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**VOLUNTARY PEER REVIEW OF THE PREPARATION AND IMPLEMENTATION OF THE
NATIONAL BIODIVERSITY STRATEGY AND ACTION PLAN OF MONTENEGRO**

Information note by the Executive Secretary

1. The Executive Secretary is pleased to circulate herewith, for the information of participants in the fourteenth meeting of the Conference of the Parties, an information document on the voluntary peer review of the preparation and implementation of Montenegro's National Biodiversity Strategy and Action Plan.
2. The attached final draft report on the voluntary peer review has not been formally edited or formatted. It is being circulated in the form in which it was received; only typographical and grammatical errors have been corrected.

* CBD/COP/14/1.

Voluntary Peer Review – Montenegro

Draft report, 29 January 2018

Preface

The team that performed the voluntary peer review of Montenegro's preparation and implementation of the National Biodiversity Strategy and Action Plan acknowledges the generous support from the governments of Japan, Norway and Switzerland for committing the funds and resources to develop the voluntary peer review process and enable the conduct of the present review.

The team is much obliged for the strong support by the staff of the CBD Secretariat, including staff working for the Japan Biodiversity Fund. Thanks as well to the colleagues and experts in various organisations for sharing their knowledge and insights with the team members. A special thanks goes to all the persons in Montenegro that participated in the interviews, despite their generally heavy workload. Most of all, thanks goes to Ms. Ivana Vojinović and Ms. Marina Spahić for providing the information for the desk study and for the excellent organisation of the mission to their country. The review team sincerely hopes that the present report will contribute to the effective protection of the magnificent beauty of Montenegro's rich biodiversity.

Contents

1.	Background and methodology	5
2.	Key facts	6
2.1	Introduction	6
2.2	Montenegro's landscapes	7
2.3	Species and ecosystems	7
2.4	National legislation related to biodiversity	8
2.5	Membership of biodiversity-related multilateral environmental agreements (MEAs)	9
3.	Findings and recommendations	10
3.1	Urgency of implementation and enforcement	10
3.2	NBSAP – role and process	10
3.3	Institutional framework	12
3.4	Challenges and resources	12
3.5	Capacity building	13
3.6	Monitoring and data collection	13
3.7	Enforcement	14
3.8	Protected areas (PAs)	14
3.9	Forestry	16
3.10	Tourism	17
3.11	Financing, payments for ecosystem services (PES) and biodiversity offsetting	18
3.12	Spatial planning	18
3.13	Renewable energy and climate change	19
3.14	Manufacturing and processing industry	20
3.15	Contribution by the municipalities	20
3.16	Red Listing Book and species protection	21
3.17	Integration of biodiversity into other sectors	21
3.18	Relation with Agenda 2030 and other international frameworks	22
3.19	Invasive alien species (IAS)	22
3.20	Agriculture	23
3.21	Environmental Impact Assessment/Strategic Impact Assessment	23
3.22	Communication, education and public awareness (CEPA) and stakeholder engagement	23
3.23	Cross-border cooperation	24
3.24	Science	24
3.25	Other direct pressures	24
4.	Peer learning	25
5.	Response by the Montenegrin Authorities	26

List of acronyms

CBD	Convention on Biological Diversity
CEPA	Communication, education and public awareness
CITES	Convention on International Trade in Endangered Species of Wild Flora and Fauna
CMS	The Convention on the Conservation of Migratory Species of Wild Animals
COP	Conference of Parties
EIA	Environmental Impact Assessments
EPA	Environmental Protection Agency
EU	European Union
FAO	The Food and Agriculture Organization
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GEF	The Global Environment Facility
GIZ	The German Society for International Cooperation
IAS	Invasive Alien Species
IUCN	The International Union for Conservation of Nature
KAP	Aluminium Plant Podgorica
LBAPs	Local Biodiversity Action Plans
MEA	Multilateral Environmental Agreements
MPAs	Marine Protected Areas
NBS	Nature Based Solution
NBSAP	National Biodiversity Strategy and Action Plan
NEPA	Nature and Environmental Protection Agency
NFI	National Forest Inventory
PENEP	Public Enterprise for National Parks
PES	Payments for Ecosystem Services
SDGs	The Sustainable Development Goals



Convention on
Biological Diversity



SEA	Strategic Environmental Assessments
SMART	Specific, Measurable, Attainable, Relevant and Timely.
SPSP CZ	Special Purpose Spatial Plan for Coastal Zone
UNCCD	The United Nations Convention to Combat Desertification
UNDP	The United Nations Development Programme
UNESCO	The United Nations Educational, Scientific and Cultural Organisation
VPR	Voluntary Peer review
WWF	World Wildlife Fund

1. Background and methodology

Following the preparation of a methodology and its testing in Ethiopia and India¹, the CBD Conference of the Parties (COP) in Cancún, December 2016, launched the pilot phase for the Voluntary Peer Review (VPR) process². The VPR process has the following objectives: i) to assess national progress toward the current CBD Strategic Plan and produce specific recommendations for the Parties under review; 2) to provide opportunities for peer learning; and 3) to create greater transparency and accountability to the public and other Parties.

The CBD invited Parties to volunteer for being reviewed and to nominate reviewers.³ Montenegro was selected and the composed peer review team comprised the following experts: Mr. Anne Theo Seinen of the European Commission (team leader); Mr. Wasantha Dissanayake of the Ministry of Mahaweli Development and Environment, Sri Lanka; Ms. Marina von Weissenberg of the Ministry of the Environment, Finland; and Mr. Fred Onyai of the National Environment Management Authority, Uganda. CBD Secretariat support was provided by Mr. Nicolaas Van Der Werf, Mr. Robert Hoft, Mr. Maroun Abi Chahine and Ms. Monique Chiasson.

A desk study was implemented through studying the National Biodiversity Strategy and Action Plan (NBSAP) for the period 2016 - 2020, the Montenegro 5th National Report to the Convention, a 'scoping document' specifically prepared for the review and a significant number of other documents. The review team and the CBD Secretariat met various times by electronic means in order to discuss the approach, share preliminary assessments and prepare for the in-country visit. Further exchanges took place by e-mail.

The visit took place in Podgorica and Budva, Montenegro, from 20 to 24 November 2017. It allowed the review team to build on the desk study with additional direct information from a wide range of officials and stakeholders. During the in-country mission, a significant number of interview meetings were held allowing the review team to discuss with 35 experts. The list of experts is provided in Annex 2.

A draft of the present report has been submitted to the Montenegrin authorities for a fact check and corrections have been taken into account. Montenegro's policy response to the report and peer learning experience are provided in Chapter 5.

¹ See Decision XII/29, paragraph 3. The test reviews on Ethiopia and India are available at <https://www.cbd.int/doc/nbsap/et-vpr-en.pdf> and <https://www.cbd.int/doc/nbsap/in-vpr-en.pdf>.

² Decision XIII/25, paragraph 2. See for further background information: <https://www.cbd.int/nbsap/vpr/default.shtml>.

³ Notification 2017-012.

2. Key facts

2.1 Introduction

Montenegro has a surface of 13,812 km² and a population of approximately 626,000, of which an estimated 165,000 people live in the capital city Podgorica. 2016DP amounted to US\$ 4,374 million. It is situated in the Western Balkans, a biodiversity hotspot within Europe.

After the breakup of Yugoslavia in 1992, the republics of Serbia and Montenegro together established a federation. Following an independence referendum in 2006, Montenegro regained independence in 2006.

On 20 September 1991, the Parliament of Montenegro (at the time part of Yugoslavia) declared Montenegro to be an ecological state, expressing close interconnections between man and nature and calling for protection of land and nature. The present Constitution reflects important elements of this Declaration and in this highest legal act Montenegro is proclaimed to be, *inter alia*, an ecological state.

Montenegro has been a candidate country to join the European Union since December 2010. Accession negotiations started in June 2012. At the time of writing, the start of the formal negotiations on the environmental chapter was under discussion.⁴ An EU-compatible legal framework and regulatory bodies, as well as the ability to absorb EU funds, all require substantial capacity-building. The latest European Commission progress report can be found at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_montenegro.pdf.

Montenegro is an open economy. Given the stunning beauty of its landscapes, the dominance of the tourism sector may not surprise. The contributions of agriculture and industry to the economy are relatively modest. The economy also relies heavily on capital inflows from abroad. Due to its size and structure, the economy is relatively vulnerable to external shocks. The unemployment rate in Montenegro increased to 22.51 percent in November 2017.⁵ The state's footprint in the economy is still relatively high. Significant efforts are currently being made to reduce the budget deficit to a sustainable level.

Given past economic growth and its candidacy for EU membership, many international donors withdrew from Montenegro. Apart from limited financing from pre-accession instruments, Montenegro is not yet eligible for EU funds e.g. for agriculture, regional development and research and development.

Further statistics can be found in annex 1.

⁴ Montenegro submitted its Negotiation Position for Chapter 27 to the European Commission in February 2018 and the European Commission presented a Common Negotiation Position to the Council of Ministers.

⁵ <https://tradingeconomics.com/montenegro/unemployment-rate>. The unemployment rate in Montenegro averaged 17.21 percent from 2002 until 2017, reaching an all-time high of 31 percent in April of 2002 and a record low of 10.20 percent in August of 2009.

2.2 Montenegro's landscapes

Montenegro's landscapes range from high mountains in the northern part of the country, through karst segments in the central and western part, to a narrow coastal plain. The coastal plain disappears completely in the north, where Mountain Lovćen and other mountain ranges plunge abruptly into the inlet of the Gulf of Kotor.

Montenegro's section of the karst lies generally at elevations of 900m (3,000 ft) above sea level - although some areas rise to 1800m. The lowest segment is in the valley of the Zeta River, which flows at an elevation of 450m. The river occupies the centre of Nikšić field, a flat-floored, elongated depression typical of karstic regions. The Zeta River Valley, or Bjelopavlici plain, merges in the southeast with the second significant flat lowland in Montenegro, the Zeta plain. Zeta plain stretches north of Lake Skadar at an elevation of 40m. The two plains are today the most densely populated areas of Montenegro, housing two of Montenegro's biggest cities, Capital City Podgorica and Nikšić.

The high mountains of Montenegro include some of the most rugged terrain in Europe. They average more than 2000m in elevation. Among notable peaks is Bobotov Kuk in the Durmitor mountains, which reaches 2,523m.

The coast of Montenegro is 294 km long and has no large inhabited islands along the coast. A notable feature of the Montenegrin coast is the Bay of Kotor, a fjord-like gulf, which is in fact a submerged river canyon. The Bay of Kotor is surrounded by mountains up to 1000m high, which plunge almost vertically into the sea. To the south of the Bay of Kotor, there is a narrow coastal plain, no more than 4km wide, which is guarded from the north by high mountains. ([Source: Montenegro guidebook](#))

2.3 Species and ecosystems

Montenegro is home to diverse geological bases, landscapes, soils and climates. It can be divided into two main bio-geographical regions (Mediterranean and alpine) with a variety of ecosystems falling within these two eco-regions. Although there is no formal, widely recognized classification of ecosystems in Montenegro, from the point of view of biodiversity conservation, the following ecosystems are distinguished in the NBSAP: alpine, forest, dry grasslands, freshwater and marine and, among these, habitats include: coastal, caves, canyons, and karst as a specific geological formation. Within its land cover, 54% is covered by forests with natural forests covering 45% of the territory. Montenegro's maritime zone extends out to 12 nautical miles (22.26 km) from the shore, covers 2,504.8 km², and reaches a maximum depth of 1,233m, supporting extensive seagrass (*Posidonia oceanica* and *Cymodocea nodosa*) populations.

The state of biological diversity in Montenegro has been monitored within a limited scope since 2000 by the National Environmental Monitoring Programme, and the wealth of flora and fauna species puts Montenegro among the most biologically diverse countries in Europe, classifying it as a global biodiversity hotspot. Estimates suggest that over 1,200 species of freshwater algae, 300 species of marine algae, 589 species of moss, 7,000-8,000 species of vascular plants, 2,000 fungi, 16,000-20,000 species of insects, 407 species of marine fish, 56 species of reptile, 333 regularly visiting birds and a high diversity of mammals are found in Montenegro.

Benefits and ecosystem services arising from biodiversity in Montenegro range from the provision of wood for heating, timber, grazing for cattle, sustaining aquifer stability, fertility of the soil, protection from erosion, landslides and floods, benefits for tourism and climate regulation. Although there is potentially great economic value surrounding these services and it can be said that everyday life for most people depends on ecosystem services, there is little knowledge within the general public about biodiversity issues ([Source: CBD page](#)).

2. 4 National legislation related to biodiversity

The most relevant laws are the following:

- The Environment Act⁶, which is the main law governing the protection and conservation of the environment, including, inter alia, the conservation and improvement of biological diversity and limiting and preventing adverse impacts on biological diversity. It includes as well an obligation to develop a Biodiversity Strategy and Action Plan every five years.
- Law on Strategic Environmental Assessment, 2005, which stipulates the conditions, methods and procedures for undertaking strategic environmental assessments of certain plans or programmes through the integration of environmental protection principles, including biodiversity conservation, into the procedures of preparation, adoption and implementation of plans or programmes that have significant impact on the environment.
- Law on Nature Protection, 2016, which regulates the conditions and the manner of protection and conservation of nature, notably through: i) conservation and improvement of biodiversity; ii) harmonization of human activities, economic and social development plans, programs and projects with sustainable use of renewable and the rational use of non-renewable natural values and resources, with the purpose of their permanent conservation; iii) prevention of activities with harmful impact on the nature, which are the result of linear dependence of the economic growth and the use of natural resources.
- Law on spatial planning, 2017: the Montenegrin Parliament adopted a new Act on Spatial Development and Construction on 30 September 2017, which introduces radical changes in the areas of spatial planning and construction.⁷
- Law on Environmental Impact Assessment, 2005.⁸
- Law on National Parks, ...

⁶ Official Gazette of Montenegro 51/08, 21/09, 40/11, 62/13, 06/14.

⁷ See <http://www.paragraf.me/propisi-crnegore/zakon-o-planiranju-prostora-i-izgradnji-objekata.html> and The Montenegrin Parliament adopted the new Act on Spatial Development and Construction on 30 September 2017. The new legislation introduces radical changes in the areas of spatial planning and construction.

⁸ <http://www.paragraf.me/propisi-crnegore/zakon-o-planiranju-prostora-i-izgradnji-objekata.html>.

2.5 Membership of biodiversity-related multilateral environmental agreements (MEAs)

As a successor to the former State Union with Serbia, Montenegro became a party to the following biodiversity-related MEAs:

- Convention on Biological Diversity (CBD) and its Cartagena Protocol on Biosafety.
- Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES),
- Ramsar Convention of Wetlands of International Importance,
- Convention on the Protection of the World Cultural and Natural Heritage

In March 2007, Montenegro ratified the United Nations Convention to Combat Desertification (UNCCD). In addition, in March 2009, the Bern Convention on the Conservation of European Wildlife and Natural Habitats was ratified.

3. Findings and recommendations

3.1 Urgency of implementation and enforcement

The magnificence and abundance of Montenegro's nature and the extraordinary scenic beauty of its landscapes may mask the urgency of tackling key biodiversity threats and underlying causes of biodiversity loss. Without adequate response, biodiversity loss, ecosystem degradation and loss of ecosystem services will severely impact the well-being of the Montenegrin population, both directly and through strong negative impacts on tourism and other economic sectors. Although some policy documents (including the NBSAP) contain a proper analysis, there seems to be limited awareness of the gravity of the situation.

Some of Montenegro's natural resources have a very high economic value for those that are given access to them. In the coastal zone, the value of land destined for tourism is a multiple of the value of land destined for nature. The value of wood, in particular high-quality Balkan pine, has increased following forest protection measures put in place in neighbouring Albania. In this context, strong safeguards are particularly important for ensuring that policy decisions, their implementation and enforcement are well embedded in the sustainable development policy and take account not only of the economic value, but also intrinsic value and the value of the ecosystem services.

It is recommended:

- (i) To increase awareness of the gravity of the biodiversity threats and the urgency of concrete measures both among decision-makers as well as the entire population of Montenegro.
- (ii) To strengthen environmental governance and the institutional framework through effective law enforcement and increased staffing levels and budget. Transparency and sound procedures are of utmost importance across policy areas.
- (iii) To significantly step up implementation and enforcement of biodiversity policies. Key priorities, to be embedded in a wider policy framework, should include:
 - reducing pollution and effectively protecting Skadar Lake in view of its importance for fisheries, tourism and water supply during the tourist high season and as an important European wetland, building on multiple past and ongoing projects and initiatives;
 - fighting illegal logging and strengthening the sustainability requirements in logging concessions for ensuring sustainable long-term benefits from forests to the local communities in the Northern part of the country;
 - effectively protecting Ulcinj Salina and other protected areas in order to give credibility to the 1991 Declaration of Montenegro as an Ecological State.

3.2 NBSAP – role and process

The 2050 vision of the NBSAP is: *“Functional ecosystems and wealth of biodiversity are the basis for a sustainable and harmonic framework for the development of Montenegro and its citizens”*. This vision

is achievable provided the means for implementation, including good governance, political commitment, financial and human resources, technology and enhanced institutional capacity are in place.

The law on Nature Protection obliges the Government to prepare and adopt an NBSAP on a 5-year basis. Provisions for implementation, however, are not sufficient.

The NBSAP has a broad scope and the targets emphasise the need for political commitment, stakeholder participation, financing, measures for direct protection and for reducing the pressures on biodiversity, environmental infrastructure, knowledge improvement mechanisms. Targets and actions have a relatively strong focus on policy and process, and less on physical biodiversity.

The NBSAP shows the importance of ecosystem services for provisioning, regulation, support and cultural services. There are various references to valuation studies of biodiversity and ecosystem services. These are, however, not related to concrete actions.

The 2016 NBSAP contains a useful review of the implementation of the preceding NBSAP (2010-2014).

Much of the preparation and drafting of Montenegro's 2nd NBSAP in 2016 has been carried out by UNDP. Government institutions have been asked to comment on a draft of the NBSAP, but no comprehensive stakeholder consultation process has taken place and there has been little discussion on prioritisation or on the contributions expected from the relevant institutions. The number and ambition level of targets significantly exceed the capacity of the relevant institutions and the resources made available to them. The targets are not formulated in a SMART manner, are not linked to a clear monitoring system and there are no estimates of the costs of the actions. There is little ownership and the NBSAP plays a rather limited role in guiding biodiversity policy decisions and prioritising actions.

It is recommended:

- (i) to facilitate a policy debate on the priorities for implementation based on an assessment of policy options and actions foreseen in the NBSAP, their expected impacts, financial and administrative costs, as well as an assessment of the impacts of inaction. Prioritised actions should be allocated adequate financial and administrative resources, taking into account the widest possible range of sources. Full involvement of the relevant public institutions and stakeholders would help in fostering ownership.
- (ii) to the Ministry of Sustainable Development to take the lead when developing future NBSAPs and foster ownership by establishing a broad-based biodiversity working group or national biodiversity committee which includes ministries, stakeholders, local and regional level, NGOs and private sector in line with Aichi Biodiversity Target 17.
- (iii) To cross-link the targets and actions in the NBSAP and the Aichi Biodiversity Targets.
- (iv) To formulate targets as SMART⁹ as possible and monitor indicators accordingly (see below).

⁹ Specific, Measurable, Achievable, Realistic, Time-bound.

3.3 Institutional framework

The Department for Environment makes part of the Ministry of Sustainable Development. There are many Departments in the Ministry and some of them are relatively small. The degree of cooperation and coordination varies between persons and subjects, one of the obstacles being a lack of time, inter alia, due to low numbers of staff.

Various stakeholders voiced concerns about the functioning of the Nature and Environmental Protection Agency (NEPA), notably reduced focus on policy implementation, discontinuation of various strands of work and a lack of independence, whereas the Department for Environment strongly emphasised the continuity between the former EPA and NEPA, as well as the increase in 2018 of its budget, in particular for monitoring the state of the Montenegrin environment (see further details in Chapter 5).

It is recommended:

- (i) To commission an independent assessment of the functioning of the NEPA, including options to strengthen implementation of the actions foreseen in the NBSAP. The need for clearer separation between implementation and policy tasks (e.g. related to licensing and permits) should be part of the assessment, taking account of the different nature of tasks and different management requirements.
- (ii) To improve cooperation and exchange of information and data within the Ministry of Sustainable Development and between Ministries. A coordination structure, e.g. a 'biodiversity committee', with regular meetings to follow-up on the implementation of agreed actions (in line with the NBSAP) could be useful for this purpose. This should address the substance of those policies, as well as budgeting, monitoring and reporting of the biodiversity mainstreaming activities concerned.

3.4 Challenges and resources

The NBSAP contains a solid analysis of the threats and challenges for Montenegro's biodiversity and staff of the institutions and stakeholders involved have a good understanding of these threats and challenges. However, the financial and administrative resources made available for implementing the NBSAP are very scarce and limited. There is a strong common understanding that, despite some progress in some areas, more resources are needed for avoiding significant and irreversible biodiversity loss and degradation of ecosystems and the services they deliver. The NBSAP refers to several valuations of biodiversity and ecosystem services which confirm the economic rationale for investing in biodiversity and ecosystems without delay.

It is recommended:

- (i) To consider a significant increase of financial and administrative resources in conjunction with the prioritisation exercise recommended above.

3.5 Capacity-building

Experts in Montenegro's nature and biodiversity institutions have significant experience, knowledge and commitment which is an important asset. However, due to limited numbers of staff and financing from the regular budget, there has been a significant reliance on project-based outside expertise from international organisations, institutions from third countries and consultants. This has resulted in gaps in capacity, knowledge building and in-house expertise.

It is recommended:

- (i) To finance key activities and staff working on core activities from stable and predictable sources to allow institutional build-up.
- (ii) To closely involve relevant staff in project-related work.

3.6 Monitoring and data collection

A monitoring program for all environment policies is determined and implemented on an annual basis. Biodiversity monitoring is, however, very limited and there is a data deficiency for solid decision-making. Moreover, available information is insufficiently used.

A national forest inventory (NFI) was implemented in 2011 according to FAO FRA guidelines and covered the whole country, including non-forested areas. Although the NFI was in principle implemented for commercial forestry purposes, it carries a wealth of information for biodiversity and ecosystems, notably a tree species level inventory and some other inventory data on forest ecosystems. As such, it can be a valuable tool for various actions under the NBSAP. The data is expected to be made publicly available within a few months' time.

Despite the geographical limitation to Key Biodiversity Areas, the on-going project for preparing an inventory of biodiversity, species and habitats for establishing a Natura 2000 network in Montenegro, can be an important first step towards an encompassing monitoring framework. However, its statistical design and thus possibilities for extrapolation of the inventory results remained unclear during the interviews.

It is recommended:

- (i) To the Nature and Environmental Protection Agency, in consultation with the Ministry of Sustainable Development, the Public Enterprise for National Parks (PENEP) and the Public Enterprise for the Coastal Zone and stakeholders, to establish a solid, multi-annual monitoring programme. This should:
 - include monitoring and data collection needs based on a solid needs assessment;
 - build on the experience when preparing for the Natura 2000 network and maximise the synergies with monitoring requirements stemming from preparation for EU accession, notably as regards the Birds and Habitats Directives, the Regulation on invasive alien species (IAS) and other relevant legislation;
 - establish a baseline and provide for review and verification of monitoring results;

- consider the use of the indicators recommended in [CBD decision XI/3](#), as updated by [CBD Decision XIII/28](#);
 - make use of global data where relevant and anticipate the ongoing developments of global monitoring tools, including those based on remote sensing;
 - use existing information systems and anticipate the development of further systems and tools, such as tools for modular reporting, where available data can be extracted at any time in view of reporting for multiple national and international purposes, including the reporting under the various Conventions of which Montenegro is a Party.¹⁰
- (ii) To improve information sharing by making relevant, non-restricted data (including data from the national forest inventory) available through open-access databases and portals. The CBD Clearing House Mechanism should be used where appropriate.

3.7 Enforcement

Infrastructure development in breach of the spatial plan and illegal activities, notably illegal logging, hunting, fishing, extraction of gravel or sand and dumping of waste, have a major negative impact on biodiversity. Along the coast, illegal anchoring and certain other tourist activities, such as uncontrolled underwater activities, sea pollution caused by nautical boats, and damage from excessive boat speed are a key problem. Law enforcement is insufficient and the judiciary is insufficiently aware of the serious nature of these illegal activities.

There is a separate Inspection Administration for environmental inspection, but resources and capacity are rather limited.

It is recommended:

- (i) To increase the number of inspectors and police controls, and to provide training to increase their effectiveness, including in registering evidence and damage,
- (ii) To encourage community involvement for enforcement, to facilitate denouncing illegal activities, to provide protection to whistle blowers, and to train the judiciary. International initiatives and tools, such as the joint Task Force on illegal killing of birds under the Bern Convention and the CMS, may assist such capacity enforcement.
- (iii) To finalise with priority the exact demarcation of protected areas. This is crucial for legal enforcement of the protection enshrined in the law, as well as for spatial planning.

3.8 Protected areas (PAs)

The Public Enterprise for National Parks is a designated management institution that provides professional services to protect the national parks. It has, however, limited staff and resources. There are no active management and/or responsible institutions for the majority of the other protected areas: for those proclaimed from 2008, managers have been appointed in accordance with legal

¹⁰ UNEP WCMC is currently working on such a tool for modular reporting.

obligations; those proclaimed before 2008 fail to have nominated managers. As indicated above, for many, the exact borders are not yet determined.

There are no specific laws or policies dealing solely with Marine Protected Areas (MPAs). Instead, the main laws and strategic documents that apply for PAs in general also apply for MPAs. Establishment of marine PAs is foreseen in the Special Purpose Spatial Plan for Coastal Zone (SPSP CZ). It remains to be determined which authority will manage the MPA once designated.

Accession to the EU is a key opportunity. The key ongoing policy process for protected areas is the establishment of the Natura2000 network in Montenegro. As indicated above, an inventory of habitats and species is being prepared for a limited geographical part of the country. A country-wide, plot-based inventory, based on a statistically sound design that allows for extrapolation, and, subsequently, appropriate identification and designation of sites and putting in place effective management plans will require administrative and financial resources.

Extension of PAs has been facilitated by the system of spatial planning, which allows the designation of PAs. The consultative processes for such spatial planning have helped avoiding conflicts. All spatial plans will be re-examined during the process of preparation of the new Spatial Plan of Montenegro and the Plan of General Regulation of Montenegro under the 2017 law on spatial planning (see page 18 below).

The NBSAP provides for establishing cross-border PAs, notably for Skadar Lake, although practical details e.g. for effective management remain to be determined.

The protected areas seem to cover main biodiversity areas, but further assessment, as part of establishing the N2000 network, will be useful for identifying possible gaps.

A site of particular importance for migratory birds along the Adriatic flyways is Ulcinj Salina. The company running the salt pans went bankrupt and there are legal proceedings between the state and an investment company concerning the ownership of the site. Further uncertainty relates to plans to allow the construction of large tourist facilities. According to the authorities, the destination for nature has been effectively secured, though doubts remain among certain stakeholders. In any case, the relevant spatial plan will be re-examined pursuant to the new law on spatial planning. A recent study (November 2017) reconfirmed the importance of the site for conservation purposes and calculated significant investment and operating costs under three different scenarios. Over the past 3 years, the Ministry of Sustainable Development has invested around € 720 000 in the management of the site, and another € 208 000 would be foreseen until August 2018 (see further details in Chapter 5). Given the importance of the site as a biodiversity hotspot, national and international NGOs, as well as the EU and other third countries, have been actively engaged in the debate. The government expects to decide soon on the future of the site.

It is recommended:

- (i) To the Ministry for Sustainable Development, the Nature and Environmental Protection Agency and the Public Enterprises for National Parks and for the Coastal Zone, to fully engage in the preparatory process for building up capacity for the effective management of the future Natura 2000 network in Montenegro.
- (ii) To finalise the exact demarcation of existing protected areas without delay in order to put in place effective management measures and allow enforcement of the legal safeguards.

- (iii) To clarify, as a matter of urgency, the responsibilities and competencies for the protection and management of protected areas other than national parks. The Nature and Environmental Protection Agency, the Public Enterprises for National Parks and the Coastal Zone, municipalities and civil society organisations may have a leading role and different approaches could be applied to different sites in parallel. Arrangements should be effective and adequately resourced and foster the full use of available expertise in the country and local engagement.
- (iv) To identify and establish, as a matter of urgency, marine protected areas. Like for other protected areas, the corresponding responsibilities and competencies should be clarified as well.
- (v) To preserve and restore Ulcinj Salina as a protected area. Its full protection represents a major opportunity for biodiversity and for tourism, both directly, by attracting visitors to the site, as well as indirectly by promoting biodiversity as an important element of sustainable tourism in Montenegro. Any remaining uncertainty as regards the land destination for Ulcinj Salina should be resolved as soon as possible. Private as well as public funding options should be investigated. Given the international importance of the site and the significant visibility of the issue, there may be significant scope for national and international crowd funding to complement financing from the State budget or from the budget of any of the Public Enterprises.

3.9 Forestry

According to the above-mentioned NFI, 69% of the country is covered by forests and forest land. An ecosystem valuation study has identified how much forests can contribute to the economy in a lasting way provided sustainability criteria are applied and enforced.

According to the Forestry Directorate of the Ministry of Agriculture, 200,000ha in the north of the Country is envisaged to be put under Forest Stewardship Council certification (FSC).

However, a major threat to biodiversity (and sustainable forest production) stems from large concessions being exploited with no or very limited enforcement of sustainable practices in combination with significant illegal logging. There is, e.g., no requirement to have a management plan in place. Selective felling would be required with a maximum of 20% of trees to be cut, although the latter percentage appears relatively high. No post-harvest silvicultural treatments (including replanting) is practiced, which raises a concern on maintaining the natural distribution of tree species as it is expected that only high-value species will be harvested. The approach for forestry concessions will be changed, but it is unclear to what extent this will ensure the implementation of Sustainable Forestry Management principles.

Evidence on illegal logging suggests this is implemented in an organized way and at a larger scale, rather than for subsistence use by the local population. The authorities, however, did not indicate an intention to step up inspections and enforcement of conditions of the concessions.

It is recommended:

- (i) To adequately implement and enforce Sustainable Forest Management¹¹ inter alia through:
 - Obliging concessionaries to submit a management plan for approval prior to the start of any forest works, and to step up monitoring and inspections so as to assure that extractions comply with such plans.
 - Sharing of NFI data for underpinning sustainable exploitation.
 - Taking into account threatened species.
- (ii) To provide full transparency on existing and planned concessions, their beneficiaries and conditions.
- (iii) To conduct a more detailed and quantitative analysis of illegal harvesting, hunting and forest fires to help the design of protective measures.
- (iv) To establish and implement a work plan to put in place a functioning forest certification system as soon as possible.

3.10 Tourism

Given the astounding beauty of Montenegro's biodiversity and landscapes, it is no surprise that the country's largest source of income is tourism.

The Public Enterprise for the Coastal Zone uses a share of its revenues for environmental protection measures, some of which are vital for biodiversity, such as waste water treatment and waste collection. The declaration of the Tivat Salt Pans as a protected area, and the work of the Public Enterprise for the Coastal Zone to manage this area and foster the acceptance by the local population, seems to be a very good example of how tourism can contribute to biodiversity.

The work on the Special Purpose Spatial Plan for the coastal zone resulted in significant progress as regards tourism. This work will be re-examined when developing the new Spatial Plan of Montenegro and the Plan of General Regulation of Montenegro under the new law on spatial planning.

Progress has been made in waste water treatment and waste collection, but significant challenges remain.

There may be further opportunities to develop eco-tourism, notably in the Northern part of the country, which may also mitigate land abandonment and related biodiversity loss in that area.

It is recommended:

- (i) To increase the share of income from tourism to be used for environmental protection and biodiversity measures. This applies to the direct funding from the Public Enterprise for the Coastal Zone, but additional financing mechanisms are worth exploring;
- (ii) To continue and step up work on waste and waste water policies;
- (iii) To step up water saving measures in the coastal area so as to minimise the need to source water from the Skadar Lake, and to closely monitor the impacts of water uptake from Skadar

¹¹ United Nations General Assembly resolution 62/98, which describes sustainable forest management, and refers to its seven thematic elements, adopted by the United Nations Forum on Forests.

- Lake, including the cumulative impact of such uptake together with other impacts on the Lake's ecosystem, so as to avoid/end overexploitation;
- (iv) To step up implementation and enforcement of measures to mitigate negative impacts from tourists on marine biodiversity, e.g. impacts from the significant number of leisure boats;
 - (v) To further promote community-based eco-tourism, in particular in the Northern part of the country.

3.11 Financing, payments for ecosystem services (PES) and biodiversity offsetting

The NBSAP appropriately puts biodiversity financing in the wider perspective of environmental, 'green' financing. The NBSAP includes an assessment of the establishment of a biodiversity fund, possibly as part of an Eco Fund, which will be established during the course of 2018. The NBSAP also provides for assessing the need for a legal framework for PES and a pilot project by 2020, which mirrors the recommendations from an earlier study financed by the GEF. There may indeed be scope for PES, notably payments for water use in view of protecting upstream and groundwater sources. The NBSAP also provides for developing systems for biodiversity off-setting and marketable permits. There is, however, limited capacity to further develop these ideas, and only (very) limited results can be expected within the term covered by the NBSAP.

The state budgets for the Directorate for biodiversity and the biodiversity policies within the Environmental Protection Agency are very small, but have been increased from € 15 000 and € 20 000 in 2016 and 2017 to € 63 000 in 2018.

The extraordinary beauty of the country is a strong basis for increasing the share of income from the tourism sector to be used for biodiversity protection.

It is recommended:

- (i) To develop a realistic plan as regards the establishment of a biodiversity fund and the development of straightforward forms of PES, biodiversity off-setting and other innovative financial mechanisms. It seems rather ambitious to develop all these initiatives at the same time and in the short term. They should be assessed as part of an overall biodiversity financing policy.
- (ii) Opportunities for increasing the contribution to biodiversity financing from the tourist sector should be explored. The Centre for Sustainable Development may be invited to assist in the assessment of concrete and achievable options for biodiversity financing.

3.12 Spatial planning

The new law on spatial planning aims at streamlining spatial planning processes in the country, fill gaps, increasing the efficiency and the quality of planning documents, strengthen supervision and control in the field of construction and identify responsibilities more precisely. It provides strong implementing powers to the Spatial Planning Directorate, which may facilitate integration of biodiversity concerns in the spatial planning. Pursuant to the new law, all spatial plans will be re-examined when developing the new Spatial Plan of Montenegro and the Plan of General

Regulation of Montenegro. The latter will have the same level of granularity and detail as the current municipal and special purpose spatial plans. However, some stakeholders voiced strong concerns on due procedures and transparency.

It is recommended:

- (i) as a matter of priority and for safeguarding the authorities' credibility, to carefully consolidate existing and planned protection measures in the new Spatial Plan for Montenegro and the Plan for General Regulation under it;
- (ii) to ensure transparency of procedures, allowing for full and effective stakeholder involvement, including by local stakeholders, and apply effective safeguards to avoid irregularities. Make use of all available information on local biodiversity and local ecosystems and their services.

3.13 Renewable energy and climate change

The designation of the Durmitor National Park and Montenegro's spatial plan exclude the construction of hydropower installations in the Tara river canyon, which is a strong safeguard for biodiversity in this Canyon. The discussion on allowing hydropower installations in the Morača river canyon is ongoing.

The NBSAP describes the potential impacts of climate change on biodiversity but not the strategies to mitigate these impacts and neither the potential contribution of biodiversity to climate change adaptation, such as nature-based solutions.

It is recommended:

- (i) for any decision on hydropower installations, whilst recognising the importance of fighting climate change and ensuring energy security, to fully take into account the uniqueness of Montenegro's (largely) untouched rivers and their ecosystems, their importance for protecting species, notably endemic and endangered species, their value for domestic and international tourism, the significant potential for energy saving and the abundant presence of alternative sources for renewable energy, such as solar energy.
- (ii) to provide for due measures to mitigate negative impacts of additional hydropower installations (if any) during their construction and throughout their operation.
- (iii) to give appropriate attention to biodiversity when preparing Montenegro's climate change adaptation plan. Nature-based Solutions (NBS) should be investigated further and applied where appropriate. The EU research programme on NBS under the Horizon 2020 programme offers useful insights in this respect.
- (iv) to use the multiple benefits of ecosystems for climate change mitigation, adaptation and biodiversity as a strong underpinning for policy-makers. Communication could highlight, e.g., the benefits of nature, green space and biodiversity during heat waves.

3.14 Manufacturing and processing industry

Industry has a relatively limited share in the economy compared to tourism and forestry. The NBSAP mentions the need to address pollution (e.g. waste water and dust from the 'red mud' during summer) from the aluminium plant, KAP, south of Podgorica. Aluminium production is currently at a very low level. Measures concerning KAP are particularly important for Skadar Lake, which is just a few kilometres downstream. The future of KAP is also very important for policy decisions as regards hydropower and the wider energy policy, given the high electricity demand for production.

It is recommended:

- (i) to ensure KAP's compliance with requirements, in compliance with EU standards, including setting minimum standards, in line with best available techniques/technologies and taking into account the ecological conditions of Skadar Lake and cumulative environmental pressures on the lake.
- (ii) to take account of the related demand for electricity and consequent impacts on Montenegro's energy policy when taking policy decisions as regards KAP.
- (iii) to encourage companies to make use of existing tools and networks, such as the Natural Capital Protocol and the EU Business & Biodiversity Platform.

3.15 Contribution by the municipalities

The Law on nature protection includes a legal requirement for municipalities to prepare and adopt a local biodiversity action plan (LBAP). Three out of 23 municipalities have done so and some others are under preparation. The VPR team was impressed by the solid, operational and results-focused approach taken by the Capital City of Podgorica in preparing its LBAP. Although implementation is still at the early stage, it may serve as an example for other municipalities.

Municipalities also had the obligation to develop local spatial plans, which will be re-examined pursuant to the new law on spatial planning. Their involvement will remain important for developing the new Spatial Plan, as well as for effective implementation thereof.

It is recommended:

- (i) to the municipalities, to fully engage in the preparation and implementation of solid LBAPs.
- (ii) to the Ministry of Sustainable Development, the public enterprises for national parks and for the coastal zone, to encourage and assist in the development of LBAPs. It may be useful to provide clearer guidance on what is expected to be addressed in LBAPs.
- (iii) to the central authorities, to provide the municipalities with more financial resources directly from the central budget, or to increase their competencies to raise funding (e.g. through PES).
- (iv) to encourage full stakeholder involvement in the development of the LBAPs, both at the beginning for developing options and ideas, and in the final stages as regards prioritisation;
- (v) to the municipalities, to participate in the development of the spatial plan so as to ensure the proper protection of biodiversity.

3.16 Red Listing Book and species protection

A lack of baseline data for habitats and species and insufficient coverage due to financial and human resources have been identified in the fifth national report. A red listing book has not yet been prepared, although a regional red listing book is under preparation. As foreseen in Article 90 of the Law on nature Protection, a red list book can be an important tool for prioritizing conservation measures targeting specific ecosystems, species or genes. The inventory that is being prepared for establishing a Natura 2000 network in Montenegro may be used for these purposes too.

It is recommended:

- (i) To prepare the Red Listing Book alongside the inventory for the Natura 2000 network.
- (ii) To address endangered species and the most vulnerable habitats in the management plans for the national parks and other protected areas.
- (iii) Where necessary, to adjust these management plans in the light of the findings stemming from the inventory for establishing the Natura2000 network.
- (iv) To implement the Red List Index as foreseen in the arrangements for implementing the SDGs. The UN SDG database is a useful data source, and the two indicators IUCN Red List Index and protected area coverage are particularly relevant.¹² The strategy and actions to facilitate research/studies on taxonomy and species assessments are important.

3.17 Integration of biodiversity into other sectors

Article 23 of the Constitution states that everyone, the state in particular, shall be bound to preserve and promote the environment, and that ratified and published international agreements shall make an integral part of the internal legal order, which shall have the supremacy over the national legislation.

The NBSAP recognises the importance of integrating biodiversity in other sectors, but does not provide guidelines for sector integration, nor concrete planning, budgeting, or reporting mechanisms. However, without adequate integration of biodiversity in other sectors, the biodiversity targets in the NBSAP will not be achieved.

The people of Montenegro generally recognise the importance of nature and of a clean environment for health, which can help awareness-raising on the values and importance of biodiversity, including in education.

It is recommended:

- (i) Based on Article 23 of the Constitution, to enshrine in law the integration of ecological and ecosystem protection in other governmental policies as an overriding principle.

¹² <https://unstats.un.org/sdgs/indicators/database/?indicator=15.5.1> and <https://unstats.un.org/sdgs/indicators/database/?indicator=15.1.2>. The SDG database gives MNE time series for both.

- (ii) To continue to emphasise the importance of biodiversity and healthy ecosystems for the economy and for well-being.
- (iii) To involve all relevant ministries in continuous stakeholders' involvement and awareness-raising, including through long-term programs.
- (iv) To strengthen environmental education, especially for youth, as part of the imminent overhaul of national curriculum and vocational education, professional skills.

3.18 Relation with Agenda 2030 and other international frameworks

The NBSAP refers to Montenegro's national sustainable development strategy, however without further specification.

It is recommended:

- (i) To highlight the political importance of biodiversity by clarifying the contribution of biodiversity policies to the Agenda 2030 and the SDGs, the Paris Agreement on climate change and synergies between biodiversity-related Multilateral Environmental Agreements and other regional agreements.

3.19 Invasive alien species (IAS)

The fifth national report to the CBD and the NBSAP identify IAS, including marine IAS, as a threat. Port reception facilities to ensure adequate treatment of ballast water are foreseen to be established. The NBSAP recognizes the need for a systematic study and development of an inventory of IAS, as was also planned in the previous NBSAP.

It is recommended:

- (i) to prepare a solid plan for incorporating the EU legislation on IAS and start implementation as soon as possible. There are several tools and information systems that can be used. Experience in other (new) EU Member States may be very helpful. Regional and transboundary cooperation may greatly facilitate identifying pathways, developing action plans for addressing those pathways both on land and sea, putting in place early detection systems and measures for rapid eradication and management actions. The plan should include an awareness-raising strategy for targeted IAS and targeted stakeholders.
- (ii) to mitigate the risk of spreading IAS through soil displacement during the construction of the highway between Podgorica and Serbia and through increased international transport once it is in use.

3.20 Agriculture

The share of agriculture in the total economy is some 8.3% (year 2013). The NBSAP highlights appropriate issues and measures.

It is recommended:

- (i) to take measures to maintain biodiversity related to agriculture, notably dry meadows.
- (ii) to encourage community-based eco-tourism. This may help to stop land abandonment and related biodiversity loss.
- (iii) to address eutrophication and pollution stemming from agriculture in particular in the area of Skadar Lake.

3.21 Environmental Impact Assessment/Strategic Impact Assessment

Significant progress has been made in transposing EU legislation on environmental impact assessments and strategic environmental assessments (EIA/SEA) and there has been significant training for putting these processes in practice. The way this has been done may serve as an example for other environmental policy processes. In addition, there have been various valuations of ecosystem services which may assist the preparation of EIAs and SEAs. The team has not, however, been able to assess the actual implementation and quality of EIAs and SEAs performed.

3.22 Communication, education and public awareness (CEPA) and stakeholder engagement

It is recommended:

- (i) to continue to work on CEPA and to develop a CEPA strategy, including for capacity-building for CEPA. Gender aspects to be addressed as well.
- (ii) To encourage engagement and organisational capacity of civil society. The launch of the second investment phase of the Critical Ecosystem Partnership Fund in the Western Balkans represents a good opportunity.¹³ For engaging stakeholders in biodiversity research, the handbook prepared by BiodivERsa¹⁴ may be useful.
- (iii) To encourage youth engagement in particular. Activities by the Global Youth Biodiversity Network could catalyse such engagement.

¹³ http://www.cepf.net/where_we_work/regions/europe_central_asia/mediterranean/Pages/default.aspx.

¹⁴ <http://www.biodiversa.org/702>.

3.23 Cross-border cooperation

As the country is relatively small, cooperation with neighbouring countries can bring many benefits. The Bern Convention and the envisaged accession to the EU provide useful frameworks, but additional bilateral/sub-regional cooperation might be appropriate (e.g. as regards the Balkan Lynx).

It is recommended:

- (i) For increasing effectiveness and reducing costs, to encourage cross-border cooperation, in particular as regards cross-border PAs (as foreseen in the NBSAP), IAS, the regional species red list assessment.
- (ii) To continue to engage in regional coordination processes, such as those facilitated by GIZ.

3.24 Science

There are good Montenegrin scientific experts on many issues, but the scientific community is rather small. Universities and natural history museums are involved, but there is scope for stepping up their activities.

It is recommended:

- (i) To develop a structural and programmatic approach towards monitoring and scientific underpinning of Montenegrin biodiversity policy. This may encourage scientific institutions to increase investments in scientific capacity for biodiversity, strengthen science-policy linkages and promote cooperation.
- (ii) Strengthen scientific education making sure that in depth knowledge of fauna and flora is available in the country and biodiversity protection is part of the respective curricula of University courses.

3.25 Other direct pressures

Ongoing investments in wastewater treatment facilities have reduced pressure from waste water. Continuation, as foreseen, is important.

Municipal, industrial and hazardous waste policy is improving, whilst a major further improvement can be expected from transposing and implementing EU waste legislation. Promoting recycling and the circular economy may further contribute to alleviating the direct pressure from waste on biodiversity.

4. Peer learning

The VPR for Montenegro provided ample opportunities for peer learning fully in line with the second objective of the VPR.

- Much of the experience, and many of the recommendations, bear some relevance for biodiversity policies in one or more of the home countries of the members of the review team. This applies to specific policy issues e.g. as regards integration of biodiversity in tourism and forestry, but also to general aspects, such as the preparatory process of NBSAPs, enforcement and mechanisms for prioritisation of scarce human and financial resources. Therefore, the VPR will contribute to the implementation and future reviews of the NBSAPs in the home countries of the members of the team.
- The areas of expertise and skills of the team members and the supporting staff from the CBD Secretariat were highly complementary. The VPR in Montenegro offered significant learning opportunities on areas outside their core competencies. Reviewers learned not only from the assessment of Montenegrin policy, but also from contrasting Montenegrin experiences with their domestic experiences, so the joint experience exchanged was very rich.
- The VPR of Montenegro also enhanced the skills of the members for carrying out biodiversity policy reviews. This concerns e.g. the preparations, the identification of the most relevant interlocutors and the formulation of the right questions and ways to conduct interviews.
- The experiences are particularly useful also for the reviewers from the countries that may host a next VPR.
- The VPR offered, furthermore, an excellent opportunity to practice international team work. All members of the team and the supporting staff from the CBD Secretariat thoroughly enjoyed the exercise.

Learning opportunities were also seized by the staff of the Montenegrin authorities involved in the Review, see Chapter 5 below.

5. Response by the Montenegrin Authorities

5.1 General policy response

The voluntary peer review has proven to be a useful tool for contributing to the implementation of the National Biodiversity Strategy and Action Plan (2016-2020). The Action Plan is based on the Aichi Biodiversity Targets and thus in line with the overall Strategic Plan for Biodiversity (2011-2020). Generally, the Montenegrin Government is putting great effort into complying with the provisions of the EU acquis. The accession of Montenegro to the EU is considered to be possible by 2025. For this purpose, the “National Strategy with Action Plan for transposition, implementation and enforcement of the EU acquis on Environment and Climate Change 2016-2020” (EU Environment Strategy) has been elaborated. There is a large degree of overlap among the targets and associated activities contained in the above-cited strategies. Chapter 27 on Environment and Climate Change, within the EU acquis, which is relevant to biodiversity protection, is scheduled to be opened by the end of 2018. In this context, the synergies between the two processes allow for the limited financial and human resources available to relevant governmental institutions to be used in the most effective manner.

As the Constitution states that Montenegro is a civil, democratic and ecological state, biodiversity protection is an integral part of the country’s development plans. The majority of the country’s income is generated by the tourism sector, with the main capital for tourism development derived from Montenegro’s diverse and beautiful natural and cultural landscapes, including rich biodiversity. This report provides a comprehensive list of the many challenges Montenegro is faced with in the field of nature protection, as well as presents solutions to these challenges.

5.2 Policy response to the various recommendations

In this section, responses to selected recommendations are provided.

Regarding the **urgency of implementation (section 3.1.)**, it is planned to gradually step up staffing and budget levels for nature conservation measures in the context of the EU acquis. This will also help to enhance implementation and enforcement of biodiversity policies in general. This is described in the EU Environment Strategy. In addition, we agree that awareness of ecological issues should be raised in the field of environment.

The new spatial plan for the Skadar Lake National Park has been adopted. It takes the ecological value of the lake into account and defines zoning for it. Moreover, in order to allow for sustainable tourism development of this transboundary lake, large-scale tourism projects are not permitted.

Regarding **NBSAP role and process (section 3.2)**, it is mentioned above that identified synergies between the EU acquis and the NBSAP will be used to meet targets and step up measures for biodiversity protection.

Regarding the **institutional framework (section 3.3.)**, it can be stated that, under the Decree on changes and amendments to the Decree on organization and manner of work of state administration (“OG of MNE”, No. 19/17), adopted by the Government at its session on 23 March 2017, the Nature and Environmental Protection Agency (NEPA) has become the administration authority within the Ministry of Sustainable Development and Tourism. This reorganization did not create any change in terms of implementation of environmental legislation. Namely, all the procedures (expert and

related administrative procedures in the field of environmental protection), performed by the former Environmental Protection Agency (EPA), have remained within the competency of the NEPA, as an authority within the Ministry. This means that NEPA (formerly the EPA) continues to perform the tasks of implementing laws and other regulations, administrative and expert procedures (such as the issuing of licenses, monitoring of the state of environment, development of analyses and reports, communication with the public), as well as other tasks determined by the special Laws and other regulations. In particular, NEPA (the same as the EPA) continues to cooperate with the international bodies and organizations of other countries dealing with environmental protection issues (particularly with the European Environment Agency), and participates in the work of professional networks within the EU, as well as with similar agencies in other countries.

It is important to clarify that the supervision over the legality and integrity of the work, as well as the legality of the administrative acts of the EPA, was carried out by the Ministry. Identically, supervision over the legality and integrity of the work, and the legality of the administrative acts of the NEPA, is carried out by the Ministry.

The only change that this reorganization has brought about is that NEPA does not have an independent budget, because its budget is now part of the Ministry's budget. On the positive side, the reorganization did not cause a reduction in the NEPA's budget as compared to the EPA's budget. On the contrary, in 2017, the total budget of the EPA was €1,370,139.74 while, for the NEPA, in the Law on Budget for 2018, the total amount of funds is €1,430,489.74 (which represents an increase of 4,4%). Also, for the implementation of the most important activity of this authority, which is the monitoring of the state of the environment, in 2017, a total amount of €330,000,00 was provided, while in the Law on Budget for 2018 there is a growth of 21% (meaning that for the monitoring of the state of the environment for 2018 a total amount of €400,000 has been projected).

Finally, this reorganization was done with the aim to make financial and budgetary operations more efficient and rational, as well as to engage the existing staff of the EPA/NEPA more proactively in the process of EU integration and negotiations on Chapter 27 (in the next phases of this process, activities will focus on the implementation of numerous commitments related to negotiations on Chapter 27).

Based on what is stated above, and with reference to the autonomous decision of the Government, made at its session on 23 March 2017, with regard to the legal status of EPA/NEPA (this decision was previously thoroughly elaborated by relevant Government authorities in charge of the surveillance of legality of decisions made in relation to the competencies of the responsible Government authorities), this authority has kept all the competencies of the former EPA (this is provided in the numerous Laws regulating the area of environment in Montenegro that explicitly state that NEPA is the competent authority in numerous executive activities).

In addition, within the context of the EU acquis, a working group to look into the creation of a biodiversity database has been established (more details are provided below). There are also plans to establish a working group to facilitate the establishment of the Natura 2000 network.

Regarding **capacity-building (section 3.5)**, it can generally be said that, within the framework of the EU acquis, there are plans for increasing staff numbers and establishing a stable government budget for key activities in the field of biodiversity protection. In addition, to optimize the synergies between projects and fill existing gaps with project input, activities aimed at strong donor coordination are

planned. The recommended “biodiversity committee” could provide a platform for such coordination.

NEPA and the Ministry have set up a working group to elaborate a biodiversity database and streamline future **monitoring and biodiversity data collection (section 3.6)** in a way that responds at minimum to the requirements of the EU acquis. The Birds and Habitat Directives and the set-up of the Natura 2000 network are the key activities in this regard. However, the reporting needs of the other international treaties will also be considered (CBD, Ramsar, UNESCO, Bern, etc.). This will in turn assist in enhancing biodiversity monitoring in general and in modernizing data collection (use of an application on mobile computer devices, etc.) as well as in enhancing the use of GIS technology.

Regarding law enforcement (**section 3.7**), it can be stated that the demarcation of the protected areas borders is in process.

We do agree that the local communities need to be involved in law enforcement in a proactive and positive way.

In regard to all proclaimed **protected areas (section 3.8)** from 2008 onwards, there is a legal obligation to nominate them as protected in parallel with the nomination of a credible manager. Proclaimed protected areas (with the exception of the national parks) nominated before 2008, do not have nominated managers.

In addition, a GEF-funded project is facilitating the establishment of three marine protected areas off the coast of Montenegro. This project began in July 2018 and is supervised by the Ministry of Sustainable Development and Tourism and NEPA. This project also contributes to the establishment of the Natura 2000 network.

Montenegro aims to develop, in a participatory manner, management plans for all protected areas. The development of these plans should follow the IUCN Guidelines on the development of management plans for protected areas, as well as the EU guidelines to manage Natura 2000 sites. Procedural details and structure for protected area management plans should be defined within the legal framework of the country.

The Montenegrin authorities have made strong efforts to ensure the protection of Ulcinj Salina.

An EU-funded study on the protection of the Salina was finalized in November 2017. It addresses all issues of relevance for this site (biodiversity, salt production scenarios, sustainable development models at the site, management models, etc.). It was particularly important that, through the work of the Steering Committee that supervised the preparation of the study, the position of all key stakeholders (competent ministries, the municipality of Ulcinj, NGO-CZIP, Public Enterprise “National Parks”, Commercial Court, Eurofond, EU) was defined. On the basis of the study and defined positions, further decisions will be taken soon (all in accordance with Montenegrin environmental laws, ratified international agreements, adopted planning documents, etc.).

It is also worth mentioning that on 23 February 2017, the Government adopted the Decision on the Urban Spatial Planning Plan of the Municipality of Ulcinj, which provides protection for the Saline area. With the contract annex signed in August 2017, the Public Enterprise “National Parks” of Montenegro extended the rent of the Ulcinj Salina for a period of one year. Furthermore, on 23 September 2017, a new pump at the Djerane pumping plant was commissioned which, in addition to

the existing one, will ensure the establishment of the water regime in the most demanding periods (this is necessary for maintaining the biological optimum needed to preserve the biodiversity of the Saline). Overall, from May 2015 until August 2018, the state invested about one million Euro in the management of Ulcinj Salina.

As regards **forestry (section 3.9.)**, concessions for the harvesting of timber and firewood are under constant inspection control.

In regard to **tourism development (section 3.10)**, the negative impacts on the habitats along the coastline have to be minimized. A spatial plan for the coastline is under elaboration, which will address sustainable tourism development. Waste and waste water issues are addressed in the EU Environment Strategy and are certainly important for the development of the tourism sector in general.

Community-based eco-tourism is understood as an important tool for sustainable tourism development in Montenegro.

A **biodiversity fund channelling the payments from ecosystem services (section 3.11)** and the tourism sector could be a sustainable financing tool for nature conservation. However, a realistic concept for such activities has yet to be developed.

Spatial planning (section 3.12) is understood as a regulation tool for the sustainable development and the conservation of nature of Montenegro. We will continue to improve a transparent procedure for elaborating such tools.

Regarding **renewable energy and climate change (section 3.13)**, hydropower can have a negative impact on Montenegro's rivers and ecosystems and at the same time help to mitigate climate change. We are aware of their role for the tourism sector and the sustainable development of the country. Thus, mitigation measures will be part of the planning process related to hydropower stations.

Reference lists for protected species under the EU Birds and Habitats Directives have been elaborated. This work will help to prepare the needed **Red Listing Book (section 3.16)** for the fauna and flora of Montenegro.

Regarding **invasive alien species (section 3.19)**, the new law has been elaborated and will soon be adopted. The mapping, monitoring and elaboration of specific action plans is scheduled for the next years.

In regard to **cross-border cooperation (section 3.23)**, in July 2018, a bilateral agreement between Montenegro and Albania, in the field of water resource management, was signed. Both countries are concerned about common natural resources. Skadar Lake and the Bojana River are recognized as having a high level of biodiversity, in addition to economically important fish species (whose exploitation provides significant income for the local population).

5.3. Peer learning on the side of Montenegro

Montenegro appreciates being a part of the voluntary peer review process. This has helped us better understand the status of implementation of our national biodiversity strategies. Learning from the experiences of other countries is a wise tool to achieve sustainable development in the country. In



addition, the process assists in enhancing transparency in activities related to the development of the NBSAP and similar programs.

Annex 1: Montenegro at a Glance

Source: Montstat 2017

Surface area (sq km)	2011	13812 km ²
Population	2011	620 029
Active population	2016	272 500
Capital city	2011	Podgorica
GDP: Gross domestic product per capita (Euro)	2016	6354 mil.
GDP const. prices (Euro)	2016	3762 mil.
GDP current price (Euro)	2016	3954 mil.
Economy: Agriculture (GVA – x 1000 Euro)	2016	295 472
Economy: Manufacturing (GVA – x 1000 Euro)	2016	149 495
Economy: Education (GVA – x 1000 Euro)	2016	168 507
Employment rate	2016	44.8
Wages and salaries (monthly average Euro)	2015	378
Percentage of tourism in global GDP. Source: World tourism Council. https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/montenegro2017.pdf	2016	10.2%
GDP share of agriculture		
Gross Value Added by GDP at constant price - Agriculture, forestry and fishing	2015	8.0%
Gross Value Added by GDP at constant price - Mining and quarrying	2015	1.2%
Gross Value Added by GDP at constant price - Manufacturing	2015	4.0%
Gross Value Added by GDP at constant price - Electricity, gas, steam and air conditioning supply	2015	3.7%
Gross Value Added by GDP at constant price - Education	2015	4.2%
Gross Value Added by GDP at constant price - Human health and social work activities	2015	3.7%
Gross Value Added by GDP at constant price - Wholesale and retail trade; repair of motor vehicles and motorcycles	2015	11.6
Consumer index price	2016	101
Total agriculture utilised land (ha)	2016	255845.8

Planted new forest (ha)	2016	597
Cut gross wood mass in 1000m ³	2016	555
Import (mil. Euro)	2016	2061.7
Export (mil. Euro)	2016	325.8
International tourism (person)	2016	10528475
Number of schools / primary	2016 / 2017	439
Number of schools / Secondary	2016 / 2017	50
University education (student)	2016 / 2017	21 422
Scientific and professional libraries	2016	14
Number of doctors per 10 000 inhabitants	2016	26.5
Land boundaries km		614
Annual average Temp. C (Podgorica)	2016	16.6
Annual average precipitation L/m ² (Podgorica)	2016	1993.7
Used water in industry (1000 m ³)	2016	2702338
Consumed water (1000m ³)	2016	2701067

Annex 2: list of people interviewed

	Name	Institution
1.	Ivana Vojinović, General Director	Ministry of Sustainable Development and Tourism – Directorate for Environment
2.	Marina Spahic, Head of the Department for the Nature Protection	Ministry of Sustainable Development and Tourism- Directorate for Environment
3	Tamara Djurović, Head of the Department for Air Protection	Ministry of Sustainable Development and Tourism Directorate for Environment -
4.	Natasa Bjelica, Senior Advisor	Ministry of Sustainable Development and Tourism Directorate for Environment -
5.	Jelena Kovačević, Head of the Department for Chemicals and industrial pollution	Ministry of Sustainable Development and Tourism- Directorate for Environment
6.	Olivera Kujundžić, Senior Advisor	Ministry of Sustainable Development and Tourism-

		Directorate for Environment
7.	Brankica Cmiljanović, Head of the Department for Horizontal legislation	Ministry of Sustainable Development and Tourism-Directorate for Environment
8.	Vojislavka Djurdjić, Senior Advisor	Ministry of Sustainable Development and Tourism-Directorate for Spatial Planning
9.	Željka Čurović, Senior Advisor	Ministry of Sustainable Development and Tourism-Directorate for Spatial Planning
10.	Suad Djelević, Senior Advisor	Ministry of Sustainable Development and Tourism-Directorate for Tourism
11.	Tamara Pavičević, Advisor	Ministry of Sustainable Development and Tourism-Directorate for Spatial Planning
12.	Sanela Metjahić, Senior Advisor	Ministry of Sustainable Development and Tourism-Directorate for Waste and Communal infrastructure
13.	Milica Mudreša, Advisor	Ministry of Sustainable Development and Tourism-Directorate for Climate Change
14.	Danijela Račić, Advisor	Ministry of Sustainable Development and Tourism-Directorate for Climate Change
15.	Ivana Stojanović, Senior Advisor	Ministry of Sustainable Development and Tourism-Department for Sustainable Development and Integrated Coastal zone management
16.	Aleksandar Mijović	Public Enterprise for National Parks of Montenegro
17.	Nela Vešović Dubak	Public Enterprise for National Parks of Montenegro
18.	Vasilije Bušković, Senior Advisor	Nature and Environmental Protection Agency
19.	Aleksandra Ivanović, Head of the Department for Protection	Public Enterprise for Coastal zone Management
20.	Nemanja Malovrazić, Senior Advisor	Public Enterprise for Coastal zone Management
21.	Miloš Janković, Head of the Department for Hunting	Ministry of Agriculture and Rural Development
22.	Ranko Kankaraš, Head of the Department for Forest	Ministry of Agriculture and Rural Development
23.	Branka Knežević, Advisor	Capital City of Podgorica
24.	Sissi Samec, Team Leader for project	AAM Consulting



	„Establishment NATURA 2000“	
25.	Jelena Peruničić, National coordinator	GIZ
26.	Jovana Janjušević, Director of CRB	Center for Research of Birds
27.	Sladjan Maslac	Delegation of European Union in Montenegro
28.	Lidija Šćepanović, deputy director	Nature and Environmental Protection Agency
29.	Andrea Štefan	WWF Adria
30.	Kasandra Ivanić	WWF Adria
31.	Zoran Mrdak	Association Parks Dinarides
32.	Lidija Brnović	Association Parks Dinarides
33.	Ljubiša Pejović	Association Parks Dinarides
34.	Jelena Delic, Project assistant	AAM Consulting
35.	Borut Rubinic	Birdlife International

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