

**Greenhouse Gas Verification Statement Number
UK.PRS.VOL.INV.0417/Methodology/06/2016**

The Montenegro tourism sector GHG inventory methodology and Calculation Tool
of

United Nations Development Programme – Montenegro

Party Address: UN Eco House, Stanka Dragojevic bb,
81000 Podgorica, Montenegro

has been verified in accordance with ISO 14064-3:2006 as enabling the calculation
of GHG emissions for:

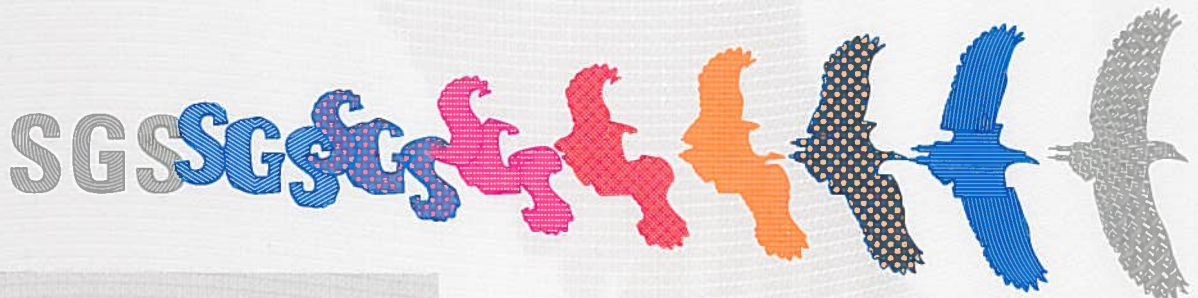
**The Montenegro tourism sector GHG inventory methodology and calculation
tool developed by a consortium led by Factor CO2, Spain**

Lead Assessor: Shane Hughes
Technical Reviewer: Peter Simmonds

Authorised by:

Jonathan Hall
Business Manager
SGS United Kingdom Ltd
Verification Statement Date 07/07/2016

This Statement is not valid without the full verification scope, objectives, criteria and conclusion available
on pages 2 to 3 of this Statement.



Schedule Accompanying Greenhouse Gas Verification Statement Number UK.PRS.VOL.INV.0417.2013/Calculation Tool/06/2016

Brief Description of Verification Process

SGS has been contracted by United Nations Development Program – Montenegro (referred to as the “Party”) for the verification of a methodology and tool used to calculate the GHG inventory of the tourism sector of Montenegro in accordance with ISO 14064-3:2006

Roles and responsibilities

The management of United Nations Development Program – Montenegro is responsible for the organization’s GHG information system for the Montenegro tourism sector including, the development and maintenance of records and reporting procedures in accordance with that system, the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS’ responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the United Nations Development Program – Montenegro’s tourism sector GHG inventory calculation methodology and tool.

SGS conducted a third party verification based on the verification scope, objectives and criteria as agreed between The United Nations Development Program – Montenegro and SGS on 11/04/2016.

Level of Assurance

The level of assurance agreed is reasonable

Scope

The United Nations Development Program – Montenegro has commissioned an independent verification by SGS of The tourism sector GHG inventory methodology and calculation tool to establish conformance with the guidelines of Paragraph 2 to 24 of the Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention, 2003 * within the scope of the verification as outlined below..

This engagement covers verification of the methodology and tool for calculating the GHG inventory of Montenegro’s tourism sector. The tool and methodology have the option to calculate emissions from in country and out of country direct and indirect emissions. The verification is based on ISO 14064-3 2006. The scope of this engagement covers;

- Title or description of activities: The tourism sector of Montenegro
- Location/boundary of the activities: Montenegro
- GHG sources, sinks and/or reservoirs included:
 - In country; Accommodation and other services, Waste, Road, Railway Shipping and Air transport
- Out of country Road, Railway, Shipping and Air transport from tourists travelling to and from Montenegro
- Types of GHGs included: CO₂, N₂O and CH₄.
- Intended user of the verification statement: Internal and public reporting to UNFCCC Conference of the Parties and its entities and structures.

Objective

The purpose of this verification exercise is, by review of objective evidence, to independently review:

- The methodology employed in the tool calculates CO₂ equivalent emissions for the tourism sector in Montenegro according to the requirements of the criteria below.

Criteria

Criteria against which the verification assessment is undertaken are the guidance

outlined in Paragraph 2 to 24 of the Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention, 2003 *.

Materiality

The materiality required of the verification was considered by SGS to be below 5%, based on the needs of the intended user of the GHG Assertion.

Conclusion

United Nations Development Program - Montenegro provided the tourism sector GHG inventory Methodology and Calculation Tool based on the guidance outlined in Paragraph 2 to 24 of the Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention, 2003 *. The methodology and tool, used to calculate the tourism sector carbon footprint of Montenegro, are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria. The version of the calculation tool verified is "Baseline_tool_201606015".

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the reporting of emission information.

SGS concludes with reasonable assurance that the Methodology employed in the tool is materially correct.

SGS makes the following qualifications:

The Party's methodology uses Environmentally Extended Input-Output Analysis (EE-IOA) for calculating activity data for some key categories. The inherent uncertainty with EE-IOA has not been accounted for within the materiality level applied.

* Note, paragraph 2 to 24 of the Guidelines for the preparation of national communications from Parties not included in Annex I to the Convention, 2003 is the annex on page 4 of United Nations Framework Convention on Climate Change Report of the Conference of the Parties on its eighth session, held at New Delhi. From 23 October To 1 November 2002.

Addendum, Part Two: Action taken by the Conference of the Parties at its eighth session, dated 28 March 2003

Supporting document: Reporting on climate change user manual for the guidelines on national communications from non-Annex I Parties

Note: This Statement is issued, on behalf of Client, by SGS United Kingdom Ltd, Rossmore Business Park, Inward Way, Ellesmere Port, Cheshire, CH65 3EN ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement and the supporting GHG Assertion may be consulted at United Nations Development Program - Montenegro website (www.me.undp.org). This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.