

UNITED NATIONS DEVELOPMENT PROGRAMME  
PROJECT DOCUMENT  
Montenegro



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**Project Title:** Expansion of capacities of the Airports Tivat and Podgorica through the construction of temporary facilities

**Project Number:** 00109385

**Implementing Partner:** UNDP

**Start Date:** March 15<sup>th</sup> 2018

**End Date:** March 1<sup>st</sup> 2019

LPAC Meeting date: **March 15<sup>th</sup> 2018**

**Brief Description**

**Brief Description:** The objective of this Project is to expand the space facilities of the Podgorica and Tivat airports, with their modern equipment, aiming at creating all the necessary preconditions for a proper preparation of the tourist season in 2018.

Adequate treatment of existing facilities, with the urgent expansion of spatial capacities and procurement of a modernized system and equipment, through the supporting legal and institutional framework for the further development of Montenegro's international accessibility by international standards, is another step that contributes to the economic development of Montenegro.

It has to be stressed that based on international regulations on airports, it is necessary to plan and set up an energy management system, which is another reason to approach spatial capacity expansion as urgently as possible in order to plan carbon accreditation of the airports in the future.

**Expected Outcome(s)/Indicator (s):**

- (1) Preparation of Technical Documentation
- (2) Construction Management
- (3) Procurement of Equipment
- (4) Establishment of energy management system and carbon accreditation of the Tivat and Podgorica airports

Contributing Outcome (UNDAF/CPD, RPD or GPD): Indicative Output(s): described above	<b>Total resources required:</b>	4,797,025.00	
	<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	
		<b>Airports of Montenegro:</b>	4,797,025.00
		<b>In-Kind:</b>	
<b>Unfunded:</b>	USD		

Signed by:

Airports of Montenegro	Implementing Partner UNDP
Danilo Orlandic, Executive Director	Fiona McCluney, UNDP Resident Representative to Montenegro
Date:	Date:

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## I. DEVELOPMENT CHALLENGE

For the Airports of Montenegro, the past year was the most successful ever in several segments. For the first time since the airport company's establishment, and the take-over of both airports from the Yugoslav Airlines (JAT) at the time, in 2003, both airports exceeded the number of one million passengers, in Tivat, already in September, and in Podgorica at the end of 2017.

From 1 January to 31 December, the Podgorica Airport handled 7,529 aircrafts, which was 26% more than in the same period of the previous year, and 1,055,142 passengers, representing a 21% increase compared to the previous year.

At the Tivat Airport, 6,323 aircrafts and 1,129,720 passengers were handled in 2017. Comparing these figures with the same period of the previous year, there was an increase of 7% and 15% in the number of handled aircrafts and passengers, respectively.

Bearing in mind that most airline companies already have a final flight schedule for the current calendar year, the announcements suggest that the 2017 traffic data will be greatly exceeded.<sup>1</sup>

The objective of this Project is to contribute economic development and competitiveness of Airports of Montenegro by expanding the space facilities of the Podgorica and Tivat airports, with their modern equipment, and later on through preparation of the Airports for the carbon certification and development of the energy management system.

Adequate treatment of existing facilities, with the urgent expansion of spatial capacities and procurement of a modernized system and equipment, through the supporting legal and institutional framework for the further development of Montenegro's international accessibility by international standards will significantly contribute to the economic development of Montenegro.

This will be done through the implementation of four project activities as follows:

- Preparation of Technical Documentation - preparation of the necessary inputs and documentation for the preparation of technical documentation for spatial capacity expansion, in accordance with national legislation and international standards.
- Construction Management - construction of new temporary facilities in Tivat and Podgorica, in order to expand the spatial capacities and equip and set the new space into operation as soon as possible.
- Procurement of Equipment – procurement of equipment and equipping of new spatial capacities of Airports in Tivat and Podgorica.
- Establishment of energy management system and carbon accreditation of the Tivat and Podgorica airports.

### **SITUATION ANALYSIS AND RECOMMENDATIONS FOR EXPANSION OF CAPACITIES OF THE AIRPORTS IN TIVAT AND PODGORICA**

After acquiring the ownership rights to both airports in 2003, the Airports of Montenegro concluded two loan agreements with the European Bank for Reconstruction and Development and the European Investment Bank and initiated the program of construction, reconstruction and modernization of the airports in Podgorica and Tivat. Prior to the regaining of Montenegrin independence in 2006, a new Podgorica Airport was opened, and at the beginning of June 2006, the expanded, reconstructed and up-to-date passenger terminal building was opened at Tivat Airport. The conducted analyzes showed that the existing capacities were not sufficient for quality passenger service, given that the volume of traffic would grow dramatically, and according to existing announcements, by 15-20% per year on average.<sup>2</sup>

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<sup>1</sup> *Aerodrome Capacity Analysis* done by the Aerodrome Working Group formed on the basis of Decision no. 01-3956 from 15.09. 2017 / Analiza kapaciteta aerodrome uradjena od strane radne grupe Aerodroma formirane na osnovu Odluke br. 01-3956 od 15.09. 2017.godine

<sup>2</sup> Page no. 10 of the Study *Aerodrome Capacity Analysis* done by the Aerodrome Working Group formed on the basis of Decision no. 01-3956 from 15.09. 2017 / Analiza kapaciteta aerodrome uradjena od strane radne grupe Aerodroma formirane na osnovu Odluke br. 01-3956 od 15.09. 2017.godine

## 1.1. Airport Tivat <sup>3</sup>

As far as the Tivat airport is concerned, the current announcements indicate that a major growth is expected from the former USSR markets, where a large number of airline companies already announced an increase in the number of frequencies and new destinations. In addition, a turnover growth of airline companies from the TUI Group, Eurowings - a low-cost carrier from the Lufthansa group, as well as Israir, was announced. Brussels Airlines confirmed the start of flights between Brussels and Tivat from May 2018. Fly Dubai announced an increase in the number of frequencies from two to three per week, and new companies, such as Malmo Aviation (lines to Oslo and Goteborg), were announced. Traffic growth is also announced by Montenegro Airlines, in particular to German cities.

The capacity of the passenger terminal at Tivat Airport is approximately 4,100 sq. m. In the peak months (July and August) 250,000 passengers are handled on this area, compared to 150,000 passengers handled in the same period at the Podgorica Airport, whose terminal building covers 5,500 sq. m. It should be borne in mind that the time period of service to the users at these two airports is not the same either, as the Tivat Airport does not have the prescribed procedure for carrying out airborne operations at night, and from this aspect it is limited to an average working time of 13 hours a day in the summer months.

It is evident from the foregoing that the Tivat Airport exceeded its maximum long ago and that the existing mode of operation is not sustainable in the long run, even if the traffic volume were kept at the current level. Also, the new security requirements prescribed by the international aviation authorities<sup>4</sup> and the Montenegrin aviation authorities are reflected in the increase in the number of devices used, primarily the introduction of a scanner for access to the public area of the airport, as well as the number of security operations to be implemented, which will certainly slow down the flow of passengers, as the time of security control increases.

The number of served passengers in the peak season is over 650 on average per day, up to 750 per day in a record time, and it is important to note the need to provide a greater level of service for VIP and general aviation users. Almost the entire terminal capacity, currently including 12 check-in counters, is used for passenger handling, which has led to minimizing commercial space (cafes, duty free shop, car rental), and there is insufficient luggage space as well.

According to already confirmed announcements for the summer season 2018, at the Tivat airport, Sunday is already recognized as the peak weekday with 40 rotations or 80 operations of aircraft landings and takeoffs, which, bearing in mind their capacity, entails the requirement to handle more than 12,000 passengers.

In order to overcome the above issues, it is proposed to construct a temporary facility, measuring approximately 1,300 sq. m, with a simple structure that could be put into operation until the beginning of the summer tourist season. This facility will include a space for the stay of passengers with six check-in counters, two lines for counter-sabotage control, four passport control desks, and two customs check points. It is also planned to include a departure gate with three exits, as well as a sorting facility for the preparation of luggage for transport. The construction of this facility will create the precondition for handling 400 additional passengers in the peak hour.

It is important to note that financially 30% of the total cost is related to the structural part of the facility, while that the remaining funds are planned for the purchase of the necessary equipment which, depending on the need in the future, may be subsequently moved to a new building that will have to be built sooner or later.

Regarding the above initiative, the Terms of Reference was prepared by professional services of the Airports of Montenegro JSC. In order to implement the Project, it is necessary to amend the Plan of Temporary Facilities adding the proposed facility at Tivat Airport, which implies the following steps:

- Minister of Sustainable Development and Tourism will issue a Decision on the appointment of a Working Group to prepare an Amendment to Temporary Facilities Plan in the coastal zone area for the period 2016-2018;
- It is necessary to amend the graphic and textual section of the plan – time limit for amending the plan is from 3 to 5 working days;

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<sup>3</sup> The data presented in this Chapter are provided by the Airports of Montenegro in the Aerodrome Capacity Analysis done by the Aerodrome Working Group formed on the basis of Decision no. 01-3956 from 15.09. 2017

- The amended Plan will be submitted for comments to Tivat Municipality, the Public Enterprise for Coastal Zone Management (PECZM), the Directorate for Tourism Development and Standards (MSDT) and the Directorate for the Environment (MSDT) – the time limit is 5 working days;
  - Submitting it for comments to the Civil Aviation Agency is not a legal obligation, but in this particular case it would be good to require an opinion, to avoid receiving objections after the adoption of amendments to the plan, thus preventing the implementation – the time limit is 5 working days (simultaneously with the requirements of the previous item);
  - Acting upon provided comments and suggestions - 2 working days,
  - Preparation of materials for the Government Economic Policy Committee and submission to the Government - 5 working days;
  - Verification of the conclusion from the meeting of the Government (at the meeting itself);
- After passing the Amendments to the Plan, the Airports of Montenegro will apply to be issued Urbanistic and Technical Requirements (UTR) for the construction of a temporary facility by the Ministry of Sustainable Development and Tourism (or PECZM, if the Decree on the assignment of issuing UTR for temporary facilities to PECZM is adopted by then). The deadline for permit issuing is 20 days.

## 1.2. Airport in Podgorica<sup>5</sup>

As far as the Podgorica Airport is concerned, along with the traditional existing traffic, there are already announcements of new companies such as Croatia Airlines - renewal of the Zagreb line, TUI group companies (five new destinations), new destination of Wizz Air (Katowice and Warsaw) LOT Polish Airlines - Warsaw (daily flights during summer IATA season). Also, the national airline announced some new destinations and an increased number of frequencies on already existing lines for following summer season.

The capacity of Podgorica Airport is planned for 600 passengers in the peak hour (incoming and outgoing), which in principle means handling three aircrafts in the specified time period, with an average capacity of 100 seats. In the period January-October 2017, 107 hours with over 600 handled passengers were recorded, of which there were 20 hours with a load of between 800 and 1200 passengers in the peak hour.

It is evident that in the previous two years, the growth of traffic was accompanied by a greater presence of large-capacity aircrafts, which altered the assumptions when the passenger handling was concerned. This means that it is unsustainable to keep the previous concept of assigning two check-in counters per flight, but the number of counters has to be planned only according to the capacity of the aircraft or the number of seats in the passenger cabin.

A significant number of issues were also noted in the previous season: inadequate number of check-in counters for passenger and car baggage registration; inadequate waiting room capacity for the outgoing passengers; bottlenecks on access, passport and security control for outgoing passengers; lack of adequate space for pre-boarding of passengers; lack of waiting room capacity for incoming passengers; insufficient space in front of passport control in arrivals; non-operation of certain companies in terms of non-acceptance of the proposed landing/takeoff time by the airport company, subject to the above mentioned deficiencies.

Taking into account the preannouncements for the following tourist season, and clearly recognizing the deficiencies in terms of the limited existing capacity, as an illustration of the potential issues to be faced by Podgorica Airport in the coming season, there is an example of the TUI group companies that, for certain days, have already submitted applications for two flights in the same period, with aircraft capacity of 189 seats, which without any other traffic in that period represents potentially 378 passenger arrivals and departures.

What is typical for these flights, as well as flights of other charter companies, is that there is an organized transportation of passengers to and from the airport, and that all passengers are at one place at the same time, and in these situations Podgorica Airport's capacity cannot meet the requirements of passengers. According to previously confirmed announcements for the summer season 2018, at Podgorica Airport, Sunday is already recognized as the

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<sup>5</sup> The data presented in this Chapter are provided by the Airports of Montenegro in the Aerodrome Capacity Analysis done by the Aerodrome Working Group formed on the basis of Decision no. 01-3956 from 15.09. 2017

busiest weekday with 41 rotations and 82 of aircraft landing and takeoff operations, which, bearing in mind its capacity, means that approximately 12,000 passengers have to be handled.

Please note that in the past period, and also for the current year, Podgorica Airport has offered airlines the possibility of replacing their day operations by night operations, as there were all the necessary conditions for their performance. However, carriers and tour operators did not show interest in the timetables offered.

Bearing in mind the aforementioned, the airport company, like in the case of Tivat Airport, started to produce a capacity analysis for the Podgorica Airport, which provided some options for the fastest overcoming of the above-mentioned issues, in the form of construction of two temporary facilities, on the south and north side of the passenger terminal, and the third temporary facility by the gate for VIP and general aviation passengers (in the area next to the administrative building).

Two temporary facilities on the south and north side are planned as waiting areas for outgoing/ incoming passengers, with the provision of additional space for passport control on arrivals.

The facility construction on the north side will provide an additional area of 226 sq. m, which would increase the capacity of the existing waiting area from the existing 750 sq. m to 976 sq. m, or to accommodate 150-200 outgoing passengers more.

The facility in the south is intended as a facility of polyvalent use, which would, depending on traffic requirements, be fully used for incoming or outgoing passengers, or as a facility for both groups of passengers. By building this facility, Podgorica Airport would get an additional area of 450 sq. m, which would create capacities for handling 300-400 passengers more. With this facility, the Podgorica Airport would get the opportunity to open another line for security passenger control, which would relieve the recognized bottlenecks at the existing passage for the control of outgoing passengers.

The third temporary facility would be used as a waiting room for outgoing passengers, and existing gate capacity for VIP and general aviation would be used for passenger and luggage registration in the form of two additional check-in counters and additional line of security control on that gate. The design capacity of this facility is 340 sq. m, which opens the possibility to handle 220 departing passengers more.

The proposed construction of these facilities would contribute not only to the increase in the number of aircrafts that the Podgorica Airport would be able to handle in the peak hour, but at the same time the quality of service provided to the passengers would be raised to a higher level. Based on previous experience that has shown that it was difficult to expect the airlines to fully accept all of our proposals, and because of the desire to meet the requirements of air carriers traveling to Podgorica as much as possible, the need for a transitional solution has been identified, in terms of building some additional capacities.

The Terms of Reference and the Conceptual Design were prepared for the facilities at Podgorica Airport, on the basis of which the Airports of Montenegro JSC addressed the Secretariat for Utilities and Transport responsible for issuing permits for temporary facilities.

### **1.3. Energy Efficiency in Montenegro**

The Ministry of Economy, through the Directorate for Energy Efficiency, is responsible for creating and implementing energy efficiency policies. The Directorate for Energy Efficiency was established in November 2009. The main objectives and mission of the Directorate for Energy Efficiency arise from the competences of the Ministry of Economy and relate to the EE and are in accordance with best EU practice. The main objectives include:

1. The identification, analysis and proposition of technically possible and cost-effective policies and measures for EE improvement relating to energy consumption.
2. Encouraging and promoting EE activities, activities whose objectives are to make savings, and activities that reduce any negative impact on the environment that is caused by energy conversion in the energy consumption process.
3. The promotion of RE use and the use of other non-traditional sources which have a low environmental impact.

4. The promotion of knowledge by sharing information with similar authorities from other countries and with international institutions and associations active in the EE.

The new Law on the Efficient Use of Energy was approved by Parliament on 22/4/2010. In general, the LoEE is in line with Decision No. 2009/05/MC-EnC of 18 December 2009 and largely transposes, or provides a legal basis for transposition through secondary legislation, the Directive 2006/32/EC on Energy Services (ESD), the Directive 2002/91/EC on Energy Performance of Buildings (EPBD) and Energy Labelling Directives (92/75/EEC and subsequent Directives) into national legislation.

Montenegro has adopted a national indicative energy savings target of 9 % of the FEC for 9 years by 2018 (an average of 1 % annually). This means that the country should achieve energy savings of 58.9 ktoe of the Final Energy Consumption figure, expressed here in terms of primary energy equivalent. The absolute amount of the indicative target, which the country should prove, is the sum of its energy savings made over the following 9 years. This determined on the basis of FEC data for the last five years (2002-2006); sufficient statistical data exists for this period.

The services sector, during the period 2002-2006, consumed, on average, about 10% of the total Final Energy Consumption (FEC) in Montenegro (or 11% in the total FEC-Primary).

As presented in the next figure, electricity and petroleum products accounted for about 66% and 25% respectively of the final energy consumption during the period 2002-2006. The remainder was lignite (about 9%).

Unfortunately, Montenegrin energy statistics do not distinguish between consumption in public and commercial services.

Energy consumption in the public sector is practically neither monitored nor controlled. To date there has been no systematic programme for EEI in the public sector apart from an on-going World Bank loan programme for EEI investments in public buildings.

However, all relevant studies and energy audits that have been carried out, show that there is considerable EEI potential in many areas including heating and cooling loads of buildings, heating and cooling systems, indoor and street lighting, water pumping stations, water supply systems (due to huge losses of pumped water), etc. In many cases, no-cost energy management measures could save much energy. However, awareness and capacity are very limited and energy wasting attitudes are common among personnel.

Besides the energy cost savings opportunities for the state and municipal budgets, the public sector's buying power and visible leadership offer a powerful means to stimulate market demand for energy efficient products and services.

The dynamics of green employment are largely unknown and further in-depth work is needed to guide policy making. For example, adapting labour markets to achieve more jobs and better-quality jobs in a low-carbon economy requires improved education and training systems as well as activities to develop skills. This is necessary both in industry and in the public-sector as there is currently little or poor knowledge and understanding of the dominant dynamics.

The construction sector in Montenegro has been faced with a considerable slump in consumer and investment demand, and has long struggled with low labour productivity growth, partly linked to the nature of innovation in an industry where many projects are unique. However, this crisis also provides an opportunity for both the government and the private sector to transform this sector. A growing demand for 'greener' buildings and a more sustainably built environment might also foster innovation in the industry.

#### **1.4. Gender Mainstreaming**

The relative status of men and women; the interaction between gender and race, class and ethnicity and the questions of rights, control, ownership, power and voice all have a critical impact on the success and sustainability of every development intervention.

In practice, gender mainstreaming means identifying gaps in gender equality. Despite good intentions and some real progress, the development community is still falling short in delivering on its promises. Some of the problems recognized internationally include the development of accountability mechanisms; the allocation of sufficient resources; attention to gender equality; targeting not just 'soft' areas for gender mainstreaming (such as health and education),

but also supposedly 'gender-neutral' areas, such as infrastructure development and economic policies; and strong political commitment and will. In order to achieve these goals, it is necessary to provide:

- The integration of gender equality concerns into analyses and into the formulation of all policies, programmes and projects; and
- Initiatives to enable women, as well as men, to formulate and express their views and to participate in decision making across all issues.

Having this in mind, UNDP mainstreams gender in all of its development interventions. This resulted in UNDP Montenegro country office receiving a Gold Gender Seal prize in 2016, and is now in the process of drafting a new Gender Equality Strategy in the UNDP Montenegro CO, in order to maintain the set standards.

When it comes to gender and transport, several aspects need to be taken into account. As stated in the document ``Gender Analysis for Montenegro``, none of legislative and policy documents in Montenegro from the area of transport takes into account the gender aspect. In addition, there is a lack of sex-disaggregated data related to transport, including the use of public transport, as well as the lack of socio-economic analyses and gender-sensitive analyses of potential health hazards of pollution caused by transport. This kind of data and analyses could contribute to creation of transport policies that will be able to accommodate to the specific needs of women and men, as well as of other social groups. The third point of significance for this project is that women represent minority in decision-making on transport policies; also, they are minority among employees in the sector of transport (24.7%). These data clearly show that women do not have equal opportunities to participate in the sector of transport.

Having this in mind, gender mainstreaming in the project will imply that women should be on an equal footing with men in all the project activities, by involving them as external experts, and especially taking care of gender balance in the employment opportunities arising as a consequence of project activities.

Under Component 1, "Preparation of Technical Documentation" and Component 2 "Construction Management" we will ensure equal opportunities for engagement of women and men for the preparation of the technical documentation for extending the space facilities at the airports. In addition, we will consider integrating gender-aware and family-friendly design in the construction of new airport facilities.

Within Component 4 "Establishment of energy management system and carbon accreditation of the Tivat and Podgorica airports," advocacy and awareness raising activities will be designed in such a way as to ensure that messages, and means and channels of communication are adapted to women and men, taking into account that women are more open to the use of alternative sources of energy than men. This approach could to a great extent contribute to more successful promotion of alternative energy sources, promotion of public transportation and the limited use of private vehicles to and from the airports.

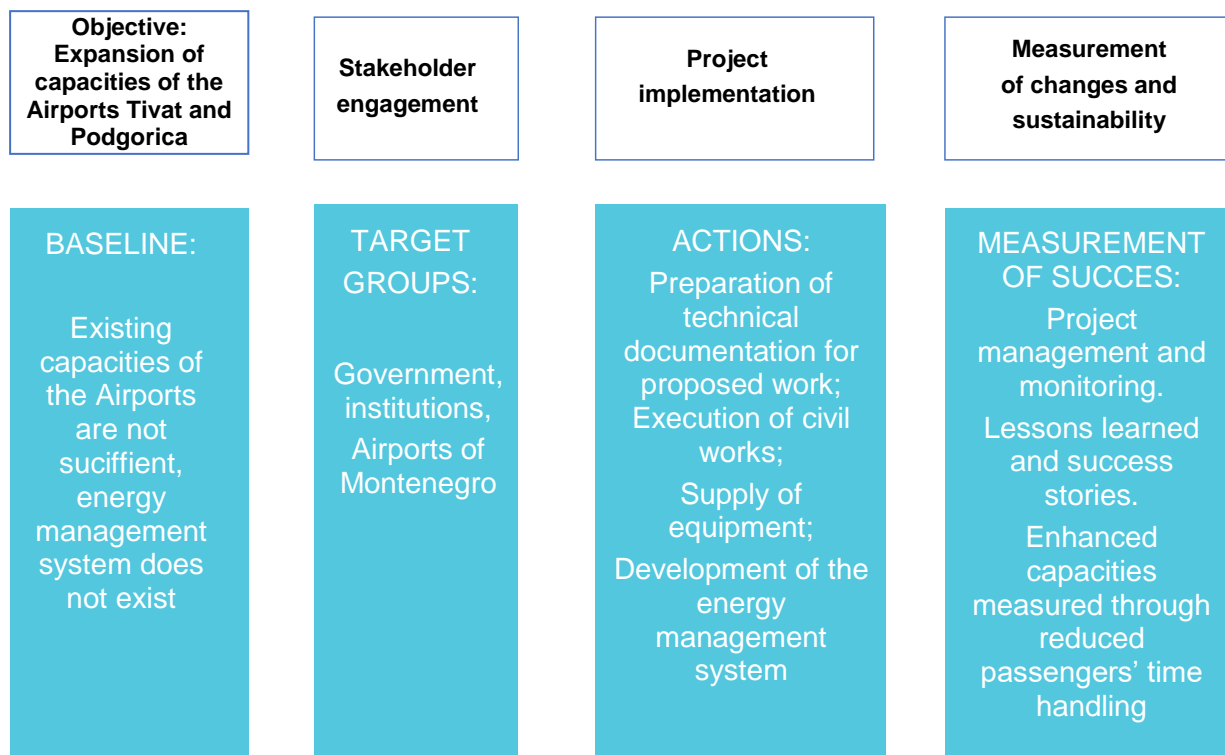
In addition, whenever possible, we will collect sex-disaggregated data in order to conduct relevant analyses for the future initiatives. This could be done, among others, by conducting sex-disaggregated passenger satisfaction surveys in order to evaluate whether new airport facilities are adapted to specific needs of women and men.

Last but not least, the project will ensure at least 30% of women are engaged in the project management team and members of Steering Committee.

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<sup>6</sup> ``Gender analysis for Montenegro``, conducted with the programme Support to Anti-Discrimination and Gender Equality Policies``, implemented by UNDP in cooperation with the Ministry for Human and Minority Rights, and funded by the Delegation of the European Union to Montenegro.

## II. STRATEGY



*Figure 1: Theory of change for the project*

The objective of this Project is to expand the space facilities of the Podgorica and Tivat airports, with their modern equipment, aiming at creating all the necessary preconditions for a proper preparation of the tourist season in 2018. Adequate treatment of existing facilities, with the urgent expansion of spatial capacities and procurement of a modernized system and equipment, through the supporting legal and institutional framework for the further development of Montenegro's international accessibility by international standards, is another step that contributes to the economic development of Montenegro.

It has to be stressed that based on international regulations on airports, it is necessary to plan and set up an energy management system, which is another reason to approach spatial capacity expansion as urgently as possible in order to plan carbon accreditation of the airports in the future.

The project consists of the following four (4) components:

- **(1) Preparation of Technical Documentation** - preparation of the necessary inputs and documentation for the preparation of technical documentation for spatial capacity expansion, in accordance with national legislation and international standards.
- **(2) Construction Management** - construction of new temporary facilities, in order to expand the spatial capacities and equip and set the new space into operation as soon as possible.
- **(3) Procurement of Equipment** - procurement of equipment and equipping of new spatial capacities
- **(4) Establishment of energy management system and carbon accreditation of the Tivat and Podgorica airports**

The description of the project by component, outcome and output, is presented in the section Results and Partnerships, below.



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### **III. RESULTS AND PARTNERSHIPS**

The project results, according to the chosen theory of change, will be achieved through the realisation of four different, but compatible components of the project: (1) Preparation of Technical Documentation - preparation of the necessary inputs and documentation for the preparation of technical documentation for spatial capacity expansion, in accordance with national legislation and international standards; (2) Construction Management - construction of new temporary facilities, in order to expand the spatial capacities and equip and set the new space into operation as soon as possible; (3) Procurement of Equipment - procurement of equipment and equipping of new spatial capacities; (4) Establishment of energy management system and carbon accreditation of the Tivat and Podgorica Airports.

#### **Component 1. Preparation of Technical Documentation**

The first activity is related to the preparation of the necessary inputs and documentation for the preparation of technical documentation for spatial capacity expansion, in accordance with national legislation and international standards.

Bearing in mind the fact that the Airports of Montenegro have already initiated the process of obtaining approvals for the installation of temporary facilities at the airport in Podgorica, based on the prepared Conceptual Design, the first activity within this component will be the preparation of the Main Design and a review of the design documentation, in addition to obtaining all the necessary consents (consent of the State Architect), in order to create all the necessary prerequisites for the installation of temporary facilities at the airport in Podgorica. The Airports of Montenegro will be responsible for this activity, which will, upon completing the necessary procedures, submit the reviewed Main Design to the UNDP Office to allow it to publish a call for bids for the execution of planned works.

In order to implement the activities related to this component, in addition to hiring both international and domestic experts for this kind of facilities, the appointed UNDP team will manage the process of preparing technical documentation for the expansion of Tivat airport capacity, based on provided urban planning conditions and with the prior preparation of all necessary base maps (geodetic surveys, testing of static stability of existing facilities, energy review of existing facilities, preparation of all necessary analyzes and reports on environmental impact assessment and other necessary studies). The provision of urban planning conditions and the Terms of Reference shall be the responsibility of the Airports of Montenegro.

Bearing in mind the relatively short deadlines and very complex works to implement the entire project, and in the eve of the summer tourist season 2018, it is necessary to note that the other components are overlapping to a large extent in terms of implementation, and that the previously completed activities will be used to the maximum extent possible, as well as the relevant technical documentation to be provided to UNDP by the Airports of Montenegro immediately upon signing a financial agreement between UNDP and the Airports of Montenegro.

#### **Component 2. Construction Management**

Already in the first quarter of 2018, tenders will be published for works on the construction of new temporary facilities, in order to expand the spatial capacities and equip and set the new space into operation as soon as possible. The prerequisite for the publication of tenders by the UNDP office is the delivery of the reviewed Main Design for the installation of temporary facilities at the Podgorica Airport and the approval of the competent Secretariat of the Capital City for the installation of temporary facilities for the Podgorica Airport as well as the reviewed Main Design and approval of the Ministry of Sustainable Development and Tourism and/or Public Enterprise for Coastal Zone Management, to set up a temporary facility at Tivat Airport.

The Project Steering Committee, through the UNDP Project Team, will monitor the execution of works, including design supervision, and the main supervisory authority to be hired in accordance with national legislation before the commencement of the works, with a view to their daily monitoring.

### **Component 3. Procurement of Equipment**

The procurement of equipment and equipping of new spatial capacities as well as reconstruction of existing facilities at the airports of Tivat and Podgorica will be carried out on the basis of prepared technical specifications and recognized needs for functional expansion of the facility defined through technical documentation.

Prior to the announcement of the tender, the technical specifications will be thoroughly checked by the hired international expert, who will also conduct a professional evaluation of the tenders received. It is also worth mentioning the role of the Civil Aviation Agency of Montenegro, which has to approve the procurement of planned equipment, since Montenegro as a member of all relevant international aviation organizations is obliged to comply with the prescribed standards.

The technical specifications which is a subject of supply is related with the security equipment: An x-ray baggage inspection system with two generators, to inspect the baggage checked-in (set aside), An x-ray hand baggage inspection system, Metal detector door, Explosives Trace Detectors, Liquid control equipment and Footwear inspection equipment as well as BHS conveyor system that transports baggage and DCS equipment. The security equipment will be installed at both airports, Tivat and Podgorica airports, while BHS system and DCS equipment will be installed in Tivat.

Additionally, furniture and other equipment will be purchased for the new annexes in Tivat and Podgorica Airports.

### **Component 4. Establishment of energy management system and carbon accreditation of the Tivat and Podgorica airports**

There are several international standards that have been implemented at the European airports in order to manage the environmental performance. These are:

ISO 14001: Environmental Management Systems

ISO 50001: Energy Management Systems

EU EMAS: EU Eco-Management and Audit Scheme

A number of airports comply with these standards, but are not officially accredited or are in the initial stages of the accreditation process. These airports usually have ISO 9001 Quality Management Systems.

The requirements for the energy management system consist of the following groups: 1) General Requirements; 2) Management Responsibility; 3) Energy Policy; 4) Planning (energy profile - status of organizational energy performance, energy base - quantitative reference for energy performance comparison); 5) Implementation and Functioning; 6) Performance Monitoring; 7) Reviewing the Energy Management System by Management.

The energy efficiency measures suggested in the harmonization procedure relate to:

- Using energy-efficient heating and cooling equipment;
- Improving the insulation properties of structures;
- Using solar water heating systems;
- Using lighting with lower energy consumption;
- Recovery of waste heat;
- And over 80 other measures to achieve energy savings.

In order to fulfill all the requirements that are prerequisites for the carbon accreditation process, an information system for energy management will be developed, and one year after putting into operation the expanded space capacity of the airport, an energy review of the facility will be carried out in order to specify the proposed energy efficiency measures.

The Airport Carbon Accreditation Programme was launched in 2009 by the European Airport Council International (ACI), and is currently implemented globally. The Programme consists of four levels of accreditation (i) Mapping, (ii) Reduction, (iii) Optimization and (iv) Neutrality.<sup>7</sup>

At each level, the requirements for reducing airport-controlled airborne emissions and emission reductions by other entities operating at the airport are increased, as well as commitments on CO2 emission control.

Typical CO2 reduction measures taken by airports include: optimum energy use, replacement of conventional ground equipment with electricity-powered equivalents and the use of more efficient lighting.

Promoting the Airports of Montenegro JSC internationally.

### TimeFrame

During March of the current year, it is planned to prepare the necessary inputs, documentation and designs to expand the capacity of Tivat and Podgorica airports through the construction of temporary facilities. It is planned to implement the project activities under Components I, II and III in one year (from 1 March 2018 to 1 March 2019), while the project implementation period is planned to last until the end of 2019. The estimated time needed, by month, is shown in the diagram below:

Activities	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19	02/19	Mar - Dec 19
1.1 Tender announcement for the preparation of design documentation for Tivat, and the designer selection	Green	Green											
1.2. Main Design preparation for Tivat		Blue	Dark Blue										
1.3. Tender announcement for works, selection of tenderers for Podgorica and Tivat		Yellow	Yellow										
1.4. Tender announcement for the procurement of equipment for new facilities and the procurement of equipment	Grey	Grey	Grey	Grey	Grey								
2.1. Execution of works to expand the space capacity at Podgorica airport			Orange	Orange	Orange								
2.2. Execution of works to expand the space capacity at Tivat airport			Blue	Blue	Blue								
3.1. Equipping and putting new facilities into operation				Dark Blue	Dark Blue								
3.2. Technical clearance of facilities				Light Grey	Light Grey								
4.1 Airport carbon accreditation process						Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
4.2. Establishment of the energy management system of the Tivat and Podgorica airports										Light Blue	Light Blue	Light Blue	Light Blue
5. Project management	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange

It is planned to prepare the necessary inputs and documentation to start preparing the designs of reconstruction and construction of the existing and new airport facilities, respectively, in Podgorica and Tivat<sup>8</sup>.

### Resources Required to Achieve the Expected Results

The project office will be based at UN Eco House, Stanka Dragojevica bb 81000 Podgorica, Montenegro. The UN ECO house is a new building which hosts, under one roof, all of the UN agencies which operate in the country. The UN Eco

<sup>7</sup> R. Stijepovic, S. Lazarevic, (2017) Recommendation for Carbon Certification of the Airport of Tivat / Predlog mjera za karbonsku sertifikaciju Aerodroma Tivat

<sup>8</sup> Tender announcement depends on the deadline for submission of design documents and approval for the execution of installation works on the temporary facilities for Podgorica, urban planning conditions for the preparation of a design for Tivat t and equipment specifications for the Tivat and Podgorica airports.

House was conceptualised using efficient, ecological technology combined with a modern design that satisfied the Montenegro Government's commitment to becoming an Ecological State whilst also providing an ideal joint roof for the entire UN family in Montenegro. The project is the result of joint collaboration between the Airports of Montenegro and the United Nations Development Programme team. The management of the UN-ECO house is flexible, and physical resources are allocated based on needs.

### **Partnerships**

As described in the paragraph Expected Results, the project results, according to the chosen theory of change, will be achieved through the realisation of four different, but compatible components of the project where the Airports of Montenegro is the main partner. These activities will be conducted in close cooperation with the relevant institutions which are members of the Project Steering Committee, which will result in a strong partnership capable of achieving all of the expected results.

The Project Steering Committee will be comprised of the representatives of the Government of Montenegro, Airports of Montenegro and UNDP, defined in chapter Project Management of this ProDoc.

### **Risks and Assumptions**

#	Description	Type	Impact & Probability	Countermeasures / Mngt response	Owner
1	Tight timeframe	Strategic (donors' urgency for the expansion of the space capacity)	Unsufficient time for the realization of all activities as required by donor.  Medium likelihood/medium impact	Efforts should be made to secure sufficient human resources for all project components and efficient procurement procedures;	UNDP, Airports of Montenegro
2	Poor quality of reports and technical documentation for the execution of construction works (background papers, studies)	Organisational (execution capacity)	The project would suffer from poor quality of existing technical documentation prepared by other parties  Low likelihood/medium impact	Extensive quality assurance to ensure that prepared technical documentation is of a satisfactory level. Extensive quality assurance through stakeholder meetings and core team meetings as well as internal cross-practice engagement (full engagement of the Programmet Manager and the support of experts in the field of construction engineering) will ensure that the quality of the project is well-maintained and that expectations are met;	UNDP, Airports of Montenegro
3	Problems with data collection and background papers, studies and poor data quality and lack of existing data about energy consumption	Organisational (execution capacity)	Project may be affected by poor data collection and quality or lack of existing data;  Low likelihood/medium impact	Extensive quality assurance to ensure that collected data is of a satisfactory level; full engagement of the Programme Manager.	UNDP, Airports of Montenegro

## **Stakeholder Engagement**

### **Knowledge**

Considering the fact that this project is will be implemented under the Economic Governnace Cluster and through involving Centre for Sustainable Development, it is expected that additional effort will be made regarding the preparation of the research analyses regarding carbon certification of the Airports. Under Component number 4, which is related to carbon certification and energy management system, a set of the promotion activities have been planned. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

### **Sustainability and Scaling Up**

The master plans of Montenegro's two international airports, Podgorica and Tivat, contain projects for expanding the capacity of both airports by extending the runways, passenger and cargo terminals, increasing the space for car parking etc. in order to improve the capacity and quality of the service in response to the projected demand. At Podgorica airport, the number of passengers was forecasted in 2010 to increase from 451,000 in 2009 to 1,14 million in 2015, 2,9 million in 2025 and 3,2 million in 2030. At the Tivat Airport, the number of passengers was projected to increase from 532,000 in 2009 to 919,000 in 2015, 1,37 million in 2025 and 1,43 million in 2030. This would present a huge growth in airline travel i.e. more than 50 % by 2015 from the recorded number of passengers in 2012, over 200% by 2025 and close to 250 % by 2030. Economic development, focusing on sustainable urban development and tourism will be in the main focus area of further scaling up of the project activities. A key principle is to contribute to a sustainable transport infrastructure with particular attention to ecological sustainability. What is written above also applies for institutional sustainability. Institutional strengthening and capacity building will generate longer term benefits only, if the recipient entities are empowered by a clear mandate and corresponding responsibilities to contribute to sustainable urban development in the project relevant fields, and adequate financial resources are secured for fulfilling this mandate also after the project.

The project activities will also contribute the improving the low carbon cross-border international travel and local transportation. It will build on the ongoing and planned new infrastructure projects and public transportation schemes and looks for new opportunities. For international cross border travel, encouraging and supporting the Montenegrin airports to join the international Airport Carbon Accreditation scheme<sup>9</sup> will help Airports in future in its economic sustainability.

One indirect impact arising from the project will be the creation of new jobs in the tourism and transport industry.

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## **IV. PROJECT MANAGEMENT**

### **Cost Efficiency and Effectiveness**

Cost efficiency and effectiveness will be achieved through the following approaches:

- i) Using the theory of change analysis to explore different options to achieve maximum results within available resources
- ii) Using a portfolio management approach to improve cost effectiveness and to leverage activities through partnerships with other initiatives/projects
- iii) Through joint operations, to monitor activities on a regular monthly basis and to hold at least two steering committee board meetings per year to review the procurement plan of the project agreed with partners.

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<sup>9</sup> <http://www.airportcarbonaccreditation.org>

## **Project Management**

Implementation of the project will be provided by UNDP, the project's implementation agency, and all partners and stakeholders will be significantly involved. Roles and responsibilities, in terms of project implementation, will be in line with the new UNDP Results Management Guide that defines the minimum requirements to be met in order for UNDP to accept responsibility for programme activities through the use of resources.

UNDP will be responsible for all direct aspects of implementation.

All four project components will be managed and implemented by UNDP CO Montenegro under the authority of Direct Execution (DEX), in line with the UNDP Programming for Results Management User Guide. UNDP CO will act as the project's implementing partner and executing agency according to DEX. A Project Board will be established, and will consist of a representatives of the UNDP, Governments of Montenegro and Airports of Montenegro. The programme manager will be responsible for the day-to-day management of the project together with the project support team.

Within the domain of implementation, UNDP will establish a project team that will have a programme manager and a project associate/project assistant, while local and international consultants and companies will be engaged for performing services and works according to the plan activities and procurement plan.

All the duties of day-to-day management will be performed by the programme manager who will be appointed by UNDP, and who will report to the UNDP management. The primary role of the programme manager will be: to be responsible for the administrative, financial and overall management of the implementation of the project; monitoring of progress and risks, ensuring that changes are controlled and problems addressed; reporting on progress including measures to address challenges and opportunities; coordination and liaising with the Government of Montenegro and other partners/stakeholders; ensuring the implementation of knowledge management activities; to carry out any other activities to ensure the smooth functioning of the project.

The programme manager will be provided with one administrative assistant for the day-to-day operation of the project.

The RRF reflects the project outputs and corresponds to the outcomes of CPD. This project will be effectively monitored by assessing progress against qualitative and quantitative indicators (and sex disaggregated data) as outlined in the Results Framework. A schedule of project review meetings will be developed by the project management team, in consultation with project partners. The day-to-day monitoring of the implementation progress will be the responsibility of the programme manager, the administrative assistant and the financial assistant, based on the project's Annual Work Plan and its indicators. The programme manager will submit an annual monitoring progress report to the UNDP EE Cluster Team Leader / Project Board at the end of year, accompanied by a financial report.

The Project has a Steering Committee composed of representatives of the Government of Montenegro, Airports of Montenegro JSC and UNDP, whose responsibilities include:

- Taking care of achieving the Project objectives;
- Deciding on the implementation of individual phases of the Project;
- Providing suggestions and guidelines to the UNDP Project Team;
- Taking care that relevant stakeholders are actively involved in the Project implementation,
- Supervising the Project quality assurance,
- Presenting and affirming the Project outcomes.

The Steering Committee members are: Minister of Transport and Maritime Affairs of Montenegro, Representative of the Board of Directors of the Airports of Montenegro responsible for coordinating airport valorization activities, investments and situation improvement, General Director of the Directorate for Spatial Planning of the Ministry of Sustainable Development and Tourism, Head of Prime Minister Office and UNDP representative.

In regard to the future communication activities and building on guidelines and priorities set by the Airports of Montenegro the project team will jointly with the Airports PR department resulting in joint and context appropriate activities that will promote both, project activities and Airports as whole.

## V. RESULTS FRAMEWORK<sup>10</sup>

**Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:** By 2021, the people of Montenegro are benefitting from an enabling institutional and regulatory framework for sustainable and inclusive economic growth based on innovation, entrepreneurship and competitiveness.

**Project title and Atlas Project Number:** Expansion of capacities of the Airports Tivat and Podgorica through the construction of temporary facilities / 00109385

EXPECTED ACTIVITIES	OUTPUT INDICATORS <sup>11</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
			Value USD	2018	2018	2019	FINAL	
<b>Activity 1</b> Preparation of technical documentation	<i>Preparation of technical documentation for the adaptation and reconstruction of buildings of the Airports of Montenegro and for the construction of temporary building in Tivat</i>		109,201.00	<i>Some analyzes exist</i>	<i>Technical documentation for the reconstruction of buildings prepared</i>		<i>Technical documentation revised and approved.</i>	<i>Problems with data collection and background papers, poor data quality and lack of existing data about facilities and Tivat</i>
<b>Activity 2</b> Construction management	<i>Construction and Supervision of the works of the temporary facilities at Tivat and Podgorica airport</i>		1,753,310.00	<i>The main project for execution of works in Podgorica exists</i>	<i>Reconstruction works successfully performed.</i>		<i>Reconstruction works performed and accepted.</i>	<i>Poor quality of reports and technical documentation provided as input for preparation of the technical documentation</i>
<b>Activity 3</b> Procurement of equipment	<i>Procurement of equipment, installation and maintenance of the system for Tivat airport</i>		2,495,417.00	<i>The same equipment exists, but needs to be extended and upgraded</i>	<i>Equipment supplied and installed.</i>		<i>Maintannce of the equipment provided.</i>	<i>Potential problems with upgrading the existing systems. Lack of qualified servisers for maintance of equipment.</i>
<b>Activity 4</b> Establishment of energy management system and carbon certification of airports in Tivat and Podgorica	<i>Services of consultants for carbon certification of airport, energy inspection of facilities and development of information system for energy management</i>		120,245.00	<i>Some preliminary studies on energy efficiency exist.</i>	<i>Energy management system proposed. Carbon certification scheme adopted.</i>		<i>Energy management system proposed. Carbon certification scheme adopted.</i>	<i>Poor quality of reports and technical documentation for the execution of construction works (background papers, studies)</i>

<sup>10</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

<sup>11</sup> It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

UNDP has introduced results-based management that represents an approach similar to business management that systematically measures and improves performance at the level of developing goals and quantifying results. Thus, monitoring and evaluation are key factors for improving performance and achieving results. Monitoring and evaluation are carried out by analysing results based on quantitative and qualitative indicators that are stated within the expected program results and budget allocation table.

The objective of monitoring at project level is to provide a systematic assessment of the impact and course of the activity in terms of achieving the desired results. For this reason, UNDP will document achievements through annual activity reports. The steering committee will define the key control points of the project, and the programme manager will be responsible for producing regular reports on the status of the project.

The basic tools for organisational monitoring include a set of central documents that define targeted qualitative and quantitative success indicators - more precisely:

- Planned Results and Resources Framework (RRF)
- The Annual Work Plan (AWP)

In accordance with previous UNDP practice, the project will prepare annual reports which show all of the project's achievements and results along with its defining goals for the next period. Furthermore, at least once a year, the project will prepare an annual project review, which will give all stakeholders detailed information on all relevant aspects of its implementation, the results it has achieved and its next steps.

In terms of project evaluation, UNDP will monitor the effectiveness, sustainability and relevance of project objectives within the context of this project. In order to improve the quality of activities, the collection of qualitative results is an important reflective task of the UNDP.

The programme manager will develop annual work plans based on a multi-year work plan that is included in Section VII of this Project Document. It includes annual output targets to support the efficient implementation of the project.

The Steering Committee will define the key control points of the Project, and UNDP will be responsible for producing regular reports on the project implementation status.

M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget <sup>12</sup> (US\$)	Time frame
		Financing	
Kick off meeting	UNDP Country Office	1000	Within one month of project document signature
Steering Committee	UNDP Country Office	1000	At least twice per year
Inception Report	Programme Manager and Technical Advisor	None	Within one month of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	Quarterly, annually
Monitoring of indicators in project results framework by UNDP MNE	Programme Manager	None	Annually
Supervision missions	UNDP Country Office	None	Annually

<sup>12</sup> Excluding project team staff time and UNDP staff time and travel expenses.



M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget <sup>12</sup> (US\$)	Time frame
		Financing	
Oversight missions	UNDP team	None	As needed
learning missions/site visits	Programme Manager and implementation team	None	To be determined.
Annual audit costs	UNDP Country Office and Project team	Per year: 4,000 Total: 12,000	As needed

## VII. MULTI-YEAR WORK PLAN

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
			2018	2019	2020		Funding Source	Budget Description	Amount USD
<b>Activity 1</b> Preparation of technical documentation	1.1. Preparation of technical documentation for the adaptation and reconstruction of buildings of the Airports of Montenegro and the construction of temporary buildings in Tivat		39,877			UNDP	Airports of MNE	Contr.Companies (72100)	39,877.00
	1.2.1. Consultancy services, projects and preliminary studies: geodetic surveys, studies related to environmental impact assessment		12,393	17,607		UNDP		Contr.Companies (72100)	30,000.00
	1.2.2. Consultancy services, analyzes, field work, etc.		15,214	10,000		UNDP		Local consultants (71300)	25,214.00
	1.3. Company services for revision of technical documentation for airports in Tivat		14,110			UNDP		Contr.Companies (72100)	14,110.00
	<b>Sub-Total</b>		<b>81,594.00</b>	<b>27,607.00</b>					
<b>Activity 2</b> Construction management	2.1 Company services for carrying out works on the adaptation and reconstruction of the airports, as well as the construction of new temporary facilities at Podgorica airport		825,889			UNDP	Airports of MNE	Contr.Companies (72100)	825,889.00
	2.2 Company services for carrying out works on the adaptation and reconstruction of the airports, as well as the construction of new temporary facilities at Tivat airport		846,257.00			UNDP	Airports of MNE	Contr.Companies (72100)	846,257.00
	2.3 Services of design supervision and the main supervisory authority for airports Podgorica and Tivat		44,171.00				Airports of MNE	Contr.Companies (72100)	44,171.00

	2.3.1 Services of design supervision and the main supervisory authority for airports Podgorica and Tivat		10,000.00				Airports of MNE	International consultants (71200)	10,000.00
	2.4 Services of companies for technical reception of facilities in Podgorica and Tivat		26,993.00				Airports of MNE	Contr. Companies (72100)	26,993.00
	<b>Sub-Total</b>		<b>1,753,310.00</b>	<b>0,00</b>					<b>1,753,310.00</b>
<b>Activity 3</b> Procurement of equipment	3.1.1 Procurement of equipment, installation and maintenance of the system for Tivat airport		1,490,008.00			UNDP	Airports of MNE	Contr. Companies (72100)	1,490,008.00
	3.1.2 Preparation of the technical specifications for the equipment, installation and maintenance of the system for Tivat airport and verification of BoQ		15,000.00			UNDP		International consultants (71200)	15,000.00
	3.2.1 Procurement of equipment, installation and maintenance of the system for Podgorica airport		980,409.00			UNDP		Contr. Companies (72100)/	980,409.00
	3.2.2 Preparation of the technical specifications for the equipment, installation and maintenance of the system for Podgorica airport and verification of BoQ		10,000.00			UNDP		International consultants (71200)	10,000.00
	<b>Sub-Total</b>		<b>2,495,417.00</b>						<b>2,495,417.00</b>
<b>Activity 4</b> Establishment of energy management system and carbon certification of airports in Tivat and Podgorica	4.1. Services of consultants for carbon certification of airport, energy inspection of facilities and development of information system for energy management		0,00	100,245.00		UNDP	Airports of MNE	Contr. Companies (72100)	100,245.00
	4.2. Study visit to carbon certified airport in Europe		0,00	20,000.00		UNDP	Airports of MNE	Travel (71600)	20,000.00
	<b>Sub-Total</b>		<b>0,00</b>	<b>120,245.00</b>					<b>120,245.00</b>
Project management	Project management costs		173,212.00	5,923.00		UNDP		(71400)	179,135.00
	GMS (3%)		135,105.00	4,612.00		UNDP		Facil.&Admin. (75100)	139,717.00
	<b>Sub-Total</b>		<b>308,317.00</b>	<b>10,535.00</b>					<b>318,852.00</b>
<b>TOTAL (USD):</b>									<b>4,797,025.00</b>

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Implementation of the project will be conducted by UNDP, the project's implementation agency, and all partners and stakeholders will be significantly involved.

UNDP will be responsible for all direct aspects of implementation.

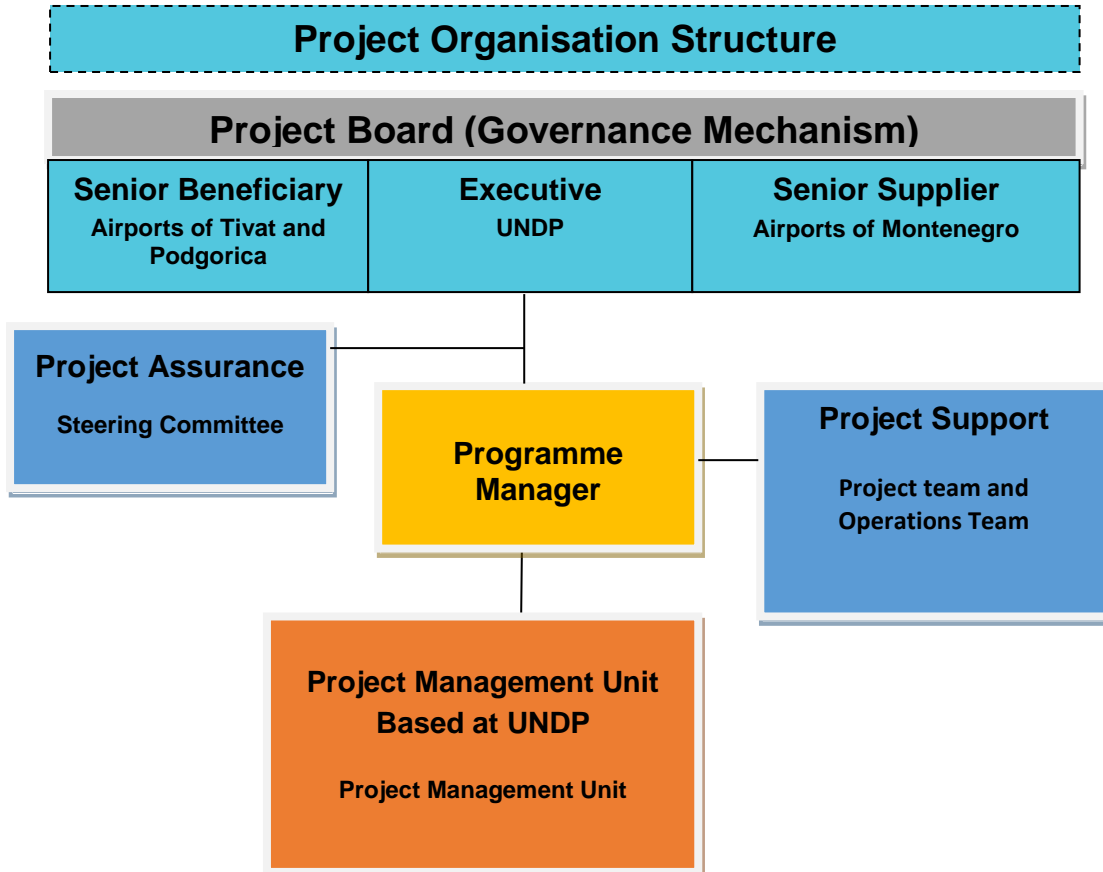
All four project components will be managed and implemented by UNDP CO Montenegro under the authority of Direct Execution (DEX), in line with the UNDP Programming for Results Management User Guide. UNDP CO will act as the project's implementing partner and executing agency according to DEX. A Project Steering Committee will be established, The Steering Committee members are: Minister of Traffic and Maritime Affairs of Montenegro, Representative of the Board of Directors of the Airports of Montenegro responsible for coordinating airport valorization activities, investments and situation improvement, General Director of the Directorate for Spatial Planning of the Ministry of Sustainable Development and Tourism, Head of the Prime Minister Office and UNDP representative. The programme manager will be responsible for the day-to-day management of the project together with the project support team.

The project steering committee will be headed by the Minister of Transport and Maritime Affairs.

The reports about progress, both, in terms of financial and operational progress will be presented at the project steering committee meetings for the entire budget connected with realized activities. The final reporting will be submitted to the Airports of Montenegro at the end of the project implementation.

In the table below the project organisation Structure is presented.

Supervision over the Project management will be conducted by the Team Leader for the Democratic Governance & Economy and Environment.



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## **IX. LEGAL CONTEXT AND RISK MANAGEMENT**

*[NOTE: The following section is required for all project documents, and contains the general provisions and alternative texts for the different types of implementation modalities for individual projects. Select one option from each the legal context and risk management standard clauses and include these in your project document under the Legal Context and Risk Management Standard Clauses headings]*

### **LEGAL CONTEXT STANDARD CLAUSES**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This document, together with the CPAP signed by the Government and UNDP, constitutes a Project Document as referred to in the SBAA and all CPAP provisions apply to this document. The CO will play the role of implementing partner/executing agency and the overall project will be executed in DEX modality within existing UNDP internal rules and procedures by the CO.

- The overall project execution, implementation and the project administration;
- Maintaining the project’s conceptual clarity and comparable standards regarding data collection, monitoring, project evaluation at different stages etc.;
- Exchange of information, knowledge codification and application;
- Consultancy and expert support necessary at phases of the project implementation;
- Maintaining working contacts with the partners;
- Application of the commonly agreed standards and procedures regarding data collection;
- Regular monitoring and reporting;

### **RISK MANAGEMENT STANDARD CLAUSES**

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP agrees to undertake all reasonable efforts to ensure that none of the project funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

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## **X. ANNEXES**

### **1. Project Quality Assurance Report**