



MONTENEGRO

TECHNICAL ASSISTANCE REPORT – PUBLIC INVESTMENT MANAGEMENT ASSESSMENT

June 2022

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Montenegro

Public Investment Management Assessment

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July 2021

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ACRONYMS

ARS	Asset Registry System
BBH	Bar-Boljare Highway
BMS	Budget Management System
BOT	Build Operate Transfer
CA	Contracting Agency
CDPA	Cadastre and State Property Administration
EBRD	European Bank for Reconstruction and Development
EME	Emerging Market Economies
EPCG	Elektroprivreda Crne Gore (state-owned electricity company)
ERA	Energy Regulatory Agency
FMIS	Financial Management Information System
FPG	Fiscal Policy Guidelines
IPA	Instrument for Pre-Accession Assistance
LBFR	Law on Budget and Fiscal Responsibility
LPCP	List of Priority Capital Projects
MIA	Investment Agency of Montenegro
MOF	Ministry of Finance and Social Welfare
MTBF	Medium-term Budgetary Framework
MTEF	Medium-term Expenditure Framework
MTEF	Medium-term Fiscal Framework
NIC	National Investment Committee
NIPAC	National IPA Coordinators
PFM	Public Financial Management
PIM	Public Investment Management
PIMA	Public Investment Management Assessment
PIMIS	Public Investment Management Information System
PPP	Public-Private Partnership
SAI	State Audit Institution
SNG	Subnational Government
SOE	State-Owned Enterprise
SPP	Single Project Pipeline
SRA	Strategic Relevance Assessment
SSPP	Sector Single Project Pipelines
SWG	Sector Working Group
ToR	Terms of Reference
TSA	Treasury Single Account
ZPCG	Zeljeznicki Prevoz Crne Gore (state-owned passenger railway company)

PREFACE

In response to a request from the Ministry of Finance and Social Welfare (MoF), Staff from the IMF's Fiscal Affairs Department (FAD) undertook a remote Public Investment Management Assessment (PIMA) during June 16 - July 12, 2021. The PIMA was conducted remotely given health and travel related restrictions in place at the time due to the COVID-19 pandemic. The mission comprised Arturo Navarro (Head, FAD), Bojan Pogacar (Regional Advisor, FAD), Eduardo Aldunate, Mary Betley, and Willie Du Preez (All Experts, FAD), and Milan Lakicevic (Economist, World Bank).

The tasks of the mission were, to: (i) assess Montenegro's public investment management framework; (ii) assist the authorities to prepare a reform strategy and prioritized action plan for strengthening the management of public investment; and (iii) recommend follow-up areas of technical assistance that could be provided by FAD or other development partners.

At the Ministry of Finance and Social Welfare, the mission met with Ms. M. Kasalica, State Minister; Mr. B Paunovic, Director General; Ms. S. Buric, Head of Public Investment Unit; and representatives from the Directorate for Budget and Accounting; the Public Debt Management Office; the Directorate for Local Self-Government and State-Owned Enterprises; the Directorate for Economic Policy Development. The mission also met with representatives from the Public Works Administration; the Ministries of Ecology, Spatial Planning and Urbanism, Education and Health; Ministry of Capital Investments and Transport Administration; the Property and Cadastre Administration; the National IPA Coordinators Office; the State Audit Institution and ElectroPrivreda (Energy) Corporation.

The mission also met: Mr. M Susic of the Institut Alternativa, Mr. D. Hristov of the European Commission, Mr. J Sprey of the European Bank for Reconstruction and Development, and Mr. A Pamnani from the European Investment Bank.

The mission is grateful to the authorities for the frank and open discussions and close cooperation. The mission also expresses its appreciation to Ms. Slobodanka Buric and Ms. Virgjina Zadrina from the MoF, for their outstanding support; and to Ms. T. Jurlina, Ms. M. Biljuric, and Ms. N. Stojovic, for their excellent translation assistance.