, without recent history of obvious violations of the principles of the UNDP Environmental and Social Policy.</p>	
	<i>Moderate Risk</i>	<input type="checkbox"/>		
	<i>High Risk</i>	<input type="checkbox"/>		

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		
Check all that apply		Comments
Principle 1: Human Rights	<input type="checkbox"/>	Not triggered by this low-risk project
Principle 2: Gender Equality and Women's Empowerment	<input checked="" type="checkbox"/>	As described above, the potential exists to replicate or exacerbate gender inequalities. However, the project contains explicit mechanisms to prevent this.
1. Biodiversity Conservation and Natural Resource Management	<input type="checkbox"/>	Not triggered by this low-risk project
2. Climate Change Mitigation and Adaptation	<input type="checkbox"/>	Not triggered by this low-risk project
3. Community Health, Safety and Working Conditions	<input type="checkbox"/>	Not triggered by this low-risk project
4. Cultural Heritage	<input type="checkbox"/>	Not triggered by this low-risk project
5. Displacement and Resettlement	<input type="checkbox"/>	Not triggered by this low-risk project
6. Indigenous Peoples	<input type="checkbox"/>	Not triggered by this low-risk project
7. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>	Not triggered by this low-risk project

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.

PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.
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SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
Principles 1: Human Rights		Answer (Yes/No)
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ¹⁰	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No

¹⁰ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?	Yes

	<i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ¹¹ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No

¹¹ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ¹²	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No

¹² Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

