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# Readiness and Preparatory Support Interim Progress Report

**Grant Agreement Number (MNE-RS-002)**

**NDA/Delivery Partner Name**

**Sections in this report:**

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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](mailto:opm@gcfund.org).

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

DocuSigned by:		
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Name and Title: Aneta Kankaraš Position: Head of Secretariat of NCSD, General Secretariat of the Government of Montenegro	Signature: <i>Aneta Kankaraš</i>	Date: 16-Feb-2023

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## EXECUTIVE SUMMARY

During this reporting period from July 2022 to December 2022, the project has closely monitored the implications on project activities of the country's political and societal situation and implemented adaptive measures in response to the complex challenges posed by ongoing political instability. This instability was further exacerbated by a second no confidence vote for the government in August 2022, which led to the fall of the government, resulting in delays in the appointment of key decision-making positions crucial for the preparation of the National Adaptation Plan (NAP) and slowing down decision-making processes. To date, the new Government of Montenegro (GoM) has not been appointed, nor have new elections been scheduled, meaning that the current GoM will continue on an interim basis. Additionally, a prolonged cyber-attack on national institutions, including courts and revenue agencies, occurred in August 2022, causing disruption to websites, emails, individual computers, storage devices, cloud storages, and archives. Despite efforts to restore access, a significant amount of data and information remains missing or inaccessible, while key partner institutions were without email access or online communication for several weeks or months. Some institutions have not restored regular operations at the time of reporting.

These issues have had an impact on the project's progress, slowing down decision-making processes, redirecting resources away from NAP preparation, and causing reprioritization of the decision-making process for key partners and stakeholders.

Key activities implemented and associated results achieved during the reporting period focused on:

1. During the reporting period the project increased awareness and participation in climate change adaptation both among public as well as professionals. The project supported the organization of events such as Green Schools Day 2022, the presentation of the Second Voluntary National Report (VNR) at the High-Level Political Forum on Sustainable Development (HLPF) in New York, and the Green Montenegro International Film Fest (GMIFF). The project also supported the organization of professional-oriented events, such as a series of meetings and workshops, which are highlighted in this report. The project also contributed to the strengthening of the position and visibility of the Secretariat of the National Council for Sustainable Development.

3. In 2022, the National Council for Sustainable Development (NCSD) was reinvigorated under the leadership of the Prime Minister despite the ongoing political situation, with a focus on climate change, including support for the National Adaptation Plan (NAP) process, financing for sustainable development, and the establishment of a National Working Group for Just Transition under the Council's purview. The United Nations Development Programme (UNDP) has been supporting these processes, which led to the holding of the first constitutive session and 36th meeting of the NCSD in December 2022 as part of the Regional Conference on Sustainable Development in the Western Balkans.

4. Under Output 2.1, the project team conducted the preparation of draft reviews and consolidation of existing climate risk assessments within or related to the four priority sectors prioritized under this project. The drafts were prepared based on consultations with national partners and initial consultations were held with relevant counterparts. However, the process faced challenges due to the ongoing political situation in the Government of Montenegro (GoM), line ministries and institutions. The frequent changes in government ministries and institutions, which were a result of the political situation, required the team to closely monitor the situation and continuously implement risk mitigation strategies. The documents prepared will be used in the ongoing formulation of adaptation options, monitoring and evaluation framework, and the text of the National Adaptation Plan (NAP).

5. During November to December 2022, the team at the line ministry established a working group and conducted initial consultations regarding the text of the Draft Law on Protection from the Negative Effects of Climate Change. The legal expert contracted by the NAP project played a key role in leading this process. The main goal of these activities was to support the creation of a legal framework for climate change adaptation through national legislation. This is a crucial step in the development of the NAP and will aid the implementation of its objectives, by providing the legal basis for the implementation of the NAP activities.



6. The project team continued to focus on creating synergies with projects and initiatives that are relevant to the process of Climate Change Adaptation (CCA). Specifically, the team:

- Created synergies with the preparation process of the Second Voluntary National Report (VNR) for the 2022 High-Level Political Forum on Sustainable Development (HLPF) (Output 1.2),
- Continued to support the Capacity Building Initiative for Transparency (CBIT) project team in developing the terms of reference for project consultancies, ensuring alignment and synergies between the NAP and CBIT projects,
- Maintained communication and information exchange with the "Boka Kotorska Coastal Plan and Coastal Adaptation Workshop" project, which is being implemented in Kotor, Montenegro by PAP/RAC and Plan Bleu (GEF MedProgramme)
- Maintained 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) resulting in a joint two-day workshop focusing on Monitoring and Indicators for Adaptation
- Actively participated in the work of the Ministry of Economy's Working group for the promotion of green transition in support of Outcome 3. As a result, the NAP project, through a series of *Dialog for Development* meetings and consultations, supported the preparation of the National Circular Transition Strategy until 2030, with an Action Plan for 2023 and 2024.
- Continued to provide support to the International Fund for Agricultural Development (IFAD) team in designing the "Adaptation to Climate Change and Resilience in the Montenegrin mountain areas" project (Gora), which aims to secure funding from the Adaptation Fund in support of Outcome 3.
- Provided ongoing support to the 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.

Upon reflection, the following challenges have had the greatest impact on the overall implementation of the project:

- The implementation of the project has faced challenges due to a shortage of qualified candidates for advertised positions. Despite multiple extensions on job postings and tenders, finding individuals with the necessary expertise has proven difficult. This has resulted in the termination of a contract with one consultant and the need to re-initiate procurement processes to hire a new one.
- The ongoing political instability in the country has led to the fall of two governments in 2022 and changes in the structure of the GoM, including an increase in the number of ministries. This has also resulted in delays in appointments of key personnel and a slowdown in important processes, such as EU integration and appointments in the judiciary. The lack of experienced personnel appointed as contact persons for projects has made the exchange of information and implementation of processes more difficult, reducing data availability and limiting opportunities for consultation and input. The political instability is likely to continue to negatively affect the implementation process, as discussions regarding presidential elections and the formation of the next GoM or new parliamentary elections will continue to disrupt the process.

The prolonged cyber-attack severely impacted government and had a knock-on effect on the project. As a result of these delays, in consultation with NDA, will undertake the process of requesting 8 month no-cost extension of the project with a new end date of June 30<sup>th</sup> 2024.

## SECTION 1: GENERAL INFORMATION

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

<b>1. Country</b>	Montenegro
<b>2. Grant agreement number</b>	MNE-RS-002



<b>3. Implementing Entity</b>	United Nations Development Programme
<b>4. Date of grant agreement signed</b>	29/10/20
<b>5. Grant effectiveness date</b>	29/10/20
<b>6. Date of 1<sup>st</sup> disbursement received from GCF</b>	08/01/21
<b>7. Tranche number of the committed funding during the reporting period</b>	3 and 4
<b>8. Reporting period</b>	From: 01/07/22 To: 31/12/22
<b>9. Total approved grant amount</b>	USD 1,868,296.00
<b>10. Total grant amount received from GCF during the reporting period</b>	USD 994,730.28 w/ fee
<b>11. Total grant amount expended during the reporting period</b>	USD 572,747.27 (incl. commitments & fee)
<b>12. Documents provided (Please tick the relevant boxes)</b>	<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:

As mentioned in previous IPRs, the focus of the project is to strengthen capacities and the revised mission and mandate of the Working Group on Mitigation and Adaptation to Climate Change (WGMACC). However, at the beginning of the project implementation, WGMACC and the National Council for Sustainable Development (NCSD) were not operational. This resulted in a need to redesign and re-establish the NCSD as a precondition for a functional WGMACC. The project adopted a two-track approach: strengthening capacities and the position of the Secretariat of the NCSD on one side and redesigning and improving positioning of the NCSD on the other. As a result of the process, with key input and contribution from the NAP project, the first constitutive session of the new NCSD took place during the 36th meeting of the NCSD in December 2022 as part of the Regional Conference on Sustainable Development in the Western Balkans. Prior to the conference and constitutive session of the new NCSD, the project provided input and support to the secretariat, including preparation support for the July 2022 presentation of the Second Voluntary National Report to the 2022 High Level Political Forum on Sustainable Development in New York, support for the preparation of the National Circular Transition Strategy until 2030, and continued support to the International Fund for Agricultural Development team in designing the "Adaptation to Climate Change and Resilience in the Montenegrin mountain areas" project. This project aims to secure funding from the Adaptation Fund of approximately 10 million USD, and NCSD and will be one of the key beneficiaries of the project.

Work continued on the final consolidation of available climate risk assessments in the project's four priority sectors. The documents prepared will be used in the ongoing formulation of adaptation options, monitoring and evaluation framework, and the text of the National Adaptation Plan (NAP).

Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved <sup>1</sup>	Variance explanation	Qualitative assessment of activities undertaken	Planned activities and corresponding deliverables/milestones for the next reporting period
1.1: Institutional capacity for adaptation planning assessed and enhanced	There is insufficient technical capacity within the relevant institutions to understand climate information in the context of climate	As per approved proposal the Outcome is achieved through 4 sets of activities.  Activity 1.1.1 Assess capacity of key stakeholders involved in the NAP process to	Capacity gaps have been identified and addressed through capacity building programmes resulting in a cadre and network	Number of institutions with technical capacity in CCA assessed – at least 10.  Number of capacity building measures identified as an input for training programs of 1.1.2.  Number of personnel newly trained in climate information and vulnerability/risk data analysis and dissemination, integration tools, appraisal and	Internal UNDP process of obtaining Delegation of the authority and budget allocation finalised by end of March 2021, - Inception workshop took place organised on 05.04.2021,			<b>For the period 01.01.2023 – to 30.06.2023</b>  A 1.1.1 Continue the improvement of the gap assessment taking into consideration and reflecting numerous changes in institutional set up and personnel and finalise the

<sup>1</sup> If possible, please provide hyperlinks to supporting documents.





	<p>change and impacts, nor to effectively assess, prioritize and monitor adaptation investments.</p>	<p>determine individual and institutional capacity gaps that are key for integrating climate risks and adaptation into planning 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 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 Activity 1.1.4 Train Institute of Hydrometeorology and Seismology (IHSM) staff on how to effectively use their mobile climate data collection units.</p>	<p>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>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>Pre- and post- training surveys and reports (1.1.4)</p> <p>Review of training manuals</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><b>For the period 01.07.2021 – to 31.12.2021</b></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><b>For the period 01.01.2022 – to 30.06.2022</b></p> <p>A 1.1.1. The draft Capacity Assessment was prepared.</p> <p>A 1.1.2 1) cooperation with the Transition towards a low emission and climate-resilient economy in the Western Balkans and</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>A 1.1.4 - IA ToR to support the Institute of Hydrometeorology and Seismology is under development. However, this activity has been slightly delayed while the precise</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>A1.1.1 There is a challenge of securing commitment and adequate participation in the training sessions organized by the project, with a significant turnover of participants between events. This is being</p>	<p>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. The focus during the next period will be on creating online training modules and house them within the Montenegro Human Resource Management Training Institution.</p> <p>A 1.1.2 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>Turkey project (TRATOLOW), and GoM adaptation focal point established</p> <p>2) Drafted Gender and CCA Training programme</p> <p>A 1.1.3 Concept for Dialogue for Development seminar series on the future of adaptation in Montenegro in an age of disruption developed.</p> <p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>A 1.1.1. Began discussions on the possibility of creating an online curriculum focused on adaptation to climate change targeting civil servants with a state-run training organization specializing in human resource administration.</p> <p>A 1.1.2 In cooperation with the Transition towards a low emission and climate-resilient economy in the Western Balkans and Turkey project (TRATOLOW), and the GoM adaptation focal point, the project developed and delivered a two-day training workshop on Monitoring and Indicators for Adaptation, delivered in July 2022.</p> <p>2) Gender and CCA Training programme was</p>	<p>details of the ToR continue to be discussed</p>	<p>addressed by the team in two ways: by continuing to organise training events as well as to mitigate this risk, the project team is currently discussing the alternative of creating an online curriculum.</p> <p>As a consequence of the political situation combined with the highly negative impact of cyber-attacks on national counterparts' ability to respond to requests of the training processes the project is facing an ongoing challenge during the implementation of activities under Outcome 1. Consequently, and in consultation with the NDA and experts the project will adjust the strategy to adopt two track approach: continue in person trainings and focus on creating online tools and modules.</p> <p>The Dialogue for Development approach and concept secured sustainability as it is now adopted by NCSD as a signature</p>	
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					<p>developed and is being used for the ongoing preparation of the final NAP text.</p> <p>A 1.1.3 The Dialogue for Development seminar series was adopted by new NCSO as a signature service the NCSO will provide in the future. As a first set of events the NCSO and the NAP project organised:</p> <ul style="list-style-type: none"> <li>- Review and consolidation of available climate risk assessments within or related to the four priority sectors</li> <li>- Preparation of the National Circular Transition Strategy until 2030, with an Action Plan for 2023 and 2024, adopted by GoM in December 2022.</li> </ul>		<p>service and methodology, while the project will focus on creating adequate material for future trainings to be used by relevant institutions.</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, governing processes and SOP's thus</p>	<p>As per approved proposal the Outcome is achieved thought 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</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>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><b>For the period 01.07.2021 – to 31.12.2021</b></p>	<p>In the previous reporting period, various vacancy announcements had to be extended due to a lack of qualified candidates</p> <p><b>For the period 01.07.2021 – to 31.12.2021</b></p> <p>1.2.1 The vacancy announcement for a National consultant / Legal</p>	<p><b>For the period 01.01.2023 – to 30.06.2023</b></p> <ul style="list-style-type: none"> <li>- Finalize the formation of a working group for CCA</li> <li>- Provide support for changes and additions of the Law on Protection from the Negative Effects of Climate Change</li> </ul>	





	preventing effective adaptation planning.		<p>coordination mechanism, and SOP's for adaptation investments. Thereby enabling an adaptation planning framework – target in progress</p> <p>target in progress</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>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><b>For the period 01.01.2022 – to 30.06.2022</b></p> <p>1) several steps were taken to operationalize the NCSD, 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.</p> <p>2) A legal adviser provided support to amendments to the Law on Protection from the Negative Effects of Climate Change</p> <p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>1) The first constitutive session of the new NCSD took place during the 36th meeting of the NCSD in December 2022 as part of the Regional Conference on Sustainable Development in the Western Balkans.</p> <p>2) A legal adviser provided support to amendments to the Law on Protection from</p>	<p>Advisor didn't result with eligible candidates. The position will be readvertised.</p> <p><b>For the period 01.01.2022 – to 30.06.2022</b></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><b>For the period 01.07.2022 – to 30.12.2022</b></p> <p>1.2.1 No variance, although the second no confidence vote of the GoM in a year, in August 2022, led to a slowdown in the implementation of activities.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>While the project encountered challenges during the implementation of activities under Outcome 1, it is important to note that despite these challenges the project managed to provide key support to the reinvigorated NCSD under the leadership of the Prime Minister.</p> <p>The Dialog for Development approach and concept secured sustainability as it is now adopted by NCSD as a signature service and methodology.</p> <p>Prior to the constitutive session of the new NCSD, the project provided input and support to the secretariat,</p>	
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					the Negative Effects of Climate Change		including preparation support for the July 2022 presentation of the Second Voluntary National Report to the 2022 High Level Political Forum on Sustainable Development in New York, support for the preparation of the National Circular Transition Strategy until 2030, and continued support to the International Fund for Agricultural Development team in designing the "Adaptation to Climate Change and Resilience in the Montenegrin mountain areas" project, which is being proposed to the Adaptation Fund	
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**Outcome 2: An enhanced evidence base for designing gender-sensitive adaptation solutions.**

**Outcome narrative:** Preparation of the review and consolidation of available climate risk assessments within or related to the four priority sectors (health, water, agriculture and tourism) once again presented several challenges. Namely, lack of data in a format and quality for more detailed planning will be a challenge in Montenegro for the foreseeable future. However, the data collected so far are sufficient to continue with the work that can lead to quality planning document. One of main takeaways form the process is that additional effort should be made in disseminating information and building capacities of line institutions for them to properly understand the need for future improvement of systems and practices. As a result, and due to savings in the project, an additional activity is ongoing that should result in preparation of Climate Change Impact and Vulnerability Assessment guiding materials that will lead processes for other sectors as well.



Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved <sup>2</sup>	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 evaluating options. Investment decisions are made on an ad-hoc basis, without a structured methodology frequently leading	As per approved proposal the Outcome is achieved though 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 systems in the assessments  Activity 2.1.2 Develop gender-sensitive adaptation goals, targets and indicators for	Gender-sensitive climate risks, vulnerabilities as well as adaptation priorities have been identified within the 4 priority sectors.  Options for adaptation investments for the NAP and other plans have gone through a careful review and prioritization process resulting in a comprehensive and prioritized list of adaptation ideas for investments in the priority sectors.target in progress  Targets in progress	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.  Number of gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors.  Number of gender-sensitive adaptation measures into sector plans and policies for each of the four priority sectors.	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.  <b>For the period 01.07.2021 – to 31.12.2021</b>  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  <b>For the period 01.01.2022 – to 30.06.2022</b>  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	<b>For the period 01.07.2021 – to 31.12.2021</b>  Activity 2.1.1 - No variance  Activity 2.1.2 Activity 2.1.3  - No variance  <b>For the period 01.01.2022 – to 30.06.2022</b>		<b>For the period 01.01.2023 – to 30.06.2023</b>  Activity 2.1.1 Selection of a company that will expand on the prepared assessment and for the GoM and prepare Climate Change Impact and Vulnerability Assessment guiding materials.  Activity 2.1.2 Activity 2.1.3  Develop gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors.

<sup>2</sup> If possible, please provide hyperlinks to supporting documents.



	<p>to sub-optimal outcomes. There is a lack of a pipeline of well-designed relevant adaptation projects.</p>	<p>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>validation workshop and set of meetings.</p> <p>Activity 2.1.2 Activity 2.1.3 The selection process for the lead International and 4 local experts was conducted and finalised.</p> <p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Activity 2.1.1 The assessments of climate change-driven risks and vulnerabilities in the four priority sectors have been finalised (one assessment in each sector). The documents will be used in the ongoing formulation of adaptation options, monitoring and evaluation framework, and the text of the National Adaptation Plan (NAP). Activity 2.1.2 A combined approach with Activity 2.1.3 has been taken. See below.</p> <p>Activity 2.1.3 The lead international consultant selected in the first half of 2022 did not perform as expected and needed to be replaced. Part of the activities related to the adaptation options, goal setting have been taken over by lead writer of the NAP and local experts. Activities are ongoing.</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 Activity 2.1.3 - No variance</p> <p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Minor delays arose as a result of the need to replace the lead international</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Although the climate change-driven risks and vulnerabilities in the priority sectors have been finalised through a participatory and collaborative process, there is a need for continued presentation of the results to a wider group of representatives of the GoM and national institutions. The NCSD is an institution that proved to be valuable as an information dissemination platform and the project team and</p>	<p>Deliver the training on the development of gender-sensitive adaptation goals, targets and indicators.</p>
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						consultant under Activities 2.1.2 and 2.1.3.  Work to develop gender-sensitive adaptation goals, targets and indicators for each of the four priority sectors and deliver the training on the development of gender-sensitive adaptation goals, targets and indicators is ongoing	NCSD team are currently partnering in continuing engagement on this important topic.	
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.	As per approved proposal the Outcome is achieved thought 6 sets of activities.  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.  Activity 2.2.2 Develop a work-plan for implementation of the NAP process over a 3-year period.	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	Status of National Climate Change Adaptation Plan  Means of verification: Draft National Climate Change Adaptation Plan produced  Draft work plan for implementation of National Climate Change Adaptation Plan produced  Draft M&E National Climate Change Adaptation Plan produced  Draft Gender Action Plan and the Communications Plan for National Climate	Selection process for the company/service provider to undertake a public awareness communications campaign finalised. The activities expected to start in July.  <b>For the period 01.07.2021 – to 31.12.2021</b>  Activity 2.2.3 - Published ToRs  Activity 2.2.4 - Published ToRs  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.  Activity 2.2.6 –			<b>For the period 01.01.2023 – to 30.06.2023</b>  Prepare the draft NAP for public consultation.



		<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 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>Change Adaptation Plan produced</p> <p>National Climate Change Adaptation Plan approved</p> <p>Stakeholder outreach and awareness-raising strategy developed, Workshop and training reports and attendee lists.</p> <p>Pre- and post- training participant surveys.</p> <p>Review of developed outreach and knowledge products.</p>	<p>Company to deliver a public awareness communications campaign selected, the work plan and communication strategy developed.</p> <p><b>For the period 01.01.2022 – to 30.06.2022</b></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>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: <a href="https://napmontenegro.me/">https://napmontenegro.me/</a>), and a project newsletter.</p> <p>In addition, the project supported organisation of the <u>Green Days</u> online talk: Youth Action on Climate Change: Race We Can Still Win (event links: <a href="http://www.greendays.me">www.greendays.me</a> <a href="https://twitter.com/GreenDays2022">https://twitter.com/GreenDays2022</a>)</p>	<p><b>For the period 01.01.2022 – to 30.06.2022</b></p> <p>- No variance</p> <p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>- No variance</p>		
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					<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Activity 2.2.1 and 2.2.2: ToRs for Activity 2.2.1, Activity 2.2.2 developed selection process implemented, inception phase implemented.</p> <p>Activity 2.2.3: The team working on this activity is closely coordinating with the team working on activities 2.2.1 and 2.2.2. Activities are ongoing.</p> <p>Activity 2.2.4: Three deliverables have been drafted under this activity, a Gender Action Plan, a Gender Communication Plan and an associated training program.</p> <p>Activity 2.2.6 During the reporting period the project aimed to increase awareness and participation in climate change adaptation both among the public as well as professionals. The project supported the organization of events such as Green Schools Day 2022, the presentation of the Second Voluntary National Report (VNR) at the High-Level Political Forum on Sustainable Development (HLPF) in New York, and the Green Montenegro International Film Fest (GMIFF)</p>			
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**Outcome 3: An adaptation finance mobilization strategy developed.**

Initial activities under the outcome are already indicating that securing the funding for adaptation priorities under the NAP will be a challenge that will require a dedicated and planned approach, and as a result the project will extend its support for the NCSD and will support the work of the additional working group of the NCSD, namely the one dedicated for sustainable development. The country is facing prolonged financial difficulties, despite registering post-covid economic growth, due to increasing effects of war in Ukraine. Consequently, the priorities within financial



sector, financial institutions and private sector are oriented on maintaining liquidity and are not entirely open for using or developing new mechanisms. The role of information exchange and cooperation through NCS D by this becomes crucial for next phase of implementation.								
Outputs	Baseline summary	Activities	Targets achieved	Indicators	Milestones and deliverables achieved <sup>3</sup>	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.	<p>As per approved proposal the Outcome is achieved thought 3 sets of activities.</p> <p>Activity 3.1.1 Conduct a preliminary cost-benefit analysis for prioritized CCA investment options</p> <p>Activity 3.1.2 Develop a financing strategy that maps to the prioritized adaptation goals and that identifies the barriers that prevent private sector stakeholders from engaging in low-emission and climate-resilient development.</p> <p>Activity 3.1.3 Informed by Activities 2.1.1, 2.1.2, 2.1.3 and</p>	<p>GoM will have a good estimate of the required budget to execute multi-sector adaptation investments over the mid-to-long-term.</p> <p>GoM will have an in-depth understanding of the financial resources available from international/external sources</p> <p>Activities not yet started</p>	<p>Number of preliminary cost-benefit analysis for prioritized CCA investment options</p> <p>Number of available sources of funds for CCA identified and reviewed and included in financing and investment strategy</p> <p>Number of Concept Notes developed that address the prioritized risks and respond to the identified adaptation options of each sector.</p> <p>Means of Verification:</p> <p>A report detailing the preliminary costs of each of the prioritized adaptation investments approved (3.1.1).</p> <p>Review assessment report on long-term financial needs and NAP</p> <p>Investment Strategy</p> <p>Four Concept Notes, one for each sector, that address the highest prioritized adaptation measure for each sector endorsed by relevant stakeholders.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Activity 3.1.1</p> <p>ToRs for Activity developed selection process implemented, inception phase implemented.</p> <p>Activity 3.1.2</p> <p>ToRs for Activity developed selection process implemented, inception phase implemented.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>- No variance</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>The process resulted in the selection of consultants and the inception phase of their work. Based on initial activities, the financial part of the NAP will be an issue due to challenging financial situation in the country mainly as a result of the war in Ukraine and significant pressure on the government financial system. The team is working on identifying alternative sources of financing.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Activity 3.1.3 Develop ToR and implement selection process</p>

<sup>3</sup> If possible, please provide hyperlinks to supporting documents.



		<p>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 through 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 3.2.1, deliver workshops with private sector actors including representatives from major companies,</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>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>Activity 3.2.1 ToRs for Activity developed selection process implemented, inception phase implemented.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>- No variance</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>See 3.1.1 and 3.1.2. Consultants have been selected but ongoing domestic and external challenges mean that mobilizing resources and financing NAP priorities will continue to be a challenge.</p>	<p><b>For the period 01.07.2022 – to 31.12.2022</b></p> <p>Activity 3.2.2 Develop an additional ToR and implement the selection process</p>



		<p>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>				

**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: 7/1/2022 To: 12/31/2022

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

**Legend:**

	Implemented activities
	Deliverables
	Planned activities











#### 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)

#### 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 in
Audio Visual & Printing (AV equipment, printing and translatin services for		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.



One of the key elements of the future activities and preconditions for the successful finalisation of the project activities is the project's ability to create synergies with processes and projects that will underpin and continue relevant activities beyond project lifespan. This is particularly important due to increasingly unfavourable implementation environment within Montenegro. Regional conflicts, primarily the war in Ukraine, are negatively affecting the economy and consequently the ability of decision makers in the public and private sector to dedicate long term resources to climate change adaptation. In parallel, the political situation and cyber-attacks during the reporting period paralysed decision-making processes in the country and continue to have negative effects resulting in slowed down decision making and reduced capacity for long term planning.

Within this context the project is attempting to initiate processes and create platforms that will be mandated and capacitated to continue working on adaptation-related issues and build on the NAP project's results. As a result, the focus of the capacity building initiatives to date was NCSD in order to capacitate the team to be able to use NAP products and support NAP implementation. During the ongoing activities, other initiatives and projects, especially the CIBIT project, are involved in the planning and implementation process.

However, the project encountered challenges during the implementation of activities under Output 1.1 of the project, which involves the preparation and implementation of Capacity Assessment for entities involved in National Adaptation Planning. The challenge relates to difficulty in securing commitment and adequate participation in the training sessions organized by the project, with a significant turnover of participants between events. This represents a potential risk for the effectiveness of the training sessions. To mitigate this risk, the project team is currently considering the possibility of creating an online curriculum focused on adaptation to climate change targeting civil servants in partnership with a state-run training organization specializing in human resource administration. These challenges are part of the reason that additional project implementation time will be requested.

Consequently due to the various issues mentioned above, the team is planning to initiate the process of requesting of no cost extension of the project of additional 8 months implementation until June 30<sup>th</sup> 2024.

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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)**



## 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.

<b>Name and Title*: Position:</b>	<b>Signature:</b>	<b>Date:</b>
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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](mailto: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](mailto: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.							

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



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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)**