



*EU Information Day
Transport Infrastructure Opportunities in
Montenegro*

HOTEL CROWNE PLAZA, PODGORICA, MONTENEGRO

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The Fiscal Strategy 2024-2027

- In order to implement infrastructural and other development projects that give impetus to economic growth, the **Fiscal Strategy** for the four-year period **(2024-2027)** includes plans to invest about **2 billion euros** for the implementation of capital projects from the budget of Montenegro.
- The stated amount of investment is planned to be financed from general budget revenues (through the Capital Budget of Montenegro), about 500 million euros from donations and grants from the European Union and, additionally, from dedicated credit arrangements with relevant international credit institutions (CEB, EBRD, EIB, etc.)
- According to the proposal of the Law on the Budget of Montenegro for 2025, the funds of the Capital Budget are planned in the total amount of €280 million for the realization of 342 capital projects with a total estimated value of €3.667 billion.

Major infrastructure projects planned in the Capital Budget of Montenegro

- Definitely, the largest and most significant infrastructure project is the start of **construction of the second section of the Bar-Boljare highway**, from Mateševo to Andrijevića, with the estimated value of **605 million euro**, which is expected in the first half of next year after the completion of strict tender procedures in accordance with the rules of the EBRD with which, in principle, a credit arrangement was agreed, as well as a non-return financial support (grant) from the European Commission.
- Also, in the next year, it is also planned to start developing project documentation for remaining sections of the Bar-Boljare highway, as well as for the Adriatic-Ionian highway and high-speed roads along the Montenegrin coast and towards Bosnia and Herzegovina, which will create conditions for the continuation of the construction of large traffic infrastructure projects.
- The estimated value of the preparation of project documentation for the above projects is 10 million euro per each.

Regulatory framework for strategic investments

- The Public Procurement Law (“Official Gazette of Montenegro”, no. 74/19, 3/23, 11/23)
- The Law on Public-Private Partnerships (“Official Gazette of Montenegro”, no. 73/19)
- Rules of international financing institutions (IFIs) and donors regarding project implementation procedures
- The Law on Strategic Investments (Draft, under public debate)

GIVE REASONS WHY THIS NEW LAW (IN DEBATE) IS IMPORTANT TO BE VOTED

Regulatory framework for strategic investments

- ▶ Bearing in mind the importance of the existence of an organized unified system of policy implementation in this area, the **Draft Law on Strategic Investments** has been prepared, and is currently undergoing public debate.
- ▶ The experience of the member states of the European Union - Croatia and Greece - was useful in creating a quality legal framework, with a special emphasis on Greece, where the creation of this investment model was one of the key starting points for the progress, development and prosperity of the country.
- ▶ The draft of this law has been fully harmonized with the EU regulatory framework, in terms of transparency and competitiveness, as well as all other public policies in Montenegro. The particular emphasis has been placed on respecting the rules of public procurement, as well as other transparent tender processes.
- ▶ THE OBJECTIVE IS TO STREAMLINE FRAMEWORK FOR PLANNING, APPROVING AND IMPLEMENTING STRATEGIC INVESTMENT IN MONTENEGRO AND ATTRACTING INVESTORS AS A RESULT OF SIMPLIFIED PROCEDURES

The Draft Law on Strategic Investments (key provisions)

Pursuant to Article 3 of the Draft Law, the methods of realization of strategic investments are as follows:

- **private strategic investment** financed by investments of domestic or foreign natural or legal persons registered in Montenegro;
- **public strategic investment** the holder of which is a state body, state administration body, administration body or local authority administration, or another body or legal entity founded by the State of Montenegro, and which is financed from the funds of the capital budget of Montenegro and/or the local self-government budget;
- **public-private strategic investment** that is realized by combining the model from points 1 and 2 of this paragraph; and
- **public-private strategic investment based on the public-private partnership model**, which is realized in accordance with the law regulating public-private partnership.

The Draft Law on Strategic Investments (key provisions)

Pursuant to Article 4 of the Draft Law, **a project will be declared a strategic investment** in case its implementation contributes to regional development, environmental protection, the creation of better conditions for employment growth, it has effects on the development or improvement of conditions or standards for the production of products and the provision of services, or in case it introduces and develops new technologies that increase competitiveness and cost-effectiveness in the economy or the public sector and/or it raises the overall level of safety and quality of the standard of living of citizens, it has a positive impact on economic activities and/or its realization creates conditions for new value in the areas referred to in Article 2 paragraph 1 of this law, having the aim to increase the competitiveness of Montenegro, provided that:

- 1) the estimated value of the project is equal to or greater than 5 million euros without VAT;
- 2) there is a possibility of financing that project from the European Union funds and programs or other international financing sources, and the estimated value of the investment is equal to or greater than 3 million euros without VAT;
- 3) the project is realized on the territory of the local self-government unit to which regulations governing tax reliefs and exemptions or other forms of development support are applied, and the estimated value of the investment is equal to or greater than 1 million euros without VAT, or;
- 4) the projects are in the field of agriculture, fishing, information technologies with an estimated value equal to or greater than 1 million euros without VAT.

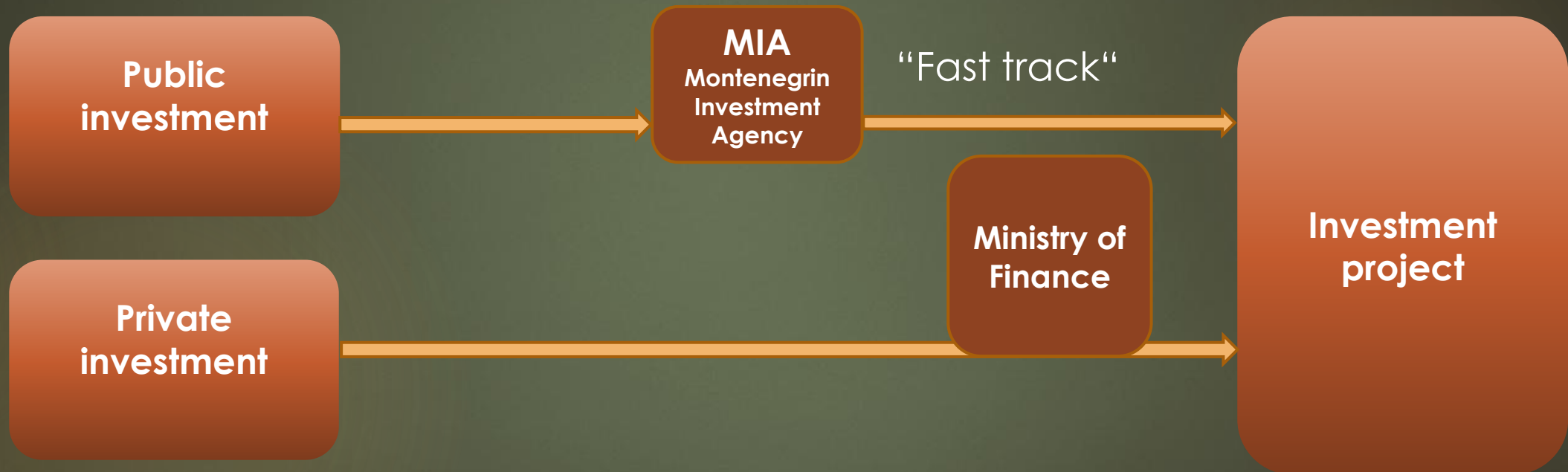
The Draft Law on Strategic Investments (key provisions)



Urgency in proceeding in connection with the implementation of strategic investment

- Administrative acts and opinions of state administration bodies, administration bodies, local administration bodies, legal entities that exercise public powers competent for their adoption are obliged to pass them within **five days**, and take administrative actions within three days of receiving the duly submitted requests of private investors, public investors or the Agency.
- Deciding on the disposal of state property and public infrastructure in connection with the realization of a strategic investment, in accordance with the regulations governing the management of state property and property legal issues, is carried out by abbreviated procedure.
- On the proposal for expropriation, the administrative body responsible for cadastre affairs decides according to the abbreviated administrative procedure.

Project approval procedure





Thank you for your attention!

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