



Readiness and Preparatory Support Interim Progress Report

Grant Agreement Number (MNE-RS-002)

NDA/Delivery Partner Name

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For more information, please refer to the GCF Readiness and Preparatory Support Programme guidebook available [online](#). Please submit the Interim Progress Report to opm@gcfund.org.

Interim Progress report should be prepared and signed by Delivery Partner and/or National Designated Authority (NDA).

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EXECUTIVE SUMMARY

During the implementation of activities in the period January 2022 – end of June 2022, the project focused on the following sets of issues:

1. Continuing to present the goals and implementation processes to a wider circle of stakeholders and securing the required input and participation to implement activities. This set of activities resulted in the project's contribution towards awareness strengthening in the context of climate change adaptation both for public and stakeholders working in related fields. In the context of public oriented events, the project supported the organisation of Green Day 2022 (online forum due to COVID-19 restrictions) and preparation of the Second Voluntary National Report (VNR) to the 2022 High-Level Political Forum on Sustainable Development (HLPF). In the context of the professional-oriented events, series of meetings and workshops were organised and are highlighted in this report. This is important because the Secretariat of the National Council for Sustainable Development took the lead on the VNR process and will also lead the NAP process. Support provided to the NCSD for the VNR can be seen as a contribution to building the capacity of the NCSD to coordinate complex, multi-stakeholder processes. This is an important foundational building block for the development of the NAP. This is a milestone in the achievement of Output 1.2

2. Preparation of the draft Capacity Assessment of Montenegrin Government, Civil Society and Private Sector entities for National Adaptation Planning under Output 1.1 of the project.

3. Maintaining the momentum created during 2021 in the context of the updated the mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change (WGMACC). During this reporting period, the project focused on strengthening capacities of the Secretariat of the National Council of Sustainable Development (NCSD) and improving the institutional framework resulting in a Government of Montenegro (GoM) decree establishing the NCSD as part of the General Secretariat of the GoM. The updated mission and mandate of the WGMACC is essential to the entire NAP process, and support was provided through Activities under Output 1.2.

The operationalization of this decision is ongoing and is experiencing a slight delay, which is a consequence of the ongoing political crisis in Montenegro which began at the end of 2021.

4. Preparation of the draft review and consolidation of available climate risks assessments within or related to the four priority sectors was conducted under Output 2.1. Based on consultations with national partners, the team prepared initial drafts of the climate risk assessments and undertook initial consultations with relevant counterparts. The process suffered from the political situation in the GoM, line ministries and institutions. The ongoing process of new appointments and changes in government ministries and institutions needs to be closely monitored and risk mitigation strategies implemented continuously. Further consultations and improvement of the initial assessments is expected during next reporting period.

5. Preparation of the Draft Law on Protection from the Negative Effects of Climate Change under Output 1.2. The main goal of the activities during the reporting period was to support the establishment of a legal framework for adaptation through national legislation. The first stage is an umbrella law on Protection from the Negative Impact of Climate Change and in the future through appropriate by-laws that will enable the implementation of NAP

To that end, the first Technical Assistance and Information Exchange (TAIEX) workshop with experts from Croatia was held from 9-13 May 2022 on the topic of legislation related to the achievement of low-carbon development and the improvement of MRV in line with EU legislation. The second TAIEX workshop will be organised in July 2022.

The provisions of the existing law related to adaptation have been expanded by defining adaptation, while Article 9 of the existing law, which defines the legal basis for the creation of the National Adaptation Plan has been divided into two articles for greater clarity and easier implementation. The draft law also defines the obligation to report on progress. The draft law also recognizes gender-sensitive assessment of climate risk as one of the main principles in taking adaptation action.



6. The project team continued with efforts on creating synergies with projects and initiatives relevant for the CCA process. In this context, the team:

- Provided inputs for the formulation of the UNDP country programme document for Montenegro (2023-2027), mainstreaming CCA as one of key interventions in the context of the *Signature Solution Environment* with special attention given to advocacy to increase the participation of women in designing the country's climate mitigation and adaptation responses,
- Created synergies with the preparation process of VNR for the 2022 HLPF (Output 1.2),
- Supported the Capacity Building Initiative for Transparency (CBIT) project team in developing the terms of reference for project consultancies as well as the design of the project indicators securing synergies between NAP and CBIT projects,
- Established communication and information exchange with the project "Boka Kotorska Coastal Plan and Coastal Adaptation Workshop", Kotor, Montenegro - PAP/RAC and Plan Bleu (GEF MedProgramme)
- Established communication and information exchange with the project TRATOLOW – Transition towards the low emissions and climate-resilient economy in the Western Balkans and Turkey, Reference: EuropeAid/140519/DH/SER/MULTI
- Actively participated in the work of the Ministry of Economy Working group for the promotion of green transition in support of Outcome 3,
- Supported the team of the International Fund for Agricultural Development (IFAD) in designing the Adaptation to Climate Change and Resilience in the Montenegrin mountain areas project (Gora) targeting funding from the Adaptation Fund in support of Outcome 3,
- Provided support to the team of UNDP Istanbul Regional Hub, which in turn will provide technical support to the Government of Montenegro to assess, through a Scoping Study, the readiness of six countries and territories in the Western Balkans for the introduction of insurance and other risk financing solutions in aiming to support the delivery of SDGs and to facilitate sub- regional dialogue on insurance and risk financing solutions in the sub-region. This was a preparatory activity towards Outcome 3 and this support will continue throughout the next reporting period.

Numerous risks have arisen during implementation that have affected project implementation:

- Lack of adequate expertise for the advertised positions in the project. Most advertisements and tenders had to be extended several times to obtain candidates with adequate knowledge and skills. Consequently, in two instances it was necessary to terminate the contract with the consultants and undertake new procurement processes to hire new consultants.

- Negative effects of COVID-19 which resulted in restrictions on travel and gatherings (these continued until May 2022) as well as in the form of illness of members of the project team or consultants, which negatively affected their work.

- Extended periods of political instability, which during the reporting period resulted in the fall of 42nd GoM, an extended period of 43rd GoM formation and constitution, a change in the GoM structure (including an increase from 12 to 20 ministries),

- Protracted appointment of personnel both in ministries and in competent institutions. In practice, a change of GoM results in a change of key positions in the line ministries and other government institutions. During the reporting period, and after the formulation of the new GoM, reorganization took place, some of which is still ongoing, meaning that some of key positions are still vacant. Consequently, people with less experience are often appointed as contact persons for the project, which makes the exchange of information general implementation processes more complex, reduces data availability and limits opportunities for fruitful consultations and inputs,

The current political instability is likely to continue to be a negative factor affecting the implementation process. Continued discussions regarding local (scheduled for October 2022) and potentially parliamentary elections (if there is a no-confidence vote in the 43rd GoM will continue to disrupt the implementation process.

SECTION 1: GENERAL INFORMATION

This section provides information on completing the General Information of the Readiness Support Interim Progress Report template.



1. Country	Montenegro
2. Grant agreement number	MNE-RS-002
3. Implementing Entity	United Nations Development Programme
4. Date of grant agreement signed	29/10/20
5. Grant effectiveness date	29/10/20
6. Date of 1st disbursement received from GCF	08/01/21
7. Tranche number of the committed funding during the reporting period	2
8. Reporting period	From: 01/01/22 To: 30/06/22
9. Total approved grant amount	USD 1,868,296.00
10. Total grant amount received from GCF during the reporting period	USD 386,800.00
11. Total grant amount expended during the reporting period	USD 325,228.08 (incl. commitments)
12. Documents provided (Please tick the relevant boxes)	<input checked="" type="checkbox"/> Interim Progress Report <input type="checkbox"/> Procurement Plan <input type="checkbox"/> Subsequent Disbursement Request <input checked="" type="checkbox"/> Financial Report <input type="checkbox"/> Audited Financial Report



SECTION 2: REPORTING ON COUNTRY READINESS LOGICAL FRAMEWORK

This section requires an update on progress in implementing the planned Readiness activities. Any draft to the expected output should be submitted with progress report.

Progress is reported for the period (should be consistent with section 1.8) | From: 1/1/2022 To: 6/30/2022

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

Outcome narrative:

Progress toward the achievement of outcome came from maintaining the momentum created during the previous reporting cycle, particularly around the revised mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change (WGMACC). The project strengthened the capacity of the Secretariat of the National Council of Sustainable Development (NCSD) and enhanced the institutional framework through a GoM decree that established NCSD as part of the General Secretariat of the GoM.

The project supported awareness raising among the public and interested stakeholders. The project supported the organization of Green Day 2022 (which was online on February 1st 2022 and was online due to Covid-19 restrictions in place at the time), and the preparation of the Second [Voluntary National Report](#) (VNR)¹ to the 2022 High Level Political Forum (HLPF) on Sustainable Development by ensuring that NAP and adaptation considerations are part of the VNR, as they a critical component of SDG13.

The preparation of the VNR is important because the Secretariat of the National Council for Sustainable Development took the lead on the VNR process and will also lead the NAP process. Support provided to the NCSD for the VNR can be seen as a contribution to building the capacity of the NCSD to coordinate complex, multi-stakeholder processes. This is an important foundational building block for the development of the NAP.

Work continued on the preparation of the draft consolidation of available climate risk assessments in the project's four priority sectors. The draft reports were prepared, and consultations were undertaken with relevant stakeholders. The project also supported the drafting of the Law on Protection from the Negative Effects of Climate Change.

Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved ²	Variance explanation	Qualitative assessment of activities undertaken	Planned activities and corresponding deliverables/milestones for the next reporting period

¹¹ A press release relating to the VNR can be found [here](#)

² If possible, please provide hyperlinks to supporting documents.



<p>1.1: Institutional capacity for adaptation planning assessed and enhanced</p>	<p>There is insufficient technical capacity within the relevant institutions to understand climate information in the context of climate change and impacts, nor to effectively assess, prioritize and monitor adaptation investments.</p>	<p>As per approved proposal the Outcome is achieved through 4 sets of activities.</p> <p>Activity 1.1.1 Assess capacity of key stakeholders involved in the NAP process to determine individual and institutional capacity gaps that are key for integrating climate risks and adaptation into planning</p> <p>Activity 1.1.2 Based on the results of 1.1.1, develop and deliver a training program to increase the capacity of government officials within the relevant government entities involved in the NAP</p> <p>Activity 1.1.3 Deliver a capacity development program uniquely designed for the private and civil society sectors to improve their understanding of climate risks and vulnerabilities</p> <p>Activity 1.1.4 Train Institute of Hydrometeorology and Seismology (IHSM) staff on how</p>	<p>Capacity gaps have been identified and addressed through capacity building programmes resulting in a cadre and network of skilled and capable of driving and managing a NAP process, building national and sectoral resilience and addressing adaptation issues – target in progress</p>	<p>Number of institutions with technical capacity in CCA assessed – at least 10.</p> <p>Number of capacity building measures identified as an input for training programs of 1.1.2.</p> <p>Number of personnel newly trained in climate information and vulnerability/risk data analysis and dissemination, integration tools, appraisal and prioritization of CCA options, CCA project development, MRV, gender mainstreaming (gender disaggregated). (target a total of 75 individuals from the same stakeholder groups of 1.1.1. with 50 percent of the participants being women)</p> <p>Number of new training modules created for CCA capacity development – at least 1 per sector for institutions, private sector and CSOc</p> <p>Number of private and civil society sectors representatives trained in CCA technical skills (at least 75 people each session with 50 percent of the participants being women)</p> <p>Number of new training modules created for CCA capacity development.</p> <p>Means of verification:</p> <p>Review of gaps assessment reports (1.1.1)</p> <p>Review of capacity development plans</p> <p>Pre- and post- training surveys and reports (1.1.2)</p> <p>Review of training manuals</p> <p>Pre- and post- training surveys and reports (1.1.3)</p> <p>Review of training manuals</p>	<p>Internal UNDP process of obtaining Delegation of the authority and budget allocation finalised by end of March 2021,</p> <p>- Inception workshop took place organised on 05.04.2021,</p> <p>- Project Board appointed. First meeting took place on 04.04.2021.</p> <p>A 1.1.1. National and international consultants recruited</p> <p>A 1.1.4. The development of the ToR for training for Institute of Hydrometeorology and Seismology (IHSM) staff on how to effectively use their mobile climate data collection units is ongoing.</p> <p>-----</p> <p>For the period 01.07.2021 – to 31.12.2021</p> <p>A 1.1.1. The capacity gap assessments of key government stakeholders, the private sector and CSOs is ongoing. A survey was implemented with the sample of 300 companies and several questions covered issue of companies understanding of CCA.</p> <p>For the period 01.01.2022 – to 30.06.2022</p> <p>A 1.1.1. The draft Capacity Assessment of</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>1.1.1. No variance</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>A 1.1.1 The Draft Capacity</p>	<p>For the period 01.07.2022 – to 31.12.2022</p> <p>A 1.1.1 organise and implement review and improvement of the gap assessment and finalise the document in participatory manner.</p> <p>A 1.1.2 Continue with the development of the training programs to increase the capacity of government officials in the relevant government entities involved in the NAP as well as private and civil society sectors to improve their understanding of climate risks and vulnerabilities</p> <p>A 1.1.2</p> <p>Continue implementation of the Dialogue for Development Seminar Series</p> <p>A 1.1.4. based on the gap assessment produced under A1.1.1 and assessment prepared under the regional programme on Flood Risk Management finalise the design of the ToR for the training of IHSM staff and initiate the training.</p>
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		<p>to effectively use their mobile climate data collection units.</p>		<p>Pre- and post- training surveys and reports (1.1.4)</p> <p>Review of training manuals</p>	<p>Montenegrin Government, Civil Society and Private Sector entities for National Adaptation Planning was prepared. The draft relies on the assessments prepared for the Government, Civil Society and Private Sector entities. The draft is under review by the project team.</p> <p>A 1.1.2</p> <p>1) In cooperation with the Transition towards a low emission and climate-resilient economy in the Western Balkans and Turkey project (TRATOLOW), and GoM adaptation focal point developed concept and content for: <i>Domestic workshop on Monitoring and Indicators for Adaptation to be delivered in July 2022</i></p> <p>2) Drafted Gender and CCA Training programme</p> <p>A 1.1.3</p> <p>The Ministry of Ecology, Spatial Planning and Urbanism, through the Climate Change Directorate, the Secretariat of the National Council for Sustainable Development (NCSD) and NAP Project developed a concept and started implementation of the Dialogue for</p>	<p>A 1.1.4 - Based on the gap assessment produced under A1.1.1 and assessment prepared under regional programme on Flood Risk Management it was agreed that the project will support the Institute of Hydrometeorology and Seismology with ICT data base management as a first set of trainings and CLIDATA software use (once the update of software is implemented)</p>	<p>Assessment of Montenegrin Government, Civil Society and Private Sector entities for NAP was prepared based on the consultation with relevant partners and institutions. This process proved to be beneficial as a data gathering and information dissemination tool as it provided opportunity for 1 on 1 discussion with relevant partners.</p>	
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					<p>Development seminar series on the future of adaptation in Montenegro in an age of disruption: the impact of pandemics, other crises and future challenges on climate change planning and implementation systems. The First event in the series was implemented in June focusing on drafts of the review and consolidation of available climate risks assessments within or related to the four priority sectors.</p>		
<p>1.2 Institutional coordination to support adaptation planning strengthened</p>	<p>The Working Group on Mitigation and Adaptation to Climate Change within the National Council for Sustainable Development does not have a formalized and codified mission, mandate, governing processes and SOP's preventing effective adaptation planning.</p>	<p>As per approved proposal the Outcome is achieved through sets of activities as listed in the proposal as Activity 1.2.1 Update the mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change in order to appropriately include issues related to adaptation</p>	<p>The Working Group on Mitigation and Adaptation to Climate Change has a codified document (reviewed, approved and adopted) that articulates its mission, mandate, governing processes, defined multi-stakeholder coordination mechanism, and SOP's for adaptation investments. Thereby enabling an adaptation planning framework – target in progress</p>	<p>Number of barriers analyzed, and recommendations made for the framework for CCA planning at the national level.</p> <p>Existence of a validated mandate and governing process for adaptation at the Working Group on Mitigation and Adaptation to Climate Change.</p> <p>Developed and adopted Standard Operating Procedures for coordination of adaptation plans and activities between sectors and agencies as well as among working groups at national and municipal levels.</p> <p>Means of verification:</p> <p>Review of gap analysis and institutional reviews/barrier assessments.</p> <p>Interview with stakeholders on NCSD, sectorial focal points.</p> <p>Review of defined mission and mandate of WGMA and NAP updating process.</p>	<p>A 1.2.1. National Consultant to review the mandate of the WGMACC selected</p> <p>Advertised a ToR for an international consultant to review and redefine the mandate of the WGMACC.</p> <p>Advertised a ToR for a national consultant / Legal Advisor</p> <p>For the period 01.07.2021 – to 31.12.2021</p> <p>Supported redesign of the NCSD resulting Government of Montenegro upgrade the NCSD as a unit in the Government giving NCSD more resources and institutional power.</p> <p>For the period 01.01.2022 – to 30.06.2022</p>	<p>In the previous reporting period, various vacancy announcements had to be extended due to a lack of qualified candidates</p> <p>For the period 01.07.2021 – to 31.12.2021</p> <p>1.2.1 The vacancy announcement for a National consultant / Legal Advisor didn't result with eligible candidates. The position will be readvertised.</p>	<p>For the period 01.07.2022 – to 31.12.2022</p> <p>- Finalize the formation of a working group for CCA</p> <p>- Provide support for changes and additions of the Law on Protection from the Negative Effects of Climate Change</p>



			target in progress		<p>1) Following the December 2021 GoM decision on upgrading the NCSO as a unit in the Government (Secretariat general of the Government), several steps were taken to operationalize the NCSO, including appointment Secretariat of the Council, Secretary General of the Council and capacity building for two Secretariat management team members.</p> <p>Support to the VNR was provided by the project team and the UNDP CO. This led to increased visibility of the council. 3 regional meetings took place with more than 80 participants from 17 out of 24 municipalities, 4 meetings of the working group formed by 44 members, 10 expert meetings of the 10-member expert team, more than 550 unique respondents to a questionnaire.</p> <p>2) A legal adviser provided support to amendments to the Law on Protection from the Negative Effects of Climate Change</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>1.2.1 No variance, although the no confidence vote of the GoM in February 2022 led to a slowdown in the process.</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>Immediately after the decision on the formation of the NCSO, the Secretariat of the Council took responsibility for the preparation and implementation of the complex process of preparing the VNR. The project team and the UNDP Country Office team had a very significant role in that process, and the process itself proved to be very positive in terms of promoting the Council, planned activities and positioning the Council as an important coordination tool.</p>	
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Outcome 2: An enhanced evidence base for designing gender-sensitive adaptation solutions.

Outcome narrative: Preparation of the Draft review and consolidation of available climate risk assessments within or related to the four priority sectors (health, water, agriculture and tourism). Based on consultations with national partners, the team prepared initial drafts of the climate risk assessments and undertook initial consultations with relevant counterparts. The process suffered from the ongoing political context and changes in the GoM, line ministries and institutions. The ongoing process of new appointments and changes within institutions needs to be closely monitored and mitigation strategies implemented continuously. Further consultations and improvement of the initial assessments is expected during next reporting period.

Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved ³	Variance explanation	Qualitative assessment of activities undertaken	Planned activities and corresponding deliverables/milestones for the next reporting period
2.1 Gender-specific climate change-driven risks and vulnerabilities in priority sectors identified, broad goals and potential adaptation measures developed	There is limited and scattered information on Montenegro's climate vulnerabilities, impacts, and adaptation priorities. Little to no insight on the most pressing climate change driven risks and vulnerabilities within the four sectors. This hinders/prevents informed adaptation planning. No existing process for developing, analysing and	As per approved proposal the Outcome is achieved through 3 sets of activities. Activity 2.1.1 Undertake a comprehensive review and consolidation of available climate risks assessments within or related to the four priority sectors that includes an examination of the impacts on both public and private sectors assets and	Gender-sensitive climate risks, vulnerabilities as well as adaptation priorities have been identified within the 4 priority sectors. Options for adaptation investments for the NAP and other plans have gone through a careful review and prioritization process resulting in a comprehensive and prioritized	Number of genders compiled and synthesized climate impact analyses (expected 4) Number of newly updated climate change scenarios. Number of relevant past adaptation projects documented. Number of engagement and gender action plans developed for CCA. Number of newly created outreach products on CCA and NAP. Number of published articles in media outlets. Number of stakeholders attending workshops and outreach events on CCA and NAP process per annum (gender disaggregated). Means of verification: Review of gaps and verification with stakeholders.	Selection process for the company/service provider to undertake a comprehensive review and consolidation of available climate risks assessments underway and the contract is expected to be issued during July. For the period 01.07.2021 – to 31.12.2021 Activity 2.1.1 Company/service provider to undertake a comprehensive review and consolidation of available climate risks assessments within or related to the four priority sectors finalized. The company implemented consultation process, 4 stocktaking workshops and delivered an Inception report and synthesis report of the findings. Activity 2.1.2 Activity 2.1.3 Published ToRs	For the period 01.07.2021 – to 31.12.2021 Activity 2.1.1 - No variance Activity 2.1.2 Activity 2.1.3 - No variance	For the period 01.07.2021 – to 31.12.2021 The initial work focused on two main activities: - identification of available data and data sources and creating relationships and information exchange opportunities with the relevant partners. The challenges for the process are limitations arising from COVID-19 such as: travel limitations, and infection of key partners and team members. In parallel, a number of the government stakeholders are	For the period 01.07.2021 – to 31.12.2021 Activity 2.1.1 – presentation of the work until end of 2021. Presentation and verification of findings. Finalisation of the vulnerability assessment and delivery of the final report for public review. Activity 2.1.2 Activity 2.1.3– expert selection and finalisation of activities in line with the published ToR.

³ If possible, please provide hyperlinks to supporting documents.



	<p>evaluating options. Investment decisions are made on an ad-hoc basis, without a structured methodology frequently leading to sub-optimal outcomes. There is a lack of a pipeline of well-designed relevant adaptation projects.</p>	<p>systems in the assessments</p> <p>Activity 2.1.2 Develop gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors.</p> <p>Activity 2.1.3 Review and analyze sectoral development plans and policies (water, agriculture, public health and tourism) to identify entry points for integrating gender-sensitive climate adaptation measures.</p> <p>As presented in the proposal.</p>	<p>list of adaptation ideas for investments in the priority sectors.target in progress</p> <p>Targets in progress</p>	<p>Number of gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors.</p> <p>Number of gender-sensitive adaptation measures into sector plans and policies for each of the four priority sectors.</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>Activity 2.1.1 Based on consultation with national partners, the team prepared initial drafts of the climate risk assessments and undertook initial consultations with relevant counterparts through an initial validation workshop and set of meetings organised during period 20-24th June 2022. The expert responsible for water sector had to be replaced in March 2022 due to underperformance.</p> <p>Activity 2.1.2</p> <p>Activity 2.1.3 The selection process for the lead International and 4 local experts was conducted and finalised. However, the initially selected consultant had to be replaced due to illness. A new consultant, in cooperation with local experts, will finalise the inception phase and report by end of July.</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>Activity 2.1.1 The process suffered due to the political context and changes in the GoM, line ministries and institutions. Further consultations and improvement of the initial assessments is expected during the next reporting period. As a result, additional effort needs to be invested in more data gathering that would improve the assessments. Despite the challenges, the participatory and consultative process needs to continue.</p> <p>Activity 2.1.2</p> <p>Activity 2.1.3</p> <p>- No variance</p>	<p>persons newly appointed to the positions they currently hold, and time is needed for them to adjust and become fully functional.</p> <p>For the period 01.01.2022 – to 30.06.2022</p> <p>Activity 2.1.1 Although the draft assessments have been prepared, the process suffered from limitations arising from COVID-19 such as: travel limitations, and infection of key partners and team members.</p> <p>It is important to note that the process so far provided sufficient inputs for implementation of the Activity 2.1.2</p> <p>Activity 2.1.3</p>	<p>For the period 01.07.2022 – to 31.12.2022</p> <p>Activity 2.1.1 Finalisation of the data collection and final assessments relying on a participatory and consultative process</p> <p>Activity 2.1.2</p> <p>Activity 2.1.3</p> <p>Develop gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors.</p> <p>Deliver the training on the development of gender-sensitive adaptation goals, targets and indicators.</p>
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2.2 National Adaptation Planning processes established.	The NAP process is in an early development stage and is not advancing. There is essentially no public awareness about the GoM adaptation concerns and aspirations.	<p>As per approved proposal the Outcome is achieved thought 6 sets of activities.</p> <p>Activity 2.2.1 Informed by Activities 2.1.1, 2.1.2 and 2.1.3 this activity will establish a team of multidisciplinary national and international experts to formulate and draft a National Adaptation Plan.</p> <p>Activity 2.2.2 Develop a work-plan for implementation of the NAP process over a 3-year period.</p> <p>Activity 2.2.3 Establish a monitoring and evaluation framework for adaptation planning and its effectiveness. This monitoring and evaluation framework will include indicators and targets for monitoring and evaluation based on</p>	A NAP process is established, functioning and continuing to evolve with a first NAP document guiding initial measures and the public informed about the process and priorities – Target in progress	<p>Status of National Climate Change Adaptation Plan</p> <p>Means of verification: Draft National Climate Change Adaptation Plan produced</p> <p>Draft work plan for implementation of National Climate Change Adaptation Plan produced</p> <p>Draft M&E National Climate Change Adaptation Plan produced</p> <p>Draft Gender Action Plan and the Communications Plan for National Climate Change Adaptation Plan produced</p> <p>National Climate Change Adaptation Plan approved</p> <p>Stakeholder outreach and awareness-raising strategy developed,</p> <p>Workshop and training reports and attendee lists.</p>	<p>Selection process for the company/service provider to undertake a public awareness communications campaign finalised.</p> <p>The activities expected to start in July.</p> <p>For the period 01.07.2021 – to 31.12.2021</p> <p>Activity 2.2.3 - Published ToRs</p> <p>Activity 2.2.4 - Published ToRs</p> <p>The NAP team participated in a national workshop focusing on CC and Gender, which was led by UNDP (supported by the National Communication project) with participation from civil society. During the workshop the NAP work was presented.</p> <p>Activity 2.2.6 –</p> <p>Company to deliver a public awareness communications campaign selected, the work plan and communication strategy developed.</p> <p>For the period 01.01.2022 – to 30.06.2022</p> <p>Activity 2.2.3: The selection process for a lead International and local expert was conducted and finalised. The international consultant, in cooperation with local experts finalised the inception report.</p>	<p>For the period 01.01.2022 – to 30.06.2022</p> <p>- No variance</p>	<p>For the period 01.07.2021 – to 31.12.2021</p> <p>The outreach during the reporting period mainly focused on reaching the professional community and relevant institutions in order to position and inform them about the NAP project. Considering the number of events and number of participants the goal was achieved, creating relevant relationships and preconditions for the next phase of the implementation.</p>	<p>For the period 01.07.2021 – to 31.12.2021</p> <p>Selection of experts needed for future activities. Implementation of communication strategies, with focus on online presence. Organisation of info days, workshops and events.</p> <p>For the period 01.07.2022 – to 31.12.2022</p> <p>Finalise ToRs for Activity 2.2.1, Activity 2.2.2 and implement selection process</p>



		<p>sex-disaggregated data.</p> <p>Activity 2.2.4 Develop a Gender Action Plan to ensure gender is explicitly featured in the design and implementation of the NAP.</p> <p>Activity 2.2.5 Coordinate a public and expert review process of the NAP.</p> <p>Activity 2.2.6 A public awareness communications campaign to communicate Montenegro's medium- to long-term adaptation priorities. As presented in the proposal.</p>		<p>Pre- and post- training participant surveys.</p> <p>Review of developed outreach and knowledge products.</p>	<p>Activity 2.2.4 Drafted the Inception Report, Gender Action Plan and Gender Communication Plan to outline the Gender Mainstreaming approach in the Design and Implementation of the NAP in Montenegro</p> <p>Activity 2.2.6 The selected company provided support in event organisation for the period January – June, developed the logo and branding guidelines for Dialogue for Development seminar series, <u>developed a landing page for the project</u> (currently being populated: https://napmontenegro.me/), and a project newsletter.</p> <p>In addition, the project supported organisation of the Green Days online talk: Youth Action on Climate Change: Race We Can Still Win (event links: www.greendays.me https://twitter.com/GreenDays2022)</p>		<p>The selection process of local and international experts under Activity 2.2.3 and Activity 2.2.4, as well as inception period and work was finalised in time.</p> <p>Activity 2.2.6 The company provided support to the NAP team in supporting Green Days on-line talks 2022 with title: Youth action on climate change: Race we can still win, promoting events and workshops, design of Dialog for Development concept, first NAP project newsletter and web landing page for future information dissemination. Event links: Green Days and Green Days Twitter feed</p>	
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Outcome 3: An adaptation finance mobilization strategy developed.

Outcome narrative:

While no project-funded activities took place under Outcome 3 during the reporting period - in order to secure proper information sharing of the information regarding project goals and planned activities and relevance of the CCA for the private sector project team used external funding and participated in number of relevant activities:

Diagnostic Study on Needs of the Business Sector for Green Economic Recovery was initiated in 2021 and finalised in 2022. Although the studies are not funded from NAP project funds, the conclusions proved to be important as an input to Component 3 of the NAP project.

In parallel, the project team continued with efforts on creating synergies with projects and initiatives relevant for the CCA process. In this context, the team:



- Actively participated in the work of the Ministry of Economy Working group for the promotion of green transition,
 - supported the team of the International Fund for Agricultural Development (IFAD), which in-turn is supporting the GoM – in particular the Ministry of Ecology, Spatial Planning and Urbanism and the Ministry of Agriculture, Forestry and Water Management as well as 14 municipalities – by designing the Adaptation to Climate Change and Resilience in the Montenegrin mountain areas project (Gora for short),) targeting funds of Adaptation Fund with strong component focusing on private sector engagement.
 - Support the team of UNDP Istanbul Regional Hub (with technical support from Insurance & Risk Finance Facility) to assess, through a Scoping Study (Montenegro component), the readiness of six countries and territories in the Western Balkans for the introduction of insurance and other risk financing solutions in aiming to support the countries in performance delivery of SDGs and to facilitate sub- regional dialogue on insurance and risk financing solutions for Western Balkans.

Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved ⁴	Variance explanation	Qualitative assessment of activities undertaken	Planned activities and corresponding deliverables/milestones for the next reporting period
3.1 Mechanisms for funding adaptation investments identified.	There is a lack of clarity on the costs of addressing the adaptation needs in the four priority sectors. Additionally, there is a lack of understanding of the financing options available for adaptation including within GoM budgets but also international sources.	As per approved proposal the Outcome is achieved though 3 sets of activities. Activity 3.1.1 Conduct a preliminary cost-benefit analysis for prioritized CCA investment options Activity 3.1.2 Develop a financing strategy that maps to the prioritized adaptation goals and that identifies and considers the barriers that prevent private sector stakeholders from engaging in low-emission and	GoM will have a good estimate of the required budget to execute multi-sector adaptation investments over the mid-to-long-term. GoM will have an in-depth understanding of the financial resources available from international/external sources Activities not yet started	Number of preliminary cost-benefit analysis for prioritized CCA investment options Number of available sources of funds for CCA identified and reviewed and included in financing and investment strategy Number of Concept Notes developed that address the prioritized risks and respond to the identified adaptation options of each sector. Means of Verification: A report detailing the preliminary costs of each of the prioritized adaptation investments approved (3.1.1). Review assessment report on long-term financial needs and NAP Investment Strategy Four Concept Notes, one for each sector, that address the highest prioritized adaptation measure for each sector endorsed by relevant stakeholders.	No activities undertaken during the reporting period			For the period 01.07.2022 – to 31.12.2022 Finalise ToRs for Activity 3.1.1, and implement selection process

⁴ If possible, please provide hyperlinks to supporting documents.



		<p>climate-resilient development.</p> <p>Activity 3.1.3 Informed by Activities 2.1.1, 2.1.2, 2.1.3 and 2.2.1, four Concept Notes will be developed that address the prioritized risks and respond to the identified adaptation options of each sector.</p> <p>As presented in the proposal.</p>						
<p>3.2 Private sector engagement in adaptation strengthened.</p>	<p>The private sector is not engaged in investing in adaptation projects and activities. They lack knowledge of the risks and costs to their businesses/sectors as well as the options and opportunities that adaptation presents.</p>	<p>As per approved proposal the Outcome is achieved thought 2 sets of activities.</p> <p>Activity 3.2.1 Informed by Activities 3.1.1 and 3.1.2, define a sustainable finance sector investment strategy and roadmap to increase the private sector's interest and engagement in adaptation.</p> <p>Activity 3.2.2 Informed by Activities 2.1.1, and</p>	<p>The private sector is informed about the challenges and impacts of climate change on their businesses and sectors, as well as the opportunities of investing in adaptation activities.</p> <p>Activities not yet started</p>	<p>Number of incentive mechanisms for private sector participation in adaptation identified</p> <p>Number of personnel newly trained in climate information and vulnerability/risk data analysis, integration tools, appraisal and prioritization of CCA options, CCA project development, gender mainstreaming (gender disaggregated). (Target a total of xxx individuals with 50 percent of the participants being women)</p> <p>Number of new training modules created for CCA capacity development.</p> <p>Means of verification:</p> <p>Review of baseline analysis for private sector participation in CCA, as well as surveys and consultations</p>				<p>No activities planned for the next 6 months</p>



		<p>3.2.1, deliver workshops with private sector actors including representatives from major companies, industry associations, banks and academia, to explore and present strategies and opportunities for investing in adaptation projects as well as real or potential government incentive schemes aimed at encouraging investment.</p> <p>As presented in the proposal.</p>		<p>Review of incentive tools and financial products developed</p> <p>Review of baseline analysis for private sector participation in CCA, as well as surveys and consultations</p> <p>Review of incentive tools and financial products developed</p>				
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SECTION 3: ACTUAL IMPLEMENTATION TIMETABLE
Please provide the timeline of the Readiness Support activities and deliverables described in the outcomes in the Gantt chart below according to the actual progress of the activities and month(s) in which the deliverable was completed. Please ensure the outcomes/outputs/activities match those highlighted in Section 3.

Progress is reported for the period (should be consistent with section 1.8) | From: 1/1/2022 To: 6/30/2022

Please note that Month 1 corresponds with Months 1 of the project implementation – in this case October 2020.

Legend:
 Implemented activities



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SECTION 4: BUDGET & EXPENDITURE REPORTING

This section requires the applicant to report on the proposed budget. Please complete this section using the Readiness Budget Expenditure & Resource Report template (MS Excel)

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SECTION 5: PROCUREMENT PLAN FOR THE NEXT IMPLEMENTATION PERIOD

List the items planned to be procured during the next implementation period (including consultants) and explain what procedures will be used for these procurements (e.g. direct procurement, open tender, other). Double-click the table below to edit the spreadsheet.

Item to procure	Unit Number or Work month/day	Lump sum or Unit rate	Total Budget	Procurement procedures used
	i	ii	iii = (i x ii)	
Goods and Non-Consulting Services				
Workshops		96000	96000	Direct procurement of inc
Audio Visual & Printing (AV equipment, printing and translatin services f		24000	24000	Direct procurement

SECTION 6: CHALLENGES, LESSONS LEARNED AND WAY FORWARD

Please describe what were the challenges encountered during the current reporting period; what were the solutions to mitigate them; and what were the key lessons learned and what will the project do to undertake course corrections during the next reporting period.

⁵ As per signed agreement.

⁶ Please provide details information of commitment and accrual including vendor/payee name, amount and payment due date.

⁷ Please provide justification for variance, excess of 10% of the amount originally allocated for a Category shall only be done with the Fund's prior written approval.



The reporting period was affected and marked by two main challenges: COVID 19, especially during the first 4 months of 2022, and political instability affecting entire duration of the reporting period.

During the reporting period the numerous members of the Project Team (project management unit, consultants and personal within partner organisations) suffered COVID-19 infections and each infection meant that project activities was negatively affected by communication issues, slight delays or a change in focal points. In addition, the travel restrictions and restrictions on in-person meetings negatively affected process of information exchange, data gathering and sharing, and overall communication.

An additional layer of complexity arose due to the political crisis that Montenegro has been experiencing from the end of 2021 until today. In February 2022, the political crisis caused a vote of no confidence for the 42nd GoM and the process of forming a new, 43rd GoM was initiated. The process was partially finalized in May 2022 led to changes in the structure of the GoM and personnel, which significantly affected overall communication and information sharing. Consequently, while some of activities did proceed and progress in a timely manner (gap assessment and vulnerability assessment, for example), resulting in initial draft reports and deliverables, additional time is required for further improvement of the documents, sharing the results and securing relevant result ownership through a consultative process and in a participatory manner.

During the reporting period the project continued to deliver good results in the context of the improved coordination framework primarily focusing on further positioning of the NCSD. In this context the project team, NCSD Secretariat and UN managed to, relying on an intensive consultation process (3 regional meetings with more than 80 participants from 17 out of 24 municipalities, 4 meetings of the working group formed by 44 members, 10 expert meetings of the 10-member expert team, more than 550 unique respondents to a questionnaire) draft the second VNR in a timely and high-quality manner. The most important result of this process, from the NAP project prospective, is the positioning of the NCSD as a functional coordination tool and platform.

The project team continued with efforts on creating synergies with projects and initiatives relevant to the CCA process. In this context, the team provided inputs for the formulation of the UNDP country programme document for Montenegro (2023-2027) mainstreaming CCA as one of key interventions in the context of the Signature Solution Environment with special attention to be given to advocacy to increase the participation of women in designing the country's climate mitigation and adaptation responses.

The project team continued with efforts to create synergies with relevant CCA interventions, as presented in the summary/overview section, securing additional promoting of the project and cooperation with relevant initiatives.

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Comments		
Reviewed by: <i>Name and Title (Reviewer):</i> <i>Position:</i>	Signature:	Date: (DD-MM-YYYY)
Final assessment by: (Satisfactory to GCF) <i>Name and Title (Reviewer):</i> <i>Position:</i>	Signature:	Date: (DD-MM-YYYY)



Annex. Subsequent Disbursement Request Form

Please fill the below form to request for the subsequent disbursement when the interim progress report along with unaudited financial statement/financial audit report/certified financial statements as applicable in accordance with Grant Agreement has been submitted to GCF (please note that the disbursement request can be processed only after these conditions are met).

SUBSEQUENT DISBURSEMENT REQUEST	
1. Total amount approved for the project	Choose an item. Example: USD 300,000
2. Disbursement from GCF made to date/Percentage of Total Grant (%)	Choose an item. Example: USD 120,000 /40 % (refer to Grant Agreement)
3. Total expenditure to date	Choose an item. Example: USD 118,000
4. Expenditure rate as of the Interim Progress Report submission date (%)	<i>Please divide the received amount (2) by the executed amount (3). Example: 70%</i>
5. Total amount of the subsequent disbursement to request/Percentage of Total Grant (%)	Choose an item. Example: USD 130,000/43 % (refer to Grant Agreement)
6. Name of Beneficiary Bank and located country	
7. Account number	
8. Bank address	
9. SWIFT (BIC)	
10. IBAN Code	
11. Date of the disbursement request	Click or tap to enter a date.

Name and Title*: Position:	Signature:	Date:
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**The signatory of grant agreement (either NDA or Delivery Partner) or any authorised person who is certified in the letter of authorisation submitted to the Fund can sign here. When this is not plausible, please kindly consult with the Fund (opm@gcfund.org) prior to the submission of the disbursement request.*



SPECIAL ADDENDUM: COVID-19 RELATED IMPACTS

This section provides information on temporary measures to support project implementation through the extension period. Please be advised that the measures do not constitute a permanent change in policy. If you have any questions, please feel free to send an inquiry to opm@gcfund.org.

GCF has granted up to six-months extension of the grant term/anticipated duration of readiness activities for specific grants that had been approved by the GCF prior to the pandemic having arisen and which expire after 1 March 2020 and are effective prior to 8 April 2020. GCF has granted additional flexibilities with guidelines as outlined below.

No-Cost Extension

- i. All grants will be automatically extended by six months. However, please be informed that the willingness on the part of the GCF to provide this six-month extension on the basis of the COVID-19 pandemic is not intended to prevent RPSP activities from being delivered under the pre-pandemic existing contractual timelines. Delivery partners and National Designated Authorities/Focal Points (NDA/FP) can complete the grant implementation sooner than the full no-cost extension period. Therefore, the GCF expects that delivery partners will fully coordinate with NDA/FPs in relation to the application of the said extension as a result of the COVID-19 pandemic.
- ii. Delivery partners should include a revised workplan for the new period in the next reporting cycle.
- iii. Grants requiring an extension longer than the six-months must submit well justified requests in line with standard practices and procedures for the GCF's consideration and approval.
- iv. The originally agreed grant sum required to complete the activities under the respective legal agreements remains unchanged for grants accepting the no-cost extension.

Project management costs: The project management costs (PMC) cap has been increased from 7.5 percent to 12.5 percent of the total activity budget approved. Partners can tap into the approved contingency fund to meet these additional costs up to the 12.5% cap. If the delivery partner increases the PMC, then the delivery partner is required to provide detailed documentation and justification supporting the increase in PMC and clearly outlining how the additional costs are related to the COVID-19 pandemic. This justification should be included in the interim progress report or completion reports due for submission as detailed in the grant agreement.

Contingency budget: The approved contingency amount included in the budgets for these activities may be used to cover unforeseen costs relating to the COVID-19 pandemic without prior approval from GCF. The contingency budget may be used for project management costs (PMC). The said contingency expenses will need to be justified and included in the detailed reports that are required to be submitted by the delivery partner/recipient under the respective legal agreement between the delivery partner/recipient and the GCF.

Budget Re-allocation: The reallocation of approved budget among the budget line items can be made from one budget category to another up to 25 percent variation across the categories. The receiver and giver budget category can only take or give without prior fund approval up to 25 percent based on the previously approved budget. Budget can also be reallocated from outputs without changing the project scope to PMC if the contingency budget is insufficient to meet the increases in PMC. The delivery partner is required to provide detailed documentation and justification supporting the budget reallocation in the submitted reports in line with the grant agreement.



Types of Measures	Output No.	Activity No.	Implementation and Deliverables Schedule				Budgetary Implications
			(Please provide details of the change to activities, deliverables, etc.)				
			Impact on delivery modality	Deliverable	Original Date	Revised Date	
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							
Choose an item.							

In-country Status (Please provide an update of the status of the country due to COVID-19 pandemic.)	
Justification for Requests and Implications (Please provide details of the changes to support utilization of temporary measures.)	
Mitigation Measures (Please provide details of how risks will be mitigated)	



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Comments

Reviewed by:

Name and Title:

Position: DSS Finance

Signature:

Date:

(DD-MM-YYYY)

Certified by:

Name and Title:

Position: DSS Finance

Signature:

Date:

(DD-MM-YYYY)

Approved by:

Name and Title:

Position: CFO

Signature:

Date:

(DD-MM-YYYY)

FOR GREEN CLIMATE FUND'S SECRETARIAT USE ONLY

Comments

Reviewed by:

Name and Title (Reviewer):

Position:

Signature:

Date:

(DD-MM-YYYY)

Final assessment by:

(Satisfactory to GCF)

Name and Title (Reviewer):

Position:

Signature:

Date:

(DD-MM-YYYY)