



MONTENEGRO

NATIONAL PROGRAMME OF PRIORITY ACTIVITIES
IN THE FIELD OF CLIMATE CHANGE MITIGATION
AND ADAPTATION TO THE FRAMEWORK OF
COOPERATION WITH THE GREEN CLIMATE FUND
2021–2023

DRAFT



Crna Gora
Ministarstvo ekologije,
prostornog planiranja i urbanizma



GREEN
CLIMATE
FUND

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ABBREVIATION	MEANING
CCD	Climate Change Directorate
CO ₂	Carbon dioxide
COVID 19	COVID-19 virus pandemic
DCCMA	Directorate for Climate Change and Mediterranean Affairs
DMA	Directorate for Mediterranean Affairs
DRR	Disaster risk reduction
EU	European Union
GCF	Green Climate Fund
GDP	Gross domestic product
GHG	Greenhouse gases
NBCGCF	National Body for Cooperation with the Green Climate Fund
NCSDDCCICZM	National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management
NDCRGG	Nationally determined contribution to the reduction of greenhouse gases
NPCGCF	National Personnel for Cooperation with the Green Climate Fund
NSD	Neutrality in soil degradation
PENP	Public Enterprise National Parks
RES	Renewable energy sources
REDFD	Reduction of emissions from deforestation and forest degradation
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USD	US Dollar

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i. SUMMARY

The Ministry of Sustainable Development and Tourism (today's Ministry of Ecology, Spatial Planning and Urbanism) and the competent Directorate for Climate Change and Mediterranean Affairs conducted a call and then an analysis of candidate project proposals for inclusion in the Program of Priority Activities for Cooperation of Montenegro with the Green Climate Fund in relation to their compliance with the prescribed criteria. Out of a total of 10 project ideas, through the prescribed and for the first-time implemented procedure, 7 projects were approved for inclusion in the Program. These projects are the result of extensive consultations with relevant stakeholders and reflect the priorities identified primarily by national institutions through their sectoral policies but also through overarching strategic documents, primarily the National Strategy for Climate Change until 2030 and the National Strategy for Sustainable Development until 2030. Also, the Nationally Determined Contribution to Reducing Greenhouse Gas Emissions (NDCRGGE) was a key determinant when it comes to establishing priorities in the field of climate change mitigation. From Table 1, it can be concluded that the ratio of priorities in the areas of adaptation to climate change and climate change mitigation is balanced. Thus, 2 project proposals are focused exclusively on mitigation or adaptation to climate change, while 3 project proposals combine these two areas. The total amount of projects proposed as priority activities for cooperation of Montenegro with the GCF for the period 2021-2023 is close to 176 million USD, where GCF is expected to support in the amount of 75.4 million USD, while the rest is projected co-financing.

Approved projects are shown in Table 1.

Table 1: LIST OF APPROVED PROJECT PROPOSALS FOR INCLUSION IN THE PROGRAM OF PRIORITY ACTIVITIES FOR COOPERATION WITH GCF

List of approved project proposals for inclusion in the programme of priority activities for cooperation with GCF												
#	NAME OF PROJECT	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION/INSTITUTIONS	CONTACT PERSON	ENVISAGED ACCREDITED ENTITY	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	DURATION	RECOMMENDATIONS/ STATUS
1	Nature-based solutions with particular emphasis on DRR preparedness and prevention in Montenegro	Adaptation to climate change - adaptation	Ministry of Interior – Directorate for Emergency Management	Mr Ljuban Tmusic e-mail: ljuban.tmusic@mup.gov.me Tel: 067/112-005	UNDP	Aligned	Aligned	5,678,000 € 6,960,099 \$ ¹	5,000,000 € 5,368,175 \$	678,000 € 727,924 \$	5 y	Included in the Program of Priority Activities
2	Development of a National Action Plan to enhance the resilience of health care institutions, including economic analysis for health benefits	Adaptation to climate change - adaptation	Ministry of Health, Institute of Public Health of Montenegro, Emergency Medical Services Institute, Hydrometeorology and Seismology Institute	Dr Miro Knezevic e-mail: miro.knezevic@mzd.gov.me	UNEP UNDP SZO GIZ	Aligned	Aligned	12,000,000 € 12,840,000 \$	10,000,000 € 10,700,000 \$	2,000,000 € 2,140,000 \$	2 y	Included in the Program of Priority Activities
3	Implementation of energy efficiency measures and introduction of renewable energy sources in the housing sector to reduce energy poverty in Montenegro	Climate change mitigation - mitigation	Ministry of Ecology, Spatial Planning and Urbanisms / Ministry of Capital Investments / Municipalities	Olivera Kujundzic e-mail: olivera.kujundzic@mrt.gov.me	UNEP	Aligned	Aligned	45,000,000 € 48,313,575 \$	15,000,000 € 16,104,525 \$	30,000,000 € 32,209,050 \$	4 y	Included in the Program of Priority Activities

¹ EUR 1 = USD 1.07 per exchange rate list on 24.04.2020

List of approved project proposals for inclusion in the programme of priority activities for cooperation with GCF												
#	NAME OF PROJECT	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION/INSTITUTIONS	CONTACT PERSON	ENVISAGED ACCREDITED ENTITY	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	DURATION	RECOMMENDATIONS/ STATUS
4	Implementation of agri-environmental measures for sustainable land use, forest management, mitigation and LDN targets	Adaptation to climate change adaptation Climate change mitigation - mitigation	Ministry of Ecology, Spatial Planning and Urbanisms and Ministry of Agriculture, Forestry and Water Management	Not specified	UNDP, World Bank	Aligned	Aligned	30,000,000 € 32,209,050 \$	10,000,000 € 10,736,350 \$	20,000,000 € 21,472,700 \$	5 y	Included in the Program of Priority Activities
5	Support for a paradigm shift towards low carbon transport in Montenegro	Climate change mitigation - mitigation	Ministry of Capital Investments Ministry of Ecology, Spatial Planning and Urbanisms	Aleksandra Kikovic e-mail: Aleksandra.kikovic@undp.org	UNDP	Aligned	Aligned	48.900,000 \$	10,000,000 \$	38,900,000\$	6 y	Included in the Program of Priority Activities
6	Preventive protection and rehabilitation of forest ecosystems in national parks of Montenegro (NPMNE)	Adaptation to climate change - adaptation Climate change mitigation - mitigation	Public Enterprise for National Parks of Montenegro (NPMNE)	Elvir Klica, Director; Slobodan Stijepovic, expert associate for forestry	UNDP, GIZ, WWF	Aligned	Aligned	8,350,000 € 8,964,852 \$	5,800,000 € 6,227,083 \$	2,550,000 € 2,737,769 \$	3 y	Included in the Program of Priority Activities
7	Implementation of priority (community-based) measures to adapt and mitigate the impact of climate change on the water sector in Montenegro	Adaptation to climate change - adaptation Climate change mitigation - mitigation	Ministry of Agriculture, Forestry and Water Management	Momcilo Blagojevic Director General of the Directorate for Water Management	UNDP	Aligned	Aligned	15,600,000 € 16,692,000 \$	13.000.000 € 13,910,000 \$	2.600.000 € 2,782,000 \$		Included in the Program of Priority Activities

ii. INTRODUCTORY

In view of the latest scientific research and the increasingly evident consequences of climate change, our climate is clearly in a state of 'climate crisis'. Climate change is one of the greatest challenges humanity and planet Earth has faced. Unsustainable patterns of consumption and production of goods, economic growth and development, demographic expansion accompanied by uncontrolled and unsustainable direct and indirect pressures on natural systems and resources ultimately result in a worrisome situation and trends for all important ecosystems, as well as a negative impact on socio-economic development. Climate change, in addition to having a clear direct negative impact of high intensity and high prevalence on human activities and well-being, as well as on all important ecosystems and their functions, simultaneously increases the intensity of existing negative environmental impacts due to air pollution, land degradation, the uncontrolled generation of huge amounts and categories of waste, the emergence of invasive species, as well as many other global pressures on ecosystems and biodiversity. Based on science and scientific knowledge in the fields of social sciences, nature and the environment in the broadest sense, as well as specific observations in the fields of climate change, biodiversity, ecosystem services, sustainable consumption and production, land degradation, freshwater and marine ecosystems, human concern for their condition and sustainability has reached a critical point. The concern is certainly justified considering that nearly every natural system, the functioning of which the survival of the human species ultimately depends on, is endangered to a level where any further degradation would cause irreversible negative consequences for ecosystems, their functions and sustainability limits. It is highly likely that these trends will continue to intensify in the future, even more than earlier predictions indicated.

Each country carries a share of the responsibility to contribute, on the one hand, to the fight against further degradation of natural systems and their regeneration, while taking action to repair the negative consequences for the population and to increase readiness and resilience. Montenegro is exposed to the risk of climate change, which leads to a growing negative impact on the economy, natural resources and the health of its inhabitants. The competent institutions at the national and local level strive to improve the overall readiness of the society for climate change mitigation and adaptation through the improvement of the strategic, planning and legislative framework, as well as through the implementation of concrete measures. By pursuing strategic cooperation with the Green Climate Fund, Montenegro will additionally forge ahead on the path of mitigation and adaptation to climate change, as well as a contribution to achieving sustainable climate resilience and neutral development.

1. NATIONAL CIRCUMSTANCES

Geographic location	Montenegro is located in Southeast Europe, on the Balkan Peninsula
Surface	The total area of the territory is 13,812 km ² , while the area of territorial waters is 2,540 km ² .
Population	620,029 inhabitants (according to the 2011 census) 622,028 inhabitants (according to population estimates in mid-2019).
Climate profile	Montenegro is located in the central part of the moderately warm climate zone of the Northern Hemisphere (41 ° 52 'and 43 ° 32' north latitude and 18 ° 26 'and 19 ° 22' east longitude). Due to its latitude, i.e. the proximity of the Adriatic and Mediterranean Seas, Montenegro has a Mediterranean climate with warm and dry summers and mild and fairly humid winters.
GHG profile	6685.19 (Gg CO ₂ eq) in 1990 4936.81 (Gg CO ₂ eq) in 2017
Nationally determined contribution to the reduction of GHG - NDC emissions	Reductions in GHG emissions by 35 per cent by 2030, excluding the land use and conversion sector, compared to the base year 1990. The NDC does not contain measures in the field of adaptation to the negative impacts of climate change.
Key emission sectors	Electricity generation and industrial processes have the greatest impact on GHG emissions in Montenegro. Emissions from traffic are on the rise and a further increase is expected.
Key climate risks	<p>The results of climate projections indicate that the annual temperature across the country will rise from 1.5°C to 2°C by 2040. By 2070, the average annual temperature will rise to 3°C, while the projected increase by 2100 will be 5.5°C. The average annual rainfall is expected to decrease, especially during the summer months, and increase in the winter months in some parts of the country. By 2100, the average annual rainfall is expected to decrease up to 20 per cent across the entire territory.</p> <p>Significant changes are expected in the amount of snow, which will decrease from -50 per cent in the northern to over -90 per cent in the central regions of the country by 2070. Montenegro is particularly exposed and vulnerable to climate risks such as drought, floods, forest fires and heat waves. Climate projections show that climate extremes will become more frequent and more pronounced in the future. Extreme weather conditions in Montenegro are characterized by more frequent extremely high maximum and minimum temperatures, more frequent and longer heat waves, more very hot days and nights, fewer frosty days and fewer very cold days and nights, more frequent droughts followed by numerous forest fires, strong precipitation after drought, more frequent storms during the colder half of the year, a decrease in the number of consecutive days with rain, a decrease in the number of days with heavy precipitation and an increase in the intensity of precipitation.</p>
Vulnerable sectors	The most vulnerable sectors to the negative effects of climate change in Montenegro are human health, tourism, agriculture, water and other natural resources.
NDA/NFP	Ministry of Ecology, Spatial Planning and Urbanisms

1.1 Socio-economic and development indicators

Basic demographic data² for Montenegro show that the country's population was 622,028, with the share of the population aged under 14 years was 17.9 per cent or 111,617 inhabitants, 66.7 per cent or 414,768 inhabitants were between 15 and 64 years of age, and 15.4 per cent or 95,643 inhabitants were aged 65 and older. The working age population or the population between the ages of 15 and 64 makes up 66.7 per cent of the total population, i.e. a total of 414,768 inhabitants. In Montenegro, based on the natural increase per 1,000 inhabitants, the figure increases by 1 inhabitant per year. Life expectancy at birth in 2019 was 76.7 years; life expectancy for women is 79.5 years, while it is 74 years for men.

In 2019, Montenegro's gross domestic product (GDP) amounted to EUR 4.951 billion, which represented a real GDP growth of 4.1 per cent. Table 2 provides an overview of basic economic indicators for the period 2015–2019.

Table 1. Key economic indicators (2015–2019)

	2015	2016	2017	2018	2019
Gross domestic product at current prices (EUR million)	3,655.0	3,954.0	4,299.0	4,663.0	4,951.0
Population (in 000)	622.2	622.3	622.4	622.2	622.0
Gross domestic product per capita (EUR)	5,873.0	6,354.0	6,908.0	7,495.0	7,959.0
Real GDP growth (%)	3.4	2.9	4.7	5.1	4.1

Real GDP growth indicated a strong momentum of the Montenegrin economy in the period 2017–2019, as illustrated in Figure 1. The country's economic growth is largely related to large infrastructure projects, primarily in the road traffic sector, the construction of the first section of the highway Bar – Boljari, a road that will connect Montenegro's coastal region with the north and further with the Republic of Serbia. In 2019, however, a slight slowdown in the economy was already recorded due to a contraction of economic activity.

Figure 1 Gross domestic product of Montenegro at current prices, 2015–2019 (EUR million)

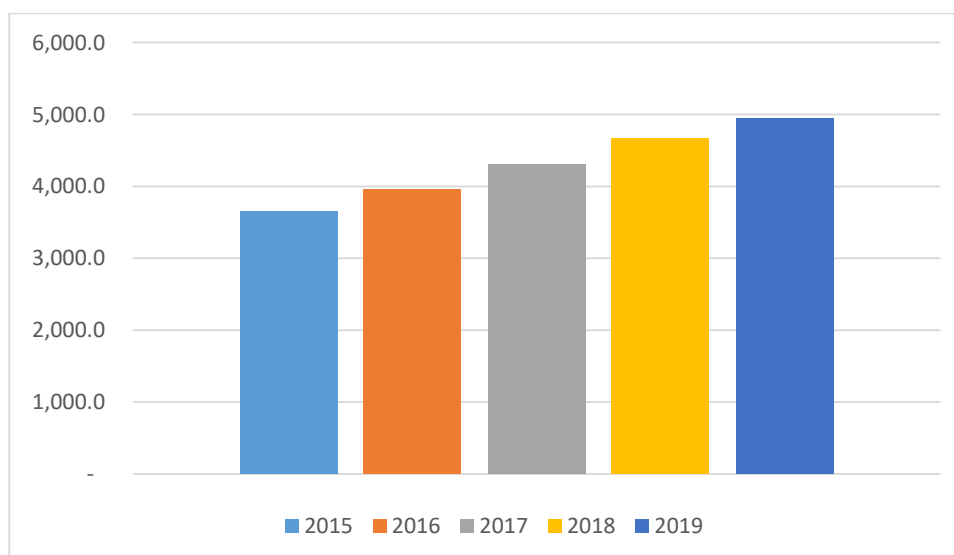
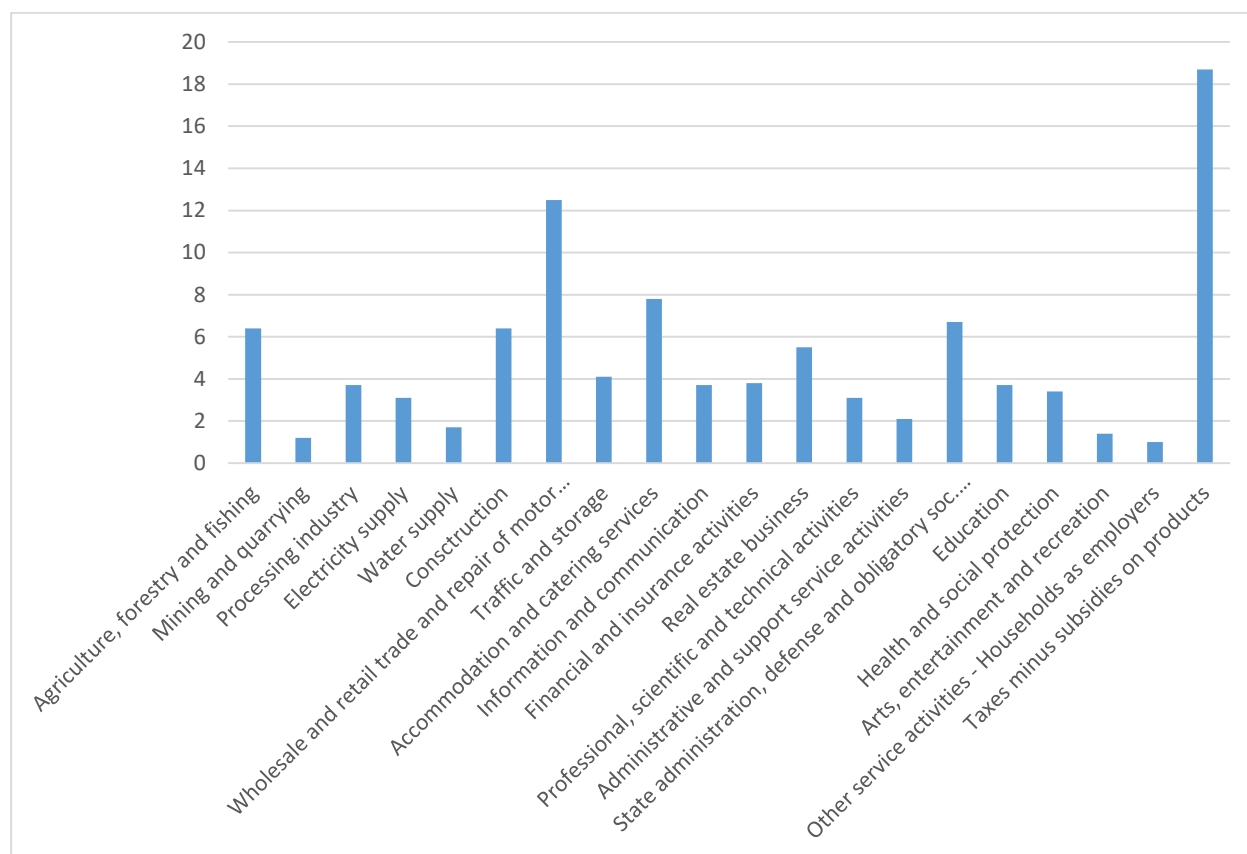


Figure 2 shows the structure of GDP and gross value added by economic activity in 2019.

² Statistical Office of Montenegro - MONSTAT, data for 2019.

Figure 2 *Structure of GDP in 2019 (%)*



The presented data confirm that Montenegro is a small economy, focused primarily on services and tourism. The tourism sector (accommodation and food services) accounted for 7.8 per cent of GDP, while the wholesale and retail trade sector accounted for 12.5 per cent, which together accounted for one-fifth of gross value added in 2019. The agriculture, forestry and fisheries sector accounted for 6.4 per cent, the processing industry for 3.7 per cent and electricity supply for 3.1 per cent of GDP. The construction sector also accounted for a significant percentage of gross value added in 2019 (6.4 per cent of GDP).

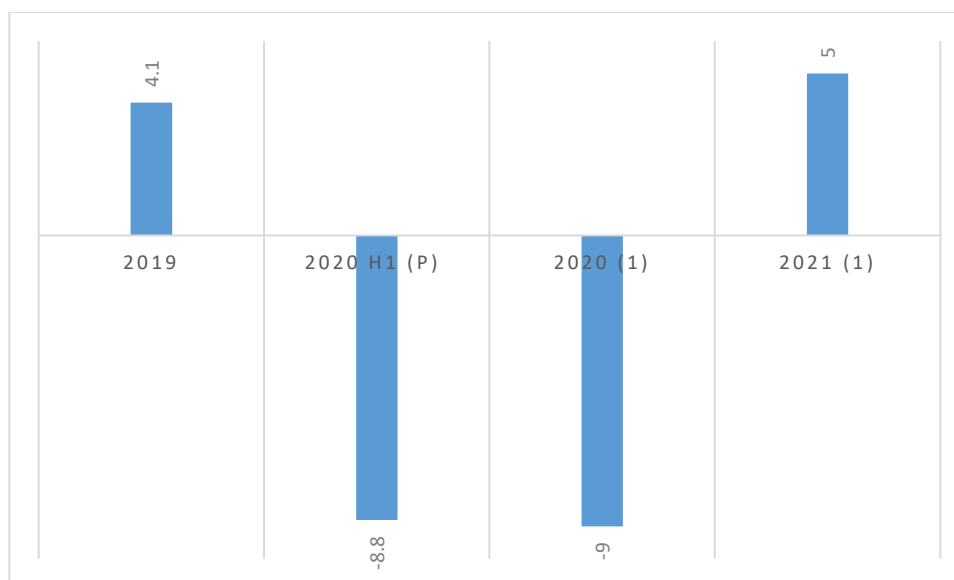
Montenegro is a highly indebted country, its public and publicly guaranteed debt amounted to 81 per cent of GDP at the end of 2019 and has a tendency to grow. This significantly affects Montenegro's fiscal space (which takes into account the level of public debt, fiscal deficit, market borrowing conditions and the amount of government revenue relative to GDP) in coming periods.

The outbreak of the COVID-19 pandemic, in addition to the obvious health crisis, has led to a further contraction and reduction of nearly all economic activities worldwide. Montenegro's economy largely depends on tourism, which has experienced a sharp decline due to restrictions on international travel and the introduction of social and physical distancing. The largest decline was registered in the number of overnight stays of foreign guests, a key category in the structure of Montenegrin tourism; domestic guests could not compensate for this difference. Data from the Statistical Office of Montenegro³ indicate that the tourism sector's decline was approximately 80 per cent in the first 6 months of 2020. In addition to this negative impact, the reduction of GDP and the deterioration of the country's economic situation have also been affected by disruptions in the international market and supply of raw materials, reduced exports, decreased foreign direct investment that traditionally compensated for negative developments in the balance of payments and reduced household income, as well as reduced tax collection (VAT, excise, customs).

³ Quarterly gross domestic product of Montenegro for the **IV quarter of 2020, January 2021.**

Moreover, the expected decline in revenues will increase the fiscal imbalance and the need for additional borrowing, hence it is expected that Montenegro's public debt will reach 90 per cent of GDP by the end of 2020.⁴ The uncertainty is further intensified by the fact that the pandemic's effects will last into 2021 as well, despite planned mass immunization. The estimated impacts of the COVID-19 pandemic on economic activity in Montenegro are presented in Figure 3.

Figure 3 Real GDP growth in 2019 and estimates for 2020–2021



(P) Preliminary data from MONSTAT for the first two quarters of 2020, September 2020.

(1) EBRD 2020 Assessment, Regional Economic Prospects, September 2020.

With a marked contraction in economic activity, a significant drop in GDP and an increase in indebtedness, Montenegro will face a severe economic recession.⁵ How Montenegro addresses the impending challenges will be crucial. One way to deal with the crisis that combines economic recovery and a response to the climate crisis, the threat to biodiversity and the environment, is the 'green recovery' approach. **In anticipation that the national strategic documents will define the approach to green recovery and make it a central component of Montenegro's future economic development, cooperation with the Green Climate Fund provides an opportunity to support such a policy immediately through projects that are part of the National Plan of Priority Activities, based on a concrete example that highlights the advantage of such an approach in relation to traditional approaches in the period before the COVID-19 pandemic.**

⁴ Regional economic prospects, EBRD, September 2020.

⁵ World Bank. 2021. Global Economic Prospects, January 2021.

1.2 Basic climate data and indicators in the field of climate change mitigation and adaptation

Greenhouse gas emissions in Montenegro for the period 1990 to 2017, expressed in carbon dioxide (CO₂eq)⁶ equivalent, by sector and excluding emission sinks are provided in Table 3.

Table 2. Total GHG emissions without sinks by sector 1990–2017 (Gg CO₂eq)

Year	Energy	Industrial production and use of products	Emission gaps in agriculture and land use	Waste	Total emissions without gaps
1990	2,339.68	1,701.52	2,472.79	171.19	6,685.19
1991	2,444.46	2,201.73	1,453.88	175.82	6,275.89
1992	1,794.19	1,419.86	2,303.05	180.52	5,697.62
1993	1,584.79	533.21	1,203.55	185.31	3,506.87
1994	1,419.06	132.40	1,330.46	190.15	3,072.07
1995	814.48	446.86	1,834.27	195.70	3,291.31
1996	1,832.32	996.14	1,338.93	201.84	4,369.22
1997	1,843.21	1,530.39	(266.26)	208.52	3,315.85
1998	2,254.84	1,165.56	(583.71)	215.36	3,052.04
1999	2,327.80	1,220.72	(426.59)	222.32	3,344.24
2000	2,421.79	1,576.60	1,588.02	234.18	5,820.60
2001	2,010.31	1,657.07	(533.44)	240.40	3,374.33
2002	2,537.18	1,609.65	(212.44)	245.77	4,180.16
2003	2,412.51	1,378.58	179.33	250.43	4,220.86
2004	2,399.89	1,271.25	149.94	254.33	4,075.40
2005	2,189.64	1,165.84	192.25	257.36	3,805.09
2006	2,335.91	1,284.09	788.63	259.59	4,668.21
2007	2,278.46	1,400.69	1,618.05	264.46	5,561.65
2008	2,891.20	1,547.25	586.02	268.10	5,292.57
2009	1,958.93	585.63	(456.42)	269.16	2,357.30
2010	2,711.73	776.97	129.80	271.83	3,890.33
2011	2,752.40	734.21	4,975.69	275.94	8,738.24
2012	2,667.07	522.11	1,584.27	271.67	5,045.13
2013	2,400.73	385.11	635.48	269.46	3,690.79
2014	2,304.51	364.24	353.71	268.24	3,290.70
2015	2,455.69	355.35	720.21	266.40	3,797.65
2016	2,265.80	335.13	664.42	264.86	3,530.22
2017	2,370.32	351.42	1,961.18	253.89	4,936.81

Figures 4 and 5, respectively, show total GHG emissions without gaps and total GHG emissions without gaps by sector for the period 1990–2017, expressed in giga grams of carbon dioxide equivalent (Gg CO₂eq).

⁶ Third National Climate Change Report to the United Nations Framework Convention on Climate Change - UNFCCC, Ministry of Ecology, Spatial Planning and Urbanism, 2020

Figure 4 *Total GHG emissions without abyss 1990–2017 (Gg CO₂eq)*

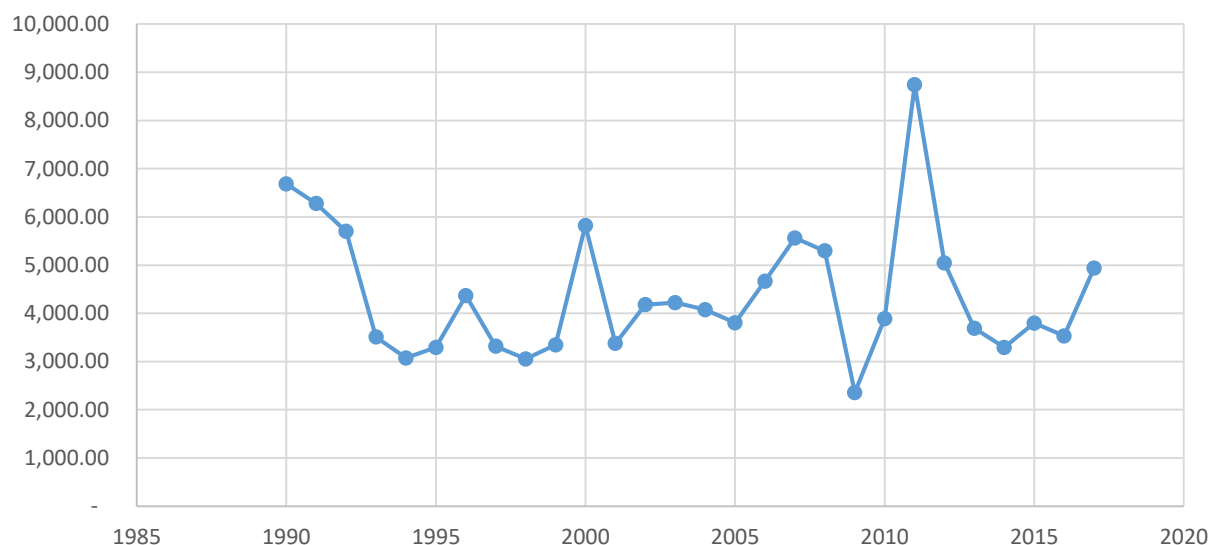
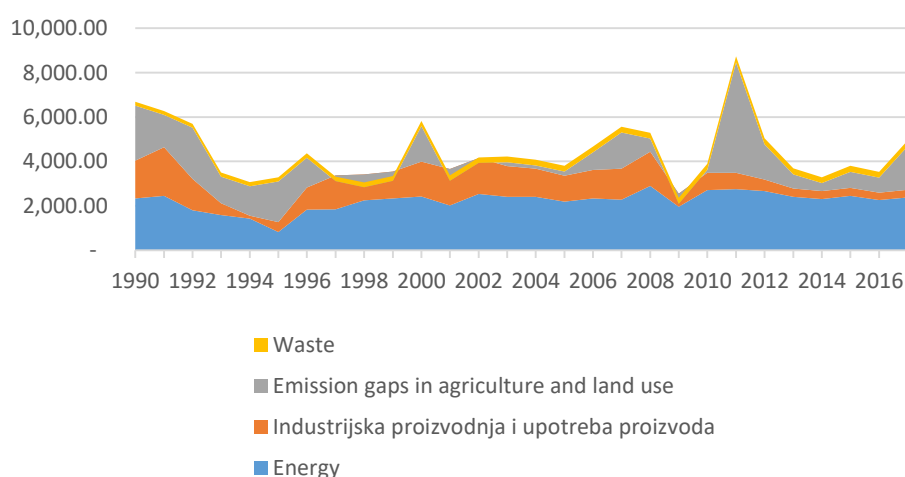


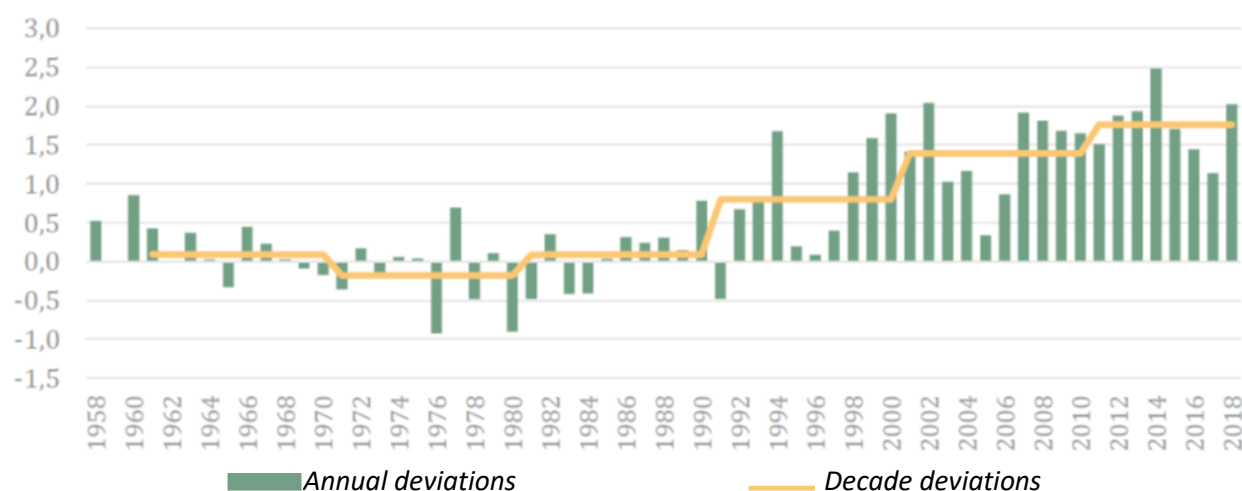
Figure 5 *Total GHG emissions without gaps by sector 1990 –2017 (Gg CO₂eq)*



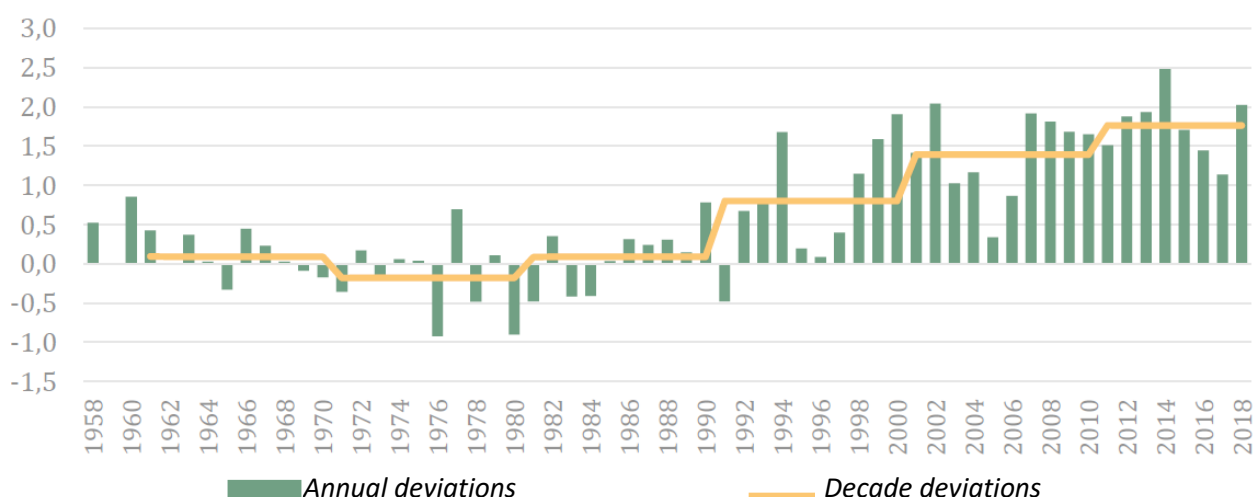
The energy sector has the biggest impact on GHG emissions in Montenegro, with the production of electricity from coal being the dominant contributor to carbon dioxide emissions, while emissions from transport are increasing and are expected to further increase. The share of renewable energy sources in the total energy mix is just over 40% in 2018 with a tendency to grow. Electricity produced from renewable sources accounted for about 61% in 2018. The industrial processes and agriculture sectors have the largest share of non- CO₂ emissions. The industry sector is predominantly based on mining and the metal industry where the largest contribution to GHG emissions is made by aluminum and steel production. Agriculture is an important economic sector in Montenegro, although still characterized by low levels of productivity and efficiency. Agricultural land in Montenegro covers an area of 309,241 hectares, which is 22.4% of the territory (95.2% are family farms and 4.8% registered agricultural enterprises). The area of utilized agricultural land in 2018 amounted to 256,808 ha of which the largest part were perennial meadows and pastures - 94.3%, while arable land was represented by 2.8% under permanent plantations and 2.1% under other plantations. The transport sector is predominantly focused on road traffic with a large number of old vehicles whose average age in 2018 was around 16 years. Passenger and commercial vehicles have the largest share in road traffic, while the organization of the public / collective transport system is at a low level. Activities on traffic electrification and introduction of the concept of sustainable mobility are in the initial phase.

When it comes to **vulnerability to the negative effects of climate change**, the results of climate observations⁷ in the period 1949-2018 indicate that changes in average annual temperature and precipitation have been observed at the national level. Namely, the measurements show a trend of increasing temperature in most of the territory of Montenegro since the second half of the 20th century. Summers have become significantly warmer, especially in the last 20 years. In the summer period from 1991 to 2018, the average temperature deviations from the climatological normal⁸ ranged from 90 to 98%. Figures 1 and 2 show data collected for two characteristic locations in different climatic zones and at different altitudes. Podgorica is located in the zone of influence of the Mediterranean climate zone in the south and Zabljak, which is located in the north of the country with a pronounced influence of the mountain climate zone.

Picture 1. Deviation of the average annual air temperature in relation to the reference climatological normal 1961-1990 – Podgorica



Picture 2. Deviation of the mean annual air temperature in relation to the reference climatological normal 1961-1990 - Zabljak



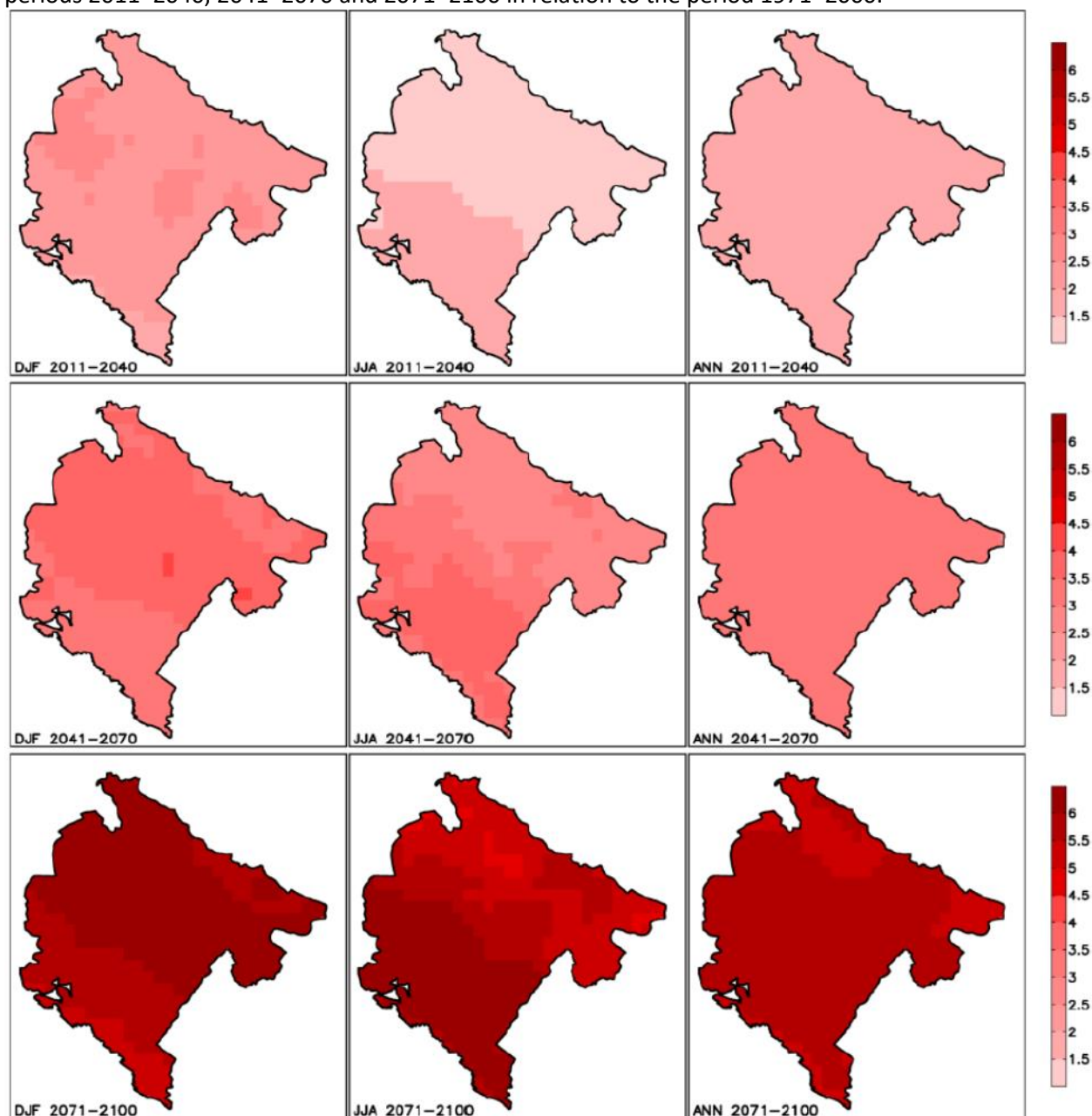
⁷ Third National Climate Change Report to the United Nations Framework Convention on Climate Change - UNFCCC, Ministry of Ecology, Spatial Planning and Urbanism, 2020

⁸ 1961-1990. represents the climatological normal in relation to which climate change is observed. The average temperature in that period was 4.6 degrees Celsius

A trend of rising temperatures over each decade since the 1980s can be observed. The decade-long increase in the average annual temperature in relation to the climatological normal (1961-1990, 4.6 degrees Celsius) for the decade 2001-2010 for Podgorica was +1.0 and for Zabljak +1.4 degrees Celsius. For the last decade, more precisely for the period 2011-2018, the increase in the average annual temperature was + 1.7 for Podgorica and + 1.8 degrees Celsius for Zabljak. Period 2011-2020 is undoubtedly the warmest period since the measurements were made.

The results of climate projections⁹ indicate that the annual temperature throughout the country will rise from 1.5 to 2°C by 2040. By 2070, the mean annual temperature will rise to 3°C, while the projected rise to 2100 is 5.5°C. Projections of changes in mean winter (DJF), summer (JJA) and annual (ANN) temperatures for these periods are date in Figure 3.

Picture 3. Change (°C) of mean winter (DJF), summer (JJA) and annual (ANN) temperatures for the periods 2011–2040, 2041–2070 and 2071–2100 in relation to the period 1971–2000.

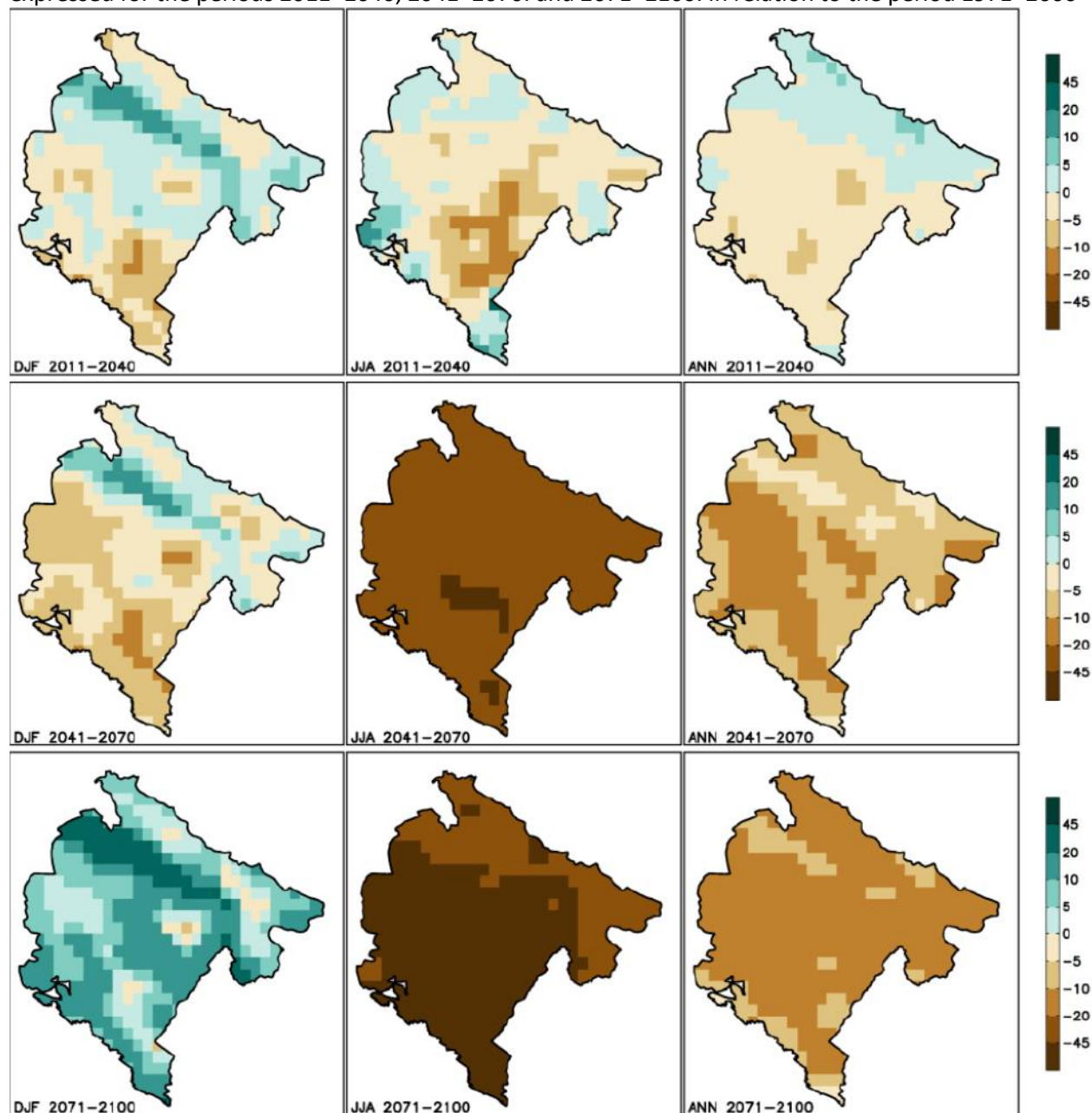


⁹ Third National Climate Change Report to the United Nations Framework Convention on Climate Change - UNFCCC, Ministry of Ecology, Spatial Planning and Urbanism, 2020

Also, a decrease in the average annual rainfall is expected, especially during the summer months, as well as an increase in the winter months in some parts of the country. It is expected that by 2100 the average annual amount of rainfall will decrease to 20% in the entire territory with no significant changes in the amount of snow, which will decrease by 50% in the north to over 90% in the central parts by 2070.

Projections of percentage changes of mean winter (DJF), summer (JJA) and annual (ANN) accumulated precipitation expressed for the periods 2011–2040, 2041–2070 and 2071–2100 in relation to the period 1971–2000 are given in Figure 4.

Picture 4. Change (in%) of mean winter (DJF), summer (JJA) and annual (ANN) accumulated precipitation expressed for the periods 2011–2040, 2041–2070. and 2071–2100. in relation to the period 1971–2000



Montenegro is particularly exposed and vulnerable to climate risks such as drought, floods, forest fires and heat waves¹⁰. The most common climate risk is floods. Montenegro suffered three major floods

¹⁰ Third National Climate Change Report to the United Nations Framework Convention on Climate Change - UNFCCC, Ministry of Ecology, Spatial Planning and Urbanism, 2020

(2007, 2009 and 2010). Damage and losses caused by the 2010 flood alone amounted to around EUR 44 million (1.4% of gross domestic product) (EM-DAT, 2019). The FAO estimated that this flood affected about 30,000 hectares of agricultural land. The area around the valley of the river Zeta and the area around Skadar Lake, more precisely the area of Golubovac, where the largest part of the national vegetable production is located, suffered the most. The total damage and losses in agriculture are estimated at over 13 million EUR. The latest significant flood occurred in November 2019 and had a multiple impact on people and infrastructure in the municipalities of Niksic and Kolasin. The total estimated damage caused to households from this flood was about 73,000 EUR, and for infrastructure (eg. roads, bridges) about 211,500 EUR.

Droughts are also common in Montenegro¹¹. In the period after 2010, there were several dry periods. Thus, the 2011 drought developed into a social and economic challenge that hit the entire country and led to an extreme hydrological deficit in the Zeta Bjelopavlici region, which includes the largest agricultural area in Montenegro. These extremely dry conditions led to forest fires the following year. Frequent and intense drought affected the quality and quantity of agricultural yield, income, costs of preventing and controlling the spread of diseases, insects and weeds, as well as the rate of irrigation. Hydrological droughts occurred during 2017, 2018 and 2019 and significantly affected the water levels of important rivers and lakes, such as the Moraca and Zeta rivers, as well as Skadar Lake, resulting in impacts on fisheries, agriculture and the energy sector. The agricultural drought during the fall of 2017 developed into a hydrological one, and that affected the water level in rivers and hydroelectric power plants. Almost the same situation was repeated in 2018 and 2019. The intensity of the drought during 2017 and 2018 varied in the range from moderate, very dry to extremely dry.

According to the Third National Climate Change Report to the United Nations Framework Convention on Climate Change (UNFCCC), in the period from 2005 to 2015 there were about 800 large forest fires in Montenegro and more than 18,000 ha of forests and over 800,000 m³ of wood mass was damaged or destroyed (REC, 2015). The fire season in Montenegro was the worst in 2017. Around 124 fires with an area of more than 30 ha were recorded, covering a total of 51,661 ha, which is six times more than the area recorded in 2016. Fires were recorded during the year from February to November, although the worst damage occurred in July and August. The largest fire that year destroyed 5,687 ha in Danilovgrad in July, but 28 other fires larger than 500 ha were recorded (Jesús San-Miguel-Ayanz, et al. 2018). According to the same source, the lack of precipitation affected water resources, and high temperatures contributed to the spread of the fire, followed by strong winds. The temperature of 43.9 degrees Celsius recorded in Podgorica on August 7, 2017 was the second highest measured temperature in the last 63 years.

Climate projections show that climate extremes will become even more frequent and pronounced in the future. Extreme weather events in Montenegro will be characterized by more frequent extremely high maximum and minimum temperatures, more frequent and longer heat waves, very hot days and nights, fewer frosty days and very cold days and nights, more frequent droughts followed by numerous forest fires, heavy rainfall after drought, more frequent storms during the colder half of the year, a decrease in the number of consecutive days with rain, a decrease in the number of days with heavy rainfall and an increase in rainfall intensity.

In accordance with the above, it can be concluded that the most vulnerable sectors are human health, tourism, agriculture, water and other natural resources due to the observed and expected negative impacts of climate change in Montenegro.

¹¹ Ibid

1.3 Strategic and institutional framework in the field of climate change and sustainable development

1.3.1 Institutional framework in the field of climate change

The key institutional framework for climate change is presented in Table 4.

Table 3. Institutional framework for climate change

Institution	Competences
Ministry of Ecology, Spatial Planning and Urbanism Climate Change Directorate of the Climate Change and Mediterranean Affairs Directorate	Competent institution for the adoption, implementation and monitoring of strategies, policies and activities in the field of climate change. The Directorate for Climate Change is the institution responsible for communication with the UN Framework Convention on Climate Change (UNFCCC), the Green Climate Fund and other international institutions in this field.
Agency for Nature and Environmental Protection (NEPA)	Competent institution for the preparation of the inventory of greenhouse gas emissions (GHG).
Institute of Hydrometeorology and Seismology (IHMS) of Montenegro	Competent institution for assessing the vulnerability, risk and impact of climate change.
Statistical Office of Montenegro - MONSTAT	Competent institution for the production of national statistics.
Ministry of Capital Investments	Competent institution for energy and industrial policy and road and air transport.
Ministry of Agriculture, Forestry and Water Management	Competent institution for agriculture, forests and water resources.
Ministry of the Interior Directorate for Emergency Situations	Competent institution in the field of disaster risk management.
Ministry of Health	Competent institution for public health policy.
National Platform for Disaster Risk Reduction of Montenegro	The National Expert Council represents and promotes disaster risk reduction at all levels (local, national and international).
National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management	Competent body for monitoring the development and implementation of national policies in the field of sustainable development and climate change.
Working Group for Mitigation and Adaptation within the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management	Technical and advisory support for climate change.

1.3.2 Strategic and regulatory framework in the field of climate change

The key strategic and regulatory framework for climate change in Montenegro is presented in Table 5.

Table 4. Strategic and regulatory framework for climate change in Montenegro

Document	Date of adoption	Scope
National strategy for climate change until 2030	2015	Strategic guidelines for climate change adaptation and mitigation.
Nationally determined contribution to the reduction of GHG - NDC emissions	2015	The national goal to reduce GHG emissions by 2030.
Energy Development Strategy of Montenegro until 2030	2014	Strategic guidelines for energy.
National Strategy for Sustainable Development (NSSD) until 2030	2016	Strategic guidelines for sustainable development.
National Strategy for Transposition, Implementation and Application of the Acquis Communautaire in the Field of Environment and Climate Change with Action Plan for the Period 2016–2020 (NEAS)	2016	Strategic framework for EU accession in the field of environment and climate change.
Disaster Risk Reduction Strategy with a Dynamic Action Plan for the implementation of the strategy for the period 2018–2023	2017	Strategic framework for reducing and preventing the occurrence of new risks, and strengthening the capacity of society in response to various types of natural and human-made disasters.
Water Management Strategy of Montenegro	2017	Strategic framework for groundwater and surface water management in Montenegro
Traffic development strategy of Montenegro for the period 2019-2023	2019	Strategic frameworks for traffic management and traffic infrastructure
National Forestry Strategy 2014-2023	2014	Strategic management framework in the forestry sector
Smart specialization strategy for the period 2019-2023	2019	Strategic framework for digital and smart development of Montenegro
Doha Amendment Act to the Kyoto Protocol	2018	Ratification of the Doha Amendment to the Kyoto Protocol
The Act of Ratification of the Kigali Amendment to the Montreal Protocol	2019	Ratification of the Kigali amendment to the Montreal Protocol
Law on Ratification of the Paris Agreement	2017	Accession to the Paris Agreement on Climate Change and confirmation of the Intended Nationally Determined Contribution to the Reduction of GHG Emissions.
Law on Protection from the Negative Impacts of Climate Change	2019	Regulating protection against the negative effects of climate change, monitoring and reduction of greenhouse gas emissions and protection of the ozone layer.

2 COOPERATION WITH THE GREEN CLIMATE FUND

2.1 Brief overview of the Green Climate Fund

The Green Climate Fund (GCF) is a new global fund established to support developing countries in their efforts to respond to the challenges of climate change by limiting or reducing greenhouse gas emissions, and by adapting to the negative impacts of climate change. The Fund seeks to promote a paradigm shift in countries' economic development towards low greenhouse gas emissions, which at the same time is resilient to the negative effects of climate change, especially taking into account the needs of the most vulnerable countries.

GCF was established by the signatory countries of the UN Framework Convention on Climate Change (UNFCCC) in 2010 and is part of the Convention's financial mechanism. Within the framework of the principles, objectives and provisions of the Convention, the Fund seeks equal funding for activities aimed at climate change mitigation and adaptation. Following the adoption of the Paris Agreement on Climate Change in December 2015, the GCF was assigned a significant role in supporting the implementation of the Agreement and efforts to achieve the goal of limiting the rise of the average global temperature to less than 2 degrees Celsius. The challenge of climate change requires a global response from all countries, including from both the public and private sectors. One important component of the global response to climate change is the decision of the world's most advanced economies to jointly mobilize—from a variety of sources—the resources needed to finance climate change mitigation and adaptation needs in developing countries.

GCF initiated the mobilization of funds in 2014, and USD 10.3 billion were collected within a very short time. Funds are mostly provided by developed countries, while a smaller share is provided by developing countries and even one city (Paris). In the coming period, GCF will be a key global institution which provides a sufficient level of funding for the necessary transformation towards economic development with low greenhouse gas emissions, which at the same time is also resilient to the negative effects of climate change. GCF's activities are in line with the priorities of developing countries based on the principle of national ownership of the process of cooperation with GCF, while the Fund has additionally established a modality of direct access to funding to support the placement of funds through collaboration with national organizations without intermediaries.

In its investment strategy and portfolio objectives, the Fund pays special attention to the needs of countries critically threatened by the negative effects of climate change, those of least developed countries, small island developing countries and Africa. The Fund operates in accordance with the principle of equal geographic distribution (geographical balance), ensuring that Montenegro and other countries in the region have equal access to the GCF's funds. The Fund's support can be realized in the form of grants, loans, ownership shares or guarantees.

The GCF's mandate and manner of functioning is defined in the Management Instrument, which can be considered the founding document which harmonizes the principles and rules for the Fund's further operation. The GCF is managed by a 24-member Steering Committee composed of representatives of developed and developing countries on an equal basis. Decision-making is based on the consensus of all board members. The activities of the Board of Directors are public and all decisions are publicly available. The Fund has an Executive Director, while regular operations are supported by the Secretariat and thematic working bodies.

The GCF is located in Songdou, Republic of Korea.

2.2 Strategic framework for cooperation with the Green Climate Fund

Montenegro is a member of the UN Framework Convention on Climate Change (UNFCCC) and one of the developing countries that has continuously supported the establishment of the Green Climate Fund and its mission, goals and principles. In addition, Montenegro ratified the Paris Agreement in 2017 and committed to respect the goals set by it.

Montenegro began collaborating more closely with GCF in 2015 through the activities of the Ministry of Ecology, Spatial Planning and Urbanism, as the institution in charge of climate change, by appointing a contact person for cooperation with GCF. Montenegro has thus gained access to a number of support programmes and projects aimed at reducing greenhouse gas emissions, strengthening resilience and adapting to climate change. In the course of 2018, the Agreement between the Government of Montenegro and the Green Climate Fund on Privileges and Immunities was signed, which regulates mutual rights and obligations in the field of international cooperation.

The first activity within the cooperation with the GCF, the Ministry of Sustainable Development and Tourism, in collaboration with the United Nations Environment Programme, initiated the implementation of the 'Plan of readiness for cooperation with the Green Climate Fund and development of the National Programme of Priority Activities' to provide support for the strengthening of the capacity of Montenegrin institutions to cooperate with GCF and to define the priorities for funding for the period 2021–2023. The value of the project is USD 300,000, and the deadline for implementation was November 2020.

2.3 Institutional framework for cooperation with GCF and stakeholder coordination

Montenegro initiated closer cooperation with GCF by appointing a national contact person who, in accordance with the organization and operation of the state administration and competencies defined in special regulations, is located in the Ministry of Ecology, Spatial Planning and Urbanisms (Climate Change and Mediterranean Affairs Directorate). The work of the Directorate for Climate Change and Mediterranean Affairs is organized in two organizational units, namely (i) the Directorate for Climate Change, and (ii) the Directorate for Mediterranean Affairs, which also serves as the Secretariat of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management.

The competencies of the Ministry of Ecology, Spatial Planning and Urbanisms include, inter alia, the development and coordination of climate change policy as well as of cooperation with other state administration bodies with relevant competencies in this domain.

In accordance with the stated competencies as well as the existing administrative capacities, expertise and equipment of staff, the Ministry of Ecology, Spatial Planning and Urbanisms performs all tasks related to the coordination of cooperation with GCF. Within the institutional and coordination mechanism to support cooperation between Montenegro and GCF, established within the project 'Preparedness plan for cooperation with the Green Climate Fund and development of the National Programme of Priority Activities', the following institutions play an important role in the cooperation with GCF in addition to the Ministry of Ecology, Spatial Planning and Urbanisms:

- Other ministries and state administration bodies;
- The National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management;
- Working Group of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management for the mitigation and adaptation to climate change.

The institutional and coordination mechanism to support cooperation between Montenegro and GCF is presented in Table 6.

Table 5. Institutional and coordination mechanism to support cooperation between Montenegro and the Green Climate Fund

Institution	Competencies / tasks
Ministries and state administration bodies, others	Proposing policies and projects / programmes
Ministry of Ecology, Spatial Planning and Urbanisms - Climate Change Directorate	Analysis of proposals and providing opinions; Preparation of materials / documentation and delivery to the Working Group of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management for the mitigation and adaptation to climate change
Working Group of the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management for the mitigation and adaptation to climate change	Review of proposals and decision-making as regards their compliance with the prescribed criteria for evaluation and prioritization of projects / programmes
Ministry of Ecology, Spatial Planning and Urbanisms - Directorate for Mediterranean Affairs	Preparation of materials / documentation and submission to the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management
National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management	Decisions on acceptance / rejection of proposals; Recommendations for decision making by the Government of Montenegro
Government of Montenegro	Decisions on approvals and tasking institutions with implementation
National contact person for cooperation with GCF	Issuance of letters of support 'without objection'

2.4 Project / programme approval procedure ('no objection' procedure)

The procedure according to which a given project idea, which has been nominated for support by GCF in accordance with national climate and other relevant sectoral policies, is named as the 'no objection' procedure. One prerequisite in the procedure for submitting a programme or project proposal to GCF is that the applicant must enclose a letter without objection with other documentation signed by the national contact person for cooperation with GCF, who is registered and listed on the Fund's website. This procedure confirms that the proposed programme or project is in line with the national priorities in the field of climate change and other relevant development priorities of Montenegro. It confirms that the proposed program or project is in line with national priorities in the field of climate change and other relevant development priorities of Montenegro. The Directorate for Climate Change and Mediterranean Affairs in the Ministry of Ecology, Spatial Planning and Urbanism (national focal point) plays a key role in conducting the process, which ultimately results in the issuance or non-issuance of a letter without objection. The letter without objection is then submitted to the GCF Secretariat to confirm that the application has passed through national consultation processes and is supported by the competent institutions and the Government of Montenegro.

The procedure for issuance of a letter without objection entails several steps which are presented in more detail below:

1. The national contact person for cooperation with GCF reviews the project proposal's objectives and its compatibility with national strategies and plans and GCF's objectives;
2. The national contact person for cooperation with GCF checks whether the required documentation has been submitted;

3. The national contact person for cooperation with GCF verifies whether the prescribed criteria for evaluation and the prioritization of activities in the context of cooperation with GCF have been met;
4. Once the above steps have been completed, the National Contact Person for Cooperation with GCF will:
 - Reject the request to issue a letter without objection and return for supplementation in case of non-compliance with the conditions in any of the preceding three above steps;
 - Accept the request if all of the above conditions in the preceding three steps have been met, and forward it to the Working Group on Mitigation and Adaptation to Climate Change;
5. The Working Group for Mitigation and Adaptation to Climate Change determines whether the conditions from the perspective of inter-sectoral and inter-institutional cooperation are fulfilled in consideration of the expediency of the project objectives and its impact on the environment, as well as the possibility for GCF to positively evaluate the proposed programme or project. Projects that are positively evaluated and accepted are proposed to the National Council for Climate Change, Sustainable Development and Integrated Coastal Zone Management for adoption and recommendation to the Government of Montenegro;
6. Based on the proposal of the National Council for Climate Change, Sustainable Development and Integrated Coastal Zone Management, the Ministry of Ecology, Spatial Planning and Urbanism prepares and submits the Decision for consideration and approval to the Government of Montenegro. In accordance with the decision on the establishment of the National Council for Climate Change, Sustainable Development and Integrated Coastal Zone Management, it meets at least twice a year and as the organization of National Council for Climate Change, Sustainable Development and Integrated Coastal Zone Management sessions does not slow down the mechanism of approval of upcoming projects and the procedure for issuing letters without objection between the two sessions the procedure can be implemented, harmonizing the position of this body in writing;
7. The letter without complaint shall be signed / certified by the national contact person for cooperation with GCF and delivered to the interested subject and / or to the Secretariat of GCF.

A form of letter without objection can be found in Annex 1.

3 NATIONAL PROGRAMME OF PRIORITY ACTIVITIES IN THE FIELD OF CLIMATE CHANGE MITIGATION AND ADAPTATION TO THE CONTEXT OF COOPERATION WITH THE GREEN CLIMATE FUND

3.1 National priority sectors in the area of climate change mitigation and adaptation

In accordance with the presented development profile of Montenegro, the national level of GHG emissions, as well as the assessment of the threat from the negative effects of climate change. Through its planning and strategic documents, Montenegro has identified and determined national priority sectors in the field of climate change mitigation and adaptation. An overview of these priorities is given in Table 7.

Table 6. National priority sectors in the field of climate change mitigation and adaptation

Scope	Priority sectors
Climate change mitigation	Reduction of emissions from energy (energy efficiency, reduction of emissions from electricity production and transport); Reduction of emissions from agriculture, land use, conversion and forestry; Reduction of emissions from industrial production; Reduction of emissions from waste.
Adapting to climate change	Human health; Tourism; Agriculture; Water resources; Biodiversity and other natural resources.

3.2 List of priority activities in climate change mitigation and adaptation

One of the key results of the preparation of the National Program of Priority Activities in the Field of Climate Change Mitigation and Adaptation within the framework of cooperation with the Green Climate Fund for the period 2021-2023 was that through a participatory and inclusive consultation process with all relevant stakeholders measures can contribute to a development paradigm shift towards development that is climate neutral and resilient to the risks posed by climate change. In that sense, the Ministry of ecology, spatial planning and urbanism and the competent Directorate for Climate Change and Mediterranean Affairs, carried out a series of activities that contributed to a greater understanding of the context in which the Program was developed and the goals they wanted to achieve. The activities resulted in a public call and then an analysis of the candidate project proposals for inclusion in the Program of Priority Activities for Cooperation of Montenegro with the Green Climate Fund. The proposed project proposals were analysed in relation to their compliance with the prescribed criteria, which are presented in detail in Annex 2 of this document, and were related to the key criteria of the GCF, as well as to the national criteria.

Out of a total of 10 project ideas, through the prescribed and implemented for the first-time procedure, 7 projects were approved for inclusion in the Program of Priority Activities. These projects are the result of extensive consultations with relevant stakeholders and reflect the priorities recognized primarily by national institutions through their sectoral policies but also through overarching strategic documents, primarily the National Strategy for Climate Change until 2030 and the National Strategy for Sustainable Development until 2030. They are also in line with the National Determined Contribution to Reducing Greenhouse Gas Emissions (NDCRGGE), which was a key determinant when it comes to establishing priorities in the field of climate change mitigation.

The relationship between priorities in the areas of climate change adaptation and climate change mitigation is balanced. Thus, we have a focus of 2 project proposals exclusively on mitigation or adaptation to climate change, while 3 project proposals combine these two areas. The total amount of projects proposed as priority activities for cooperation of Montenegro with the GCF for the period 2020-2023 is close to 176 million USD, where GCF is expected to support in the amount of 75.4 million USD, while the rest is projected co-financing. Approved projects are described in detail in Annex 4, while here is a list of projects in abbreviated tabular format.

List of approved project proposals for inclusion in the programme of priority activities for cooperation with GCF												
#	NAME OF PROJECT	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION /INSTITUTIONS	CONTACT PERSON	ENVISAGED ACCREDITED ENTITY	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	DURATION	RECOMMENDATIONS/ STATUS
1	Nature-based solutions with particular emphasis on DRR preparedness and prevention in Montenegro	Adaptation to climate change - adaptation	Ministry of Interior – Directorate for Emergency Management	Mr Ljuban Tmusic e-mail: ljuban.tmusic@mup.gov.me Tel: 067/112-005	UNDP	Aligned	Aligned	5,678,000 € 6,960,099 \$ ¹²	5,000,000 € 5,368,175 \$	678,000 € 727,924 \$	5 y	Included in the program of priority activities
2	Development of a National Action Plan to enhance the resilience of health care institutions, including economic analysis for health benefits	Adaptation to climate change - adaptation	Ministry of Health, Institute of Public Health of Montenegro, Emergency Medical Services Institute, Hydrometeorology and Seismology Institute	Dr Miro Knezevic e-mail: miro.knezevic@mzd.gov.me	UNEP UNDP SZO GIZ	Aligned	Aligned	12,000,000 € 12,840,000 \$	10,000,000 € 10,700,000 \$	2,000,000 € 2,140,000 \$	2 y	Included in the program of priority activities
3	Implementation of energy efficiency measures and introduction of renewable energy sources in the housing sector to reduce energy poverty in	Climate change mitigation - mitigation	Ministry of Ecology, Spatial Planning and Urbanisms/ Ministry of Capital Investments / Municipalities	Olivera Kujundzic e-mail: olivera.kujundzic@mrt.gov.me	UNEP	Aligned	Aligned	45,000,000 € 48,313,575 \$	15,000,000 € 16,104,525 \$	30,000,000 € 32,209,050 \$	4 y	Included in the program of priority activities

¹² EUR 1 = USD 1.07 per exchange rate list on 24.04.2020

List of approved project proposals for inclusion in the programme of priority activities for cooperation with GCF												
#	NAME OF PROJECT	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION /INSTITUTIONS	CONTACT PERSON	ENVISAGED ACCREDITED ENTITY	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	DURATION	RECOMMENDATIONS/ STATUS
	Montenegro											
4	Implementation of agri-environmental measures for sustainable land use, forest management, mitigation and LDN targets	Adaptation to climate change adaptation Climate change mitigation - mitigation	Ministry of Ecology, Spatial Planning / Ministry of Agriculture, Forestry and Water Management	Not specified	UNDP, World Bank	Aligned	Aligned	30,000,000 € 32,209,050 \$	10,000,000 € 10,736,350 \$	20,000,000 € 21,472,700 \$	5 y	Included in the program of priority activities
5	Support for a paradigm shift towards low carbon transport in Montenegro	Climate change mitigation - mitigation	Ministry of Capital Investments / Ministry of Ecology, Spatial Planning and Urbanisms	Aleksandra Kikovic e-mail: Aleksandra.kikovic@undp.org	UNDP	Aligned	Aligned	48.900,000 \$	10,000,000 \$	38,900,000\$	6 y	Included in the program of priority activities
6	Preventive protection and rehabilitation of forest ecosystems in national parks of Montenegro (NPMNE)	Adaptation to climate change - adaptation Climate change mitigation - mitigation	Public Enterprise for National Parks of Montenegro (NPMNE)	Elvir Klica, Director; Slobodan Stijepovic, expert associate for forestry	UNDP, GIZ, WWF	Aligned	Aligned	8,350,000 € 8,964,852 \$	5,800,000 € 6,227,083 \$	2,550,000 € 2,737,769 \$	3 y	Included in the program of priority activities
7	Implementation of priority (community-based) measures to adapt and mitigate the impact of climate change on	Adaptation to climate change - adaptation Climate change mitigation - mitigation	Ministry of Agriculture, Forestry and Water Management	Momcilo Blagojevic Director General of the Directorate for Water Management	UNDP	Aligned	Aligned	15,600,000 € 16,692,000 \$	13.000.000 € 13,910,000 \$	2.600.000 € 2,782,000 \$		Included in the program of priority activities

List of approved project proposals for inclusion in the programme of priority activities for cooperation with GCF												
#	NAME OF PROJECT	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION /INSTITUTIONS	CONTACT PERSON	ENVISAGED ACCREDITED ENTITY	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	DURATION	RECOMMENDATIONS/ STATUS
	the water sector in Montenegro											

3.3 Assessment of needs, gaps in knowledge and capacity to improve cooperation with the Green Climate Fund in Montenegro

An equally important goal of the National Program of Priority Activities in the Field of Climate Change Mitigation and Adaptation in Cooperation with the Green Climate Fund for the Period 2021-2023 was to identify projects that would improve the capacities of institutions and enable them to be addressed through a process of consultation with relevant stakeholders and make a full contribution to changing the development paradigm towards development that is climate neutral and resistant to the risks posed by climate change. Thus, based on the analysis and broad consultations with relevant stakeholders, priority needs, lack of knowledge and capacity to improve the capacity of institutions and cooperation with the Green Climate Fund in Montenegro were identified. They are summarized in Table 8 for ease of review.

Table 8. Priority needs, gaps in knowledge and capacities for improving cooperation with the Green Climate Fund in Montenegro - National needs within the Green Climate Fund Preparedness Support Program

#	Priority need	Area	Implementation Agency	Explanation
1	Improving the capacity for planning and integrating climate change risks into sectoral and national development documents - National Plan for Adaptation to the Negative Impacts of Climate Change	Planning and improving the process of adaptation to the negative impacts of climate change (Objective 3 of the GCF Preparedness Programme)	UNDP	Montenegro is threatened by the negative effects of climate change, including the effects of extreme weather conditions, which lead to vulnerabilities and negative consequences for natural ecosystems, human activities and national resources, including water resources, agricultural production, human health, tourism and other sectors of the economy. Montenegro, with the support of the Green Climate Fund Preparedness Programme, will work to establish an effective institutional and coordination mechanism as well as develop the necessary technical knowledge and skills to achieve greater resilience to the negative effects of climate change and improve climate risk planning and integration into sectoral and national development documents.

#	Priority need	Area	Implementation Agency	Explanation
2	Capacity-building for efficient cooperation and mobilization of the private sector for low-carbon development in Montenegro	Capacity-building for coordination and access to sources of funding for climate action (Objective 1 of the GCF Preparedness Programme)	FAO	In an effort to establish an effective national, institutional and coordination mechanism to foster low-emission development that is at the same time resilient to the negative effects of climate change, the need to initiate and achieve close cooperation with private sector representatives has been recognized. Montenegro, with the support of the Green Climate Fund Preparedness Programme, will review opportunities for private sector engagement and better attraction of private investment in climate actions in the coming period.
3	Improving the capacity of stakeholders in Montenegro for direct access to GCF funds and implementation of approved activities, including preparation of conceptual project proposals	Capacity-building for coordination and access to sources of funding for climate action (Objective 1 of the GCF Preparedness Programme)	It will be determined afterwards	To achieve one of the basic principles of the Green Climate Fund—the principle of national ownership—Montenegro has recognized the need to provide support to interested national institutions in the accreditation process with the help of the Green Climate Fund Preparedness Programme and to thus obtain direct access to GCF funds. In addition, the need to strengthen the capacity of interested national institutions to implement approved activities under the GCF Preparedness Programme has been recognized, as well as improving access to GCF funds through the development of quality conceptual project proposals. Four institutions have expressed the need to develop conceptual project proposals: the Ministry of Sustainable Development and Tourism, the Ministry of the Economy, the Ministry of Interior Affairs and the Ministry of Health.
4	Preparation of a multi-year and strategically oriented Preparedness Plan for	Strategic framework for low-emission development (Objective 2 of the GCF Preparedness Programme)	It will be determined afterwards	The negative impact of climate change requires a comprehensive and long-term response from society as well as a clear plan of activities and measures that will lead to climate change mitigation and adaptation. In that regard, Montenegro is required to regularly prepare and update the Nationally

#	Priority need	Area	Implementation Agency	Explanation
	Montenegro			Determined Contributions to Reduce Greenhouse Gas Emissions (NDC), the Long-Term Strategy for Low-Carbon Development until 2050, as well as the National Plan for Adaptation to the Negative Impacts of Climate Change. These processes require significant human, technical and institutional capacity to plan and implement climate action. In that regard, the need to support the Green Climate Fund Preparedness Programme in the development of a multi-annual and strategically-oriented Preparedness Plan of Montenegro has been recognized, which will support the efforts of national institutions and stakeholders in achieving climate goals expressed through long-term strategies and action plans.
5	Educating health workers about the impact of climate change on human health	Education and knowledge improvement (Goal 5 of the GCF Preparedness Programme)	It will be determined afterwards	Human health is one of the most important resources of society. It is crucial for the health care system and health care workers be able to respond to the changed conditions caused by the negative impact of climate change. In that regard, the need to educate health care workers about the impact of climate change on public health has been recognized.
6	Development of a long-term strategy for low-carbon development until 2050	Strategic framework for low-emission development (Objective 2 of the GCF Preparedness Programme)	It will be determined afterwards	In accordance with Montenegro's international obligations within the scope of the UN Framework Convention on Climate Change, the Paris Climate Agreement, as well as pre-accession negotiations with the EU, the need to develop a long-term strategy for low-carbon development until 2050 has been recognized.
7	Building technical and institutional capacities in the water management	Capacity building for coordination and access to sources of funding for climate action (Objective 1 of the GCF Preparedness Program); Strategic Framework for Low-	Global Water Partnership-GWP	Existing knowledge on the impact of climate change on the water sector in Montenegro is very limited and general. The project will contribute to a better understanding of the impact of climate change on specific areas of water resources, as well as on

#	Priority need	Area	Implementation Agency	Explanation
	sector in Montenegro in order to improve resilience to the negative effects of climate change	Emission Development (Objective 2 of the GCF Preparedness Program); Development of project ideas (Objective 4 of the GCF Preparedness Program); Education and knowledge improvement (Objective 5 of the GCF readiness program)		efficient and applicable adaptation measures.

The stated identified needs, missing knowledge and capacities also represent a potential list of future projects for which Montenegro will request or has already requested support through GCF readiness support program. In case of priority need 1 - Improving the capacity for planning and integration of risks caused by climate change in sectoral and national development documents (National Plan for Adaptation to the Negative Impacts of Climate Change), Montenegro was granted support at the end of 2020. While for priority needs 2 and 7, Montenegro has formally requested support in the past period within the Preparedness Program for Cooperation with the Green Climate Fund in the coming period and they are being considered by the GCF itself.

4 ACCREDITATION PROCESS OF NATIONAL INSTITUTIONS FOR COOPERATION WITH GCF

The process of identifying potential accredited national institutions for cooperation with the GCF has resulted in significant interest in this possibility. Based on the analysis and extensive consultations with relevant stakeholders, a list of interested institutions for accreditation and direct access to GCF was determined; they are presented in Table 9.

Table 9. List of interested national institutions for accreditation and direct access to the Green Climate Fund

#	INSTITUTION	GOALS AND ACTIVITIES
1	Investment and Development Fund of Montenegro	The Investment and Development Fund of Montenegro (IRF) was established by the Law on the Investment and Development Fund in 2009. The IRF was established with the aim of supporting Montenegro's overall development. The IRF's key activities include lending, guaranteeing and managing the Fund's capital, as well as other activities that support national economic development.
2	Environmental Protection Fund of Montenegro	The Environmental Protection Fund was established as a one-member limited liability company in 2018. The founder of the Eco-Fund is the Government of Montenegro. Its activity is related to financing the preparation, implementation and development of programmes, projects and similar activities in the field of preservation, sustainable use, protection and improvement of the environment, energy efficiency and use of renewable sources and energy at the state and local level.
3	Chamber of Commerce of Montenegro	The Chamber of Commerce of Montenegro is an association that represents the interests of economic entities with the aim of the overall development of Montenegro. The Chamber ensures the implementation and improvement of the common interests of its members, participates in the adoption of economic-systemic and economic policy measures within the competence of the state by making proposals and issuing positions on certain issues of interest for business and market economy development. The Law on the Chamber of Commerce of Montenegro was adopted in 2017. It defines the Chamber as an independent, business, professional and interest organization independent in its work.
4	NGO Petrovic Njegos Foundation	The Petrovic Njegos Foundation was founded in 2011 after the adoption of the Law on the Status of the Heirs of the Petrovic Njegos Dynasty. The Foundation's main goal is to actively participate in the development and promotion of Montenegro through support and partnerships in the fields of solidarity, ecology, innovation and culture. Since 2012, the Foundation has implemented a large number of projects in cooperation with the institutions of Montenegro, the non-governmental sector, as well as with numerous European partners.

5 CONSULTATIVE PROCESS AND STAKEHOLDER INVOLVEMENT IN IDENTIFYING NEEDS, LACK OF KNOWLEDGE AND CAPACITIES TO IMPROVE COOPERATION WITH THE GREEN CLIMATE FUND IN MONTENEGRO

The consultation process and stakeholder involvement in Montenegro aimed to provide the necessary understanding of the context in which the development of the National Program of Priority Activities in the Field of Climate Change Mitigation and Adaptation within the framework of cooperation with the Green Climate Fund for the period 2021-2023. The activities carried out in this regard were focused on the following expected results:

- Raising general awareness of climate change and national priorities and goals in the field of climate change;
- Raising awareness of the goals of the GCF and forms of strategic and institutional cooperation with GCF;
- A process to support the identification of needs for lack of knowledge and capacity to improve cooperation with the Green Climate Fund;
- Consideration and drafting consensus on approaches, measures and activities that support climate-neutral development that is at the same time resilient to the negative effects of climate change.

The approach to the implementation of the consultation process consisted of a combination of meetings with a wider group of stakeholders, focused meetings with a smaller number of participants as well as a series of direct consultations with representatives of individual institutions. A more detailed overview of stakeholder consultations is provided below:

- The first stakeholder workshop of the project 'Preparedness Plan for Cooperation with the Green Climate Fund and Development of the National Program of Priority Activities', held on April 4, 2017;
- Stakeholder Consultation Meeting to consider the proposal of the institutional and coordination mechanism to support cooperation between Montenegro and the Green Climate Fund, held on December 18, 2018;
- Second stakeholder workshop of the project 'Preparedness Plan for Cooperation with the Green Climate Fund and Development of the National Program of Priority Activities', held on April 23, 2019; and
- Workshop for improving the capacity of stakeholders in Montenegro to access the funds of the Green Climate Fund, held on May 7, 2020.
- Consultations with the Ministry of Sustainable Development and Tourism, the Ministry of Economy and the Ministry of Interior regarding the improvement of submitted project ideas for inclusion in the Program of Priority Activities for Cooperation with GCF, held on May, 29, 2020.
- Consultative meetings with representatives of national institutions interested in accreditation and direct access to the GCF in the period June, 16-19, 2020.

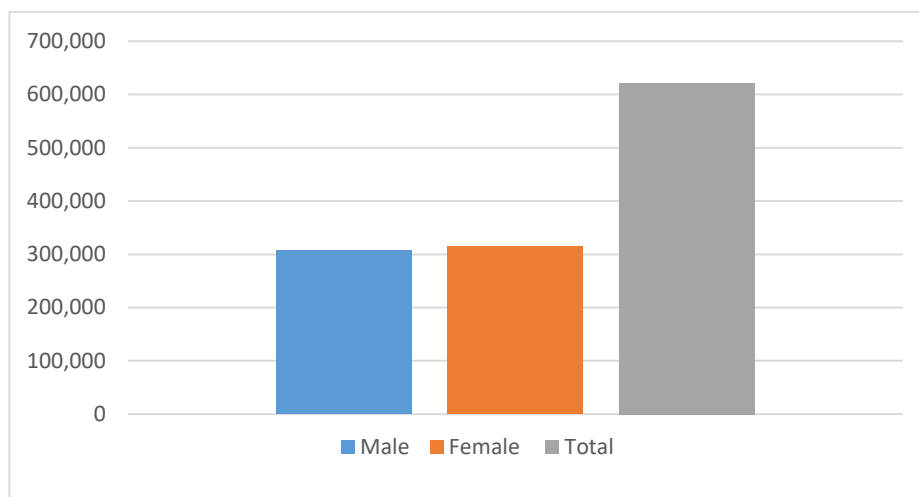
This approach has led to a large number of participants and representatives of national institutions, academia, private and non-governmental sector, over 200 of them, being informed about key issues in cooperation with the Green Climate Fund.

In addition to the above consultative meetings, the process of identifying needs, lack of knowledge and capacity to improve cooperation with the Green Climate Fund, was supplemented by information obtained from the national contact person for cooperation with the GCF. This is especially important given that this approach has been able to formulate needs arising from direct and everyday interaction with topics in this domain. In this way, a comprehensive overview of the missing national capacities and needs has been achieved, the improvement of which will ensure not only better cooperation with the Green Climate Fund, but also the overall capacities for combating climate change in Montenegro will be raised to a much higher level.

6 GENDER EQUALITY IN THE CLIMATE CHANGE FIELD

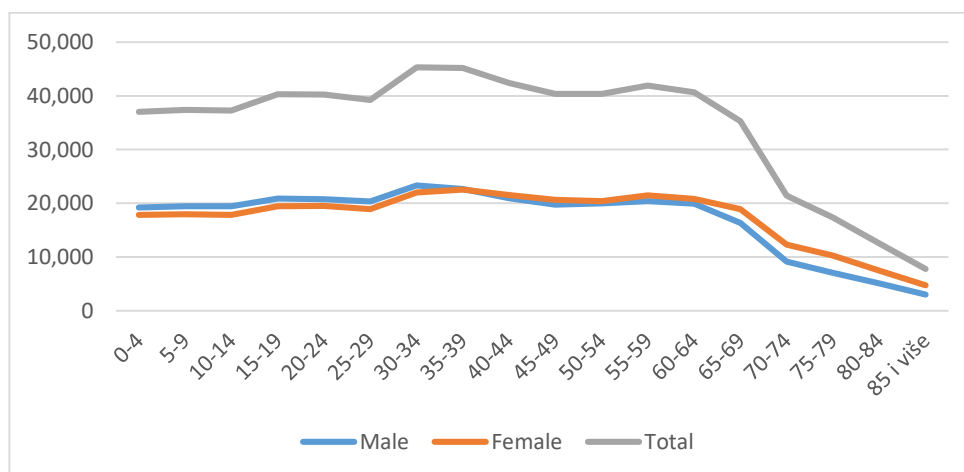
The share of female population in Montenegro's total population was 50.54 per cent at the beginning of 2019.

Figure 6 *Population by gender (January 2019)*



The share of the female population according to age structure of the population is shown in Figure 7.

Figure 7 *Population by age and gender (January 2019)*



Although the female population makes up more than half of Montenegro's total population, nearly all socio-economic indicators do not reflect this fact. Progress has been made in terms of the institutional and strategic positioning of this issue in recent years. Montenegro ratifies the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Also, this issue is regulated by the provisions of the Constitution of Montenegro, which establishes as one of the basic principles the equality of all citizens, including equality between women and men. In addition, Montenegro has a Law on Prohibition of Discrimination and a Law on Gender Equality, which further regulate this issue. Unfortunately, gender equality is not recognized in most sectoral policies in Montenegro, so the National Strategy for Climate Change until 2030 deals with this issue only at the level of principles and without concrete measures to improve it. Thus, progress in specific categories of equal rights for men and women in all spheres of life remains limited. This may perhaps be best seen by looking at women's participation in

political life and decision-making. Thus, the authors of the Third National Report on Climate Change to the United Nations Framework Convention on Climate Change, indicate that in the Parliamentary Assembly in the period 2016-2020 in the Parliament of Montenegro 19 out of 81 deputies were women (23.5%), while in local parliaments, in that period, women accounted for 25.5%. Men most often cover key positions at both the national and local levels (President of the Assembly, Vice-Presidents of the Assembly, Presidents of local assemblies and their deputies). In the executive branch of government, in the last convocation of the Government of Montenegro 2016-2020. year, men held the position of prime minister and 3 vice presidents, and out of 21 ministerial positions, four were held by women (21%). In the new convocation of the Government of Montenegro in 2020, there was a slight increase in relations when it comes to ministerial positions, so that out of 12 ministerial positions, 4 are held by women (33%). However, both the prime minister and deputy prime minister in Montenegro's new government remain men.

For this reason, it is crucial for gender equality to be systematically incorporated into the strategic guidelines of climate policy as an integral part of the comprehensive development policy of Montenegro. Cooperation with GCF and commitment to the goal of gender equality of this institution also contributes to progress. Gender equality policy is one of the most important strategic determinants of GCF. The main goals of the GCF's gender equality policy are:

- Achieving more significant, equitable and effective results in the fight against climate change by applying a gender-sensitive approach;
- Achieving resilience to climate change to the same extent for women and men, as well as creating preconditions for equal contributions of women and men in the fight against climate change with equal benefits from the achieved results;
- Protection of women and men from potential risks caused by the implementation of activities financed by the Fund;
- Reducing gender disparities caused by social, economic and environmental vulnerability to the negative impacts of climate change.

By cooperating with GCF at the institutional level and through strict adherence to the goals of gender equality at the level of planning and implementation of programme and project activities at the national level, Montenegro will ensure continuous improvement and integration of this aspect in climate policies and comprehensive national development policies.

7 MONITORING AND EVALUATION

The National Programme of Priority Activities in the Field of Climate Change Mitigation and Adaptation within the cooperation with GCF has been adopted **for the period 2021–2023**. This deadline corresponds to the deadline for cyclical renewal of GCF funds that occurs every 4 years, with the first such cycle starting for the period 2020-2023.

Monitoring and evaluation will play an important role in assessing the success of the proposed approach and the content of the document in the next three years. Monitoring and evaluation of the implementation of the National Program will be carried out during and after the implementation of specific measures for mitigation and adaptation to climate change, in order to determine their effectiveness in achieving the set goal. Also, this process is necessary in order to provide information and new knowledge in the continuous process of identifying adequate mitigation and adaptation measures to climate change, replication and upgrading of those that prove to be successful. Additionally, the document will be updated at the end of the implementation period to reflect:

- Changes in the NDC of Montenegro and other relevant planning and strategic documents;
- Changes in institutional arrangements for cooperation with GCF;
- Updating the activities of the next National Program of Priority Activities;

Relevant institutions, their competencies and tasks in the process of monitoring and evaluation of the implementation of the National Programme of Priority Activities within the cooperation with GCF are presented in Table 10.

Table 10. Institutions, competencies and tasks of monitoring and evaluation of the implementation of the National Programme of Priority Activities within the cooperation with GCF

Institution	Competencies / tasks
Ministries, state administration bodies and others in cooperation with accredited entities	Implementation of programmes and projects approved by GCF.
Ministry of Ecology, Spatial Planning and Urbanisms - Climate Change Directorate; National contact person for cooperation with GCF	Review and systematization of information related to the implementation of programmes and projects approved by GCF, their results and contributions to climate action; Preparation and dissemination of information in various formats such as regular work reports, reports to the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management, contributions within the future MRV system, etc.; Evaluation of results in relation to the planned objectives; preparation and dissemination of recommendations, best practices and lessons learned.
Working group NCSDCCICZM for mitigation and adaptation to climate change	Review of information related to the implementation of programmes and projects approved by GCF, their results and contributions to climate action; Giving recommendations and conclusions.
Ministry of Ecology, Spatial Planning and Urbanisms - Directorate for Mediterranean Affairs	Preparation of materials / documentation and submission to the National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management.
National Council for Sustainable Development, Climate Change and Integrated Coastal Zone Management (NCSDCCICZM)	Making recommendations and conclusions.

8 ANNEXES

ANNEX 1. Letter form without objection

To: The Green Climate Fund ("GCF")
[place], [date]

Re: Funding proposal for the GCF by [name Accredited Entity] regarding [name project/programme]

Dear Madam or Sir,

We refer to the project [or programme] [name project [or programme]] in Montenegro included in the funding proposal submitted by [name Accredited Entity] to us on [date].

The undersigned is the duly authorized representative of [name NDA/focal point], the National Designated Authority/focal point of Montenegro.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no objection to the project [or programme] as included in the funding proposal.

By communicating our no objection, it is implied that:

- (a) The Government of Montenegro has no objection to the project [or programme] as included in the funding proposal;
- (b) The project [or programme] as included in the funding proposal is in conformity with Montenegro's national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the project [or programme] as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no objection to the project [or programme] as included in the funding proposal has been duly followed.

[We also confirm that our no objection applies to all projects or activities to be implemented within the scope of the programme.]

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Name:
Title:

ANNEX 2: Methodology for evaluation and prioritization of projects / programmes within the National Programme of Priority Activities

To ensure that the process of drafting the National Programme of Priority Activities is based on the principles of transparency and objectivity, a methodology and criteria for project evaluation and prioritization has been prepared, which will ensure full compliance of the proposed projects with the principles, objectives and results of the GCF as well as compliance with national priorities, policies and strategic documents.

The methodology involves defining three key elements:

- (i) Approach in the evaluation and prioritization of projects / programmes of the National Programme of Priority Activities;
- (ii) Establishing criteria for evaluation and prioritization of projects / programmes;
- (iii) Structure and content of the Project Identification Form.

Approach in the evaluation and prioritization of projects / programmes of the National Programme of Priority Activities

The key objective of the National Programme of Priority Activities is to identify a list of projects in the field of climate change that will ensure the achievement of national and sectoral policy objectives in this area, taking into account the guidelines established by GCF. **The approach in the evaluation and prioritization of projects is based on the system of minimum requirements**, i.e. the minimum qualification criteria projects must meet to be included in the list of the National Programme. The evaluation and prioritization criteria, discussed in more detail below, provide a transparent and objective framework that inform the relevant institutions of the minimum requirements, which each of the projects must fulfil to be nominated as projects that comply with them, thus increasing the probability that they will receive support from GCF.

The approach is also **predominantly based on a qualitative analysis supported by quantitative data and analysis, where possible**. Given that a detailed technical analysis of project proposals is conducted during the GCF submission procedure, **a detailed level of technical analysis is not expected during the initial identification of priority activities of the National Programme, except if the conditions for this exist**. The recognized lack of capacity to conduct more detailed technical analyses in the relevant institutions which nominate projects, as well as in the national coordination mechanism which is ultimately in charge of approving the proposed list of projects of the National Program and submitting it for consideration and adoption by the Government of Montenegro.

Improvements in the capacity in this area are expected in the coming period due to a number of activities carried out at the national level.

It is important to note that **projects that meet the set criteria and are part of the list of the National Programme of Priority Activities also meet the condition for issuing approvals under the 'no objection procedure'**, as the project could otherwise not be submitted to GCF. The mentioned procedure is part of a broader framework of cooperation with GCF and will be explained in detail in the final version of the National Programme.

Criteria for evaluation and prioritization of activities in the context of cooperation with GCF

The methodology for the evaluation and prioritization of projects of the National Programme proposes the consolidation of the key criteria and guidelines established by GCF and those established at the national level. The aim is to obtain a unique matrix of criteria on the basis of which an assessment is made whether a given project, programme or measure meets the necessary minimum requirements that qualifies it for inclusion in the National Programme of Priority Activities.

The key principles and guidelines at the national level are provided in the document **'Methodology for selection and prioritization of infrastructure projects'**¹³ prepared by the Secretariat for Development Projects of the Government of Montenegro for the selection and prioritization of large infrastructure projects nominated for EU development assistance to Montenegro. The document deals with a topic that largely coincides with the intention and ultimate goal of drafting the National Programme of Priority Activities and in this sense, can be considered a reference national document.

On the other hand, **GCF** continuously strives to achieve the goals it represents as consistently as possible in accordance with the guidelines contained in the founding acts of the Fund. The decisions of the Fund's Board of Directors define the functioning and operation of the Fund and signify a system of binding rules. A series of decisions of the Management Board adopted in the previous period further defines the framework through which the Fund's objectives and results are to be achieved and it is therefore crucial for them to unambiguously be taken into account at the national level. In this sense, it is necessary for every process of

¹³https://www.gov.me/ResourceManager/FileDownload.aspx?rid=203758&rType=2&file=3_113_28_05_2015.pdf&alphabet=cyr

the planning cooperation with the Fund at the national level, including the development of the National Programme of Priority Activities, to be considered a starting point for guidelines adopted by the Fund.

The decisions that stand out as being extremely important for the procedure of drafting the National Programme of Priority Activities and which stakeholders must take into consideration to better articulate their own interests within the Programme, are decisions on the **initial allocation of Fund resources, initial Fund results, initial framework for results management with the Fund's Performance Measurement Framework and the Fund's initial investment framework.**

The criteria for evaluation and prioritization are, as already mentioned, primarily of a qualitative nature and, in accordance with the selected approach, are based on narrative explanations, answers to questions and a qualitative characterization of the results and impacts. The inclusion of quantitative indicators is desirable in all situations, where available.

A detailed technical analysis of project proposals is carried out during the submission procedure to GCF, which provides a detailed picture of the planned activities and ultimately contributes to the decision whether the proposed project will be supported by the Fund. The criteria and their evaluation, which are the subject of this document, do not imply the level of detail and analysis otherwise applied in the process of evaluating a project proposal submitted to GCF.

Some of the decisions, such as the decision on the Fund's Initial Framework for Managing Results, the Fund's Initial Allocation of Funds and the Fund's Initial Investment Framework, are mostly general in nature and define the framework of action, the type of activities supported by the Fund as well as the geographic distribution of projects the Fund seeks to achieve. As such, the mentioned decisions are relevant as guidelines in terms of the type of projects the Fund seeks to support and their main components will first be presented independently of the criteria themselves. The elements of decisions that are relevant for defining the criteria for evaluation and prioritization of projects and programmes are included in a single matrix of criteria.

Initial framework for managing the Fund's results

GCF continuously strives to achieve the goals it represents as consistently as possible in accordance with the guidelines contained in the Fund's founding acts. The Board of Directors, in accordance with its mandate, has issued decisions on the initial framework for managing the Fund's results, which will lead to the achievement of the GCF's objectives. The decisions define the Fund's strategic results and are classified into two types, climate change mitigation (mitigation) and climate change adaptation (adaptation). The Fund's strategic results are as follows:

Change in the direction of sustainable development with low greenhouse gas emissions (Climate change mitigation - mitigation):

1. Access to energy and energy production with low greenhouse gas emissions;
2. Traffic with low greenhouse gas emissions;
3. Energy efficient buildings, cities and industry;
4. Sustainable land use and forest management, including REDD + (Reduction of emissions caused by deforestation and forest degradation through conservation and sustainable forest management, as well as the improvement of forests as a sinkhole of greenhouse gases).

Improved level of sustainable development resistant to the negative effects of climate change (Adaptation to climate change - adaptation):

1. Improved living conditions of the most vulnerable categories of the population, communities and regions;
2. Increased level of health and well-being, as well as availability and safety of food and water;
3. Infrastructure and urban spaces resistant to the negative effects of climate change;
4. Ecosystems resistant to the negative effects of climate change.

Initial framework for the Fund's investment

The Fund's initial investment framework consists of three components: the Fund's investment policy, its investment strategy and the objectives of the Fund's portfolio and the investment guidelines. The three components together provide the strategic direction the Fund's investment activity will take. The first two components are crucial in terms of defining guidelines on the type of projects the Fund seeks to support.

Investment policies consist of the following set of initial guidelines:

- a) The Fund will finance those projects and programmes that demonstrate the maximum potential for changing the development paradigm towards sustainable development with low greenhouse gas emissions, which at the same time is resilient to the negative effects of climate change, complies with the Fund's goals as well as national ownership of projects or programmes;
- b) Financing allocated by the Fund will be calculated in values equivalent to the grant according to the standard methodology to be developed by the Fund and will be based on international best practices to accurately compare the amount of financing allocated between individual financial instruments;
- c) The Fund shall allocate the minimum amount of preferential funds necessary to ensure the project or programme is feasible. Preferential funds are those acquired under conditions that are more favourable than those valid on the market. In accordance with the Fund's founding document, the minimum amount of preferential funds can be increased to the full amount required to finance a specific project or programme;
- d) Financing from the Fund may be used by institutions acting as intermediaries by pooling it with their own resources to increase the degree of preference (benefits) of loans granted by these institutions to projects or programmes;
- e) The Fund will not act in such a way as to 'squeeze out' potential funding from other private or public sources;
- f) Revenue-generating activities by their very nature may obtain a loan from the Fund only if they prove that they are financially sound.

Investment strategies and objectives of the Fund's portfolio

INVESTMENT STRATEGIES	OBJECTIVES OF THE FUND'S PORTFOLIO
A balanced relationship between climate change mitigation and adaptation	50/50
Allocation to finance climate change adaptation of countries at particular risk (including least developed countries, small island developing countries and countries of the African continent)	Upper limit of 50 per cent
Geographical balance	Reasonable and fair allocation of funds through a wide geographic representation of countries
Cooperation with the private sector	Maximizing cooperation with the private sector, including through a significant allocation of funds to the Mechanism for Cooperation with the Private Sector

Fund investment guidelines (investment criteria)

The investment guidelines define key criteria for assessing the relevance at the programme / project level in the areas of climate change mitigation and adaptation. In this sense, they are included in the consolidated matrix of evaluation and prioritization criteria.

MATRIX OF CRITERIA FOR EVALUATION AND PRIORITIZATION OF PROJECTS / PROGRAMMES			
PROJECT/PROGRAMME NAME			
BRIEF DESCRIPTION AND EXPECTED RESULTS			
COMPETENT INSTITUTION / INSTITUTIONS			
CONTACT PERSON			
CRITERIA FOR EVALUATION AND PRIORITIZATION OF PROJECTS / PROGRAMMES			
I STRATEGIC RESULTS OF THE GREEN CLIMATE FUND	RANGE Transition towards sustainable development with low greenhouse gas emissions (Climate change mitigation - mitigation), which at the same time is resilient to the negative effects of climate change (Adaptation to climate change - adaptation)	EXPECTED RESULT OF THE PROJECT / PROGRAMME The symbol x marks the Fund's expected strategic result, the achievement of which the project / programme will contribute to. It must contribute to at least one of the stated results, while it is possible to select more than one of them.	GRADE Does the project / programme meet the minimum requirements specified in the first section? Select one of the answers from the dropdown menu. If the answer is YES, go to the next section.
1. Access to energy and energy production with low greenhouse gas emissions	Climate change reduction - mitigation	<input type="checkbox"/>	SELECT ANSWER
2. Traffic with low greenhouse gas emissions	Climate change reduction - mitigation	<input type="checkbox"/>	
3. Energy efficient buildings, cities and industry	Climate change reduction - mitigation	<input type="checkbox"/>	
4. Sustainable land use and forest management, including REDD + (Reduction of emissions caused by deforestation and forest degradation through conservation and sustainable forest management, as well as the improvement of forests as a sinkhole of greenhouse gases);	Climate change reduction - mitigation	<input type="checkbox"/>	
5. Improved living conditions for the most vulnerable categories of the population, communities and regions	Adjustment to climate change - adaptation	<input type="checkbox"/>	

6. Increased level of health and well-being, as well as availability and safety of food and water	Adjustment to climate change - adaptation	<input type="checkbox"/>	
7. Infrastructure and urban spaces resistant to the negative effects of climate change	Adjustment to climate change - adaptation	<input type="checkbox"/>	
8. Ecosystems and ecosystem services, resistant to the negative effects of climate change	Adjustment to climate change - adaptation	<input checked="" type="checkbox"/>	
II GREEN CLIMATE FUND INVESTMENT CRITERIA	SCOPE Key criteria for estimating relevance at the level of the programme / project in the areas of climate change mitigation and adaptation	ESTIMATION Does the project / programme meet the investment criteria of the Green Climate Fund? Depending on whether the project / programme refers to mitigation or adaptation, enter the text in the provided field.	LEVEL OF COMPLIANCE OF PROJECT / PROGRAMME WITH THE INVESTMENT CRITERIA OF GCF <i>Select a value from the dropdown menu</i>
1. Possibilities of influencing the Fund's goals <i>Possibilities of project / programme contribution to the Fund's goals</i>	Climate change reduction - mitigation: Possibilities of project / programme contribution to changes in the direction of sustainable development with low greenhouse gas emissions	<i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme contributes to changes in the direction of sustainable development with low greenhouse gas emissions. Entry of quantitative data, if available, is desirable. Indicative quantitative data desirable for project / programme evaluation can be: - Expected reduction in greenhouse gas emissions or the amount of emissions to be avoided as a result of the implementation of the project / programme, expressed in tonnes of carbon dioxide equivalent; -Expected increase in the number of small, medium and large entities that produce</i>	SELECT ANSWER

		<p><i>energy with low greenhouse gas emissions;</i></p> <ul style="list-style-type: none"> - <i>Expected reduction of energy intensity in cities, industrial sector, building sector, use of electrical appliances;</i> - <i>Expected increase in traffic based on low greenhouse gas emissions;</i> - <i>Expected improvement in land and forest management which contributes to the reduction of greenhouse gas emissions.</i> 	
	<p>Adjustment to climate change - adaptation: Opportunities for the project / programme to contribute to an improved level of sustainable development resistant to the negative effects of climate change</p>	<p><i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme contributes to an improved level of sustainable development resistant to the negative effects of climate change. Entry of quantitative data, if available, is desirable. Indicative quantitative data desirable for project / programme evaluation can be:</i></p> <ul style="list-style-type: none"> - <i>Expected number of direct and indirect users, the ratio of the number of users to total population, especially the number of users from the most vulnerable population groups;</i> - <i>Expected reduction of vulnerability to the negative impacts of climate change due to the improvement of adaptation capacity through the implementation of projects / programmes with a focus on the most vulnerable population groups with the application of a gender-sensitive approach;</i> - <i>Expected strengthening of the regulatory and institutional framework that supports climate change-resistant planning and development;</i> - <i>Expected increase in the creation and use of information in the field of climate change in</i> 	

		<i>decision-making processes; - Expected increase in public awareness of climate change risks and verse reduction processes.</i>	
<p>2. Possibilities for changing the development paradigm (towards sustainable development with low greenhouse gas emissions that at the same time is resilient to the negative effects of climate change)</p> <p><i>Possibilities of contribution in catalysing changes that are beyond the one-time investment in the project / programme</i></p>	<p>Possibilities of replication and upgrade of the project / programme, as well as a comprehensive contribution to global development with low greenhouse gas emissions that is consistent with the growth of the global average temperature below 2 degrees Celsius (applies only to mitigation)</p>	<p><i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the possibility of replication (possibilities to expand the project / programme results to other sectors or geographical areas) and upgrades (possibilities to increase the project / programme results without proportional increases in costs), as well as how innovative the project / programme is.</i></p>	SELECT ANSWER
	<p>Comprehensive contribution of the project / programme to the improved level of development, resilient to the negative impacts of climate change, which is in line with the national strategic documents in this area (applies only to adaptation)</p>	<p><i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the possibility of replication (possibilities to extend the project / programme results to other sectors or geographical areas) and upgrades (possibilities to increase the project / programme results without proportional increases in costs).</i></p>	
	<p>Opportunities the project / programme opens in terms of improving knowledge</p>	<p><i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the ability to create and improve knowledge and the process of acquiring knowledge in the field of climate change.</i></p>	
	<p>Opportunities the project /</p>	<p><i>Using qualitative and quantitative analysis in</i></p>	

	programme opens in terms of creating a stimulating environment (to change the development paradigm)	<i>this field, briefly show whether the project / programme has the ability to achieve long-term sustainability of results after the completion of the project / programme, as well as whether it has the ability to develop new markets and transform existing ones.</i>	
	Opportunities the project / programme opens in terms of creating the regulatory framework and policies	<i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the potential to strengthen the regulatory framework and policies that would provide a greater degree of investment in low greenhouse gas technologies, create additional low-emission policies and policies that would lead to improvements in strategic/sectoral planning in the field of climate change.</i>	
<p>3. Opportunities to support sustainable development</p> <p><i>Opportunities the project / programme opens to the overall improvement of sustainable development</i></p>	Opportunities the project / programme opens in terms of creating ecological benefits	<p><i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the ability to create positive benefits that are in line with national / sectoral strategic documents and objectives in areas such as air quality, soil quality protection, biodiversity conservation, etc. Entry of quantitative data, if available, is available. Indicative quantitative data that are desirable for project / programme evaluation can be:</i></p> <ul style="list-style-type: none"> <i>- Environmental impact assessment and other documents necessary during the preparation of project documentation;</i> <i>- Analysis of the contribution of the project / programme to the specific goals of sustainable development contained in the National Strategy for Sustainable</i> 	SELECT ANSWER

		<i>Development of Montenegro until 2030.</i>	
	Opportunities the project / programme opens in terms of creating social co-benefits	<i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the ability to create positive social benefits that are in line with national / sectoral strategic documents and goals in areas such as health care, culture, access to education, etc. Entry of quantitative data, if available, is desirable. Indicative quantitative data that are desirable for project / programme evaluation can be: - Analysis of the contribution of the project / programme to the specific goals of sustainable development contained in the National Strategy for Sustainable Development of Montenegro until 2030.</i>	
	Opportunities the project / programme opens in terms of creating economic benefits	<i>Using qualitative and quantitative analysis in this field, briefly show whether the project / programme has the ability to create positive economic co-benefits that are in line with national / sectoral strategic documents and economic goals of Montenegro. Possible positive contributions include improving the labour market conditions for women and men, creating new jobs and reducing poverty, increasing and expanding the participation of local industry and enterprises, increasing private investment, improving cooperation between the private sector and academia, contributing to improvements in competitiveness and productivity, contribution to energy security, improvement of water supply and agricultural productivity, etc. Entry of quantitative data, if available, is desirable.</i>	

		<p><i>Indicative quantitative data that are desirable for project / programme evaluation can be:</i></p> <ul style="list-style-type: none"> - Econometric analyses and projections; - Analysis of the contribution of the project / programme to the specific goals of sustainable development contained in the National Strategy for Sustainable Development of Montenegro until 2030. 	
	Opportunities the project / programme opens in terms of creating gender sensitive development	<p><i>Using qualitative and quantitative analysis in this field, briefly demonstrate whether the project / programme has the potential to create positive benefits in reducing gender inequality in cases of negative climate change impacts and ensuring equal participation and contribution of women and men in projected project results. Entry of quantitative data, if available, is desirable. Indicative quantitative data that are desirable for project / programme evaluation can be:</i></p> <ul style="list-style-type: none"> - Gender sensitive statistical processing and classification of data; - Analysis of the contribution of the project / programme to the specific goals of sustainable development contained in the National Strategy for Sustainable Development of Montenegro until 2030. 	
<p>4. Opportunities to meet the needs of the beneficiary country</p> <p><i>Possibilities of the project / programme to contribute to meeting financial needs and needs arising from vulnerability to the negative impact of climate change</i></p>	Possibilities of the project / programme to identify the level of the country's vulnerability due to the negative impact of climate change (applies only to adaptation)	<p><i>Using qualitative and quantitative analysis in this field, briefly present the extent to which the project / programme deals with the identification of climate change risks to which the population, social and economic goods are exposed. Entry of quantitative data, if available, is desirable. Indicative quantitative data that are desirable for project /</i></p>	SELECT ANSWER

		<i>programme evaluation can be: - Analyses of vulnerability and negative impact assessment of climate change at the national/sectoral level.</i>	
	Opportunities the project / programme opens in terms of identifying particularly vulnerable population groups, including gender equality (applies only to adaptation)	<i>Using qualitative and quantitative analysis in this field, briefly present the extent to which the project / programme supports the identified particularly vulnerable population groups with a focus on gender equality.</i>	
	Possibilities of the project / programme to identify the level of economic and social development of the share of the population endangered by the negative impacts of climate change	<i>Using qualitative and quantitative analysis in this field, briefly show the extent to which the project / programme is able to demonstrate the level of the country's economic and social development with a focus on vulnerable populations (minorities, people with disabilities, elderly, children, women who head the household).</i>	
	Opportunities of the project / programme in identifying barriers to engaging alternative sources of funding	<i>Using qualitative and quantitative analysis in this field, briefly show the extent to which the project / programme is able to identify barriers affecting the lack of alternative sources of funding (alternatives to the Green Climate Fund) and their engagement, as well as identifying approaches to the removal of obstacles.</i>	
	Opportunities of the project / programme in identifying the needs for strengthening institutions and implementation capacity	<i>Using qualitative and quantitative analysis in this field, briefly present the extent to which the project / programme is able to identify the needs for institution building and implementation capacity in relevant institutions.</i>	
5. Ownership of results by the beneficiary country	Compliance of the project /	<i>Using qualitative and quantitative analysis in</i>	SELECT ANSWER

<p><i>What is the level of ownership by the beneficiary country of the results of the project / programme supported by the Green Climate Fund, as well as of the capacities for the implementation of the project / programme</i></p>	programme with the existing National Climate Change Strategy / Climate Policies	<i>this field, briefly present the extent to which the project / programme is in line with the National Strategy for Climate Change until 2030 and other climate policies.</i>	
	Consistency of the project / programme with other relevant national/sectoral strategic documents	<i>Using qualitative and quantitative analysis in this field, briefly show the extent to which the project / programme is consistent with other national or individual sectoral strategies (energy, transport, agriculture, forest and water management, health care, etc.).</i>	
	Capacity of accredited agencies to ensure project / programme implementation	<i>Briefly present the previous relevant experience of the selected accredited agency in the implementation of similar projects / programmes.</i>	
	Cooperation and consultation process with civil society organizations, as well as with other relevant stakeholders	<i>Summarize the extent to which the project / programme has ensured cooperation with civil society organizations and other relevant stakeholders, with a special focus on gender equality, as well as how their involvement in future consultative processes will be ensured.</i>	
<p>6. Economic efficiency and effectiveness of the project / programme</p> <p><i>How economically and financially justified is the project / programme?</i></p>	Possibilities of the project / programme to ensure cost efficiency and effectiveness in financial terms	Using qualitative and quantitative analysis in this field, briefly show the extent to which the financial structure of the project / programme (amount of requested support, envisaged financial instruments, etc.) is appropriate to achieve the results. Also show whether the amount of support requested for the project / programme represents the minimum priority funds to ensure justification of the project (GCF only approves the minimum amount of funding that suffices for the project / programme to be justified / feasible). It should be shown that the Fund's support will not prevent potential funding from other	SELECT ANSWER

		<p>private or public sources (the Fund does not aim to “squeeze out” other potential sources of funding). Entry of quantitative data, if available, is desirable. Indicative quantitative data that are desirable for project / programme evaluation can be:</p> <ul style="list-style-type: none"> -Financial analyses and estimates; -In the case of mitigation projects / programmes, an estimate of the price per tonne of carbon dioxide equivalent defined as the total investment cost in relation to the expected total (lifetime investment) emission reduction, comparable to other similar options. 	
	Possibilities of the project / programme to provide co-financing	<p><i>Using qualitative and quantitative analysis in this field, briefly show what level of co-financing the project / programme is able to provide as a direct consequence of support from the Green Climate Fund. The amount of co-financing should be classified into private and public funds. It is also necessary to determine the co-financing ratio (the total amount of co-financing divided by the amount received as support from the Green Climate Fund). If the project / programme envisages co-financing from the budget of Montenegro, it is necessary to obtain the consent of the ministry in charge of financing.</i></p>	
	Possibilities of the project / programme to satisfy financial justification and other financial indicators	<p><i>Using qualitative and quantitative analysis in this field, briefly present the level of economic and financial internal rate of return (IRR) of the project / programme, as well as financial justification / sustainability in the long run (after the support of the Green Climate Fund).</i></p>	

	Possibilities of the project / programme to ensure the application of best available practices in the industry, including innovation	<i>Using qualitative and quantitative analysis in this field, briefly demonstrate the extent to which the project / programme applies best available practices and technologies in achieving its objectives, including innovation.</i>	
III NATIONAL CRITERIA FOR ESTIMATION AND PRIORITIZATION OF PROJECTS / PROGRAMMES	SCOPE Key criteria for estimating the relevance of a project / programme at national level	ESTIMATION Does the project / programme meet national criteria?	PRIORITIZATION <i>Projects / programmes are classified according to their degree of maturity into two groups:</i> 1. Ready for realization 2. Necessary assistance to prepare the project proposal Note: The Green Climate Fund provides support for the preparation of project proposals
1. Technical readiness of the project / programme	Possibility of the project / programme to provide the necessary technical conditions in accordance with national legislation to start implementation	<i>Using qualitative and quantitative analysis in this field, briefly show the extent to which the project / programme has the necessary technical documentation such as spatial planning documentation, property-legal documentation, permits and other relevant documentation in accordance with national legislation.</i>	SELECT ANSWER
2. Institutional readiness	Possibilities of the project / programme to provide the necessary institutional framework and	Using qualitative and quantitative analysis in this field, briefly show the extent to which the project / programme has the necessary institutional readiness and implementation	

	implementation capacities	capacity.	
3. Project / programme dynamics	Project / programme deadlines expressed in months	<i>Show the estimated duration (in months) of the project / programme, as well as the expected start date of implementation.</i>	

ANNEX 3. Structure and content of the Project Identification Form

After the matrix of criteria for evaluation and prioritization of projects / programs, by interested institutions, select those projects that have the greatest possible contribution to the achievement of national and sectoral objectives, as well as criteria established by the Green Climate Fund, they are entered in the Project Identification Form (PIF) whose form is given below.

PROJECT IDENTIFICATION FORM												
#	NAME OF PROJECT	BRIEF DESCRIPTION AND EXPECTED RESULTS	SCOPE (Mitigation /Adaptation)	COMPETENT INSTITUTION/ INSTITUTIONS (Note: Indicate whether it is a public or private institution)	ENVISAGED ACCREDITED ENTITY (List one of GCF accredited agencies)	ALIGNMENT WITH NATIONAL PRIORITIES	ALIGNMENT WITH GREEN CLIMATE FUND CRITERIA	TOTAL AMOUNT OF PROJECT / PROGRAMME	GCF FUNDING REQUEST	CO-FINANCING AMOUNT	PROJECT DURATION AND EXPECTED IMPLEMENTATION START DATE (in months)	IS ASSISTANCE NEEDED TO PREPARE A PROJECT PROPOSAL

ANNEX 4. Approved project proposals within the Programme of Priority Activities for Cooperation with the Green Climate Fund

Project #1	Solutions based on the use of nature with special emphasis on preparedness and prevention of disaster risk reduction in Montenegro	
GCF area results	Adaptation: Health and well-being, food and water safety: 30 per cent, infrastructure and built environment: 50 per cent, ecosystem and ecosystem services: 20 per cent	
Problem and project description	Envisaged implementation agency	
<p>The project includes the concept of solutions based on the use of nature (NBS), which relate to sustainable management and address socio-environmental challenges, and reducing the negative effects of climate change, with special emphasis on reducing the risk of disasters.</p> <p>The project includes the following activities:</p> <ul style="list-style-type: none"> - Establishment of a system of information and alert in all local governments (development of acoustic studies, procurement of equipment and installation); - Development of local strategies for disaster risk reduction; - Preparation of the National Disaster Risk Assessment; - Preparation of local disaster risk assessments; - Development of national protection and rescue plans from various types of risks; - Development of local protection and rescue plans for different types of risks; - Raising the level of knowledge in the field of disaster risk reduction and decision makers at the local and national level through the implementation of the Training Programme and determining the operational readiness of protection and rescue teams; - Development of expert instructions for remediation of burned areas; - Producing a map of the probability of land landslides 1: 200,000; - Producing maps of the probability of the occurrence of debit flows 1: 200,000; - Examination of liquefaction potential; - Preparation of a preliminary disaster risk assessment; 	UNDP	
	Key executive institution	
	Ministry of the Interior	
	Potential implementation partners	
	Ministry of Ecology, Spatial Planning and Urbanisms, Ministry of Agriculture, Forestry and Water Management Institute for Hydrometeorology and Seismology, Department of Geological Research, Water Directorate, municipalities and NGO sector	
	Compliance with measures: <ol style="list-style-type: none"> 1. Strategies for disaster risk reduction with a dynamic plan of activities for the implementation of the strategy for the period 2018–2023, and 2. National strategies for sustainable development until 2030. <p>The dynamic plan of activities for the implementation of the strategy for the period 2018–2023 mainly includes all of the measures envisaged by the project (1);</p> <p>Improve the understanding of hazard risk (2);</p> <p>Strengthen the institutional framework for hazard risk management (2);</p>	

<ul style="list-style-type: none"> - Establishment of a database of information on extreme meteorological situations with their impact and consequences; - Producing a map of active faults 1: 200,000; - Producing a seismotectonic map 1: 200,000; - Preparation of a seismic risk analysis within the General Regulation Plan of Montenegro; - Producing a groundwater vulnerability map 1: 200,000; - Producing a map of renewable groundwater 1: 200,000; - Producing hazard maps and flood risk maps; - Producing maps of available groundwater quantities 1: 200,000; - Implementation of construction measures for the regulation of watercourses and other waters and construction of water facilities for flood protection. <p>Nature-based solutions (NBS) for social challenges can be defined as life-inspired and environmentally friendly solutions that are cost-effective, provide both social and economic and environmental benefits, and help build resilience and adaptation to climate change.</p> <p>Disaster risk reduction (DRR) is the concept and practice of disaster risk reduction through systematic efforts to analyse and reduce the causes of disasters. Reducing exposure to hazards, reducing the threat to people and property, prudely managing land and the environment, and improving preparedness and early warning of adverse events are examples of disaster risk reduction.</p> <p>Expected results:</p> <ul style="list-style-type: none"> • Development of strategies, plans, assessments, maps for DRR at the national and local level for better preparedness and prevention in the field of DRR; • Application of specific NBS measures, which will be introduced in the DRR field in Montenegro. 	<p>Improve disaster preparedness and reconstruction through recovery, rehabilitation and reconstruction (2);</p> <p>Enable resource efficient use of water resources, a measure that includes the following sub-measures:</p> <ol style="list-style-type: none"> Establish a system for monitoring, forecasting and early warning, and adopt a flood risk management plan, including mapping of areas particularly at risk of floods, strengthening the information system; Upgrade and renovate existing flood defence systems in areas particularly at risk of floods (2). 	
	<p>Total funding required:</p> <p>USD 6,960,099</p>	
	<p>GCF:</p> <p>USD 5,368,175</p>	<p>Co-financing:</p> <p>USD 727,924</p>

Project #2	Development of a National Action Plan to increase the climate resilience of health care institutions, including economic analysis for health co-benefits
GCF area results	<p>Adaptation: Improved living conditions for the most vulnerable population groups, communities and regions: 60 per cent,</p> <p>Mitigation: 3. Energy efficient buildings, cities and industry: 40 per cent</p>
Problem and project description	Envisaged implementation agency

<p>The main goal of this project is to increase the resilience of health care institutions to climate change, to identify and implement interventions that provide protection from climate impacts and stress, while building a sustainable relationship with the environment.</p> <p>The specific objectives of this project are:</p> <ul style="list-style-type: none"> (i) Improving preparedness and strengthening activities in the health care sector related to climate change; (ii) Conducting a risk assessment, including an economic damage analysis; (iii) Improving the environmental protection system in the context of climate change; iv) Capacity-building in the health care sector to work with weather and climate information and warnings, as well as educating health care workers about the links between different diseases and climate change; (v) Monitoring the effects of climate and health and the incidence of communicable diseases caused by climate so they can be incorporated into national public health policies; (vi) Improving capacity and preparedness to deal with extreme weather events related to climate change and the health consequences associated with those events (including improved contingency planning and response protocols); (vii) Supporting health facilities to design and implement strategies for reducing carbon emissions in the procurement of equipment and services, waste disposal, transportation, nutrition and water supply, and to conduct an analysis of health benefits from such interventions; (viii) Assessing energy efficiency and the use of green technologies in health care facilities; (ix) Improving energy efficiency through reconstruction and technology transfer in health care institutions; (x) Ensuring the security of resources in health care facilities in the event of extreme weather events. 	UNEP, UNDP, WHO, GIZ
	Key executive institution
	Ministry of Health
	Potential implementation partners
	Institute of Public Health, Ministry of Capital Investments, Health Insurance Fund, Union of Municipalities of Montenegro and NGO sector
	Compliance with measures <ul style="list-style-type: none"> 1. National strategies for sustainable development until 2030; 2. National Energy Efficiency Action Plan 2019–2021. <p>Reducing the vulnerability of the population to climate change, a measure that includes the following sub-measures:</p> <ul style="list-style-type: none"> a. Adopting a comprehensive adaptation strategy to the effects of climate change and variability in the public health care sector, which should, inter alia, enable: an assessment of the impact of climate change and variability (effects of rising temperatures on human health, air pollution, probability of future flood risks, infections, diseases, etc.), assessing and managing risks leading to climate change diseases, reducing the risk of extreme weather events, supporting medical research and strengthening the monitoring of climate change diseases, as well as monitoring health conditions in extreme events (e.g. heat waves, extreme weather events, temperatures, floods, cyclone passage). b. Establishing a biometeorological information system with a database on the impact of climate change and variability and extreme events on human health. c. Implementing educational programmes for health workers on the impact of climate change and extreme

	events on human health (1); Improving energy performance of buildings in the public sector (2); Investing in reducing risk and strengthening the resilience of natural and social systems (2).	
	Total funding required: USD 12,840,000	
	GCF:	Co-financing:
	USD 10,700,000	USD 2,140,000

Project #3	Implementation of energy efficiency measures and introduction of renewable energy sources in the housing sector to reduce energy poverty in Montenegro		
GCF area results	Mitigation: Buildings, cities, industries and devices		
Problem and project description	Envisaged implementation agency		
<p>In Montenegro, 23.8 per cent of citizens in 2018 were at risk of poverty, and 31.4 per cent of the population, in addition to being at risk of poverty, were also exposed to the risk of social exclusion. The COVID-19 pandemic could further increase the poverty rate by an estimated (1.5–3) percentage points, depending on the duration of the crisis. GDP per capita is about 43 per cent of the EU average, which leads to a slower transition to cleaner fuels, the introduction of highly efficient technologies for energy consumption and modern technologies for electricity production from renewable energy sources and highly efficient cogeneration in Montenegrin households.</p> <p>In addition to relatively high electricity prices compared to average incomes, the allocation of additional funds for space and water heating, as well as for space cooling is a major burden on household budgets. The fact that more than 10 per cent of household income is spent on energy indicates energy poverty. As many as 70 per cent of households use solid fuels (68 per cent wood, 2 per cent coal) to heat the space, while 28 per cent use electricity. Of the total number of households that use firewood, 60 per cent are in rural areas and as much as 40 per cent in urban areas. Such a high percentage is affected by the fact that there are no central heating systems in Montenegrin cities, while in the residential sector, 60 per cent of buildings are individual family homes. In most family homes, inefficient furnaces, so-called wood stoves, are used for space heating, and for food</p>	UNEP		
	Key executive institution		
	Ministry of Economy		
	Potential implementation partners		
	Ministry of Ecology, Spatial Planning and Urbanisms, Ministry of Labour and Social Welfare, Centre for Social Work, Eco-Fund and NGO sector		
	Compliance with measures: <ol style="list-style-type: none"> 1. National Strategies for Climate Change 2030; 2. National Energy Development Strategies 2030; 3. National Energy Efficiency Action Plan 2019–2021; 4. National strategies for sustainable development until 2030. 		
	Measures to improve the energy		

preparation and water heating, wood stoves, as well as inefficient electrical appliances or small oil boilers are often used.

The project covers all households in the country, divided into three categories: households belonging to vulnerable social groups (beneficiaries of material benefits and vulnerable energy consumers), rural households and all remaining households that do not belong to the above categories.

The project includes the implementation of energy efficiency measures and the introduction of renewable energy sources in households in individual residential buildings and residential buildings. The project includes support for the implementation of the following measures:

1. Improving the thermal characteristics of the envelope of residential buildings through the procurement and installation of thermal insulation of individual elements (walls, roof, floors);
2. Procurement and installation of energy efficient facade carpentry;
3. Procurement and installation of highly efficient devices for space heating and cooling and water heating, which use renewable energy sources (biomass, solar energy and ambient heat);
4. Procurement of efficient household appliances (refrigeration appliances, stoves and ovens, washing machines, tumble dryers, dishwashers, televisions, vacuum cleaners, etc.);
5. Improving the efficiency of lighting systems through the procurement and installation of efficient lamps and lighting fixtures;
6. Procurement and installation of systems for the production of electricity from renewable sources (e.g. photovoltaic systems) or highly efficient cogeneration with exchange at the point of connection (prosumers).

The proposed project would lead to significant energy savings and would reduce energy consumption in housing units, which would also significantly contribute to reducing the financial costs of households and thus improve the population's living standards. The same holds for socially endangered households, which are on the verge of poverty. The realization of the project would lead to a reduction of air pollution and greenhouse gas emissions due to the replacement of fossil fuels in space and water heaters, which would result in a healthier environment, better health of the population and conservation of forest resources. In addition to the results that can be measured through energy savings and non-emitted GHG amounts, additional benefits are reflected in the reduction of air pollution, increasing living comfort and achieving social balance in access to clean energy, which ultimately leads to energy poverty and poverty in general.

To improve energy efficiency, a legislative framework has been established, which regulates the energy performance of buildings,

performance of buildings (1, 2);

Measures for the use of RES (solar thermal systems and modern biomass systems) to substitute the use of electricity and fossil fuels in final energy consumption (1, 2);

Measures for transition to more efficient lighting systems, household appliances and air conditioners (1, 2);

Measures to reduce the direct use of electricity for space heating and hot water heating (1, 2);

Awareness raising measures on the rational use of energy and proper maintenance of energy systems (1, 2);

Increasing the share of renewable energy sources and promoting the rational use of energy (2);

Energy labelling of household appliances (3);

Financial support to individuals for EE investments (3);

Ensure social stability and reduce the poverty rate (4);

Fighting social exclusion (4);

Improve the housing situation (4);

Increasing the share of renewable energy sources and promote rational energy use (4).

Total funding required:

USD 48,313,575

GCF:	Co-financing:
USD 16,104,525	USD 32,209,050

<p>energy labelling of products that affect energy consumption, requirements for eco-design of products that affect energy consumption, as well as the category of buyer - producer of electricity from renewable energy sources and highly efficient cogeneration.</p> <p>The combination of the proposed action measures and the number of potential household beneficiaries of the project's financial support create a solid portfolio, which would make a very significant contribution to mitigation, reducing CO₂ emissions by up to 30 per cent in the housing sector. The project contributes to the creation of a favourable environment for energy efficiency and renewable energy sources. The project has the potential to continue through the established financial mechanism and market for the implementation of energy efficiency measures. All the proposed components of the project can be paid off in a relatively short period of time, as they result in significant energy savings. However, citizens, especially those who live in poverty and / or are on the brink of poverty, as well as rural households currently do not have the financial resources to implement it unilaterally, so international financial support is needed.</p> <p>Support needed: financial support needed to enable activities for vulnerable households: 30 per cent of the total project value. Loan to be managed by an international financial institution: the remaining 70 per cent of the funds.</p>		
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Project #4	Application of agri-environmental measures for the purpose of sustainable land use, forest management, mitigation and the achievement of LDN goals	
GCF area results	<p>Adaptation: Improved living conditions of the most vulnerable population groups, communities and regions: 30 per cent; increased level of health and well-being, as well as availability and safety of food and water: 30 per cent.</p> <p>Adaptation: Sustainable land use and forest management: 40 per cent.</p>	
Problem and project description	Envisaged implementation agency	
<p>This project aims to contribute to the prevention and reduction of land degradation, restoration of degraded land through the implementation of measures identified in the LDN report for Montenegro.</p> <p>The project contains four components:</p> <ol style="list-style-type: none"> 1. Institutional and legislative framework for LDN; 2. Capacity-building and awareness raising on land degradation 	UNDP, World Bank	
	Key executive institution	
	Ministry of Agriculture, Forestry and Water Management	
	Potential implementation partners	

<p>issues;</p> <p>3. Implementation of agri-environmental measures, including forest protection measures, as well as flood protection;</p> <p>4. Improving the land monitoring system.</p> <p>The expected results of the project are:</p> <p>1.1. Strengthening coordination mechanisms for efficient and sustainable land and drought management;</p> <p>1.2. Improving state capacity in sustainable land management and drought prevention and response;</p> <p>1.3. Existing land policy revised at local and national level.</p> <p>2.1. Strengthening awareness and knowledge about the problems of land degradation;</p> <p>2.2. Strengthening relevant national institutions.</p> <p>3.1. Farmers are committed to adopting agri-environmental farming techniques in their daily work, thereby influencing their environment and other producers to cause a domino effect by spreading these practices on farms;</p> <p>3.2. Introducing new agri-environmental measures and establishing support systems / subsidies for farmers who commit to the implementation of agri-environmental measures;</p> <p>3.3. Establishing measures aimed at expanding and improving forest resources, restoring forests damaged in fire and preventing forest fires;</p> <p>3.4. Agri-environmental and forest protection measures will become part of the regular national support scheme system.</p> <p>4.1. Existing data will be collected and the accuracy of existing data in digital form checked (georeferencing method, etc.);</p> <p>4.2. Procurement of available free satellite images that could be used for NDVI analysis and calculation of NPP with better resolution compared to that used in the LDN TSP report;</p> <p>4.3. Engaging experts in this field to consider the possibility of developing appropriate models and tools, and based on the recommendations of experts, a digital map will be developed that will enable analysis with better resolution (as stated in the LDN TSP report).</p> <p>The scope of measures of this project is foreseen at 15 identified locations from the LDN report (LD hot spots)</p> <p>Planned activities are listed by components:</p> <p>1.1. Preparing a national action plan in accordance with the new strategic framework;</p> <p>1.2. Strengthening the capacity of the responsible institutions for the needs of emergency interventions on droughts and land degradation;</p>	<p>Ministry of Agriculture, Forestry and Water Management, Agency for Nature and Environmental Protection, Forest Administration, Association of Municipalities of Montenegro and NGO sector</p>				
	<p>Compliance with measures</p> <p>1. National Report on Neutrality in Land Degradation (LDN)</p> <p>2 National strategies for sustainable development until 2030</p>				
	<p>Avoidance and reduction of land degradation and diversion of land use (1);</p> <p>Increasing land productivity (1);</p> <p>Protection of natural ecosystems from fire (1);</p> <p>Improving land monitoring (1);</p> <p>Contributing to resource efficiency in the agricultural sector by supporting market-interesting and profitable agricultural products by implementing agri-environmental measures (organic agriculture, cultivation of indigenous varieties of agricultural crops and livestock breeds, use of mountain pastures, etc.) aimed at adapting agriculture to climate change (2);</p> <p>Improving the monitoring of the state of biodiversity, water, sea, air and land - improving data on the state of land and enable effective control of soil pollution to improve the state and prevent land degradation (2).</p>				
	<p>Total funding required:</p> <p>USD 32,209,050</p>				
	<table><tr><td>GCF:</td><td>Co-financing:</td></tr><tr><td>USD 10,736,350</td><td>USD 21,472,700</td></tr></table>	GCF:	Co-financing:	USD 10,736,350	USD 21,472,700
GCF:	Co-financing:				
USD 10,736,350	USD 21,472,700				

<p>1.3. Revising existing land policies at the local and national level.</p> <p>2.1. Strengthening of all stakeholders and developing analyses by relevant institutions on sustainable land management;</p> <p>2.2. Strengthening local communities to respond to land degradation;</p> <p>3.1. Support to farmers and groups of farmers to protect and preserve the environment of their farms;</p> <p>3.2. Forest protection;</p> <p>3.3. Improving the network of hydrological stations to obtain timely data for more effective protection against floods;</p> <p>3.4. Implementing a numerical model of high horizontal resolution (1 km) in operational use for the needs of early announcement of extreme meteorological situations, early announcement of extreme rainfall, all in order to protect against floods;</p> <p>4.1. Collecting all existing data related to soil organic carbon and other soil parameters into one integrated database;</p> <p>4.2. Using land data in appropriate spatial models;</p> <p>4.3. Strengthening national capacities (human and technical resources) in remote sensing;</p> <p>4.4. Procuring appropriate IT equipment that enables data analysis (computers, software, etc.).</p>		
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Project #5	Support for paradigm shift towards low carbon transport in Montenegro		
GCF area results	Mitigation: Traffic with low greenhouse gas emissions		
Problem and project description	Envisaged implementation agency		
<p>Montenegro's transport sector is a significant source of greenhouse gas emissions, which in 2013 were estimated at 609,000 tCO₂e. By 2030, this level is projected to rise to 993,000 tCO₂e, or 30 per cent of total national greenhouse gas emissions.</p> <p>The transport sector is a key sector that will enable Montenegro to meet its NDC target of reducing greenhouse gas emissions by 30 per cent below the 1990 baseline. The project is also in line with the key directions of Montenegro's development, which recognizes transport as a key area for sustainable socio-economic development of the country, and with the Strategy for Transport Development in Montenegro, which emphasizes the need to reduce the impact of transport on the environment, including greenhouse gas emissions.</p> <p>This project aims to create a favourable environment and</p>	UNDP		
	Key executive institution		
	Ministry of Capital Investments		
	Potential implementation partners		
	Ministry of Capital Investments, Ministry of Ecology, Spatial Planning and Urbanisms, public institutions, Eco-Fund and NGO sector		
Compliance with measures:			
1. Transport development strategies of			

facilitate investments in passenger transport characterized by low carbon dioxide emissions - low carbon transport, which would reduce total emissions by at least 28,000 tCO₂e during the project, and 472,000 tCO₂e over the 20-year lifetime of the project, if efforts are continued even after its completion.

This is intended to be achieved by improving the public transport system and by supporting public and private investment in electric vehicles and in infrastructure, as well as integrating climate change issues into policies that govern the transport sector and investment.

This project contributes to GCF's goal of reducing greenhouse gas emissions, promoting the transition to a socially inclusive mobility paradigm based on the use of low-carbon vehicles.

The project aims to accelerate the paradigm shift towards low-carbon passenger mobility in Montenegro through increased use of public transport and greater use of e-vehicles in companies, public institutions and by individuals, as well as in the public transport fleet. A phased approach will be adopted, introducing regulatory and structural changes first, and then applying incentives. The results of the project with activities are as follows:

Result 1: Development and implementation of a high-quality, integrated low-carbon public transport system

Activity 1.1: Development and implementation of a concession contract for public transport (bus), with a focus on service quality;

Activity 1.2. Providing technical expertise for the development and implementation of integrated e-tickets, schedules and control of bus services in Podgorica;

Activity 1.3. Building an integrated system to provide users with real-time information to enable smart door-to-door mobility;

Activity 1.4. Supporting the transition of the public transport fleet towards e-mobility;

Activity 1.5. Development of a system for monitoring, reporting and verification (MRV) of public transport;

Activity 1.6. Intercity water transport.

Result 2: Support for increased use of electric cars

Activity 2.1. Development and implementation of a national e-mobility strategy, including the development of billing services from public and private networks;

Activity 2.2. Regulatory reforms to promote greater purchases of electric vehicles;

Activity 2.3. Support for the introduction of e-cars in the public vehicle fleet;

Activity 2.4. Support for the introduction of e-cars in the private vehicle fleet;

Montenegro 2019–2035;

2. National strategies for sustainable development until 2030.

Promoting alternative fuels and electromobility (1);

Improving energy efficiency in the transport sector through the promotion and introduction of electric, hybrid and natural gas vehicles, higher share of biofuels, alternative forms of mobility (bicycle transport), public urban and interurban transport, vehicle efficiency standards, eco-driving, truck rerouting on rail transport, improving the organization and efficiency of road transport in cities and the application of integrated concepts ("smart" cities) (2);

Promoting and creating an environment for the development of green innovation in all sectors of the economy, especially in energy, transport, industry, construction, agriculture and services (tourism) (2);

In transport, by applying new technologies (vehicles with lower emissions, lower fuel consumption, alternative fuels), while promoting modes of transport that are more environmentally friendly; define and implement incentive measures, including tax relief; apply measures to minimize the negative effects of traffic on the environment; vehicle recycling at the end of their service life (2).

Total funding required:

USD 50.500,000

GCF:	Co-financing:
USD 12,400,000	USD 38,100,000

Activity 2.5. Facilitation for individuals to purchase electric cars;		
Activity 2.6. Organization of awareness campaigns, including technology demonstrations.		

Project #6	Preventive protection and rehabilitation of forest ecosystems in the national parks of Montenegro (NPM)	
GCF area results	<p>Adaptation: Ecosystems and ecosystem services, resistant to the negative effects of climate change: 60 per cent;</p> <p>Mitigation: Sustainable land use and forest management: 40 per cent</p>	
Problem and project description	<p>Establishment of a new sector in the existing organizational structure of the Public Enterprise of National Parks of Montenegro. Establishment of a new professional service sector, which will have the activity prescribed by the Statute of PENPM within the Joint Services of a public enterprise. The service will be formed by experts who have references and the best knowledge in terms of conservation using an ecosystem approach.</p> <p>The Sector for Climate Change of the Public Enterprise for National Parks of Montenegro will also be a modern approach to mitigation, with the help of material and technical resources that need to be provided:</p> <ul style="list-style-type: none"> - Development of interactive Fire Protection Plans with an assessment of the degree of fire risk in the NPMNE area; installation of sophisticated multifunctional devices for rapid detection and signalling of fire occurrence. Therefore, it is necessary to procure adequate equipment, which will enable fast detection, and modern equipment, which enables quick reaction in the event of a fire; - Construction of innovative-specialized stations for quick reaction in case of fire. Stations in the form of facilities, built near forest areas (pre-determined locations for facilities as well as timely entry in the plan of temporary facilities for each National Park). All stations (8) will be equipped with the necessary fire-fighting equipment, human and civil sector equipment that will be involved in actions to adequately respond to fires. - Procurement of modern devices, such as those already used in the region (caterpillars / robots with water cannons and turbines for ejecting water; procurement of equipment with sophisticated performance for direct-immediate firefighting in accessible and inaccessible locations; - Frontal and continuous education of local communities that 	
	<p>Envisaged implementation agency</p> <p>UNDP, GIZ, WWF</p>	
	<p>Key executive institution</p> <p>Public Enterprise National Parks of Montenegro (PENPM)</p>	
	<p>Potential implementation partners</p> <p>Ministry of Agriculture, Forestry and Water Management, Ministry of Ecology, Spatial Planning and Urbanisms, Agency for Nature and Environmental Protection, Forest Administration, Community of Municipalities of Montenegro and NGO sector</p>	
	<p>Compliance with measures:</p> <p>1. Strategies with forest and forestry development plan 2014–2023;</p> <p>2. National strategies for sustainable development until 2030.</p>	
	<p>Improving forest management in national parks (1);</p> <p>Investments in equipment and preventive measures to fight fires (1);</p> <p>Improving the organization of institutions to fight forest fires;</p>	

<p>gravitate to national parks and other stakeholders (visitors, park residents, employees, protection services, etc.);</p> <ul style="list-style-type: none"> - Defining and mapping habitats and forest communities in the area of parks as a basis for determining and monitoring ecological capacity, the impact of negative pressures and monitoring mitigation and adaptation to climate change; - Establishment of a PROTOCOL for monitoring relevant indicators on the basis of which it is possible to monitor the impact of climate change, as well as monitoring adaptive and mitigation measures for climate change; - Development of afforestation plans for areas of national parks where seedlings can be planted on sites that have been degraded, burned and / or where the loss of forest cover occurs; - Formation of nurseries with seed cells, which will primarily produce autochthonous seedlings created from autochthonous genetic material-seeds, of known provenance, quality and age; Production would primarily be based on seed collection and production of indigenous seedlings, which are recognized as species that have greater tolerance and resistance to climate change to provide adaptive interventions to forest ecosystems. <p>Forest ecosystems, the most valuable and sensitive ecosystems in national parks, represent the highest value, taking into account the biodiversity index. There are five (5) national parks in Montenegro, which cover 7.7 per cent of the total territory of Montenegro and include 16 municipalities. Original values, primarily diversity, preservation, rainforest character and age of forest ecosystems enable easier monitoring of climate change parameters.</p> <p>Preventive protection of forest cover from biomass loss (fires), release of harmful gases (CO₂) and habitat degradation is the basis for the protection of nature and the most important ecosystems, such as national park forests. Also, prevention contributes to direct protection and conservation activities and reduces the impact of climate change while directly adapting to global climate change.</p> <p>Revitalized degraded areas and increased areas under forest ecosystems are achieved through continuous afforestation activities. The production of planting material with physiological properties adaptable to climatic extremes is a measure that guarantees the survival of the original forest ecosystems of NPCG, as well as stopping the erosion process and increasing the areas that produce oxygen.</p>	<p>Involvement of the population in fire prevention and control (1);</p> <p>Providing quality indigenous seeds and seedlings of forest trees (1);</p> <p>Stable and quality forest ecosystems: by integrating Natura 2000 requirements into forest management plans, habitats and species throughout the forest area are protected (1);</p> <p>Encouraging afforestation, replenishment and care of coppice forests (1);</p> <p>Improving forest status and reforestation (2);</p> <p>Enable effective protection of protected areas of nature, ecologically valuable habitats, forest, water and coastal ecosystems, protected species of flora and fauna, air and land - prevent endangerment and enable preservation and, where necessary, restoration of forest, freshwater, marine and coastal ecosystems, wetlands and mountain ecosystems, including mitigating the negative effects of climate change and the increasing risk of droughts, floods, fires and biotic pests (especially in relation to the effects of climate change on forests, including shifting vegetation zones, decreasing growth, reducing species, drying forests and increasing forest fires) (2);</p> <p>Enable resource efficient use of forest resources (2);</p> <p>Enable sustainable land use management for improving water balance (2).</p> <tr> <td colspan="2"> <p>Total funding required:</p> <p>USD 8,964,852</p> </td></tr> <tr> <td> <p>GCF:</p> <p>USD 6,227,083</p> </td><td> <p>Co-financing:</p> <p>USD 2,737,769</p> </td></tr>	<p>Total funding required:</p> <p>USD 8,964,852</p>		<p>GCF:</p> <p>USD 6,227,083</p>	<p>Co-financing:</p> <p>USD 2,737,769</p>
<p>Total funding required:</p> <p>USD 8,964,852</p>					
<p>GCF:</p> <p>USD 6,227,083</p>	<p>Co-financing:</p> <p>USD 2,737,769</p>				

Project #7		Implementation of priority (community-based) measures to adapt and mitigate the impact of climate change on the water sector in Montenegro	
GCF area of results		<p>Adaptation: Increased level of health and well-being, as well as availability and safety of food and water;</p> <p>Infrastructure and urban spaces resistant to the negative effects of climate change;</p> <p>Ecosystems and ecosystem services, resistant to the negative effects of climate change</p>	
Problem and project description		Envisaged implementation agency	
<p>The aim of the project is to implement measures to mitigate and adapt to the impact of climate change in karst areas characterized by lack of drinking water, including the implementation of a combination of non-structural measures (analysis of water availability, water supply system efficiency and climate change impact) and structural measures in accordance with recommendations. In addition, the project aims to implement measures to adapt to the impact of climate change on floods in the Zeta and Moraca rivers, which include the construction of infrastructure in risky areas (structural measures) and the introduction of new agri-environmental measures and the establishment of support systems / subsidies for farmers, agroecological measures;</p>		UNDP	
		Key executive institution	
		Ministry of Agriculture, Forestry and Water Management	
		Potential implementation partners	
		Ministry of Ecology, Spatial Planning and Urbanism, Department of Hydrometeorology and Seismology, Local Self-Government, Public Works Directorate	
		<p>Compliance with measures</p> <p>1. National strategies for sustainable development until 2030;</p> <p>2. Water management strategy</p>	
		<p>Mitigate the effects of natural and anthropogenic hazards (1)</p> <p>Strengthen capacity to adapt to climate change (1)</p> <p>Providing sufficient quantities of water of appropriate quality for public water supply of the population and for various economic needs, in a way that does not endanger the environment. (2)</p> <p>Reducing the risk of harmful effects of water (2)</p>	
		<p>Total funding required:</p> <p>16,692,000 USD</p>	
		GCF:	Co-financing: :
		13,910,000 USD	2,782,000 USD

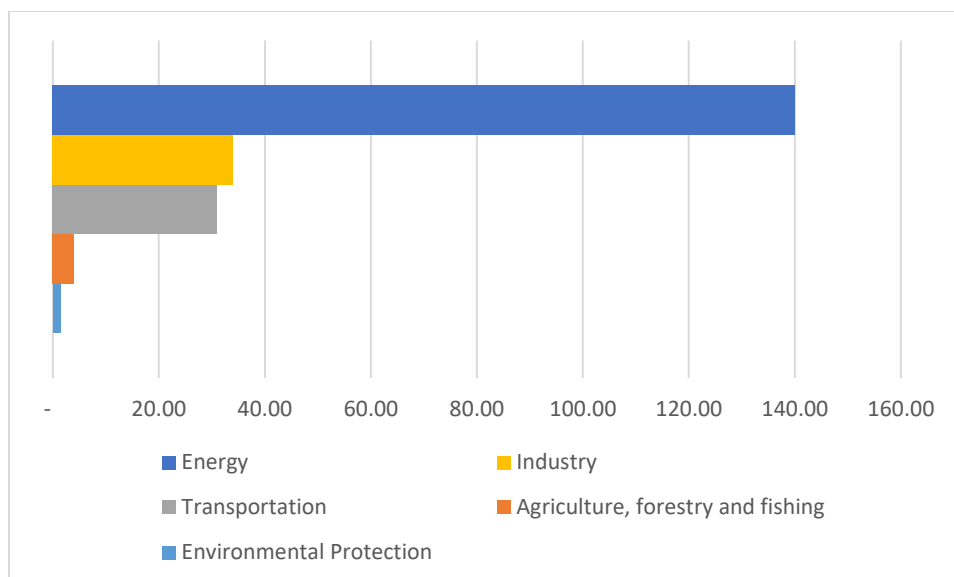
ANNEX 5. Access to funding sources and development assistance in the field of climate action in Montenegro

As stated in the introductory part of the document, Montenegro's public debt has reached a level higher than 90% of GDP by the end of 2020. In conditions when the effects of the Covid 19 pandemic, despite the planned mass immunization, will certainly be felt during 2021, as well as in conditions of pronounced contraction of economic activities, significant decline in GDP and increase in indebtedness, Montenegro will face a severe economic recession. The possibilities of financing climate action from domestic sources, as well as the possibilities of borrowing on the international market for this purpose will be largely limited for a longer period. Therefore, in such unfavorable conditions, cooperation with the Green Climate Fund and the possibility of financing the transition to climate-neutral development that is at the same time resilient to climate change has gained multiple importance.

Montenegro, as a developing country, has so far significantly depended on the funds provided through official development assistance. This is the situation when it comes to the area of climate action. In the period from 2014 to 2017, Montenegro received official development assistance (ODA) of over 200 million euros, intended for initiatives that fully or partially relate to the fight against climate change (OECD, 2017). As stated in the Third National Report to the UNFCCC, the European Union is the most significant donor, with a share of about 60% of total project funding. The United Nations and the Global Environment Facility (GEF) together, through programs and donations, contributed approximately 30% of the total funds.

Investments in mitigation measures significantly exceed investments in adaptation measures. Estimated financial investments for climate change projects in the period from 2014 to 2017 amount to approximately 13 million euros for adaptation in the water, forestry and agriculture sectors, while investments in mitigation projects reached 187 million euros in the energy sector, sector transport, as well as the banking and financial services sector (OECD-DAC, 2017). Funds are received in the form of loans or grants. The structure of received development assistance in the field of climate action in Montenegro in the period 2014-2017 is shown in Graph 8.

Graph 8. Development assistance in the field of climate action for Montenegro in the period 2014-2017 (in millions of USD)



9 LITERATURE

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