



## Global Environment Facility

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July 17, 2009

Dear Council Member,

I am writing to notify you that we have today posted on the GEF's website at [www.TheGEF.org](http://www.TheGEF.org), a medium-sized project proposal from UNDP entitled ***Montenegro: Strengthening the Sustainability of the Protected Areas System of the Republic of Montenegro***, to be funded under the GEF Trust Fund.

This project aims to enhance the coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas

The project proposal is being posted for your review. We would welcome any comments you may wish to provide by July 31, 2009, in accordance with the new procedures approved by the Council. You may send your comments to [gcoordination@TheGEF.org](mailto:gcoordination@TheGEF.org).

If you do not have access to the Web, you may request the local field office of the World Bank or UNDP to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbut', enclosed within a hand-drawn rectangular box.

Monique Barbut  
Chief Executive Officer and Chairperson

Copy: Country Operational Focal Point, GEF Agencies, STAP



# REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: Medium-sized Project  
THE GEF TRUST FUND

Submission Date: May 22, 2009

## PART I: PROJECT INFORMATION

**GEFSEC PROJECT ID:** 2833  
**GEF AGENCY PROJECT ID:** 4174  
**COUNTRY:** Montenegro  
**PROJECT TITLE:** Strengthening the sustainability of the protected area system of Montenegro  
**GEF AGENCY(IES):** UNDP  
**OTHER EXECUTING PARTNER(S):** Ministry of Tourism and Environment  
**GEF FOCAL AREA(S):** Biodiversity  
**GEF-4 STRATEGIC PROGRAM(S):** BD-SP2-Marine; BD-SP3-PA networks  
**NAME OF PARENT PROGRAM/UMBRELLA PROJECT:** N/A

Expected Calendar (mm/dd/yy)	
Milestones	Dates
Work Program (for FSPs only)	N/A
Agency Approval date	Sept 2009
Implementation Start	Oct 2009
Mid-term Evaluation (if planned)	May 2011
Project Closing Date	Dec 2012

### A. PROJECT FRAMEWORK

**Project Objective:** To enhance the coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas

Project Components	Type	Expected Outcomes	Expected Outputs	GEF		Co-financing		Total
				(\$)	%	(\$)	%	
I. Expanding and rationalizing the PA system to ensure better habitat representation and more secure conservation status	TA	<p>An ecologically representative scientifically-based PAS adequately conserves representative samples of the country's marine, freshwater and terrestrial biodiversity.</p> <p>Protection is secured for under-represented forest, marine, mountain and coastal ecosystems.</p> <p>The first Regional Park in Montenegro (21,000 ha) and the first marine PA (34,000 ha) demonstrate the efficacy of these types of protected areas in contributing to achieving protected area system expansion targets.</p>	<p>(i) <u>PA gap assessment completed and a comprehensive plan for a representative PAS is in place:</u> habitats status assessed and mapped; endemic and threatened species distribution mapped; current and projected landscape transformation mapped; explicit conservation targets set for species and habitats; biodiversity priority areas identified; a desired spatial scheme for PA coverage is drawn; comprehensive long-term PAS implementation strategy developed.</p> <p>(ii) <u>Ecological values and management arrangements of existing PAs revalidated:</u> fine-scale maps of habitats and species produced; regional and national conservation status of species and habitats at existing PAs is in place; cultural heritage and valuable landscape characteristics re-assessed; boundaries of existing PAs changed in line with ecological gap study delivered under the previous output); responsible management authorities designated; appropriate management/co-management arrangements put in place; management planning status of existing PAs assessed; geospatial databases on PAs updated with latest info.</p> <p>(iii) <u>Regional Park Komovi established:</u> 'incentives toolbox' developed; stakeholder consultation and negotiation processes completed; feasibility assessment completed; park boundaries demarcated; management plan prepared; regional park proclaimed; basic infrastructure (vehicles, computer equipment and networking, office equipment, radio communication network) in place; co-management structure for park established and functional.</p> <p>(iv) <u>Feasibility assessment and agreed designation plan for establishment of Marine Protected Area in Platamuni:</u> survey and mapping of biodiversity characteristics completed; marine planning domain defined; legal, institutional and economic parameters of the MPA defined; boundaries of the MPA determined;</p>	481,000	13	3,173,000	87	3,654,000

<b>Project Objective:</b> To enhance the coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas								
Project Components	Type	Expected Outcomes	Expected Outputs	GEF		Co-financing		Total
				(\$)	%	(\$)	%	
			different use-zones mapped; institutional and cooperative governance arrangements of the MPA agreed; MPA costs assessed, business plan and fund-raising strategy launched; all information above consolidated in a MPA feasibility document and submitted to Government for MPA designation.					
2. Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	TA	Operational competence, knowledge levels and standards of PA governance are sufficient to effectively tackle biodiversity pressures (unsustainable tourism, illegal construction, drainage of wetlands, unsustainable water usage and illegal harvesting of natural resources) at least at 140,695 ha of the PAS: capacity assessment scores up as per Annex A 'Logframe'. Management effectiveness & conservation tenure of IUCN Cat. I, II&III is secured: METT scores up to 65% from a range of 46-60%; 6 new PAs obtain effective management arrangements. Increased consciousness of biodiversity benefits biodiversity at Komovi, builds public support for the Regional Park and engagement in co-management arrangements (at least 3 local businesses engaged).	<p><b>(i) <u>Geospatial database and decision-support system for the protected area system established and functional:</u></b> data requirements identified required to support biodiversity conservation planning and protected area system planning (Outputs 1.1 and 1.2); data (GIS, spreadsheets, images, reports, tables) sources from providers and validated; collated data formatted to ensure integration into the biodiversity sector 'geodatabase' of the (future) NSDI; data gaps identified and missing data collected; hardware, software and networking infrastructure installed in protected area agencies; simple user-driven user interfaces and decision-support tools for protected area agencies launched; data access and data maintenance protocols established; specialized training delivered to five staff from the MTE, NPI and PENP in GIS, geospatial database administration, data management and applications development.</p> <p><b>(ii) <u>Management and governance options for the PA system reviewed:</u></b> best practice reviewed; alternative scenarios developed; cost-benefit analysis of scenarios completed; consultation with stakeholders completed; enabling regulatory frameworks updated; management authority of at least 16 PAs formally delegated in conformance with the requirements of the Law on Nature Protection.</p> <p><b>(iii) <u>Skills of PA staff developed:</u></b> required skill standards set; capacity gaps documented; vocational training curriculum developed and its institutional home (host institution of the courses) identified; short-course training piloted and results assessed and documented: skill standards Competence levels of at least 30 operational PA staff cover the key skills complement required for the effective planning and operations management of PAs, including: co-management and cooperative governance; stakeholder participation; information and knowledge management systems; adaptive management planning;- tourism and recreational management; CBNRM; business planning; performance management systems.</p> <p><b>(iv) <u>Involvement and beneficiation of local communities ensured in Komovi Regional Park:</u></b> a strategy for the active involvement of local communities in the Komovi Regional Park is implemented: education and awareness strategy developed and implemented; education and training materials developed and maintained; &gt; 400 local decision-makers, community members and secondary school learners complete experiential training program in the park; a green business support program rolled out engaging local entrepreneurs in biodiversity-friendly production within and immediately outside PAs.</p>	374,000	18	1,722,894	82	2,096,894
Project management				95,000	15	544,000	85	639,000
<b>Total</b>				<b>950,000</b>		<b>5,439,894</b>		<b>6,389,894</b>

## B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Amount</i>	<i>%</i>
Ministry of Tourism and Environment	Executing agency	In-kind	680,000*1	13
		Grant	1,100,000*1	19
German Technical Cooperation (GTZ)	Bilateral agency	In-kind	2,519,894	46
Lux Development	Bilateral agency	In-kind	250,000	5
		Grant	850,000	16
UNDP CO Montenegro	Implementing agency	Grant	40,000	1
<b>Total Co-financing</b>			<b>5,439,894</b>	<b>100</b>

### C. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<i>Project Preparation a</i>	<i>Project b</i>	<i>Total c = a + b</i>	<i>Agency Fee</i>	<i>For comparison: GEF and Co-financing at PIF</i>
GEF financing	50,000	950,000	1,000,000	100,000	1,100,000
Co-financing	46,000	5,439,894	5,485,894	-	3,063,000
<b>Total</b>	<b>96,000</b>	<b>6,389,894</b>	<b>6,485,894</b>	<b>100,000</b>	<b>4,163,000</b>

### D. GEF RESOURCES REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup> N/A

### E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	431	225,500	354,000	579,500
<i>International consultants*</i>	32	96,000	390,000	486,000
<b>Total</b>	<b>463</b>	<b>321,500</b>	<b>744,000</b>	<b>1,065,500</b>

\* Details are provided in Annex C.

### F. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Estimated person weeks</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	244	95,000	135,000	230,000
<i>International consultants*</i>	0	0	198,000	198,000
<i>Office facilities, equipment, vehicles and communications*</i>		0	160,000	160,000
<i>Travel*</i>		0	51,000	51,000
<b>Total</b>	<b>244</b>	<b>95,000</b>	<b>544,000</b>	<b>639,000</b>

\* Details are provided in Annex C.

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? yes  no

### H. DESCRIBE THE BUDGETED M & E PLAN:

1. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Project logframe (Project Results Framework) in Annex A provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built.

2. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be

<sup>1</sup> The letter from the Ministry of Tourism and Environment confirms the sum of \$ 2,280,000 as co-financing. This amount includes \$680,000 as cash co-financing, \$1,100,000 as in kind co-financing and the rest of the sum is parallel co-financing, not reflected in the table B.

presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

## **Monitoring and Reporting**

### Project Inception Phase

3. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit (RCU) in Bratislava, as well as UNDP-GEF (HQs) as appropriate.
4. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.
5. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff *vis à vis* the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings.
6. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

### Monitoring responsibilities and events

7. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews, Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.
8. Day to day monitoring of implementation progress will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.
9. The Project Manager and the Project GEF Technical Advisor will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit in Bratislava. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.
10. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Annex. The measurement, of these will be undertaken through subcontracts or retainers with relevant institutions (e.g. vegetation cover via analysis of satellite imagery, or populations of key species through

inventories) or through specific studies that are to form part of the projects activities (e.g. measurement carbon benefits from improved efficiency of ovens or through surveys for capacity building efforts) or periodic sampling such as with sedimentation.

11. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.
12. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Project Steering Committee (PSC) can also accompany, as decided by the PSC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF.
13. Annual Monitoring will occur through the **Tripartite Review (TPR)**. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.
14. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.
15. Terminal Tripartite Review (TTR). The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation or formulation.
16. The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

### Project Reporting

17. The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

### *Inception Report (IR)*

18. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

19. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

#### *Annual Project Report (APR)*

20. The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self-assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following:

- (i) An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- (ii) The constraints experienced in the progress towards results and the reasons for these
- (iii) The three (at most) major constraints to achievement of results
- (iv) AWP, CAE and other expenditure reports (ERP generated)
- (v) Lessons learned
- (vi) Clear recommendations for future orientation in addressing key problems in lack of progress

#### *Project Implementation Review (PIR)*

21. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC.

22. The individual PIRs are collected, reviewed and analyzed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyze the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings. The GEF M&E Unit provides the scope and content of the PIR. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.

#### *Quarterly Progress Reports*

23. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team. See format attached.

#### *Periodic Thematic Reports*

24. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

### *Project Terminal Report*

25. During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, objectives not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

### **Independent Evaluation**

26. The project will be subjected to at least two independent external evaluations as follows:

#### *Mid-term Evaluation*

27. An independent Mid-Term Evaluation will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

#### *Final Evaluation*

28. An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

### **Audit Clause**

29. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

### **Learning and Knowledge Sharing**

30. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition:

- (i) The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF shall establish a number of networks, such as Integrated Ecosystem Management, eco-tourism, co-management, etc, that will largely function on the basis of an electronic platform.
- (ii) The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned.

31. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities. The table below summarizes the monitoring activities, responsible parties, budget and time frames for the project. Only activities to be funded directly by GEF sources are listed in the table.



Type of M&E activity	Responsible Parties	Budget US\$	Time frame
Inception Workshop (IW)	Project Manager MTE, UNDP, UNDP GEF	5,000	Within first two months of project start up
Inception Report	Project Team PSC, UNDP CO	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalized in Inception Phase and Workshop. Cost to be covered by targeted survey funds.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Oversight by Project GEF Technical Advisor and Project Manager Measurements by regional field officers and local IAs	TBD as part of the Annual Work Plan's preparation. Cost to be covered by field survey budget.	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	Project Team PSC UNDP-GEF	None	Annually
TPR	Government Counterparts UNDP CO, Project team UNDP-GEF RCU	None	Every year, upon receipt of APR
Steering Committee Meetings	Project Manager	None	Following IW and annually thereafter.
Technical and periodic status reports	Project team Hired consultants as needed	6,000	TBD by Project team and UNDP-CO
Mid-term External Evaluation	Project team PSC UNDP-GEF RCU External Consultants (evaluation team)	30,000	At the mid-point of project implementation.
Final External Evaluation	Project team, PSC, UNDP-GEF RCU External Consultants (evaluation team)	35,000	At the end of project implementation
Terminal Report	Project team PSC External Consultant	None	At least one month before the end of the project
Audit	UNDP-CO Project team	5,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	UNDP-CO, UNDP-GEF RCU Government representatives	None	Yearly average one visit per year
<b>TOTAL indicative COST</b> Excluding project and UNDP staff time costs		<b>81,000</b>	

## **PART II: PROJECT JUSTIFICATION:**

### **A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

#### **Background**

32. The Republic of Montenegro became the 192<sup>nd</sup> member of the UN on 28 June 2006. Montenegro is a small (13,812km<sup>2</sup>) mountainous country located in south-eastern Europe. It borders Bosnia & Herzegovina to the north-west, Serbia (Kosovo) to the north-east, Albania to the south-east and Croatia to the west. It has 293km of coastline along the Adriatic Sea. The maritime zone of Montenegro extends up to 12 nautical miles out to sea

and is some 2,500 km<sup>2</sup> in extent. In 2003 Montenegro's total permanent population was 620,145<sup>2</sup>. The country has a Human Development Index (HDI) of 0.799<sup>3</sup>, above the global average of 0.743 (UNDP Human Development Report, 2007). In 2006 and 2007, economic growth was 8.6% and 10.3% of GDP respectively, placing Montenegro among the group of the fastest growing economies in the world. Growth has slowed in the second half of 2008 and the first quarter of 2009 as a result of negative global economic trends. The economy is oriented toward services (including tourism) while the industry/manufacturing sector is concentrated on a few products, notably aluminium. Power generation, mining and metal processing account for around 70% of industrial output.

33. The terrain of Montenegro ranges from *high mountains* along its borders with Serbia (Kosovo) and Albania, through a *segment of the Karst* of the western Balkan Peninsula, to a narrow (2-10 km wide) *coastal plain*. The coastal plain disappears completely towards the hinterland, where Mount Lovcen and other ranges plunge abruptly into the inlet of the Gulf of Kotor. The coastal region is noted for its seismic activity. Montenegro's section of the Karst lies generally at elevations of 1000 meters above sea level, although some areas rise to 1,900 such as Mount Orjen (1,894m) the highest massif among the coastal limestone ranges. The lowest part of the central inland area is in the Zeta River valley. The central lowland plain is a flat-floored, elongated depression typical of karstic regions. The underlying rock is predominantly limestone, which dissolves to form sinkholes and underground caves. The high mountains of the northern inland parts of Montenegro include some of the most rugged terrain in Europe. They average more than 2000 meters in elevation (e.g. Bobotov Peak in the Durmitor Mountains reaches 2,523 meters). The mountains of Montenegro were the most ice-eroded section of the Balkan Peninsula during the last glacial period. Montenegro also includes the deepest canyon in Europe (up to 1,300m depth), the Tara River canyon. Due to the sharp changes in relief, the climate changes rapidly from a Mediterranean climate at the coast to a sub-alpine climate on the highest mountains.

34. With 3,250 plant species, Montenegro is considered as one of the most floristically diverse areas of the Balkan Peninsula. It has a species-area index for its vascular flora of 0.837, the highest of all European countries (Stevanovic. *et al* 2000). Montenegro also forms part of the Mediterranean Basin 'biodiversity hotspot', one of 153 centers of globally significant floral diversity. The number of Balkan vascular floral endemics in Montenegro is very high, with 392 taxa (~7% of the total vascular flora) recorded, markedly in the high mountain areas of the country. Of particular global significance are the 46 locally endemic vascular plants, mostly comprising Tertiary relicts. The remaining flora of Montenegro includes around 1,200 species of freshwater algae, approximately 1,500 species of marine algae (300 of which are macro algae) and 589 species of bryophytes. In addition, some 284 species of lichens have been recorded, and some 2000 species of fungi.

35. Terrestrial invertebrates in Montenegro have been poorly studied. The best studied phyla include mollusks (323 species of which 136 land snail species are of international biodiversity significance, most of which are relictual endemics), Oligochaetes (27 species) and arthropods (~16,000 – 20,000 species). About 295 fish species have been recorded in the waters of Montenegro, of which some 90 species are freshwater and more than 205 marine. There are 56 species of amphibians and reptiles. The coastal region of Montenegro and its hinterland - the Skadar Lake, Lovćen and Prokletije - are considered the most significant centers of biodiversity of reptiles and amphibians on the Balkan Peninsula and in Europe. Of a total of 526 European bird species, 297 (or 57%) can be found regularly in Montenegro, with several additional species (~29 species) registered as occasional visitors. With 204 nesting bird species, Montenegro has a species-area index for nesting birds of 0.557, considerably higher than the figure for the entire Balkans (0.435). Lake Skadar, shared with Albania, is one of the most important wintering sites for waterfowl in Europe. Sixty five species of terrestrial mammals have also been recorded within the territory of Montenegro.

## **Pressures on PAs**

36. The natural areas in Montenegro that provide a refuge for this biodiversity are under ongoing pressure from: (i) continued urbanisation, notably along the narrow coastline, across the central lowland plain and around the natural lake systems; (ii) unsustainable levels of tourism development across the entire coastal zone, and more locally around mountain resorts; (iii) illegal construction and development in and around protected areas (PAs); (iv) pollution of the aquatic and marine habitats from untreated wastewater; (v) drainage and pollution of wetlands as a result of intensive agricultural practices; (vi) unsustainable levels of water usage for industrial and

<sup>2</sup> Estimated at 630,000 in 2007 (NSSD, 2007)

<sup>3</sup> The HDI for Montenegro was derived from the 'Human Development Report for Montenegro' (Institute for Strategic Studies and Prognoses, 2005).

household purposes; (vii) illegal harvesting of forest products, fish, game and other natural resources, notably in the northern mountain regions; (viii) unsustainable fishing practices in the marine environment (e.g. use of dynamite); and (ix) the impact of global climate change, especially the effects of hot and dry periods on forest habitats. The most significant cumulative impact of these threats on the biodiversity of Montenegro is: (a) the increased fragmentation of the remaining natural areas in the coastal zone; (b) a reduction in the ecological functioning of many natural areas; (c) a reduction in the effectiveness of natural areas as a buffer against climate change impacts; (d) a reduction in the capacity of the environment to provide key ecosystem services; (e) the ongoing loss of threatened habitats and associated species; and (f) the incremental loss of the economic benefits accruing from biodiversity. This is further compounded by a general lack of awareness in the populace of the value and significance of this biodiversity, and the need to effectively conserve it.

## Baseline

37. As part of an integrated strategy to respond to these threats the Government of Montenegro actively promotes the establishment of a national ‘*network of protected areas*’, and the expansion of this network to ensure that all ‘*ecosystems* (are represented under a formal) *protection regime*’ (National Strategy for Sustainable Development, NSSD 2007). The new Law on Nature Protection (No. 51/08), adopted in 2008, makes provision for six categories of protected areas: Strict Nature Reserves; National Parks; Regional Parks/ Nature Parks; Natural Monuments; Protected Habitats; and Landscapes with Outstanding Features. In addition to protected areas, the Law also prescribes protection regimes that apply to certain species and to geological and paleontological objects. National Parks are designated and managed in terms of the Law on National Parks (No. 47/91 and No. 27/94). Currently the national protected area system (PAS) covers 108,886 ha, or 7.88 % of the territory. The largest portion (85,695ha or ~79%) of the PAS is represented by the 4 national parks (and their constituent nature reserves, 610 ha in extent)<sup>4</sup> – Durmitor, Skader Lake, Lovćen and Biogradska gora. A revision of the Law on National Parks is currently in process to provide for the proclamation of a fifth National Park – Prokletije, approximately 18,000ha in extent. The remaining protected areas, comprising a total of 23,191ha (~21% of the PAS), includes<sup>5</sup>: 41 Monuments of Nature; four Areas with Exceptional Natural Features; and one area protected by Municipal decision. Montenegro also has one RAMSAR site (Skadar Lake NP), one Biosphere Reserve (Tara River Basin – 182,899ha, including Durmitor and Biogradska Gora NP’s) and two World Heritage Sites (WHS) – Durmitor (Durmitor NP) as a natural WHS and Boka Kotorska (15,000ha) as a natural and cultural WHS.

Protected areas names (by national protection category)	Surface (ha)	Share of the total territory
<i>National parks</i>	85,695	6.2%
Skadarsko jezero	40,000	
Lovcen	6,400	
Durmitor	33,895	
Biogradska gora	5,400	
<i>Nature reserves</i>	610	0.044%
NP Skadar Lake: Manastirska tapija, Panceva oka, Crni zar, Grmozur, Omerova glavica	420	
NP Durmitor: Crna Poda	80	
Tivat Saltpans	150	
<i>Monuments of nature</i>	7,739	0.56%
Djalovica gorge	1,600	
Lipska cave	-	
Magara cave	-	
Globocica cave	-	
Spila cave at Trnov/ Virpazar	-	
Babatusa cave	-	
Novakovica cave at Tomasevo	-	
Duboki do pit at Njegusi	-	
Piva river canyon	1,700	
Komarnica river canyon	2,300	

<sup>4</sup> All current nature reserves are located within the boundaries of two national parks - Skader Lake and Durmitor – and are administered as an integral part of each NP.

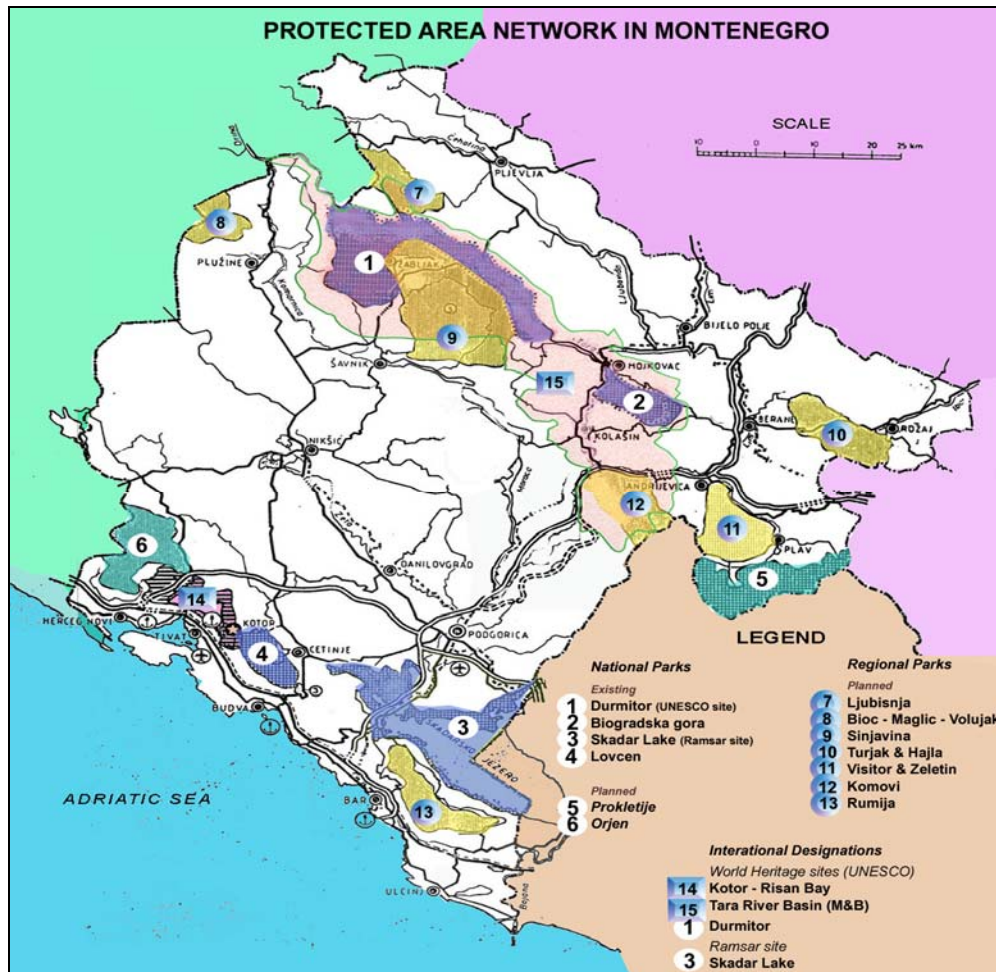
<sup>5</sup> These categories of protected areas are still designated in terms of the previous Law on Nature Protection (No36/77 and 2/82).

Protected areas names (by national protection category)	Surface (ha)	Share of the total territory
Communities of <i>Pinetum mughi montenegrinum</i> at Ljubišnja (1,000 ha), Durmitor (5,200 ha) and Bjelasica (400 ha)	6,600	
Communities of <i>Pinus heldraichii</i> in Orjen (300 ha), Lovćen (300 ha) and Rumija (100 ha)	700	
Individual dendrological sites: <i>Quercus robur scuteriensis</i> at Curioč near Danilovgrad, <i>Quercus pubescens</i> in Orahovac near Kotor, olive trees at Mirovica, Old Bar and Ivanovići, Budva, etc.	-	
Beaches of the Skadar Lake	(<2)	
Long beach Ulcinj	600	
Little beach Ulcinj	1.5	
Beach Valdanos	3	
Beach Velji pijesak	0.5	
Beach Topolica, Bar	2	
Beach Sutomore	4	
Beach Lucica, Petrovac	0.9	
Beach Canj	3.5	
Beach Pecin	1.5	
Buljarica	4	
Beach Petrovac	1.5	
Beach Drobni pijesak	1	
Beach Sveti Stefan	4	
Beach Milocer	1	
Becici beach	5	
Slovenska plaza, Budva	4	
Beach Mogren	2	
Jaz	4	
Beach Przno	2	
Savinska Dubrava in Herceg Novi	35.46	
Botanical reserve of laurel and oleander, above Sopot spring near Risan	40	
Botanical garden of mountain flora in Kolasin	0.64	
Botanical garden of general Kovacevic in Grahovo	0.93	
Njegos and July 13 Parks in Cetinje	7.83	
Park of the hotel Boka in Herceg Novi	1.2	
City park in Tivat	5.9	
Park of the Castle at Topolica	2	
<b>Areas with exceptional natural features</b>	<b>322.5</b>	<b>0.02%</b>
Hill Spas, above Budva	131	
Semi-island Ratac with Zukotrljica	30	
Old Ulcinj island	2.5	
Hill Trebjesa, Nikšić	159	
<b>Areas protected by municipal decisions</b>	<b>15,000</b>	<b>1.08%</b>
Kotor-Risan Bay, Kotor Municipality	15,000	
<b>TOTAL PAs</b>	<b>108,866</b>	<b>7.88%</b>

38. The ‘Spatial Plan of Montenegro until 2020’ (2008), the ‘National Strategy of Sustainable Development of Montenegro’ (NSSD, 2007) and the draft ‘Biodiversity Strategy and Action Plan’ (NBSAP, 2009) establishes optimistic targets for the expansion of the protected area system. The NSSD for example envisages an ‘increase (of the PAS) to 10% of the territory, and protect(ion) (of) at least 10% of the coastal zone by 2009’. The NSSD, Spatial Plan and the ‘Spatial Plan of the Special Purpose Area Public Maritime Domain’ (2007) identify the following priority areas that would enable the country to achieve (and even surpass) this objective (see Map 1 below showing the larger areas proposed): (i) establishment of 2 new national parks (Prokletije and Orjen); (ii) expansion of Durmitor national park to link it to proposed regional parks and to Sutjeska National Park in Bosnia and Herzegovina; (iii) 6 regional parks (Komovi, Bioc-Maglic-Volujak, Ljubisnja, Sinjajevina, Rumija and Turjak-Hajla); (iv) coastal zone protected areas ( Solila, Sasko Lake/Knete/Ada Bojana and Buljarica); and (v) 3 marine protected areas (Platamuni cliffs, Old Ulcinj-Ulcinj and Katici islands-Dubovica) and (vi) a number of monuments of nature. The NBSAP reinforces the above priorities and proposes a larger set of sites for

protection, in particular for the categories of monuments of nature and areas of exceptional natural values; a rough estimation of all the areas considered for protection in the NBSAP comes to around 27% of the national territory. The NBSAP suggests however that an objective conservation assessment to justify the selection of these sites and their efficacy in achieving representation of species, habitats and ecological processes has not yet been done.

**Map 1: Extent of (current and) proposed national and regional parks in Montenegro**



39. The Environmental Protection Sector of the *Ministry of Tourism and Environmental Protection* (MTE) has overall responsibility for the coordination, development and promotion of policy, legislation, protection and use of protected areas and their natural resources. The *Department of Nature Protection and Environmental Assessment* of the MTE currently has a staff complement of 6, while the ‘National Programme for Integration with the EU 2008-2102’ envisages a staff complement for the department of 11 by 2012. The Department is technically supported by a nature protection expert seconded to the MTE by GTZ/CIM. The MTE supervises a number of public institutions.

40. The Public Enterprise, *National Parks of Montenegro* (PENP) and the *Nature Protection Institute* (NPI) are directly responsible for protected area planning and administration. The NPI is primarily responsible for: identifying natural sites and objects requiring protection; undertaking preparatory studies for new protected areas; issuing decrees/resolutions on placing natural assets under protection; proposing nature protection measures to relevant institutions; maintaining inventories of protected areas and objects; conducting research and supervising conservation projects in protected areas; preparing plans and programs for protected areas; and providing technical support to protected area institutions. The institute also maintains and monitors the central register of ‘protected objects’ in Montenegro. The Institute has a staff complement of 25 and a budget of US\$289,524 (2008). Direct responsibility for the management of the system of national parks is located in the Public Enterprise, *National Parks of Montenegro* (PENP). PENP comprises four administrative units (one for each national park) and a central headquarters. The PENP is governed by a Management Board and a



government-appointed Director. A Scientific Committee provides scientific support and advice to the PENP. The PENP currently has 124 employees (33 in the central office; 16 in Biogradska gora; 29 in Durmitor; 33 in Skadar Lake and 12 in Lovcen) and an annual operating budget of US\$2,300,545 (2008). The PENP generates some 60% of its budget from park activities and 40% is allocated from the national fiscus. The *Environment Protection Agency* (EPA) is a new institution, supervised by the MTE, which is not yet fully operational. It is anticipated that the EPA would only be fully staffed and operational by 2012. The *Ministry of Economic Development* has overall responsibility for land use and spatial planning in Montenegro. The Ministry supervises the activities of the Public Enterprise *Morsko dobro* that is responsible for, *inter alia*: protecting the public maritime domain<sup>6</sup> and enhancing its use; managing the maritime domain; administering contractual agreements for the use of the maritime domain; and constructing and maintaining public infrastructure in the maritime domain. Although *Morsko dobro* is technically responsible for the ‘protection and enhancement’ of designated beaches and coastal areas (a number of which are proclaimed as monuments of nature) within the public maritime domain, it has no capacity to do this, and is not legally mandated to perform any monitoring or enforcement/compliance functions.

41. The *Ministry of Agriculture, Forestry and Water Management* (MAFWM) is nominally responsible for overseeing forest management (including resource use), fishing and hunting and the management of water resources. The new Law on Nature Protection (2008) envisages the *Forest Administration* of the MAFWM assuming management responsibility for protected areas designated within state forests (excluding national parks). The Forest Administration however currently has limited skills and competencies in protected area management.

42. The Law on Nature Protection (2008) delegates the competence for proclamation and management of regional/nature parks, natural monuments and landscapes with outstanding characteristics to the relevant *Local Municipality* (similar provisions existed in the previous law). Although there are a few exceptions, the extent to which this function is being implemented by affected municipalities is negligible to non-existent. Within most municipalities there is virtually no dedicated capacity and extremely limited resources to undertake a protected area planning and management function.

43. A number of national and international environmental *NGO*'s, including MOST, WWF, Centre for the Protection of Birds, Green Home, REC, SNV and GREENS, are actively involved in research, planning and management projects in protected areas, as well as implementing broader environmental education and awareness programs linked to protected areas.

### **Long-term desired solution and barriers to it**

44. The proposed **long-term solution** for biodiversity conservation in Montenegro's terrestrial and marine areas is a reconfigured system of protected areas that is designed to protect biodiversity while optimizing its ecological service functions under an effective and adaptive management regime. The ideal solution is expressed by adequate capacities of PA agencies to identify, resource and focus suitable management efforts on highly sensitive and/or biologically significant areas within the existing network of protected areas, while also being able to identify, prioritize and target gaps in representation that can be filled through PA expansion efforts. Under the ideal solution, protected areas are better aligned with the regional socio-economic development priorities, and there is improved responsiveness of PA management to the needs of local communities. Effective mechanisms for inter-sectoral co-operation that bring to bear the relevant strengths of various management agencies and branches of Government and civil society are available to solve the increasingly complex conservation challenges facing protected areas.

45. The following **barriers** currently impede the ability of the PAS, and the responsible institutions, to realize this long-term solution.

**Barrier 1. Inadequate size, representation and conservation tenure of PAs.** The PA classification of a number of the existing PAs is not properly aligned with their biodiversity significance and/or management objectives. The current extent of the PAS is heavily biased toward the four national parks while other PA categories are ignored. Although there is a legal provision made for Regional Parks / Nature Parks and Protected Habitats these categories of multiple use PAs have not yet been piloted in Montenegro. The legal PA status of,

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<sup>6</sup> The ‘public maritime domain’ is a narrow strip of coastal area and territorial sea as defined in the Law on the Coastal Zone.

and management authority for, any future marine protected areas also remain unclear. Except for the national parks, other PAs generally do not have a formally designated and properly capacitated management authority. Some of these PAs have been, or are being, inappropriately developed and their biodiversity or cultural significance incrementally eroded. The majority of protected areas outside the national park system are also very small, and have a highly fragmented distribution.

A number of biologically important ecosystems outside the extent of the current protected areas - including the forest, mountain, karst, marine, freshwater, karst and coastal ecosystems - are at risk, and are currently under-represented in the PAS. At present, there are also no PAs representing the sub-tidal marine habitats off the Adriatic coast of Montenegro. The table below (extrapolated from the draft NBSAP, 2009) summarizes the conservation priorities for the broad habitat types based on their biodiversity significance, sensitivity to change, resilience, socio-economic value, representivity in the PAS, and extent of threats.

Ecosystem type	ECOSYSTEM SENSITIVITY RANKING									Cumulative score and (priority) for protection
	Species diversity	Rare, threatened & endangered species	Endemism	Adequacy of representation in PAS	Vulnerability to change	Resilience	Economic and social value	Current level of disturbance	Impact of future threats	
<b>Freshwater</b>	3	3	2	2	2	2	3	2	3	22 (1)
<b>Forests</b>	3	2	1	2	3	3	3	2	2	21 (2)
<b>Mountains</b>	3	2	2	2	3	2	2	2	1	19 (3)
<b>Karst</b>	3	2	3	2	1	2	2	2	2	19 (4)
<b>Coastal</b>	2	1	1	3	2	2	2	3	3	19 (5)
<b>Marine</b>	2	1	1	3	1	3	2	3	2	18 (6)
<b>Dry grassland</b>	1	1	1	3	2	2	1	2	3	16 (7)

The NSSD (2007) and ‘Spatial Plan of Montenegro until 2020’ (2008) provide a coarse PA expansion target (10% of marine and terrestrial habitats under protection), with a broad reference to the need to ensure ‘ecosystem representation’. The country’s national spatial plans for terrestrial and coastal areas, and the supplementary report ‘Development of Marine and Coastal Protected Areas in the Republic of Montenegro’ (2008), also preliminarily propose some areas for the expansion of existing, and establishment of a number of new PAs. These proposals are however not founded on adequate scientific knowledge, and fail to address systematic conservation criteria such as irreplaceability levels, minimum size requirements, ecosystem integrity and ecological process requirements. In most instances, the identification of the areas for PA expansion is still opportunistic (e.g. underdeveloped mountainous areas and rural environments that are considered ‘unproductive’ and have limited or no human settlements) and it remains unclear how ecosystem representation targets should objectively be prioritized in Montenegro.

Although the national strategic plans stress the need to expand the PAS, no significant protected areas have been established in Montenegro in the last 22 years<sup>7</sup>. This is, in part, due to public resistance to the expansion of the protected area estate as PAs are perceived to impede more economically viable forms of land and resource use.

**Barrier 2. Institutional and Individual capacity deficits.** The draft NBSAP (2009) highlights the inherent weaknesses of the current knowledge of biodiversity. There are significant knowledge gaps in the understanding of the biodiversity of Montenegro. Although considerable research was undertaken during the post-World War II era (primarily the 1950’s to 1980’s) the funding, capacity and resources for research efforts has, until more recently, been severely limited. Biodiversity research efforts have to date been largely unsystematic, opportunistic and focused on narrow academic topics or in localized areas, with little reference to the country’s biodiversity conservation needs. Marine and terrestrial species lists are still incomplete and substantial information gaps remain in the areas of spatial mapping of biodiversity, ecosystem processes, population ecology and genetic diversity. Of particular concern is that biodiversity data is not centrally hosted, maintained or available to end users in a standardized format. Critical biodiversity conservation planning and decision-

<sup>7</sup> Only Tivat salt pans Nature Reserve (150ha) has recently been proclaimed. Prokletije NP is currently in the process of proclamation.

making processes at both a national level, and at the protected area level, are often not underpinned by accurate and reliable biodiversity data.

Institutional and individual weaknesses of protected area agencies serve as a major barrier to the future expansion and effective management of the protected area network, notably in the local municipalities. These weaknesses are generally typified by: unclear delegation of planning and management authority for PAs (except in the case of national parks); very low levels of coordination and cooperation between institutions; inadequate staffing; budgetary constraints; limited specialised protected area technical, operational and management skills; and inadequate enforcement and compliance capability. There is an argument, on the grounds of institutional efficiencies and economies of scale, for consolidating the legal, planning, operational and development responsibility for protected areas into a single authority, thereby allowing a more effective deployment of the country's limited human resources and institutional capacity.

There is a weak integration of protected area planning and management with local socio-economic development priorities, tourism enterprise development and poverty reduction strategies. There is also limited participation of civil society in protected area planning and management, and inadequate public understanding of the contribution of PAs to the well-being of society.

### **Project strategy: objective, components, outputs**

46. To address the above barriers, the project has the **objective** of enhancing the coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas. The project has two **components** – along with their associated outcomes, outputs and activities - which will contribute towards achieving the project objective. These are: Component 1 Expand and rationalise the PA system to ensure better habitat representation and more secure conservation status; and Component 2 Strengthen the capacity of PA institutions to effectively manage a more representative protected area system. In each component, the project will focus activities at two levels of intervention: (i) the national level, through working with public institutions and agencies in order to develop the capacity to consolidate, expand and effectively manage the PAS; and (ii) the local level, through working directly with the key stakeholder groups and local communities in order to establish the first Regional Park in Montenegro in the Komovi region, and to assess the feasibility of establishing a Marine Protected Area in the region of the Platamuni cliffs along the Adriatic coast.

### **Component 1 Expand and rationalise the PA system to ensure better habitat representation and more secure conservation status.**

Output 1.1 *Protected area gap assessment completed resulting in a comprehensive plan for a representative PAS:* Work under this output will seek to support the MTE in developing the planning framework for the establishment of a long-term ecologically representative PAS for Montenegro in line with the new Law on Nature Protection<sup>8</sup>. Firstly, the design of the PAS will encompass the identification of ecologically significant sites in both the marine and terrestrial environment, and make proposals for optimal spatial connectivity between these sites. On the basis a representative protected area system will then be planned to ensure addressing and inclusion of: (a) samples of all ecosystems at the appropriate scale; (b) areas which are refugia or centers of species richness or endemism; (c) ecological requirements of rare or threatened species, communities or habitats; and (d) special groups of organisms (e.g. ranging or migratory species). The activities under this output are directed at:

- (iii) Assessing and mapping the types of habitats (vegetation types, wetlands) in Montenegro, and the extent to which they are endangered or threatened.
- (iv) Assessing and mapping the species distributions for endemic and threatened taxa (wherever practicable).
- (v) Assessing and mapping spatial surrogates of ecological and evolutionary processes (such as highland-lowland gradients as a surrogate for movement of biota, and response to climate change).
- (vi) Defining and mapping the current, and projected, degree of landscape transformation.
- (vii) Setting explicit quantitative conservation targets for habitats and species.

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<sup>8</sup> Cf. 'ecological network' (that would conform to the NATURA 2000 requirements) described in the Law on Nature Protection (Official Gazette of Montenegro No. 51/08).



- (viii) Identifying biodiversity priority areas on the basis of an analysis of species, habitats and ecological processes<sup>9</sup>.
- (ix) Identifying criteria and assessing options for ecological corridors that link the ecologically significant sites with key landscape-scale ecological processes (e.g. animal movements, macro-climatic gradient, upland-lowland gradients) and buffer the impacts of destructive land uses.
- (x) Mapping an ideal spatial scheme for the different categories of protected areas within the PAS in Montenegro. The plan will encompass both, the existing PAs (whose value will be further reviewed under a separate Output 1.2 – see below), as well as PAs to be established anew.
- (xi) After revalidating the existing PAs (see Output 1.2), finalize a comprehensive long-term implementation strategy for the PAS in Montenegro, based on analysis of alternative scenarios for the design of a protected area system that meets the objectives for representivity, comprehensiveness and adequacy. Revalidate the short- and long-term spatial targets for the expansion of the protected area system in Montenegro.

The MTE's Department for Nature Protection will oversee the activities under this output. The collation of biodiversity data will be implemented by the NPI and local and international experts from the NGO Daphne. This process is also linked to the data-management capacity building Output 2.1 (see below), which will run in parallel, and data generated by or for Outputs 1.1 and 1.2 will be integrated in the PAS. The conservation planning assessment and design of a representative protected area system will be undertaken by an international conservation planner, with technical support from the NPI and the NGO Daphne. The contracted service providers will actively involve a wide range of stakeholders (including research institutions, university faculties, local municipalities, other ministries, NGO's and individual specialists) in the collation or mapping of 'feature' data, the development of conservation targets, the selection of the preferred network of NATURA 2000 sites and the design of a protected area system. The MTE will guide and support the expert consultants in facilitating the institutional and specialist consultative process.

Output 1.2 Ecological values and management arrangements of existing protected areas revalidated: Linked to the previous output, this will focus in more detail on the ecological, representivity value and conservation management of the existing Pas. Work under this output is designed to support the MTE and other national and local government institutions in reviewing and re-validating the current biodiversity significance of the protected area system in Montenegro to conform to the requirements of the new Law on Nature Protection (2008). This revalidation process will include: (i) re-assessing the biodiversity significance of each existing PA; (ii) confirming categorisation of each existing PA to ensure the alignment of its conservation objectives with the protected area categories contained in the act (*cf.* Articles 38 – 43); (iii) reviewing, and amending as needed, the boundaries of each PA; and (iv) ensuring the delegated management authority for the PA. The activities under this output are directed at supporting the following:

- (i) Using data from Output 1.1, development [as needed] of fine-scale maps of habitats, collating species data, identifying key ecological processes, reassessing the regional and national conservation status of the species and habitats, and assessing the contribution of the existing PAs to meeting national and global conservation targets.
- (ii) Reassessing the cultural heritage and values, physical features and landscape characteristics of each existing PA.
- (iii) Mapping the proclaimed boundaries of each PA, and identifying opportunities for rationalization of boundaries, and areas for expansion in line with ecological gap study conducted in Output 1.1.
- (iv) Designating a responsible management authority for each existing PA [where such is missing], and putting in place most appropriate management/co-management arrangements.
- (v) Assessing the management planning status of each existing PA. Registering the cadastre of each PA with the Real Estate Agency and relevant Municipality. Updating the 'Register of Protected Objects' and the PAS geospatial database.

This work will largely be overseen by the NPI and the PENP, under the guidance of the MTE. The NPI will develop a generic standardized format for the collection of individual PA data. National biodiversity conservation specialists will then be contracted to collect the requisite validation data for individual PAs. This data may include: collecting/collating *in-situ* biodiversity and heritage data for each PA; mapping the biodiversity and heritage features in each protected area; assessing the conservation value of each PA; and

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<sup>9</sup> Biodiversity conservation planning methodologies and technologies (such as MARXAN) will be used to develop the optimal configuration design for the protected area system of Montenegro

recommending the appropriate PA category for each individual PA. A national surveyor will be contracted to prepare maps and survey diagrams (as and where required) of the PA boundaries. The NPI will be responsible for: the registration of the cadastre of each protected area; recommending the PA category and designated management authority for each PA; and updating the 'Register of Protected Objects'. The UNDP Environment GIS Project will be responsible for updating the PAS geospatial database.

Output 1.3 Regional Park Komovi (21,000 ha) established: Work under this output will seek to support the MTE (Department of Nature Protection) and the NPI in piloting the establishment of a new Regional Park<sup>10</sup> (equivalent to IUCN Category III) in the Komovi mountain alpine region of Montenegro. Abutting the Albanian border, Komovi is located in the south-eastern corner of the Tara River Basin Biosphere Reserve and is proximate to Biogradska Gora NP and the soon-to-be-established Prokletije NP (see Map 1 above). It covers an area of at least 21,000 ha, comprises mountain, forest and freshwater ecosystems, and forms an integral part of the Dinaric Arc Ecoregion. The establishment processes for the regional park will seek to introduce a new strategic direction for protected area management in Montenegro by: (i) more closely aligning the planning and operational management focus of regional parks with local economic development priorities and programmes; and (ii) establishing the cooperative governance mechanisms to facilitate this integration. This piloting process will include the requisite feasibility assessments, awareness-raising, consultation processes, proclamation, designation of management authority, demarcation of boundaries and business/management planning activities. The activities under this output are directed at:

- (i) Reviewing regional best practice in the establishment and management of regional parks.
- (ii) Defining a planning domain for the Komovi Regional Park.
- (iii) Detailed assessment of the biodiversity elements (species, habitats, ecological processes), current and proposed land uses (settlements, villages, tourism centre's, agriculture, etc.) and current and future threats (erosion, pollution, invasive species, illegal harvesting of natural resources, etc.) within the planning domain.
- (iv) Defining alternative scenarios for the boundaries and zoning of a regional park within the planning domain, and linking opportunities for physical connectivity of the regional park to national parks, adjacent tourism zones and trans-boundary conservation initiatives (e.g. Dinaric Arc Ecoregion Project).
- (v) Undertaking a rapid cost-benefit analysis of these park establishment scenarios, and recommending a preferred scenario.
- (vi) Identifying institutional and co-operative governance arrangements for the regional park.
- (vii) Developing a stakeholder engagement program and a communications program for the regional park establishment and planning phase.
- (viii) Developing and producing a range of communication materials and media about the intent to pilot the establishment of a regional park in Komovi. This would include, but is not limited to, information on: the objectives of the regional park; the proposed planning domain for exploring park establishment options; the biological features, socio-economic profiles, and land tenure/uses within the planning domain; alternative options for park boundaries and zoning within the planning domain; the stakeholder consultation processes to be undertaken in park establishment; the impacts of the park on land tenure and use rights; the opportunities and benefits of park establishment; conflict resolution mechanisms; proposed institutional and cooperative governance arrangements; contact details; and proposed timelines for the park consultation and establishment phase.
- (ix) Implementing the communications program.
- (x) Implementing a focused consultation and negotiation process with landowners, affected private sector interests and local communities with land tenure and use rights in and around the area targeted for the regional park, to address key issues and concerns and to agree on the boundaries and zonation of the park.
- (xi) Implementing a focused consultation and negotiation process with affected institutional stakeholders (e.g. Municipalities -Andrijevica, Kolasin and Podgorica; Forest Administration -Regional branches and Inspectorate; MED - spatial planning; PENP - Biogradska Gora NP, Prokletije NP; and RTO Bjelasica & Komovi) to address key issues and concerns and agree on the boundaries of the park.
- (xii) Consolidating the information from activities (i) – (x) into a 'feasibility assessment report' for approval and adoption by the MTE.

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<sup>10</sup> Although this category of protected area is provided for in the Law on Nature Protection (2008), there are currently no regional parks in Montenegro..

- (xiii) Securing the ‘decision of proclamation’ of Komovi Regional Park by the affected municipality/ies, and drafting its legal designation.
- (xiv) Preparing a comprehensive 5-year strategic management plan (SMP) and a detailed annual plan of operations (APO) for the first year of operation, for the park. The SMP may include:
  - a. Location, boundaries and extent
  - b. Policy, legislative and regulatory framework
  - c. Contextual framework (e.g. archaeological, historic, climatological, bio-physical, socio-economic, infrastructure, services)
  - d. Management objectives framework (e.g. purpose, principles, vision, goals, key result areas)
  - e. Use zoning framework
  - f. Strategic implementation framework (e.g. actions, priorities, deliverables, indicators, responsibilities, etc.)
  - g. Institutional and governance framework (management authority, cooperative governance arrangements, co-management structure, etc.)
  - h. Monitoring and evaluation framework
- (xv) Registering the regional park in the ‘Register of Protected Objects’ for gazetting.
- (xvi) Facilitating the establishment of the management structure for the park (e.g. legal requirements, structural design, new staffing appointments).
- (xvii) Establishing a cooperative governance structure to oversee the implementation of the management plan (securing representation, clarifying terms of reference, establishing a constitution, identification of office bearers, etc.).
- (xviii) Supporting the acquisition of key administrative and operational infrastructure and equipment required for park start-up (e.g. office equipment, park vehicles, park communications infrastructure and equipment, computer hardware and software, park signage).

The MTE (Department of Nature Protection) will oversee the implementation of activities under this output. The Project Manager will retain the services of an international consultant to advise on regional best practice in the establishment and management of regional parks. The feasibility assessments will be directly implemented by the NPI, in close partnership with the affected local municipality/ies. A small Park Establishment Working Group (PEWG) will be constituted by the NPI - with representation from the MTE (Department of Nature Protection), NPI, PENP, affected Municipalities, RTO Bjelasica and Komovi and Forest Administration - to act as a reference group for the park establishment processes. Once identified, a representative of the future park management authority will also be co-opted onto the PEWG. The international consultant retained by the Project Manager will provide technical advice and guidance to the PEWG. GEF funding will be used to finance the administrative functioning of this PEWG, and the appointment of *ad hoc* administrative, technical and legal support services. The following consultants will be contracted by the NPI to support the work of the PEWG: (a) a national communications service provider to develop the communications media and materials and implement a communications and awareness programme; (b) a national independent mediator to facilitate and mediate the discussions and negotiations between local communities, land tenure and use rights holders and different state institutions; and (c) a national protected area consultant to prepare the park management plan and annual plan of operations.

Output 1.4 Feasibility assessment<sup>11</sup> and agreed designation plan for establishment of Marine Protected Area in Platamuni. Work under this output will seek to support the MTE in preparing a feasibility assessment for the Platamuni cliffs (from Rt Platamuni to Rt Žukovac), an area targeted as a potential site for the establishment of a marine protected area for protection of benthic fish species<sup>12</sup>. The objective of the feasibility assessment will be to determine the social, ecological, economic, institutional and political feasibility of the establishment of a Marine Protected Areas in the Platamuni cliffs area. It is anticipated that, if feasible, the MTE would then initiate the process of MPA proclamation on the basis of the proposals contained in the feasibility study (project financing would however not be used to support the formal proclamation). A key question that the feasibility study will address is how to integrate local economic development with the conservation goals for the proposed marine protected area, while establishing a balance of benefits that can be supported by all stakeholders.

<sup>11</sup> The Law on Nature Protection uses the term ‘studies on nature protection’ and prescribes the content of such studies. The feasibility assessment undertaken in this output will thus conform to the legal requirements for ‘studies on nature protection’.

<sup>12</sup> The site was preliminarily identified as a priority in the RACSPA report *Development of marine and coastal protected areas in the Republic of Montenegro* (2008) on the basis of the richness, abundance and composition of the fish species surveyed in the transects.

Activities under this output will align with, and support, the complementary feasibility assessment and MPA proclamation processes also being undertaken by DFS Engineering (funded by the Italian Cooperation Agency) in the establishment of an MPA at Katič Islets.

The activities under this output are directed at, *inter alia*:

- (i) Detailed surveying of the biodiversity characteristics (and cultural heritage features).
- (ii) Defining an explicit marine planning domain.
- (iii) Mapping the biodiversity elements (species, habitats, ecological processes), adjacent terrestrial land uses (protected areas, urban areas, tourism hubs, public infrastructure, etc.) and threats (sewerage outfalls, use of explosives for fishing, siltation, etc.) within the planning domain.
- (iv) Describing the legal, institutional, political and socio-economic context of the planning domain.
- (v) Quantifying the levels of natural resource use, and profiling the different natural resource users, within the planning domain.
- (vi) Proposing the boundaries of an MPA within the planning domain.
- (vii) Mapping the different use zones within the proposed extent of the MPA, and describing the management objectives for each use zone.
- (viii) Clarifying the institutional and cooperative governance arrangements for the planning and management of the MPA.
- (ix) Identifying the key actions required to initiate the MPA establishment process, including an estimate of the costs, indicative timelines and institutional roles and responsibilities for each of the actions.
- (x) Outlining a plan for the mobilisation of resources (including identification of funding and partnership opportunities) to support the MPA establishment process.
- (xi) Developing a strategy for the consultation and participation of different stakeholder groups in the MPA establishment process.
- (xii) Developing a strategy to optimize benefits for local communities from the establishment and management of the MPA.
- (xiii) Consolidating the information from activities (i) – (ix) into a ‘feasibility assessment report’ for approval and adoption by the MTE.

The MTE (Department of Nature Protection) will oversee the implementation of activities under this output. The feasibility assessments will be directly implemented by the NPI, in partnership with the Marine Biology Institute (University of Montenegro) and the Regional Activity Center for Specially Protected Areas. Specialist national and international institutions and consultants may be sub-contracted by the NPI on an *ad hoc* needs basis. A critical component of the feasibility assessment will be the ongoing communications with stakeholders and active participation of affected institutions, organizations and individuals. It is envisaged that a working group, representing the different marine interest groups, would be constituted and maintained as a local reference group during the course of the feasibility assessment process. This will be supplemented by bilateral discussions and negotiations with each of the key stakeholders to address specific issues of concern.

## **Component 2 Strengthen the capacity of PA institutions to effectively manage a more representative protected area system**

**Output 2.1 Geospatial database and decision-support system for the protected area system established and functional:** Work under this output will seek to strengthen the MTE’s decision-support systems for protected area planning and management, and build the biodiversity data management capabilities of the Ministry and the relevant public institutes and enterprises. Activities under this output have been designed to closely align with the activities of: (i) the project ‘Implementation of an Environmental GIS for Montenegro’ implemented by UNDP, that will establish an environmental National Spatial Data Infrastructure (NSDI) for three environmental sectors (forestry, biodiversity and spatial planning) in Montenegro, and build the institutional capacity of these sectors to maintain this environmental NSDI; and (ii) the project ‘Serbia, Montenegro and Natura 2000: Strengthening the Capacity of Governments and civil sector to adapt to Nature Protection *Aquis* – Montenegro Natura 2000 database development<sup>13</sup>’, implemented by the NPI and the NGO Daphne that will support the development of the Natura 2000 database for Montenegro. The activities for this output are then specifically directed at:

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<sup>13</sup> The project contract is currently in the final stage of being concluded between WWF and the MTE.

- (i) Identifying the data requirements (e.g. land ownership and tenure, current and planned land use, protected area cadastre, vegetation and habitat types, species distributions, ecosystem processes, threats to biodiversity, etc.) required to support biodiversity conservation planning and protected area system planning (see Outputs 1.1 and 1.2).
- (ii) Sourcing, and validating existing electronic (GIS, spreadsheets, image, etc.) or hard copy (maps, reports, tables, etc.) data from data providers – this may include the development of data-sharing agreements.
- (iii) Formatting and validating existing data (and metadata) to ensure integration into the biodiversity sector ‘geodatabase’ of the (future) NSDI.
- (iv) Identifying the data gaps, and cost-effective mechanisms to collect data to address these gaps.
- (v) Supporting the collection of key biodiversity datasets for input into the database.
- (vi) Supporting the acquisition of the hardware and software for, and installation of the networking infrastructure in, protected area agencies.
- (vii) Developing simple user-driven user interfaces and decision-support tools for protected area agencies.
- (viii) Establishing data access and data maintenance protocols for biodiversity data.
- (ix) Specialized training of five staff from the MTE, NPI and PENP in GIS, geospatial database administration, data management and applications development.

Work under this output will be done under the guidance of a small reference group comprising the UNDP GIS Project Manager and representatives of the MTE (Dept. for Nature Protection), NPI, PENP, EPA, NGO Daphne and MAWFM. The UNDP GIS project management unit will, with the support of the Project Manager (PM), take direct responsibility for the implementation of the activities. Data collection, interpretation and processing may be undertaken by local consultants contracted by the UNDP GIS Project Management Unit.

Output 2.2 Management and governance options for protected areas reviewed: This output is designed to support the re-validation processes undertaken in Output 1.2. Work under this output will focus on supporting the MTE in reviewing cost-effective options for improving the institutional and governance arrangements of all the different categories of protected areas in Montenegro and for the Biosphere Reserve. A cost-benefit analysis of different management options will be undertaken, and the results used to guide the designation of the management authority for the different categories of protected areas in Montenegro in terms of the requirements of the new Law on Nature Protection (2008). An assessment of the efficacy of different cooperative governance scenarios will also be undertaken, and a model for cooperative governance of biosphere reserves developed. The products of this outcome will also be used support the identification of institutional responsibilities, and cooperative governance arrangements, for the Platamuni cliffs site targeted for establishment of an MPA (Output 1.4) and for the Regional Park Komovi (Output 1.3). Activities in this output are specifically directed at:

- (i) Reviewing international and regional best practice in the governance of protected areas, and their efficacy in the Montenegrin context.
- (ii) Developing a governance model for different categories of protected areas in Montenegro and Biosphere Reserves
- (iii) Reviewing international and regional best practice in the institutional structuring of protected area institutions, for different categories of protected areas and biosphere reserves.
- (iv) Identifying alternative institutional options for the administration and management of protected areas and biosphere reserves in Montenegro. These may include, but are not limited to: (i) retaining the current status quo; (ii) rationalising/consolidating the PA mandates of existing public entities and government institutions responsible for PA management to avoid duplication and overlaps; (iii) establishing a public entity responsible for the planning and administration of the terrestrial and marine PAs respectively; (iv) maintaining a plethora of different PA management arrangements (including community-, NGO or private sector management) appropriate to the site specifics of each PA; (v) designating a single management agency for each category of PA; and (vi) developing a legally constituted and resourced co-management structure for each PA, representing all local stakeholder interest groups.
- (v) Undertaking a cost-benefit analysis of the different institutional options and selecting a preferred institutional scenario<sup>14</sup>.
- (vi) Preparing an institutional development plan for the preferred institutional scenario, including: enabling policy and legislation requirements, resource requirements (infrastructure, funding, staffing), management functions, structural considerations, etc.

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<sup>14</sup> It is likely that the preferred institutional scenario may represent a combination of the pre-selected options.

- (vii) Ensuring the delegation of management authority for all protected areas in the PAS to the appropriate protected area agency/ies.
- (viii) Identifying the most appropriate management arrangements for biosphere reserves.

Work under this output will be done under the supervision of the MTE, and technically supported by an international institutional development specialist in protected areas. The international institutional development specialist will, with support from the MTE, PENP and NPI, then: review international and regional best practice; develop a cooperative governance model for national parks; identify alternative institutional models; review the cost-effectiveness of different institutional models; assess the feasibility of the preferred institutional model and develop an implementation plan to guide any restructuring processes that may be required. The MTE will facilitate and support technical discussions with the different institutional stakeholders, and host stakeholder consultation meetings to review the cooperative governance model and the alternative institutional options for government protected area agencies. The MTE will ensure that institutional reforms and cooperative governance models are supported at the level of central government and will amend/ update the enabling policy and regulatory framework as required.

Output 2.3 Skills of PA staff developed: Work under this output is designed to support the ongoing professional development of staff in the PENP, NPI and select local municipalities that are responsible for the planning and administration of the different categories of protected areas in Montenegro. The activities under this output are directed at:

- (i) Identifying the desired skills and competence standards required for effective protected area planning and management at the different occupational levels within the PENP, NPI and select local municipalities
- (ii) Assessing the current skills base and competence levels of planning and operational protected area staff in PENP, NPI and select local municipalities, and identifying the critical ‘gaps’ for the different occupational levels
- (iii) Developing an institutional skills development and training program for the PENP, NPI and select local municipalities
- (iv) Assessing and identifying options for sourcing existing, or developing new, skills development and training programs in order to address these critical gaps in skills and raise competence standards
- (v) Facilitating the piloting of short-course training and development programmes by enabling the training<sup>15</sup> of at least 30 protected area staff from the PENP, NPI and select local municipalities in different aspects of PA planning and operations, including *inter alia*: strategic and business planning; performance management; financial management; risk management; participative management and cooperative governance; knowledge management; recreational and tourism management; monitoring and evaluation and Community Based Natural Resource Management (CBNRM).
- (vi) Establishing a database of PA training and skills development programmes for protected area planning and management staff in Montenegro.

A skills development and training specialist, with technical support from a national protected area planning and management service provider, will be contracted by the project to: (a) develop the skills and competence standards for protected areas; (b) assess the current skills base and competence of protected area agency staff; (c) identify the critical skills and competence gaps; (d) facilitate the implementation of the training and development programs for the targeted staff of the PA institutions; and (e) establish a database of skills development and training programs for protected area staff. The affected protected area institution will select the appropriate staff to attend the relevant training and development programs. The MTE will maintain the database of PA training and skills development programs.

Output 2.4 Involvement and beneficiation of local communities ensured in Komovi Regional Park: Work under this output is designed to complement the technical establishment processes for the Regional Park Komovi (see Output 1.4). A key objective in establishing a Regional Park in Komovi is to use the Regional Park category of PA to demonstrate how the management of protected areas could be ‘mainstreamed’ into regional local economic development programmes, for the benefit of those communities living in and around the park. This output will also identify innovative opportunities for local communities to be involved in, and benefit from, the operational management of the regional park. It will provide for the establishment and administration of a ‘green

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<sup>15</sup> This would include a ‘train-the-trainer’ component

business support program' that could support local communities and SME's living within and adjacent to the park to develop income generating opportunities that are linked to, and aligned with, the regional park management objectives. Finally, it will develop an education and awareness program for the park. The activities under this output are thus directed at:

- (i) Defining the target communities living in and immediately adjacent to Komovi that could benefit from focused employment, empowerment and capacity building arising from park establishment
- (ii) Establishing and maintaining a working forum with these targeted communities to discuss mechanisms to optimize employment, empowerment, entrepreneurial and capacity building opportunities, and equitable ways to select beneficiaries (e.g. identification of dedicated sites for the sale of curios and crafts by local communities)
- (iii) Developing opportunities for these target communities to be trained and directly employed in appropriate conservation and tourism related work in the park, including *inter alia* signage installation, fencing construction and maintenance, capital development projects, security services, road maintenance and tourist services
- (iv) Designing, establishing and financing a 'green business support programme' to support the establishment of biodiversity-friendly local entrepreneurial businesses. This activity will rely on the experience of the Croatian Coast project, which successfully runs a similar scheme.
- (v) Developing an education and awareness programme for the regional park that focuses on demonstrating the values and benefits of the conservation of the areas biodiversity and heritage features (both on- and off-reserve);
- (vi) Designing and developing appropriate educational and communication media and resource materials (e.g. teacher guides, educational 'toolboxes', newsletters, brochures, fact sheets, booklets, interpretation boards, local radio inserts, advertisements, etc.);
- (vii) Implementing outreach programmes (talks, presentations, exhibits, clean-up programs, guided day walks etc.) in local communities and primary and secondary schools; and
- (viii) Designing, and facilitating, the testing of an experiential learning program in the park

It is envisaged that this work would be contracted to an environmental NGO, or a coalition of NGOs. The NGO/s will report to the Park Establishment Working Group (PEWG) during park set up, and later to the park management authority and Co-Management structure (see Output 1.4). The NGO/s will: (a) identify target communities and establish a working forum with these communities; (b) identify and facilitate access to opportunities for these communities arising from the park establishment; (c) negotiate opportunities for training and direct employment of local communities; (d) facilitate the establishment and administration of the green business support program; (e) develop an education and awareness programme for the park; (f) develop the educational and communication media and materials; (g) implement outreach programmes; and (h) facilitate the testing of an experiential learning program in the park. The designated park management authority will assist and support the development of the direct and indirect opportunities identified for the benefit of local communities. The working forum (see point ii above) would discuss and agree on the administration arrangements for the green business support program. The Park Co-Management structure (see Output 1.4) would approve the administration arrangements for the grants fund, and approve the beneficiaries of funding support from the fund.

### **Global benefits**

47. The project will support expansion of protection for one of the most floristically diverse countries in the Balkan Peninsula, with an exceptionally high number of floral endemics (7% of the total vascular flora), many of which are relictual. A number of underrepresented habitats (notably in marine, coastal, forest and mountain ecosystems) will be secured protection through the creation of the regional and marine park. The project has been designed to contribute to a more representative marine and terrestrial network of protected areas in Montenegro to better conserve this globally unique biodiversity. By the end of the project, Montenegro's PA system will incorporate 21,000 ha of terrestrial habitats (freshwater, mountain and forest habitats) and 34,000 ha of marine and coastal habitats into the protected area system, removing threats from unsustainable tourism, illegal construction and drainage of wetlands, unsustainable water use and illegal harvesting of natural resources. One of the key project benefits is the institutional strengthening and individual capacity building of the institutions responsible for the planning and management of the whole expanded protected area system. The project will prove the efficacy of two protected area categories currently not represented in the PAS in Montenegro— regional parks and marine protected areas – as vehicles for mainstreaming protected areas into

local economic development programmes and the beneficiation from, and involvement of local communities in, protected area operations.

## **Sustainability**

48. The project has been carefully designed to optimize prospects for achieving the sustainability of the protected area network in four areas: environmental, institutional, social and financial. *Environmental sustainability* will be promoted in the project through the design of a protected area system for Montenegro that would more effectively conserve marine and terrestrial species, habitats and ecological processes. The project will also support the collation and collection of a more rigorous biodiversity database to underpin and support future environmental decision-making processes in protected area planning and management. The project will specifically assess the feasibility of expanding the protected area system into the marine environment, and test the efficacy of the protected area category 'Regional Park' as an appropriate and relevant mechanism for mainstreaming protected areas into regional socio-economic development. If successful, these interventions would then support the future establishment of a network of marine protected areas and regional parks that could incrementally contribute to the overall environmental sustainability of the protected area system.

49. *Institutional sustainability* will be enhanced in the project through the design of the most effective institutional arrangements for protected area planning and management in Montenegro. This will include: (i) identifying the most cost-efficient (social-environmental-financial) institution/s to manage the operations of the different categories of protected areas; (ii) structuring the responsible PA institutions in Montenegro to provide a more enabling environment for the planning, management and monitoring of the national protected area system; (iii) describing the co-operative governance arrangements for both the protected area system, and different categories of protected areas; and (iv) identifying opportunities and institutional mechanisms for co-management of, and partnerships in, protected areas. The project will specifically identify the competence, levels and occupational standards for the responsible institution/s that will be required to meet their institutional mandates for protected areas. At the national level, resources will be allocated to build the systemic and institutional capacity of the MTE, NPI and the delegated operational PA management authorities (notably PENP) to provide the enabling legal, planning and decision-support framework for the protected area system. The project will specifically provide resources to develop and implement training and skills development programs for the staff of the operational PA management authority/ies.

50. *Social sustainability* will be enhanced through the implementation of a number of individual stakeholder engagement processes developed for each of the project activities in both the protected area system planning and the protected area re-validation processes. Robust stakeholder engagement plans for the respective project activities will be drafted to direct broad-based stakeholder involvement in all aspects of protected area system planning and development. These stakeholder engagement plans will also make strong provision for conflict management. The project will further identify mechanisms for the ongoing constructive engagement of communities and the NGO sector in protected area planning, development and operations, notably through partnerships, co-management and co-operative governance. Mechanisms for optimizing the beneficiation of local communities will be identified at the level of the Komovi Regional Park and the proposed Platamuni MPA, and further operationalised in Komovi. This will be supplemented by the establishment of a green business support program for local entrepreneurs to establish small businesses to support and enhance the management of the Komovi regional park. A focused education and awareness program will be developed and implemented in and around the Komovi region to support and complement the national park establishment processes.

51. *Financial sustainability* will be strengthened through the twinning of this project with a project currently in preparation to enhance the financial sustainability of Montenegro's protected area system (*UNDP PIMS 4279 Montenegro PA Financing, currently awaiting PIF approval*) which will be dealing with system-wide economic analysis, piloting payments for ecosystem services, sustainable livelihood promotion and improved financial planning. A key element for securing financial sustainability within the project is the secured commitment of the government to increase its annual resource allocation to the management of its protected area system, and to identify alternative sources of co-financing for project activities. At a local protected area level, the project will provide resources to more explicitly identify the medium-term expenditure requirements for the Komovi regional park, and program the roll-out of the appropriate financing mechanisms to generate the income streams needed to meet these anticipated costs.



## Replicability

52. Replication will be achieved through the direct replication of selected project elements and practices and methods, as well as the scaling up of experiences. The project will develop and use a knowledge management system to ensure the effective collation and dissemination of experiences and information gained in the course of the project's implementation. This knowledge management system will be designed to ensure that information and data formats and flows are directed at the most relevant stakeholder groups to support decision-making processes. The project will support to the Government of Montenegro in designing a protected area system that would achieve the objectives for representivity, adequateness and comprehensiveness in the marine and terrestrial areas of the country. GEF funding will be used to support the Government in the preparation of medium-term strategic and action plans that would guide and direct the development of this ecological network and expansion of protected areas. These strategic and action plans will provide the framework for the replication of project lessons in the ongoing expansion of the protected area system, and their integration with and linkages to the ecological network.

53. The following project elements stand out as being most amenable to replication elsewhere in the Montenegrin PA system: (i) knowledge of stakeholder consultation processes required to address issues of concern around current and future protected areas; (ii) experience on the revision of the PA categorisation and PA boundaries of existing PAs; (iii) identification of innovative co-management arrangements for PAs; (iv) experience of stakeholder engagement processes required to support regional park establishment processes; (v) strategic, operational, logistical, institutional and financial planning requirements for marine protected areas and regional parks in Montenegro; (vi) efficacy of the rationalisation of PA organizational structures to more effectively meet the PA management requirements; (vii) identification of competence levels and skills required to effectively administer and manage PAs; (viii) inventorying monitoring and biodiversity data management for increased PA operational effectiveness; (ix) inter-agency coordination in PA management; (x) establishment of multi-stakeholder governance structures for protected areas; and (xi) implementation of sustainable alternative livelihoods projects in PAs to support biodiversity conservation.

54. By year 3, it is anticipated that Regional Park and MPA establishment processes will be at varying stages of replication in Montenegro, as follows: (a) two priority areas for regional park establishment; and (b) one priority area for MPA establishment.

## **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL AND / OR REGIONAL PRIORITIES/ PLANS:**

55. This project is a response to a number of policy documents that frame the government policies and strategies for biodiversity conservation and the establishment and management of protected areas in Montenegro.

56. Firstly, the project is assisting the country in the implementation of the CBD Programme of Work on Protected Areas (PoWPA). The brief analysis of gaps in the country's implementation of the CBD PoWPA was undertaken during the preparation of this project. The issues of ecological representativity (PoWPA Goal 1.1), capacities (Goal 3.2) and financial sustainability (Goal 3.4) came out as priorities. Component I of this project addresses PoWPA Goal 1.1; Component II deals with Goal 3.2. The sister project, which is currently been prepared, will address the issue of financial sustainability.

57. Further, the project is consistent with General Goal 3 of the *National Strategy of Sustainable Development of Montenegro* (NSSD, 2007). It aligns directly with the following measures of the NSSD: (i) definition of the network of nature protected areas; (ii) designation of new protected areas to achieve 10% of the territory of the country; (iii) definition of 10% of the coastal territory as protected area; (iv) establishment of managers for all nature protected areas and development of adequate human resources; (v) adoption of management plans for all nature protected areas through the participatory process; and (vi) consistent implementation of the existing management plans, and prevention of events that can harm the integrity of the nature protected areas. The project seeks to support the short and medium-term priority activities that are preliminarily identified in the draft NBSAP, under the following measures: (i) development of biodiversity knowledge systems; (ii) strengthening the capacity of institutions and individuals responsible for protected area management; (iii) strengthening the institutional framework for protected area management; (iv) 'mainstreaming' protected area management into tourism, planning and infrastructural development; (v) expansion of the protected area system; and (vi) improving the management effectiveness of protected areas. The project responds to recommendations 6.4 and

6.5 of the *Second Environmental Performance Review of the Republic of Montenegro* (2007), the recommendations contained in the *National Capacity Self-Assessment Report* (2007) and the strategic priorities in the *National Report on Status, Problems and Preservation of Marine and Coastal Diversity in Montenegro* (2004).

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:**

58. The project is aligned with GEF’s Strategic Objective (SO) 1 of the Biodiversity focal area, ‘Catalyzing Sustainability of Protected Areas Systems’. The project is consistent with Strategic Programme’s (SP) 2 and 3 of SO 1; ‘Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems’ and ‘Strengthening Terrestrial Protected Area Networks’. The current protected area system has not been designed to ensure the adequate representation of the important marine, aquatic and terrestrial ecosystems, habitats and species in Montenegro. There are currently also no formal marine protected areas in the country. Protected areas are both spatially and institutionally highly fragmented, and are not achieving the conservation objectives in a cost-effective and efficient manner. The project aims to enhance coverage and management effectiveness of the protected area system of Montenegro by piloting the establishment of the first Regional Park in Montenegro, and by strengthening the capacities at the institutional and individual levels to establish and manage a more representative protected area system. The project will contribute to the achievement of GEF’s main indicators under this priority programming area as follows:

GEF-4 BD Strategic objective and programmes	Expected impact	GEF-4 BD Indicators	Project contribution to indicators
SO-1: Catalyzing Sustainability of Protected Area Systems	Biodiversity conserved and sustainably used in protected area system	Extent and percentage increase of new habitat protected (hectares) by biome type in protected area systems that enhances ecosystem representation  Protected area management effectiveness as measured by protected area scorecards that assess site management, financial sustainability and capacity	Extent of protected area system increased from 108,866 ha to 165,000 ha  METT score for 80% of the PAS system equals or exceeds 65% rising from current 46-60% levels.  Systemic capacity rises from 37 to 47%; institutional capacity from 49 to 56%, individual capacity from 33 to 57%.
SP-2: Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems	Increased coverage of marine ecosystems globally and in national PA systems	Number and extent (coverage) of national marine PAs compared to 2006 global baseline for GEF-eligible countries	One MPA established ~ 34,000ha
SP-3: Strengthening Terrestrial Protected Area Networks	Improved ecosystem coverage of under-represented terrestrial ecosystems areas as part of national protected area system  Improved management of terrestrial protected areas	Terrestrial ecosystem coverage in national protected area systems  Protected area management effectiveness as measured by individual protected area scorecards	Protected area system coverage of 8% of terrestrial surface area of Montenegro. 21,000 of underrepresented mountain, freshwater and forest habitats added under protection.  METT score for national parks equal or exceed 65%, rising from the current level of 60% (Biogradska Gora NP); 48% (Durmitor NP); 46% (Lovcen NP) and 59% (Skadar Lake NP).

**D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES.**

59. The project activities are focused on knowledge management, planning processes, consultation and participation, institutional development and capacity building. The project objective will thus be achieved primarily through the provision of technical assistance. No loan or revolving fund mechanisms are considered appropriate, and therefore grant-type funding is considered adequate to enable successful delivery of project outcomes.

**E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

60. The project will establish a cross-project knowledge management working group to ensure close collaboration with the: (a) UNDP project *Implementation of an Environmental GIS for Montenegro*; (b) WWF project *Serbia, Montenegro and Natura 2000: Strengthening the Capacity of Governments and civil sector to adapt to EU Nature Protection Aquis – Montenegro Natura 2000 database development*; and (c) Lux-Development *Forest Inventory* project, in the establishment of a biodiversity database and decision-support system to assist protected area planning and management.
61. The project will closely align its activities in the planning of the PAS with the work undertaken in the WWF project *Serbia, Montenegro and Natura 2000: Strengthening the Capacity of Governments and civil sector to adapt to EU Nature Protection Aquis – Montenegro Natura 2000 database development* to ensure complementarity and avoid duplication of effort. This will be organized through regular ad-hoc consultations between the project teams. It will build on the knowledge developed through the *Establishing an Emerald Network in Montenegro* and *Important Plant Areas* projects implemented by the MTE.
62. The project will, through a formal agreement negotiated with the Italian Cooperation agency during project implementation, ensure that the feasibility assessment activities for establishing an MPA in the Platamuni cliffs area draws on lessons learnt during the preparation of a *Management Plan for the Pilot Marine Protected Area of Katic Island* currently being undertaken by DFS Engineering as part of the Italian Ministry of Environment, Land and Sea support for implementation of the NSSD. The project will also liaise with the counterpart project managers of: (a) *Development of a Mediterranean Marine and Coastal Protected Areas (MPAs) Network through the boosting of Mediterranean MPAs creation and management in areas within national jurisdiction of third countries* project being implemented by RAC/SPA as part of UNEP's *Mediterranean Action Plan*; and (b) GEF funded UNEP-World Bank project *Strategic Partnership for the Mediterranean Sea Large Marine Ecosystem – Regional Component: Implementation of agreed actions for the protection of the environmental resources of the Mediterranean Sea and its coastal areas* to explore opportunities to share resources and lessons learnt.
63. The *spatial planning processes for the Komovi region* being led by the Ministry for Economic Development will guide the project's establishment processes for the Komovi Regional Park. The project will also facilitate the establishment of a national working group on protected area expansion to enable an exchange of lessons learnt between complementary PA establishment processes being undertaken for: (a) Prokletije National Park by the NPI; (b) Delta Bojana River/Buna River as part of the World Bank *Montenegro Sustainable Development Project*; (c) a cross-border protected area between Bosnia-Herzegovina and Montenegro in the region of Maglic-Bioc-Volujak as part of the UNEP/ENVSEC *Enhancing Transboundary Biodiversity Management in South East Europe* project; and (d) the ADA-GTZ-SNV *Prokletije / Bjeshkët e Namuna Cross-border Mountain Range Development Programme*. The project will seek representation on technical working groups established by the WWF's Mediterranean Programme Office's *Dinaric Arc Initiative* (sub-project *Preservation of the biodiversity of southwest Balkan: protection of nature and areas in cross-border area Durmitor-Tara River-Prokletije*).
64. The project manager will liaise closely with counterpart project managers of: the WWF *Dinaric Arc Ecoregion* project, GTZ in the institutional and individual capacity building support to the protected area agencies; and the *Functional Analysis of the Forestry Administration* project financed by Lux-Development to avoid duplication of effort, and identify opportunities for collaboration.
65. The project will align the mainstreaming activities for Komovi Regional Park with the *Master Plan for Sustainable Tourism Development and Bjelasica and Komovi Region* undertaken by DFS Engineering as part of the Italian Ministry of Environment, Land and Sea support for implementation of the NSSD. It will also seek representation on steering committees established to oversee: (a) sustainable tourism and regional development initiatives being implemented in the five municipalities around Komovi, as part of the *Austrian-Montenegrin Partnership Project*, funded by the Austrian Development Cooperation; and (b) sustainable land use and natural resource management activities implemented in the mountain ecosystems of northern Montenegro by the World Bank GEF project *Montenegro Institutional Development and Agriculture Strengthening*. It will use NGO's such as Green Home, REC and others, under a service level agreement, to design and implement capacity building, education and awareness-raising for local communities around Komovi.
66. Finally, this project is an important foundation for the preparation of the second UNDP GEF project Protected Areas Financing in Montenegro (PIMS 4279). This project seeks to address the issues of under-representativity, capacity building and management effectiveness, while the upcoming PA Financing project will

generate revenue streams and concentrate on cost-effectiveness of protected area management. The two projects are developed and supervised by the same government institutions, with support from UNDP Montenegro.

**F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

**Business-as-usual**

67. While the Government of Montenegro continues to implement legislative and policy reform, commit modest financial resources and provide technical and professional capacity, to support the planning, management and expansion of protected areas, this will remain inadequate to significantly improve the current management effectiveness and representivity of the protected area system. Under the **‘business-as-usual’ scenario**, the extent of the PA network will remain fragmented and will not adequately represent the country’s habitats, species associations and ecosystem processes. Despite a strong political commitment to consolidate the existing, and establish new, protected areas the extent of the protected area system will not meet the national targets set in the Spatial Plan, NSSD and the draft NBSAP due to: (i) the absence of a national strategic approach to the expansion of the protected area estate; (ii) limited knowledge of, and experience in, establishment and management processes for other (i.e. not national park) categories of protected areas; (iii) public resistance to the expansion of the protected area estate due to their ongoing lack of relevance to the socio-economic and recreational needs of the country. (iii) limited incentives to encourage use rights holders and land owners to incorporate land into a protected area; (iv) ongoing disagreements between stakeholder institutions and land use rights holders within the existing protected area system; and (v) a lack of clarity about the institutional arrangements for, and financing of, the different categories of protected areas (excluding national parks). Critical marine habitats, coastal areas and karst ecosystems will continue to remain outside the formal protected area estate and come under increasing pressure from fishing, agriculture, power generation projects, urban development and spread of tourism enterprises. The available institutional resources and capacity for protected area management will be directed at enhancing the management effectiveness of National Parks, but the remaining protected areas in the system will continue to be managed largely by ‘benign neglect’. The protected areas that are not part of the system of national parks will be administered on an *ad hoc* opportunistic basis by the local municipalities and *Morsko dobro*, with limited oversight and support from the MTE. The ecological integrity of the many small, fragmented protected areas will continue to degrade and illegal use will continue, if not escalate, increasingly reducing these PAs to ‘paper parks’. Where income is generated from the protected areas, local communities and private land owners will continue to see negligible benefits accruing to them. Active involvement of land owners, local communities and NGO’s in the planning and management of protected areas will remain utilitarian at best, and non-existent at worst. This will sustain the public and political perception that protected areas are a ‘financial drain’ on the national fiscus, and a restrictive and unproductive form of land use.

68. Under the **business-as-usual scenario for project component 1** (‘expanding and rationalising the PAS to ensure better habitat representation and more secure conservation status’) PA rationalisation and establishment initiatives will continue to be opportunistic, uncoordinated and *ad hoc*, with a strong dependency on donor agency support. Protected areas will cover 108,000 ha, which will exclude important forest, mountain, and coastal areas. Marine protected areas are unlikely to be established. The MTE will maintain the processes required to proclaim the new Prokletije National Park, with ongoing technical support from the NPI (US\$17,000) and funding support from donor agencies (US\$112,000). However, progress will remain slow due to ongoing public resistance to the establishment of the national park. Progress on the establishment processes for the Delta Bojana/Buna River as a protected area (US\$400,000) will be protracted until outstanding issues on the proposed boundaries, zoning and institutional arrangements are satisfactorily addressed. Feasibility assessments being undertaken by different donor-funded projects for trans-boundary conservation areas between Montenegro and Albania and Bosnia-Herzegovina (US\$160,000) will be severely constrained by the capacity and resource constraints of the MTE and NPI, and the absence of an existing institution to effectively administer and manage the Montenegrin component of a trans-boundary conservation area. The donor funded feasibility assessment of, and management planning processes for, an MPA at Katici islands (US\$196,410) will test the efficacy of the establishment of an MPA in Montenegro and identify the legal, institutional and capacity constraints for this category of PA. While the spatial planning of the Bjelasica-Komovi region (US\$1,000,000) could provide the enabling planning framework for the establishment of the Komovi Regional Park, it is unlikely that the regional park would be established in the short- to medium-term due to the severe capacity constraints of the MTE and local municipalities. Tourism development initiatives in the region (US\$3,143,760) will achieve

varying levels of sustainability depending on the institutional support (infrastructure, training, regulatory, policy, etc.) provided by the responsible local public institutions. Support to local entrepreneurs in the Komovi region by local NGO's (US\$57,000) will be periodic, localised and largely uncoordinated. The MTE and its public institutions will not be able to meet the legal requirements of the new Law on Nature Protection to re-validate all the current protected areas due to capacity and resource constraints. The categorisation of many protected areas will thus remain out of alignment with the current legislation in the short- to medium-term, creating an ongoing legal conundrum for these areas. Conflicts over the existing boundaries and land use rights of PAs – notably in some national parks – will remain unresolved.

69. Under the **business-as-usual scenario for project component 2** ('strengthening the capacity of PA institutions to more effectively manage a representative system of protected areas'), the operational management focus for protected areas in Montenegro will remain on the four National Parks ((US\$6,900,000), with management activities in the remaining protected areas and international conservation areas limited to reactive efforts to mitigate threats to, and impacts on, these areas (US\$92,900). The overall institutional capacities will remain low, as well as management effectiveness at the level of protected areas. Without a responsible, capacitated institution for these remaining protected areas, their ecological integrity will continue to be diminished through illegal, unsustainable or inappropriate uses. Ongoing research and inventory efforts in and around protected areas will ensure that an important repository of knowledge is maintained on the state of the biodiversity of Montenegro, and the identification of priority areas and species for conservation action. Work undertaken by the NPI knowledge management (US\$660,000) will be supplemented by information collected by a forestry inventory (US\$785,640), the ongoing development of the national environmental geospatial database (US\$400,000), and technical support to data collection efforts to implement NATURA 2000 (US\$23,357). Many protected areas will continue to have no formal delegated management authority (in terms of the Law on Nature Protection) and most will continue to have limited or no cooperative governance mechanisms. Local communities and civil society will increasingly feel isolated from the day-to-day management activities of the PAs, and derive little direct or indirect benefit from their operations. Institutional and individual capacities will continue to be developed in the MTE, PENP and the NPI from direct donor agency funding support (WWF, GEF, ADC, Italian Government, Norwegian Government – US\$1,175,000) and development of a management plan for Skadar Lake NP (GTZ – US\$150,000). However, the skills and capacity of the PA staff to plan and manage the different categories of protected areas and international conservation areas will remain underdeveloped without a more coordinated, long-term training programme embedded within the responsible institutions.

### **Alternative scenario and GEF Increment**

70. Under the **alternative scenario** promoted by the project Montenegro will have by 2013: (i) an ecologically representative scientifically-based protected area system that would adequately conserve and protect a representative sample of the country's marine, freshwater and terrestrial biodiversity; (ii) at least one new marine PA; (iii) the first Regional Park established as a first step toward the future network of regional parks; (iv) restructured and strengthened protected area institutions; (v) enhanced protected area management skills within these protected area institutions; and (v) pilots of the mainstreaming of protected areas into the local regional socio-economic development priorities - in particular the development of the nature-based tourism industry. The administrative boundary of the project is the entire PA network. The duration of the project will be three years. Thematically, the project will deal a) raising ecological representativity of the PA system through ecological gap studies and PA strategy formulation; b) management effectiveness improvements, and; c) capacity building. The increment of the project in terms of **global environmental benefits** is represented by: adding 21,000 ha of terrestrial and over 34,000 ha of underrepresented marine landscapes under protection; expected increase in management effectiveness at the PA level (from a METT baseline of 46-60% to a METT target of >65% for the IUCN category I-III PAs), as well as overall PA institutional capacity (from baseline systemic capacity of 37% level of the Capacity Assessment Scorecard to 47%). In the long-term (by 2015 and beyond) threats such as unsustainable tourism development; illegal construction; drainage and pollution of wetlands; unsustainable water usage; and illegal harvesting of forest products, fish, game and other natural resources, will be contained at the level of the entire expanded PA system of the country, covering 165,000 ha. Implementation of the CBD PoWPA by Montenegro will be facilitated, especially Goals 1.1 and 3.2.

71. The GEF financing for the project totals US\$ 950,000. Total co-financing for the project totals US\$ 6,485,894 broken into a) US\$ 3,173,000 for Outcome 1; b) US\$ 1,722,894 for Outcome 2; and c) US\$ 544,000

for project management. Co-financing is provided by the Government (MTE), GTZ, LUX Development, and UNDP.

**G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:**

Risk	Rating	Mitigation Measures
<p>The local and national Government lack innovative mechanisms to adequately fund the PAS generally, and to finance regional park administration specifically. The regional parks, once established might be unable to finance the subsequent shortfalls in the short- to medium-term.</p>	<p><b>High</b></p>	<p>The project will specifically link with the counterpart GEF ‘PA financing’ project that will be assessing the financing mechanisms and projected income streams for different categories of protected areas, with a specific long-term focus on attaining a level of financial autonomy for PA institutions and limiting their dependency on an annual grant allocation of government funding.</p> <p>The project will support the testing of the implementation requirements for these financial mechanisms at the level of the piloted establishment of the Komovi Regional Park, with lessons learnt directing the roll-out of other Regional Park establishment processes</p> <p>The project will also seek to negotiate increased financial commitments from local and national government to support the PAS, with this financial commitment being phased out over time as the PAS incrementally develops its own income streams and reaches an agreed level of financial sustainability.</p> <p>The project will also seek to support the designated regional park institution in sourcing grant funding support from donor and other agencies to co-finance national park start-up costs.</p>
<p>The existing PA institutions do not have the capacity to manage MPA’s or Regional Parks (or the other categories of PAs - excluding national parks)</p>	<p><b>Medium</b></p>	<p>The project will review the efficacy of the current institutional arrangements for the PAS. It will specifically seek to identify the most effective institutional model, and the most appropriate institution/s, needed to strengthen the management effectiveness of the PA network. It will then facilitate the formal designation of management authority for the different categories of PAs, as required by the new Law on Nature Protection. The project will assist the definition of the anticipated human resource capacity needs (staffing, skills, competence levels, knowledge) of the responsible institution/s and the requisite resources (financing), training and development requirements needed to address the capacity gaps. The project will make a limited contribution in the implementation of focused training programs for protected area planning and operations staff.</p> <p>The project will direct project resources to identifying the most sustainable institutional and cooperative governance options for the MPA and the Regional Park, and provide support to the designated regional park management authority during the park establishment phase.</p>
<p>The MTE conflicts with other productive sectors (e.g. forestry, fishing, agriculture, tourism and urban development), landowners (e.g. local municipalities, public institutions and private individuals) and/or local tenure and use rights holders (e.g. private individuals, public institutions and commercial enterprises) over the designation of land for the Komovi Regional Park and/or the establishment of an MPA at Platamuni. These conflicts cannot be timeously addressed and resolved.</p>	<p><b>Medium</b></p>	<p>The implementation of a comprehensive stakeholder engagement plan will underpin the MPA feasibility assessment and regional park establishment processes. Conflict-resolution tools and procedures will be developed by the project to support these processes.</p> <p>The project will employ a national independent mediator to facilitate bilateral discussions and negotiations between the MTE and local communities, landowners, different state institutions and other land tenure and use rights holders.</p> <p>In the case of the Regional Park, a small Park Establishment Working Group (PEWG) will also be constituted to guide the park establishment processes, and to identify mechanisms to resolve any conflicts that may arise from time to time. The Project Steering Committee will function as a high level cooperative governance mechanism to resolve any outstanding conflicts, but it is hoped that this would not be required.</p> <p>In the case of the MPA, the project will be guided by, and incorporate lessons learnt from, the MPA feasibility assessment and management planning processes being undertaken at Katici Islets by DFS Engineering.</p>



Risk	Rating	Mitigation Measures
The effects of climate change will further degrade the natural areas targeted for incorporation into the PA system, and increase the costs of their rehabilitation	<b>Low</b>	The development of the protected area consolidation and expansion strategy for Montenegro will seek to integrate the protected area system into the country's evolving climate change adaptation strategy, particularly in terms of its important role as a buffer to the economically important agricultural, power generation and tourism industries. In the design of the protected area system, the project will ensure that alternative spatial scenarios to achieve the representivity targets for the PAS are developed. This then allows for adjusting spatial priorities, where land has become so degraded that it loses its conservation value. The project approach of piloting the establishment of a system of large regional parks, to complement the existing system of national parks, will seek to increase the resilience of the PAS to the impacts of climate change.

**H. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:**

72. The project will seek to achieve a catalytic investment in securing the long-term sustainability and conservation effectiveness of the national protected area system. Costs incurred in project implementation will thus focus only on those additional actions required to provide key incremental assistance to the government in undertaking strategically critical reforms to the planning, management and governance of the protected area system in Montenegro. To accomplish this, the project will seek to complement and build upon the extensive baseline activities already underway in the sector, and the existing capacities of national and local government institutions, international agencies and NGO's. Wherever possible, the project will use the competencies and logistical skills within the mandated national institutions to implement project activities. Where applicable, project resources will also be deployed to strengthen and expand existing PA initiatives and programmes to avoid duplication of effort. Increased co-financing commitments will continue to be targeted by the project during the implementation phase. The project is considered cost-effective for the following primary reasons:

- (i) A comparatively small investment by the project in the development of a strategic national approach to the establishment and management of a comprehensive, adequate and representative terrestrial protected area system will help to focus the optimal deployment of limited resources and capacity in the ongoing improvement of the management effectiveness of the PAS in Montenegro.
- (ii) A modest investment in strengthening the knowledge management system for protected areas will yield a long-term benefit in ensuring a sound information base to guide future decision-making in the planning and administration of the terrestrial and marine PAS.
- (iii) Project support to the improvement of the institutional arrangements for the different categories of protected areas, and the strengthening of the proficiency and skills of protected area management staff, will ensure that the productivity of the limited financial and human resources available for the planning and management of PAs in Montenegro is enhanced and efficiently used.
- (iv) A relatively small project investment in the feasibility assessments for two areas proposed by the government as an MPA and a regional park respectively will enable the directed, focused and cost-effective use of resources to facilitate their proclamation.
- (v) The strategic focus of a project investment in piloting the establishment of a regional park with a properly capacitated institution, effective cooperative governance arrangements and a strong focus on beneficitation of local communities will yield a long-term improvement in the future management of areas with high biodiversity significance, but poor conservation tenure by: strengthening their formal conservation status; improving their ecological integrity and resilience; better integrating protected areas with local socio-economic development priorities; providing a 'buffer' area for and physical linkages to national parks and strict nature reserves; improving opportunities for recreational and nature-based tourism enterprises; and limiting the impacts of ongoing unsustainable or destructive land uses.
- (vi) Project support in validating the current protected areas in the PAS will, with modest costs, result in substantive long term returns by: better aligning the protected area category with their biodiversity significance; strengthening their long-term legal conservation tenure; addressing any outstanding, unresolved conflicts; clarifying and/or rationalising their boundaries; securing the delegated management authority for their administration; and better integrating them into the country's ecological network.

73. Alternate project approaches were considered, and are discussed here in the light of cost-effectiveness. The alternatives to this project explored include:
- (i) *No project*: There is limited capacity in the MTE and its public institutions for implementing the expansion of the protected area system, and particularly the establishment and management of regional parks. Without focused GEF support, initiatives to establish regional parks and marine protected areas will continue to be addressed in a somewhat ad hoc and opportunistic manner, with an increasing political and public cynicism about the inherent value of regional parks. The areas targeted for regional parks and MPAs will then remain unprotected, and the biodiversity value of these areas will increasingly come under pressure from other productive land uses. Any delays in GEF investments would inevitably require more resources in order to reverse the ongoing decline in those areas of high biodiversity significance that are targeted for incorporation into the PAS.
  - (ii) *Large-scale investment* in the expansion of the network of protected areas: Due to the limited progress in the expansion of the PAS in Montenegro over the last decade, it was considered more prudent to focus on a smaller, simpler project that could yield rapid returns on a catalytic investment, demonstrate tangible progress in the establishment of MPAs and Regional Parks, and pilot consultative processes in feasibility assessments of these categories of PAs.
  - (iii) *A more comprehensive project* that addresses land use planning, sustainable land use management and the mainstreaming of biodiversity into the different economic sectors. The proposed project is designed to provide quick results in addressing whole-country representativity gaps, while supporting establishment processes for two new categories of protected area in Montenegro - an MPA and a Regional Park - which can then be replicated in the other areas targeted for MPA and regional park establishment. An integrated approach to conservation is considered a more long-term intervention for Montenegro, and would require the involvement of many more stakeholders, would cost considerably more, would need more time to implement, and would require a more sophisticated level of management capacity in the MTE and PA institutions than currently exists. This project has however been designed to complement a number of existing inter-sectoral projects, including: integrated management of the Skadar Lake ecosystem; sustainable tourism development; integrated management of the Mediterranean Sea and its coastal areas; integrated forestry development; and the protection and use of the Dinaric Karst Aquifer system.

### **PART III: INSTITUTIONAL COORDINATION AND SUPPORT**

#### **A. INSTITUTIONAL ARRANGEMENT: N/A**

#### **B. PROJECT IMPLEMENTATION ARRANGEMENT:**

74. The project will be implemented over a period of three years. UNDP will be responsible for the implementation of the project. The project will be directly executed (DEX), in line with the Standard Basic Assistance Agreement (SBAA, 2006)<sup>16</sup> and the Country Programme Action Plan 2007-2011 (CPAP, 2007)<sup>17</sup> signed between the UNDP and the Government of Montenegro.

75. The UNDP, in close cooperation with Ministry of Tourism and Environment (MTE), will take overall responsibility for the project implementation, and the timely and verifiable attainment of project objectives and outcomes. The GEF Operational Focal point will represent MTE at the Project Steering Committee (PSC), while MTE high level official who has been nominated as an UNDP Focal Point will provide the government oversight and guidance to the project implementation. The MTE UNDP Focal Point will not be paid from the project funds, but will represent a Government in-kind contribution to the Project.

76. Working closely with the MTE, the UNDP Country Office (CO) will also be responsible for: (i) providing financial and audit services to the project; (ii) recruitment of project staff and contracting of consultants and service providers; (iii) overseeing financial expenditures against project budgets approved by PSC; (iv) appointment of independent financial auditors and evaluators; and (iv) ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP/GEF procedures. A UNDP staff member will be assigned with the responsibility for the day-to-day management and control over project finances.

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<sup>16</sup> SBAA, Article II Form Of Assistance, article 3 (<http://www.undp.org/me/about/SBAA.pdf>)

<sup>17</sup> CPAP, Part VI, article 6.3(<http://www.undp.org/me/about/CPAP%20signed%20Sep%202008.pdf>)



77. A Project Steering Committee (PSC) will be convened and co-chaired by UNDP and MTE, and will serve as the project’s coordination and decision-making body. It will meet according to the necessity, but not less than once in 6 months, to review project progress, approve project work plans and approve major project deliverables. The PSC is responsible for ensuring that the project remains on course to deliver products of the required quality to meet the outcomes defined in the project document. The PSC’s role will include: (i) overseeing project implementation; (ii) approving all project work plans and budgets, at the proposal of the Project Manager (PM), for submission to UNDP Regional Center in Bratislava and GEF Unit in New York; (iii) approving any major changes in project plans or programs; (iv) providing technical input and advice; (v) approving major project deliverables; (vi) ensuring commitment of resources to support project implementation; (vii) arbitrating any conflicts within the project and/or negotiating solutions between the project and any parties beyond the scope of the project; and (ix) overall project evaluation. The PSC may include in its composition representation of the following stakeholders: MTE (Dept. Nature Protection, NPI, PENP, and EPA); Ministry of Agriculture, Forestry and Water Resources (Forest Administration); Ministry of Economic Development (*Morsko dobro*); Real Estate Administration; Marine Biology Institute; Local Municipalities (Andrijevica, Kolasin, Podgorica and Kotor) and civil society (e.g. REC, Green Home, Greens of Montenegro, MOST, WWF).

78. The day-to-day administration of the project will be carried out by a Project Manager (PM) and Project Assistant (PA), located within UNDP office. The project staff will be recruited using standard UNDP recruitment procedures. The PM will, with the support of the PA, manage the implementation of all project activities, including: preparation/updates of project work and budget plans, record keeping, accounting and reporting; drafting of terms of reference, technical specifications and other documents as necessary; identification, proposal of project consultants to be approved by the PSC, coordination and supervision of consultants and suppliers; organisation of duty travel, seminars, public outreach activities and other project events; and maintaining working contacts with project partners at the central and local levels. The Project Manager will liaise and work closely with all partner institutions to link the project with complementary national programs and initiatives. The PM is accountable primarily to UNDP and the MTE, and then to PSC for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds.

79. The PM will produce Annual Work and Budget Plans (AWP&ABP) to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned activities. Once the PSC approves the Annual Work Plan this will be sent to the UNDP Regional Technical Advisor for Biodiversity at UNDP Regional Centre for Europe and Commonwealth of Independent States in Bratislava for revision and approval. Once the Annual Working Plan and Budget is approved by the Regional Centre it will be sent to the UNDP/GEF Unit in New York for final approval and release of the funding. The PM will further produce quarterly operational reports and Annual Progress Reports (APR) to the PSC, or any other reports at the request of the PSC. Like in the case for the Annual Work Plan these reports are sent for approval and clearance to the UNDP Regional Centre in Bratislava. These reports will summarise the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities. The PM will be technically supported by contracted national and international service providers, by other public institutions, by contracted NGO’s and by other linked donor funded project units. Recruitment of all specialist services for the project will be done by the PM, in consultation with the UNDP and MTE.

**PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:**

80. The project design is aligned with the original PIF. No substantive changes have been made to the Request for CEO Endorsement that would affect the project design. Based on additional reports commissioned, and stakeholder consultation undertaken, during the project preparation phase, the following additional information has been added, and the following changes made, to the original PIF:

Relevant section of CEO Endorsement Request	Amendments/changes from the original PIF
Part I	
A. Project framework	The project framework has been updated to reflect the agreements reached with institutional stakeholders during the preparation stage. The changes affected only the project outputs. The development of a national biodiversity database to support PA decision-making has been added as an additional output in Component 2

Relevant section of CEO Endorsement Request	Amendments/changes from the original PIF
	<p>The beneficiation of local communities in and around Komovi regional park has been moved from Component 1 to Component 2</p> <p>The gathering of information on marine biodiversity for Component 1, in support of establishing a new MPA, has been expanded to a 'feasibility assessment' that will conform with the requirements of the new Law on Nature Protection (2008) and would support the government in the designation of a new MPA</p> <p>The financial allocations for Component 1 and 2 have been adjusted accordingly</p>
B. Indicative financing plan	The co-financing totals have been increased to US\$ 5,439,894

**PART V: AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

Agency Coordinator, Agency name	Signature	Date Month/Day/Year	Project Contact Person	Telephone	Email Address
Yannick Glemarec UNDP/GEF Executive Coordinator	<i>Y. Glemarec</i>	May 22, 2009	Maxim Vergeichik	+421-905-42-8152	maxim.vergeichik@undp.org

## ANNEX A: PROJECT RESULTS FRAMEWORK

Project Strategy and purpose	Objectively verifiable indicators				Assumptions and risks
	Indicator	Baseline	Target by EOP	Sources of verification	
<b>Project Objective:</b> Enhance coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas	Coverage (ha) of the protected area system	108,866 ha	160,000 ha	National protected area register	<b>Assumptions:</b> <ul style="list-style-type: none"> <li>The government commits to an incremental growth in the grant funding allocation to finance the MPAs and regional parks incorporated into the PAS</li> <li>Existing protected area skills and competencies are retained in the PA institutions</li> </ul> <b>Risks:</b> <ul style="list-style-type: none"> <li>National economic priorities shift away from financial support for protected area activities</li> <li>Other ministries and public agencies do not cooperate to align strategies, plans and projects</li> </ul>
	Capacity development indicator score for protected area system	Systemic: 37% Institutional: 49% Individual: 33%	Systemic: 47% Instit: 56% Individual: 57%	Annual Capacity Development Indicator Scorecard	
	Total operational budget (including HR and capital budget) allocation (US\$) for protected area management	US\$3,946,611	US\$5,060,000	Annual Financial Sustainability Scorecard	
	Financial sustainability scorecard for national systems of protected areas	26%	>45%	Annual Financial Sustainability Scorecard	
<b>Outcome 1:</b> Expanding and rationalising the PA system to ensure better habitat representation and more secure conservation status	Percentage (by area) of the 32 Emerald Project sites ( <i>Areas of Special Conservation Interest</i> , representing habitat types and species of biodiversity significance) incorporated into the protected area system	<33%	>42%	Biodiversity geospatial database, National protected area register, Annual Report of the MTE	<b>Assumptions:</b> <ul style="list-style-type: none"> <li>Areas proposed for PA expansion retain some biodiversity or heritage conservation potential</li> <li>The Law on Nature Protection, and other complementary legislation, will provide an adequate enabling regulatory framework for the establishment and management of regional parks and marine protected areas</li> </ul> <b>Risks:</b> <ul style="list-style-type: none"> <li>Some areas proposed for expansion become so degraded that they no longer make a contribution to national biodiversity conservation targets</li> <li>Irreconcilable conflicts arise during the national park feasibility and establishment processes</li> </ul>
	Number and area of formally proclaimed Marine Protected Areas	0	1 (34,000 ha)	Annual Report of the MTE	
	Extent (ha) of formally proclaimed IUCN Category III Regional Park	0ha	>20,000 ha	National Protected Area register, Annual Report of the MTE	
<b>Outcome 2:</b> Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	Number of protected areas with formally delegated management institutions	12	>18	National Protected Area register, Annual Report of MTE	<b>Assumptions:</b> <ul style="list-style-type: none"> <li>All current protected areas retain some form of conservation tenure</li> <li>Any institutional restructuring processes required for the planning and administration of PAs are actively supported by the Government of Montenegro</li> <li>Stakeholder institutions constructively engage in the identification of the most cost-effective institutional arrangements for different categories of protected areas</li> <li>The MTE maintains a clear mandate and unequivocal authority to fulfil oversight and management obligations for the protected area system</li> <li>The regional park feasibility assessment and proclamation processes are completed within two years</li> <li>A capacitated institution is delegated the management authority for the regional park</li> </ul>
	Number of protected areas with an effective and properly resourced management institution	12	>16	Annual Report of MTE, Protected Area register	
	METT score for IUCN Category I, II and III protected areas	Biogradska Gora: 60% Durmitor: 48% Lovcen: 46% Skadar Lake: 59%	All IUCN Category I,II and III PAs >65%	METT Annual Review	
	Number of planning support and operational national park staff completing specialised training and/or skills development programs	0	>30	Annual Report of the MTE and PENP	

Project Strategy and purpose	Objectively verifiable indicators				
	Indicator	Baseline	Target by EOP	Sources of verification	Assumptions and risks
	Number of beneficiaries from communities in and around Komovi regional park	0	<p>Experiential training completed: &gt;400 local decision-makers, adult and/or secondary school learners</p> <p>Local business trained and financed: 3</p>	Annual report of management authority for Komovi Regional Park	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Individuals and organisations attempt to seek de-proclamation of existing PAs, as part of re-validation process</li> <li>- Appropriate, and capacitated, institutions cannot be identified for some categories of PAs</li> <li>- Stakeholders cannot agree on the preferred cooperative governance and institutional arrangements for the different categories of PA</li> <li>- Staff completing training and skills development programs are not retained by PA institutions</li> <li>- Resistance to the introduction of new institutional mandates and responsibilities reduces the management effectiveness of institutions</li> <li>- Viable business opportunities exist within the regional park</li> <li>- Local SMME's are sufficiently capacitated to exploit business opportunities</li> </ul>

## ANNEX B: RESPONSES TO PROJECT REVIEWS

NA at this stage.

## ANNEX C: KEY CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES

<i>Position Titles</i>	<i>\$/person week</i>	<i>Estimated person weeks</i>	<i>Tasks to be performed</i>
<b>For Project Management</b>			
<i>Local</i>			
Project Manager	450	145	Deliver results and manage funds in line with the work plan approved by PSC; Analyze and evaluate achieved results regularly to ensure that the project is meeting the target beneficiaries' needs, and communicating them to all PSC members; Record and resolve project issues occurring during the implementation within the tolerance level initially defined by PSC; Report issues to PSC with recommendations for solutions to project issues that exceed the defined tolerance level; Discuss and deal with local and national authorities on matters pertaining to activities described in the project document; Ensure timely preparation and submission of yearly/quarterly project work plans and reports; Lead the recruitment process of the necessary local experts in the areas identified in the project document in accordance with UNDP rules and regulations; Collect, register and maintain information on project activities by reviewing reports and through firsthand sources; Advise all project counterparts on applicable administrative procedures and ensures their proper implementation.
Project Assistant	300.5	99	Collect, register and maintain all information on project activities; Contribute to the preparation and implementation of progress reports; Monitor project activities, budgets and financial expenditures; Advise all project counterparts on applicable administrative procedures and ensures their proper implementation; Maintain project correspondence and communication; Support the preparations of project work-plans and operational and financial planning processes; Assist in procurement and recruitment processes; Assist in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans; Follow-up on timely disbursements by UNDP CO; Receive, screen and distribute correspondence and attach necessary background information; Prepare routine correspondence and memoranda for supervisor' signature, check enclosures and addresses; Assist in logistical organization of meetings, training and workshops; Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities and write minutes from the meetings; Maintain project filing system; Maintain records over project equipment inventory; Perform other duties as required.
<b>For Technical Assistance<sup>18</sup></b>			
<i>Local</i>			
Communications service provider	500	26	<u>Output 1.3</u> –Develop communications and awareness program for Komovi regional park; Prepare communication and media materials; Implement communications program
Independent mediator	500	22	<u>Output 1.3</u> – Identify different stakeholders for Komovi regional park; Develop a stakeholder engagement program; Develop conflict resolution mechanisms; Facilitate consultations with different stakeholder groups; Facilitate negotiations with different stakeholders to address key issues and concerns; Maintain records of stakeholder meetings and agreements
Protected area planning and management consultant	500	34	<u>Output 1.3</u> – Consultatively develop a park strategic management plan (3-5 year) for Komovi regional park; Prepare a detailed annual plan of operation for the first year of operation of the park. <u>Output 2.3</u> – Support the national skills development and training specialist in developing the skills and competence standards for protected areas, assessing the current skills base and competence levels of staff in the protected area agencies, identifying the critical skills and competence gaps, and developing/identifying relevant training and skills

<sup>18</sup> This excludes the appointment - in respect of a service level agreement or memorandum of agreement - of an NGO (or a coalition of NGO's) to technically support the implementation of Output 2.4.

<i>Position Titles</i>	<i>\$/person week</i>	<i>Estimated person weeks</i>	<i>Tasks to be performed</i>
			development programs to address these gaps
Biodiversity and Heritage conservation specialists	500	140	<u>Output 1.1/ Output 1.2/ Output 1.3/ Output 1.4 and Output 2.1</u> - Collect and collate key biodiversity and heritage inventory data for Montenegro; Map key species, habitats and spatial surrogates of ecological and evolutionary process for the marine and terrestrial environments; Set quantitative conservation targets for marine and terrestrial habitats and species; Collect and collate biodiversity and heritage inventory data on marine habitats in the proposed Plutamuni MPA planning domain, and the terrestrial habitats in the Komovi regional park planning domain; Assess the extent of natural resource use in the proposed Plutamuni MPA planning domain, and the terrestrial habitats in the Komovi regional park planning domain; Assess the biodiversity and heritage significance of the existing protected areas in support of the re-validation process.
Land surveyor	700	45	<u>Output 1.2 and Output 1.3</u> – Survey and prepare diagrams of the boundaries of the Komovi regional park for proclamation; Survey, and/or prepare diagrams of, the PA boundaries of existing PAs in support of the re-validation process; Support the registration of the PA boundaries with the Real Estate Agency and local municipality.
Skills development and training specialist	512.50	80	<u>Output 2.3</u> - Identify the skills and competence standards required for management of PAs; Assess the available competence and skills standards and identify critical gaps in PA agencies; Prepare a skills development and training program for PA agencies; Implement and/or facilitate access to short-course training and professional development for (30) pre-selected PA research, planning and management staff; Review the efficacy of the skills development and training programmes and make recommendations on future skills development and training needs
Monitoring and evaluation review consultants	500	61	Participate in drafting mid-term and final evaluation report/s; Local liaison with project team, government and UNDP during project evaluation; Liaison with the counterpart international monitoring and evaluation expert; Participate in discussions to realign the project time-table/log frame at the mid-term stage
Evaluation experts	500	11	The standard UNDP/GEF project evaluation TOR will be used. This will include: Participate, alongside the international consultants, in the mid-term and final evaluation of the project, in order to assess the project progress, achievement of results and impacts; Develop draft evaluation report and discuss it with the project team, government and UNDP; As necessary, participate in discussions to realign the project time-table/logframe at the mid-term stage
Auditor	500	12	Med-term and final independent audit of project expenditure as per UNDP/GEF standard ToR
<i>International</i>			
International conservation planner	3000	14	<u>Output 1.1</u> – Collate habitat, key species, threats, protected area and ecosystem processes datasets for the marine and terrestrial environment; Facilitate the setting of explicit quantitative targets for marine and terrestrial habitats, species and ecological processes; Identify marine and terrestrial biodiversity priority areas (NATURA 2000 sites) using best-practice conservation planning methodology; Support the design of an ecological network that physically links NATURA 2000 sites to conserve landscape-scale ecological processes; Develop alternative scenarios for a protected area system that achieves representativeness, comprehensiveness and adequacy objectives; Identify short- and medium-term spatial targets for the expansion of the current PAS.
Institutional development specialist	3000	8	<u>Output 2.2</u> – Review regional and international best practice in institutional arrangements for, and governance of, marine and terrestrial protected areas; Develop a governance model for different categories of PAs and internationally designated conservation areas; Identify and assess alternative institutional options for different categories of PAs and internationally designated conservation areas; On the basis of a cost-benefit analysis, identify the preferred institutional scenario for PAs; Prepare an implementation plan to guide any institutional restructuring processes that may be required; Advise the MTE on the ongoing governance and institutional arrangements required for the different categories of PAs and internationally designated conservation areas.
Evaluation experts for mid-term and final evaluation	3000	10	The standard UNDP/GEF project evaluation TOR will be used. This will include: Lead the mid-term and the final evaluations; Work with the local evaluation consultant in order to assess the project progress, achievement of results and impacts; develop draft evaluation report and discuss it with the project team, government and UNDP; As

<i>Position Titles</i>	<i>\$/person week</i>	<i>Estimated person weeks</i>	<i>Tasks to be performed</i>
			necessary, participate in discussions to extract lessons for UNDP and GEF
Justification for Travel, if any: Travel to Montenegro for country/site visits			

#### **ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS**

##### **A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.**

The objectives of the PPG have been fully realized. An international, and counterpart national, consultants were recruited the last quarter of 2008 to implement the PPG. A work plan was collaboratively developed by the UNDP, the consultants and a focal team from the MTE to guide and direct the work to be undertaken during the preparatory phase. A national working group, representing the different stakeholder institutions and organizations, was constituted by the national focal point (Deputy Minister of Tourism and Environment) to oversee and approve the preparatory studies and draft project documents. The PPG delivered all studies which made it possible to finalize the MSP request.

##### **B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:**

There are no findings that would fundamentally affect the project design. With the proclamation of the new law on Nature Protection, all activities were amended to align with the requirements of the Act.

During project preparation, the following substantive changes were made to the project outputs:

- (i) It was considered prudent to include an additional output (Output 2.1) on the development of a national *biodiversity database, in order to support the implementation of the output on the design of an ecological network and protected area system.*
- (ii) The recent preliminary results of the Regional Activity Centre for Specially Protected Areas (RAC/SPA) marine surveys (2009), and the subsequent commitment of technical and financial support from the Italian government to MPA establishment processes in Katici islets, resulted in the MTE requesting that GEF resources be used to support an output that focuses on supporting MPA establishment processes in the Platamuni cliffs area.
- (iii) An assessment of the project resourcing, available time and capacity suggested that education and awareness-raising output should be geographically contained to the area around Komovi, and not the wider Dinaric Arc ecoregion as originally envisaged.

The other changes to the approved PIF are not substantial, and are described in Part IV.

##### **C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:**

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>GEF Amount (\$)</i>				<i>Co-financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Local consultants	Completed	30,000	9,199.86	10,316.64	0	24,000
International consultants	Completed	10,000	9,590.00	18,453.00	0	0
Miscellaneous	Completed	8,000	260.87	1,446.40	0	18,000
Travel	Completed	2,000	273.23	460.00	0	4,000
<b>Total</b>		<b>50,000</b>	<b>19,323.96</b>	<b>30,676.04</b>	<b>0</b>	<b>46,000</b>

**ANNEX E: TOTAL BUDGET AND WORK PLAN**

<b>Award ID:</b>	tbd
<b>Award Title:</b>	PIMS 3457 BD MSP: Strengthening the sustainability of the protected area system of Montenegro
<b>Business Unit:</b>	MNE10
<b>Atlas Project ID</b>	tbd
<b>Project Title:</b>	PIMS 3457 BD MSP: Strengthening the sustainability of the protected area system of Montenegro
<b>Implementing Partner (Executing Agency)</b>	UNDP (DEX execution - in cooperation with the Ministry of Tourism and Environment)

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 2009/10 (USD)	Amount Year 2 2010/11 (USD)	Amount Year 3 2011/12 (USD)	Total (USD)	Budget note
<b>COMPONENT 1:</b> Expanding and rationalizing the PA system to ensure better habitat representation and more secure conservation status	<b>Ministry of Tourism and Environment (MTE)</b>	<b>62000</b>	<b>GEF</b>	71200	International Consultant	16,000	30,000	14,000	60,000	1
				71300	Local Consultants	45,000	65,000	35,000	145,000	2
				71600	Travel	9,000	11,000	8,000	28,000	3
				72300	Materials and goods	0	6,000	8,000	14,000	4
				72400	Equipment	0	36,000	42,000	78,000	5
				74100	Professional services	26,000	48,000	55,000	129,000	6
				74200	Audio visual and printing costs	6,000	10,000	5,000	21,000	7
				74500	Miscellaneous	2,000	2,500	1,500	6,000	8
<b>Total Outcome 1</b>						<b>104,000</b>	<b>208,500</b>	<b>168,500</b>	<b>481,000</b>	
<b>COMPONENT 2:</b> Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	<b>MTE</b>	<b>62000</b>	<b>GEF</b>	71200	International Consultant	12,000	18,000	6,000	36,000	9
				71300	Local Consultants	22,000	32,000	26,500	80,500	10
				71600	Travel	8,000	12,000	9,000	29,000	11
				72800	Information and Technology Equipment	10,000	24,000	5,000	39,000	12
				74100	Professional services	45,000	65,000	45,000	155,000	13
				74200	Audio visual and printing costs	8,000	12,000	6,000	26,000	14
				74500	Miscellaneous	2,000	3,500	3,000	8,500	15
<b>Total Outcome 2</b>						<b>107,000</b>	<b>166,500</b>	<b>100,500</b>	<b>374,000</b>	
<b>PROJECT MANAGEMENT</b>	<b>MTE</b>	<b>62000</b>	<b>GEF</b>	71300	Local Consultants	32,600	34,600	27,800	95,000	16
				<b>Total Project Management</b>						<b>32,600</b>
<b>PROJECT TOTALS</b>						<b>243,600</b>	<b>409,600</b>	<b>296,800</b>	<b>950,000</b>	

**Budget notes:**

1. Costs of contractual appointment of conservation planner. *Pro rata* costs of contractual appointment of monitoring and evaluation experts for mid-term and final evaluation.
2. Costs of contractual appointment of: communications service provider; independent mediator; biodiversity and heritage conservation specialists; land surveyor; and protected area planning and management consultant. *Pro rata* costs of contractual appointment of monitoring and evaluation review consultant and evaluation experts.



3. *Pro rata* travel costs for project management staff, NPI, MTE and international consultants. In-country travel costs for contracted specialists associated with: communications and awareness raising; mediation between different stakeholder groups in and around Komovi and Platamuni; regional park management planning; habitat, species and ecological process mapping; survey of boundaries of Komovi regional park; and project monitoring and evaluation. In-country travel costs estimated at US\$0.35/km
4. Acquisition of entry, informational and directional signage for the Komovi regional park. Co-financing of staff safety equipment and clothing.
5. Co-financing of office equipment, communications infrastructure and equipment, computer hardware and software; and vehicles for Komovi regional park.
6. Service level agreements with UNDP GIS Project, NPI and MTE to recover *pro rata* costs associated with: establishing geospatial database and decision-support system; feasibility assessment for the establishment of an MPA in Platamuni; and establishment processes for the Komovi regional park.
7. Costs associated with designing and developing various communication media and resource materials (e.g. brochures, fact sheets, booklets, interpretation boards, local radio inserts, advertisements, video production).
8. Costs associated with organizing focused specialized stakeholder engagement workshops and hosting issue-based stakeholder workshops (venue, catering, facilitation, printing, translation, etc.)
9. Costs of contractual appointment of institutional development specialist. *Pro rata* costs of contractual appointment of monitoring and evaluation experts for mid-term and final evaluation.
10. Costs of contractual appointment of: protected area planning and management consultant; biodiversity and heritage conservation specialists; land surveyor; and skills development and training specialist. *Pro rata* costs of contractual appointment of monitoring and evaluation review consultant and evaluation experts.
11. *Pro rata* travel costs for project management staff, and international consultants. In-country travel costs for NPI, MTE and contracted specialists associated with: re-validation of current protected areas; survey of boundaries of existing protected areas; *in situ* training of PA research, planning and operations staff; education and awareness programs in and around Komovi; *in situ* support of local businesses in and around Komovi; and project monitoring and evaluation. In-country travel costs estimated at US\$0.35/km
12. Supporting the acquisition of hardware and software to host, maintain and access biodiversity database within the NPI and PENP. Facilitating the upgrading of networking capability in the PENP and NPI.
13. Service level agreements with NGO/coalition of NGO's, NPI and MTE to recover *pro rata* costs associated with: re-validation of different categories of existing protected areas in PAS; implementation of management arrangement and governance options for different categories of PAs; formal delegation of management authority for all PAs; implementation of education and awareness program in and around Komovi; implementation of an economic empowerment programme for local communities living in and around Komovi; and administration of a small grants program for (at least 3) SMME's in and around Komovi.
14. Costs associated with the printing of training materials, the development of web-based learning programs and the preparation of audio-visual training programs.
15. Costs associated with organizing focused specialized stakeholder engagement workshops and hosting issue-based stakeholder workshops (venue, catering, facilitation, printing, translation, etc.)
16. 100% of costs of appointment of Project Manager, and 65% of the costs of the appointment of the Project Assistant (35% of costs of PA to be co-financed by UNDP CO).

**Summary of Funds:**<sup>19</sup>

	Year 1	Year 2	Year 3	TOTAL
<b>GEF</b>	243,600	409,600	296,800	950,000
Ministry of Tourism and Environment	657,000	650,400	472,600	1,780,000
UNDP	18,000	12,000	10,000	40,000
German Technical Cooperation (GTZ)	1,415,000.00	794,000	310,894	2,519,894
Lux Development	700,000	300,000	100,000	1,100,000
<b>TOTAL</b>	<b>3,033,600</b>	<b>2,166,000</b>	<b>1,190,294</b>	<b>6,389,894</b>

<sup>19</sup> All co-financing (cash and in-kind) that is not passing through UNDP.



## UNDP Project Document

Montenegro  
United Nations Development Programme

PIMS 4174

### 3457 Strengthening the sustainability of the protected area system of Montenegro

#### Brief description

The globally significant biodiversity of Montenegro is partially protected through a system of protected areas covering some 7.88% of the territory. Under current conditions, the Protected Area System (PAS) of Montenegro is however not effectively safeguarding the country's unique biodiversity as: (i) a number of natural ecosystem processes, habitats and species (notably in the marine environment) are not adequately represented in the existing PAS; (ii) the capacity of the institutions responsible for the planning management of the protected areas is generally weak; and (iii) the value of the PAS to the socio-economic well being of society is poorly understood and demonstrated.

The proposed long-term solution for biodiversity conservation in Montenegro's terrestrial and marine areas is a reconfigured system of protected areas that is designed to protect biodiversity while optimizing its ecological service functions – under an effective and adaptive management regime. This solution is seen to rest on two main pillars. First, the long-term solution depends on adequate capacities of PA agencies to identify, resource and focus suitable management efforts on highly sensitive and/or biologically significant areas within the existing network of protected areas, while also being able to identify, prioritise and target gaps in representation that can be filled through PA expansion efforts. Second, the solution requires better alignment of protected areas with the regional socio-economic development priorities, and improved responsiveness of PA management to the needs of local communities. Effective mechanisms for inter-sectoral co-operation that bring to bear the relevant strengths of various management agencies and branches of Government and civil society will then be required to solve the increasingly complex conservation challenges facing protected areas

The **normative solution** that the project seeks to engineer is characterized by: (i) the design and development of a scientifically-based ecological network and protected area system that would adequately conserve and protect a representative sample of the country's marine, freshwater and terrestrial biodiversity; (ii) the identification and design of a new marine PA for Montenegro; (iii) the establishment of the first Regional Park category of protected area for Montenegro as a first step toward the future establishment of a network of regional parks; (iv) the restructuring and strengthening of protected area institutions; (v) the development of protected area management skills within these protected area institutions; and (v) the piloting of the mainstreaming of protected areas into the local regional socio-economic development priorities - in particular the development of the nature-based tourism industry.

This project will contribute to achieving **global environmental benefits** by mitigating the threats to the biodiversity contained in at least 108,866 ha of protected areas of Montenegro. This will be achieved by overcoming the barriers that prevent the effective management of the terrestrial protected area system, by extending and enhancing the protection status to at least 21,000 ha, and by creating the enabling conditions for the establishment of a new Marine Protected Area in Montenegro.

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## ACRONYMS

APR	Annual Project Report
AWP	Annual Work Plan
BD	Biodiversity
CBNRM	Community Based Natural Resource Management
CBO	Community-Based Organization
CO	UNDP Country Office
CPAP	Country Programme Action Plan
EA	Executing Agency
EIA	Environmental Impact Assessment
EIS	Environmental Information System
EPA	Environmental Protection Agency
EU	European Union
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIS	Geographic Information System
GTZ	German Technical Cooperation
IA	Implementing Agency
IR	(Project) Inception Report
IUCN	International Union for the Conservation of Nature
IW	Inception Workshop
M&E	Monitoring and Evaluation
MAFWR	Ministry of Agriculture, Forestry and Water Resources
MED	Ministry of Economic Development
METT	Management Effectiveness Tracking Tool
MPA	Marine Protected Area
MTE	Ministry of Tourism and Environment
NBSAP	National Biodiversity Strategy and Action Plan
NEX	National Execution
NFP	National Forestry Policy
NGO	Non-Government Organization
NP	National Park
NPI	Nature Protection Institute
NSSD	National Strategy for Sustainable Development
PA	Protected Area
PAs	Protected Areas
PAS	Protected Area System
PENP	Public Enterprise National Parks
PEWG	Park Establishment Working Group
PIR	Project Implementation Review
PM	Project Manager
PMU	Project Management Unit
PSC	Project Steering Committee
PTR	Project Technical Report
RCU	UNDP-GEF Regional Coordination Unit
SBAA	Standard Basic Assistance Agreement
SMP	Strategic Management Plan
SO	Strategic Objective
SPA	Special Protection Areas
TBD	To be determined

TBWP	Total Budget and Work Plan
TOR	Terms of Reference
UN	United Nations
WWF	Worldwide Fund for Nature

# SECTION I: Elaboration of the Narrative

## PART I: Situation Analysis

### 1.1. Context and global significance

#### Environmental context

1. The Republic of Montenegro became the 192<sup>nd</sup> member of the UN on 28 June 2006. Montenegro is a small (13,812km<sup>2</sup>) mountainous country located in south-eastern Europe. It borders Bosnia & Herzegovina to the north-west, Serbia (Kosovo) to the north-east, Albania to the south-east and Croatia to the west. It has 293km of coastline along the Adriatic Sea. The maritime zone of Montenegro extends up to 12 nautical miles out to sea and is some 2,500 km<sup>2</sup> in extent. The terrain of Montenegro ranges from *high mountains* along its borders with Serbia (Kosovo) and Albania, through a *segment of the Karst* of the western Balkan Peninsula, to a narrow (2-10 km wide) *coastal plain*. The coastal plain disappears completely towards the hinterland, where Mount Lovcen and other ranges plunge abruptly into the inlet of the Gulf of Kotor. The coastal region is noted for its seismic activity. Montenegro's section of the Karst lies generally at elevations of 1000 meters above sea level, although some areas rise to 1,900 such as Mount Orjen (1,894m) the highest massif among the coastal limestone ranges. The lowest part of the central inland area is in the Zeta River valley. The central lowland plain is a flat-floored, elongated depression typical of karstic regions. The underlying rock is predominantly limestone, which dissolves to form sinkholes and underground caves. The high mountains of the northern inland parts of Montenegro include some of the most rugged terrain in Europe. They average more than 2000 meters in elevation (e.g. Bobotov Peak in the Durmitor Mountains reaches 2,523 metres). The mountains of Montenegro were the most ice-eroded section of the Balkan Peninsula during the last glacial period. Montenegro also includes the deepest canyon in Europe (up to 1,300m depth), the Tara River canyon. Due to the sharp changes in relief, the climate changes rapidly from a Mediterranean climate at the coast to a sub-alpine climate on the highest mountains.

2. With 3,250 plant species, Montenegro is considered as one of the most floristically diverse areas of the Balkan Peninsula. It has a species-area index for its vascular flora of 0.837, the highest of all European countries (Stevanovic. *et al* 2000). Montenegro also forms part of the Mediterranean Basin 'biodiversity hotspot', one of 153 centers of globally significant floral diversity. The number of Balkan vascular floral endemics in Montenegro is very high, with 392 taxa (~7% of the total vascular flora) recorded, markedly in the high mountain areas of the country. Of particular global significance are the 46 locally endemic vascular plants, mostly comprising Tertiary relicts. The remaining flora of Montenegro includes around 1,200 species of freshwater algae, approximately 1,500 species of marine algae (300 of which are macro algae) and 589 species of bryophytes. In addition, some 284 species of lichens have been recorded, and some 2000 species of fungi.

3. Terrestrial invertebrates in Montenegro have been poorly studied. The best studied phyla include mollusks (323 species of which 136 land snail species are of international biodiversity significance, most of which are relictual endemics), Oligochaetes (27 species) and arthropods (~16,000 – 20,000 species). About 295 fish species have been recorded in the waters of Montenegro, of which some 90 species are freshwater and more than 205 marine. There are 56 species of amphibians and reptiles. The coastal region of Montenegro and its hinterland - the Skadar Lake, Lovćen and Prokletije - are considered the most significant centers of biodiversity of reptiles and amphibians on the Balkan Peninsula and in Europe. Of a total of 526 European bird species, 297 (or 57%) can be found regularly in Montenegro, with several additional species (~29 species) registered as occasional visitors. With 204 nesting bird species, Montenegro has a species-area index for nesting birds of 0.557, considerably higher than the figure for the entire Balkans (0.435). Lake Skadar, shared with Albania, is one of the most important wintering sites for waterfowl in Europe. Sixty five species of terrestrial mammals have also been recorded within the territory of Montenegro.

## Protected area system

4. The Government of Montenegro actively promotes the establishment and management of a national ‘network of protected areas’, and the expansion of this network to ensure that all ‘ecosystems (are represented under a formal) *protection regime*’ (National Strategy for Sustainable Development, NSSD 2007). The new Law on Nature Protection (No. 51/08), adopted in 2008, makes provision for six categories of protected areas: Strict Nature Reserves; National Parks; Regional Parks/ Nature Parks; Natural Monuments; Protected Habitats; and Landscapes with Outstanding Features. In addition to protected areas, the Law also prescribes protection regimes that apply to certain species and to geological and paleontological objects. National Parks are designated and managed in terms of the Law on National Parks (No. 47/91 and No. 27/94). Currently the national protected area system (PAS) covers 108,886 ha, or 7.88 % of the territory. The largest portion (85,695ha or ~79%) of the PAS is represented by the 4 national parks (and their constituent nature reserves, 610ha in extent)<sup>1</sup> – Durmitor, Skader Lake, Lovćen and Biogradska gora. A revision of the Law on National Parks is currently in process to provide for the proclamation of a fifth National Park – Prokletije, approximately 18,000ha in extent. The remaining protected areas, comprising a total of 23,191ha (~21% of the PAS), includes<sup>2</sup>: 41 Monuments of Nature; four Areas with Exceptional Natural Features; and one area protected by Municipal decision. Montenegro also has one Ramsar site (Skadar Lake NP), one Biosphere Reserve (Tara River Basin – 182,899ha, including Durmitor and Biogradska Gora NP’s) and two World Heritage Sites (WHS) – Durmitor (Durmitor NP) as a natural WHS and Boka Kotorska (15,000ha) as a natural and cultural WHS.

**Table 1. Extent, by surface area, of the different categories of protected areas in Montenegro**

Protected areas names (by national protection category)	Surface (ha)	Share of the total territory
<b>National parks</b>	<b>85,695</b>	<b>6.2%</b>
Skadarsko jezero	40,000	
Lovcen	6,400	
Durmitor	33,895	
Biogradska gora	5,400	
<b>Nature reserves</b>	<b>610</b>	<b>0.044%</b>
NP Skadar Lake: Manastirska tapija, Panceva oka, Crni zar, Grmozur, Omerova glavica	420	
NP Durmitor: Crna Poda	80	
Tivat Saltpans	150	
<b>Monuments of nature</b>	<b>7,739</b>	<b>0.56%</b>
Djalovica gorge	1,600	
Lipska cave	-	
Magara cave	-	
Globocica cave	-	
Spila cave at Trnov/ Virpazar	-	
Babatusa cave	-	
Novakovica cave at Tomasevo	-	
Duboki do pit at Njegusi	-	
Piva river canyon	1,700	
Komarnica river canyon	2,300	
Communities of <i>Pinetum mughii montenegrinum</i> at Ljubišnja (1,000 ha), Durmitor (5,200 ha) and Bjelasica (400 ha)	6,600	
Communities of <i>Pinus heldraichii</i> in Orjen (300 ha), Lovćen (300 ha) and Rumija (100 ha)	700	

<sup>1</sup> All current nature reserves are located within the boundaries of two national parks - Skader Lake and Durmitor – and are administered as an integral part of each NP.

<sup>2</sup> These categories of protected areas are still designated in terms of the previous Law on Nature Protection (No36/77 and 2/82).



Protected areas names (by national protection category)	Surface (ha)	Share of the total territory
Individual dendrological sites: <i>Quercus robur scuteriensis</i> at Curioac near Danilovgrad, <i>Quercus pubescens</i> in Orahovac near Kotor, olive trees at Mirovica, Old Bar and Ivanovići, Budva, etc.	-	
Beaches of the Skadar Lake	(<2)	
Long beach Ulcinj	600	
Little beach Ulcinj	1.5	
Beach Valdanos	3	
Beach Velji pijesak	0.5	
Beach Topolica, Bar	2	
Beach Sutomore	4	
Beach Lucica, Petrovac	0.9	
Beach Canj	3.5	
Beach Pecin	1.5	
Buljarica	4	
Beach Petrovac	1.5	
Beach Drobni pijesak	1	
Beach Sveti Stefan	4	
Beach Milocer	1	
Becici beach	5	
Slovenska plaza, Budva	4	
Beach Mogren	2	
Jaz	4	
Beach Przno	2	
Savinska Dubrava in Herceg Novi	35.46	
Botanical reserve of laurel and oleander, above Sopot spring near Risan	40	
Botanical garden of mountain flora in Kolasin	0.64	
Botanical garden of general Kovacevic in Grahovo	0.93	
Njegos and July 13 Parks in Cetinje	7.83	
Park of the hotel Boka in Herceg Novi	1.2	
City park in Tivat	5.9	
Park of the Castle at Topolica	2	
<b>Areas with exceptional natural features</b>	<b>322.5</b>	<b>0.02%</b>
Hill Spas, above Budva	131	
Semi-island Ratac with Zukotrljica	30	
Old Ulcinj island	2.5	
Hill Trebjesa, Nikšić	159	
<b>Areas protected by municipal decisions</b>	<b>15,000</b>	<b>1.08%</b>
Kotor-Risan Bay, Kotor Municipality	15,000	
<b>TOTAL</b>	<b>108,866</b>	<b>7.88%</b>

5. The ‘Spatial Plan of Montenegro until 2020’ (2008), the ‘National Strategy of Sustainable Development of Montenegro’ (NSSD, 2007) and the draft ‘Biodiversity Strategy and Action Plan’ (NBSAP, 2009) establishes optimistic targets for the expansion of this protected area system. The NSSD for example envisages an ‘increase (of the PAS) to 10% of the territory, and protect(ion) (of) at least 10% of the coastal zone by 2009’. The NSSD, Spatial Plan and the ‘Spatial Plan of the Special Purpose Area Public Maritime Domain’ (2007) identify the following priority areas that would enable the country to achieve (and even surpass) this objective (see Map 1 below showing the larger areas proposed as new PAs): (i) establishment of 2 new national parks (Prokletije and Orjen); (ii) expansion of Durmitor national park to link it to proposed regional parks and to Sutjeska National Park in Bosnia and Herzegovina; (iii) 6 regional parks (Komovi, Bioc-Maglic-Volujak, Ljubisnja, Sinjajevina, Rumija and Turjak-Hajla); (iv) coastal zone protected areas ( Solila, Sasko Lake/Knete/Ada Bojana and Buljarica); and (v) 3 marine protected areas (Platamuni cliffs, Old Ulcinj-Ulcinj and Katici islands-Dubovica) and (vi) a number of monuments of nature. The NBSAP reinforces the

above priorities and proposes a larger set of sites for protection, in particular for the categories of monuments of nature and areas of exceptional natural values. A rough estimation of all the areas considered for protection in the draft NBSAP comes to around 27% of the national territory. The NBSAP suggests however that an objective conservation assessment to justify the selection of these sites and their efficacy in achieving representation of species, habitats and ecological processes has not yet been done. A comprehensive and detailed description and assessment of the network of protected areas in Montenegro is attached as a separate report.

**Map 1: Extent of (current and) proposed national and regional parks in Montenegro**



**Socio-economic context:**

6. The administrative set up of the country includes national and local level governments, with local self-government structured into 21 municipalities. The country is currently implementing a wide range of political and economic reforms, and has EU integration as one of its key objectives. In December 2008, Montenegro submitted an application to become a candidate country in the EU accession process. According to the 2003 census, the Montenegrin population totaled some 620,145 people. Some 13% of these had post-school qualifications (some 7.5% had a university education), 48% had a secondary school education while the remaining 39% had either elementary school education (~35%) or no formal education at all (~4%). In 2006,

primary school enrolment rate was 96.9%. Illiteracy levels in 2003 were estimated at 2.35%. Around 61% of Montenegrin population lives in urban areas, and 98% have access to a water source. Life expectancy at birth is 74 years. During the last few years, infant mortality rates were in the area of 9 – 11 (per 1,000 live births). The last available (from UNDP global Human Development report 2007/ 2008) Human Development Index is 0,822, which gives the country a 64<sup>th</sup> ranking among 179 countries.

7. In 2006 and 2007, economic growth was at the level of 8 – 10% of GDP annually, which placed Montenegro in the group of the fastest growing economies in the world. Growth has slowed in the second half of 2008 and a further slowdown is projected for 2009 as the impacts of negative global economic trends are expected to affect national economy. GDP in 2007 was 2.5 billion Euros, and per capita GDP in PPP US\$ in 2006 was 9,250. Among the economic sectors, tourism was one of the main drivers of recent economic growth, with the number of foreign tourists increasing by more than 45 percent in both 2005 and 2006 and by almost 55 percent in 2007. In 2006, services accounted for 72.4% of GDP, while agriculture and industry contributed with 10 and 17.6% respectively.

8. In the second half of the current decade, unemployment fell substantially from around 22% in 2004 to 11% in 2008. Average annual net salary in 2007 was 337 Euros (a large increase compared to, for example, 195 Euros in 2004), and unemployment fell below 12%. Even though there is a lack of continuous data on poverty, the last available indicators for 2005 and 2006 suggest a leveling off of the poverty rate at 11.3%, and a small decrease in inequality measures (e.g. Gini coefficient fell from 0.259 in 2005 to 0.243 in 2006).

#### Institutional context:

9. A number of ministries and administrative bodies are responsible for environmental and protected areas management in Montenegro. The main responsibilities of the environment sector of the *Ministry of Tourism and Environment* (MTE) are to develop national strategies, policies, laws and standards for environmental protection. Currently, around 30 staff<sup>3</sup> works on environment related tasks. The department for nature protection and environmental assessments operates within the MTE environment sector and currently has 6 employees. According to the plans outlined in the *National Programme of Integration with the EU 2008 – 2012*, further staffing of this department is envisaged to reach a number of 11 civil servants by 2012. Important strengthening of the overall human resources capacity of nature protection administration is planned through the recently established *Environmental Protection Agency*, which should perform executive tasks and, together with the Ministry, enable efficient and effective development and implementation of environment/nature policies in the future. The Ministry performs administrative supervision over the work of several public institutions, including *Public Enterprise National Parks* and *Nature Protection Institute*.

10. The *Public Enterprise National Parks of Montenegro* (PENP) is the only specialized institution tasked with PA management in Montenegro. PENP is responsible for protection and management of the four Montenegrin national parks - Durmitor, Biogradska gora, Skadar Lake and Lovcen. The Enterprise was established in 1993 under the provisions of the Law on National Parks. PENP comprises four administrative units (one for each national park) and a central headquarters in Podgorica. It is governed by a Management Board and a Director (appointed by the Government), and there is a Scientific Committee that advises on particular issues relevant to environmental protection in the national park. PENP currently has 124 employees (including wardens). National parks management is funded from budgetary transfers, own sources (i.e. revenues collected by the PENP based on the use of parks' resources) and donations. In 2008, total budget of the PENP was around 1,8 million Euros.

11. The responsibilities of the *Nature Protection Institute* (NPI) includes: the identification of natural assets that need special protection status; carrying out preparatory studies for establishing new protected areas, proposing nature protection measures and issuing decrees/ resolutions on placing certain natural assets under

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<sup>3</sup> This number includes staff of the Sector for Environmental Protection, environmental inspectors and staff working on legislation; the number has been increased substantially in 2007 when around 10 new staff was employed.

protection; maintaining inventories of protected natural assets; conducting research and supervising conservation, restoration and protection projects; preparing plans and programs for the advancement of protected areas and species; and providing expert opinions on project documentation and physical plans. The total number of staff employed at the NPI is 25. The NPI is funded by the national budget. In addition, it earns revenues based on the services provided to different users. Under the new Law on Nature Protection, the NPI is designated as the sole competent authority for preparation of ‘Protection Studies’ i.e. initial documents (equivalent to feasibility studies) that precede the process of proclamation of new protected areas.

12. Other ministries whose competencies are closely linked to environment and nature protection include: *Ministry of Agriculture, Forestry and Water Resources* (MAFWR) in charge of forestry, agriculture and fishery, and water protection and use; and the *Ministry of Economic Development* (MED) with competences in the areas of economic development, industry, energy, and spatial planning and construction.

13. The MAFWR is in charge of the preparation of laws, policies and plans for the management of water resources, which are implemented in cooperation with/ through the public entity, *Water Administration*. The key MAFWR competencies that are relevant for nature protection and PAs management include management and protection of forests, hunting and fishing. In the area of forestry, the MAFWR’s mandate is supported by the *Forestry Administration*, an executive body in charge for forestry planning and issuance of concessions. According to the new Nature Protection Law, Forest Administration will also assume a role in managing protected areas that will be designated within forested zones (except for the national parks forests, which are regulated under the Law on National Parks and managed by a separate authority – Public Enterprise National Parks). Another important prerogative of the MAFWR is country-wide supervision over the use of resources for which it is competent, as conducted by forestry, water, fisheries and other inspectorates.

14. The MED has an important role in PAs establishment and management, primarily through its land use/ spatial planning functions. The Ministry performs a supervisory role over the Public Enterprise *Morsko dobro* – an institution established to manage the zone designated as public maritime domain<sup>4</sup>. *Morsko dobro* currently has a staff complement of 33 employees. Even though nature protection competencies comprise a wider set of responsibilities for ‘protection and enhancing’ the area of the public maritime domain, the activities of *Morsko dobro* are typically linked to management of beaches (some of which have a protection status) and coastal areas for recreation and commercial purposes.

15. The *Real Estate Administration*, supervised by the Ministry of Finance, has important competences related to land use and spatial planning as it keeps the data on all types of land and property registers and provides land recodes. It has sectors and departments responsible for geodesy, photogrammetry, cartography (including GIS), surveying, and planning.

16. The *Marine Biology Institute* operates as a research institute within the University of Montenegro. Its main areas of work include: research of marine plants and animals; researching and examining sea water chemistry; and occasional monitoring of the sea water quality. The Institute has a total of 34 staff. It is funded through the national budget and it can also receive project-based funding.

17. The 2008 Nature Protection Law delegates competences for proclamation and management of certain categories of nature protected areas (namely for regional/ nature parks, natural monuments, and landscapes with outstanding characteristics) to *local government* level. Similar provisions were already in place under previous legislation, although the actual performance of municipalities in relation to these competences remained limited because of the lack of financial resources, technical facilities and human capacity.

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<sup>4</sup> The ‘Special Purpose Area’ is an area covering the narrow coastal belt along the entire seashore (at least 6 meters inshore from the line that the highest waves reach during the time of strongest storm, comprising a land area with the surface of some 60 km<sup>2</sup>) and the internal waters and territorial sea, with a surface area of around 2,500 km<sup>2</sup>

18. Some of the key national NGOs that have been active in nature protection area in Montenegro in the past few years include Greenhome, Most, Centre for the Protection of Birds, Greens of Montenegro, and others. Furthermore, a number of international non-profit and non-governmental organizations such as WWF and REC have also actively contributed to meeting the nature protection objectives and promoting PAs. The most notable results of the activities undertaken in the past by NGO sector include raised awareness about values of PAs and threats they are facing, promotion of PAs and of the cross-border cooperation, concrete improvements related to the protection of certain species and habitats, contributions to research and biodiversity information, initiatives for protection of new areas, and improvements in cooperation with local communities.

19. A more comprehensive and detailed description of the different protected area institutions in Montenegro, and an analysis of their capacity, is attached as a separate report.

#### Legislative context

20. The two key pieces of legislation relevant to the planning and administration of PAs in Montenegro are the Nature Protection Law and the Law on National Parks. The new *Law on Nature Protection* was adopted in August 2008 (Official Gazette of Montenegro No. 51/08) aiming to transpose the key EU legislation in this area, such as Habitats and Birds Directives. The rationale for the adoption of the Law was to introduce an EU-compliant categorization of protected areas, prescribe procedures for designation of protected areas (including a requirement for designation of managers for each category, preparation of management plans etc.) and set a legal basis for establishment of Natura 2000 network. Provisions on landscape protection and public participation are also included in the Law. National parks in Montenegro are designated and managed based on the *Law on National Parks* (Official Gazette of the RM No 47/91 and 27/94). The Law defines the borders, level of protection, limitations on development, permitted resource uses and how the national parks should be managed. Revision of the national parks legislation is currently underway.

21. In addition to nature protection legislation, a number of other laws on environmental protection and natural resources are relevant for PAs. The *Law on Environment* (Official Gazette of Montenegro No. 48/2008) introduces an integrated approach to environmental management and defines objectives and principles for environmental protection. The Law defines the scope and content of environmental monitoring programs and requires the establishment of an environmental information system (EIS). It prescribes the data requirements for, reporting obligations of and public access to the EIS. Other issues regulated by the Law include liability for environmental damage, environmental financing, and national plans and strategies required under certain multilateral environmental agreements. The *Law on Environmental Impact Assessment* (Official Gazette of the RM No 80/05) prescribes procedures for carrying out an EIA for projects that may have significant impact on the environment, while the *Law on Strategic Environmental Assessment* (Official Gazette of the RM No 80/05) prescribes the procedures – from screening to approval stage – for assessment of impacts of certain plans and programs on the environment. The *Law on Forests* (Official Gazette of the RM No 55/00) regulates forest management and the *Water Law* (Official Gazette of the RM No 27/07) regulates water management. The *Law on Spatial Development and Construction of Facilities* (Official Gazette of Montenegro No. 51/08) regulates the system of spatial planning and construction. The *Law on Marine Fisheries* (Official Gazette of the RM No 55/03), and the four ‘Rulebooks’ (regulations) issued in 2004, provides for the restriction, control and monitoring of different categories of marine fisheries in Montenegro.

### **1.2. Threats, causes and impacts**

22. The natural areas in Montenegro that provide a refuge for its unique marine and terrestrial biodiversity are under ongoing pressure from: (i) continued urbanisation, notably along the narrow coastline, across the central lowland plain and around the natural lake systems; (ii) unsustainable levels of tourism development across the entire coastal zone, and more locally around mountain resorts; (iii) illegal construction and development in and around protected areas (PAs); (iv) pollution of the aquatic and marine habitats from

untreated wastewater; (v) drainage and pollution of wetlands as a result of intensive agricultural practices; (vi) unsustainable levels of water usage for industrial and household purposes; (vii) illegal harvesting of forest products, fish, game and other natural resources, notably in the northern mountain regions; (viii) unsustainable fishing practices in the marine environment (e.g. use of dynamite); and (ix) the impact of global climate change, especially the effects of hot and dry periods on forest habitats.

23. The most significant cumulative impact of these threats on the biodiversity of Montenegro is: (a) the increased fragmentation of the remaining natural areas in the coastal zone; (b) a reduction in the ecological functioning of many natural areas; (c) a reduction in the effectiveness of natural areas as a buffer against climate change impacts; (d) a reduction in the capacity of the environment to provide key ecosystem services; (e) the ongoing loss of threatened habitats and associated species; and (f) the incremental loss of the economic benefits accruing from biodiversity. This is further compounded by a general lack of awareness in the populace of the value and significance of this biodiversity, and the need to effectively conserve it.

### 1.3. Long-term solution and barriers to achieving the solution

24. The proposed **long-term solution** for biodiversity conservation in Montenegro’s terrestrial and marine areas is a reconfigured system of protected areas that is designed to protect biodiversity while optimizing its ecological service functions – under an effective and adaptive management regime. This solution is seen to rest on two main pillars. First, the long-term solution depends on adequate capacities of PA agencies to identify, resource and focus suitable management efforts on highly sensitive and/or biologically significant areas within the existing network of protected areas, while also being able to identify, prioritise and target gaps in representation that can be filled through PA expansion efforts. Second, the solution requires better alignment of protected areas with the regional socio-economic development priorities, and improved responsiveness of PA management to the needs of local communities. Effective mechanisms for inter-sectoral co-operation that bring to bear the relevant strengths of various management agencies and branches of Government and civil society will be required to solve the increasingly complex conservation challenges facing protected areas. The key barriers to the long-term solution act by preventing the emergence and operation of the above two pillars. They are briefly described below.

#### a. Inadequate size, representation and conservation tenure of PAs

The PA classification of a number of the existing PAs is not properly aligned with their biodiversity significance and/or management objectives. The current extent of the PAS is heavily biased toward the four national parks while other PA categories are ignored. Although there is a legal provision made for Regional Parks / Nature Parks and Protected Habitats these categories of multiple use PAs have not yet been piloted in Montenegro. The legal PA status of, and management authority for, any future marine protected areas also remain unclear. Except for the national parks, other PAs generally do not have a formally designated and properly capacitated management authority. Some of these PAs have been, or are being, inappropriately developed and their biodiversity or cultural significance incrementally eroded. The majority of protected areas outside the national park system are also very small, and have a highly fragmented distribution.

A number of biologically important ecosystems outside the extent of the current protected areas - including the forest, mountain, karst, marine, freshwater, karst and coastal ecosystems - are at risk, and are currently under-represented in the PAS. At present, there are also no PAs representing the sub-tidal marine habitats off the Adriatic coast of Montenegro. The table below (extrapolated from the draft NBSAP, 2009) summarizes the conservation priorities for the broad habitat types based on their biodiversity significance, sensitivity to change, resilience, socio-economic value, representivity in the PAS, and extent of threats.

Ecosystem	ECOSYSTEM SENSITIVITY RANKING	Cumulative
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type	Species diversity	Rare, threatened & endangered species	Endemism	Adequacy of representation in PAS	Vulnerability to change	Resilience	Economic and social value	Current level of disturbance	Impact of future threats	
Freshwater	3	3	2	2	2	2	3	2	3	22 (1)
Forests	3	2	1	2	3	3	3	2	2	21 (2)
Mountains	3	2	2	2	3	2	2	2	1	19 (3)
Karst	3	2	3	2	1	2	2	2	2	19 (4)
Coastal	2	1	1	3	2	2	2	3	3	19 (5)
Marine	2	1	1	3	1	3	2	3	2	18 (6)
Dry grassland	1	1	1	3	2	2	1	2	3	16 (7)

The NSSD (2007) and ‘Spatial Plan of Montenegro until 2020’ (2008) provide a coarse PA expansion target (10% of marine and terrestrial habitats under protection), with a broad reference to the need to ensure ‘ecosystem representation’. The country’s national spatial plans for terrestrial and coastal areas, and the supplementary report ‘Development of Marine and Coastal Protected Areas in the Republic of Montenegro’ (2008), also preliminarily propose some areas for the expansion of existing, and establishment of a number of new PAs. These proposals are however not founded on adequate scientific knowledge, and fail to address systematic conservation criteria such as irreplaceability levels, minimum size requirements, ecosystem integrity and ecological process requirements. In most instances, the identification of the areas for PA expansion is still opportunistic (e.g. underdeveloped mountainous areas and rural environments that are considered ‘unproductive’ and have limited or no human settlements) and it remains unclear how ecosystem representation targets should objectively be prioritized in Montenegro.

Although the national strategic plans stress the need to expand the PAS, no significant protected areas have been established in Montenegro in the last 22 years<sup>5</sup>. This is, in part, due to public resistance to the expansion of the protected area estate as PAs are perceived to impede more economically viable forms of land and resource use.

#### b. Institutional and Individual capacity deficits

The draft NBSAP (2009) highlights the inherent weaknesses of the current knowledge of biodiversity. There are significant knowledge gaps in the understanding of the biodiversity of Montenegro. Although considerable research was undertaken during the post-World War II era (primarily the 1950’s to 1980’s) the funding, capacity and resources for research efforts has, until more recently, been severely limited. Biodiversity research efforts have to date been largely unsystematic, opportunistic and focused on narrow academic topics or in localized areas, with little reference to the country’s biodiversity conservation needs. Marine and terrestrial species lists are still incomplete and substantial information gaps remain in the areas of spatial mapping of biodiversity, ecosystem processes, population ecology and genetic diversity. Of particular concern is that biodiversity data is not centrally hosted, maintained or available to end users in a standardized format. Critical biodiversity conservation planning and decision-making processes at both a national level, and at the protected area level, are often not underpinned by accurate and reliable biodiversity data.

Institutional and individual weaknesses of protected area agencies serve as a major barrier to the future expansion and effective management of the protected area network, notably in the local municipalities. These weaknesses are generally typified by: unclear delegation of planning and management authority for PAs (except in the case of national parks); very low levels of coordination and cooperation between institutions; inadequate staffing; budgetary constraints; limited specialised protected area technical, operational and

<sup>5</sup> Only Tivat salt pans Nature Reserve (150ha) has recently been proclaimed. Prokletije NP is currently in the process of proclamation.

management skills; and inadequate enforcement and compliance capability. There is an argument, on the grounds of institutional efficiencies and economies of scale, for consolidating the legal, planning, operational and development responsibility for protected areas into a single authority, thereby allowing a more effective deployment of the country's limited human resources and institutional capacity.

There is a weak integration of protected area planning and management with local socio-economic development priorities, tourism enterprise development and poverty reduction strategies. There is also limited participation of civil society in protected area planning and management, and inadequate public understanding of the contribution of PAs to the well-being of society.

#### 1.4. Stakeholder analysis

25. The Department for Nature Protection and Environmental Assessments, the Nature Protection Institute (NPI), the Public Enterprise National Parks (PENP) and the Environmental Protection Agency (EPA), under the overall direct supervision of the *Ministry of Tourism and Environment* (MTE), will be the main departments/institutions within the MTE responsible for different aspects of the project development process. They will work in close cooperation with other affected public institutions, including: Ministry of Agriculture, Forestry and Water Management (MAFWM) –Forestry Administration; Ministry of Economic Development (MED) – Spatial Planning and *Morsko Dobro*; Ministry of Finance (Real Estate Administration); University of Montenegro – Marine Biology Institute; and Local Government – municipalities of Kotor, Podgorica, Andijevica and Kolascin. The project will focus stakeholder engagement at two levels of intervention: (i) working with national and local public institutions and agencies in order to strengthen their capacity to consolidate, expand and effectively manage the PAS and to align project activities with government's strategic priorities; and (ii) working directly with civil society organisations, formal and informal use rights holders, private landowners and individuals to mitigate impacts and optimise benefits of project activities. Table 2 below describes the major categories of stakeholders and their involvement in the project.

**Table 2: Key stakeholders and roles and responsibilities**

Stakeholder	Roles and Responsibilities
Ministry of Environment and Tourism	MTE will, primarily through the Deputy Minister and the department for nature protection and environmental assessments, be responsible for the overall coordination of the project. It will also be a primary beneficiary of project activities. The MTE will chair the Project Steering Committee (PSC)
Nature Protection Institute	NPI will work in close cooperation with the MTE. It will contribute to the project through: support to the development of the geospatial database; support to the design of the ecological network of Natura 2000 sites and the protected area system; preparation of 'nature protection studies' (feasibility assessments) for Komovi regional park and Platamuni MPA; and revalidation of the current network of PA's. The NPI will update and maintain the register of protected areas. The NPI will be a member of the PSC.
Public Enterprise National Park	PENP is an important partner in, and beneficiary of, the project. It will be involved in the project through: support to the development of the geospatial database; support to the establishment of Komovi regional park; revalidation of the national parks; review of management and governance options for PA's, including the expansion of the PENP mandate; and involvement in the skills development and training programs for national park staff. The NPI will be a member of the PSC.
Ministry of Agriculture, Forestry and Water Management	MAFWM is an important partner in the project. It will actively participate in the review of management and governance options for PA's. It will be directly involved in the feasibility assessment for the Platamuni MPA, notably in respect of the administration of marine fishing rights. The MAFWM will be a member of the PSC.



Stakeholder	Roles and Responsibilities
MAFWM - Forestry Administration	Forestry Administration will be actively involved in the project through: support to the development of the geospatial database; identification of forestry areas to be incorporated into the PAS; support to the establishment and operational management of Komovi regional park, notably areas under the management of Forestry Administration. The Forestry Administration may be a member of the PSC.
Ministry of Economic Development	MED is an important partner in the project. It will specifically support the project in the spatial planning processes for the Komovi region. It will retrospectively align, wherever possible, the ecological network and PAS design with the national spatial planning framework. The MED will be a member of the PSC.
Ministry of Finance – Real Estate Administration	The Real Estate Administration will support the project in the registration and maintenance of the cadastral boundaries of all protected areas in conformance with the requirements of the Law on Nature Protection
Local Government - Kotor, Podgorica, Andijevica and Kolascin	The affected local municipalities are important project partners. The Kotor municipality will participate in the feasibility assessment for the Platamuni MPA. The Podgorica, Andijevica and Kolascin municipalities will facilitate obtaining local parliamentary support for the regional park. They will: actively participate in the planning and establishment processes; be directly involved in the co-management of the park; and co-finance the capital and operating costs for the regional park, once established. The municipalities will be members of the PSC.
University of Montenegro – Marine Biology Institute	The Marine Biology Institute will provide technical support to the feasibility assessment for the establishment of an MPA at Platamuni. The MED will be a member of the PSC.
UNEP Regional Activity Centre for Specially Protected Areas	The Regional Activity Centre will provide technical support to the feasibility assessment for the establishment of an MPA at Platamuni
UNDP GIS Project	The UNDP GIS Project is an implementation partner for the project. It will establish the geospatial database and decision-support system for the protected area system.
WWF - Dinaric Arc Eco-region Project/ Mediterranean Programme office	WWF will support the integration and alignment of Komovi Regional Park with the Dinaric Arc Ecoregion initiatives. It will also support the collection of biodiversity data, as an integral part of the establishment of the geospatial database and the design of the ecological network and representative system of marine and terrestrial protected areas.
National and regional NGOs	Relevant national NGOs such as Greenhome, Greens of Montenegro and Most will be encouraged to take active role in implementing project activities, notably in the involvement and beneficitation of local communities in Komovi. National and local NGOs will actively participate in the stakeholder engagement processes for all project activities. A representative from national NGOs will be a member of the Steering Committee
Academic and research Institutes	Relevant national and regional academic and research institutes will contribute to the project in, for example, local scientific surveys and specialist mapping.
Representatives of local communities (e.g. <i>Katuiñ</i> )	Inhabitants of the villages or settlement within the Komovi region will be made aware of the issues and invited to take part in the decision making process. They will be represented in the local working committees and actively involved in the project activities relating to the establishment of Komvi regional park. Their cooperation will be sought in implementing project activities including resource protection, alternative income development (e.g. nature-based tourism), awareness raising, etc.
National and local press and	The project will cooperate with national and local press and media

Stakeholder	Roles and Responsibilities
media	on public awareness issues.
UNDP-Montenegro	The roles and responsibilities of UNDP-Montenegro will include: Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document; Coordination and supervision of the activities; Assisting and supporting MTE in organizing coordinating and where necessary hosting all project meetings; Contracting of and contract administration for qualified project team members; Manage and be responsible of all financial administration to realize the targets envisioned in consultation with MTE; Establishing an effective networking between project stakeholders, specialized international organizations and the donor community. The UNDP will be a member of the Steering Committee

### 1.5. Baseline analysis

26. While the Government of Montenegro continues to implement legislative and policy reform, commit modest financial resources and provide technical and professional capacity, to support the planning, management and expansion of protected areas, this will remain inadequate to significantly improve the current management effectiveness and representivity of the protected area system. Under the **‘business-as-usual’ scenario**, the extent of the PA network will remain fragmented and will not adequately represent the country’s habitats, species associations and ecosystem processes. Despite a strong political commitment to consolidate the existing, and establish new, protected areas the extent of the protected area system will not meet the national targets set in the Spatial Plan, NSSD and the draft NBSAP due to: (i) the absence of a national strategic approach to the expansion of the protected area estate; (ii) limited knowledge of, and experience in, establishment and management processes for other (i.e. not national park) categories of protected areas; (iii) public resistance to the expansion of the protected area estate due to their ongoing lack of relevance to the socio-economic and recreational needs of the country. (iii) limited incentives to encourage use rights holders and land owners to incorporate land into a protected area; (iv) ongoing disagreements between stakeholder institutions and land use rights holders within the existing protected area system; and (v) a lack of clarity about the institutional arrangements for, and financing of, the different categories of protected areas (excluding national parks). Critical marine habitats, coastal areas and karst ecosystems will continue to remain outside the formal protected area estate and come under increasing pressure from fishing, agriculture, power generation projects, urban development and spread of tourism enterprises. The available institutional resources and capacity for protected area management will be directed at enhancing the management effectiveness of National Parks, but the remaining protected areas in the system will continue to be managed largely by ‘benign neglect’. The protected areas that are not part of the system of national parks will be administered on an *ad hoc* opportunistic basis by the local municipalities and *Morsko dobro*, with limited oversight and support from the MTE. The ecological integrity of the many small, fragmented protected areas will continue to degrade and illegal use will continue, if not escalate, increasingly reducing these PAs to ‘paper parks’. Where income is generated from the protected areas, local communities and private land owners will continue to see negligible benefits accruing to them. Active involvement of land owners, local communities and NGO’s in the planning and management of protected areas will remain utilitarian at best, and non-existent at worst. This will sustain the public and political perception that protected areas are a ‘financial drain’ on the national fiscus, and a restrictive and unproductive form of land use.

27. Under the **business-as-usual scenario for project component 1** (‘expanding and rationalising the PAS to ensure better habitat representation and more secure conservation status’) PA rationalisation and establishment initiatives will continue to be opportunistic, uncoordinated and *ad hoc*, with a strong dependency on donor agency support. Protected areas will cover 108,000 ha, which will exclude important forest, mountain, and coastal areas. Marine protected areas are unlikely to be established. The MTE will

maintain the processes required to proclaim the new Prokletije National Park, with ongoing technical support from the NPI (US\$17,000) and funding support from donor agencies (US\$112,000). However, progress will remain slow due to ongoing public resistance to the establishment of the national park. Progress on the establishment processes for the Delta Bojana/Buna River as a protected area (US\$400,000) will be protracted until outstanding issues on the proposed boundaries, zoning and institutional arrangements are satisfactorily addressed. Feasibility assessments being undertaken by different donor-funded projects for trans-boundary conservation areas between Montenegro and Albania and Bosnia-Herzegovina (US\$160,000) will be severely constrained by the capacity and resource constraints of the MTE and NPI, and the absence of an existing institution to effectively administer and manage the Montenegrin component of a trans-boundary conservation area. The donor funded feasibility assessment of, and management planning processes for, an MPA at Katic islands (US\$196,410) will test the efficacy of the establishment of an MPA in Montenegro and identify the legal, institutional and capacity constraints for this category of PA. While the spatial planning of the Bjelasica-Komovi region (US\$1,000,000) could provide the enabling planning framework for the establishment of the Komovi Regional Park, it is unlikely that the regional park would be established in the short- to medium-term due to the severe capacity constraints of the MTE and local municipalities. Tourism development initiatives in the region (US\$3,143,760) will achieve varying levels of sustainability depending on the institutional support (infrastructure, training, regulatory, policy, etc.) provided by the responsible local public institutions. Support to local entrepreneurs in the Komovi region by local NGO's (US\$57,000) will be periodic, localised and largely uncoordinated. The MTE and its public institutions will not be able to meet the legal requirements of the new Law on Nature Protection to re-validate all the current protected areas due to capacity and resource constraints. The categorisation of many protected areas will thus remain out of alignment with the current legislation in the short- to medium-term, creating an ongoing legal conundrum for these areas. Conflicts over the existing boundaries and land use rights of PAs – notably in some national parks – will remain unresolved.

28. Under the **business-as-usual scenario for project component 2** ('strengthening the capacity of PA institutions to more effectively manage a representative system of protected areas'), the operational management focus for protected areas in Montenegro will remain on the four National Parks ((US\$6,900,000), with management activities in the remaining protected areas and international conservation areas limited to reactive efforts to mitigate threats to, and impacts on, these areas (US\$92,900). The overall institutional capacities will remain low, as well as management effectiveness at the level of protected areas. Without a responsible, capacitated institution for these remaining protected areas, their ecological integrity will continue to be diminished through illegal, unsustainable or inappropriate uses. Ongoing research and inventory efforts in and around protected areas will ensure that an important repository of knowledge is maintained on the state of the biodiversity of Montenegro, and the identification of priority areas and species for conservation action. Work undertaken by the NPI knowledge management (US\$660,000) will be supplemented by information collected by a forestry inventory (US\$785,640), the ongoing development of the national environmental geospatial database (US\$400,000), and technical support to data collection efforts to implement NATURA 2000 (US\$23,357). Many protected areas will continue to have no formal delegated management authority (in terms of the Law on Nature Protection) and most will continue to have limited or no cooperative governance mechanisms. Local communities and civil society will increasingly feel isolated from the day-to-day management activities of the PAs, and derive little direct or indirect benefit from their operations. Institutional and individual capacities will continue to be developed in the MTE, PENP and the NPI from direct donor agency funding support (WWF, GEF, ADC, Italian Government, Norwegian Government – US\$1,175,000) and development of a management plan for Skadar Lake NP (GTZ – US\$150,000). However, the skills and capacity of the PA staff to plan and manage the different categories of protected areas and international conservation areas will remain under-developed without a more coordinated, long-term training programme embedded within the responsible institutions.

## Part II: Strategy

### 2.1 Project Rationale and Policy Conformity

#### Fit with the GEF Focal Area Strategy and Strategic Programme

29. The project is aligned with GEF's Strategic Objective (SO) 1 of the Biodiversity focal area, 'Catalyzing Sustainability of Protected Areas Systems'. The project is consistent with Strategic Programme's (SP) 2 and 3 of SO 1; 'Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems' and 'Strengthening Terrestrial Protected Area Networks'. The current protected area system has not been designed to ensure the adequate representation of the important marine, aquatic and terrestrial ecosystems, habitats and species in Montenegro. There are currently also no formal marine protected areas in the country. Protected areas are both spatially and institutionally highly fragmented, and are not achieving the conservation objectives in a cost-effective and efficient manner. The project aims to enhance coverage and management effectiveness of the protected area system of Montenegro by piloting the establishment of the first Regional Park in Montenegro, and by strengthening the capacities at the institutional and individual levels to establish and manage a more representative protected area system. The project will contribute to the achievement of GEF's main indicators under this priority programming area as follows:

GEF-4 BD Strategic objective and programmes	Expected impact	GEF-4 BD Indicators	Project contribution to indicators
SO-1: Catalyzing Sustainability of Protected Area Systems	Biodiversity conserved and sustainably used in protected area system	Extent and percentage increase of new habitat protected (hectares) by biome type in protected area systems that enhances ecosystem representation  Protected area management effectiveness as measured by protected area scorecards that assess site management, financial sustainability and capacity	Extent of protected area system increased from 108,866 ha to 165,000 ha  METT score for all 80% of the PAS system equals or exceeds 65% rising from current 46-60% levels.  Systemic capacity rises from 37 to 47%; institutional capacity from 49 to 56%, individual capacity from 33 to 57%.
SP-2: Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems	Increased coverage of marine ecosystems globally and in national PA systems	Number and extent (coverage) of national marine PAs compared to 2006 global baseline for GEF-eligible countries	One MPA established ~ 34,000ha
SP-3: Strengthening Terrestrial Protected Area Networks	Improved ecosystem coverage of under-represented terrestrial ecosystems areas as part of national protected area system  Improved management of terrestrial protected areas	Terrestrial ecosystem coverage in national protected area systems  Protected area management effectiveness as measured by individual protected area scorecards	Protected area system coverage of 8% of terrestrial surface area of Montenegro. 21,000 of underrepresented mountain, freshwater and forest habitats added under protection.  METT score for national parks equal or exceed 65%, rising from the current level of 60% (Biogradska Gora NP); 48% (Durmitor NP); 46% (Lovcen NP) and 59% (Skadar Lake NP).

## 2.2 Project Goal, Objective, Outcomes and Outputs/activities

30. The project has the **objective** of ‘developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas’. The project has two **components** – along with their associated outcomes, outputs and activities - which will contribute towards achieving the project objective. These are: (i) Expand and rationalise the PA system to ensure better habitat representation and more secure conservation status; and (ii) Strengthen the capacity of PA institutions to effectively manage a more representative protected area system. The project will focus activities at two levels of intervention: (i) the national level, through working with public institutions and agencies in order to develop the capacity to consolidate, expand and effectively manage the PAS; and (ii) the local level, through working directly with the key stakeholder groups and local communities in order to establish the first Regional Park in Montenegro in the Komovi region, and to assess the feasibility of establishing a Marine Protected Area in the region of the Platamuni cliffs along the Adriatic coast.

### **Component 1 Expand and rationalise the PA system to ensure better habitat representation and more secure conservation status**

#### *Output 1.1 Protected area gap assessment completed resulting in a comprehensive plan for a representative PAS:*

Work under this output will seek to support the MTE in developing the planning framework for the establishment of a long-term ecologically representative PAS for Montenegro in line with the new Law on Nature Protection<sup>6</sup>. Firstly, the design of the PAS will encompass the identification of ecologically significant sites in both the marine and terrestrial environment, and make proposals for optimal spatial connectivity between these sites. On the basis a representative protected area system will then be planned to ensure addressing and inclusion of: (a) samples of all ecosystems at the appropriate scale; (b) areas which are refugia or centers of species richness or endemism; (c) ecological requirements of rare or threatened species, communities or habitats; and (d) special groups of organisms (e.g. ranging or migratory species). The activities under this output are directed at:

- (i) Assessing and mapping the types of habitats (vegetation types, wetlands) in Montenegro, and the extent to which they are endangered or threatened.
- (ii) Assessing and mapping the species distributions for endemic and threatened taxa (wherever practicable).
- (iii) Assessing and mapping spatial surrogates of ecological and evolutionary processes (such as highland-lowland gradients as a surrogate for movement of biota, and response to climate change).
- (iv) Defining and mapping the current, and projected, degree of landscape transformation.
- (v) Setting explicit quantitative conservation targets for habitats and species.
- (vi) Identifying biodiversity priority areas on the basis of an analysis of species, habitats and ecological processes<sup>7</sup>.
- (vii) Identifying criteria and assessing options for ecological corridors that link the ecologically significant sites with key landscape-scale ecological processes (e.g. animal movements, macro-climatic gradient, upland-lowland gradients) and buffer the impacts of destructive land uses.
- (viii) Mapping an ideal spatial scheme for the different categories of protected areas within the PAS in Montenegro. The plan will encompass both, the existing PAs (whose value will be further reviewed under a separate Output 1.2 – see below), as well as PAs to be established anew.
- (ix) After revalidating the existing PAs (see Output 1.2), finalize a comprehensive long-term implementation strategy for the PAS in Montenegro, based on analysis of alternative scenarios for the

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<sup>6</sup> Cf. ‘ecological network’ (that would conform to the NATURA 2000 requirements) described in the Law on Nature Protection (Official Gazette of Montenegro No. 51/08).

<sup>7</sup> Biodiversity conservation planning methodologies and technologies (such as MARXAN) will be used to develop the optimal configuration design for the protected area system of Montenegro

design of a protected area system that meets the objectives for representivity, comprehensiveness and adequacy. Revalidate the short- and long-term spatial targets for the expansion of the protected area system in Montenegro.

The MTE's Department for Nature Protection will oversee the activities under this output. The collation of biodiversity data will be implemented by the NPI and local and international experts from the NGO Daphne. This process is also linked to the data-management capacity building Output 2.1 (see below), which will run in parallel, and data generated by or for Outputs 1.1 and 1.2 will be integrated in the PAS. The conservation planning assessment and design of a representative protected area system will be undertaken by an international conservation planner, with technical support from the NPI and the NGO Daphne. The contracted service providers will actively involve a wide range of stakeholders (including research institutions, university faculties, local municipalities, other ministries, NGO's and individual specialists) in the collation or mapping of 'feature' data, the development of conservation targets, the selection of the preferred network of NATURA 2000 sites and the design of a protected area system. The MTE will guide and support the expert consultants in facilitating the institutional and specialist consultative process.

Output 1.2 Ecological values and management arrangements of existing protected areas revalidated:

Linked to the previous output, this will focus in more detail on the ecological, representivity value and conservation management of the existing Pas. Work under this output is designed to support the MTE and other national and local government institutions in reviewing and re-validating the current biodiversity significance of the protected area system in Montenegro to conform to the requirements of the new Law on Nature Protection (2008). This revalidation process will include: (i) re-assessing the biodiversity significance of each existing PA; (ii) confirming categorisation of each existing PA to ensure the alignment of its conservation objectives with the protected area categories contained in the act (*cf.* Articles 38 – 43); (iii) reviewing, and amending as needed, the boundaries of each PA; and (iv) ensuring the delegated management authority for the PA. The activities under this output are directed at supporting the following:

- (i) Using data from Output 1.1, development [as needed] of fine-scale maps of habitats, collating species data, identifying key ecological processes, reassessing the regional and national conservation status of the species and habitats, and assessing the contribution of the existing PAs to meeting national and global conservation targets.
- (ii) Reassessing the cultural heritage and values, physical features and landscape characteristics of each existing PA.
- (iii) Mapping the proclaimed boundaries of each PA, and identifying opportunities for rationalization of boundaries, and areas for expansion in line with ecological gap study conducted in Output 1.1.
- (iv) Designating a responsible management authority for each existing PA [where such is missing], and putting in place most appropriate management/co-management arrangements.
- (v) Assessing the management planning status of each existing PA. Registering the cadastre of each PA with the Real Estate Agency and relevant Municipality. Updating the 'Register of Protected Objects' and the PAS geospatial database.

This work will largely be overseen by the NPI and the PENP, under the guidance of the MTE. The NPI will develop a generic standardized format for the collection of individual PA data. National biodiversity conservation specialists will then be contracted to collect the requisite validation data for individual PAs. This data may include: collecting/collating *in-situ* biodiversity and heritage data for each PA; mapping the biodiversity and heritage features in each protected area; assessing the conservation value of each PA; and recommending the appropriate PA category for each individual PA. A national surveyor will be contracted to prepare maps and survey diagrams (as and where required) of the PA boundaries. The NPI will be responsible for: the registration of the cadastre of each protected area; recommending the PA category and designated management authority for each PA; and updating the 'Register of Protected Objects'. The UNDP Environment GIS Project will be responsible for updating the PAS geospatial database.

Output 1.3 Regional Park Komovi (21,000 ha) established:

Work under this output will seek to support the MTE (Department of Nature Protection) and the NPI in piloting the establishment of a new Regional Park<sup>8</sup> (equivalent to IUCN Category III) in the Komovi mountain alpine region of Montenegro. Abutting the Albanian border, Komovi is located in the south-eastern corner of the Tara River Basin Biosphere Reserve and is proximate to Biogradska Gora NP and the soon-to-be-established Prokletije NP (see Map 1 above). It covers an area of at least 21,000 ha, comprises mountain, forest and freshwater ecosystems, and forms an integral part of the Dinaric Arc Ecoregion. The establishment processes for the regional park will seek to introduce a new strategic direction for protected area management in Montenegro by: (i) more closely aligning the planning and operational management focus of regional parks with local economic development priorities and programmes; and (ii) establishing the cooperative governance mechanisms to facilitate this integration. This piloting process will include the requisite feasibility assessments, awareness-raising, consultation processes, proclamation, designation of management authority, demarcation of boundaries and business/management planning activities.

The activities under this output are directed at:

- (i) Reviewing regional best practice in the establishment and management of regional parks.
- (ii) Defining a planning domain for the Komovi Regional Park.
- (iii) Detailed assessment of the biodiversity elements (species, habitats, ecological processes), current and proposed land uses (settlements, villages, tourism centre's, agriculture, etc.) and current and future threats (erosion, pollution, invasive species, illegal harvesting of natural resources, etc.) within the planning domain.
- (iv) Defining alternative scenarios for the boundaries and zoning of a regional park within the planning domain, and linking opportunities for physical connectivity of the regional park to national parks, adjacent tourism zones and trans-boundary conservation initiatives (e.g. Dinaric Arc Ecoregion Project).
- (v) Undertaking a rapid cost-benefit analysis of these park establishment scenarios, and recommending a preferred scenario.
- (vi) Identifying institutional and co-operative governance arrangements for the regional park.
- (vii) Developing a stakeholder engagement program and a communications program for the regional park establishment and planning phase.
- (viii) Developing and producing a range of communication materials and media about the intent to pilot the establishment of a regional park in Komovi. This would include, but is not limited to, information on: the objectives of the regional park; the proposed planning domain for exploring park establishment options; the biological features, socio-economic profiles, and land tenure/uses within the planning domain; alternative options for park boundaries and zoning within the planning domain; the stakeholder consultation processes to be undertaken in park establishment; the impacts of the park on land tenure and use rights; the opportunities and benefits of park establishment; conflict resolution mechanisms; proposed institutional and cooperative governance arrangements; contact details; and proposed timelines for the park consultation and establishment phase.
- (ix) Implementing the communications program.
- (x) Implementing a focused consultation and negotiation process with landowners, affected private sector interests and local communities with land tenure and use rights in and around the area targeted for the regional park, to address key issues and concerns and to agree on the boundaries and zonation of the park.
- (xi) Implementing a focused consultation and negotiation process with affected institutional stakeholders (e.g. Municipalities -Andrijevic, Kolasin and Podgorica; Forest Administration -Regional branches and Inspectorate; MED - spatial planning; PENP - Biogradska Gora NP, Prokletije NP; and RTO Bjelasica & Komovi) to address key issues and concerns and agree on the boundaries of the park.

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<sup>8</sup> Although this category of protected area is provided for in the Law on Nature Protection (2008), there are currently no regional parks in Montenegro..

- (xii) Consolidating the information from activities (i) – (x) into a ‘feasibility assessment report’ for approval and adoption by the MTE.
- (xiii) Securing the ‘decision of proclamation’ of Komovi Regional Park by the affected municipality/ies, and drafting its legal designation.
- (xiv) Preparing a comprehensive 5-year strategic management plan (SMP) and a detailed annual plan of operations (APO) for the first year of operation, for the park. The SMP may include:
  - a. Location, boundaries and extent
  - b. Policy, legislative and regulatory framework
  - c. Contextual framework (e.g. archaeological, historic, climatological, bio-physical, socio-economic, infrastructure, services)
  - d. Management objectives framework (e.g. purpose, principles, vision, goals, key result areas)
  - e. Use zoning framework
  - f. Strategic implementation framework (e.g. actions, priorities, deliverables, indicators, responsibilities, etc.)
  - g. Institutional and governance framework (management authority, cooperative governance arrangements, co-management structure, etc.)
  - h. Monitoring and evaluation framework
- (xv) Registering the regional park in the ‘Register of Protected Objects’ for gazetting.
- (xvi) Facilitating the establishment of the management structure for the park (e.g. legal requirements, structural design, new staffing appointments).
- (xvii) Establishing a cooperative governance structure to oversee the implementation of the management plan (securing representation, clarifying terms of reference, establishing a constitution, identification of office bearers, etc.).
- (xviii) Supporting the acquisition of key administrative and operational infrastructure and equipment required for park start-up (e.g. office equipment, park vehicles, park communications infrastructure and equipment, computer hardware and software, park signage).

The MTE (Department of Nature Protection) will oversee the implementation of activities under this output. The Project Manager will retain the services of an international consultant to advise on regional best practice in the establishment and management of regional parks. The feasibility assessments will be directly implemented by the NPI, in close partnership with the affected local municipality/ies. A small Park Establishment Working Group (PEWG) will be constituted by the NPI - with representation from the MTE (Department of Nature Protection), NPI, PENP, affected Municipalities, RTO Bjelasica and Komovi and Forest Administration - to act as a reference group for the park establishment processes. Once identified, a representative of the future park management authority will also be co-opted onto the PEWG. The international consultant retained by the Project Manager will provide technical advice and guidance to the PEWG. GEF funding will be used to finance the administrative functioning of this PEWG, and the appointment of *ad hoc* administrative, technical and legal support services. The following consultants will be contracted by the NPI to support the work of the PEWG: (a) a national communications service provider to develop the communications media and materials and implement a communications and awareness programme; (b) a national independent mediator to facilitate and mediate the discussions and negotiations between local communities, land tenure and use rights holders and different state institutions; and (c) a national protected area consultant to prepare the park management plan and annual plan of operations.

#### Output 1.4 Feasibility assessment<sup>9</sup> and agreed designation plan for establishment of Marine Protected Area in Platamuni

Work under this output will seek to support the MTE in preparing a feasibility assessment for the Platamuni cliffs (from Rt Platamuni to Rt Žukovac), an area targeted as a potential site for the establishment of a marine

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<sup>9</sup> The Law on Nature Protection uses the term ‘studies on nature protection’ and prescribes the content of such studies. The feasibility assessment undertaken in this output will thus conform to the legal requirements for ‘studies on nature protection’.



protected area for protection of benthic fish species<sup>10</sup>. The objective of the feasibility assessment will be to determine the social, ecological, economic, institutional and political feasibility of the establishment of a Marine Protected Areas in the Platamuni cliffs area. It is anticipated that, if feasible, the MTE would then initiate the process of MPA proclamation on the basis of the proposals contained in the feasibility study (project financing would however not be used to support the formal proclamation). A key question that the feasibility study will address is how to integrate local economic development with the conservation goals for the proposed marine protected area, while establishing a balance of benefits that can be supported by all stakeholders. Activities under this output will align with, and support, the complementary feasibility assessment and MPA proclamation processes also being undertaken by DFS Engineering (funded by the Italian Cooperation Agency) in the establishment of an MPA at Katič Islets.

The activities under this output are directed at, *inter alia*:

- (i) Detailed surveying of the biodiversity characteristics (and cultural heritage features).
- (ii) Defining an explicit marine planning domain.
- (iii) Mapping the biodiversity elements (species, habitats, ecological processes), adjacent terrestrial land uses (protected areas, urban areas, tourism hubs, public infrastructure, etc.) and threats (sewerage outfalls, use of explosives for fishing, siltation, etc.) within the planning domain.
- (iv) Describing the legal, institutional, political and socio-economic context of the planning domain.
- (v) Quantifying the levels of natural resource use, and profiling the different natural resource users, within the planning domain.
- (vi) Proposing the boundaries of an MPA within the planning domain.
- (vii) Mapping the different use zones within the proposed extent of the MPA, and describing the management objectives for each use zone.
- (viii) Clarifying the institutional and cooperative governance arrangements for the planning and management of the MPA.
- (ix) Identifying the key actions required to initiate the MPA establishment process, including an estimate of the costs, indicative timelines and institutional roles and responsibilities for each of the actions.
- (x) Outlining a plan for the mobilisation of resources (including identification of funding and partnership opportunities) to support the MPA establishment process.
- (xi) Developing a strategy for the consultation and participation of different stakeholder groups in the MPA establishment process.
- (xii) Developing a strategy to optimize benefits for local communities from the establishment and management of the MPA.
- (xiii) Consolidating the information from activities (i) – (ix) into a ‘feasibility assessment report’ for approval and adoption by the MTE.

The MTE (Department of Nature Protection) will oversee the implementation of activities under this output. The feasibility assessments will be directly implemented by the NPI, in partnership with the Marine Biology Institute (University of Montenegro) and the Regional Activity Center for Specially Protected Areas. Specialist national and international institutions and consultants may be sub-contracted by the NPI on an *ad hoc* needs basis. A critical component of the feasibility assessment will be the ongoing communications with stakeholders and active participation of affected institutions, organizations and individuals. It is envisaged that a working group, representing the different marine interest groups, would be constituted and maintained as a local reference group during the course of the feasibility assessment process. This will be supplemented by bilateral discussions and negotiations with each of the key stakeholders to address specific issues of concern.

**Component 2** Strengthen the capacity of PA institutions to effectively manage a more representative protected area system.

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<sup>10</sup> The site was preliminarily identified as a priority in the RACSPA report *Development of marine and coastal protected areas in the Republic of Montenegro* (2008) on the basis of the richness, abundance and composition of the fish species surveyed in the transects.

Output 2.1 Geospatial database and decision-support system for the protected area system established and functional:

Work under this output will seek to strengthen the MTE's decision-support systems for protected area planning and management, and build the biodiversity data management capabilities of the Ministry and the relevant public institutes and enterprises. Activities under this output have been designed to closely align with the activities of: (i) the project 'Implementation of an Environmental GIS for Montenegro' implemented by UNDP, that will establish an environmental National Spatial Data Infrastructure (NSDI) for three environmental sectors (forestry, biodiversity and spatial planning) in Montenegro, and build the institutional capacity of these sectors to maintain this environmental NSDI; and (ii) the project 'Serbia, Montenegro and Natura 2000: Strengthening the Capacity of Governments and civil sector to adapt to Nature Protection *Aquis* – Montenegro Natura 2000 database development'<sup>11</sup>, implemented by the NPI and the NGO Daphne that will support the development of the Natura 2000 database for Montenegro. The activities for this output are then specifically directed at:

- (i) Identifying the data requirements (e.g. land ownership and tenure, current and planned land use, protected area cadastre, vegetation and habitat types, species distributions, ecosystem processes, threats to biodiversity, etc.) required to support biodiversity conservation planning and protected area system planning (see Outputs 1.1 and 1.2).
- (ii) Sourcing, and validating existing electronic (GIS, spreadsheets, image, etc.) or hard copy (maps, reports, tables, etc.) data from data providers – this may include the development of data-sharing agreements.
- (iii) Formatting and validating existing data (and metadata) to ensure integration into the biodiversity sector 'geodatabase' of the (future) NSDI.
- (iv) Identifying the data gaps, and cost-effective mechanisms to collect data to address these gaps.
- (v) Supporting the collection of key biodiversity datasets for input into the database.
- (vi) Supporting the acquisition of the hardware and software for, and installation of the networking infrastructure in, protected area agencies.
- (vii) Developing simple user-driven user interfaces and decision-support tools for protected area agencies.
- (viii) Establishing data access and data maintenance protocols for biodiversity data.
- (ix) Specialized training of five staff from the MTE, NPI and PENP in GIS, geospatial database administration, data management and applications development.

Work under this output will be done under the guidance of a small reference group comprising the UNDP GIS Project Manager and representatives of the MTE (Dept. for Nature Protection), NPI, PENP, EPA, NGO Daphne and MAWFM. The UNDP GIS project management unit will, with the support of the Project Manager (PM), take direct responsibility for the implementation of the activities. Data collection, interpretation and processing may be undertaken by local consultants contracted by the UNDP GIS Project Management Unit.

Output 2.2 Management and governance options for protected areas reviewed:

This output is designed to support the re-validation processes undertaken in Output 1.2. Work under this output will focus on supporting the MTE in reviewing cost-effective options for improving the institutional and governance arrangements of all the different categories of protected areas in Montenegro and for the Biosphere Reserve. A cost-benefit analysis of different management options will be undertaken, and the results used to guide the designation of the management authority for the different categories of protected areas in Montenegro in terms of the requirements of the new Law on Nature Protection (2008). An assessment of the efficacy of different cooperative governance scenarios will also be undertaken, and a model for cooperative governance of biosphere reserves developed. The products of this outcome will also be used support the identification of institutional responsibilities, and cooperative governance arrangements, for the

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<sup>11</sup> The project contract is currently in the final stage of being concluded between WWF and the MTE.

Platamuni cliffs site targeted for establishment of an MPA (Output 1.4) and for the Regional Park Komovi (Output 1.3).

Activities in this output are specifically directed at:

- (i) Reviewing international and regional best practice in the governance of protected areas, and their efficacy in the Montenegrin context.
- (ii) Developing a governance model for different categories of protected areas in Montenegro and Biosphere Reserves
- (iii) Reviewing international and regional best practice in the institutional structuring of protected area institutions, for different categories of protected areas and biosphere reserves.
- (iv) Identifying alternative institutional options for the administration and management of protected areas and biosphere reserves in Montenegro. These may include, but are not limited to: (i) retaining the current status quo; (ii) rationalising/consolidating the PA mandates of existing public entities and government institutions responsible for PA management to avoid duplication and overlaps; (iii) establishing a public entity responsible for the planning and administration of the terrestrial and marine PAs respectively; (iv) maintaining a plethora of different PA management arrangements (including community-, NGO or private sector management) appropriate to the site specifics of each PA; (v) designating a single management agency for each category of PA; and (vi) developing a legally constituted and resourced co-management structure for each PA, representing all local stakeholder interest groups.
- (v) Undertaking a cost-benefit analysis of the different institutional options and selecting a preferred institutional scenario<sup>12</sup>.
- (vi) Preparing an institutional development plan for the preferred institutional scenario, including: enabling policy and legislation requirements, resource requirements (infrastructure, funding, staffing), management functions, structural considerations, etc.
- (vii) Ensuring the delegation of management authority for all protected areas in the PAS to the appropriate protected area agency/ies.
- (viii) Identifying the most appropriate management arrangements for biosphere reserves.

Work under this output will be done under the supervision of the MTE, and technically supported by an international institutional development specialist in protected areas. The international institutional development specialist will, with support from the MTE, PENP and NPI, then: review international and regional best practice; develop a cooperative governance model for national parks; identify alternative institutional models; review the cost-effectiveness of different institutional models; assess the feasibility of the preferred institutional model and develop an implementation plan to guide any restructuring processes that may be required. The MTE will facilitate and support technical discussions with the different institutional stakeholders, and host stakeholder consultation meetings to review the cooperative governance model and the alternative institutional options for government protected area agencies. The MTE will ensure that institutional reforms and cooperative governance models are supported at the level of central government and will amend/update the enabling policy and regulatory framework as required.

#### Output 2.3 Skills of PA staff developed:

Work under this output is designed to support the ongoing professional development of staff in the PENP, NPI and select local municipalities that are responsible for the planning and administration of the different categories of protected areas in Montenegro. The activities under this output are directed at:

- (i) Identifying the desired skills and competence standards required for effective protected area planning and management at the different occupational levels within the PENP, NPI and select local municipalities
- (ii) Assessing the current skills base and competence levels of planning and operational protected area staff in PENP, NPI and select local municipalities, and identifying the critical 'gaps' for the different occupational levels

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<sup>12</sup> It is likely that the preferred institutional scenario may represent a combination of the pre-selected options.

- (iii) Developing an institutional skills development and training program for the PENP, NPI and select local municipalities
- (iv) Assessing and identifying options for sourcing existing, or developing new, skills development and training programs in order to address these critical gaps in skills and raise competence standards
- (v) Facilitating the piloting of short-course training and development programmes by enabling the training<sup>13</sup> of at least 30 protected area staff from the PENP, NPI and select local municipalities in different aspects of PA planning and operations, including *inter alia*: strategic and business planning; performance management; financial management; risk management; participative management and cooperative governance; knowledge management; recreational and tourism management; monitoring and evaluation and Community Based Natural Resource Management (CBNRM).
- (vi) Establishing a database of PA training and skills development programmes for protected area planning and management staff in Montenegro.

A skills development and training specialist, with technical support from a national protected area planning and management service provider, will be contracted by the project to: (a) develop the skills and competence standards for protected areas; (b) assess the current skills base and competence of protected area agency staff; (c) identify the critical skills and competence gaps; (d) facilitate the implementation of the training and development programs for the targeted staff of the PA institutions; and (e) establish a database of skills development and training programs for protected area staff. The affected protected area institution will select the appropriate staff to attend the relevant training and development programs. The MTE will maintain the database of PA training and skills development programs.

#### Output 2.4 Involvement and beneficiation of local communities ensured in Komovi Regional Park:

Work under this output is designed to complement the technical establishment processes for the Regional Park Komovi (see Output 1.4). A key objective in establishing a Regional Park in Komovi is to use the Regional Park category of PA to demonstrate how the management of protected areas could be ‘mainstreamed’ into regional local economic development programmes, for the benefit of those communities living in and around the park. This output will also identify innovative opportunities for local communities to be involved in, and benefit from, the operational management of the regional park. It will provide for the establishment and administration of a ‘green business support program’ that could support local communities and SME’s living within and adjacent to the park to develop income generating opportunities that are linked to, and aligned with, the regional park management objectives. Finally, it will develop an education and awareness program for the park.

The activities under this output are thus directed at:

- (i) Defining the target communities living in and immediately adjacent to Komovi that could benefit from focused employment, empowerment and capacity building arising from park establishment
- (ii) Establishing and maintaining a working forum with these targeted communities to discuss mechanisms to optimize employment, empowerment, entrepreneurial and capacity building opportunities, and equitable ways to select beneficiaries (e.g. identification of dedicated sites for the sale of curios and crafts by local communities)
- (iii) Developing opportunities for these target communities to be trained and directly employed in appropriate conservation and tourism related work in the park, including *inter alia* signage installation, fencing construction and maintenance, capital development projects, security services, road maintenance and tourist services
- (iv) Designing, establishing and financing a ‘green business support programme’ to support the establishment of biodiversity-friendly local entrepreneurial businesses. This activity will rely on the experience of the Croatian Coast project, which successfully runs a similar scheme.
- (v) Developing an education and awareness programme for the regional park that focuses on demonstrating the values and benefits of the conservation of the areas biodiversity and heritage features (both on- and off-reserve);

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<sup>13</sup> This would include a ‘train-the-trainer’ component

- (vi) Designing and developing appropriate educational and communication media and resource materials (e.g. teacher guides, educational ‘toolboxes’, newsletters, brochures, fact sheets, booklets, interpretation boards, local radio inserts, advertisements, etc.);
- (vii) Implementing outreach programmes (talks, presentations, exhibits, clean-up programs, guided day walks etc.) in local communities and primary and secondary schools; and
- (viii) Designing, and facilitating, the testing of an experiential learning program in the park

It is envisaged that this work would be contracted to an environmental NGO, or a coalition of NGOs. The NGO/s will report to the Park Establishment Working Group (PEWG) during park set up, and later to the park management authority and Co-Management structure (see Output 1.4). The NGO/s will: (a) identify target communities and establish a working forum with these communities; (b) identify and facilitate access to opportunities for these communities arising from the park establishment; (c) negotiate opportunities for training and direct employment of local communities; (e) facilitate the establishment and administration of the green business support program; (f) develop an education and awareness programme for the park; (g) develop the educational and communication media and materials; (g) implement outreach programmes; and (h) facilitate the testing of an experiential learning program in the park. The designated park management authority will assist and support the development of the direct and indirect opportunities identified for the beneficiation of local communities. The working forum (see point ii above) would discuss and agree on the administration arrangements for the green business support program. The Park Co-Management structure (see Output 1.4) would approve the administration arrangements for the grants fund, and approve the beneficiaries of funding support from the fund.

### 2.3 Project Indicators, Risks and Assumptions

31. The project indicators are detailed in the [Strategic Results Framework](#) – which is attached in Section II, Annex A of this Project Document. Project risks and risk mitigation measures are described in Table 4 below.

**Table 4: Risks facing the project and the risk mitigation strategy**

Risk	RATING	Mitigation Measures
The local and national Government lack innovative mechanisms to adequately fund the PAS generally, and to finance regional park administration specifically. The regional parks, once established might be unable to finance the subsequent shortfalls in the short- to medium-term.	<b>High</b>	<p>The project will specifically link with the counterpart GEF ‘PA financing’ project that will be assessing the financing mechanisms and projected income streams for different categories of protected areas, with a specific long-term focus on attaining a level of financial autonomy for PA institutions and limiting their dependency on an annual grant allocation of government funding.</p> <p>The project will support the testing of the implementation requirements for these financial mechanisms at the level of the piloted establishment of the Komovi Regional Park, with lessons learnt directing the roll-out of other Regional Park establishment processes</p> <p>The project will also seek to negotiate increased financial commitments from local and national government to support the PAS, with this financial commitment being phased out over time as the PAS incrementally develops its own income streams and reaches an agreed level of financial sustainability.</p> <p>The project will also seek to support the designated regional park institution in sourcing grant funding support from donor and other agencies to co-finance national park start-up costs.</p>

Risk	RATING	Mitigation Measures
<p>The existing PA institutions do not have the capacity to manage MPA's or Regional Parks (or the other categories of PAs - excluding national parks)</p>	<p><b>Medium</b></p>	<p>The project will review the efficacy of the current institutional arrangements for the PAS. It will specifically seek to identify the most effective institutional model, and the most appropriate institution/s, needed to strengthen the management effectiveness of the PA network. It will then facilitate the formal designation of management authority for the different categories of PAs, as required by the new Law on Nature Protection. The project will assist the definition of the anticipated human resource capacity needs (staffing, skills, competence levels, knowledge) of the responsible institution/s and the requisite resources (financing), training and development requirements needed to address the capacity gaps. The project will make a limited contribution in the implementation of focused training programs for protected area planning and operations staff.</p> <p>The project will direct project resources to identifying the most sustainable institutional and cooperative governance options for the MPA and the Regional Park, and provide support to the designated regional park management authority during the park establishment phase.</p>
<p>The MTE conflicts with other productive sectors (e.g. forestry, fishing, agriculture, tourism and urban development), landowners (e.g. local municipalities, public institutions and private individuals) and/or local tenure and use rights holders (e.g. private individuals, public institutions and commercial enterprises) over the designation of land for the Komovi Regional Park and/or the establishment of an MPA at Platamuni. These conflicts cannot be timeously addressed and resolved.</p>	<p><b>Medium</b></p>	<p>The implementation of a comprehensive stakeholder engagement plan will underpin the MPA feasibility assessment and regional park establishment processes. Conflict-resolution tools and procedures will be developed by the project to support these processes.</p> <p>The project will employ a national independent mediator to facilitate bilateral discussions and negotiations between the MTE and local communities, landowners, different state institutions and other land tenure and use rights holders.</p> <p>In the case of the Regional Park, a small Park Establishment Working Group (PEWG) will also be constituted to guide the park establishment processes, and to identify mechanisms to resolve any conflicts that may arise from time to time. The Project Steering Committee will function as a high level cooperative governance mechanism to resolve any outstanding conflicts, but it is hoped that this would not be required.</p> <p>In the case of the MPA, the project will be guided by, and incorporate lessons learnt from, the MPA feasibility assessment and management planning processes being undertaken at Katici Islets by DFS Engineering.</p>
<p>The effects of climate change will further degrade the natural areas targeted for incorporation into the PA system, and increase the costs of their rehabilitation</p>	<p><b>Low</b></p>	<p>The development of the protected area consolidation and expansion strategy for Montenegro will seek to integrate the protected area system into the country's evolving climate change adaptation strategy, particularly in terms of its important role as a buffer to the economically important agricultural, power generation and tourism industries. In the design of the protected area system, the project will ensure that alternative spatial scenarios to achieve the representivity targets for the PAS are developed. This then allows for adjusting spatial priorities, where land has become so degraded that it loses its conservation value. The project approach of piloting the establishment of a system of large regional parks, to complement the existing system of national parks, will seek to increase the resilience of the PAS to the impacts of climate change.</p>

## 2.4 Expected national and global benefits

32. Under the **alternative scenario** promoted by the project Montenegro will have by 2013: (i) an ecologically representative scientifically-based protected area system that would adequately conserve and

protect a representative sample of the country's marine, freshwater and terrestrial biodiversity; (ii) at least one new marine PA; (iii) the first Regional Park established as a first step toward the future network of regional parks; (iv) restructured and strengthened protected area institutions; (v) enhanced protected area management skills within these protected area institutions; and (v) pilots of the mainstreaming of protected areas into the local regional socio-economic development priorities - in particular the development of the nature-based tourism industry. The administrative boundary of the project is the entire PA network. The duration of the project will be three years. Thematically, the project will deal a) raising ecological representativity of the PA system through ecological gap studies and PA strategy formulation; b) management effectiveness improvements, and; c) capacity building.

33. The increment of the project in terms of **global environmental benefits** is represented by: adding 21,000 ha of terrestrial and over 34,000 ha of underrepresented marine landscapes under protection; expected increase in management effectiveness at the PA level (from a METT baseline of 46-60% to a METT target of >65% for the IUCN category I-III PAs), as well as overall PA institutional capacity (from baseline systemic capacity of 37% level of the Capacity Assessment Scorecard to 47%). In the long-term (by 2015 and beyond) threats such as unsustainable tourism development; illegal construction; drainage and pollution of wetlands; unsustainable water usage; and illegal harvesting of forest products, fish, game and other natural resources, will be contained at the level of the entire expanded PA system of the country, covering 165,000 ha. Implementation of the CBD PoWPA by Montenegro will be facilitated, especially Goals 1.1 and 3.2.

34. The GEF financing for the project totals US\$ 950,000. Total co-financing for the project totals US\$ 6,485,894 broken into a) US\$ 3,173,000 for Outcome 1; b) US\$ 1,722,894 for Outcome 2; and c) US\$ 544,000 for project management. Co-financing is provided by the Government (MTE), GTZ, LUX Development, and UNDP.

### **Country Ownership: Country Eligibility and Country Drivenness**

35. This project is a response to a number of policy documents that frame the government policies and strategies for biodiversity conservation and the establishment and management of protected areas in Montenegro. Firstly, the project is assisting the country in the implementation of the CBD Programme of Work on Protected Areas (PoWPA). The brief analysis of gaps in the country's implementation of the CBD PoWPA was undertaken during the preparation of this project. The issues of ecological representativity (PoWPA Goal 1.1), capacities (Goal 3.2) and financial sustainability (Goal 3.4) came out as priorities. Component I of this project addresses PoWPA Goal 1.1; Component II deals with Goal 3.2. The sister project, which is currently been prepared, will address the issue of financial sustainability.

36. Further, the project is consistent with General Goal 3 of the *National Strategy of Sustainable Development of Montenegro* (NSSD, 2007). It aligns directly with the following measures of the NSSD: (i) definition of the network of nature protected areas; (ii) designation of new protected areas to achieve 10% of the territory of the country; (iii) definition of 10% of the coastal territory as protected area; (iv) establishment of managers for all nature protected areas and development of adequate human resources; (v) adoption of management plans for all nature protected areas through the participatory process; and (vi) consistent implementation of the existing management plans, and prevention of events that can harm the integrity of the nature protected areas. The project seeks to support the short and medium-term priority activities that are preliminarily identified in the draft NBSAP, under the following measures: (i) development of biodiversity knowledge systems; (ii) strengthening the capacity of institutions and individuals responsible for protected area management; (iii) strengthening the institutional framework for protected area management; (iv) 'mainstreaming' protected area management into tourism, planning and infrastructural development; (v) expansion of the protected area system; and (vi) improving the management effectiveness of protected areas. The project responds to recommendations 6.4 and 6.5 of the *Second Environmental Performance Review of*

*the Republic of Montenegro (2007), the recommendations contained in the National Capacity Self-Assessment Report (2007) and the strategic priorities in the National Report on Status, Problems and Preservation of Marine and Coastal Diversity in Montenegro (2004).*

### **Sustainability**

37. The project has been carefully designed to optimize prospects for achieving the sustainability of the protected area network in four areas: environmental, institutional, social and financial. *Environmental sustainability* will be promoted in the project through the design of a protected area system for Montenegro that would more effectively conserve marine and terrestrial species, habitats and ecological processes. The project will also support the collation and collection of a more rigorous biodiversity database to underpin and support future environmental decision-making processes in protected area planning and management. The project will specifically assess the feasibility of expanding the protected area system into the marine environment, and test the efficacy of the protected area category ‘Regional Park’ as an appropriate and relevant mechanism for mainstreaming protected areas into regional socio-economic development. If successful, these interventions would then support the future establishment of a network of marine protected areas and regional parks that could incrementally contribute to the overall environmental sustainability of the protected area system.

38. *Institutional sustainability* will be enhanced in the project through the design of the most effective institutional arrangements for protected area planning and management in Montenegro. This will include: (i) identifying the most cost-efficient (social-environmental-financial) institution/s to manage the operations of the different categories of protected areas; (ii) structuring the responsible PA institutions in Montenegro to provide a more enabling environment for the planning, management and monitoring of the national protected area system; (iii) describing the co-operative governance arrangements for both the protected area system, and different categories of protected areas; and (iv) identifying opportunities and institutional mechanisms for co-management of, and partnerships in, protected areas. The project will specifically identify the competence, levels and occupational standards for the responsible institution/s that will be required to meet their institutional mandates for protected areas. At the national level, resources will be allocated to build the systemic and institutional capacity of the MTE, NPI and the delegated operational PA management authorities (notably PENP) to provide the enabling legal, planning and decision-support framework for the protected area system. The project will specifically provide resources to develop and implement training and skills development programs for the staff of the operational PA management authority/ies.

39. *Social sustainability* will be enhanced through the implementation of a number of individual stakeholder engagement processes developed for each of the project activities in both the protected area system planning and the protected area re-validation processes. Robust stakeholder engagement plans for the respective project activities will be drafted to direct broad-based stakeholder involvement in all aspects of protected area system planning and development. These stakeholder engagement plans will also make strong provision for conflict management. The project will further identify mechanisms for the ongoing constructive engagement of communities and the NGO sector in protected area planning, development and operations, notably through partnerships, co-management and co-operative governance. Mechanisms for optimizing the beneficitation of local communities will be identified at the level of the Komovi Regional Park and the proposed Platamuni MPA, and further operationalised in Komovi. This will be supplemented by the establishment of a green business support program for local entrepreneurs to establish small businesses to support and enhance the management of the Komovi regional park. A focused education and awareness program will be developed and implemented in and around the Komovi region to support and complement the national park establishment processes.

40. *Financial sustainability* will be strengthened through the twinning of this project with a project currently in preparation to enhance the financial sustainability of Montenegro’s protected area system through economic analysis, payments for ecosystem services, sustainable livelihood promotion and improved financial



planning. A key element for securing financial sustainability within the project is to secure the commitment of the government to increase its annual resource allocation to the management of its protected area system, and to identify alternative sources of co-financing for project activities. At a local protected area level, the project will provide resources to more explicitly identify the medium-term expenditure requirements for the Komovi regional park, and program the roll-out of the appropriate financing mechanisms to generate the income streams needed to meet these anticipated costs.

### **Replicability**

41. Replication will be achieved through the direct replication of selected project elements and practices and methods, as well as the scaling up of experiences. The project will develop and use a knowledge management system to ensure the effective collation and dissemination of experiences and information gained in the course of the project's implementation. This knowledge management system will be designed to ensure that information and data formats and flows are directed at the most relevant stakeholder groups to support decision-making processes.

42. The project will support to the Government of Montenegro in designing a protected area system that would achieve the objectives for representivity, adequateness and comprehensiveness in the marine and terrestrial areas of the country. GEF funding will be used to support the Government in the preparation of medium-term strategic and action plans that would guide and direct the development of this ecological network and expansion of protected areas. These strategic and action plans will provide the framework for the replication of project lessons in the ongoing expansion of the protected area system, and their integration with and linkages to the ecological network.

43. The following project elements stand out as being most amenable to replication elsewhere in the Montenegrin PA system: (i) knowledge of stakeholder consultation processes required to address issues of concern around current and future protected areas; (ii) experience on the revision of the PA categorisation and PA boundaries of existing PAs; (iii) identification of innovative co-management arrangements for PAs; (iv) experience of stakeholder engagement processes required to support regional park establishment processes; (v) strategic, operational, logistical, institutional and financial planning requirements for marine protected areas and regional parks in Montenegro; (vi) efficacy of the rationalisation of PA organizational structures to more effectively meet the PA management requirements; (vii) identification of competence levels and skills required to effectively administer and manage PAs; (viii) inventorying monitoring and biodiversity data management for increased PA operational effectiveness; (ix) inter-agency coordination in PA management; (x) establishment of multi-stakeholder governance structures for protected areas; and (xi) implementation of sustainable alternative livelihoods projects in PAs to support biodiversity conservation.

44. By year 3, it is anticipated that Regional Park and MPA establishment processes will be at varying stages of replication in Montenegro, as follows: (a) two priority areas for regional park establishment; and (b) one priority area for MPA establishment.

### **PART III: Management Arrangements**

45. The project will be implemented over a period of three years. UNDP will be responsible for the implementation of the project. The project will be directly executed (DEX), in line with the Standard Basic Assistance Agreement (SBAA, 2006)<sup>14</sup> and the Country Programme Action Plan 2007-2011 (CPAP, 2007)<sup>15</sup> signed between the UNDP and the Government of Montenegro.

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<sup>14</sup> SBAA, Article II Form Of Assistance, article 3 (<http://www.undp.org/me/about/SBAA.pdf>)

<sup>15</sup> CPAP, Part VI, article 6.3(<http://www.undp.org/me/about/CPAP%20signed%20Sep%202008.pdf>)

46. The UNDP, in close cooperation with Ministry of Tourism and Environment (MTE), will take overall responsibility for the project implementation, and the timely and verifiable attainment of project objectives and outcomes. The GEF Operational Focal point will represent MTE at the Project Steering Committee (PSC), while MTE high level official who has been nominated as an UNDP Focal Point will provide the government oversight and guidance to the project implementation. The MTE UNDP Focal Point will not be paid from the project funds, but will represent a Government in-kind contribution to the Project. Working closely with the MTE, the UNDP Country Office (CO) will also be responsible for: (i) providing financial and audit services to the project; (ii) recruitment of project staff and contracting of consultants and service providers; (iii) overseeing financial expenditures against project budgets approved by PSC; (iv) appointment of independent financial auditors and evaluators; and (v) ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP/GEF procedures. A UNDP staff member will be assigned with the responsibility for the day-to-day management and control over project finances.

47. A Project Steering Committee (PSC) will be convened and co-chaired by UNDP and MTE, and will serve as the project's coordination and decision-making body. It will meet according to the necessity, but not less than once in 6 months, to review project progress, approve project work plans and approve major project deliverables. The PSC is responsible for ensuring that the project remains on course to deliver products of the required quality to meet the outcomes defined in the project document. The PSC's role will include: (i) overseeing project implementation; (ii) approving all project work plans and budgets, at the proposal of the Project Manager (PM), for submission to UNDP Regional Center in Bratislava and GEF Unit in New York; (iii) approving any major changes in project plans or programs; (iv) providing technical input and advice; (v) approving major project deliverables; (vi) ensuring commitment of resources to support project implementation; (vii) arbitrating any conflicts within the project and/or negotiating solutions between the project and any parties beyond the scope of the project; and (ix) overall project evaluation. The PSC may include in its composition representation of the following stakeholders: MTE (Dept. Nature Protection, NPI, PENP, and EPA); Ministry of Agriculture, Forestry and Water Resources (Forest Administration); Ministry of Economic Development (*Morsko dobro*); Real Estate Administration; Marine Biology Institute; Local Municipalities (Andrijevica, Kolasin, Podgorica and Kotor) and civil society (e.g. REC, Green Home, Greens of Montenegro, MOST, WWF).

48. The day-to-day administration of the project will be carried out by a Project Manager (PM) and Project Assistant (PA), located within UNDP office. The project staff will be recruited using standard UNDP recruitment procedures. The PM will, with the support of the PA, manage the implementation of all project activities, including: preparation/updates of project work and budget plans, record keeping, accounting and reporting; drafting of terms of reference, technical specifications and other documents as necessary; identification, proposal of project consultants to be approved by the PSC, coordination and supervision of consultants and suppliers; organisation of duty travel, seminars, public outreach activities and other project events; and maintaining working contacts with project partners at the central and local levels. The Project Manager will liaise and work closely with all partner institutions to link the project with complementary national programs and initiatives. The PM is accountable primarily to UNDP and the MTE, and then to PSC for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds.

49. The PM will produce Annual Work and Budget Plans (AWP&ABP) to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned activities. Once the PSC approves the Annual Work Plan this will be sent to the UNDP Regional Technical Advisor for Biodiversity at UNDP Regional Centre for Europe and Commonwealth of Independent States in Bratislava for revision and approval. Once the Annual Working Plan and Budget is approved by the Regional Centre it will be sent to the UNDP/GEF Unit in New York for final approval and release of the funding. The PM will further produce quarterly operational reports and Annual Progress Reports (APR) to the PSC, or any other reports at the request of the PSC. Like in the case for the Annual Work Plan these reports are sent for approval and

clearance to the UNDP Regional Centre in Bratislava. These reports will summarise the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities. The PM will be technically supported by contracted national and international service providers, by other public institutions, by contracted NGO's and by other linked donor funded project units. Recruitment of all specialist services for the project will be done by the PM, in consultation with the UNDP and MTE.

## **PART IV: Monitoring and Evaluation Plan and Budget**

50. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Project logframe (Project Results Framework) in Annex A provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

### **1. MONITORING AND REPORTING**

#### **1.1. Project Inception Phase**

51. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit (RCU) in Bratislava, as well as UNDP-GEF (HQs) as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff *vis à vis* the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

#### **1.2. Monitoring responsibilities and events**

52. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews,

Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

53. *Day to day monitoring of implementation progress* will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Manager and the Project GEF Technical Advisor will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit in Bratislava. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. The local implementing agencies will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

54. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Annex. The measurement, of these will be undertaken through subcontracts or retainers with relevant institutions (e.g. vegetation cover via analysis of satellite imagery, or populations of key species through inventories) or through specific studies that are to form part of the projects activities (e.g. measurement carbon benefits from improved efficiency of ovens or through surveys for capacity building efforts) or periodic sampling such as with sedimentation.

55. *Periodic monitoring of implementation progress* will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

56. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Project Steering Committee (PSC) can also accompany, as decided by the PSC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all PSC members, and UNDP-GEF.

57. *Annual Monitoring* will occur through the **Tripartite Review (TPR)**. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

58. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

***Terminal Tripartite Review (TTR)***

59. The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation. The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

### 1.3. Project Monitoring Reporting

60. The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

#### **(a) Inception Report (IR)**

61. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

#### **(b) Annual Project Report (APR)**

62. The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following: (i) An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome; (ii) The constraints experienced in the progress towards results and the reasons for these; (iii) The three (at most) major constraints to achievement of results; (iv) AWP, CAE and other expenditure reports (ERP generated); (v) Lessons learned; and (vi) Clear recommendations for future orientation in addressing key problems in lack of progress.

#### **(c) Project Implementation Review (PIR)**

63. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC. The individual PIRs are collected, reviewed and analyzed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyze the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings. The GEF M&E Unit provides the scope and content of the PIR. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.

**(d) Quarterly Progress Reports**

64. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team. See format attached.

**(e) Periodic Thematic Reports**

65. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

**(f) Project Terminal Report**

66. During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, objectives not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

**(g) Technical Reports (project specific- optional)**

67. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

**(h) Project Publications (project specific- optional)**

68. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications

can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

## **2. INDEPENDENT EVALUATION**

69. The project will be subjected to at least two independent external evaluations as follows:-

70. An independent **Mid-Term Evaluation** will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

71. An independent **Final Evaluation** will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

### **Audit Clause**

72. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

## **3. LEARNING AND KNOWLEDGE SHARING**

73. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities. The table below summarizes the monitoring activities, responsible parties, budget and time frames for the project. Only activities to be funded directly by GEF sources are listed in the table.

Type of M&E activity	Responsible Parties	Budget US\$	Time frame
Inception Workshop (IW)	Project Manager MTE, UNDP, UNDP GEF	5,000	Within first two months of project start up
Inception Report	Project Team PSC, UNDP CO	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalized in Inception Phase and Workshop. Cost to be covered by targeted survey funds.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Oversight by Project GEF Technical Advisor and Project Manager Measurements by regional field officers and local IAs	TBD as part of the Annual Work Plan's preparation. Cost to be covered by field survey budget.	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	Project Team PSC UNDP-GEF	None	Annually
TPR	Government Counterparts UNDP CO, Project team UNDP-GEF RCU	None	Every year, upon receipt of APR
Steering Committee Meetings	Project Manager	None	Following IW and annually thereafter.
Technical and periodic status reports	Project team Hired consultants as needed	6,000	TBD by Project team and UNDP-CO
Mid-term External Evaluation	Project team PSC UNDP-GEF RCU External Consultants (evaluation team)	25,000	At the mid-point of project implementation.
Final External Evaluation	Project team, PSC, UNDP-GEF RCU External Consultants (evaluation team)	32,000	At the end of project implementation
Terminal Report	Project team PSC External Consultant	None	At least one month before the end of the project
Audit	UNDP-CO Project team	5,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	UNDP-CO, UNDP-GEF RCU Government representatives	None	Yearly average one visit per year
TOTAL indicative COST Excluding project and UNDP staff time costs		73,000	



## **PART V: Legal Context**

74. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Montenegro and the United Nations Development Programme, signed by the parties on the 15<sup>th</sup> of December 2006. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement. The UNDP Resident Representative in Montenegro is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objective, outcomes, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

## SECTION II: STRATEGIC RESULTS FRAMEWORK (SRF)

Project Strategy and purpose	Objectively verifiable indicators				
	Indicator	Baseline	Target by EOP	Sources of verification	Assumptions and risks
<b>Project Objective:</b> Enhance coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas	Coverage (ha) of the protected area system	108,866 ha	160,000 ha	National protected area register	<b>Assumptions:</b> – The government commits to an incremental growth in the grant funding allocation to finance the MPAs and regional parks incorporated into the PAS – Existing protected area skills and competencies are retained in the PA institutions <b>Risks:</b> – National economic priorities shift away from financial support for protected area activities – Other ministries and public agencies do not cooperate to align strategies, plans and projects
	Capacity development indicator score for protected area system	Systemic: 37% Institutional: 49% Individual: 33%	Systemic: 47% Instit: 56% Individual: 57%	Annual Capacity Development Indicator Scorecard	
	Total operational budget (including HR and capital budget) allocation (US\$) for protected area management	US\$3,946,611	US\$5,060,000	Annual Financial Sustainability Scorecard	
	Financial sustainability scorecard for national systems of protected areas	26%	>45%	Annual Financial Sustainability Scorecard	
<b>Outcome 1:</b> Expanding and rationalising the PA system to ensure better habitat representation and more secure conservation status	Percentage (by area) of the 32 Emerald Project sites ( <i>Areas of Special Conservation Interest</i> , representing habitat types and species of biodiversity significance) incorporated into the protected area system	<33%	>42%	Biodiversity geospatial database, National protected area register, Annual Report of the MTE	<b>Assumptions:</b> – Areas proposed for PA expansion retain some biodiversity or heritage conservation potential – The Law on Nature Protection, and other complementary legislation, will provide an adequate enabling regulatory framework for the establishment and management of regional parks and marine protected areas <b>Risks:</b> – Some areas proposed for expansion become so degraded that they no longer make a contribution to national biodiversity conservation targets – Irreconcilable conflicts arise during the national park feasibility and establishment processes
	Number and area of formally proclaimed Marine Protected Areas	0	1 (34,000 ha)	Annual Report of the MTE	
	Extent (ha) of formally proclaimed IUCN Category III Regional Park	0ha	>20,000 ha	National Protected Area register, Annual Report of the MTE	
<b>Outcome 2:</b> Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	Number of protected areas with formally delegated management institutions	12	>18	National Protected Area register, Annual Report of MTE	<b>Assumptions:</b> – All current protected areas retain some form of conservation tenure – Any institutional restructuring processes required for the planning and administration of PAs are actively supported by the Government of Montenegro – Stakeholder institutions constructively engage in the identification of the most cost-effective institutional arrangements for different categories of protected areas – The MTE maintains a clear mandate and unequivocal authority to fulfil oversight and management obligations for
	Number of protected areas with an effective and properly resourced management institution	12	>16	Annual Report of MTE, Protected Area register	
	METT score for IUCN Category I, II and III protected areas	Biogradska Gora: 60% Durmitor: 48% Lovcen: 46% Skadar Lake: 59%	All IUCN Category I,II and III PAs >65%	METT Annual Review	

Project Strategy and purpose	Objectively verifiable indicators				
	Indicator	Baseline	Target by EOP	Sources of verification	Assumptions and risks
	Number of planning support and operational national park staff completing specialised training and/or skills development programs	0	>30	Annual Report of the MTE and PENP	<p>the protected area system</p> <ul style="list-style-type: none"> <li>– The regional park feasibility assessment and proclamation processes are completed within two years</li> <li>– A capacitated institution is delegated the management authority for the regional park</li> </ul>
	Number of beneficiaries from communities in and around Komovi regional park	0	<p>Experiential training completed: &gt;400 local decision-makers, adult and/or secondary school learners</p> <p>Local business trained and financed: 3</p>	Annual report of management authority for Komovi Regional Park	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>– Individuals and organisations attempt to seek de-proclamation of existing PAs, as part of re-validation process</li> <li>– Appropriate, and capacitated, institutions cannot be identified for some categories of PAs</li> <li>– Stakeholders cannot agree on the preferred cooperative governance and institutional arrangements for the different categories of PA</li> <li>– Staff completing training and skills development programs are not retained by PA institutions</li> <li>– Resistance to the introduction of new institutional mandates and responsibilities reduces the management effectiveness of institutions</li> <li>– Viable business opportunities exist within the regional park</li> <li>– Local SMME's are sufficiently capacitated to exploit business opportunities</li> </ul>

### SECTION III: Total Budget and Work Plan

<b>Award ID:</b>	tbd
<b>Award Title:</b>	PIMS 3457 BD MSP: Strengthening the sustainability of the protected area system of Montenegro
<b>Business Unit:</b>	MNE10
<b>Atlas Project ID</b>	tbd
<b>Project Title:</b>	PIMS 3457 BD MSP: Strengthening the sustainability of the protected area system of Montenegro
<b>Implementing Partner (Executing Agency)</b>	UNDP (DEX execution - in cooperation with the Ministry of Tourism and Environment)

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 2009/10 (USD)	Amount Year 2 2010/11 (USD)	Amount Year 3 2011/12 (USD)	Total (USD)	Budget note
<b>COMPONENT 1:</b> Expanding and rationalizing the PA system to ensure better habitat representation and more secure conservation status	<b>Ministry of Tourism and Environment (MTE)</b>	<b>62000</b>	<b>GEF</b>	71200	International Consultant	16,000	30,000	14,000	60,000	1
				71300	Local Consultants	45,000	65,000	35,000	145,000	2
				71600	Travel	9,000	11,000	8,000	28,000	3
				72300	Materials and goods	0	6,000	8,000	14,000	4
				72400	Equipment	0	36,000	42,000	78,000	5
				74100	Professional services	26,000	48,000	55,000	129,000	6
				74200	Audio visual and printing costs	6,000	10,000	5,000	21,000	7
				74500	Miscellaneous	2,000	2,500	1,500	6,000	8
<b>Total Outcome 1</b>						<b>104,000</b>	<b>208,500</b>	<b>168,500</b>	<b>481,000</b>	
<b>COMPONENT 2:</b> Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	<b>MTE</b>	<b>62000</b>	<b>GEF</b>	71200	International Consultant	12,000	18,000	6,000	36,000	9
				71300	Local Consultants	22,000	32,000	26,500	80,500	10
				71600	Travel	8,000	12,000	9,000	29,000	11
				72800	Information and Technology Equipment	10,000	24,000	5,000	39,000	12
				74100	Professional services	45,000	65,000	45,000	155,000	13
				74200	Audio visual and printing costs	8,000	12,000	6,000	26,000	14
				74500	Miscellaneous	2,000	3,500	3,000	8,500	15
				<b>Total Outcome 2</b>						<b>107,000</b>
<b>PROJECT MANAGEMENT</b>	<b>MTE</b>	<b>62000</b>	<b>GEF</b>	71300	Local Consultants	32,600	34,600	27,800	95,000	16
				<b>Total Project Management</b>			<b>32,600</b>	<b>34,600</b>	<b>27,800</b>	<b>95,000</b>
<b>PROJECT TOTALS</b>						<b>243,600</b>	<b>409,600</b>	<b>296,800</b>	<b>950,000</b>	

**Budget notes:**

1. Costs of contractual appointment of conservation planner. *Pro rata* costs of contractual appointment of monitoring and evaluation experts for mid-term and final evaluation.
2. Costs of contractual appointment of: communications service provider; independent mediator; biodiversity and heritage conservation specialists; land surveyor; and protected area planning and management consultant. *Pro rata* costs of contractual appointment of monitoring and evaluation review consultant and evaluation experts.
3. *Pro rata* travel costs for project management staff, NPI, MTE and international consultants. In-country travel costs for contracted specialists associated with: communications and awareness raising; mediation between different stakeholder groups in and around Komovi and Platamuni; regional park management planning; habitat, species and ecological process mapping; survey of boundaries of Komovi regional park; and project monitoring and evaluation. In-country travel costs estimated at US\$0.35/km
4. Acquisition of entry, informational and directional signage for the Komovi regional park. Co-financing of staff safety equipment and clothing.
5. Co-financing of office equipment, communications infrastructure and equipment, computer hardware and software; and vehicles for Komovi regional park.
6. Service level agreements with UNDP GIS Project, NPI and MTE to recover *pro rata* costs associated with: establishing geospatial database and decision-support system; feasibility assessment for the establishment of an MPA in Platamuni; and establishment processes for the Komovi regional park.
7. Costs associated with designing and developing various communication media and resource materials (e.g. brochures, fact sheets, booklets, interpretation boards, local radio inserts, advertisements, video production).
8. Costs associated with organizing focused specialized stakeholder engagement workshops and hosting issue-based stakeholder workshops (venue, catering, facilitation, printing, translation, etc.)
9. Costs of contractual appointment of institutional development specialist. *Pro rata* costs of contractual appointment of monitoring and evaluation experts for mid-term and final evaluation.
10. Costs of contractual appointment of: protected area planning and management consultant; biodiversity and heritage conservation specialists; land surveyor; and skills development and training specialist. *Pro rata* costs of contractual appointment of monitoring and evaluation review consultant and evaluation experts.
11. *Pro rata* travel costs for project management staff, and international consultants. In-country travel costs for NPI, MTE and contracted specialists associated with: re-validation of current protected areas; survey of boundaries of existing protected areas; *in situ* training of PA research, planning and operations staff; education and awareness programs in and around Komovi; *in situ* support of local businesses in and around Komovi; and project monitoring and evaluation. In-country travel costs estimated at US\$0.35/km
12. Supporting the acquisition of hardware and software to host, maintain and access biodiversity database within the NPI and PENP. Facilitating the upgrading of networking capability in the PENP and NPI.
13. Service level agreements with NGO/coalition of NGO's, NPI and MTE to recover *pro rata* costs associated with: re-validation of different categories of existing protected areas in PAS; implementation of management arrangement and governance options for different categories of PAs; formal delegation of management authority for all PAs; implementation of education and awareness program in and around Komovi; implementation of an economic empowerment programme for local communities living in and around Komovi; and administration of a small grants program for (at least 3) SMME's in and around Komovi.
14. Costs associated with the printing of training materials, the development of web-based learning programs and the preparation of audio-visual training programs.
15. Costs associated with organizing focused specialized stakeholder engagement workshops and hosting issue-based stakeholder workshops (venue, catering, facilitation, printing, translation, etc.)
16. 100% of costs of appointment of Project Manager, and 65% of the costs of the appointment of the Project Assistant (35% of costs of PA to be co-financed by UNDP CO).

**Summary of Funds:<sup>16</sup>**

	Year 1	Year 2	Year 3	TOTAL
<b>GEF</b>	243,600	409,600	296,800	950,000
Ministry of Tourism and Environment	657,000	650,400	472,600	1,780,000
UNDP	18,000	12,000	10,000	40,000
German Technical Cooperation (GTZ)	1,415,000.00	794,000	310,894	2,519,894
Lux Development	700,000	300,000	100,000	1,100,000
<b>TOTAL</b>	<b>3,033,600</b>	<b>2,166,000</b>	<b>1,190,294</b>	<b>6,389,894</b>

<sup>16</sup> All co-financing (cash and in-kind) that is not passing through UNDP.

## **SECTION IV: ADDITIONAL INFORMATION**

### **PART I: Other agreements**

The Letters of Co-financing are attached as separate files.

### **PART II: Approved Medium Sized PIF**

### **PART III: Terms of References for key project staff and main sub-contracts**

The ToRs for key project staff and consultants are presented in Annex C of the CEO Endorsement Document

### **PART IV: Stakeholder Involvement Plan**

### **PART V: METT, Capacity Development and Financial Scorecards**

The scorecards are attached as three separate files

**SECTION IV, PART III: Approved MSP PIF**



**PROJECT IDENTIFICATION FORM (PIF)**

**PROJECT TYPE: Medium-sized Project**  
**THE GEF TRUST FUND**

**Submission Date:** 25 April, 2008

**Re-submission Date:**

**PART I: PROJECT IDENTIFICATION**

**GEFSEC PROJECT ID<sup>17</sup>:**

**GEF AGENCY PROJECT ID:** 4174

**COUNTRY(IES):** Republic of Montenegro

**PROJECT TITLE:** Strengthening the sustainability of the Protected Areas System of the Republic of Montenegro

**GEF AGENCY(IES):** UNDP

**OTHER EXECUTING PARTNER(S):** Ministry of Tourism and Environmental Protection

**GEF FOCAL AREA (S):** Biodiversity

**GEF-4 STRATEGIC PROGRAM(S):** SP-2 and SP-3

<b>INDICATIVE CALENDAR</b>	
<b>Milestones</b>	<b>Expected Dates</b>
Work Program (for FSP)	n/a
CEO Endorsement/Approval	December, 2008
GEF Agency Approval	February, 2009
Implementation Start	February, 2009
Mid-term Review (if planned)	September, 2011
Implementation Completion	February 2012

**A. PROJECT FRAMEWORK**

<sup>17</sup> Project ID number will be assigned initially by GEFSEC.

<b>Project Objective:</b> enhance coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in protected area institutions to design, plan and manage a more representative system of protected areas								
<i>Project Components</i>	<i>TA or STA</i>	<b>Expected Outcomes</b>	<i>Expected Outputs</i>	<i>Indicative GEF Financing*</i>		<b>Indicative Co-financing*</b>		<b>Total (\$)</b>
				<i>(\$)</i>	<i>%</i>	<i>(\$)</i>	<i>%</i>	
1. Expanding and rationalizing the PA system to ensure better habitat representation and more secure conservation status	TA	<ul style="list-style-type: none"> <li>- Protected area classification, and management objectives, of individual PAs aligned with biodiversity significance and enabling legal framework</li> <li>- An integrated National Ecological Network for the marine, coastal and terrestrial area directs the consolidation and expansion of the PA system.</li> <li>- Information on the biodiversity of the marine environment guides the establishment of a new MPA</li> <li>- A new regional park is established (21,000 ha), and demonstrates PAs as means for local economic development</li> </ul>	<ul style="list-style-type: none"> <li>- The biodiversity value of all PAs are assessed, and their PA status validated according to the new Law on Nature Protection.</li> <li>- National Ecological Network (NEN) for Montenegro and its implementation plan is designed.</li> <li>- Process of establishment of a new MPA for Montenegro initiated;</li> <li>- At least 21,000ha formally proclaimed as a new regional park.</li> <li>- Processes for the establishment of 3 additional PAs (targeting &gt;50,000ha) initiated in at least 3 priority areas of the NEN.</li> <li>- New local businesses/SMEs established and functional</li> </ul>	580,000	24%	1,850,000	76%	2,430,000
2. Strengthening capacity of PA institutions to more effectively manage a representative system of protected areas	TA	<ul style="list-style-type: none"> <li>- Formal designation of responsible management authority for all PAs in Montenegro.</li> <li>-Diversified funding strategies establishes a more sustainable and secure long-term financial base for PAs</li> <li>- Operational competence, levels and standards strengthened in the protected area institutions</li> <li>- Increasing awareness of the benefits of PAs to local people</li> </ul>	<ul style="list-style-type: none"> <li>- Cost-benefit analysis of management options for the PA system is conducted.</li> <li>- Increase in PA management capacity verified through METT scores (All IUCN category I and II PAs have METT scores &gt; 25 by EOP; At least 15 IUCN category III-VI PAs have METT scores &gt; 15 by EOP)</li> <li>- Developing and testing an experiential site-based learning program in national parks within the Dinaric Arc Ecoregion.</li> </ul>	275,000	24%	867,000	76%	1,142,000
3. Project management				95,000	24%	300,000	76%	395,000
<b>Total project costs</b>				950,000	24%	3,017,000	76%	3,967,000

\*\* TA = Technical Assistance; STA = Scientific & technical analysis.

## B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<b>Project Preparation</b>	<b>Project</b>	<b>Agency Fee</b>	<b>Total</b>
GEF	50,000	950,000	100,000	1,100,000



	Project Preparation	Project	Agency Fee	Total
Co-financing	46,000	3,017,000		3,063,00
<b>Total</b>	96,000	3,967,000	100,000	4,163,000

**C. INDICATIVE CO-FINANCING FOR THE PROJECT (including project preparation amount) BY SOURCE and**

**BY NAME (in parenthesis) if available, (\$)**

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution	In-kind Grant	980,000
Bilateral Aid Agency(ies)	Unknown at this stage (Govt. of Netherlands, Govt. of Luxembourg, GTZ, Govt of Austria, SDC, USAID)	647,000
Multilateral Agency(ies)	Unknown at this stage (UNEP-MAP-FFEM, EU – Stabilization and Association Process )	1,030,000
Private Sector	Unknown at this stage	100,000
NGO	In-kind (WWF, SNV, Green Home, Greens of Montenegro, REC, MOST)	56,000
Others	Unknown at this stage (Local Municipalities –Play, etc.)	250,000
<b>Total co-financing</b>		<b>3,063,000</b>

**PART II: PROJECT JUSTIFICATION**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

1) The Republic of Montenegro became the 192<sup>nd</sup> member of the UN on 28 June 2006. Montenegro is a small (13,812km<sup>2</sup>) mountainous country located in south-eastern Europe. It borders Bosnia & Herzegovina to the north-west, Kosovo to the north-east, Albania to the south-east and Croatia to the west. It has 293km of coastline along the Adriatic Sea. The maritime zone of Montenegro extends up to 12 nautical miles out to sea and is some 2,500 km<sup>2</sup> in extent. In 2003 Montenegro's total permanent population was 620,145<sup>18</sup>. The economy is oriented toward services, including tourism, and specialises in the manufacture of a few products, notably aluminium. The terrain of Montenegro ranges from *high mountains* along its borders with Serbia (Kosovo) and Albania, through a *segment of the Karst* of the western Balkan Peninsula, to a narrow (2-10 km wide) *coastal plain*. The coastal plain disappears completely in the north, where Mount Lovcen and other ranges plunge abruptly into the inlet of the Gulf of Kotor. Montenegro's section of the Karst lies generally at elevations of 1000 meters above sea level, although some areas rise to 1,900 such as Mount Orjen (1,894m) the highest massif among the coastal limestone ranges. The river occupies the centre of the central lowland plain, a flat-floored, elongated depression typical of karstic regions. The underlying rock is predominantly limestone, which dissolves to form sinkholes and underground caves. The high mountains of the northern inland parts of Montenegro include some of the most rugged terrain in Europe. They average more than 2000 meters in elevation (e.g. Bobotov Peak in the Durmitor Mountains reaches 2,523 metres). The mountains of Montenegro were the most ice-eroded section of the Balkan Peninsula during the last glacial period. Montenegro also includes the deepest canyon in Europe (up to 1,300m depth), the Tara River canyon. Due to the sharp changes in relief, the climate changes rapidly from a Mediterranean climate at the coast to a sub-alpine climate on the highest mountains.

2) Montenegro has a species-area index of 0.837, the highest recorded of all European countries

<sup>18</sup> Estimated at 630,000 in 2007 (NSSD, 2007)

(Stevanovic. et al 2000). Montenegro is floristically one of the most diverse areas of the Balkan Peninsula, comparable only to Greece and Bulgaria, and, together with the mountainous area of Bulgaria, comprises one of the 153 centers of globally significant floral diversity. The flora of Montenegro comprises 1093 species of freshwater algae, 1500 species of marine algae, 589 species of mosses, and 3200 taxa of vascular plants. In addition, some 284 species of lichens have been recorded and 2000 species of fungi estimated. The number of floral endemics in Montenegro is very high, with 223 taxa (species or subspecies). The basic knowledge about the diversity of many animal taxa, and in particular, about the status of threat, is however limited. The estimated number of insects (>25,000) is certainly among the highest in Europe, but this has yet to be verified. About 460 fish and lamprey species were recorded in the waters of Montenegro, of which some 53 species are freshwater and more than 407 marine. There are 56 species of amphibians and reptiles, 326 species of birds and 65 species of terrestrial mammals recorded within the territory of Montenegro. Lake Skadar, shared with Albania, is one of the most important wintering sites for waterfowl in Europe.

3) The natural areas in Montenegro that provide a refuge for this biodiversity are under ongoing pressure from: (i) continued urbanisation, notably along the narrow coastline, across the central lowland plain and around the natural lake systems; (ii) unsustainable levels of tourism enterprise development across the entire coastal zone, and more locally around mountain resorts; (iii) illegal construction and development in and around protected areas (PAs); (iv) drainage and pollution of wetlands as a result of intensive agricultural practices; (v) illegal harvesting of forest products, fish, game and other natural resources, notably in the northern mountain regions; (vi) unsustainable fishing practices in the marine environment (e.g. use of dynamite); and (vii) the impact of global climate change, especially the effects of hot and dry periods on forest habitats. The most significant cumulative impact of these threats on the biodiversity of Montenegro is: (a) the increased fragmentation of the remaining natural areas in the coastal zone; (b) a reduction in the ecological functioning of many natural areas; (c) a reduction in the effectiveness of natural areas as a buffer against climate change impacts; (d) a reduction in the capacity of the environment to provide key ecosystem services; (e) the ongoing loss of threatened habitats and associated species; and (f) the incremental loss of the economic benefits accruing from biodiversity.

4) As part of an integrated strategy to respond to these threats the Government of Montenegro actively promotes the establishment of a national '*network of protected areas*', and the expansion of this network to ensure that all '*ecosystems* (are represented under a formal) *protection regime*' (National Strategy for Sustainable Development, NSSD 2007). The Law on Environment (No. 12/96) makes provision for the different categories of protection of natural and cultural '*assets*'. Currently the national protected area system (PAS) covers 106,655 ha, or 7.72 % of the territory. The largest portion (83,500ha or 78.3%) of the PAS is represented by the 4 national parks (and their associated nature reserves)<sup>19</sup> – Durmitor, Skader Lake, Lovćen and Biogradska gora. The remaining PAS includes more than 40 PAs in the following categories: natural monuments; protected plant and animal species; landscapes of special value; and nature parks ('city parks' and 'other sites'). Although somewhat outdated, the legal provisions in the Law on Nature Protection (No. 36/77 and 2/82) and the Law on National Parks (No. 47/91) define the conditions for the management of the different categories of protected areas. Montenegro also has one RAMSAR site (Skadar Lake NP), one Biosphere Reserve (Tara River Basin – 182,899ha including Durmitor and Biogradska Gora NP's) and two World Heritage Sites (WHS) – Durmitor (Durmitor NP) as a natural WHS and Boka Kotorska (15,000ha) as a natural and cultural WHS. The draft National Spatial Plan (2008) and the NSSD establishes optimistic targets for the expansion of this PAS: '*increase (of the PAS) to 10% of the territory, and protect(ion) (of) at least 10% of the coastal zone by 2009*'. The NSSD and draft Spatial Plan also identify the following priority areas that will enable the country to achieve this

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<sup>19</sup> All current nature reserves are located within the boundaries of two national parks - Skader Lake and Durmitor – and are administered as an integral part of each NP.

objective: (i) establishment of one new national park (Prokletije); (ii) two regional parks (Komovi and Bioc/Maglic/Volujak); (iii) three coastal zone protected areas (Solila, Solana/Sasko Lake/Knete/Ada Bojana and Buljarica); and (iv) three marine protected areas (Platamuni, Old Ulcinj and Katici islands). The underpinning conservation assessment for the selection of these sites however remains weak and their efficacy in achieving representation of species, habitats and ecological processes is not yet effectively demonstrated.

5) The *Ministry of Tourism and Environmental Protection* (Environmental Protection Sector) has overall responsibility for the coordination, development and promotion of policy, legislation, protection and use of protected areas and their natural resources. The *Institute for the Protection of Nature* within the Ministry of Culture and Media is primarily responsible for undertaking feasibility assessments for new protected areas and making recommendations for the establishment, planning and management of PAs. Direct responsibility for the management of the system of national parks is located in the Public Enterprise, *National Parks of Montenegro*. Each national park has an *Administration*, headed by a Director, which is responsible for developing and implementing 5-year and annual work programmes. The Public Enterprise, *Coastal Zone Management Agency* within the Ministry of Economic Development is responsible for the operational management of the PAs located within the area defined as the 'coastal zone' in the Law on the Coastal Zone. The administration and management of the remaining PAs is under the default authority of the relevant *Local Municipalities*, although there is limited interest, capacity and resources to undertake this function. The *Ministry of Agriculture, Forestry and Water Management* is nominally responsible for overseeing forest management (including resource use), fishing and hunting and the management of watersheds where they overlap with protected areas. A number of *NGOs*, including MOST, WWF, Green Home, REC, SNV and GREENS are actively involved in research, planning and management projects in protected areas, as well as implementing broader environmental education and awareness programs linked to protected areas.

6) The long-term solution is a comprehensive, adequate and representative system of marine and terrestrial protected areas in Montenegro. The achievement of the long-term solution is currently hampered by the following **barriers**: (i) Size, representation and conservation tenure of PAs: The majority of protected areas are small (greater than 80 % < 50ha) and have a fragmented distribution. Landscape-scale ecological processes are not effectively conserved in the coastal areas, while the effectiveness of the inland PAs in conserving key ecological processes is unknown. The representivity of the PAs in achieving national biodiversity conservation objectives is not well understood. There is no clear scientific rationale for the selection of sites for the expansion of the PAs. The PA classification of most PAs is not aligned with their biodiversity significance and/or management objectives. A large number of PAs have been, or are being, inappropriately developed and/or are largely un-managed. Owners of private land within national parks are in ongoing conflict with the park authorities about use and development of their land. There is no formal protection within the marine zone of the Adriatic Sea; (ii) Capacity Deficits at the systemic, institutional and individual levels: There are no national operational guidelines or norms and standards for the planning and management of PAs. Except for the national parks, the protected areas do not have approved management plans or business plans. There is no national performance monitoring of the management effectiveness of the PAs. There is a weak integration between the enabling legislation and policy framework for the PAs, and the country's socio-economic reform, tourism development and poverty reduction strategies. There is poor coordination and cooperation across the different spheres of governance for PAs. The enabling laws for PAs are outdated and the legal PA establishment and management requirements are reflected across three separate pieces of legislation that are not always complementary; These weaknesses are generally typified by: unclear division of responsibilities; low levels of cooperation; inadequate staffing; budgetary constraints; limited specialised protected area technical, operational and management skills; inadequate enforcement and compliance capability; and poor boundary demarcation of protected areas. The capacity to develop detailed strategic

and operational plans to ensure the cost-effective deployment of financial and human resources is generally limited to the national parks. Financial allocations to national parks from the state (~930,000 USD/annum) are not linked to actual operational and capital needs of the national parks, and the income from national parks (~1.4 million/annum) is woefully insufficient to make up any shortfalls. The financial imperative for self-financing is distracting national park administrations from other conservation-related and community involvement activities in parks. Low salaries in national parks also result in high staff turnover. The capacity for PA management in the local authorities is virtually non-existent, except in isolated cases where the PA is managed as a tourism attraction. While capacity exists in the Coastal Zone Management Agency, the lack of any clear management and business plans is resulting in operational inertia. There is an argument, on the grounds of institutional efficiencies and economies of scale, for consolidating the legal, operational and development responsibility for protected areas into a single authority, thereby allowing a more effective deployment of the country's limited human resources and institutional capacity. The technical capacity amongst PA managers to perform basic PA functions: from strategic planning to book-keeping; and performance reporting to field surveys is extremely limited. There are also significant deficiencies in individual capacity with regard to financial management, planning, conflict resolution and community participation skills at the level of the individual PAs. Public awareness-raising and educational programmes are generally undertaken as part of donor funded projects, and largely implemented by NGOs, with the result that these initiatives are not sustained or properly integrated into public structures and programmes.

7) To address these barriers, the project has the **objective** of enhancing coverage and management effectiveness of the protected area system of Montenegro by developing the capacity in PA institutions to design, plan and manage a more representative system of PAs. As part of this design and development process, the project will support the validation and rationalisation of the existing network of PAs to align with the new Law on Nature Protection (currently in draft). It will also seek to collect baseline information on marine biodiversity to guide the location, design and establishment of the first Marine Protected Area (MPA) for Montenegro. The project will then embed the design of this PAS within the framework a larger landscape level approach to biodiversity conservation planning, as a mechanism to conserve key ecological processes and patterns beyond the boundaries of the protected areas (i.e. design of corridors, restoration areas and buffer zones under conservation-friendly land management regimes). It is envisaged that this 'National Ecological Network' will then be formally adopted and integrated into the National Spatial Plan, the Spatial Plan for the Special Purpose Area *Morsko dobro* (coastal zone) and the municipal spatial plans. The project will further seek to pilot the establishment of a new category of PA in Montenegro – the 'regional park' – and use the establishment process for the site as a demonstration model for: (i) local economic development (LED); and (ii) the active involvement and beneficiation of rural, local communities in PA operations. This project will contribute to achieving **global environmental benefits** by mitigating the threats to the biodiversity contained in at least 106,655 ha of protected areas of Montenegro. This will be achieved by overcoming the barriers that prevent the effective management of the terrestrial protected area system, by extending and enhancing the protection status to at least 21,000 ha and by creating the enabling conditions for the establishment of the first Marine Protected Area in Montenegro.

## **B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:**

8) Various policy documents frame government policies and strategies for biodiversity conservation and the establishment and management of protected areas in Montenegro. The strategic context for the project is provided by the *Development Directions of Montenegro as an Ecological State*. The project is consistent with the spatial priorities and PA targets identified in the *Physical Plan of Montenegro* (1997; and updated draft, 2008). It conforms with the priority objectives of General Goal 3 of the *National Strategy of Sustainable Development of Montenegro* (2007) and aligns directly with the following measures of the NSSD: (i) definition of the network of nature PAs; (ii) designation of new PAs to achieve 10% of the territory of the Republic; (iii) definition of 10% of the coastal territory as PA; (iv)

establishment of managers for all nature PAs and development of adequate human resources; (v) adoption of management plans for all nature protected areas through the participatory process; and (vi) consistent implementation of the existing management plans, and prevention of events that can harm the integrity of the nature PAs. The project activities complement and support the environmental protection policies reflected in the *Economic Reform Agenda for Montenegro* (2002-2007), the *Poverty Reduction Strategy Paper* (2003) and the *Tourism Development Strategy* (2006). The project responds to recommendations 6.4 and 6.5 of the *Second Environmental Performance Review of the Republic of Montenegro* (2007) and recommendations contained in the *National Capacity Self-Assessment Report* (2007). The project also aligns closely with priority activities identified in the draft *National Integrated Coastal Zone Management Strategy* (2008), the *National Strategic Action Programme for the Conservation of Biological Diversity in the Mediterranean* and the *Spatial Plan on the Maritime Public Domain* (2007).

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:**

9) The project is aligned with GEF's Strategic Objective (SO) 1 of the Biodiversity focal area, 'Catalyzing Sustainability of Protected Areas Systems'. The project is consistent with Strategic Programme's (SP) 2 and 3 of SO 1; 'Increasing Representation of Effectively Managed Marine Protected Areas in Protected Area Systems' and 'Strengthening Terrestrial Protected Area Networks'. The current protected area system has not been designed to ensure the adequate representation of the important marine, aquatic and terrestrial ecosystems, habitats and species in Montenegro. There are currently also no formal marine protected areas in the country. Protected areas are both spatially and institutionally highly fragmented, and are not achieving the conservation objectives in a cost-effective and efficient manner. The project aims to enhance coverage and management effectiveness of the protected area system of Montenegro by piloting - within the broader framework of a National Ecological Network - the establishment of the first Regional Park in Montenegro, creating the enabling environment for the establishment of a MPA and by strengthening the capacities at the systemic, institutional and individual levels to establish and manage a more representative protected area system.

**D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

10) The project will ensure active coordination, collaboration and exchange of experience with other related initiatives in Montenegro, in particular: (i) the World Bank-GEF 'Integrated Management of the Skadar Lake Ecosystem Project, particularly in respect of co-operative governance arrangements for national parks; (ii) the 'Establishing an Emerald Network in Montenegro' project', financed by the Council of Europe; (iii) the WWF's Mediterranean Programme Office's 'Dinaric Arc Initiative'; (iv) the GEF-UNEP-UNIDO project 'Strategic Partnership for the Mediterranean Sea Large Marine Ecosystem – Regional Component: Implementation of agreed actions for the protection of the environmental resources of the Mediterranean Sea and its coastal areas', specifically in respect of the design and establishment processes for a marine protected area; (v) the ADA-GTZ-SNV 'Prokletije/Bjeshkët e Namuna Cross-border Mountain Range Development Programme', particularly in respect of the integration of local community needs in PA establishment and management processes; (vi) the GEF-World Bank 'Tara and Lim Watershed Management Project', specifically in respect of the integration of large-scale ecosystem processes into the National Ecological Network design; (vii) the World Bank-USAID 'Montenegro Sustainable Tourism Development Project', specifically in respect of the alignment and siting options for the MPAs; (viii) various environmental education initiatives coordinated through the REC and other NGOs, specifically in respect of the design and implementation of the experiential learning activities; and (ix) various small grants programmes (e.g. CHF, USAID, ADA) implemented through the national parks.

**1. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH [INCREMENTAL REASONING](#)**

11) While the Government of Montenegro continues to implement legislative and policy reform, commit limited financial resources and provide technical and professional capacity, to support the planning, management and expansion of PAs, this will remain inadequate to significantly improve the current management effectiveness and representivity of the PAS. Under the **baseline scenario**, the extent of the PA network will, despite government efforts of expanding PA estate, remain fragmented and will not adequately represent the country's habitats and species associations. Critical marine and coastal areas will continue to remain outside the formal PA estate and come under increasing pressure from fishing, urban development and spread of tourism enterprises. The available institutional resources and capacity for PA management will continue to be directed at enhancing the management effectiveness of National Parks, but the remaining protected areas in the system will continue to be managed by 'benign neglect'. The constraints of the enabling legal framework will limit the national parks from being optimally developed for recreation or tourism, and generating sufficient income to cross-subsidize their management costs. Where income is generated from the national parks, local communities and private land owners will see negligible benefits accruing to them. Active involvement of land owners, local communities and NGOs in the planning and management of national parks will remain utilitarian at best and non-existent at worst. This will sustain the public and political perception that PAs are a 'financial drain' on the national fiscus, and a restrictive and unproductive form of land use. The remaining protected areas in the system will be administered on an *ad hoc* opportunistic basis by the local municipalities and the Coastal Zone Management Agency, with limited oversight and support from the Ministry. The ecological integrity of the many small, fragmented PAs will continue to degrade and illegal use will continue, if not escalate, increasingly reducing these PAs to 'paper parks'. Public resistance to the expansion of the PA estate will also increase due to their lack of relevance to the socio-economic and recreational needs of the populace. The long-term solution that the project seeks to engineer is characterized by: (i) the design and development of a scientifically-based PAS and National Ecological Network that adequately protects a representative sample of the country's marine, freshwater and terrestrial biodiversity; (ii) the identification and design of the country's first marine PA; (iii) the restructuring and strengthening of PA institutions; (iv) the development of PA management skills within these PA institutions; and (v) the strengthening of public awareness about the value of the PAS. Furthermore, opportunities to link the PAS with the country's socio-economic development priorities - in particular development of the tourism industry - will be developed to ensure the long-term financial sustainability of the PAS.

## F. RISKS AND RISK MANAGEMENT MEASURES

Risk	RATING	Mitigation Measures
There is a lack of coordination across, and collaboration between, key stakeholder groups in project implementation	<b>L</b>	Project coordination will be facilitated through the offices of the Ministry of Tourism and Environmental Protection (MTEP) and the UNDP CO. The project will establish a Project Steering Committee (PSC), chaired by representatives of the MTEP, to facilitate the coordinated implementation of project activities across affected organizations. All key institutions at national levels have been involved in project design to date, and are fully committed to the project objectives and activities. Representatives from the Public Enterprise: National Parks of Montenegro, the Ministry of Agriculture, Forestry and Water Management, the Coastal Zone Management Agency, the Institute for Nature Protection and the relevant local municipalities, will nominate representatives to the PSC, and will be directly involved in project implementation. NGO representation in the PSC will also be accommodated and, where relevant, NGOs may be involved in aspects of project implementation.
The Government fails to commit sufficient financial support to PA planning and operations, and PAs are unable to finance the subsequent shortfall	<b>M</b>	The project will review the cost-effectiveness of the current institutional arrangements for the PA network and identify, where appropriate, restructuring options to increase cost-effectiveness. Based on the preferred institutional model/s, the project will also broadly assess the financing mechanisms and projected income streams for the PAS with a specific focus on attaining a level of financial autonomy for protected area institutions and limiting the dependency on an annual grant allocation of government funding. The project will also seek to negotiate increased financial commitments from government to support PAs with this financial commitment being phased out over time as the PA network develops its own income streams and reaches an agreed level of financial sustainability.

Current institutions have limited capacities and/or resources to manage protected areas	<b>H</b>	The project will review the efficacy of the current institutional arrangements for the PAS. It will specifically seek to identify the most effective institutional model, and the most appropriate institution/s, needed to strengthen the management effectiveness of the PA network. The project will then project the anticipated human resource capacity needs (staffing, skills, competence levels, knowledge) of the institution/s and define the requisite resources (financing), training and development requirements needed to address the capacity gaps. The project will make a limited contribution in the implementation of focused training programs for protected area planning and operations staff.
There is public and institutional resistance to the expansion of the protected area estate	<b>M</b>	The project will test conflict resolution mechanisms to address public and institutional resistance during the establishment processes in the pilot site. The project will specifically provide technical support to local municipalities in exploring innovative ways for the PAs to generate direct benefits to both local communities and private land owners who choose to include their land into the regional park. The project will establish a small trust fund to support the set up costs for SME's and local individuals to establish logistical and support services for the regional park management and/or to development small tourism enterprises linked to the regional park. The project will also initiate an experiential learning program within the national parks to, amongst other things, demonstrate the value and significance of PA to the socio-economic well-being of Montenegro.

**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

12) A comprehensive cost-effectiveness analysis will be undertaken as part of the project preparation. The project aims to strengthen the enabling planning and institutional capacity for the rationalization and expansion of the protected area system to more effectively conserve a representative sample of marine, coastal, aquatic and terrestrial habitats. The planned rationalization and expansion of PAs is considered cost-effective, as future costs of acquiring private land and rehabilitating increasingly degraded and exploited land will be prohibitive, particularly given the high costs of rehabilitation and the future costs of land acquisition (as a result of the countries ongoing privatization of land ownership). The project will improve the capacities of the protected areas management bodies to manage this expanded protected area estate. The project is designed to achieve the proposed outcomes while only incurring essential incremental expenses. To accomplish this, the project will seek to complement and build upon the existing baseline activities and national and local capacities, as well as the use of available infrastructure. Where possible, the project will use existing competencies and logistical skills within existing capacitated institutions (e.g. in NGOs) to co-implement project activities. Increased co-financing commitments will be targeted during project design and implementation. The project will seek to contribute to the on-going government efforts to expand and strengthen the national PA system, and will reinforce the capacity of protected area institutions to comply with national legislative requirements and international standards. Costs incurred in project implementation will focus on those additional actions required to provide key incremental assistance to the government in undertaking reforms in the PAS planning, management and governance. The project will seek to achieve a catalytic investment in securing the long-term sustainability and conservation effectiveness of the national protected area system.

**H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:**


13) The Government of Montenegro has requested UNDP assistance in designing and implementing this project, due to UNDP's track record in Europe and the CIS. The project is entirely supportive of, and consistent with, UNDP's Country Programme Portfolio. UNDP has developed global expertise in supporting the development of an enabling environment for PA establishment and management. Currently UNDP is supporting a number of projects in Europe and CIS, focused on catalyzing the sustainability of protected areas, with an impact on more than 60 protected areas in the region covering more than 16 million hectares.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

Simska Stankovic Deputy Minister, Minister of Tourism and Environment	Date: April, 8, 2008
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**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 Bo Lim UNDP-GEF Officer-in-Charge	Adriana Dinu Project Contact Person
Date: April 25, 2008	Tel. and Email: +421 905 428 238 <a href="mailto:adriana.dinu@undp.org">adriana.dinu@undp.org</a>



## SECTION IV, PART IV: Stakeholder Involvement Plan

### 1. Stakeholder identification

During the project preparation stage, a stakeholder analysis was undertaken in order to identify key stakeholders, assess their interests in the project and define their roles and responsibilities in project implementation. Table 1 describes the major categories of stakeholders identified, and the level of involvement envisaged in the project.

**Table 1: Key stakeholders and roles and responsibilities**

Stakeholder	Roles and Responsibilities
Ministry of Environment and Tourism	MTE will, primarily through the Deputy Minister and the department for nature protection and environmental assessments, cooperate with UNDP on the overall coordination of the project. It will also be a primary beneficiary of project activities. The MTE together with UNDP will co-chair the Project Steering Committee (PSC)
Nature Protection Institute	NPI will work in close cooperation with the MTE. It will contribute to the project through: support to the development of the geospatial database; support to the design of the ecological network of Natura 2000 sites and the protected area system; preparation of 'nature protection studies' (feasibility assessments) for Komovi regional park and Platamuni MPA; and revalidation of the current network of PA's. The NPI will update and maintain the register of protected areas. The NPI will be a member of the PSC.
Public Enterprise National Park	PENP is an important partner in, and beneficiary of, the project. It will be involved in the project through: support to the development of the geospatial database; support to the establishment of Komovi regional park; revalidation of the national parks; review of management and governance options for PA's, including the expansion of the PENP mandate; and involvement in the skills development and training programs for national park staff. The NPI will be a member of the PSC.
Ministry of Agriculture, Forestry and Water Management	MAFWM is an important partner in the project. It will actively participate in the review of management and governance options for PA's. It will be directly involved in the feasibility assessment for the Platamuni MPA, notably in respect of the administration of marine fishing rights. The MAFWM will be a member of the PSC.
MAFWM - Forestry Administration	Forestry Administration will be actively involved in the project through: support to the development of the geospatial database; identification of forestry areas to be incorporated into the PAS; support to the establishment and operational management of Komovi regional park, notably areas under the management of Forestry Administration. The Forestry Administration may be a member of the PSC.
Ministry of Economic Development	MED is an important partner in the project. It will specifically support the project in the spatial planning processes for the Komovi region. It will retrospectively align, wherever possible, the ecological network and PAS design with the national spatial planning framework. The MED will be a member of the PSC.
Ministry of Finance – Real Estate Administration	The Real Estate Administration will support the project in the registration and maintenance of the cadastral boundaries of all protected areas in conformance with the requirements of the Law in Nature Protection
Local Government - Kotor, Podgorica, Andijevica and Kolascin	The affected local municipalities are important project partners. The Kotor municipality will participate in the feasibility assessment for the Platamuni MPA. The Podgorica, Andijevica and Kolascin municipalities

Stakeholder	Roles and Responsibilities
	will facilitate obtaining local parliamentary support for the regional park. They will: actively participate in the planning and establishment processes; be directly involved in the co-management of the park; and co-finance the capital and operating costs for the regional park, once established. The municipalities will be members of the PSC.
University of Montenegro – Marine Biology Institute	The Marine Biology Institute will provide technical support to the feasibility assessment for the establishment of an MPA at Platamuni. The MED will be a member of the PSC.
UNEP Regional Activity Centre for Specially Protected Areas	The Regional Activity Centre will provide technical support to the feasibility assessment for the establishment of an MPA at Platamuni
UNDP GIS Project	The UNDP GIS Project is an implementation partner for the project. It will establish the geospatial database and decision-support system for the protected area system.
WWF - Dinaric Arc Eco-region Project/ Mediterranean Programme office	WWF will support the integration and alignment of Komovi Regional Park with the Dinaric Arc Ecoregion initiatives. It will also support the collection of biodiversity data, as an integral part of the establishment of the geospatial database and the design of the ecological network and representative system of marine and terrestrial protected areas.
National and regional NGOs	Relevant national NGOs such as Greenhome, Greens of Montenegro and Most will be encouraged to take active role in implementing project activities, notably in the involvement and beneficitation of local communities in Komovi. National and local NGOs will actively participate in the stakeholder engagement processes for all project activities. A representative from national NGOs will be a member of the Steering Committee
Academic and research Institutes	Relevant national and regional academic and research institutes will contribute to the project in, for example, local scientific surveys and specialist mapping.
Representatives of local communities (e.g. <i>Katínj</i> )	Inhabitants of the villages or settlement within the Komovi region will be made aware of the issues and invited to take part in the decision making process. They will be represented in the local working committees and actively involved in the project activities relating to the establishment of Komvi regional park. Their cooperation will be sought in implementing project activities including resource protection, alternative income development (e.g. nature-based tourism), awareness raising, etc.
National and local press and media	The project will cooperate with national and local press and media on public awareness issues.
UNDP-Montenegro	The roles and responsibilities of UNDP-Montenegro will include: Overall responsibility for implementation of the project; Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document; Coordination and supervision of the activities; Assisting and supporting MTE in organizing coordinating and where necessary hosting all project meetings; Contracting of and contract administration for qualified project team members; Manage and be responsible of all financial administration to realize the targets envisioned in consultation with MTE; Establishing an effective networking between project stakeholders, specialized international organizations and the donor community. The UNDP will co-chair the Steering Committee together with MTE.

## 2. Information dissemination, consultation, and similar activities that took place during the PPG

Throughout the project's development, very close contact was maintained with all stakeholders at the national and local levels. All affected national government institutions were directly involved in project

development, as were public administrations, affected municipalities, research and academic institutions and NGO's. Numerous consultations occurred with all of the above stakeholders to discuss different aspects of project design. These consultations included: bilateral discussions; site visits to pilot sites; consolidated workshops and electronic communications. A working group, with representation of all key stakeholders, was constituted by the Deputy Minister of the Ministry of Tourism and Environment to oversee the project preparation phase. The final project activities was presented to stakeholders at a working group meeting for review and discussions, and a final draft of the project brief was presented to a follow-up working group meeting for approval and endorsement.

### 3. Approach to stakeholder participation

The projects approach to stakeholder involvement and participation is premised on the principles outlined in **Table 2** below.

**Table 2: Stakeholder participation principles**

Principle	Stakeholder participation will:
Value Adding	be an essential means of adding value to the project
Inclusivity	include all relevant stakeholders
Accessibility and Access	be accessible and promote access to the process
Transparency	be based on transparency and fair access to information; main provisions of the project's plans and results will be published in local mass-media
Fairness	ensure that all stakeholders are treated in a fair and unbiased way
Accountability	be based on a commitment to accountability by all stakeholders
Constructive	Seek to manage conflict and promote the public interest
Redressing	Seek to redress inequity and injustice
Capacitating	Seek to develop the capacity of all stakeholders
Needs Based	be based on the needs of all stakeholders
Flexible	be flexibly designed and implemented
Rational and Coordinated	be rationally planned and coordinated, and not be ad hoc
Excellence	be subject to ongoing reflection and improvement

The project will focus stakeholder engagement at two levels of intervention: (i) working with national and local public institutions and agencies in order to strengthen their capacity to consolidate, expand and effectively manage the PAS and to align project activities with government's strategic priorities; and (ii) working directly with civil society organisations, formal and informal use rights holders, private landowners and individuals to mitigate impacts and optimise benefits of project activities.

### 4. Stakeholder involvement plan

The project's design incorporates several features to ensure ongoing and effective stakeholder participation in the project's implementation. The mechanisms to facilitate involvement and active participation of different stakeholder in project implementation will comprise a number of different components:

#### 1. Project inception workshop

The project will be launched by a multi-stakeholder workshop. This workshop will provide an opportunity to provide all stakeholders with the most updated information on the project, the work plan, and will establish a basis for further consultation as the project's implementation commences.

#### 2. Constitution of Project Steering Committee

A Project Steering Committee's constituency will be constituted to ensure broad representation of all key interests throughout the project's implementation. The representation, and broad terms of reference, of the

PSC are described in the [Management Arrangements](#) in Part III of the Project Document.

### 3. Establishment of the Project Management Unit

The Project Management Unit will take direct operational responsibility for facilitating stakeholder involvement and ensuring increased local ownership of the project and its results. The PMU will be located in Podgorica to ensure coordination among key stakeholder organizations at the national level during the project period.

### 4. Establishment of local working groups

At the activity level, local or specialist working groups (i.e. Biodiversity database reference group, Platomuni marine working group, Komovi Regional Park establishment working group, Institutional reform technical working group and Komovi local community working forum) will be established, as required, to facilitate the active participation of affected institutions, organisations and individuals in the implementation of the respective project activities. Different stakeholder groups may take the lead in each of the working groups, depending on their respective mandates.

### 5. Project communications

The project will develop, implement and maintain a communications strategy to ensure that all stakeholders are informed on an ongoing basis about: the project's objectives; the projects activities; overall project progress; and the opportunities for involvement in various aspects of the project's implementation.

### 6. Implementation arrangements

A number of project activities have specifically been designed to directly involve local stakeholders in the implementation of these activities. These include: the validation of the existing protected areas, as a mechanism to reconnect local communities with the individual PAs; the development of sustainable livelihood options and natural resource uses for local communities in both the regional park establishment processes and the MPA feasibility assessment study; the use of existing inter-institutional structures to implement the geospatial database development; and the use of civil society organisations to implement environmental education and awareness-raising campaigns and facilitate opportunities for beneficitation of local communities in the Komovi region.

### 7. Formalising cooperative governance structures

The project will actively seek to formalise cooperative governance structures at the level of the protected areas to ensure the ongoing participation of local stakeholders in the planning and management of individual PAs.

### 8. Capacity building

All project activities are strategically very focused on building the capacity – at systemic, institutional and individual level – of the key national stakeholder groups to ensure sustainability of initial project investments. The project will also seek to build the capacity of organizations operating at the community level to enable them to actively participate in both the negotiation and implementation of management agreements.

The Department for Nature Protection and Environmental Assessments, the Nature Protection Institute (NPI), the Public Enterprise National Parks (PENP) and the Environmental Protection Agency (EPA), under the overall direct supervision of UNDP and the *Ministry of Tourism and Environment* (MTE), will be the main departments/institutions within the MTE responsible for different aspects of the project development process. They will work in close cooperation with other affected public institutions, including: Ministry of Agriculture, Forestry and Water Management (MAFWM) –Forestry Administration; Ministry of Economic Development (MED) – Spatial Planning and *Morsko Dobro*;

Ministry of Finance (Real Estate Administration); University of Montenegro – Marine Biology Institute; and Local Government – municipalities of Kotor, Podgorica, Andijevica and Kolascin.

## SIGNATURE PAGE

**Country: Montenegro**

<p>UNDAF Outcome(s)/Indicator(s): <i>(Link to UNDAF outcome., If no UNDAF, leave blank)</i></p> <p>Expected Outcome(s)/Indicator (s): <i>(CP outcomes linked to the SRF/MYFF goal and service line)</i></p> <p>Expected Output(s)/Indicator(s): <i>(CP outputs)</i></p> <p>Implementing partner: <i>(designated institution/Executing agency)</i></p>	<p>By 2011, Public Institutions with the support of Civil Society Organizations (CSO) are better able to ensure good governance, rule of law and equal access to justice and promotion of human rights.</p> <p>CPD C. Environmentally responsible economic development</p> <p>CPAP 4.2.4 Improved management of protected areas</p> <p>United Nations Development Programme (UNDP)</p>
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<p>Programme Period: 2007-2011</p> <p><i>Energy, Environment and Sustainable Development Programme</i></p> <p><b>Project Title:</b> Strengthening the sustainability of the protected area system of Montenegro.</p> <p>Atlas Award ID: tbd      Atlas project ID: tbd</p> <p>PIMS: 3457</p> <p>Start date: September 2009</p> <p>End Date: November 2012</p> <p>LPAC Meeting Date: 8 May 2009</p> <p>Management Arrangements: DEX</p>	<table border="0" style="width: 100%;"> <tr> <td>Total budget:</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;"><b>6,389,894</b></td> </tr> <tr> <td colspan="3"><b>Allocated resources (cash):</b></td> </tr> <tr> <td>• GEF</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;">950,000</td> </tr> <tr> <td>• UNDP</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td colspan="3"><b>In kind contributions:</b></td> </tr> <tr> <td>• Government</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;">1,780,000</td> </tr> <tr> <td>• GTZ</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;">2,519,894</td> </tr> <tr> <td>• Lux Development</td> <td style="text-align: right;">US\$</td> <td style="text-align: right;">1,100,000</td> </tr> </table>	Total budget:	US\$	<b>6,389,894</b>	<b>Allocated resources (cash):</b>			• GEF	US\$	950,000	• UNDP	US\$	40,000	<b>In kind contributions:</b>			• Government	US\$	1,780,000	• GTZ	US\$	2,519,894	• Lux Development	US\$	1,100,000
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**Agreed by (Government):**

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**Agreed by (UNDP):**

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