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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX III**

of the Commission Implementing Decision on the annual action plan in favour of Montenegro for 2024

**Action Document**

European Union support for Environment and Climate Change in Montenegro - Preparation for Sector Operational Programme 2024-2027 implementation

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**ANNUAL ACTION PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI - Global Europe Regulation.

1. **SYNOPSIS**

   1.1. **Action Summary Table**

<table>
<thead>
<tr>
<th>Title</th>
<th>Action Document for European Union support for Environment and Climate Change in Montenegro - Preparation for Sector Operational Programme 2024-2027 implementation</th>
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<td>Beneficiar(y)(ies) of the action</td>
<td>The action shall be carried out in Montenegro</td>
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<td>Programming document</td>
<td>IPA III Programming Framework</td>
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   **PRIORITY AREAS AND SECTOR INFORMATION**

<table>
<thead>
<tr>
<th>Window and thematic priority</th>
<th>Window 3 - Sustainable Connectivity and Green Agenda</th>
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<tbody>
<tr>
<td>Thematic Priority 1: Environment and Climate change</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Sustainable Development Goals (SDGs)</th>
<th>Main SDG: Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</th>
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</thead>
</table>
Other significant SDGs:
- Goal 5. Gender Equality
- Goal 6. Water and sanitation
- Goal 12. Ensure sustainable consumption and production patterns
- Goal 13. Climate Action
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

**DAC code(s)**
- 41010 Environmental policy and administrative management – 10%
- 14015 - Water resources conservation (including data collection) — 35%
- 14050 - Waste management/disposal – 35%
- 41020 - Biosphere protection – 20%

**Main Delivery Channel**¹
- 12000 – Recipient Government
- 12001 – Central Government

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<tr>
<th>Targets</th>
<th>☒ Climate</th>
<th>☒ Gender</th>
<th>☒ Biodiversity</th>
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<th>Principal objective</th>
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<tr>
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<td>Aid to environment</td>
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<td>Gender equality and women’s and girl’s empowerment</td>
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<td>Reproductive, maternal, newborn and child health</td>
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<td>Disaster Risk Reduction</td>
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<td>Nutrition</td>
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<tr>
<td>Biological diversity</td>
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<td>Combat desertification</td>
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<td>Climate change mitigation</td>
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</tr>
<tr>
<td>Climate change adaptation</td>
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¹ [http://www.oecd.org/dac/stats/annex2.htm](http://www.oecd.org/dac/stats/annex2.htm)
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<td>Environment and climate resilience</td>
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<td>Reduction of Inequalities</td>
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1.2. Summary of the Action

This Action aligns with the overall objectives of the IPA III Programming Framework for the period 2021-2027 under Window 3, which intends to promote the Green Agenda by reinforcing environmental protection, contributing to mitigation, increasing resilience to climate change, accelerating the shift towards a low-carbon and circular economy and develop the digital economy and society.

In order to achieve gradual and complete transposition and implementation of the entire EU acquis for Chapter 27 - Environment and Climate Change, Montenegro has high needs of infrastructure development. For this reason, it is important to invest in the preparation of project technical documentation, focusing on those projects prioritised in the Single Project Pipeline and with a higher impact on the alignment with EU acquis. This process will require an important environmental planning effort, according to the Action Plan for the Fulfilment of Closing Benchmarks in Chapter 27 - Environment and Climate Change.
Furthermore, Montenegro has to significantly reinforce its Capacity for implementing the EU acquis for Environment and Climate Action, by reinforcing the structures for Environmental management in line with EU standards.

Given the future financing opportunities, Montenegro has to increase its absorption capacity of EU funds and International Finance Institutions (IFIs), not only in the context of pre-accession assistance but as well of future European Structural and Investment Funds (ESIF), upon accession.

This Action will support Montenegro, with preparatory activities for the future implementation of Operational Programme (OP) 2024-2027 “Environment and Climate Change” by developing a project pipeline.

The logic behind this Action is that if Montenegro develops a mature environmental project pipeline and improves its planning capacity and reinforces the Administrative and technical capacity, then Montenegro could implement successfully the planned future Operational Programme 2024-2027 “Environment and Climate Change”, delivering environmental infrastructure compliant with Chapter 27 acquis and the Country will progress on the achievement of the Negotiation benchmarks for Chapter 27 and will be better prepared for implementing Cohesion policy upon accession because IPA will be a learning by doing exercise, mirroring the implementation of European Structural and Investment Funds.

One outcome is foreseen for this Action:

- Outcome 1. Improved maturity of the Environment and Climate Change Project Pipeline

1.3. Beneficiary of the Action

The action shall be carried out in Montenegro.

2. RATIONALE

2.1. Context

According to Commission Implementing Decision\(^2\), adopting the Instrument for Pre-Accession Assistance (IPA III) Programming Framework for the period 2021-2027, the overall objectives of the EU’s assistance under Window 3 are to promote the green agenda by reinforcing environmental protection, contributing to mitigation, increasing resilience to climate change, accelerating the shift towards a low-carbon and circular economy and develop the digital economy and society.

In this regard, the Strategic Response prepared by Montenegro in 2021 already foresaw a multiannual action document (Operational Programme Environment and Climate Change) for the period 2024-2027. This Action describes how IPA III will support Montenegro, with preparatory activities for the future implementation of Operational Programme 2024-2027 “Environment and Climate Change” by developing the project pipeline and improving the Administrative Capacities.

The proposed interventions in this Action Document are aligned with the EU developments in the area such as Green Deal and are relevant in the context of the EU accession and negotiating Chapter 27. The key document setting out the government policies related to EU accession is outlined under Montenegro’s Programme of Accession to the European Union for the period 2023 – 2024.

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\(^2\) C(2021) 8914 final) of 10.12.2021
The national sectoral and cross-cutting strategies are also relevant for implementation of the **2020 EU enlargement policy**, which outlines that important work on alignment and preparation for the implementation of the EU acquis has taken place in most areas and that looking ahead, Montenegro should focus on further strengthening the administrative capacity for ensuring the application of the EU acquis and also addresses key issues identified in the **Commission Report on Montenegro 2023**.

According to the **Commission Report on Montenegro report for 2023**, significant efforts are still needed on implementation and enforcement, in particular on **waste management, water quality, nature protection and climate change**. Montenegro should considerably step up its ambitions towards a green transition.

By adopting the National Strategy with Action Plan for transposition, implementation and enforcement of the EU acquis on Environment and Climate Change 2016-2020 (NEAS or Strategy with the AP) at the Government session held on 28 July 2016, thus fulfilling the Opening Benchmark, Montenegro expressed its strategic approach in taking over and enforcing the European Union (EU) acquis in this field.

Economic and financial analysis of the Strategy with the AP revealed the total amount of funds needed to comply with the EU standards by 2035, at the same time defining financial sources and models. Following the adoption of the Strategy, the focus of the activities of the institutions responsible for Chapter 27 was on the transposition of the European acquis into national legislation in all 10 sub-areas, in order to create a legal basis for its quality implementation and application.

Chapter 27 - Environment and Climate Change was opened at the Intergovernmental Conference in Brussels on 10 December 2018, accompanied by the submission of the Common Position of the European Union, which includes the final criteria for closing Chapter 27. In the Common Position, the EU stated that Chapter 27 could be temporarily closed only when the EU agreed that the defined 8 closing benchmarks were met.

On 18 February 2021, the Government of Montenegro adopted an **Action Plan for the Fulfilment of the Closing Benchmarks in Chapter 27 - Environment and Climate Change**. The action plan defines a total of 251 obligations for fulfilling all the obligations defined by the EU in Chapter 27, with an estimated cost of EUR 482 996 838, according to the Assessment of Financial Needs adopted by the Government in December 2021, of which 25 institutions are in charge, namely:

- Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development (MTE) is the institution holding primary responsibility for the transposition of the EU legislation and monitoring the implementation of national legislation.
- Environment Protection Agency of Montenegro (EPA) is responsible for monitoring and reporting on environmental issues.
- Ministry of Agriculture, Forestry and Water Management (MAFWM).
- Ministry of Interior (MI)’s Directorate for Emergency Situations is responsible for risk management, disaster protection and rescue management, and management of recovery of disaster consequences.

Other Line Ministries:
- Ministry of Health (MH) – responsible for drinking water quality and health related advice to the public regarding the air quality issues, as well as management of medical waste and poisoning control centre.
- Ministry of Economic Development (MED) whose competences over market control.
- Ministry of Energy and Mining (MEM) - whose competences over industry, energy and energy efficiency, mining and mining waste often intersect with environment protection

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3 2020 Communication on EU enlargement policy, COM(2020) 660 final
• Ministry of Finance (MF) - responsible for the Public Finances and sharing competencies related to the INSPIRE Directive and with the Real Estate Administration (also responsible for establishing the national geospatial data infrastructure (NGDI))
• Ministry of Justice (MJ) - is generally in charge of law enforcement, in particular for protection of the environment through the criminal law.
• Ministry of Transport and Maritime Affairs (MTMA) - responsible for establishing indicators, prevention and taking emergency measures in case of marine pollution from vessels, marine fuels, noise action plans for major roads, emissions from cars and vans.
• Ministry of Education, Science and Innovation (MESI), responsible for delivering the skills required for implementing environmental policies and. for developing Montenegro’s research and innovation policy for all sectors, including Environment.

The overarching coordination body for the Environment is the National Council for Sustainable Development (NCSD) and Climate Action. The mandate of the National Council for Sustainable Development by the President of the Government of Montenegro includes monitoring National Strategy of Sustainable Development (NSSD) implementation and provision of advice on various legal, strategic and planning documents related to sustainable development.

Target groups are all potential beneficiaries of the project including national agencies, local authorities and other eligible organisations. The project target groups are the following:

• Capital Projects Administration (CPA) and Directorate for Finance and Contracting of the EU Assistance Funds (CFCU)
• MONSTAT;
• Administration for Inspection Affairs of Montenegro;
• Institute of Hydro-Meteorology and Seismology (HMS)
• Institute for Public Health;
• PC National Parks of Montenegro;
• Administration for Food Safety, Veterinary and Phytosanitary Affairs;
• Forest Administration;
• Water Administration;
• Real Estate Administration;
• Revenue and Customs Administration;
• Working group for negotiation for Chapter 27;

At the local level, the municipalities (LSUs local self-units) in Montenegro deal with environmental issues like municipal waste management, water supply and wastewater treatment by means of Public Utility Companies (ViKs). Additionally, municipalities are in charge of:

• Perform EIA and SEA procedures for projects and plans or programmes of local significance;
• Promulgation and protection of the protected areas (III regime);
• Acoustic zoning and noise mapping and action plans for agglomerations;
• Construction of infrastructure, obtaining of technical requirements and provision of public utility services in the sectors of water supply, wastewater management, communal (municipal) waste management, public lighting, public transportation, etc.

All of these stakeholders are coordinated, from an EU accession negotiation aspect, by MTE through the Working group for EU accession negotiations under chapter 27. MTE is also the first competent authority for implementation of obligations stemming from the majority of international agreements in the area of environment, for monitoring investments in the area of environment and for cooperation with international financial institutions and EU funds in implementation of projects in the area of environment and utility services.
2.2. Problem Analysis

Short problem analysis

**Area of support: Improving maturity of the Environment and Climate Change Project Pipeline**

In order to achieve gradual and complete transposition and implementation of the entire EU acquis for Chapter 27 - Environment and Climate Change, Montenegro has high needs for infrastructure development. Given that both domestic and external financial resources for infrastructure are limited, it is important to focus available funding on those projects which will make the largest contributions towards the achievement of national strategies and national policy objectives for environment protection and socio-economic development. In this regard, the future IPA III Operational Programme 2024-2027 “Environment and Climate Change” represents an opportunity for project finance. It is important as well to focus the available funding on those projects which will make the largest contributions (impacts) towards the achievement of the accession negotiations.

In this regard, the Single Project Pipeline (SPP), following a specific methodology, has already identified a long list of projects within the Environment sector. After the last update of the list, the SPP in Montenegro for Environment is made of 81 projects, grouped as follows:

<table>
<thead>
<tr>
<th>Sub-Sector</th>
<th>Total nr Projects</th>
<th>1a</th>
<th>1b</th>
<th>1c</th>
<th>2a</th>
<th>2b</th>
<th>2c</th>
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<td>1</td>
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<td><strong>13</strong></td>
<td><strong>8</strong></td>
<td><strong>12</strong></td>
<td><strong>20</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

**Note: SPP Maturity codes:**

**Group 1 – Ready for tendering and investment realization**

Group 1a – projects with prepared technical documentation, ready for tender preparation or tendering;

Group 1b – projects with preparation of technical documentation ongoing, and ready for tendering when it is finished,

Group 1c – projects with preparation of technical documentation ongoing, with some final approvals/permits are missing;

**Group 2 – Ready for preparation of technical documentation**

Group 2a – projects with completed spatial planning documentation and property-related issues resolved

Group 2b – projects with spatial planning documentation completed and resolving of property-related issues ongoing or property-related issues unresolved;

Group 2c – projects with gaps in spatial planning documentation and resolving of property-related issues ongoing or property-related issues unresolved.

The existing environmental project pipeline shows an important number of projects (67 projects out of 81) not yet ready for tendering (maturity status different than 1a). Bringing all these projects to maturity level 1a, will be a demanding exercise for Montenegro that will require an important input of technical assistance in the field of environmental engineering. Depending on the baseline maturity status of each project, the assistance will rank from pre-feasibility studies to detailed design, according to the Law on Spatial Planning and Objects Construction, as well assistance for tender dossier preparation for those projects ready for public procurement.

The list reflects national strategic priorities for infrastructure development over the next years. Consequently, future infrastructure projects to be financed by IPA in Montenegro via Operational Programme 2024-2027, should be part of the SPP.
On the other hand, OP interventions should contribute to meeting Chapter 27 key benchmarks as well as the transition periods proposed for chapter 27 negotiations. This means that the projects to be developed in the field of **Waste Management, Water Management and Nature Protection** should and will contribute respectively to closing **Benchmarks number 3** (i.e. measures for separate collection of Waste), **number 4** (i.e. measures related to river basin water management and those related to transition period for Directive 91/271/EEC Urban Waste Water) and **number 5** (i.e. measures for improving the capacity to manage the Natura 2000 network).

In this regard, the present Action will support preparatory activities for successful implementation of the future OP Environment and Climate Change. In order to do so, it is crucial to start as soon as possible with the preparation of project technical documentation in close cooperation with the infrastructure project proponents, ensuring proper sequencing of activities and full alignment with EU acquis (i.e. EU Directives for Environmental Impact Assessment and Strategic Environmental Assessment). MTE, national agencies and relevant public utility companies will have an important role in the project preparation process, since they will be responsible for providing input data necessary for project preparation.

These activities will be a continuation of the IPA 2016 project “Support in the preparation of projects for the environment sector and climate action”, whose main objective is to prepare project documentation for communal infrastructure projects. Assistance will be required for developing investment -ready projects for OP 2024-2027, providing a wide range of support depending on a project’s stage and sector.

It is necessary as well to continue updating the Single Project Pipeline and prepare GAP assessment reports for those projects in the pipeline, according to the Methodology for Selection and Prioritisation of Infrastructure Projects.

**Regarding Benchmarks number 3 (Waste Management)**

Project development in the field of Waste Management must be consistent with the National Waste Management Plan (NWMP), currently under preparation.

The waste collection system implemented in Montenegro consists primarily of mixed waste collection and disposal in the existing landfills in Podgorica (Livade regional landfill) and Bar- Ulcinj (Možura regional landfill), as well as in controlled and uncontrolled dumpsites, dispersed throughout the country. Separate collection and recovery activities for recyclables, green waste and bulky waste are implemented in some Municipalities, but the results of the system are poor. There are 4 waste recycling centres in Montenegro: the regional recycling centre in Podgorica, on the “Livade” landfill, is the system for pre-selection and selection of recyclable waste (cardboard, paper, plastic, metal, rubber, etc.). The other 3 waste recycling centres are located in, Herceg Novi, Žabljak and Kotor. Moreover, a regional waste recycling facility is under preparation in Bijelo Polje.

The draft National Waste Management Plan (NWMP), foresees the development of new waste management infrastructure:

- **Materials Recovery Facilities (MRF)** of total capacity of ~70,000 t/yr, where the separately collected comingled recyclable waste will be recovered and cleaned in order to be forwarded for reuse/recycling. The existing network of MRFs will be expanded to cover the whole country (i.e. a new MRF is planned for Bijelo Polje with the support of Transfer Stations in Plejvla, Rožaje and Mojkovac). Furthermore, new MRFs are planned for Budva, Ulcinj and Nikšić.

- **B Biowaste treatment plants of total capacity of ~25,000 t/yr, where the separately collected green and organic waste, will be treated (aerobically or anaerobically) to produce high quality compost to the used in agriculture activities. The existing network of composting plants will be expanded to cover the whole country (i.e. new composting facilities are scheduled for Nikšić, Žabljak, Bijelo Polje, Herceg Novi and Ulcinj).

- **Waste treatment plants of total capacity of ~170,000 t/yr, where residual waste will be mechanically pre-treated to recover additional recyclables and produce secondary fuel, while the organic fraction**
will be treated (aerobically or anaerobically) in order to produce energy and/or be bio-stabilised. Three (3) Central Regional Waste Management Facilities (CWMF) are foreseen in the draft NWMP: Central (with the CWMF to be developed in Podgorica), Northern (with the CWMF to be developed in Bijelo Polje) and Coastal (with the CWMF to be developed in Ulcinj).

- Waste disposal referring to sanitary landfilling of residues or mixed waste. The existing landfills in Podgorica and Bar-Ulcinj, will be supplemented by an additional landfill serving the northern part of the country. Možura already started activities for landfill extension (land expropriation, design. The total disposal needs will be ~205,000 t/yr.

The investment costs of the proposed waste management infrastructure are ~130 million euros. Developing a mature project pipeline for Waste Management, consistent with the new NWMP, represents an important technical challenge for Montenegro. For this reason, this Action Document foresees Technical Assistance for Project Preparation, focusing on the new infrastructure identified in the NWMP, like the 4 new Materials Recovery Facilities (MRF), the 3 new Transfer Stations, the 5 new Composting Facilities and development of the three (2 existing and 1 new in Bjelo Polje) Central Regional Waste Management Facilities.
Along with the progress of waste infrastructure in the country, several unsanitary landfills will need to be closed.

**Regarding Benchmarks number 4 (Water Management)**

With regard to urban wastewater treatment, there are seven sizeable operational wastewater treatment plants (Podgorica, Nikšić, Budva, Herceg Novi, Kotor-Tivat, Mojkovac and Žabljak). There are also several smaller treatment facilities that operate intermittently. Several sizeable urban wastewater treatment facilities are under construction; including Pljevlja and Berane or should be implemented in a short-term (Podgorica – new plant).

The overall capacity of the operational wastewater treatment plants is around 400,000 Population Equivalent (PE), and it is planned to be substantially increased in the coming years. However, the service coverage related to wastewater collection is insufficient; there is a significant mismatch between the service coverage in individual municipalities and available wastewater treatment capacities. Therefore, one of primary tasks related to urban wastewater management should be further development of wastewater collection systems, coordinated with the development of wastewater treatment (and vice versa), which is both logistically and financially very demanding.

**Assessment of the compliance with the UWWTD:**

Summarising these results, it can be concluded that the obligations as regards collection (Article 3) are met for 55.8% of the total generated load, and 65.4% of the subjected/eligible load.

Regarding biological treatment (Article 4), the obligations are met for around 33% of the total generated load and 38.7% of the subjected/eligible load.

As regards more stringent treatment (Article 5), obligations are met for 22.9% of the total generated load and for 36.1% of the subjected/eligible load.

<table>
<thead>
<tr>
<th>Article 3</th>
<th>Total generated load (PE)</th>
<th>Loading for which compliance should be provided</th>
<th>Loading currently covered</th>
<th>Compliance VS total load (%)</th>
<th>Compliance VS eligible load (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Action Plan for the Fulfilment of Closing Benchmarks in Chapter 27 - Environment and Climate Change includes as an Annex the following Implementation Plan for the UWWTD:

**Source:** Action Plan for the Fulfilment of Closing Benchmarks in Chapter 27 - Environment and Climate Change

<table>
<thead>
<tr>
<th>Vulnerability</th>
<th>Implementation Plan for the UWWTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agglomeration size class (PE)</td>
<td>Wastewater collection, stricter treatment</td>
</tr>
<tr>
<td>Over 100,000 (discharge into sensitive areas)</td>
<td>31/12/2031</td>
</tr>
<tr>
<td>50,000-100,000 (discharge into sensitive areas)</td>
<td>31/12/2031</td>
</tr>
<tr>
<td>15,000-50,000 (discharge into sensitive areas)</td>
<td>31/12/2031</td>
</tr>
<tr>
<td>10,000-15,000 (discharge into sensitive areas)</td>
<td>31/12/2031</td>
</tr>
<tr>
<td>2,000-10,000 and less than 2,000</td>
<td>31/12/2031</td>
</tr>
<tr>
<td>Estimated effluent load in PE (population equivalent)</td>
<td>348,000</td>
</tr>
<tr>
<td>Waste water load percentage (% of total)</td>
<td>35.6%</td>
</tr>
</tbody>
</table>

Based on this Implementation Plan and taking into account current status of planning and implementation of wastewater infrastructure in Montenegro, a detailed planning for each agglomeration is proposed in the Report “Revision Master Plans for Urban Wastewater Measures and Preparation of DSIP for UWWTD” with project end dates for compliance with the UWWTD (following the principle not later than). The priority in terms of timing will be those agglomerations over 10,000 (Equivalent Population), as it is the case of Bar, Cetinje, Danilovgrad and Plav. However, the investment plan should be adjusted on a project basis, and then regularly updated based on clear prioritisation criteria.

According to that Report, the overall estimation of investments costs for wastewater infrastructure-related measures (works only) is around EUR 419 million, while taking into account additional provisions (i.e. service contracts for project preparation, supervision and contingencies) the total gross investment cost estimate is EUR 472 million.

Additional to municipal water management, some other interventions in the field of water management at river basin level must be developed, linked to climate change adaptation strategies - i.e. flood risk mitigation (see Single Project Pipeline embankment projects in Bojana river and Lim & Grnčar rivers).
This Action Document will allow to mobilise Technical Assistance for developing a mature project pipeline in the field of water management, with a special focus on wastewater, that will substantially contribute to meet the milestones indicated in the Action Plan for the Fulfilment of Closing Benchmarks in Chapter 27.

**Regarding Benchmarks number 5 (Nature Protection)**
Montenegro has received a closing benchmark in this field, in order to demonstrate Montenegro’s capacity to manage the Natura 2000 network and effective implementation of the necessary conservation measures that lead to improved conservation status including Ulcinj Salina. In this regard, the Action Plan for the Fulfilment of Closing Benchmarks in Chapter 27 foresees investments for developing Nature Protection infrastructure like National/Natural Parks visitors Centers (including Ulcinj Salina), and other light infrastructure like Bird watching cabins, info boards, fences, visitor centres, benches, rubbish bins, etc.

2.3. Lessons Learned

The present Action Document will complement the following on going interventions funded by IPA:

IPA 2016 project: *Support in the preparation of projects for the environment sector and climate action*, whose main objective is preparation of project documentation for communal infrastructure projects.

IPA 2021 project: "*EU for environmental and climate action policies in Montenegro*". This Action is aiming to support the implementation and enforcement of the EU Environmental acquis, according to the principles and benchmarks arising from the Negotiating Chapter 27.

- IPA programming must focus on the accession priorities. IPA III must focus on the accession priorities according to the EU negotiation position for Chapter 27. Experience shows that in some cases, projects proposed for IPA support do not fit in the alignment process, but mainly respond to local priorities. Government strategic planning, project prioritisation and especially project implementation need to be improved in the future programming period.
- Multiannual programming vs. Annual Programming: For the Programming period 2024-2027, the European Commission proposes to move from annual Programming to Multiannual Programming for some sectors, as it is the case of Sustainable Connectivity and Green Agenda. However, this change will require some preparatory activities, above all those related to Capacity Building and Project Pipeline development.
- Staff turnover and Administrative Capacity. The institutional and professional capacity of all relevant stakeholders is one of the key elements for successful implementation of EU Environmental acquis. Furthermore, staff turnover has become a key issue for successful implementation of Environmental policies. Low salaries in Montenegrin public sector are the main reason for the important staff turnover affecting specially Environment Institutions.
- Lack of experience on the implementation of EU environmental acquis: Aligning with EU acquis will demand efforts not only for legal harmonisation but as well administrative capacities for implementation and enforcement.
- Project approach vs Sector Approach: Sector approach concept has to be internalised for future IPA support, avoiding isolated projects, and focusing more on the accession process, building among others the required capacities for a successful implementation of EU acquis.
- Project Maturity. Experience gained with the implementation of the IPA Operational Programme Regional Development 2012-2013 shows the need to improve project selection procedures based on relevance and maturity. In this regard, Single Project Pipeline methodology will be required for selecting relevant and feasible projects for future IPA financing.
- Another outstanding issue is related to the sustainiability of projects having in mind that high employee turnover, reliance on temporary staff and lack of expert skills in the administration hinder proper implementation of policies and projects.
- Competent authorities need to be very proactive in cooperation with relevant stakeholders at central and local level and to improve inter-sectoral cooperation with other ministries in the programming and
implementation of projects financed with the support of IPA. Improved coordination among stakeholders will require comprehensive and clear information flows and focus on common understanding of responsibilities, obligations and deadlines.

- Consultation with relevant stakeholders (Civil Society Organisations (CSOs), economic operators, etc.) is crucial for the implementation of legislation;
- A clear link between reforms and capacity building initiatives in the environment and climate change sectors and the horizontal public administration reforms (PAR Strategy 2016-20) is to be ensured.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

The Overall Objective (Impact) of this action is to support Montenegro's alignment with the EU acquis under Chapter 27 of the accession negotiations.

In order to achieve the impact, outcome 1 must be realised. Here applies the same vertical logic of the log-frame: if outputs are produced and assumptions hold true, then they will lead to outcomes. At the end of this section, we present the assumptions which apply horizontally as a pre-condition for the output to lead to the outcome.

The Outcome of this action is:

- **Outcome 1.** Improved maturity of the Environment and Climate Change Project Pipeline;

The Output to be delivered by this action contributing to the corresponding Outcome 1 is:

- **Output 1.1.** Environmental Projects matured for implementation

The underlying intervention logic for this action is that:

If Montenegro implements sound project selection procedures, based on relevance and maturity and develops a mature project pipeline for Environmental Infrastructure, then effectiveness of future IPA interventions under future Operational Programme 2024-2027 “Environment and Climate Change” will be improved.

Consequently:

If Montenegro develops a mature environmental project pipeline and improves its planning capacity and reinforces the Administrative and technical capacity for Environment and Climate Change Institutions, then Montenegro will implement successfully the future Operational Programme 2024-2027 “Environment and Climate Change”, delivering environmental infrastructure compliant with Chapter 27 acquis and the Country will progress on the achievement of the Negotiation benchmarks for Chapter 27 and will be better prepared for implementing Cohesion policy upon accession because IPA will be a learning by doing exercise, mirroring the implementation of European Structural and Investment Funds.

3.2. Indicative Activities

The action will be implemented through a technical assistance (TA) contract. Details of the intended activities are given below:

**Outcome 1.** Improved maturity of the Environment and Climate Change Project Pipeline

Activities related to Output 1.1. Environmental Projects matured for implementation:

- Project’s relevance assessment, Projects’ maturity assessment (Gap assessment)
• Technical documentation: Feasibility studies, Design (concept, preliminary, final), etc
• Tender dossier preparations (works and related services contracts (i.e. works supervision)
• Operation Identification Sheet preparation
• Preparation of applications for major projects, if applicable
• Technical advice and operational support to end beneficiaries/public operators of planned investment
• Development of monitoring tools for implementation of investment projects
• Support to the coordination of investment planning, preparation, implementation and operation of investments in the environment sector


3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

This Action is fully devoted to Environment and Climate change. The Action directly relates to environment and climate issues at the national and local levels. It will improve the technical capacities and quality of information necessary for further progress in the implementation of EU legislation and thus directly contribute to improved environmental protection and climate action. All the activities foreseen under this Action Document are relevant for EU Environment Climate Action Policies.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender mainstreaming has been an important aspect in this action. “A Union of Equality: Gender Equality Strategy 2020-2025” applying to women and men, girls and boys, in all their diversity, together with “EU Gender Action Plan III”, are considered as important references for this Action Document.

Upcoming policies under the European Green Deal, such as the EU Strategy on Climate Adaptation, can impact genders unequally. As regards to the climate change, the role of young women in particular has been remarkable in leading the push for change. On the other side, climate change is not gender neutral. Climate change impacts men and women differently, largely due to their gender-differentiated relative powers (real and perceived according to gender norms), roles and responsibilities at the household and community levels. Addressing the gender dimension can therefore have a key role in leveraging the full potential of these policies.

This Action will contribute to the Objective No. 4 of the EU gender equality strategy 2020-2025: Gender mainstreaming and an intersectional perspective in EU policies, putting equal opportunities between men and women as an integral part of its design, implementation, monitoring and evaluation. Responsibility for implementing the mainstreaming strategy will be system-wide, and will rest at the highest levels within the different stakeholders involved in the implementation of this Action. Gender mainstreaming strategy will include:

• Adequate accountability mechanisms for monitoring.
• The initial identification of issues and problems across all areas of activity should be such that gender differences and disparities can be diagnosed.
• Gender analysis should always be carried out. Some environmental problems affect in different ways to men and women in Montenegro: i.e. access to tap water for daily activities, health risks associated with wastewater or urban waste, different employment opportunities for Environmental management, etc.
• Clear political will and allocation of adequate resources for mainstreaming will allow translating the concept into practice.
• Broaden women's equitable participation at all levels of decision-making, especially during the consultation process.
Disaster Risk Reduction

The action will significantly contribute to disaster risk reduction, thanks to project preparation in the field of Water Management at River Basin level, which will reduce the risk of floods and allow develop of an integrated flood management system. Flood management plans will help to protect life and property from flood risks and enhance the capability of socio-economic development.

3.4. Risks and Assumptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Risks</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning, processes and systems</td>
<td>Risk 1: Differences between defining responsibilities and priority setting between Line Ministries and MTE</td>
<td>M</td>
<td>H</td>
<td>Strong leadership from MTE, supported by the Prime Minister authority and Chief Negotiator Office and legally based on the Action plan for the fulfilment of closing benchmarks in Chapter 27, will promote consensus among the different stakeholders</td>
</tr>
<tr>
<td>People and the organisation</td>
<td>Risk 2: Lack of adequate number and quality staffing</td>
<td>H</td>
<td>H</td>
<td>Complementary IPA support (i.e. Public Administration Reform- Sector Budget Support) will compensate the limitations of Human Resources affecting the different stakeholders. However, they will be supported as well to develop a feasible Human Resources Development Strategy that will mitigate this problem in the near future, avoiding TA dependence.</td>
</tr>
<tr>
<td>People and the organisation</td>
<td>Risk 3: The identified trainees do not participate or are often substituted by other staff members;</td>
<td>M</td>
<td>M</td>
<td>Complementary assistance to be provided under other schemes (i.e. Public Administration Reform- Sector Budget Support) will be required for Human Resources Development in the Environment Sector. Senior Staff is expected to take the appropriate decisions in order to avoid this risk. It is important to motivate key technical staff by proposing practical and personalized guidance.</td>
</tr>
<tr>
<td>People and the organisation</td>
<td>Risk 4: Limited HR within institutions and heavy internal workload and, therefore, some institutions might be unwilling to release staff for the training sessions/workshops/seminars;</td>
<td>M</td>
<td>H</td>
<td>The institutions will be willing to release staff for the training sessions/workshops/seminars only if they obtain a clear benefit from them. The type of training to deliver must be very practical and adapted to the staff’s needs assessment. The on the job training will also help facilitate their job.</td>
</tr>
<tr>
<td>External Environment</td>
<td>Risk 5: Pandemic situation as it was the case of COVID-19 may affect the implementation of certain activities envisaged within this Action.</td>
<td>L</td>
<td>MM</td>
<td>For the moment when this Action will be implemented (after public procurement), the pandemic is expected to ease. If necessary, distance learning and videoconferences would be used again for guaranteeing social distance and efficient Implementation</td>
</tr>
<tr>
<td>Political Risk 6: Infrastructure Project selection affected by political interferences instead of objective analysis (relevance and maturity)</td>
<td>H</td>
<td>H</td>
<td>Based on the experience of IPA Operational Programme Regional Development 2012-2013 project selection procedures will be based on relevance and maturity. In this regard, Single Project Pipeline methodology will be a helping tool.</td>
<td></td>
</tr>
</tbody>
</table>

**External Assumptions**

**Assumptions at the level of outcomes:**
- The Government of Montenegro committed to the EU integration process;
- Full commitment and support at decision-making level within the institutions involved in the management of IPA is ensured;
- Effective cooperation among the beneficiaries, line Ministries and other Public Bodies/Agencies;

**Assumptions at the level of outputs:**
- Project selection based on objective criteria: relevance and maturity.
- Close inter-ministerial cooperation;
- Counterpart staff in beneficiary institutions are identified, are available and will cooperate in the implementation of the Project;
- Legal and institutional proposals and results of the other relevant projects are implemented in a consequent manner;
- MTE and the rest of stakeholders ensure adequate staffing level;
- The present institutional structure/specific responsibilities are maintained to proper implementation of project’s activities;
- Legal and institutional proposals and results of the projects are implemented in a consequent manner;
- Beneficiaries deliver in time and in proper quality the necessary data, background information and related existing project documentation;
- Different stakeholders, including civil society prove flexibility and agree on investment priorities;
- Adequate human resources/staff in-place and available for receiving training sessions;
- Project’s sustainability is ensured by trained staff that continue working within the national structures;
- The outputs delivered through past projects in this field are in place and utilised;
- Timely approval of the project outputs from the appropriate authorities.
### 3.5. Indicative Logical Framework Matrix

<table>
<thead>
<tr>
<th>Results</th>
<th>Results chain: Main expected results</th>
<th>Indicators</th>
<th>Baselines (values and years)</th>
<th>Targets (values and years)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Montenegro’s absorption capacity of IPA funds under OP Environment 2024-2027</td>
<td>OP’s Budgetary commitments for implementing feasible projects</td>
<td>0% of the OP’s budget committed 2024</td>
<td>100% of the OP’s budget committed 2027</td>
<td>OP’s monitoring reports</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Outcome 1</strong></td>
<td>Outcome 1. Improved maturity of the Environment and Climate Change Project Pipeline</td>
<td>Level of advance towards maturity, matching with Transition Period targets</td>
<td>14 Projects 1a 13 Projects 1b 8 Projects 1c 12 Projects 2a 20 Projects 2b 14 Projects 2c 2024</td>
<td>50% of Projects advance towards maturity, to match with Transition Period targets 2030</td>
<td>AD Annual Progress Reports, Service Contract Interim and Final Reports</td>
<td>• The Government of Montenegro committed to the EU integration process; • Full commitment and support at decision-making level within the institutions involved in the management of IPA is ensured • Effective cooperation among the beneficiaries, line Ministries and other Public Bodies/Agencies;</td>
</tr>
<tr>
<td><strong>Output 1 related to Outcome 1</strong></td>
<td>Output 1.1. Environmental Projects matured for implementation</td>
<td>1.1.1 Number of investment projects in the environment sector fully prepared for implementation – project mature and OIS prepared 1.1.2 Number of corresponding tender dossiers in the environmental sector prepared for implementation.</td>
<td>1.1.1 -0- (2024) 1.1.2 -0- (2024)</td>
<td>1.1.1 -7- (2028) 1.1.2 -14- (2028)</td>
<td>AD Annual Progress Reports, Service Contract Interim and Final Reports</td>
<td>• Project selection based on objective criteria: relevance and maturity. • Close inter-ministerial cooperation; • Counterpart staff in beneficiary institutions are identified, are available and will co-operate in the implementation of the Project;</td>
</tr>
<tr>
<td>1.1.3. Percentage of projects with increased maturity compared with baseline</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.3</td>
<td>17..28% 1a- (2024)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.3</td>
<td>-30% with additional maturity level- (2028)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Legal and institutional proposals and results of the other relevant projects are implemented in a consequent manner.
- MTE and the rest of stakeholders ensure adequate staffing level;
- The present institutional structure/specific responsibilities are maintained to proper implementation of project’s activities;
- Legal and institutional proposals and results of the projects are implemented in a consequent manner.
- Beneficiaries deliver in time and in proper quality the necessary data, background information and related existing project documentation.
- Different stakeholders, including civil society prove flexibility and agree on investment priorities.
- Adequate human resources/staff in-place and available for receiving training sessions;
- Project’s sustainability is ensured by trained staff that continue working within the national structures;
- The outputs delivered through past projects in this field are in place and utilised
- Timely approval of the project outputs from the appropriate authorities.
4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with Montenegro.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation of the Budget Support Component

N.A.

4.4. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.4.1. Indirect Management with an IPA III beneficiary

This action will be implemented under indirect management by Montenegro. The managing authority responsible for the execution of the action is the NIPAC Office. The managing authority shall be responsible for legality and regularity of expenditure, sound financial management, programming, implementation, monitoring, evaluation, information, visibility and reporting of IPA III activities. The managing authority shall rely on sectoral expertise and technical competence of the following intermediate body for policy management: Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development (MTE). It shall ensure sound financial management of the action.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments and revenue operations, shall be entrusted to the following intermediate body for financial management: Capital Projects Administration shall ensure legality and regularity of expenditure.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).
4.6. Indicative Budget

<table>
<thead>
<tr>
<th>Indicative Budget components</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third-party contribution, in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methods of implementation – cf. section 4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome 1. Improved maturity of the Environment and Climate Change Project Pipeline, composed of</td>
<td>5 500 000</td>
<td>1 375 000</td>
</tr>
<tr>
<td>Indirect management with Montenegro – cf. section 4.4.1</td>
<td>5 500 000</td>
<td>1 375 000</td>
</tr>
<tr>
<td>Evaluation – cf. section 5.2</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Audit – cf. section 5.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Communication and Public Diplomacy – cf. section 6</td>
<td>Will be covered by another Decision</td>
<td>N.A.</td>
</tr>
<tr>
<td>Contingencies</td>
<td>0</td>
<td>N.A.</td>
</tr>
<tr>
<td>Totals</td>
<td>5 500 000</td>
<td>1 375 000</td>
</tr>
</tbody>
</table>

4.7. Organisational Set-up and Responsibilities

This Action will be implemented under **Indirect Management for 1.**

Regarding Indirect Management, the organisational set up proposed for this Action is consistent with the Article 10 of the Financial Framework Partnership Agreement “Establishment of structures and authorities by the IPA III beneficiary for indirect management by the IPA III beneficiary”

- **Managing Authority:** National IPA Coordinator (NIPAC)

- **Intermediate Body for Policy Management:** Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development (MTE).

  Note: The IPA Coordination Unit has been settled in the Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development (MTE).

- **Intermediate Body for Financial Management under Indirect Management (Outcome 1):** Capital Projects Administration (CPA).

The main beneficiary of the proposed Action is MTE, including all Directorates related to Environment and Climate Action, as the main institution in charge for Chapter 27. Together with MTE, the rest of Chapter 27 institutions will be considered as well as beneficiaries.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.8. Pre-conditions

No pre-conditions are required for the purpose of this action.
5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the log frame matrix (for project modality) and the partner’s strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring: A Monitoring Committee shall be established after the entry into force of the Financing agreement related to the AD. The Monitoring Committee will be co-chaired by NIPAC or high-ranking official representative of the Government, and a representative of the EUD.

The Steering Committee (SC) shall be composed of representatives of the Environment and Climate Change Working Group (TWG), beneficiary institutions, relevant implementing body, NIPAC Office and the EUD. It shall review the effectiveness, efficiency, quality, coherence, coordination and compliance of the implementation of the activities of the AD and their consistency with the relevant national and, whenever relevant, regional sector strategies. It shall measure progress in relation to achieving the objectives of the actions and their expected outputs, results and impact by means of indicators related to a baseline situation, as well as progress with regard to financial execution.

The SC may invite other organizations to attend meetings in cases where this will bring added value to discussion, direction and outcomes of the AD, e.g. a representative from the national gender equality institutions, to help bring a gender perspective to this specific sector.

Implementation of this AD will be subject of special attention of IPA Monitoring Committee, which shall measure progress in relation to achieving the objectives of the actions and their expected outputs, results and impact by means of indicators related to a baseline situation, as well as progress with regard to financial execution. Operational conclusions, including any recommendations, will be drawn at the end of the SC meetings. These conclusions, including proposals and/or corrective actions, shall be subject to adequate follow-up and a review in the following committee meetings and shall be the basis for reporting to the IPA monitoring committee on progress made.

The performance and result monitoring arrangements are to be conducted by the SC led by the beneficiary as the main relevant Institution for reporting and data follow up. Strict collection of data should be done at intermediary points in order to compare initial target indicators with achieved ones. The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed.

5.2. Evaluation

Having regard to the importance of the action, an ex-post evaluation will be carried out for this action or areas of support via independent consultants contracted by the Commission.
It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that substantial works in the areas of the Green Agenda will be carried out.

The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyze the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document *Communicating and raising EU visibility: Guidance for external actions* (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

7. SUSTAINABILITY

Environment and Climate Change has a key role in any area of development. Investments in this sector will have an impact on the economic and social life of the country. Progress under this thematic priority will contribute to the accession perspective of the country as well as its achievement of the UN 2030 Agenda and its SDGs. Therefore, the action has the potential to trigger subsequent further efforts towards the objectives of Chapter27 and the achievement of the SDGs.

An important element of sustainability is the political commitment to the EU acquis and vision, where the European Green Deal and Circular Economy perspective are important elements. In this sense, the action supports the efforts to attain the goals of this perspective. The action will support alignment with EU actions and Montenegro’s commitment to the UN Agenda, the Paris Agreement and other international agreements.
and common goals, and will transfer specific know-how thus investing in long-term partnerships with the EU, which is a guarantee for sustainability.

The action is expected to impact on the operational procedures and on the strategic visions, on the physical infrastructure and information resources, creating different sustainability vectors, the synergy of which will ensure the long-term impact of the EU funding. Thus, the action is foreseen to have an important and sustainable impact.

Institutional sustainability will be ensured by MTE as Lead Institution which will monitor the outcomes and their expected contribution towards impacts. Financial sustainability will be an integral part of the action outputs which will be ensured during the implementation of the action components. Under the coordination of the MTE, the action is foreseen to be executed in line with the required sustainability measures which have been designed as below.

Montenegro will ensure that the outputs of this action are fully used as preparatory activities for successful implementation of the future Operational Programme (OP) 2024-2027 “Environment and Climate Change” by developing a ready-to-implement project pipeline.
Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present Action identifies as Primary Intervention:

<table>
<thead>
<tr>
<th>Action level (i.e. Budget support, Blending)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ Single action</td>
</tr>
<tr>
<td>Present action. Only. Only one contract is foreseen in the present action: “TA for Project Preparation (PP) in the Environment and Climate Change Sector. Montenegro”</td>
</tr>
</tbody>
</table>