

Montenegro

General Information

Summary	<p>Status: ETS under development</p> <p>Jurisdictions:</p> <p>On 21 February 2020, Montenegro’s regulation on emissions trading entered into force, launching preparations for a national ETS that would cover the industry and power sectors.</p> <p>The regulation was adopted on 6 February 2020 and follows the earlier passage of a climate change law in December 2019, which provides the legislative framework for Montenegro’s low-carbon strategy and introduced, among other measures, emissions reporting obligations.</p> <p>The launch date of the ETS to be implemented under the regulation has not been announced, but the regulation establishes 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, and a linear reduction factor that would reduce the emissions cap by 1.5% year-on-year between 2020–2030.</p> <p>Revenue from auction proceeds will 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 policy in line with the EU 2030 climate & energy framework as part of Chapter 27 accession talks, which opened late 2018.</p>										
Year in Review	No information available yet.										
Overall GHG emissions (excluding LULUCF)	Emissions: 3.49 MtCO ₂ MtCO ₂ e (2015)										
Overall GHG emissions by sector	<table border="1"> <thead> <tr> <th>Sector Name</th> <th>MtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Energy</td> <td>2528</td> </tr> <tr> <td>Industrial Processes</td> <td>0.411</td> </tr> <tr> <td>Waste</td> <td>0.203</td> </tr> <tr> <td>Other</td> <td>0.352</td> </tr> </tbody> </table>	Sector Name	MtCO ₂ e	Energy	2528	Industrial Processes	0.411	Waste	0.203	Other	0.352
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Energy	2528										
Industrial Processes	0.411										
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Overall 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

Emissions covered by the ETS	No information available yet.
GHG covered	No information available yet.
Sectors covered and thresholds	No information available yet.
Point of regulation	No information available yet.
Number of liable entities	No information available yet.
Cap	No information available yet.

Phases & Allocation

Trading period	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 Climate Protection (2019) Law on Air Protection (2010)

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