



***INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG) OR
PROGRAMME COORDINATION BUDGET (PCB)***

Country Montenegro

Relevant UNDAF Outcome(s) and Indicator(s): *List UNDAF outcome. If no UNDAF, leave blank*

Relevant CP/CPAP Outcome(s) and Indicator (s):

Outcome: *Balanced and equitable regional economic growth based on sustainable planning and use of natural resources that will provide a high quality of life and long-term economic opportunities for its inhabitants. Related UNDP Strategic Plan focus area: Energy and environment for sustainable development; Crisis prevention and recovery.*

Outcome indicator: *1. Quality of life: HDI disaggregated by region (2010: North: 6.21, South: 7.6; Centre: 6.5)/NHDR; 2. Unemployment rates disaggregated by region (North: 29.6%, South 10.3%, Centre: 18%)/MONSTAT; greenhouse gas emissions (2003: 5320.17 CO2 equivalent tonnes) National Communications to UNFCCC. Related Strategic Plan focus area: Energy and environment for sustainable development; Crisis prevention and recovery*

Relevant UNDP Strategic Plan 2008-2011 Key Result Area:
Economy and Environment

Expected Project Outcome (s) and Indicator (s): *In addition to CPAP outcomes*

(1) baseline data collection and information gap analysis for preliminary assessment of development of Carbon Neutral Tourism (CNT) in Montenegro; (2) Institutional capacity assessment, regulatory and legal context in terms of promotion CNT in Montenegro; (3) Scoping and planning of pilot investment projects & (4) Project Scoping and Definition.

Programme Period: 2013-2018 (60 months)
Programme Component: Economy and Environment
PPG Title: Towards Carbon Neutral Tourism
ATLAS Project ID: 00085806
PIMS Project ID: 5149
Duration: 18 months
Management Arrangement: DIM

Total budget:	100,000
Allocated resources:	
• GEF	100,000
• In kind contribution:	
• UNDP	100,000

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:

Rastislav Vrbensky,
UN Resident Coordinator
and UNDP Resident
Representative

Signature

Date:

Brief Description of Initiation Plan

The objective of the PPG is to develop a full-sized project that aims to reduce GHG emissions from Montenegro's tourism sector by minimizing the carbon footprint of tourism and promoting Montenegro as a place for climate conscious tourism and "carbon neutral" holiday destination. In order to prepare the 'Towards Carbon Neutral Tourism' UNDP CO Montenegro will contract national and international consultants who will be tasked with producing:

- (1) Baseline data collection and information gap analysis for preliminary assessment of development of Carbon Neutral Tourism (CNT) in Montenegro
- (2) Institutional capacity assessment, regulatory and legal context in terms of promotion CNT in Montenegro
- (3) Scoping and planning of pilot investment projects
- (4) Project Scoping and Definition.

GEF PPG/PCB approved grant document and TBWP (Section II and Section III)

Section II: GEF PPG/PCB approved grant document



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

Submission date: 10/01/2012

GEF PROJECT ID: 5098

GEF AGENCY PROJECT ID: 5149

COUNTRY(IES): Montenegro

PROJECT TITLE: Towards Carbon Neutral Tourism

GEF AGENCY(IES): UNDP, (select), (select)

GEF FOCAL AREA(S): Climate Change

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	01/03/2013
Completion date of PPG	01/03/2014

B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

Activity 1: BAU Assessment:

BAU Assessment will collect and analyze data and information on current GHG emissions from tourism sector, relevant policies and regulations, stakeholders and investors, as well as to provide analysis of gaps and barriers to development of Carbon Neutral Tourism (CNT):

- Estimating GHG emissions from tourism sector under BAU, with special attention on tourism facilities, transportation, infrastructure and waste.
- Collecting detailed data on current energy consumption and use of Renewable Energy Source (RES) in tourism sector in Montenegro
- Analysis of ongoing/planned investments (state, municipality or private funded) in tourism sector in project period under BAU.
- Analysis of relevant policies and strategies at national and municipal level
- Barrier/gap analysis, including: a) legal and regulatory barriers for CNT; b) knowledge and capacity barriers; c) market and financial barriers for investment in CNT
- Stakeholder mapping, consultations and capacity gap assessment, including municipalities, national and local touristic organisations and potential investors.

Activity 2: Policies, Regulations and Capacities for CNT

Activity 2.1.: Under this activity recommendations will be developed for project Component 1 "Low-carbon policies and regulations in tourism sector", specifically:

2.1.1. Developing a roadmap for preparation and enforcement of national regulations in area of spatial planning in order to introduce low carbon requirements in all new tourism development projects and plans,

including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.1.2. Developing a roadmap for revision and adoption of mandatory standards and guidelines for Wild Beauty Eco Label for coastal areas

2.1.3 Detailed descriptions of GEF activities under Component 1 and their incremental benefits

Activity 2.2.: Under this activity recommendations will be developed for project Component 3 "Sustainable Transport in Kotor Bay", specifically:

2.2.1. Developing a roadmap for creation of travel-demand model for the Bay of Kotor, including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.2.2. Developing a roadmap for adoption of Sustainable Travel Strategy and Action Plan for the Bay of Kotor, including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.2.3. Detailed descriptions of GEF activities under Component 3 and their incremental benefits

Activity 2.3.: Under this activity recommendations will be developed for project Component 4 "Financing for low/carbon and sustainable tourism", specifically:

2.3.1. Developing a roadmap for creation of carbon offset program for tourists, hotels, rent-a-car and other industry stakeholders, including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.3.2. Developing a roadmap for establishment of Tourism Climate fund including associated capacity building needs, enforcement mechanisms, key partners, funding sources and requirements

2.3.3. Detailed descriptions of GEF activities under Component 4 and their incremental benefits

Activity 2.4.: Under this activity recommendations will be developed for project Component 5 "Knowledge, Information and Awareness about carbon footprint, mitigation potential and measures in tourism sector", specifically:

2.4.1. Developing a roadmap for creation of methodology for GHG emissions accounting and baseline data setting in tourism sector, including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.4.2. Developing a roadmap for implementation of PR campaign conducted to position Montenegro as carbon neutral holiday destination, including associated capacity building needs, enforcement mechanisms, key partners, BAU and additional funding requirements

2.4.3. Detailed descriptions of GEF activities under Component 5 and their incremental benefits

Activity 2.5: Conducting stakeholder consultations to present and validate recommendations, ensure coordination with relevant partners, including international and agree on roles and responsibilities among key partners in the course of all project components.

Activity 3: Scoping and planning of pilot investment projects

Under this Activity scoping and planning of pilot investment projects in Kotor bay will be performed, specifically:

a) New greenfield tourism development projects to be implemented in compliance with adopted low-carbon standards

b) Flagship RES and EE projects with municipalities and regional tourism organizations

c) Pilot sustainable transport project to improve tourist travel and transit along the coastal area of Kotor

Scope of GEF-supported investment activities in each pilot/flagship site will be assessed and consultations conducted with potential co-financiers and investors to identify their role and agree on cost-effective cooperation/ implementation arrangements.

Scoping will include: (a) consultations on the type and scale of pilot projects; (b) selection of criteria for demonstration projects; (c) selection of demonstration sites; (d) establishment of a measurable monitoring and evaluation framework for the project; e) assessment of investment requirements, including BAU and additional funding; f) technical-economical assessment of proposed pilot projects; h) assessment of GHG emissions reduction and their cost- effectiveness. The PPG process will secure commitments of the relevant municipalities for the pilot projects implementation on co-financing basis, as well as identify private sector actors, agree and confirm their contribution to the pilot projects

Activity 4: Over-all project strategy, logical framework, monitoring and evaluation framework, workshops, budget and work-plan

Based on analysis, data and recommendations collected under Activity -1-3, over-all project strategy and implementation framework will be refined, including:

- a) logical framework analysis with clear definition of the goal, objectives, outcomes, outputs, indicators, means of verification and critical assumption
- b) monitoring and evaluation framework, including discussions on the implementation, results monitoring and reporting of the subsumed baseline activities by the project partners/co-financers;
- c) description of GHG emissions reduction and their cost- effectiveness
- d) sustainability plan: institutional, social and financial; replication strategy detailing how on-sites lessons will be replicated to the lighting sector over time;
- e) program for dissemination of information and lessons learned;
- f) project implementation and management arrangements, as well as delineation of responsibilities among the project stakeholders ;
- g) Inception workshop and series of consultative workshops organized with potential partners (private sector, municipalities, NGOs and other stakeholders) and
- h) budget, co-financing (including negotiations and securing co-financing commitments) and work plan.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
Activity 1: BAU Assessment	BAU analysis	GEF TF	20,000	20,000	40,000
Activity 2: Policies, Regulations and Capacities for CNT	Recommendations and work plan for project Components 1,3 and 4	GEF TF	30,000	10,000	40,000
Activity 3: Scoping of pilot investment projects	Pilot investment projects identified, implementation plan prepared and investments secured	GEF TF	50,000	20,000	70,000
Activity 4: Project strategy, logical, monitoring and evaluation framework, workshop, budget and work-plan	Project document for submission for GEF CEO endorsement	GEF TF		50,000	50,000
		(select)			0
		(select)			0
		(select)			0

		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
Total Project Preparation Financing				100,000	100,000
					200,000

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
Grant Amount	100,000	10,000
Co-financing	100,000	
Total	200,000	10,000

D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
GEF TF	UNDP	Climate Change	Montenegro	30,000	3,000	33,000
GEF TF	UNDP	Biodiversity	Montenegro	60,000	6,000	66,000
GEF TF	UNDP	Land Degradation	Montenegro	10,000	1,000	11,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total PPG Amount				100,000	10,000	110,000

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	80.00	38,400	35,000	73,400
International consultants*	13.00	46,500	10,000	56,500
Travel		12,000	15,000	27,000
Workshops			27,000	27,000
Translation, printing and other miscellaneous expenses		3,100	13,000	16,100
				0

Total PPG Budget		100,000	100,000	200,000
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* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

F. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF LDCF/SCCF/NPIF Trust Fund criteria for project identification and preparation.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adriana Dinu			Marina Olshanskaya Regional Technical Advisor	+421907840152	Marina.olshanskaya@ undp.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/ Person Week¹	Estimated PWs²	Tasks to be Performed
International	Low Carbon Development Expert	3500	5.00	<p>The expert will analyze, describe and prepare:</p> <ul style="list-style-type: none"> a) review and analyze baseline data on GHG emissions and energy consumption in tourism and transport sector collected by other consultants and provide recommendations for improvement and prepare estimation of GHG emission reduction from the proposed project activities based on GEF guidelines and methodology and their cost-effectiveness; b) review and analyze institutional and regulatory framework needed for implementation of the project activities and propose relevant activities; c) Analyze barriers to the effective implementation of the project activities; d) Share international best practices in implementation of GEF project in climate change area, with special approach to low carbon tourism development e) analyze proposed pilot projects that will be implemented within FSP and financing mechanisms for the pilots implementation;
International	Low Carbon Tourism Expert	3500	4.00	<p>The expert will analyze, describe and prepare:</p> <ul style="list-style-type: none"> a) baseline data and on current GHG emission from tourism sector and information gap; b) baseline data and on current energy consumption and RES use in tourism sector and information gap; c) Information on existing policies, legal, regulatory and institutional framework for promoting low carbon tourism in Montenegro, with focus on Wild beauty Eco Label for coastal area collected by local experts; d) Summary of barriers to the effective promotion of low carbon tourism; e) The international best practices and lessons learnt in the design and

				<p>implementation of low carbon tourism development</p> <p>f) Roadmap for development and enforcement of policies, regulations and capacity building for CNT</p> <p>g) Recommendations for the preparation of project's logical framework and M&E plan with a set of measurable impact and progress indicators;</p> <p>h) Scoping of pilot projects to be implemented within the FSP</p>
International	Sustainable Transport And Traffic Expert	3750	2.00	<p>The expert will analyze, describe and prepare:</p> <p>a) Baseline data and on current GHG emission and energy consumption from transport sector and information gap, including infrastructure and waste;</p> <p>b) Analysis of the relevant policies and strategies on local and national level with recommendations for potential revisions/amendments</p> <p>b) Barriers to the effective promotion of low carbon transportation in the coastal cities ;</p> <p>c) Analysis of opportunities and barriers for creation of travel-demand model for Kotor bay;</p> <p>d) The international best practices and lessons learnt in the design and implementation of sustainable transport development;</p> <p>e) assess existing data and information on baseline GHG emissions and consumption from transport sector and GHG emission and energy consumption reduction potential expected as a result of the FSP implementation.</p>
Local	Chief Technical Advisor On Low Carbon Development	500	32.00	<p>The Expert will lead the local expert group and undertake following analytical work:</p> <p>i) Collect and analyze the information on existing policies, legal, regulatory and institutional framework for promoting energy efficient low carbon tourism development in Montenegro;</p> <p>ii) Identify gaps in the policy and legal framework and complete a barrier analysis to be addressed by the GEF project;</p> <p>iii) Provide recommendations to overcome the identified barriers;</p> <p>iv) Provide recommendations on</p>

				<p>adoption of national regulations necessary for introduction of sustainable transport and low carbon development in coastal area in Montenegro;</p> <p>v) provide recommendations and secure commitments of the relevant local authorities to adopt municipal targets and action plans for low carbon tourism development;</p> <p>vi) provide recommendations on opportunities to establish public-private partnership on low carbon tourism development in Montenegro, with special focus on transportation and waste management;</p> <p>vii) provide recommendations for introduction of carbon off set program for tourists, hotels, rent-a-car and other industry stakeholders</p> <p>viii) provide recommendations to establish Tourism climate fund.</p>
International	Legal Expert In Spatial Planning	3750	2.00	<p>The expert will:</p> <p>i) review and analysis existing legal and institutional framework on local and national level in spatial planning area, with special focus on Wild Beauty Eco label for coastal areas</p> <p>ii) assess the need and develop recommendations for regulatory revision</p> <p>iii) analyze barriers and gaps for introduction low carbon requirements in all new tourism development projects and plans;</p> <p>iv) provide information and analysis of the current level of capacity development in the relevant institutions for introduction and enforcement of low carbon requirements in spatial plans</p>
Local	Energy Expert	500	8.00	<p>The expert will:</p> <p>i) collect baseline data on power consumption in tourism sector, including infrastructure, transportation and waste;</p> <p>ii) assess existing data and information on baseline GHG emissions and energy consumption from above sectors and GHG emission and energy consumption reduction potential expected as a result of the FSP implementation.</p> <p>iii) assess and analyze the level of knowledge of city authorities, professionals and residents about low</p>

				carbon tourism development and information gap; and Provide recommendations for: - development and enforcement of a system to collect and analyze data on energy use as well as to monitor energy, environment and social impacts of the proposed activities under FSP;
Local	Financing Expert	500	8.00	The expert will: i. Analyze opportunities and barriers for involvement of carbon offset programs, as well as other suitable financial mechanisms ii. Study opportunities and barriers for establishing Tourism climate fund and propose appropriate institutional and implementational modalities iii. Study opportunities and barriers for establishment of public-private partnerships for sustainable transport development and develop recommendation on how GEF project can facilitate such partnerships iv. Study opportunities and barriers for establishment of public-private partnerships for waste management and develop recommendation on how GEF project can facilitate such partnerships
Local	Consultants for identification and development of Pilot Investment Projects	450	32.00	Under the leadership of the lead national expert, describe characteristics of the proposed demonstration projects, identify pilot activities and demonstration/replication value of selected activities: i) conduct detailed study of the current conditions of the pilot sites; ii) elaborate cost-effective solution for each pilot project; iii) cost the proposed pilot measures and conduct consultations with potential co-financers to secure project financing framework; iv) assess energy- and cost- savings from the proposed pilots; iv) reach agreement with local authorities and companies/investors on implementation of demonstration projects.

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task

Total Budget and Work Plan -

Award ID:		00072754						
Award Title:		PIMS 5149 PPG: Montenegro, Towards Carbon Neutral Tourism						
Business Unit:		MNE10						
Project Title:		PIMS 5149 PPG: Montenegro, Towards Carbon Neutral Tourism						
Project ID		00085806						
Implementing Partner (Executing Agency)		UNDP Country office						
GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Total (USD)	See Budget Note:
OUTCOME 1: BAU assessment	UNDP	62000	GEF	71200	International Consultants	\$13,500	\$13,500	
				71300	Local Consultants	\$4,500	\$4,500	
				74500	Miscellaneous	\$1,000	\$1,000	
				71600	Travel	\$1,000	\$1,000	
					sub-total GEF	\$20,000	\$20,000	
					Total Outcome 1	\$20,000	\$20,000	
OUTCOME 2: Policies, Regulations and Capacities for CNT	UNDP	62000	GEF	71200	International Consultants	\$19,000	\$19,000	
				71300	Local Consultants	\$8,000	\$8,000	
				71600	Travel	\$1,000	\$1,000	
				74500	Miscellaneous	\$2,000	\$2,000	
					Sub-total GEF	\$30,000	\$30,000	
					Total Outcome 2	\$30,000	\$30,000	
OUTCOME 3: Scoping of pilot investment projects	UNDP	62000	GEF	71200	International Consultants	\$14,000	\$14,000	
				71300	Local Consultants	\$25,900	\$25,900	
				71600	Travel	\$10,000	\$10,000	
				74500	Miscellaneous	\$100	\$100	
					Sub-total GEF	\$50,000	\$50,000	
					Total Outcome 3	\$50,000	\$50,000	
					Sub-total GEF			
PROJECT TOTAL						\$100,000	\$100,000	

Summary of Funds:¹

GEF		\$100,000
UNDP		\$100,000
Government in-kind		
TOTAL		\$200,000

¹ Summary table should include all financing of all kinds: GEF financing, co financing, cash, in-kind, etc. etc

Template effective 02 October 2008

PPG Template August 2011