Docusign Envelope ID: E703CD7F-11AD-8EC8-8341-C7102460A81F

Country: Montenegro
Engagement Facility

Title:	Sustainable Tourism Development - Montenegro
Expected CPD Outcome 1:	Inclusive economic development and environmental sustainability
Expected CPD Output(s):	Output 1.1: Policy and regulatory environment and financing mechanisms developed to enable mitigation and adaptation actions in support of green and inclusive transformation
Initiation Plan Start/End Dates:	July 2026 – December 2030
Implementing Partner:	UNDP

Brief Description

This Engagement Facility formalizes the strategic partnership between the Ministry of Tourism and the United Nations Development Programme (UNDP) to strengthen the policy, strategic and analytical foundations for sustainable, resilient and competitive tourism development in Montenegro, in line with national development priorities and international sustainability standards. The Facility will support the development of strategic and policy instruments, strengthen evidence-based planning and decision-making, enhance the resilience and competitiveness of the tourism sector, and create a stronger foundation for sustainable destination management, human capital development and future tourism investments. It is designed as a flexible framework for cooperation, allowing additional strategic priorities and activities to be incorporated through jointly agreed annual work plans.

Programme Period: 2026-2030 Quantum Project Number: Gender Marker: 2	Total resources required Total allocated resources: 127,190 EUR • Ministry of Tourism 82,190 EUR • UNDP 45,000 EUR Unfunded budget: TBC In-kind Contributions _____

Agreed: Ekaterina Paniklova, UNDP Resident Representative in Montenegro

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Ekaterina Paniklova
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Date: 11-Sep-2026

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I. PURPOSE AND EXPECTED OUTPUT

This Engagement Facility formalizes the strategic partnership between the Ministry of Tourism and the United Nations Development Programme (UNDP) to strengthen policy, strategic and analytical foundations for sustainable, resilient and competitive tourism development in Montenegro, in line with national development priorities and international sustainability standards.

Scope of Collaboration:

The Parties will cooperate in the following areas:

a) Development of strategic, policy and analytical instruments to support sustainable, resilient and competitive tourism development, aligned with Montenegro's EU integration process, national development priorities and international standards.
b) Promotion of sustainable destination management, including the protection and sustainable valorisation of cultural and natural heritage, landscape and biodiversity, while strengthening Montenegro's position as a high-value, year-round tourism destination.
c) Strengthening the resilience of the tourism sector to climate change, economic shocks, disasters and other external risks through improved planning, risk-informed decision-making and resilience-building measures.
d) Application of innovative approaches, digital solutions and data-driven tools to support tourism planning, destination management, visitor experience, policy development and evidence-based decision-making.
e) Strengthening human capital and institutional capacities for tourism development through labour market analysis, skills development, knowledge generation and capacity-building programmes.
f) Promotion of sustainable tourism investments and partnerships, including support for investment planning, access to EU and other international financing opportunities, and cooperation with the private sector, local governments, academia and development partners.
g) Facilitation of stakeholder engagement, policy dialogue and knowledge exchange to promote integrated, participatory and inclusive approaches to tourism development at national and local levels.

Expected Outputs:

OUTPUT 1: Strengthened Policy and Strategic Framework for Sustainable Tourism Development
Description
The Ministry of Tourism strengthens its capacities to develop strategic, analytical and policy instruments that support sustainable tourism development, improve destination management, strengthen sector resilience and contribute to Montenegro's long-term tourism competitiveness.
Key Results

- Strategic and policy instruments for sustainable tourism development developed.
- Improved evidence base for tourism policy and strategic planning.
- Enhanced capacities for sustainable destination management and tourism resilience.
- Strengthened foundations for future tourism sector reforms and investments.

Sub-output 1.1. Strategic and Analytical Instruments for Sustainable Tourism Developed

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The Ministry is supported in preparing priority analytical, planning and strategic documents required for sustainable tourism development and evidence-based policymaking.

Indicative Activities

- Preparation of the **Guidelines for the Protection and Sustainable Tourism Valorisation of the Bay of Kotor**, in line with UNESCO protection requirements.
- Preparation of the **Programme for Human Resources Development in Tourism** as a basis for workforce planning and strengthening sector competitiveness.
- Preparation of the **Guidelines for Strengthening the Resilience of the Tourism Sector to External Shocks and Crisis Situations**.
- Preparation of analytical studies, policy papers, assessments and other strategic documents supporting sustainable tourism development.
- Technical support for stakeholder consultations, coordination and knowledge exchange.
- Support to promotion, dissemination and implementation of developed policy instruments.

Sub-output 1.2. Strategic Planning for Sustainable Tourism Strengthened

The Ministry is supported in preparing strategic planning processes that strengthen the long-term sustainability, resilience and competitiveness of Montenegro's tourism sector.

Indicative Activities

- Preparation of the **Tourism Development Strategy of Montenegro**.
- Technical support for strategic planning processes, including stakeholder consultations and analytical inputs.
- Integration of principles related to sustainable destination management, climate resilience, cultural and natural heritage valorisation, human capital development, innovation and local economic development.
- Support to alignment with EU policies, international standards and sustainable development priorities.

II. MANAGEMENT ARRANGEMENTS

The Engagement Facility will be established by UNDP and funded by the Ministry of Tourism and the UNDP Montenegro and potentially by other donors. It will create the framework for the first initial actions that will complement other technical assistance programmes supporting the Ministry of Tourism. UNDP will assume financial responsibility and be accountable to the donor/s for the contributed funds. UNDP will exercise overall management, supervision, and financial control in accordance with the UNDP's Rules and Regulations and will regularly furnish progress reports on the implementation. In consultation with the Ministry of Tourism and in line with its requirements, UNDP will engage relevant consultants and experts to enable achievement of goals set.

Using the most relevant regional and international expertise steaming out its rosters of experts, UNDP will provide technical and expert support to the Ministry of Tourism to design, launch, and implement the above-listed initiatives.

The Ministry of Tourism will designate a team of dedicated professionals to work together with the UNDP Team, and experts engaged in the initiatives.

III. MONITORING

The monitoring of the Engagement Facility's implementation will be the responsibility of UNDP. The Team Leader in UNDP in Montenegro will oversee the monitoring process, ensuring that activities are executed in a timely manner and that project outputs align with the planned objectives.

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IV. IV. WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME										Resp. Party	Fund. Source	PLANNED BUDGET		
		2026		2027		2028		2029		2030					TOTAL EUR	
	List activity results and associated actions	UNDP	MoT	UNDP	MoT	UNDP	MoT	UNDP	MoT	UNDP	MoT			Budget Description	Amount UNDP	Amount MoT
Output 1 Strengthened Policy and Strategic Framework for Sustainable Tourism Development Description	Activity 1: Strategic and Analytical Instruments for Sustainable Tourism Developed	18,000	40,000	18,000	38,276	9,000						UNDP	MoT UNDP	71300-Local Consultants		4,917
														71400-Contractual Services-Individ	8,800	5,450
														72100-Contractual services companies	33,000	66,000
														74200-Audio Visual&Print Prod	2,200	
														74596- Direct project cost	1,000	1,909
	Total Activity 1	18,000	40,000	18,000	38,276	9,000	0	0	0	0	0				45,000	78,276
	Activity 2: Strategic Planning for Sustainable Tourism Strengthened		TBA		TBA		TBA		TBA		TBA	UNDP	MoT	71300-Local Consultants		TBA
														71400-Contractual Services-Individ		TBA
														72100-Contractual services companies		TBA
														74200-Audio Visual&Print Prod		TBA
														74596- Direct project cost		
	Total Activity 2	0	TBA	0	TBA	0	TBA	0	TBA	0	TBA				0	0
Total without GMS														**123,276**	45,000	78,276
GMS 5%														**3,913.81**	0.00	3,914
Total with GMS														**127,190**	45,000	82,190