GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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Dear Council Member,

I am writing to notify you that we have today posted on the GEF's website at www.TheGEF.org, a medium-sized project proposal from UNDP entitled ***Montenegro: Capacity Building for Environmental Policy Institutions for Integration of Global Environment Commitments in the Investment and Development Decisions/Projects***, to be funded under the GEF Trust Fund (GEFTF).

The project objective is to analyze, identify, and pilot advanced tools and practices for environmental information management and compliance monitoring of the national implementation of the Rio Conventions. Specifically, the project would develop national capacities collect and analyze data and information against the metrics of global environmental indicators, and integrate these within national sustainable development and environmental decision-making processes in Montenegro.

The project proposal is being posted for your review. We would welcome any comments you may wish to provide by June 23, 2011, in accordance with the new procedures approved by the Council. You may send your comments to gcoordination@TheGEF.org.

If you do not have access to the Web, you may request the local field office of the World Bank or UNDP to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

Attachment: Project Document

cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

REQUEST FOR CEO APPROVAL[1]

PROJECT TYPE: Medium-sized Project
TYPE OF TRUST FUND:GEF Trust Fund

PART I: PROJECT INFORMATION

Project Title: Capacity building for integration of global environment commitments in investment/development decisions			
Country(ies):	Montenegro	GEF Project ID:[2]	4187
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	4378
Other Executing Partner(s):	Ministry of Spatial Planning and Environmental Protection	Submission Date:	2011-04-21
GEF Focal Area (s):	Multifocal Area	Project Duration(Months)	36
Name of Parent Program (if applicable): For SFM/REDD+ ☐	N/A	Agency Fee ($):	50,270

A. FOCAL AREA STRATEGY FRAMEWORK[3]

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount ($)	Cofinancing ($)
CD-4 (select)	a) Enhanced institutional capacities to manage environmental issues and implement global conventions b) Good environment management standards defined and adopted	a) Institutional capacities for management of environment strengthened. b) Standards developed and adopted	GEF TF	242,000	340,850
CD-5 (select)	a) Enhanced skills of national institutions to monitor environmental changes b) Evaluation of programmes and projects strengthened and improved against expected results c) Increased capacity for evaluation	a) Monitoring systems established b) Evaluation system for programs and projects established c) Learning system established to provide feedback to policy, strategies and management decisions from evaluation reports	GEF TF	215,000	254,000
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)	Others		(select)		
		Subtotal		457,000	594,850

[1] It is important to consult the GEF Preparation Guidelines when completing this template
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the Focal Area/LDCF/SCCF Results Framework when filling up the table in item A.

Project management cost[4]	GEF TF	45,700	88000
Total project costs		502,700	682,850

B. PROJECT FRAMEWORK

Project Objective: To analyze, identify and pilot advanced tools and practices for environmental information management and compliance monitoring of the national implementation of the Rio Conventions						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Grant Amount ($)**	**Confirmed Cofinancing ($)**
Global Environmental Management Indicators	TA	Environmental management information system and indicator framework for global environmental management developed and applied on a pilot basis	• Set of uniform indicators and guidance for measuring the contribution of regional development policy and spatial planning to meeting global environmental objectives, including low-emission and climate-resilient development strategies; • Data Flow System designed and introduced for institutions concerned with CBD, CCD, FCCC and issues; • A web-based advanced tools for environmental data / metadata storage for environmental policy formulation tested and adopted; • Testing the application of an integrated environmental management information system to assess global and sustainable development outcomes of the National Spatial Plan and Tourism Master Plan, as well as regional development policies and low-emission climate-resilient development strategies (LECRDS)	GEFTF	242,000	340,850

[4] This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or cofinancing sources.

Institutional strengthening for improved monitoring of the global environment and capacity to replicate successful environmental information management and integration practices	TA	Institutional capacity of the Environmental Protection Agency strengthened to perform compliance monitoring in relation to global environmental conventions and a system of knowledge management established	• Institutional reforms (based on a functional analysis performed through a consultative process) undertaken to enable incorporation of global environment com-mitments into planning and monitoring processes; • Accredited training programme developed and delivered for the Environmental Protection Agency staff and other re-levant organizations (on advanced planning tools, information systems for global and national environmental management, indicators and trend analysis methods); • The "Environmental Sustainability Theme Manager Office" system for integration of global environmental objectives customized and introduced at the Environmental Protection Agency; • M&E and risk management system established; • A web-based environmental project database for improved coordination and output analysis established	GEFTF	215,000	254,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
			Subtotal		457,000	594,850
			Project management Cost[5]	(select)	45,700	88,000

[5] Same as footnote #3.

Total project costs		502700	682850

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME ($)

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount ($)
National Government	Environmental Protection Agency (EPA)	Grant	325,850
National Government	Hydrometeorological Institute	Grant	50,000
National Government	Office of Sustainable Development	Grant	188,000
Bilateral Aid Agency (ies)	Deutsche Gesellschaft für Internationale Zusammenarbeit (GTZ)	In-Kind	94,000
Other Multilateral Agency (ies)	UNDP	Grant	25,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
Total Co-financing			682,850

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in $)		
				Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	GEF TF	Multi-focal Areas	Montenegro	502,700	50,270	552,970
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				502,700	50,270	552,970

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Estimated Person Weeks	Grant Amount ($)	Cofinancing ($)	Project Total ($)
Local consultants*	1,583.00	340,000	649,850	989,850
International consultants*	55.00	90,000	33,000	123,000
Total		430,000	682,850	1,112,850

* Details to be provided in Annex C.

F. PROJECT MANAGEMENT COST

Cost Items	Total Estimated Person Weeks/Months	Grant Amount ($)	Co-financing ($)	Project Total ($)
Local consultants*	343.00	25,700	75,000	100,700
International consultants*	6.00	15,000	0	15,000
Office facilities, equipment, vehicles and communications*		0	8,000	8,000
Travel*		5,000	5,000	10,000
Others**	Specify "Others" (1)			0
	Specify "Others" (2)			0
Total		45,700	88,000	133,700

* Details to be provided in Annex C. ** For others, to be clearly specified by overwriting fields *(1) and *(2).

G. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If non-grant instruments are used, provide in Annex E an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund).

H. DESCRIBE THE BUDGETED M &E PLAN:

UNDP will use its Monitoring and Evaluation Plan to ensure the cost-effective and adaptive collaborative management of this proposed project. Application of the M&E plan will ensure that the project activities will be undertaken in such a way that they remain valid, relevant, and legitimate in keeping with planned outcomes, reporting requirements, as well as in the face of unforeseen consequences. The M&E Plan and its associated indicators, means of verification, roles and responsibilities will be reviewed and fine-tuned during the project's initiation workshop with participating stakeholders.

A project initiation workshop would be conducted with the full project team, Project Manager, relevant government counterparts, co-financing partners, the UNDP CO (UNDP Country Office), with representation from the UNDP/GEF Regional Coordinating Unit (RCU) as appropriate. Non-governmental stakeholders would also be represented at this workshop.

A fundamental objective of this initiation workshop will be to further instill and create understanding and ownership of the project goals and objectives among the project team, government and other stakeholder groups. The workshop also serves to finalize preparation of the project's first annual work plan (AWP) on the basis of the project's log-frame matrix (Annex A). The discussion at the workshop would include reviewing the log frame (indicators, means of verification, assumptions) and completing the Capacity Development Scorecard. Based on the discussions, the AWP would be finalized with precise and measurable performance (process and output) indicators, and in a manner consistent with the expected outcomes from the project.

The project initiation workshop would also detail the roles, responsibilities, and accountabilities of within the framework of the project's decision-making structures, including lines of communication and reporting, as well as conflict resolution procedures. This includes structures detailing the work of the Project Steering Committee (PSC) as well as the required M&E reporting procedures, i.e., the preparation of quarterly progress reports and annual performance reports such as the Project Implementation Reviews (PIR).

Day-to-day monitoring of project implementation progress will be the responsibility of the Project Manager (based on the project's AWP and its indicators). The Project Manager would inform the UNDP CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

The Project Manager would fine-tune, as appropriate, expected outcome and performance indicators in consultation with the full project team at the initiation workshop, with support from UNDP CO and assisted by the UNDP/GEF. Specific performance targets and indicators for the first year of implementation, together with their means of verification, would be developed at the initiation workshop. These will be used to assess whether implementation is

proceeding at the intended pace, in the right direction, and the information would be included as part of the AWP. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the Project Team, and agreed with the Executing Agency i.e., the EPA, along with other key project stakeholders sitting on the PSC.

Periodic monitoring of implementation progress would be undertaken by UNDP CO through the provision of quarterly progress reports from the Project Manager. Furthermore, specific meetings would be scheduled between the PMU, the UNDP CO and other pertinent stakeholders as deemed appropriate and relevant (particularly by the PSC members). Such meetings will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

Yearly Monitoring would occur through the yearly PSC meeting. This would be the highest policy-level meeting of the parties directly involved in the implementation of the project. The project would be subject to PSC meetings at least once a year. The first such meeting would be held within the first twelve months following the initiation workshop. For each yearly meeting of the PSC, the Project Manager would prepare harmonized Annual Project Report / Project Implementation Reviews (APR/PIR) and submit it to UNDP CO, the UNDP/GEF Regional Coordination Unit, and all PSC members at least two weeks prior to the meeting for review and comments.

The APR/PIR would be used as one of the basic documents for discussions in the PSC yearly meetings. The Project Manager would present the APR/PIR to the PSC members, highlighting policy issues and recommendations for the decision of the Committee participants. The Project Manager would also inform the participants of any agreement(s) reached by stakeholders during the APR/PIR preparation, on how to resolve operational issues. Separate reviews of each project output would also be conducted, if required. Details regarding the requirements and conduct of the APR and PSC meetings would be contained in the M&E Information Kit available through UNDP/GEF.

The UNDP CO, in consultation with the UNDP/GEF Regional Coordinator and members of the PSC, would have the authority to suspend disbursement if project performance benchmarks are not met as per delivery rates, and qualitative assessments of achievements of outputs.

A project initiation report would be prepared immediately following the initiation workshop. This report would include a detailed work plan for the first year of implementation, divided in quarterly time-frames, as well as detailed activities and performance indicators that will guide project implementation. This work plan would include the proposed dates for any visits and/or support missions from the UNDP CO, the UNDP/GEF Regional Coordinating Unit, or consultants, as well as time-frames for meetings of the project decision-making structures (e.g., PSC). The report would also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and would include any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

The initiation report would also include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. A section of the report will be devoted to progress made to date on start-up activities and an update of any changed external conditions that may impact project implementation, such as any unforeseen or newly arisen constraints. When finalized, the report would be circulated to project counterparts who would be given a period of one calendar month to respond with comments or queries.

The combined Annual Project Report (APR) and Project Implementation Review (PIR) is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. As a self-assessment exercise by the Project Manager to the Country Office, the APR/PIR is a key input to the year-end PSC meetings. The PIR is an annual monitoring process mandated by the GEF, and an essential management and monitoring tool for project managers as well as means to extract lessons learned.

The APR/PIR will be prepared on an annual basis well in advance (at least one month) in order to be considered at the PSC meeting. The purpose of the APR/PIR would be to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The APR/PIR would be discussed by the PSC, so that the resultant report represents a document that has been agreed upon

by all of the key stakeholders.

Quarterly Progress Reports are short reports outlining the main updates in project performance, and would be provided quarterly to the UNDP Country Office. UNDP CO would provide guidelines for the preparation of these reports, which would be shared with the UNDP/GEF RCU. The UNDP CO will upload quarterly progress report into UNDP's online Enhanced Results Based Management Platform (ERBM), available at http://home.undp.org.

Independent mid-term and final evaluations would take at the mid-point and three months prior to the expected operational closure respectively. The evaluations would focus on: a) the cost-effectiveness, efficiency and timeliness of project implementation, performance, and prospects for achieving institutional sustainability; b) highlight issues requiring decisions and actions; and c) present initial lessons learned about project design, implementation and management. Findings of these evaluations would be incorporated as lessons learned, and recommendations for improvement addressed to ensure the adaptive collaborative management of project activities and institutional sustainability of project outputs.

GEF Capacity Development Scorecard: This tool will be implemented as a time-series evaluation, assessing the cross-cutting capacity development to meet global environmental benefits at time 0, project mid-point, and project conclusion. Indicators would be rated to quantify the change achieved and to provide information needed for higher reporting purposes at program level. The scorecard will serve as a valuable tool to make some inferences about the project's contribution to strengthening Montenegro's foundational capacities to meeting global environmental commitments. Subsequent to and building upon the independent final evaluation, the Terminal Review meeting for the project would be held by the PSC, with invitation to other relevant Government and project stakeholders as necessary, in the last month of project operations. The Project Manager would be responsible for preparing the terminal review report and submitting it to UNDP COs, the UNDP/GEF Regional Coordinating Unit, and all participants of the terminal review meeting. The terminal review report would be drafted at least one month in advance of the terminal review meeting, in order to allow for timely review and to serve as the basis for discussion. The terminal review report would consider the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. The report would also indicate whether any actions remain necessary, particularly in relation to the sustainability of project outcomes, and acts as a vehicle through that lessons learned can be captured to feed into other projects under implementation or formulation.

The Project Manager would provide the UNDP Resident Representative with certified periodic financial statements and an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in UNDP's Programming and Finance manuals. The audit would be conducted by the legally recognized auditor of UNDP Montenegro.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1. The GEF focal area/LDCF/SCCF strategies:

As a priority objective of the three Rio Conventions, donors and the GEF, the strategic approach of capacity development is directed towards facilitating cross-sectoral and participatory approaches to natural resource management planning and implementation. Guided by the GEF "Strategic Approach to Enhance Capacity Building", approved by the GEF Council in November 2003, this Multi-Focal Area project is guided by the principle of targeting capacity development activities across focal areas (cross-cutting) in order to create synergies. Adaptive collaborative management will be used as an approach to engage stakeholders as collaborators in the design and implementation of project activities that take into account consequences arising from policy interventions.

This project is specifically structured to meet Capacity Development Objectives 4 and 5 of the GEF-5 Capacity Development Results Framework. Component 1 of the project focuses on developing national capacities for improved management and implementation of the three Rio Conventions by developing global environmental management indicators as part of the Montenegro's environmental governance regime. Component 2 of the project is a complementary capacity building set of activities, developing individual and institutional capacities to use global environmental management indicators as a monitoring tool to assess the intervention performance and institutional sustainability.

The project is also consistent with the programmatic objectives of the three GEF thematic focal areas of biodiversity, climate change and land degradation, the achievement and sustainability of which is dependent on the critical development of capacities (individual, organizational and societal). Through the successful implementation of this project, a more integrated and cost-effective approach to developing and applying global environmental management indicators across the focal areas will be demonstrated.

The capacity building activities of the project are in line with several articles under the Rio Conventions, in addition to other international environmental treaties, as indicated in the table below. For example, Article 4 of the FCCC calls for Parties to "Promote and cooperate in ...systematic observation and development of data ... to reduce or eliminate the remaining uncertainties regarding the causes, effects, magnitude and timing of climate change and the economic and social consequences of various response strategies". Article 7 of the CBD similarly calls for Parties to "Maintain and organize, by any mechanism data ... of activities which have or are likely to have significant adverse impacts on the conservation and sustainable use of biological diversity". Article 16 of the CCD calls for Parties to "to integrate and coordinate the collection, analysis and exchange of ... data and information ... to combating desertification and mitigating the effects of drought".

Type of Capacity	FCCC	Montreal Protocol	CBD	CCD	POPs
Information Management and Knowledge	Article 4 Article 5	Article 3 Article 7 Article 9	Article 7 Article 12 Article 14 Article 17	Article 10 Article 16	Article 7 Article 9 Article 15

A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

N/A

A.2. National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e., NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

Montenegro's National Capacity Self-Assessment (NCSA) identified a number of common weaknesses in the national implementation of the Rio Conventions. As a result, the NCSA Action Plan prioritized a suite of national cross-cutting capacity development actions. The top priority action identified was to harmonize the country's environmental legislative framework so that it becomes fully compliant with Rio Convention commitments. This project will be an important contribution to this objective by developing and piloting the application of global environmental management indicators that will help Montenegro assess the extent to which policy interventions are achieving global environmental benefits.

Montenegro has approved a number of strategies and plans to address the causes and impacts of climate change. This includes the Framework Strategy on Climate Change, Energy Efficiency Strategy of the Republic of Montenegro (2006), Strategy for Development of Small Hydro Power Plants (2006), Spatial Plan of Montenegro, and Energy Sector Development Strategy. Montenegro recently prepared its Initial National Communication to the FCCC, which called for the reporting of a suite of indicators that serve to assess the country's contribution to meeting FCCC obligations. This includes the preparation of inventories of greenhouse gas emissions, as well as reporting on the progress made to implement Clean Development Mechanism projects.

Weaknesses and Threats	**CBD**	**CCD**	**FCCC**
Weak inter-agency cooperation	X	X	X
Gaps, imprecision and need to revise legal framework	X	X	X
National programmes, policies, plans or strategies required by Conventions not prepared	X	X	X
Inefficient enforcement of existing Convention-related laws and plans	X	X	
Low political priority of, and inadequate political and social support to Convention-related issues	X		X
Lack of or insufficient capacity (qualified staff, and administrative, financial, technical and data resources) to implement Convention requirements	X	X	X

Montenegro's 2010-2015 National Biodiversity Strategy and Action Plan (NBSAP) represents an important strategic framework to meeting Convention on Biological Diversity (CBD) commitments. The NBSAP calls for an increase in protected area coverage, as well as the protection of endangered and endemic fauna and flora. The NBSAP is an important tool for guiding the conservation and sustainable use of biological resources in a way that reconciles protection for national benefit with protection to meet global environmental obligations. The NBSAP is complemented by Montenegro's National Forest Policy and Strategy, which also provides long-term benefits under the FCCC through its position to increase forest protection, and thus increase carbon sequestration.

Montenegro's National Strategy for Sustainable Development (NSSD) is based on the globally accepted principles of sustainable development, defined through the Rio Declaration and Agenda

21, Johannesburg Declaration and Implementation Plan, as well as on the principles of the UN Millennium Declaration from which the Millennium Development Goals (MDGs) were derived. These include taking a precautionary approach to development, internalizing environmental costs, and reconciling local and global priorities. The application of global environmental management indicators represent an important set towards helping Montenegro implement their NSSD by providing checkpoints for tracking progress to meeting and sustaining global environmental objectives.

The project also aligns closely with priority activities identified in the National Integrated Coastal Zone Management Strategy (2008), the National Strategic Action Programme for the Conservation of Biological Diversity in the Mediterranean, and the Spatial Plan on the Maritime Public Domain (2007). Each of these has important implications for delivering global environmental benefits, and to the extent that their associated policy interventions can be measured in these terms will demonstrate that Montenegro is making a contribution to meeting Rio Convention obligations.

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

Project Context and Institutional Framework

In 1991, the Parliament committed Montenegro to develop into an "ecological state", and this vision was reinforced in 2007 through Constitutional provisions on ecological priorities, thus confirming a high level of commitment to preservation of the natural environment and sustainable development.

In 2007, the Government adopted the National Strategy of Sustainable Development (NSSD) as the most important document that sets out the goals and priorities for guiding future development in all areas. The strategy seeks to: (i) advance economic growth and development, and reduce regional development disparity; (ii) alleviate poverty; (iii) provide equal access to services and resources, (iv) ensure efficient control and reduced pollution, and sustainable management of natural resources, (v) improve the system of administration and public involvement; mobilize all the actors, with capacity building at all levels, and (vi) maintain cultural diversity and identities. In October 2008, the Government established the Council for Sustainable Development, accepting the reform defined and proposed by the Office for Sustainable Development (OSD) in cooperation with numerous local and international actors. The NSSD defines a set of 28 core sustainable development indicators that are intended to assess the direction and the general alignment of the development trends of Montenegro with the standards and principles of sustainable development. The core set of indicators also includes indicators on environment to ensure efficient pollution control and reduction, and sustainable management of natural resources. However, these indicators do not adequately reflect criteria and indicators that measure global environmental outcomes. Together, the CSD and NSSD are the key means for ensuring that the sustainable development principles are adequately streamlined in the major strategic documents and plans.

In Montenegro, there exists a considerable fragmentation of mandates and responsibilities within and among many institutions in the field of environment. The Ministry for Sustainable Development and Tourism (MSDT) is the focal institution within the Government mandated with the policy-making, legislative and supervisory functions in the areas of urban planning and spatial information systems, environmental protection and sustainable use of natural resources, housing policy and development, tourism development, and public infrastructure and other public utilities, among others.

However, the MSDT is not the only ministry responsible for aspects of environmental protection. The largest area of environmental policy that is not within the mandate of the Ministry of Spatial Planning and Environment (MSPE) is water, which instead falls under the Ministry of Agriculture, Forestry and Foods (MAFF). A number of other ministries are responsible for certain aspects of environmental protection, such as the Ministry of Health, which is responsible for the management and treatment of medical waste and the Ministry of Transport, Maritime Affairs and Telecommunications, which is responsible for addressing the causes and impacts of marine pollution.

There are a number of other national administrative institutions that serve to implement and enforce environment-related provisions of national policies, programmes and plans. These administrative institutions, or agencies, include the Environmental Protection Agency, the Real Estate Administration, the Water Administration, the Maritime Safety Administration, the Hydrometeorological Institute, the Seismological Institute, the Forestry Administration, and the Office of Public Works. The supervision over the legality and quality of work of these institutions is performed by their respective ministries: the Ministry of Agriculture, Forestry and Water management is responsible for supervision of the Water Administration and the Forestry Administration; the Ministry of Finance is responsible for supervision of the Real Estate Administration; and the Ministry of Transport, Maritime Affairs and Telecommunications is responsible for the supervision of the Maritime Safety Administration. The MSDT is responsible for supervision of the Environmental Protection Agency, the Hydrometeorological Institute, the Seismological Institute and the Office of Public Works.

The EPA was established in order to effectively perform professional activities related to environmental monitoring, collection and dissemination of data and coordination and management of the national information system of environmental protection. The main mission of the Environmental Protection Agency is to provide reliable and timely data and information on the state of the environment, necessary for the effective implementation of environmental policy in the state. EPA responsibilities include: revision and improvement of the programme of environmental monitoring; establishment of an information system; establishment of reference centers for environmental monitoring; enhancement of the reporting system; development of environmental and sustainable development indicators; enhancement of data and information; contribution to environmental protection; and strengthening of awareness about the importance of environmental protection.

In addition to the administrative institutions, there are a number of other public institutions that play a role in environmental management, including: (i) the Nature Protection Institute, which is a public institute that was established under the Nature Protection Act; (ii) the public enterprise National Parks of Montenegro established in 1993 under the National Parks Act; (iii) the Public Enterprise for the Management of Marine Commons established in 2006 under the Marine Commons Act; and (iv) the Centre for Ecotoxicological Research (CETI) of Montenegro, a state owned public institution that carries out ecological research and monitoring.

Project Rationale

Despite these important national policies and institutional structures and mechanisms, significant barriers remain for effective environmental management, in particular:

- Fragmented institutional mandates and responsibilities for environmental protection
- Undefined institutional obligations as they relate to the collection, management, and sharing of data and information relevant to environmental protection, including the centralization of data and information
- Lack of unique databases and informational system within each institution/agencies
- Weak compliance of existing legislation, e.g., obligation of the polluters to monitor and report their emissions
- Data collection does not follow universally accepted statistical methodologies that meet legislated

requirements
- Inadequate analytical skills to apply global environmental indicators
- Lack of institutional capacities in terms of technical knowledge, personnel, financial resources to create and manage an indicator based environment management system centrally (say at EPA).
- Absence of legislation that mandates the creation of a centrally managed environment management system based on globally accepted set of indicators, relevant for meeting the obligations of Montenegro under the commitments to Rio Conventions and also its integration with European Union (EU).

Exacerbating these national sustainable development barriers is the state of the current global financial crisis and the associated decrease of official development assistance and foreign investment, which has placed significant pressure on the Government to opt for investment and development decisions with high financial returns in the short-term perspective, often without full consideration of environmental factors or impacts. For these reasons, the short-term goal is to ensure that investment and development decisions in key economic sectors adequately integrate obligations and commitments of Montenegro vis-à-vis Rio Conventions, and that they are fully in line with the NSSD. This calls for an immediate action in ensuring that the key obligations Montenegro has undertaken through adoption of the Rio Conventions are adequately integrated and considered in investment and development decisions.

The proposed project represents an important contribution to the international environmental regimes, as governed by the Rio Conventions, given the absence of harmonized indicators to measure achievements. This project will represent an important test case for how indicators for global environmental management can be effectively developed and integrated within national environmental management systems to achieve both global and national environmental objectives.

Montenegro has made significant progress in establishing a legal and strategic framework for effective environmental management. The National Strategy for Sustainable Development adopted in 2007 serves as a key framework for ensuring that every sectoral strategy is in line with sustainable development principles. However, serious gaps remain between the legal and strategic framework on the one hand and their implementation on the other side. Neither do they specifically target an assessment of global environmental indicators.

Moreover, the environment in Montenegro remains under pressure from: (i) continued urbanization along the coastline, across the central lowland plain and around the natural lake systems; (ii) unsustainable levels of tourism development; (iii) illegal harvesting of forests and other natural resources; and (iv) illegal construction and effects of hot and dry periods on forest habitats susceptible to fires.

Project Objective

The immediate objective of this project is to analyze, identify, and pilot advanced tools and practices for environmental information management and compliance monitoring of the national implementation of the Rio Conventions. Specifically, the project would develop national capacities collect and analyze data and information against the metrics of global environmental indicators, and integrate these within national sustainable development and environmental decision-making processes.

Expected Outcome

The expected outcome of this project is that a systematic and sustainable approach to assessing global environmental achievements through the implementation of national policies, programmes and plans has been initiated. This project will aso be an important contribution to the national experiences in developing and implementing tools and practices for measuring, reporting, and verifying the cost-

effectiveness of official development assistance to implementing multilateral environmental agreements, in particular the Rio Conventions.

Expected Outputs and Activities

The project will be implemented through two complementary components:

Component 1: Global Environmental Management Indicators.

This component sets out to develop and pilot an indicator-based Environmental Management Information System (EMIS) for measuring, reporting, and verifying (MRV) environmental management in Montenegro. In particular, this component will identify and develop a set of internationally-recognized criteria and indicators to assess policies, programmes and plans within the context of global environmental obligations as framed by the three Rio Conventions.

The project will target the use and mainstreaming of global environmental indicators within the construct of regional development and spatial planning with a view to meeting the objectives of global environmental conventions at the national, regional, district and municipal levels. The EMIS will also help the EPA to monitor and evaluate the effectiveness of policies, programmes, and plans structured to meet environment and development objectives under the overall rubric of the NSSD.

A Data Flow System (with specific protocols regarding the collection, storage, analysis and dissemination of the data based on indicators) will be designed for EPA and Hydrometeorological Institute, as well as other institutions concerned with CBD, CCD, and FCCC implementation. The project will also reconcile these global environmental indicators with other target indicators used to assess the implementation of the National Spatial Plan 2020 and Tourism Master Plan 2020 at the regional level, with special attention to assessing low-emission, climate resilient development strategies (LECRDS).

Component 2: Institutional strengthening for improved monitoring of the global environment and capacity to replicate successful environmental information management and integration practices.

Under this component the project will support the institutional capacity building to enable the mainstreaming of global environmental commitments into planning and compliance monitoring processes. Based on the test integration of the EMIS in the monitoring of the National Spatial Plan 2020 and Tourism Master Plan 2020, this component will help to integrate the EMIS into broader, national decision-making processes, with the aim of institutionalizing a systematic approach to the use of global environmental indicators for MRV.

This component will address institutional bottlenecks that constrain the mainstreaming of global environmental issues into regional development and spatial planning. These bottlenecks primarily relate to the lack of institutional incentives that promote such integration and the capacity within the Ministry of Spatial Planning and Environmental Protection, Environment Protection Agency and Hydrometeorological Institute to monitor, evaluate, adapt, replicate and learn from the project results.

This component will also address the need to establish the relevant functions or tasks within the relevant organizations that will ensure the systematic mainstreaming of environment management best practices and adaptive collaborative management based on the compliance monitoring through environmental indicators. The project will also help to institutionalize the use of the Data Flow System for EMIS in institutions charged with environmental monitoring (EPA, Hydrometeorological Institute, among others).

The project will develop and impart a training-of-trainers (ToT) programme on advanced planning tools, environmental information management systems based on GIS, environmental indicators and methods of trend analyses. The training programme will also cover mainstreaming of global environment criteria and indicators into urban and rural development planning and will provide the trainees with the methodology

on how to adequately assess and report on achievement of obligations of CBD, CCD, and FCCC in regional development or spatial planning, as well as how to practically utilize that analysis in respect to planning documents.

The project will support the MSDT and EPA in customizing an Environmental Sustainability Theme Manager (ESTM) system. Managers would be identified in each stakeholder organization as Focal Points that have the responsibility to input and edit environmental data into the EMIS. The introduction of the Focal Point role and providing them with the necessary skills and knowledge that will enhance the efforts of the EPA in mainstreaming global environmental considerations in implementation of key development plans such as the National Spatial Plan and Tourism Master Plan.

A knowledge management network will be established to catalyze the proper management and dissemination of the best practices and project results. The project will develop and implement a communication strategy which will enable to disseminate project results and lessons to a wider audience of environmental managers and practitioners, among other stakeholders. The communication strategy is not a knowledge management strategy, but rather a set of directed project activities to raise awareness among stakeholders about the importance of developing and using global environmental indicators as part of decision-making and planning processes. This includes raising and ensuring the on-going support and legitimacy of the project objectives, results, and outcomes beyond the life of the project to ensure their sustainability

At the international level, this project will also help meet global environmental objectives by improving the capacities to conserve biodiversity, mitigate and adapt to climatic changes, and reduce land degradation. This project will initiate and demonstrate the cost-effective and efficient reform of policy measures for environmental protection and management.

B. 2. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The GEF Request amount of US$ 507,000 has resulted in a leveraged co-financing amount of US$ 682,850, for a total project cost of US$ 1,189,850. This comes to an approximate leveraging power of 135%. Additional co-financing was raised by the project in the form of parallel co-financing to the order of US$ 248,000 for activities that are indirectly related to the project outputs and project outcomes. These include the implementation of the NSSD and the implementation of the Technical Needs Assessment Handbook through a learn-by-doing approach (US$ 221,000).

Outcome 1. Environmental management information system (EMIS) and indicator framework for global environmental management developed and applied on a pilot basis			
1.1 Set of uniform indicators and guidance for measuring the contribution of regional development policy and spatial planning to meeting global environmental objectives, including LECRDS	A number of indicators exist, but these are structured according to standard environmental, social and economic criteria and metrics. These indicators are not consistently interpreted against global environmental criteria, nor are they uniformly accepted as valid metrics of sustainability	Set of environment indicators developed and agreed amongst various stakeholders	Development of global environmental indicators and their reconciliation with other sustainable development indicators.
1.2 Data Flow System	Although there are multiple	An integrated Data Flow	Existing data management

designed and introduced for institutions concerned with CBD, CCD, FCCC and issues	agencies managing environmental data, coordination between and among these to reconcile their data collection methodologies and standards are weak	System developed and agreed amongst various stakeholders to report clear and consistent indicators relevant to assessing CBD, CCD, and FCCC targets	protocols are strengthened to catalyze the harmonized collection, storage and accessibility of globally relevant environmental data and information. Clear roles, responsibilities, and accountabilities among partner agencies relevant to the CBD, CCD, and FCCC have been agreed to.
1.3 An advanced web-based tools for environmental data and metadata analysis for environmental policy formulation tested and adopted, with particular attention to measuring global environmental indicators	There is limited availability of web-based tools for analyzing environmental data, with these limited to closed network sharing within particular agencies, and not structured to sharing across agencies and key user-stakeholders	Development and adoption of advanced web-based tools for environmental data/meta analysis by stakeholders.	Good practice tools and methodologies for analyzing data and information to measure global environmental indicators are identified and institutionalized within a web-based system (see 2.5 below) for shared access by key stakeholders
1.4 Testing the application of an integrated environmental management information system (EMIS) to assess global and sustainable development outcomes of the National Spatial Plan and Tourism Master Plan at the regional level and consistent with LECRDS	Montenegro has recently begun reporting national indicators relevant to Rio Conventions, e.g., the Initial National Communication. However, individual policies, programmes, strategies, and plans are not individually assessed in terms of their unique contribution to Rio Convention obligations	Pilot application of EMIS in relation to National Spatial Plan and Tourism Master Plan at the regional level, with special attention to assessing LECRDS	Testing of global environmental indicators through an EMIS to assess regional development policies and plans
Outcome 2. Institutional capacity of the Environmental Protection Agency strengthened to perform compliance monitoring in relation to global environmental conventions and a system of knowledge management established			
2.1 Institutional reforms (based on a functional analysis performed through a consultative process) undertaken to enable integration of global environment commitments into planning and monitoring processes	Indicator-based information is not effectively used to formulate environmental policies and monitoring of variables for reporting	Scientifically valid and relevant indicators are a critical part of the policy formulation and decision-making processes, including in the monitoring and reporting of key environmental and sustainable development indicators	Global environmental indicators are systematically integrated and institutionalized within planning, monitoring, and decision-making processes across all key stakeholder institutions.
2.2 Accredited training programme developed and delivered for the Environmental Protection Agency staff and other relevant organizations (on advanced planning tools, information systems for global and national environmental management, indicators and	EPA staff and stakeholder organizations are not trained on the use of advanced planning and information management tools (which are to be developed under the project)	A comprehensive training programme is developed and delivered to EPA and other project stakeholders in such a way as to build up a critical mass of targeted local and national capacities.	Capacities of EPA and stakeholders are strengthened to effectively collect and manage key global environmental data.

trend analysis methods)			
2.3 The 'Environmental Sustainability Theme Manager Office' system for integrating global environmental objectives is customized and introduced at the Environmental Protection Agency	There is very limited to no coordination amongst EPA and other stakeholders on data collection, management, and sharing, which exacerbates the use of different metrics for assessing environmental indicators	Focal Points in stakeholder institutions are identified with the roles and responsibilities to coordinate data collection, management, and sharing among key networked agencies, in particular the those required to meet report on a range of sustainable development commitments	Clearly defined roles, responsibilities, and accountabilities of focal points in all key stakeholder agencies to managing data and information needed to measure, report and verify on Rio Convention achievements.
2.4 M&E and risk management system established targeted to compliance monitoring of national development policies, programmes, and plans	M&E protocols targeted to assessing environment and development policies, programmes, and plans are not available	A key set of M&E and risk management protocols are developed and tested to assess environmental and sustainable development outcomes	Global environmental criteria and indicators are institutionalized within compliance monitoring systems, including risk assessment and risk mitigation processes
2.5 A web-based environmental database for improved coordination and output analysis established, building on 1.3 above	Data and information is currently managed on a case-by-case basis, with limited sharing among project stakeholders. Data and information is not web-based.	Web-based environmental database established with networked access for all stakeholder institutions.	Creation of a database that builds upon best practices for the management of globally-relevant environmental information. Synergies created by linking databases and knowledge experts across Rio Convention focal areas

B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF). As a background information, read Mainstreaming Gender at the GEF.":

The central outcomes of Montenegro's national development policies are to derive important socio-economic benefits through policies, strategies and plans such as the NSSD, National Spatial Plan and National Tourism Plan. These outcomes will be delivered within a more holistic approach of environmentally sound and sustainable development, taking advantage of the opportunity to ensure that sustainable development is enhanced to coincide with the achievement of global environmental targets under the Rio Convention obligations. However, this approach requires that national development policies, strategies, programmes, and plans be monitored against a robust rubric of global environmental indicators alongside those metrics being used to measure socio-economic benefits.

In the absence of this project, national development may pursue and deliver socio-economic benefits. However, with the widely accepted paradigm of the dependence and sustainability of socio-economic benefits resting on the need to preserve important global environmental resources, socio-economic benefits may not be cost-effective or sustainable. For example, without minimizing greenhouse gas emissions that contribute to extreme and unpredictable variances in global climate patterns, tourism and land development may suffer from uncontrollable beach erosion, floods, protracted periods of drought and ensuing desertification.

The project's development and integration of global environmental indicators within the construct of an Environmental Management Information System (EMIS) will represent an important new set of capacities to measure and track the state of the environment from both a national sustainable development and global environmental obligation perspective. In the absence of such a system, development plans will continue to be pursued, albeit along their own more narrow trajectories, and greater risk from a lack of built-in resilience that is afforded by a more holistic approach to planning, implementation, and monitoring.

The EMIS will also make a valuable contribution to creating more reliable and consistent data for national and international reporting purposes, and better inform policy formulation and other decision-making processes. This includes using EMIS data to assess the cost-effectiveness of NSSD implementation, and identifying unanticipated impacts that may arise through policy interventions. For example, by linking global environmental with socio-economic indicators, policy formulation processes can be better informed in a way that targets the causes of flooding that leads to increased incidence of water-borne diseases.

The project would also create employment opportunities at various levels (national and regional) for people involved in creation and implementation of EMIS. The project would also help reduce brain-drain that is caused by under-employment in Montenegro, creating an opportunity for trained nationals to use their recently acquired skills in information technology and natural resource management. The gender dimension may be addressed through this ancillary project benefit. Notwithstanding, the project will endeavor to ensure a gender balance in the various trainings.

The successful implementation of sustainable environmental policies and regulations is also dependent upon the empowerment of the vulnerable groups and a full understanding of gender roles within a society. Project implementation arrangements will take these important criteria into consideration when addressing stakeholder issues, such as participation in consultations and trainings, as well as in the strategic design of targeted management approaches, such as looking at local women who play a role in local development activities that impact on global environmental resources. Gender issues will be a key consideration in the adaptive collaborative management of the project.

B.4. Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

Root Cause	Threat/Risk	Barrier	Proposed Action
1. Lack of specific legislative mandate and coordination amongst reporting institutions and agencies for reporting of environmental data to a central agency such as the EPA	Multiplicity of institutions and agencies, collecting and collating same or conflicting environmental data, thus wasting time and resources	Undefined obligations of national institutions and agencies that refer to the responsibility, manner and time frame of collecting, collating and submitting of data to a central institution such as the EPA	A legislative mandate to EPA to be officially supported by various institutions and agencies on the collection, collation and analysis of data for reporting to the Rio Convention Secretariats
2. Lack of institutional and technical capacities to develop databases and management information systems (MIS) that can pool data to help meet various local, regional, national and international commitments	Development of individual environmental MIS that neither meet departmental needs nor have the capacities to feed into a national environmental MIS that fulfils commitments at the national and international levels	Existing databases within key institutions and agencies do not share the same protocols of collecting, managing or sharing data	Build capacities of key institutions to develop harmonized databases and environmental MIS that are capable of meeting commitments at the local, regional, national and international levels
3. Ineffective monitoring	The designated agency or	Existing legislation	Strengthening

system to ensure the compliance by industry on the reporting of pollution and environmental data to the designated agency or institution.	institution is unable to collect and collate data in a cost-effective manner for feeding into the environmental MIS, resulting in lots of unvalidated data and data gaps, contributing to non-compliance and ineffective policy decisions	contains weak compliance provisions, compounding weak institutional enforcement mechanisms	institutional capacities to enforce legislative compliance on reporting requirements to the appropriate agencies or institutions
4. Lack of consensus on data collection needs, format and methodology to collect,collate, and analyze data to meet compliance at the national level	The collected data may not be sufficient or valid for analytical purposes and reporting requirements	Weak protocols for data collection according to a universally accepted statistical methodology, which meet legislative requirements, and for the development of environmental indicators	Development of an indicator-based environmental MIS, reinforced by peer-reviewed consensus on data collection, collation and analytical methodologies
5. Although the EPA is mandated to create an indicator-based environmental MIS by the end of year 2010, its institutional capacities to build, operate and manage such a system are lacking.	EPA may be able to structure an indicator-based system, but the lack of capacities and inadequate financing do not bode well for its expert design, management, or institutional sustainability	Insufficient institutional capacities and inadequate funding to access the needed technical knowledge, personnel, financial resources to create and manage an indicator-based environment MIS	Strengthening EPA capacities to build,operate and manage an indicator-based environmental MIS

Expected Outputs	**Sustainability Score (Scale 1-5)**	**Remarks / Proposed Action Plan**
1.1 Set of uniform indicators and guidance for measuring the contribution of regional development policy and spatial planning to meeting global environmental objectives, including LECRDS	4	The project will develop the indicators in the phased manner based on VED (Vital, Essential, and Desirable) analysis. Indicators would need dynamic constant updating to be sustainable in the long-term.
1.2 Data Flow System designed and introduced for institutions concerned with CBD, CCD, FCCC and issues	3	There is a need for regulation in favour of EPA to manage the data centrally for reporting under the Rio Conventions and for the data flow system to work sustainably. The capacities of the partner organizations will be built and flows maintained
1.3 An advanced web-based tools for environmental data and metadata analysis for environmental policy formulation tested and adopted, with particular attention to measuring global environmental indicators	5	Based on the tools and data storage systems available globally and the enthusiasm of the various project stakeholders, there is a strong possibility of success.
1.4 Testing the application of an integrated environmental management information system (EMIS) to assess global and sustainable development outcomes of the National Spatial Plan and Tourism Master Plan at the regional level and consistent with LECRDS	4	The indicator system will be updated on the basis of its regular monitoring and assessment.
2.1 Institutional reforms (based on a functional analysis performed through a consultative process) undertaken to enable integration of global environment	3	Development and operation of the web-based indicator system under the project would need to be institutionalized as part of broader reforms (e.g., the strengthening of agency mandates and reporting

commitments into planning and monitoring processes		requirements). Integration of global environmental commitments into planning and monitoring processes will need additional studies, capacity building activities and financial commitments beyond the project to sustain.
2.2 Accredited training programme developed and delivered for the Environmental Protection Agency staff and other relevant organizations (on advanced planning tools, information systems for global and national environmental management, indicators and trend analysis methods)	5	Strong possibility of success as the project would build capacities of EPA and other relevant organizations.
2.3 The 'Environmental Sustainability Theme Manager Office' system for integrating global environmental objectives is customized and introduced at the Environmental Protection Agency	4	The focal points selected in the key participating organizations and EPA would need continued capacity building activities beyond the project duration to ensure the system sustains itself
2.4 M&E and risk management system established targeted to compliance monitoring of national development policies, programmes, and plans	5	Very strong possibility of success as the project design inherently incorporates principles and approaches of institutional sustainability, in particular adaptive collaborative management.
2.5 A web-based environmental database for improved coordination and output analysis established, building on 1.3 above	4	The database would need dynamic updating to sustain itself beyond project funding.

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

The project will be implemented through the UNDP Country Office in Montenegro, in partnership with the Ministry of Sustainable Development and Tourism and the Environmental Protection Agency.

Taking into account that the data and information roles, responsibilities, and needs of various other key ministries, institutions, and agencies, other project partners include the Office for Sustainable Development, Statistical Office of Montenegro, Hydrometeorological Institute, Ministry of Economy, Ministry of Agriculture and Rural Development, Institute of Marine Biology, Institute for Nature Conservation, Public Enterprise for Coastal Zone Management, Ministry of Health, Ministry of Interior, Ministry of Transport and Maritime Affairs, Institute for Human Health, and the Center for Ecotoxicological Research.

The above-mentioned institutions will collaborate and coordinate the structural reform of their databases and MIS through this project, in particular the identification and key sustainable development and global environmental indicators, the development of a networked indicator-cased EMIS. Partner agency staff will be trained on best practice methodologies for data gathering and analysis, and the technical maintenance of the EMIS. Other important stakeholders are regional institutions who play an important role in data gathering and the sharing of information through field extension offices. Civil society is also an important stakeholder to the extent that they are users of EMIS data and information (indicators), such as farmers. The private sector is a key project stakeholder, in that they bear a role and responsibility to collect and report data on the level of their resource extraction and pollution.

B.6. Outline the coordination with other related initiatives:

The project will be closely coordinated with the GTZ project on land management monitoring and energy efficiency monitoring. Moreover, the project will be in line with the LUX Development project on forestry monitoring and GIS establishment for the forestry sector.

Implementation of the National Strategy for Sustainable Development represents the overarching framework for sustainable development in Montenegro, and with which this project will be closely coordinated. The National Spatial Plan to the year 2020 is another important initiative (and the companion Spatial Planning Support Project), with the goal of integrating sustainable development principles into planning process and improving legislative enforcement. Montenegro's Tourism Master Plan to the year 2020 is another key initiative that lays out future development that has major sustainable development and environment implications. This project's development of global environmental indicators will be reconciled and integrated, as appropriate, with sustainable development indicators that are to be part of these three strategies and plans, ensuring that their implementation does not work against Montenegro's commitments to meet and sustain Rio Convention obligations.

This project will also be closely coordinated with the various GEF-funded national reporting projects to ensure non-duplication of GEF resources, such as the future preparation of the Second National Communication to the FCCC, the Biodiversity Strategy and Action Plan, Power Sector Policy Reform to Promote Small Hydroelectric Power Development, and Strengthening the Sustainability of Montenegro's Protected Area System.

Additional information is provided in Annex F.

C. GEF AGENCY INFORMATION:

C.1. Confirm the co-financing amount the GEF agency brings to the project:

The co-financing amounts identified below are confirmed in the respective co-financing letters that are appended to the present project document (Annex)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (US$)
Government of Montenegro	Environment Protection Agency (EPA)	Cash	325,850
Government of Montenegro	Hydrometeorological Institute	Cash	50,000
Government of Mon enegro	Office of Sus ainable Development	Cash	188,000*
Bilateral donors	GTZ	In-kind	94,000
Multilateral donors	UNDP Montenegro	Grant	25,000
Total Co-financing			682,850

* Of the US$ 311,379 identified in the Government of Montenegro's Office for Sustainable Development's co-financing letter, US$ 188,000 represents that amount of co-financed project activities.

C.2. How does the project fit into the GEF agency's programme (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation?

The Government of Montenegro recently adopted the Integrated UN Programme 2012-2016, which includes the Sustainable Economic Development and Environmental Protection (SEDEP) programme. The strategic objective of SEDEP is to achieve balanced and equitable regional economic development based on sustainable planning and use of natural resources that will provide high quality of life and long-term economic opportunities for its inhabitants.

Three outcomes that contribute to this objective are expected: (i) climate change adaptation and mitigation measures are designed and implemented to accelerate the use of renewable, clean energy, carbon trading and energy efficiency, thereby achieving low carbon emissions, climate-resilient development, and better management of human health impacts; (ii) established system for conservation

and sustainable management of natural resources, effective prevention, control and reduction of environmental risks, and enhanced environmental awareness and participation by children, young people and adults; and (iii) established system for strengthening entrepreneurial capacities and facilitating private sector partnerships to develop green jobs, rural livelihoods and supporting medium-, small-, and micro-enterprises. These outcomes are intended to improve economic choices and achieve balanced regional development, as well as to address gender specific concerns and interests. Strengthening capacities for environmental monitoring is an agreed top priority for both the UN system and the Government of Montenegro for the 2012-2016 period.

The Economy and Environment (E&E) Cluster within UNDP is in charge of policy advice, programme design, and project implementation in the area of environmental protection. Over the last five years, UNDP has played a pivotal role in the country in translating a constitutional commitment to the ecological state into reality on the ground through facilitating the development of major national strategic documents (i.e., the National Strategy for Sustainable Development, National Spatial Plan to the year 2020, Tourism Master Plan to the year 2020, Regional Development Strategy, Biodiversity Strategy and Action Plan, and the Strategy for Development of Small Hydro Power Plant Sector) and strengthening national and local capacities for transition to low carbon economy and strengthening resilience of ecosystems and communities to climate change. At the same time, the Team Leader of the E&E Cluster is a Pillar Convener for the SEDEP Pillar of the Integrated UN Programme, thereby ensuring adequate coordination of the programme work of the UN agencies in the field of environment in Montenegro.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. INSTITUTIONAL ARRANGEMENTS:

The project will be implemented by the UNDP CO in Montenegro in partnership with the Environmental Protection Agency as the national executing agency.

B. PROJECT IMPLEMENTATION ARRANGEMENTS:

The project would be executed by a Project Management Unit (PMU) established by the UNDP with the support of EPA. A Project Steering Committee will be created to provide policy and programme oversight and guidance to the project implementation, chaired by a senior official from the MSDT, with representation by the EPA, HMI, OSD, UNDP, and a non-state representative. The latter will be selected on the basis their representation of a larger constituent of non-state stakeholders.

An inception workshop will serve to kick off project activities, and will serve to strengthen the championing and legitimacy of the project with stakeholders. The project log frame will be discussed in detail to ensure that it takes into account any recent events subsequent to project document signature, and any other changes necessary as part of the project's adaptive collaborative management approach to ensure institutional sustainability.

The PMU will comprise a Project Manager that is supported by a Project Assistant. The Project Manager will be responsible for the overall execution of project activities, including the preparation of progress reporting requirements. With the support of the PSC, the Project Manager will organize the coordinating partner agencies towards the execution of project activities. Partner agencies will remain responsible for the execution of their co-financed project activities, but coordinated with the present project through the Project Manager. The Project Manager will also be responsible for liaising with project stakeholders and their representatives.

An international consultant and three national consultants will be contracted under the project to execute and deliver specific project activities and outputs. An information technology company will also be contracted, through a competitive bidding process to be managed by UNDP, to develop and implement the web-based database and EMIS at the pilot scale, with the guidance of the international consultant and the EPA.

Monitoring and evaluation of the project will follow standard UNDP practices, including the preparation of quarterly progress reports and annual project performance evaluations, the latter per the GEF Project Implementation Report (PIR). An independent evaluation of the project will take place at both the mid-term and final phase of project implementation. Upon operational closure, a financial audit of the project will be performed. All 15 indicators of the Capacity Development Scorecard will be rated at three intervals: During the project inception workshop through a survey of all stakeholder participants, complemented by other ratings from project stakeholders not in attendance; and as part of the mid-term and final evaluations by the independent consultant.

C. GEF VISIBILITY:

The project will take all necessary measures to ensure implementation of the GEF's financing visibility policy. Such measures will be in accordance with the need to give adequate publicity to the action being implemented as well as to the support from the GEF. Therefore, a communication and visibility plan will be during project implementation. This will include, inter alia, the compulsory use of the GEF logo on all material, publications, leaflets, brochures and newsletters, websites, business cards, signage, vehicles, supplies and equipment, display panels, commemorative plaques, banners, promotional items, photographs, audiovisual productions, public events and visits and information campaigns. Press releases, press conferences and press visits will follow the rules currently in place.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF

The proposed project design is fully consistent with the original design of the project as described in the approved PIF:

a) Project framework: The proposed project and the original PIF have the same project objective, components, expected outcomes and outputs. The proposed project elaborates and details each of the original PIF components, expected outcomes and outputs in terms of implementation modalities and the verifiable indicators to assess the progress and implementation of each expected output over the life of the project.

b) Co-financing: During project implementation, the technical design of the project determined that additional co-financing was both needed and available, in particular to applying the global environmental indicators within the framework of the implementation of the National Spatial Plan and the Tourism Master Plan. As a result, a nominal increase in the GEF Request is being made in order to secure this additional co-financing and to implement the project in a strategic and holistic manner. For every US$ of the GEF Request, GEF support has successfully leveraged US$ 1.35.

c) Project justification: The arguments made in the original PIF have been substantiated in the proposed project with the appropriate referencing of facts and figures, including information on the various national initiatives underway to address environmental and sustainable development priorities, as well as reporting requirements under the three Rio Conventions.

d) Project Components: Both project components retain their strategic design as outlined in the approved PIF, though the present project document elaborates their strategic design and relevance

e) GEF Strategies: This project document further elaborates the contribution of this project to meeting and sustaining global environmental objectives under the Cross-Cutting Capacity Development strategic framework.

PART V: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY (IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):): (Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Sinisa Stankovic	GEF OFP and Deputy Minister	SPATIAL PLANNING AND ENVIRONMENTAL PROTECTION	11/09/2009

B. GEF AGENCY (IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for CEO endorsement/approval of project.

Agency	Signature	Date	Project	Telephone	Email Address

Coordinator, Agency Name		***(Month, day, year)***	**Contact Person**		
Yannick Glemarec		April 21, 2011	Tom Twining-Ward	(2712) 354-8136	tom.twining-ward@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

Project Objective: To analyze, indentify and pilot advanced tools and practices for environmental information management and compliance monitoring and to develop capacity of institutions for global environmental management by institutionalizing identified tools and practices.					
Project Component 1: Global Environmental Management Indicators					
Project Outcome 1: Environmental Management Information System (EMIS) and indicator framework for global environmental management developed and applied on a pilot basis					
Project Output	**Objectively Verifiable Indicators**			**Sources of Verification**	**Assumptions**
	Indicator	**Baseline Value**	**Target Value and Date**		
1.1 Set of uniform indicators and guidance for measuring the contribution of regional development policy and spatial planning to meeting global environmental objectives, including LECRDS	Set of environment indicators developed and agreed amongst various stakeholders	A number of indicators exist, but these are structured according to standard environmental, social and economic criteria and metrics. These indicators are not consistently interpreted against global environmental criteria, nor are they uniformly accepted as valid metrics of sustainability	Beginning of the project – Four weeks from Project Inception	EPA published set of environmental indicators that are agreed with various stakeholders (Peer-reviewed report)	Various stakeholder organizations will agree to follow a universal set of indicators
1.2 Data Flow System designed and introduced for institutions concerned with CBD, CCD, FCCC and issues	Data Flow System developed and agreed amongst various stakeholders reporting data on CBD, CCD, FCCC and issues	Although there are multiple agencies managing environmental data, coordination between and among these to reconcile their data collection methodologies and standards are weak	Beginning of the project – Ten weeks from project Inception	Government Notification on submission of environmental data centrally to EPA by various stakeholders (Gazette of new/revised agency mandates)	The stakeholder organizations will agree to provide data to a central organization (EPA) for reporting on CBD, CCD and FCCC commitments at the national level
1.3 An advanced web-based tools for environmental data and metadata analysis for environmental policy formulation tested and adopted, with particular attention to measuring global environmental indicators	Development and adoption of web-based advanced tools for environmental data and metadata storage by stakeholders.	There is limited availability of web-based tools for analyzing environmental data, with these limited to closed network sharing within particular agencies, and not structured to sharing across agencies and key user-stakeholders	Mid-term goal of the project 60 weeks from project inception	EPA managed and operated web-based advanced tools for environmental data and metadata storage (Peer-reviewed report)	EPA will be able to maintain and operate web-based advanced tools for environmental data and metadata storage

1.4 Testing the application of an integrated environmental management information system (EMIS) to assess global and sustainable development outcomes of the National Spatial Plan and Tourism Master Plan at the regional level and consistent with LECRDS	Pilot application of EMIS in relation to National Spatial Plan-2020 and Tourism Master Plan-2020	Montenegro has recently begun reporting national indicators relevant to Rio Conventions, e.g., the Initial National Communication. However, individual policies, programmes, strategies, and plans are not individually assessed in terms of their unique contribution to Rio Convention obligations	Mid-term Project Goal- 70 weeks from project Inception	Indicator based environment management system piloted in relation to National Spatial Plan-2020 and Tourism Master Plan-2020 (Peer-reviewed report)	EPA and stakeholder organizations will be able to manage and operate indicator and web-based EMIS
Project Component 2: Institutional strengthening for improved monitoring of the global environment and capacity to replicate successful environmental information management and integration practices					
Project Outcome 2: Institutional capacity of the Environmental Protection Agency strengthened to perform compliance monitoring in relation to global environmental conventions and a system of knowledge management established					
Project Output	**Objectively Verifiable Indicators**			**Sources of Verification**	**Assumptions**
	Indicator	**Baseline Value**	**Target Value and Date**		
2.1 Institutional reforms (based on a functional analysis performed through a consultative process) undertaken to enable integration of global environment commitments into planning and monitoring processes	Utilization of indicators for formulation of environmental policies and monitoring of variables for reporting environmental commitments	Indicator-based information is not effectively used to formulate environmental policies and monitoring of variables for reporting	End Term Project Goal-140 weeks from project inception	Environmental policy formulation and reporting is indicator based (Peer-reviewed report)	Policy makers would be willing to utilize indicator based EMIS to formulate policies and monitor environment and stakeholder organizations willing to participate in capacity building activities under the project
2.2 Accredited training programme developed and delivered for the Environmental Protection Agency staff and other relevant organizations (on advanced planning tools, information systems for global and national environmental management, indicators and trend analysis methods)	Training programme developed and delivered to EPA and other project stakeholders	EPA staff and stakeholder organizations are not trained on the use of advanced planning and information management tools (which are to be developed under the project)	Mid-term Goal – 70 weeks from project Inception	Capacities of EPA and project stakeholders enhanced (Training tests; surveys)	EPA and project stakeholders would participate in the capacity building activities under the project

2.3 The 'Environmental Sustainability Theme Manager Office' system for integrating global environmental objectives is customized and introduced at the Environmental Protection Agency	Identification of focal points in stakeholder Institutions that would coordinate the inputting of data and informational requirements in the indicator and web-based EMIS to foster environment sustainability as theme managers	There is very limited to no coordination amongst EPA and other stakeholders on data collection, management, and sharing, which exacerbates the use of different metrics for assessing environmental indicators	Beginning of the project – Four weeks from project Inception	List of designated focal points and notification on EPA to act as a central organization to operate and manage EMIS (Formally approved Terms of References and agency mandates)	Stakeholder organizations will accept EPA as a central authority to manage the EMIS and nominate official representatives as Focal Points' to input relevant data into EMIS
2.4 M&E and risk management system established targeted to compliance monitoring of national development policies, programmes, and plans	M&E and risk management Protocol developed	M&E protocols targeted to assessing environment and development policies, programmes, and plans are not available	Beginning of the Project: Ten weeks from project inception	M& E protocol (Peer-reviewed and government-approved report)	Project participants will agree on the establishment of a M&E Protocol and report data on project progress
2.5 A web-based environmental database for improved coordination and output analysis established, building on 1.3 above	Web-based environmental project database established	Data and information is currently managed on a case-by-case basis, with limited sharing among project stakeholders. Data and information is not web-based.	End goal of the project: 140 weeks from the project inception	Existence of a web-based environmental project database	Stakeholder organizations will input data to establish database

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF/LDCF/SCCF RESOURCES

Position Titles	*$/ Person Week**	*Estimated Person Weeks***	*Tasks To Be Performed*
For Project Management			
Local			
Project Management Expert	600	50	Liaising with various stakeholders and assisting the Project Manager in monitoring of the project progress and reporting
International			
Independent Evaluation Expert	2,500	6	Independent mid-term and final project evaluations
Justification for travel, if any: US$ 5,000 for airfare and DSA for international consultant			
For Technical Assistance			
Local			
Environmental Expert	600	40	Collection and collation of local environmental data to assist formulation of indicator based web-based Environment Management Information System (EMIS). Assist in training activities
IT Expert	600	20	Facilitate the formulation and implementation of the web-based EMIS. Assist in training activities. The IT expert will work closely with an IT firm to complement the technical development of the web-based EMIS.
IT Firm consultants	1400	50	An IT firm will be sub-contracted to develop and pilot-manage the web-based EMIS
International			
Environmental Indicator Expert	2,500	20	Development of global environmental Indicators. Identification and development of data gathering and management methodologies. Guiding IT firm in the formulation of the web-based EMIS . Provide targeted training to project stakeholders.

Justification for travel, if any: US$ 5,000 for airfare and DSA for international consultant			

* Provide dollar rate per person week. ** Total person weeks needed to carry out the tasks.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

THROUGH AN EXTENSIVE CONSULTATIVE PROCESS, THE PPG ACTIVITIES HAVE FULLLY ACHIEVED THE RESULTS SET OUT AT THE ONSET OF THIS EXERCISE, SPECIFICALLY:

(A) A BROAD SET OF ENVIRONMENTAL INDICATORS THAT COULD APPLY TO THE NATIONAL CONTEXT WAS IDENTIFIED;

(B) MAPPING OF AVAILABLE FINANCING FOR THE PROJECT ACTIVITIES ALONG WITH THE IDENTIFICATION OF THREATS TO ITS IMPLEMENTATION AND POSSIBLE MITIGATION STRATEGIES;

(C) A STAKEHOLDER ANALYSIS AND INSTITUTIONAL CAPACITY ASSESSMENT WERE UNDERTAKEN WITH RESPECT TO ROLES AND RESPONSIBILITIES IN COLLECTIVING NECESSARY DATA

(D) THE INSTITUTIONAL SUSTAINABILITY OF THE PROJECT DESIGN WAS ASSESSED TO ENSURE THE MOST APPROPRIATE DESIGN

(E) NEGOTIATIONS WITH PARTNER DONOR AGENCIES WERE SUCCESSFUL IN RAISING SIGNIFICANT CO-FINANCING TO UNDERTAKE NON-GEF ELIGIBLE PROJECT ACTIVITIES

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

SECTION B.4 OUTLINES THE RISKS AND THREATS TO THE PROJECT, PROPOSED MITIGATION MEASURES, AS WELL AS A RATING OF THE PROJECT OUTCOME AND OUTPUT SUSTAINABILITY.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

Project Preparation Activities Approved	*Implementation Status*	*GEF/LDCF/SCCF Amount ($)*				*Cofinancing ($)*
		Amount Approved	*Amount Spent Todate*	*Amount Committed*	*Uncommitted Amount**	
Local Consultants	Completed	12,000	12,000			10,000
International Consultants	Completed	9,000	9,000			4,235
Travel	Completed	2,000	2,000			6,000
Miscellaneous (Interpretation, meetings, workshop expenses	Completed	2,000	2,000			3000
	(Select)					
	(Select)					
	(Select)					
	(Select)					
Total		25,000	25,000	0	0	23,235

* Any uncommitted amounts should be returned to the GEF Trust Fund. This is not a physical transfer of money, but achieved through reporting and netting out from disbursement request to Trustee. Please indicate expected date of refund transaction to Trustee.

ANNEX E: CAPACITY DEVELOPMENT SCORECARD

Project: Capacity building for integration of global environment commitments in investment/development decisions.

Capacity Result / Indicator	Staged Indicators	Rating	Comments	Next Steps	Contribution to which Outcome
CR 1: Capacities for engagement					
Indicator 1 – Degree of legitimacy/ mandate of lead project stakeholder organizations	Authority and legitimacy of all lead organizations responsible for environmental management are partially recognized by stakeholders	**2**	The major challenge of the environmental sector in Montenegro is fragmentation of mandates and authorities among and within institutions.	Through an issue-based process, clarifying and strengthening authority and legitimacy of lead organization responsible for environmental management	**2**
Indicator 2 – Existence of operational co-management mechanisms	Some co-management mechanisms are in place and operational	**1**	There are some co-management and coordination mechanism on mainly ad-hoc basis but fragmentation of mandates and overlapping of authorities among institutions remains a major challenge.	Development of technical and institutions co-management mechanisms that will improve the coordination among and within institutions in charge of environmental management	**2**
Indicator 3 – Existence of cooperation with stakeholder groups	Stakeholders are identified but their participation in decision-making is limited	**1**	Fragmentation of mandates and overlapping of authorities is a significant barrier to consultative and consensus-based decision making	Institutional reform based on a functional review will provide concrete steps in improving the decision making process and ensuring inclusive and transparent cooperation with all stakeholder groups	**2**
CR 2: Capacities to generate, access and use information and knowledge					
Indicator 4 – Degree of environmental awareness of stakeholders	Stakeholders are aware about global environmental issues but not about the possible solutions (MEAs)	**1**	While the environmental awareness of the stakeholders is relatively high, a high turnover coupled with the lack of an up-to-date continued education on the major issues results in a lack of institutional memory and adequate problem solving	Development of an accredited training program for EPA staff and other relevant institutions	**2**

Capacity Result / Indicator	Staged Indicators	Rating	Comments	Next Steps	Contribution to which Outcome
Indicator 5 – Access and sharing of environmental information by stakeholders	The environmental information needs are not identified and the information management infrastructure is inadequate	**0**	The information management infrastructure is continually improving but remains inadequate, and the environmental information needs are in the process of being fully identified	Capacity building on web based information management tools and on measuring contribution of development policies to meeting global environmental commitments	**1**
Indicator 6 – Existence of environmental capacity building programs	No environmental capacity building in place	**0**	There is no systemic approach to building capacity for environmental management	Identifying needs and developing a training program	**2**
Indicator 7 – Extend of the linkage between environmental research/science and policy development	Research needs for environmental policy development are identified but are not translated into relevant research strategies and programs	**1**	Certain research needs for environmental policy development are identifying but not in a systemic manner and on permanent basis	Establish a wide consultative forum that will engage and participate in the process of development and rolling out of environmental indicators, analysis and feedback into policy making through, among other means, research	**1, 2**
Indicator 8 – Extend of inclusion/use of traditional knowledge in environmental decision-making	Traditional knowledge is identified and recognized as important but is not collected and used in relevant participative decision-making processes	**1**	While the traditional knowledge exists and is identified, a comprehensive environmental management system would allow for a more effective usage of it for decision-making	Social data on the use of resources by communities, including traditional knowledge that frames behaviour will be included in the EMIS	**1, 2**
CR 3: Capacities for strategy, policy and legislation development					
Indicator 9 – Extend of the environmental planning and strategy development process	The environmental planning and strategy development process is not coordinated and does not produce adequate environmental plans and strategies	**0**	Primarily due to inadequate capacities and fragmented mandates, environmental planning and strategy development is not adequately coordinated	The establishment of a successful system of global environmental management indicators will hinge on effective coordination	**1, 2**
Indicator 10 – Existence of an adequate environmental	Adequate environmental policy and legislation frameworks exist but	**2**	There are insufficient capacities for implementation,	This aspect will be considered strongly when developing an accredited training	**1, 2**

Capacity Result / Indicator	Staged Indicators	Rating	Comments	Next Steps	Contribution to which Outcome
policy and regulatory frameworks	there are problems in implementing and enforcing them		enforcement and monitoring	program	
Indicator 11 – Adequacy of the environmental information available for decision-making	Some environmental information exists but it is not sufficient to support environmental decision-making processes	**1**	Some information exists but the systems for effective collection, analysis, and feedback-mechanisms into policy making are lacking	Functional analysis to address this aspect	**1, 2**
CR 4: Capacities for management and implementation					
Indicator 12 – Existence and mobilization of resources	The resource requirements are known but are not being addressed	**1**	There is a solid knowledge of the resource requirements but inadequate capacities to address these	Through piloting the initiative, the intention is to stimulate a systemic approach to identification of resource needs and effective, fact-based mobilization of resources	**1, 2**
Indicator 13 – Availability of required technical skills and technology transfer	The required skills and technologies needs are identified as well as their sources	**1**	Being a pilot, new initiative and approach, there is a fair but still inadequate knowledge of needs and requirements and certainly inadequate capacities	Capacity building needs to address technical skills and adequate usage of technology as well as systemic identification of needs and priorities in terms of technology	**1, 2**
CR 5: Capacities to monitor and evaluate					
Indicator 14 – Adequacy of the project/programme monitoring process	An adequate resourced monitoring framework is in place but project monitoring is irregularly conducted	**1**	Due to limited resources, monitoring conducted irregularly with very few if any feedback mechanism from monitoring that strengthen further implementation and policy making	Develop and regularly use monitoring plan	**1, 2**
Indicator 15 – Adequacy of the project/program evaluation process	An adequate evaluation plan is in place but evaluation activities are irregularly conducted	**1**	Evaluation plan is in place but its use is often inadequate, often without constructive usage for policy making and improvement of implementation	Practice regular evaluation of ongoing activities in order to feedback the analysis into proceeding work	**1, 2**

ANNEX F: RELEVANCE OF AND COORDINATION WITH OTHER NATIONAL INITIATIVES

There are a number of projects currently underway that are complementary and supplementary to the project GEF project. UNDP supports the Government of Montenegro through the organization of an annual coordination meeting of all governmental, non-governmental, private and donor organizations that are active in the environmental fields covered by the Rio Conventions. This has proven as a constructive forum for not merely exchanging information about the on-going initiatives, but for adequately planning and synchronizing upcoming projects with the major national priorities. The table below outlines the nature of coordination activities between the proposed GEF project and other national initiatives.

Project	Funding	Partners	Coordination activities
UNDP- Spatial Planning Support Project	SIDA ($2.5 million)	MSDT, local municipalities in the northern region, GTZ, WB	In developing spatial plans, municipalities and the state will use the analysis stemming from environmental indicators
World Bank- Land Administration Management Project	World Bank- $22 million	MSDT, local municipalities	Same as above
Support to spatial planning on national and local level	GTZ	MSDT, local municipalities in the southern region	Same as above
UNDP/GEF- Second National Communication	GEF- $500,000	MSDT, Agency for Environmental Protection, Hydrometeorolo gical Institute	The project envisages capacity building for the instituuons in the system in charge of monitoring and reporting on the status of environment and the impact of various developmental activities on it
UNDP/GEF- Protected Area System Strenghtening	GEF- $1 million	MSDT, institute for nature protection, local municipalities	Both project seek to raise capacities, in one segment, to collect, manage and analyze information pertaining to natural habitats, flora and fauna in an effort to monitor its status, develop conservation programs, and sustainable use its service for economic development
UNDP/GEF- Catalyzing Sustainable Finance for Protected Areas	GEF- $1 million	MSDT, institute for nature protection, local municipalities	Both project seek to raise capacities, in one segment, to collect, manage and analyze information pertaining to natural habitats, flora and fauna in an effort to monitor its status, develop conservation programs, and sustainable use its service for economic development
UNDP/GEF- Small Hydro Power Plant Sector Development	GEF-$1 million	Ministry of Economy, local municipalities, business associations	The project seeks to raise capacities of the national stakeholders to manage responsibily water resources, institute and implement transparent and environmentally-responsible criteria for selecting investors into the SHPP sector, and monitor the economic valorization of renewable source of energy
UNDP- Environment and Security Initiative- remediation of environmental hot spots	Finish Government/ UNEP- $1million	Agency for Environmental Protection,sever al national ministries for environment in the region	The project seeks to build technical expertise for monitoring and supervising remediation of environmental hot spots

Italian-Montenegrin Twining Project: Support to Environmental Management	EU, IPA component 1, €1 million	MSDT, EPA, PIU PROCON (Project Implementation Unit)	The overall objective of the Project is the improvement of environmental conditions in Montenegro by ensuring continued legal harmonisation and development of institutional capacities, as well as provision of a catalyst for investments in the sector. This project specifically complements the Environment Indicators with its Component 2: Strengthening of the Environmental Protection Agency and its activities
RENA- Regional Environmental Network for Accession		Relevant ministries in the region in charge of climate change and environmental protection	This regional project is funded by European Union with main objective to advance capacities of the institutions of the 8 beneficiary countries, Montenegro being one of them, to facilitate harmonization with the EU legislation, preparing them for this challenging task. The Project has 4 Working groups: WG 1: Strategic planning and investments, WG 2: Climate change, WG 3: Cross border cooperation and enforcement network for accession, WG4: Environmental compliance and enforcement network for accession. More info on this on website http://www.renanetwork.org/index.php?view=home

ANNEX G: PROJECT CONTRIBUTION TO RIO CONVENTION PROVISIONS

CBD	Objective	Project Contribution
Article 7(a)	Identify components of biological diversity important for its conservation and sustainable use having regard to the indicative list of categories set down in Annex I	Global environmental indicators will be identified and developed for mainstreaming into development plans to promote national and global environmental management. This includes the use of indicator species of healthy and bio-diverse ecosystems.
Article 7(b)	Monitor, through sampling and other techniques, the components of biological diversity identified pursuant to subparagraph (a) above, paying particular attention to those requiring urgent conservation measures and those which offer the greatest potential for sustainable use	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication
Article 7(d)	Maintain and organize, by any mechanism data, derived from identification and monitoring activities pursuant to subparagraphs (a), (b) and (c) above	The EMIS is a structure that will manage environmental data and information of national and global importance, with a view to assessing the state of the global environment on the basis of national indicators.
Article 12(a)	Establish and maintain programmes for scientific and technical education and training in measures for the identification, conservation and sustainable use of biological diversity and its components and provide support for such education and training for the specific needs of developing countries	Training will be provided to ensure that data and information on the global environment is collected using standardized methodologies, as well as on best practices to analyze this data for mainstreaming into national development policies and plas.
Article 14(a)	Introduce appropriate procedures requiring environmental impact assessment of its proposed projects that are likely to have significant adverse effects on biological diversity with a view to avoiding or minimizing such effects and, where appropriate, allow for public participation in such procedures	Standardized methodologies will be introduce to develop relevant, valid, and legitimate data and information for the use of EIAs of proposed development plans.
Article 14(b)	Introduce appropriate arrangements to ensure that the environmental consequences of its programmes and policies that are likely to have significant adverse impacts on biological diversity are duly taken into account	The project will provide training on the integration and mainstreaming of global environmental indicators into development plans, namely the National Spatial Plan and Tourism Master Plan. These mainstreaming arrangements will be strengthened and institutionalized by the project in order to minimize potential adverse impacts, notably increased loss of endangered endemic species.
Article 17	The Contracting Parties shall facilitate the exchange of information, from all publicly available sources, relevant to the conservation and sustainable use of biological diversity, taking into account the special needs of developing countries	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication. Importantly, the project will draw upon the innovative work undertaken by think thanks and research institutions around the world on the development and application of global environmental indicators, such as Yale's Environmental Sustainability Index orColumbia's Environmental Performance Index, among others.

CCD		
Article 10(2)a	Incorporate long-term strategies to combat desertification and mitigate the effects of drought, emphasize implementation and be integrated with national policies for sustainable development	Global environmental indicators will be identified and developed for mainstreaming into development plans to promote national and global environmental management
Article 10(2)d	Enhance national climatological, meteorological and hydrological capabilities and the means to provide for drought early warning	Global environmental indicators will be identified and developed, which can be used as early warning indicators of future or potential climatic changes and associated impacts.
Article 16(a)	Facilitate and strengthen the functioning of the global network of institutions and facilities for the collection, analysis and exchange of information, as well as for systematic observation at all levels	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication
FCCC		
Article 4(1)a	Develop, periodically update, publish and make available to the Conference of the Parties, in accordance with Article 12, national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, using comparable methodologies to be agreed upon by the Conference of the Parties	The project will reconcile and standardize methodologies for the collection of data and information and their use in the EMIS
Article 4(1)d	Promote sustainable management, and promote and cooperate in the conservation and enhancement, as appropriate, of sinks and reservoirs of all greenhouse gases not controlled by the Montreal Protocol, including biomass, forests and oceans as well as other terrestrial, coastal and marine ecosystems	Global environmental indicators will be identified and developed for mainstreaming into development plans to promote national and global environmental management, as well as indicators of increased carbon sinks
Article 4(1)e	Cooperate in preparing for adaptation to the impacts of climate change; develop and elaborate appropriate and integrated plans for coastal zone management, water resources and agriculture, and for the protection and rehabilitation of areas, particularly in Africa, affected by drought and desertification, as well as floods	Global environmental indicators will be identified and developed for mainstreaming into development plans to promote national and global environmental management, as well as to foresee potential threats and early warning of climate change events and associated impacts.
Article 4(1)f	Take climate change considerations into account, to the extent feasible, in their relevant social, economic and environmental policies and actions, and employ appropriate methods, for example impact assessments, formulated and determined nationally, with a view to minimizing adverse effects on the economy, on public health and on the quality of the environment, of projects or measures undertaken by them to mitigate or adapt to climate change	Global environmental indicators will be identified and developed for mainstreaming into development plans to promote national and global environmental management, as well as to foresee potential threats and early warning of climate change events and associated impacts.

Article 4(1)g	Promote and cooperate in scientific, technological, technical, socio-economic and other research, systematic observation and development of data archives related to the climate system and intended to further the understanding and to reduce or eliminate the remaining uncertainties regarding the causes, effects, magnitude and timing of climate change and the economic and social consequences of various response strategies	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication
Article 4(1) h	Promote and cooperate in the full, open and prompt exchange of relevant scientific, technological, technical, socio-economic and legal information related to the climate system and climate change, and to the economic and social consequences of various response strategies	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication
Article 4(1)j	Communicate to the Conference of the Parties information related to implementation, in accordance with Article 12.	The EMIS will be a valuable source of data and information for the preparation of Montenegro's Second and future National Communications to the FCCC, among other reporting requirements
Article 5(a)	Support and further develop, as appropriate, international and inter-governmental programmes and networks or organizations aimed at defining, conducting, assessing and financing research, data collection and systematic observation, taking into account the need to minimize duplication of effort	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication
Article 5(b)	Support international and intergovernmental efforts to strengthen systematic observation and national scientific and technical research capacities and capabilities, particularly in developing countries, and to promote access to, and the exchange of, data and analyses thereof obtained from areas beyond national jurisdiction	The project will strengthen collaboration among research institutions and agencies to undertake systematic collection of data and information through the EMIS and Environmental Sustainability Management Unit to ensure the use of standardized methodologies, ensure comprehensive coverage, and reduce unnecessary overlap or duplication

ANNEX H: LETTERS OF ENDORSEMENT AND CO-FINANCING

ATTACHED AS SEPARATE FILES

GEF OFP LETTER OF ENDORSEMENT (5 NOV. 2009)
LETTER FROM EPA (13 MAY 2011)
LETTER FROM OSD (16 MAY 2011)
LETTER FROM HMI (16 MAY 2011)
LETTER FROM GTZ (15 DEC. 2010)
LETTER FROM UNDP (12 APR. 2011)