

Montenegro

General Information

Summary	<p>Status: ETS under development</p> <p>Jurisdictions: Montenegro</p> <p>In December 2019, Montenegro adopted the ‘Law on Protection from the Negative Impacts of Climate Change,’ which entered into force in January 2020. The law mandates the development of a comprehensive set of climate policies including a GHG inventory, a low-carbon development strategy, and a national MRV system. It further sets the legal basis for a national ETS for the industry and power sectors.</p> <p>A bylaw specific to the ETS, the ‘Decree on activities for which a GHG permit is issued,’ was adopted in February 2020. The regulation determines sectoral coverage and inclusion thresholds, rules governing trade of permits, allocation rules for auctions, benchmarking and grandfathering, and a market stabilization reserve. It further includes provisions for banking allowances, a minimum reserve price of EUR 24/tonne (USD 27.41/tonne), and a linear reduction factor that would reduce the emissions cap by 1.5% year-on-year between 2020–2030. Revenue from auction proceeds would go to the Environmental Protection Fund to finance climate innovation, renewable energy, and environmental protection.</p> <p>Montenegro has been an EU candidate country since 2010 and is required to bring its environmental and climate change policy in line with the EU as part of accession talks under Chapter 27 that began in late 2018. The national ETS would ensure that Montenegro has the climate policy infrastructure in place to take part in the EU ETS should it become a member country of the European Union.</p>										
Year in Review	No information available yet.										
Overall GHG emissions (excluding LULUCF)	Emissions: 3.5 MtCO ₂ e MtCO ₂ e (2015)										
Overall GHG emissions by sector (in MtCO ₂)	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy (2.5)</td> <td>2.5</td> </tr> <tr> <td>Industrial Processes (0.4)</td> <td>0.4</td> </tr> <tr> <td>Agriculture (0.4)</td> <td>0.4</td> </tr> <tr> <td>Waste (0.2)</td> <td>0.2</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy (2.5)	2.5	Industrial Processes (0.4)	0.4	Agriculture (0.4)	0.4	Waste (0.2)	0.2
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Waste (0.2)	0.2										
GHG reduction target	BY 2030: 30% GHG emissions reduction below 1990 levels (NDC)										
Carbon Price	<i>Current Allowance Price (per t/CO₂e):</i> No information available yet.										

ETS Size

Covered emissions	No information available yet.
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GHGs covered	No information available yet.
Sectors and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading periods	No information available yet.
Allocation	No information available yet.

Flexibility

Banking and borrowing	No information available yet.
Offsets and credits	No information available yet.
Market Stability Provisions	No information available yet.

Compliance

Compliance Period	No information available yet.
Monitoring, Reporting, Verification (MRV)	No information available yet.
Enforcement	No information available yet.

Linking

Links with other systems	As part of EU accession talks, Montenegro has opened chapter 27 of the acquis in December 2018 and continues to align with the EU's legislative framework on climate change; notably by adopting legislation on the EU ETS, the EU ETS Directive 2003/87/EC, subsequent amendments and secondary legislation such as on allocation rules, MRVA, auctioning and the Union Registry.
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Other Information

Institutions involved	The Ministry of Sustainable Development and Tourism
Evaluation / ETS review	No information available yet.
Revenue	No information available yet.
Implementing Legislation	Decree on activities for which a GHG permit is issued (2020)

| [Law on Protection from the Negative Impacts of Climate Change \(2019\)](#)

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