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UNDP Montenegro

**Minutes of the Local Project Appraisal Committee Meeting**

**Date:** February 05, 2018

**Subject:** Approval of the project document "Growing Green Business in Montenegro"

**The meeting was attended by following LPAC members:**

- Mr. Miodrag Dragisic, ARR and Social Inclusion Team Leader, UNDP
- Ms. Dubravka Obradovic, Finance Associate, UNDP
- Ms. Irena Jokic, Programme Associate, UNDP
- Ms. Kaca Djurickovic, Gender Programme Manager, UNDP
- Ms. Aleksandra Kikovic, Programme Manager, UNDP
- Ms. Snezana Dragojevic, Programme Manager, UNDP
- Ms. Ivana Vujovic, Communications Associate, UNDP

Project Proposal presented by Mr. Borko Vulikic, Project Manager

Minutes taken by Ms. Ana Dakovic, Programme Assistant, UNDP

**Background information on the submitted project proposal:**

The project objective is to promote private sector investment in low-carbon and green businesses in Montenegro. The project will use a combination of policy de-risking (implementation of favorable policy framework and provision of business support services) and financial de-risking instruments (improving access to finance for innovative green businesses and partnerships, in particular agriculture, tourism and energy sectors). Overall, the project will stimulate low-emission economic growth and green job creation in Montenegro which is in line with the national priorities. The project is financed by GEF6.

The project consists of the following three components:

1. Policy development and business support services for green start-ups and SMEs, with outputs: a) Study and road-map for policy and incentive options for green businesses in agricultural, tourism and energy sectors, b) Eco-Fund's regulatory provisions developed and advisory services provided to diversify its funding base, c) Green Business Incubator established, d) Entrepreneurs supported through the Green Business Incubator (50 existing and potential, including at least 20% women), e) Training workshops to develop green business skills delivered

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2. Green business financing, with outputs: a) Capacities created within IDF to implement/enhance green business financing, b) Financing mechanism (performance-based payment scheme) designed and implemented
3. Raising awareness of green business practices and financing opportunities with outputs: a) Awareness-raising activities conducted, b) Green Business Incubator communication tools developed.

Quality Assurance assessment is satisfactory and highly satisfactory in seven areas, it has been approved by Quality Assurance accessor. Project complies with UNDP strategic framework. It does not target specific groups, it targets Montenegro overall. Gender marker is 2. Project has usual management structure.

Total project budget is 816,690US\$ with UNDP contribution in amount 45,000US\$. Project co-financing is in the amount 4,598,490US\$, as a commitment at the national level, by project partners (Ministry of Tourism and Sustainable Development, Investment Development Fund of Montenegro and Municipality of Cetinje) to implement activities which are in line with and contribute to achievement of project goal.

Based on experience in cooperation with one of project partners, namely Municipality of Cetinje, it is important to take in consideration recent local election and resulting changes in management structure of the municipality, and possibly other enterprises relevant for project implementation. Within this context project should closely monitor all future activities regarding developments of Cetinje Business Zone and use all available data and contacts in order to amend, as needed implementation strategy. It is recommended to consider UNDP developed feasibility study for Cetinje because it contains useful information and relevant recommendations relevant for future development of the zone.

Inception workshop is planned to be held in March 2018 when additional, as per need, changes can be made.

Communications – it is recommended to use experience and target groups of other projects' such as: Business caravan, Without barriers, Towards Low Carbon Tourism and Gender project.

#### **Questions/Comments/Recommendations**

- ✓ Gender dimension, following remarks are identified:
  - Gender wording to be corrected/adequately used in few places in project document
  - Change target group for training, instead of providing training to women From Ministry of Sustainable Development and Tourism, women entrepreneurs should be trained.

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- Percentage of women to receive grants should be higher, as this will align percentage of women planned to undertake capacity development exercises (as per component 1 - 40 %) and those that should have access to financial support (from 10% to at least 30%).
- ✓ Feasibility study for Cetinje to be used.
- ✓ New local Government in Cetinje will be established. Dynamics of project development to be followed, make adjustments if needed.
- ✓ Eco fund establishment, correlated with this project, is ongoing and is expected to be finalized by August. That should be taken into account in planning activities within "Growing Green Business in Montenegro" project.

LPAC attendees agreed to endorse the project document "Growing Green Business in Montenegro", once all above mentioned corrections are incorporated into the project document and submitted to LPAC members.

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